



Project Summary Information

Date of Document Preparation: September 25, 2020

Project Name	Indonesia Multifunctional Satellite PPP Project
Document Code	PD000291-PSI-IDN
Country	Republic of Indonesia
Sector/Subsector	Digital Infrastructure
Status of Financing	Approved
Project Description	<p>Indonesia's Ministry of Communication and Informatics (KOMINFO) initiated the Government of Indonesia Multifunctional Satellite PPP Project to provide fast internet access to remote areas in Indonesia which can be accessed by various government sectors, such as maritime, education, health, agriculture, communication and others. Satellite-based connectivity is the only feasible access technology to cost-effectively address these remote locations. This is the first telecommunication satellite PPP (Public-Private Partnership) Project in Indonesia.</p> <p>AIIB is to provide up to US\$150 million project financing to a Special Purpose Vehicle Company, PT Satelit Nusantara Tiga ("PSNT") comprised of PT Pasifik Satelit Nusantara ("PSN"), PT Pintar Nusantara Sejahtera ("Pintar"), PT Nusantara Satelit Sejahtera ("NSS") and PT Dian Semesta Sentosa ("DSMT"). The Government Contracting Agency (GCA) is the Ministry of Communication and Informatics of the Republic of Indonesia. The executing agency is Telecommunication and Information Accessibility Agency (BAKTI).</p> <p>The Project will support the Government of Indonesia's goal to provide connectivity to more than 149,000 Public Service Points in Indonesia. The capacity is 150 Gbps, High Throughput Satellite ("HTS") with Ka-Band Frequency. The main responsibilities of the Project Sponsor under the concession agreement include:</p> <ul style="list-style-type: none"> • Securing the satellite orbit; • Constructing the satellite; • Constructing the launch rocket; • Acquiring the gateway location; • Acquiring the earth station location; • Launching the satellite; • Construction of the gateway and earth stations;

	<ul style="list-style-type: none"> • Obtaining insurances for the Project; and • Operation and maintenance of the satellite, gateway, and earth stations.
Objective	The Project objective is to improve connectivity to public service points in the least developed, frontier, and outermost regions of Indonesia.
Expected Results	<p>The Project will have social economic benefits in the following aspects:</p> <ul style="list-style-type: none"> • 93,900 schools to receive online education resources enabled by this project • 47,900 local villages to receive connectivity from this project • 3,700 health centers to receive improved connectivity from this project • 3,900 local governments connected to their Headquarters in Jakarta • 45 million individual beneficiaries to be connected by this project • 23 million female beneficiaries to be connected by this project
Environmental and Social Category	B
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) is applicable to the Project, which has been placed in Category B because considering the scale and nature of the proposed project activities, whose potentially adverse environmental and social impacts are limited in number; the impacts are not unprecedented; they are limited to the Project area; and they can be managed using good practice in an operational setting.</p> <p>An Environmental and Social Management Framework (ESMF) has been developed to cover the environmental and social scope of the Project. The ESMF covers the generally anticipated environmental and social impacts and mitigation measures for the Project and specifies the requirements for selecting Project sites that will be followed in relation to environmental and social screening, categorization, and assessment, including monitoring, meaningful consultation with affected people and relevant stakeholders, and information disclosure requirements.</p> <p>Anticipated environmental impacts will occur mainly in the construction stage, including dust, noise and disruption to local traffic and local business and residents. Other anticipated impacts after the construction stage would be the improper disposal of construction waste. A site-specific Environmental and Social Impact Assessment (ESIA) or Environmental and Social Management Plan (ESMP) will be prepared for every proposed location to ensure implementation of properly designed mitigation measures.</p>

	<p>The anticipated adverse social impacts will be minimal as the land acquisition process will be based on willing buyer-willing seller. The Project is not expected to raise any resettlement issues, as no ground station will be developed if it involves physical or economic displacement of people. The proposed sites will also be screened to exclude sites involving Indigenous Peoples. PSNT will be responsible for implementing the ESMF with oversight and supervision by the environmental and social specialists of the Bank</p> <p>PSNT will establish a Project-level Grievance Redress Mechanism (GRM) prior to construction. In addition, a workers' GRM will be established for the Project. PSNT will disseminate information about the GRMs to Project affected communities and workers. The ESMF has been posted in English and the Executive Summary in Bahasa Indonesia on both PSNT's website (www.ntiga.co.id) and AIB's website (https://www.aiib.org/en/projects/details/2020/approved/Indonesia-Multifunctional-Satellite-PPP-Project.html). PSNT will inform local authorities and Project-affected communities about the Project before the start of construction works, providing them with the site specific ESIA/ESMP in Bahasa Indonesia and consulting with them on these instruments.</p>	
Cost and Financing Plan	Total Project Cost is approximately US\$540 million, of which AIB loan is US\$150 million and the rest is to be funded by the sponsor and other financial institutions.	
Borrower	PT Satelit Nusantara Tiga ("PSNT")	
Estimated date of first disbursement	Q1 2021	
Contact Points:	AIB	Borrower
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Date of Concept Decision	July 2019	
Date of Final Review Decision	December 2019	

Estimated Date of Financing Approval	September 2020
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Independent Accountability Mechanism	The Project-affected People’s Mechanism (“PPM”) has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB’s failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level or subproject level GRM or AIIB Management’s processes. For information on the PPM, please visit https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html .
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