Republic of Indonesia

Indonesia Geothermal Resource Risk Mitigation Project (GREM)

Thursday, September 26, 2019

Chair Summary*

Executive Directors approved the Indonesia Geothermal Resource Risk Mitigation Project under the Multi-phase Programmatic Approach, with an overall IBRD envelope of up to US$325 million, including, for the First Phase, an IBRD Loan in the amount of US$150 million and a Clean Technology Fund (CTF) Loan of US$40 million to Indonesia; a CTF Contingent Recovery Grant of US$32.5 million and a CTF Grant of US$2.5 million to PT Sarana Multi Infrastruktur (Persero) (PT SMI). The Minutes will reflect that Ms. Nordquist wished to be recorded as abstaining.

Directors expressed support for this highly innovative project and underscored its role in increasing the share of renewable energy in Indonesia’s energy mix, and helping Indonesia reduce greenhouse gas emissions to meet the country’s climate mitigation goals. They encouraged Management to use lessons learned to develop best practices that can be applied to other countries.

Directors highlighted the importance of engaging the private sector and coordinating closely with IFC and MIGA, in the early stages, to create markets and provide better access to energy. Directors drew attention to the Government of Indonesia’s energy reform agenda and urged the Bank to continue its assistance to improve financial sustainability of the sector and support renewable energy investments and necessary regulatory reform. Directors welcomed the Bank’s efforts to support PT-SMI project management, including those on environment and social safeguards and on citizen engagement.

* This summary is not an approved record.