

**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA**

**ADB LOAN 4009-INO, ACEF GRANT 0753-INO, AND JFPR GRANT 9215-INO:
SUSTAINABLE ENERGY ACCESS IN EASTERN INDONESIA - ELECTRICITY GRID
DEVELOPMENT PROGRAM PHASE 2
(KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)**

**SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS' STATEMENT
REGARDING RESPONSIBILITY FOR
ADB LOAN 4009-INO, ACEF GRANT 0753-INO AND JFPR GRANT 9215-INO:
SUSTAINABLE ENERGY ACCESS IN EASTERN INDONESIA – ELECTRICITY
GRID DEVELOPMENT PROGRAM PHASE 2
(KALIMANTAN, MALUKU AND PAPUA – RESULTS BASED LENDING
PROGRAM)
SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND
EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2023**

**PERUSAHAAN PERSEROAN (PERSERO)
PT PERUSAHAAN LISTRIK NEGARA**

We state that:

1. We are responsible for the preparation and presentation of the Special-Purpose Statements of Program Receipts and Expenditures of the Asian Development Bank (“ADB”) Loan 4009-INO, Asian Clean Energy Fund (“ACEF”) Grant 0753-INO and Japan Fund for Poverty Reduction (“JFPR”) Grant 9215-INO: Sustainable Energy Access in Eastern Indonesia - Electricity Grid Development Program Phase 2 (Kalimantan, Maluku and Papua - Results Based Lending Program) (the “Special-Purpose Statements”) of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the “Company”).
2. The Special-Purpose Statements have been prepared and presented in accordance with Note 2a to the Special-Purpose Statements.
3. All information contained in the Special-Purpose Statements is complete and correct.
4. The Special-Purpose Statements do not contain misleading material information or facts and do not omit material information and facts.
5. We are responsible for the Company’s internal control system.

For and on behalf of the Board of Directors,



YUSUF DIDI SETIARTO
Acting Director of Finance
Director of Legal
and Human Capital Management

Jakarta, 27 June 2024



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA

Our Opinion

We have audited the Special-Purpose Statements of Program Receipts and Expenditures of the Asian Development Bank ("ADB") Loan 4009-INO, Asian Clean Energy Fund ("ACEF") Grant 0753-INO, and Japan Fund for Poverty Reduction ("JFPR") Grant 9215-INO: Sustainable Energy Access in Eastern Indonesia - Electricity Grid Development Program Phase 2 (Kalimantan, Maluku and Papua - Results Based Lending Program) (the "Special-Purpose Statements") of Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara (the "Company"), which comprise the statement of actual program receipts and expenditures of the Company for the year ended 31 December 2023, and the statement of cumulative actual program receipts and expenditures of the Company as at 31 December 2023, and notes to the Special-Purpose Statements, which include significant accounting policies and other explanatory information.

In our opinion, the Special-Purpose Statements of the Company present fairly, in all material respects, the actual program funding received and expenditures incurred by the Company of ADB Loan 4009-INO, ACEF Grant 0753-INO, and JFPR Grant 9215-INO for the year ended 31 December 2023, and the cumulative actual program funding received and expenditures incurred by the Company as at 31 December 2023 in accordance with the financial reporting provisions as disclosed in Note 2 to these Special-Purpose Statements.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the Special-Purpose Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Special-Purpose Statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the Special-Purpose Statements, which describes the basis of accounting. The Special-Purpose Statements are prepared to assist the Company to comply with the financial reporting provisions of ADB 4009-INO Loan Agreement referred to above. As a result, the Special-Purpose Statements may not be suitable for another purpose. Our report is intended solely for the Company and ADB and should not be distributed to or used by parties other than the Company and ADB. Our opinion is not modified in respect to this matter.

Responsibilities of management and those charged with governance for the Special-Purpose Statements

Management is responsible for the preparation and the fair presentation of these Special-Purpose Statements in accordance with the financial reporting provisions disclosed in Note 2 to the Special-Purpose Statements, and for such internal control as management determines is necessary to enable the preparation of Special-Purpose Statements that are free from material misstatement, whether due to fraud or error.

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In preparing the Special-Purpose Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the Special-Purpose Statements

Our objectives are to obtain reasonable assurance about whether the Special-Purpose Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special-Purpose Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special-Purpose Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Special-Purpose Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

JAKARTA,
27 June 2024

A handwritten signature in blue ink, appearing to read 'Yanjo', is written over a faint, light blue circular stamp.

Yanjo, S.E., Ak., M.Ak., CPA
Public Accountant License No. AP.0241

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
ADB LOAN 4009-INO, ACEF GRANT 0753-INO, AND JFPR GRANT 9215-INO: SUSTAINABLE ENERGY
ACCESS IN EASTERN INDONESIA - ELECTRICITY GRID DEVELOPMENT PROGRAM PHASE 2
(KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)
SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
ADB LOAN 4009-INO, ACEF GRANT 0753-INO, AND JFPR GRANT 9215-INO: SUSTAINABLE ENERGY ACCESS IN EASTERN INDONESIA – ELECTRICITY GRID
DEVELOPMENT PROGRAM PHASE 2
(KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)
STATEMENT OF ACTUAL PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2023
(Figures in tables are stated in millions of Rupiah, unless otherwise stated)**

Description	Notes	2023					2023					Actual/Plan Receipts and Expenditures					
		Plan Receipts and Expenditures					Actual Receipts and Expenditures					Actual/Plan Receipts and Expenditures					
		ADB	PLN	Grant JFPR	Grant ACEF	TOTAL	ADB	PLN	Grant JFPR	Grant ACEF	TOTAL	ADB %	PLN %	Grant JFPR %	Grant ACEF %	TOTAL %	
I. CASH RECEIPTS																	
Cash Receipt																	
ADB		-	-	-	-	-	780,310	-	-	-	-	780,310	-	100.00	-	-	100.00
PLN		-	4,007,415	-	-	4,007,415	-	2,045,707	-	-	-	2,045,707	-	51.05	-	-	51.05
Grant JFPR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant ACEF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		-	4,007,415	-	-	4,007,415	780,310	2,045,707	-	-	-	2,826,017	-	51.05	-	-	70.52
II. EXPENDITURES:																	
Renewable Generation	4.1	-	115,211	-	-	115,211	-	114,856	-	-	-	114,856	-	99.69	-	-	99.69
Distribution																	
a. Capacity Expansion																	
- Additional Asset Related to Energy Access	4.2.a	-	890,604	-	-	890,604	811,776	122,521	-	-	-	934,297	-	13.76	-	-	104.91
- Rural Electrification	4.2.b	-	1,594,497	-	-	1,594,497	59,004	1,573,703	-	-	-	1,632,707	-	98.70	-	-	102.40
- Supporting Equipment	4.2.c	-	70,614	-	-	70,614	50,252	19,273	-	-	-	69,525	-	27.29	-	-	98.46
Subtotal		-	2,555,715	-	-	2,555,715	921,032	1,715,497	-	-	-	2,636,529	-	67.12	-	-	103.16
b. Capacity Strengthening																	
- Network Reliability Enhancement	4.3.a	-	757,705	-	-	757,705	639,697	120,875	-	-	-	760,572	-	15.95	-	-	100.38
- Efficiency	4.3.b	-	578,784	-	-	578,784	527,660	94,479	-	-	-	622,139	-	16.32	-	-	107.49
Subtotal		-	1,336,489	-	-	1,336,489	1,167,357	215,354	-	-	-	1,382,711	-	16.11	-	-	103.46
TOTAL EXPENDITURES		-	4,007,415	-	-	4,007,415	2,088,389	2,045,707	-	-	-	4,134,096	-	51.05	-	-	103.16
EXCESS EXPENDITURES		-	-	-	-	-	(1,308,079)	-	-	-	-	(1,308,079)	-	-	-	-	-

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DEVELOPMENT PROGRAM PHASE 2
(KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)
STATEMENT OF ACTUAL PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2023
(Figures in tables are stated in millions of Rupiah, unless otherwise stated)**

Description	Notes	2022					2022					Actual/Plan Receipts and Expenditures				
		Plan Receipts and Expenditures					Actual Receipts and Expenditures					Actual/Plan Receipts and Expenditures				
		ADB	PLN	Grant JFPR	Grant ACEF	TOTAL	ADB	PLN	Grant JFPR	Grant ACEF	TOTAL	ADB %	PLN %	Grant JFPR %	Grant ACEF %	TOTAL %
I. CASH RECEIPTS																
Cash Receipt																
ADB		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PLN		-	1,536,490	-	-	1,536,490	-	181,848	-	-	181,848	-	11.84	-	-	11.84
Grant JFPR		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant ACEF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		-	1,536,490	-	-	1,536,490	-	181,848	-	-	181,848	-	11.84	-	-	11.84
II. EXPENDITURES:																
Renewable Generation	4.1	-	3,725	-	-	3,725	474	3,725	-	-	4,199	-	100.00	-	-	112.72
Distribution																
a. Capacity Expansion																
- Additional Asset Related to Energy Access	4.2.a	-	760,189	-	-	760,189	697,593	59,740	-	-	757,333	-	7.86	-	-	99.62
- Rural Electrification	4.2.b	-	18,788	-	-	18,788	21,529	6,172	-	-	27,701	-	32.85	-	-	147.44
- Supporting Equipment	4.2.c	-	28,747	-	-	28,747	5,170	17,562	-	-	22,732	-	61.09	-	-	79.08
Subtotal		-	807,724	-	-	807,724	724,292	83,474	-	-	807,766	-	10.33	-	-	100.01
b. Capacity Strengthening																
- Network Reliability Enhancement	4.3.a	-	401,833	-	-	401,833	280,689	48,185	-	-	328,874	-	11.99	-	-	81.84
- Efficiency	4.3.b	-	323,208	-	-	323,208	328,003	46,464	-	-	374,467	-	14.38	-	-	115.86
Subtotal		-	725,041	-	-	725,041	608,692	94,649	-	-	703,341	-	13.05	-	-	97.01
TOTAL EXPENDITURES		-	1,536,490	-	-	1,536,490	1,333,458	181,848	-	-	1,515,306	-	11.84	-	-	98.62
EXCESS EXPENDITURES		-	-	-	-	-	(1,333,458)	-	-	-	(1,333,458)	-	-	-	-	-

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DEVELOPMENT PROGRAM PHASE 2**

(KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)

STATEMENT OF CUMULATIVE ACTUAL PROGRAM RECEIPTS AND EXPENDITURES

AS AT 31 DECEMBER 2023

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

Description	Notes	31 December 2023					31 December 2022				
		ADB	PLN	Grant JFPR	Grant ACEF	TOTAL	ADB	PLN	Grant JFPR	Grant ACEF	TOTAL
I. CASH RECEIPTS											
Cash Receipts											
ADB		4,712,593	-	-	-	4,712,593	3,932,283 ^{*)}	-	-	-	3,932,283
PLN		-	4,662,850	-	-	4,662,850	-	2,617,143	-	-	2,617,143
Grant JFPR		-	-	10,682	-	10,682	-	-	10,682 ^{*)}	-	10,682
Grant ACEF		-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		<u>4,712,593</u>	<u>4,662,850</u>	<u>10,682</u>	<u>-</u>	<u>9,386,125</u>	<u>3,932,283</u>	<u>2,617,143</u>	<u>10,682</u>	<u>-</u>	<u>6,560,108</u>
II. EXPENDITURES											
Renewable Generation	4.1	5,813	118,689	-	-	124,502	5,813	3,833	-	-	9,646
Distribution											
a. Capacity Expansion											
- Additional Asset Related to Energy Access	4.2.a	2,219,573	1,371,067	-	-	3,590,640	1,407,797	1,248,546	-	-	2,656,343
- Rural Electrification	4.2.b	207,582	1,965,229	-	-	2,172,811	148,578	391,526	-	-	540,104
- Supporting Equipment	4.2.c	58,066	101,869	-	-	159,935	7,814	82,596	-	-	90,410
Subtotal		<u>2,485,221</u>	<u>3,438,165</u>	<u>-</u>	<u>-</u>	<u>5,923,386</u>	<u>1,564,189</u>	<u>1,722,668</u>	<u>-</u>	<u>-</u>	<u>3,286,857</u>
b. Capacity Strengthening											
- Network Reliability Enhancement	4.3.a	1,174,242	607,603	-	-	1,781,845	534,545	486,728	-	-	1,021,273
- Efficiency	4.3.b	1,047,317	498,393	-	-	1,545,710	519,657	403,914	-	-	923,571
Subtotal		<u>2,221,559</u>	<u>1,105,996</u>	<u>-</u>	<u>-</u>	<u>3,327,555</u>	<u>1,054,202</u>	<u>890,642</u>	<u>-</u>	<u>-</u>	<u>1,944,844</u>
TOTAL EXPENDITURES		<u>4,712,593</u>	<u>4,662,850</u>	<u>-</u>	<u>-</u>	<u>9,375,443</u>	<u>2,624,204</u>	<u>2,617,143</u>	<u>-</u>	<u>-</u>	<u>5,241,347</u>
REMAINING PROCEEDS	3	<u>-</u>	<u>-</u>	<u>10,682</u>	<u>-</u>	<u>10,682</u>	<u>1,308,079</u>	<u>-</u>	<u>10,682</u>	<u>-</u>	<u>1,318,761</u>

*⁾ Grant amount of US\$750,000 converted to IDR using the middle conversion rate published by Bank Indonesia on the Note of Disbursement date.

**⁾ Withdrawal amount of US\$275,800,000 converted to IDR using the middle conversion rate published by Bank Indonesia on each Note of Disbursement date.

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ACCESS IN EASTERN INDONESIA - ELECTRICITY GRID DEVELOPMENT PROGRAM PHASE 2
(KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)
NOTES TO SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL

Indonesia's economy is the world's eighth-largest in terms of purchasing power parity and has doubled in size since 2000. The decline in the poverty rate (from 19.1% in 2000 to 9.7% in 2018) has been remarkable, with 13.1 million people lifted out of poverty in 18 years, although this is at risk of being reversed by the impact of COVID-19. However, growth has been largely centered on Java, and regional disparities remain stark. In Eastern Indonesia, poor infrastructure, for energy, transport, and communications, constrains its high growth potential. Expanded electrification, prioritising regions outside Java, is an important element of the government's infrastructure investment plan. The plan includes increasing (i) the electrification ratio from 89% in 2016 to near 100% by 2024, (ii) the power generation capacity from 56.5 gigawatts in 2018 to 112.2 gigawatts in 2028, and (iii) the share of renewable energy in the national energy mix from 13% in 2016 to 23% in 2025.

PLN is the sole state-owned power utility in Indonesia. Together with its subsidiaries, PLN is responsible for the generation, transmission, distribution, and retail sale of electricity. The government has undertaken several reform measures, including (i) expanding the role of the private sector and improving the investment climate, (ii) adjusting tariffs to better reflect costs and initiating performance-based measures to reduce state subsidy requirements, and (iii) strengthening PLN's governance and financial capacity to undertake the aggressive infrastructure investment plan. The government's approach balances the need for reforms to boost efficiency and service quality while striving to achieve universal electricity access with a priority on Eastern Indonesia, which poses the biggest challenge because of its vast and isolated geography and fragmented power grids.

Households classified as "not electrified" or "poorly electrified" account for 56% of all households in Papua, 15% in West Papua, 20% in both Maluku and North Maluku, 28% in Central Kalimantan, 18% in North Kalimantan and 21% in West Kalimantan, compared to a national average of 4%. These areas are mainly serviced, if at all, by diesel-fired generators, which are inefficient, polluting, and expensive. Limited access to electricity compounds the broader development challenges in the target provinces. Papua, West Papua, and West Kalimantan have some of the lowest human development indexes, while these provinces and East and North Kalimantan have the lowest gender development indexes in Indonesia.

The program will enhance sustainable, equitable, and reliable access to electricity for the population in nine provinces in Kalimantan, Maluku, and Papua and finance a slice of the broader program in the Rencana Usaha Penyediaan Tenaga Listrik (RUPTL) 2019-2028. PLN has a financing gap for power delivery to communities, including through the use of cost efficient local renewable sources, for which it is seeking ADB support under the proposed program.

The results based lending ("RBL") modality is suitable as it will (i) increase accountability for delivering and sustaining results (e.g., by ensuring that community-level solar installations are functioning); (ii) consolidate gains in institutional strengthening from previous RBL programs; (iii) fit with the government's fast-expanding universal electrification strategy and efforts to enhance PLN's efficiency and governance, through internal controls for monitoring and evaluation ("M&E"), procurement, and financial reporting; (iv) reduce high transaction costs associated with small, scattered investments; and (v) stimulate financing and harmonization with other development partners. The program will incorporate lessons from the previous RBL programs, such as the need to further strengthen PLN's internal M&E, waste and asset management, and support consumers on safe and productive electricity use.

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 (KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)
 NOTES TO SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
 FOR THE YEAR ENDED 31 DECEMBER 2023**

(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

PLN and ADB have agreed on an RBL program size of US\$2.275 billion, of which the proposed loan will finance US\$600 million. The RBL program scope is as follows:

Items	Broader PLN Program	Results-Based Lending Program
Outcome	Electricity access in Kalimantan, Maluku, and Papua enhanced	Sustainable, equitable, and reliable access to electricity for the population in Kalimantan, Maluku, and Papua enhanced
Key outputs	i. Power generation capacity added ii. Power transmission and distribution systems strengthened and expanded iii. Share of renewable energy increased	i. Power distribution network strengthened and expanded ii. Renewable energy use increased iii. Institutional capacity strengthened and social monitoring enhanced
Expenditure size	US\$5,128 million	Total: US\$2.275 billion PLN: US\$1.669 billion (73.4%) ADB: US\$600 million (26.4%) Co-financing: US\$6 million (0.2%) poverty reduction and clean energy grants administered by ADB
Geographic coverage	All provinces in Kalimantan, Maluku and Papua	All provinces in Kalimantan, Maluku and Papua
Implementation period	January 2020 - December 2025	January 2020 - December 2025

ADB = Asian Development Bank, PLN = Perusahaan Listrik Negara (State Electricity Corporation).

Sources: ADB and PLN.

The RBL program's impact is aligned with the RUPTL goal of enhancing Indonesian society's quality of life through the use of electricity. The outcome will be sustainable, equitable, and reliable access to electricity for the population in Kalimantan, Maluku, and Papua. Three disbursement-linked indicators (DLIs) at the outcome level focus on (i) the number of customers (DLI 1); (ii) the number of poor households electrified (DLI 2), supported by Asian Development Bank (ADB) loan and the Japan Fund for Poverty Reduction (JFPR) grant, with a target that at least 10% of electrified households be headed by women; and (iii) the reliability of services, as measured by the reduction in feeder line permanent interruptions (DLI 3). A baseline study and impact evaluation will measure social outcome indicators such as improved time use, separately for women and men. Three output level results contribute to the outcomes:

- i. Output 1. Power distribution network is strengthened and expanded. This will be tracked by the installed length of medium-voltage ("MV") distribution lines (DLI 4).
- ii. Output 2. Renewable energy use increased. Electricity provided to communities in the target areas will be from a mix of power sources, including small diesel generators, which are the most common for remote grids. Output 2, supported by the Asian Clean Energy Fund grant, explicitly focuses on increasing power generation from solar photovoltaic, mini and micro-hydro, and small biogas power plants (DLI 5).
- iii. Output 3. Institutional capacity is strengthened and social monitoring enhanced. Output 3 focuses on improving asset and waste management (DLI 6) and on enhancing social and gender aspects through PLN workshops on safe and productive energy use, with at least 30% female participation (DLI 7). Electronic procurement and contract payment systems will be integrated and rolled out to improve reporting and monitoring (DLI 8).

On 8 December 2020 PLN and ADB entered into loan agreement No. 4009-INO under which ADB agreed to lend to PLN from ADB's ordinary capital resources an amount of US\$600 million. The loan is to be guaranteed by the Republic of Indonesia ("Guarantor") under the terms of even date herewith between the Guarantor and ADB. The loan agreement was declared effective on 14 January 2021. The maturity date of the ADB Loan No. 4009-INO is 15 October 2040, and the loan closing date is 30 June 2026.

**PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN LISTRIK NEGARA
 ADB LOAN 4009-INO, ACEF GRANT 0753-INO, AND JFPR GRANT 9215-INO: SUSTAINABLE ENERGY
 ACCESS IN EASTERN INDONESIA - ELECTRICITY GRID DEVELOPMENT PROGRAM PHASE 2
 (KALIMANTAN, MALUKU AND PAPUA - RESULTS BASED LENDING PROGRAM)
 NOTES TO SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES
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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

On 8 December 2020, PLN and ADB entered into Grant Agreement No. 9215-INO, under which PLN applied to the Japan Fund for Poverty Reduction (JFPR) for a grant in the amount of US\$3 million to be administered by ADB for the purpose of supporting social and gender impact evaluation, DLI 2 and DLI 7 of the Program, and also Grant Agreement No. 0753-INO under which PLN applied to the Asian Clean Energy Fund (ACEF) for a grant in the amount of US\$3 million to be administered by ADB for the purposes of supporting DLI 5 of the Program. Both grants' closing dates shall be 30 June 2026.

PLN, as the Company, is required to comply with certain covenants, as stated in the loan agreement dated 8 December 2020. Among other things, the Company has to comply with financial covenants including: (1) for the fiscal year ending 31 December 2020 and for each succeeding fiscal year, the Company shall achieve a self-financing ratio of at least 15%, (2) its net revenues for the 12 months prior to the date of such incurrence shall be at least 1.2 times for each of its fiscal years beginning fiscal year 31 December 2020 of its estimated maximum debt service requirements for any succeeding fiscal year on all its debt, including the debt to be incurred, and (3) the ratio of debt to equity shall not be greater than 75 to 25.

The program is expected to be completed by 31 December 2025. According to the Program Implementation Document (PID) updated as of August 2023, a summary of the program expenditures framework for the RBL Program 2020-2025 is as follows:

Results Based Lending Program			
Items	Amount in US\$ million	Equivalent Rp. million	Share of Total (%)
Distribution			
A. Capacity expansion	660	9,348,240	29.0
B. Capacity strengthening	502	7,110,328	22.1
Renewable generation	450	6,373,800	19.8
Corporate social responsibility budget	3	42,492	0.1
Monitoring and supervision	8	113,312	0.4
Environmental management	6	84,984	0.3
Interest during construction	287	4,065,068	12.6
Subtotal	1,916	27,138,224	84.3
Physical contingencies	163	2,308,732	7.1
Price contingencies	196	2,776,144	8.6
Total	2,275	32,223,100	100.0

Sources: ADB and PLN estimates

US\$ 1 = Rp 14,164 (Using conversion currency on 8 December 2020, as date of loan signing)

DLIs are the indicators outlined in the loan agreement which the borrower is required to achieve in order to withdraw the amount of loan proceeds allocated in the withdrawal table. The annual DLIs, known as the DLI matrix, based on the loan agreement are as follows:

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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
Outcome: Sustainable, equitable, and reliable access to electricity for the population in Kalimantan, Maluku, and Papua enhanced.							
DLI 1. Expanded access to electricity services: Number of PLN customers in Kalimantan, Maluku, and Papua increased to reach at least 6.77 million customers by 2024	2018 baseline: 5.22 million customers	At least 5.94 million customers (cumulative) connected	At least 6.12 million customers (cumulative) Connected	At least 6.38 million customers (cumulative) Connected	At least 6.58 million customers (cumulative) connected	At least 6.77 million customers (cumulative) connected	-
DLI 2. Pro-poor and gender focus: An additional 112,428 poor households (HHs) provided with PLN electricity by 2024, disaggregated by female/male-headed households, of which at least 10% are female-headed households: 2.1. All poor households Supported by JFPR Grant 2.2. Poor female-headed households	2018 baseline: 0 additional Poor HHs provided with PLN electricity 2019 Prior results: An interface module transfers the most recent TNP2K data on female-and-Male – headed households and poor households to PLN's use.	Additional poor HHs provided with PLN electricity, disaggregated by female/male-headed households: 2.1. At least 29,414 poor HHs 2.2. At least 2,941 poor female-headed HHs	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households: 2.1. At least 51,808 poor HHs 2.2. At least 5,181 poor female-headed HHs	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households: 2.1. At least 73,368 poor HHs 2.2. At least 7,337 poor female-headed HHs	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households: 2.1. At least 92,866 poor HHs 2.2. At least 9,287 poor female-headed HHs	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households: 2.1. At least 112,428 poor HHs 2.2. At least 11,243 poor female-headed HHs	-

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1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
DLI 3. Improved reliability of services: Feeder line permanent interruptions in the distribution system reduced to reach less than 17.12 per 100 ckm by 2024	2018 baseline: MV feeder permanent interruptions 23.29 per 100 ckm	MV feeder permanent interruptions less than 20.58 per 100 ckm	MV feeder permanent Interruptions less than 19.55 per 100 ckm	MV feeder permanent interruptions less than 18.57 per 100 ckm	MV feeder permanent interruptions less than 17.83 per 100 ckm	MV feeder permanent interruptions less than 17.12 per 100 ckm	-
Output 1. Power distribution network strengthened and expanded							
DLI 4. Installed length of MV distribution lines increased to reach at least 63,692 ckm by 2024	2018 baseline: 47,639 ckm of MV distribution lines installed	At least 53,885 ckm (cumulative) of MV distribution lines installed	At least 56,685 ckm (cumulative) of MV distribution lines installed	At least 58,792 ckm (cumulative) of MV distribution lines installed	At least 61,229 ckm (cumulative) of MV distribution lines installed	At least 63,692 ckm (cumulative) of MV distribution lines installed	-
Output 2: Renewable energy use increased							
DLI 5. Green energy promotion. Power generation from solar Photovoltaic (PVs) (<10 MW), mini/micro-hydro (<1 MW), and small biogas plants (<100 kW) increased by 5.1. An additional 40,000 MWh annually by 2025. Supported by ACEF Grant 5.2. A further additional 48,000 MWh annually by 2025	2018 baseline: zero additional MWh generated from solar PV, mini/micro-hydro and small biogas plants.	(i) List of EBTKE assets to be transferred cleared by PLN. (ii) Model KSO or another legal instrument with PEMDA approved by PLN Director	5.1. Additional 9,600 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 4,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 16,800 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 12,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 25,600 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 24,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 35,200 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 40,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 40,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 48,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants

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1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
Output 3: Institutional capacity strengthened and social monitoring enhanced.							
DLI 6. Institutional strengthening : Asset and waste management improved, with (i) 90% of used PLN-owned equipment in Unit Induk Wilayah (UIW) of Kalimantan, Maluku and Papua included in the disposal inventory as of end-2019 safely disposed of by 2025, and (ii) 25 additional warehouses holding an environmental permit in Kalimantan, Maluku and Papua by 2024	2018 baseline: 0% disposal rate zero additional warehouses with permit from DLH	(i) Inventory of used equipment for disposal as of end-2019 prepared by UIWs (ii) 5 additional Warehouses have secured the environment permit from DLH	(i) 20% of the inventory of used equipment for disposal as of end-2019 approved by MSOE (ii) 10 (cumulative) Additional warehouses have secured the environment permit from DLH	(i) 40% of the inventory of used equipment for disposal as of end-2019 approved by MSOE (ii) 20% of 2019 inventory safely disposed (iii) 15 (cumulative) Additional warehouses have secured the environment permit from DLH	(i) 65% of the inventory of used equipment for disposal as of end-2019 approved by MSOE (ii) 40% of 2019 inventory safely disposed (iii) 20 (cumulative) Additional warehouses have secured the environment permit from DLH	(i) 90% of the inventory of used equipment for disposal as of end-2019 approved by MSOE (ii) 65% of 2019 inventory safely disposed (iii) 25 (cumulative) Additional warehouses have secured the environment permit from the DLH	(i) 100% of inventory of used equipment for disposal as of end-2019 approved by MSOE (ii) 90% of 2019 inventory was safely disposed
DLI 7. Consumer education : By 2024, consumer education workshops on safe and productive energy use will be implemented by 5 UIW and 29 UP3 offices, with a minimum of 30% female participation for each workshop, based on a scoring system to promote female participation. Supported by JFPR Grant	2019 baseline: 0 workshop, 0 points.	(i) Consumer training materials for safe & productive energy use developed and shared with UIW offices. (ii) One workshop in each of the 5 UIW with a minimum of 30% female participation. <i>Minimum points required for disbursement: 5</i>	Consumer education workshops held at each of 29 UP3 with a minimum of 30% female participation among consumers. <i>Cumulative points required for disbursement: 34</i>	Consumer education workshops held at each of 29 UP3 with a minimum of 30% female participation among consumers. <i>Cumulative points required for disbursement: 63</i>	Consumer education workshops held at each of 29 UP3 with a minimum of 30% female participation among consumers. <i>Cumulative points required for disbursement: 92</i>	Consumer education workshops held at UP3 with a minimum of 30% female participation among consumers. <i>Cumulative points required for disbursement: 121</i>	-

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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
DLI 8. E-procurement and SAP systems are integrated and rolled out by 2020, and at least 80% of contracts in financial value are recorded in the E-Procurement-SAP integrated system by 2024	2018 baseline: E-Proc and SAP systems are separate. Prior results: E-Proc and SAP are integrated.	E-Proc and SAP integrated and rolled out.	At least 50% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	At least 60% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	At least 70% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	At least 80% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	-

Regarding the amendment of the loan agreement effective from 1 October 2021 there are changes in the DLI matrix, including support from the Japan Fund for Poverty Reduction (JPFR) and the (ACEF) Grant which are as follows:

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
Outcome: Sustainable, equitable, and reliable access to electricity for the population in Kalimantan, Maluku, and Papua enhanced.							
DLI 1. Expanded access to electricity services: Number of PLN customers in Kalimantan, Maluku, and Papua increased to reach at least 6.77 million customers by 2024	2018 baseline: 5.22 million customers	At least 5.94 million customers (cumulative) connected	At least 6.12 million customers (cumulative) Connected	At least 6.38 million customers (cumulative) Connected	At least 6.58 million customers (cumulative) connected	At least 6.77 million customers (cumulative) connected	-

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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
DLI 2. Pro-poor and gender focus: An additional 112,428 poor HHs provided with PLN electricity by 2024, disaggregated by female/male-headed households, of which at least 10% are female-headed households:	2018 baseline: 0 additional Poor HHs provided with PLN electricity	Additional poor HHs provided with PLN electricity, disaggregated by female/male-headed households:	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households:	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households:	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households:	Additional poor HHs (cumulative) provided with PLN electricity, disaggregated by female/male-headed households:	-
2.1. All poor households <i>Supported by JFPR grant</i>	Prior results: PLN executes an interface module able to transfer the most recent TNP2K data on female-and-male-headed households and poor households to PLN for PLN's use	2.1. At least 29,414 poor HHs	2.1. At least 51,808 poor HHs	2.1. At least 73,368 poor HHs	2.1. At least 92,866 poor HHs	2.1. At least 112,428 poor HHs	-
2.2. Poor female-headed households		2.2. At least 2,941 poor female-headed HHs	2.2. At least 5,181 poor female-headed HHs	2.2. At least 7,337 poor female-headed HHs	2.2. At least 9,287 poor female-headed HHs	2.2. At least 11,243 poor female-headed HHs	-
DLI 3. Improved reliability of services: Feeder line permanent interruptions in the distribution system reduced to reach less than 14.37 per 100 ckm by 2024	2018 baseline: MV feeder permanent interruptions 19.55 per 100 ckm	MV feeder permanent interruptions less than 17.27 per 100 ckm	MV feeder permanent interruptions less than 16.41 per 100 ckm	MV feeder permanent interruptions less than 15.59 per 100 ckm	MV feeder permanent interruptions less than 14.97 per 100 ckm	MV feeder permanent interruptions less than 14.37 per 100 ckm	-
Output 1. Power distribution network strengthened and expanded							
DLI 4. Installed length of MV distribution lines increased to reach at least 63,692 ckm by 2024	2018 baseline: 47,659 ckm of MV distribution lines installed	At least 53,885 ckm (cumulative) of MV distribution lines installed	At least 56,685 ckm (cumulative) of MV distribution lines installed	At least 58,792 ckm (cumulative) of MV distribution lines installed	At least 61,229 ckm (cumulative) of MV distribution lines installed	At least 63,692 ckm (cumulative) of MV distribution lines installed	-

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1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
Output 2: Renewable energy use increased							
DLI 5. Green energy promotion. Power generation from solar PVs (<10 MW), mini/micro-hydro (<1 MW), and small biogas plants (<100 kW) increased by 5.1. An additional 40,000 MWh annually by 2025. <i>Supported by ACEF grant</i> 5.2. A further additional 48,000 MWh annually by 2025	2018 baseline: 3,309.1 MWh generated from solar PV, mini/micro-hydro and small biogas plants.	(i) List of EBTKE assets to be transferred to PLN cleared by PLN. (ii) Model KSO or another legal instrument with PEMDA approved by PLN Director	5.1. Additional 9,600 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 4,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 16,800 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 12,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 25,600 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 24,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 35,200 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 40,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants	5.1. Additional 40,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants 5.2. Another 48,000 MWh generated from solar PV, mini/micro-hydro, and small biogas plants
Output 3: Institutional capacity strengthened and social monitoring enhanced							
DLI 6. Institutional strengthening: Asset and waste management improved, with (i) 90% of used PLN-owned equipment in UIW of Kalimantan, Maluku and Papua included in the disposal inventory as of end-2019 safely disposed of by 2025, and (ii) 25 additional warehouses holding approved environmental documents from the relevant regulatory agency by 2024	2018 baseline: 0% disposal rate 0 additional warehouses with approved environmental documents from the relevant regulatory agency	(i) Inventory of used equipment for disposal as of the end of 2019 prepared by UIWs (ii) 5 additional warehouses have secured the approved environmental documents from the relevant regulatory agency	(i) 20% of the inventory of used equipment for disposal as of end-2019 approved by MSOE or relevant PLN authority (ii) 10 (cumulative) Additional warehouses have secured the approved environmental documents from the relevant regulatory agency	(i) 40% of the inventory of used equipment for disposal as of end-2019 approved by MSOE or relevant PLN authority (ii) 20% of 2019 inventory safely disposed (iii) 15 (cumulative) additional warehouses have secured the approved environmental documents from the relevant regulatory agency	(i) 65% of the inventory of used equipment for disposal as of end-2019 approved by MSOE (ii) 40% of 2019 inventory safely disposed (iii) 20 (cumulative) additional Warehouses have secured the approved environmental documents from the relevant regulatory agency	(i) 90% of the inventory of used equipment for disposal as of end-2019 approved by MSOE or relevant PLN authority (ii) 65% of 2019 inventory was safely disposed (iii) 25 (cumulative) additional warehouses have secured the approved environmental documents from the relevant regulatory agency	(i) 100% of the inventory of used equipment for disposal as of end-2019 approved by MSOE or relevant PLN authority (ii) 90% of 2019 inventory was safely disposed

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(Figures in tables are stated in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

Disbursement-Linked Indicator	Baseline and Year	2020	2021	2022	2023	2024	2025
DLI 7. Consumer education: By 2024, consumer education workshops on safe and productive energy use will be implemented by 5 UIW and 29 UP3 offices, with a minimum of 30% female participation for each workshop, based on a scoring system to promote female participation	2019 baseline: 0 workshop, 0 points.	(i) Consumer training materials for safe & productive energy use developed and shared with UIW offices. (ii) One workshop in each of the 5 UIW with a minimum of 30% female participation. Minimum points required for disbursement: 5	Consumer education workshops held at each of 29 UP3 with a minimum of 30% female participation among consumers. Cumulative points required for disbursement:34	Consumer education workshops held at each of 29 UP3 with a minimum of 30% female participation among consumers. Cumulative points required for disbursement:63	Consumer education workshops held at each of 29 UP3 with a minimum of 30% female participation among consumers. Cumulative points required for disbursement:92	Consumer education workshops held at UP3 with a minimum of 30% female participation among consumers. Cumulative points required for disbursement: 121	-
DLI 8. E-procurement and SAP systems will be integrated and rolled out by 2020, and at least 80% of contracts in financial value will be recorded in the E-Procurement-SAP integrated system by 2024	2018 baseline: E-Proc and SAP systems are separate Prior results: E-Proc and SAP are integrated.	E-Proc and SAP Integrated system is rolled out.	At least 50% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	At least 60% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	At least 70% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	At least 80% of contracts in financial value executed by UIWs (including units under them) recorded in E-Proc+SAP integrated system	-

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2. SIGNIFICANT ACCOUNTING POLICIES OF THE SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES

a. Presentation of Statements of Program Receipts and Expenditures

The special-purpose statements of program expenditures and financing have been prepared in the format, and basis agreed upon between ADB and the Company and is are not intended to be a presentation in conformity with Indonesian Financial Accounting Standards. These special-purpose statements of program receipts and expenditures were prepared for the purpose of complying with Section 4.02 of the loan agreement of ADB Loan 4009-INO, Grant Agreement of ACEF 0753-INO, Grant Agreement of JFPR 9215-INO, between ADB and the Company.

The special-purpose statements of program expenditures and financing were compiled from an account held by the Company, which were prepared in accordance with Indonesian Generally Accepted Accounting Principles. However, the special-purpose statements of program expenditures and financing only present accounts that are directly related to the Sustainable Energy Access in Eastern Indonesia - Electricity Grid Development Program (Phase 2).

The special-purpose statements of program receipts and expenditures are presented in Rupiah.

b. Basis for Withdrawal

ADB

The withdrawal table sets out the amount available for withdrawal upon the borrower's achievement of the corresponding DLI targets as set out in the DLI matrix. Except if it is a condition agreed by ADB, the withdrawal table shall form the basis for withdrawal from the Loan Account. The amount allocated for ADB Financing regarding the loan agreement issued on 8 December 2020 is as follows:

Indicator	Prior Results US\$ million	2020 US\$ million	2021 US\$ million	2022 US\$ million	2023 US\$ million	2024 US\$ million	2025 US\$ million	Total US\$ million
DLI 1	-	30	30	30	30	30	-	150
DLI 2	30	9	9	9	9	9	-	75
DLI 3	-	18	18	18	18	18	-	90
DLI 4	-	24	24	24	24	24	-	120
DLI 5	-	5	9	9	9	9	9	50
DLI 6	-	11	11	11	11	11	10	65
DLI 7	-	6	6	6	6	6	-	30
DLI 8	4	-	4	4	4	4	-	20
Total	34	103	111	111	111	111	19	600

PLN

Withdrawals are performed according to the approval set by management through the issuance of Surat Kuasa Investasi ("SKI").

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2. SIGNIFICANT ACCOUNTING POLICIES OF THE SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES (continued)

b. Basis for Withdrawal (continued)

Grant JPFR and Grant ACEF

The withdrawal from the ACEF (Asian Clean Energy Fund) Grant is set out in respect of supporting the achievement of DLI 5 of the Program through power generation from community-scale solar PVs. Meanwhile, the withdrawal from the JFPR (Japan Fund for Poverty Reduction) Grant is set out to support the achievement of social and gender impact evaluation and DLI 2 and DLI 7 of the Program, focusing on the additional poor households being provided with PLN electricity with pro-poor and gender focus and community workshops for safe and productive energy use, respectively.

The amount to be allocated based on both grant agreements issued on 8 December 2020 is as follows:

Indicator	Prior Results US\$ million	2020 US\$ million	2021 US\$ million	2022 US\$ million	2023 US\$ million	2024 US\$ million	2025 US\$ million	Total US\$ million
DLI 2.1 (JFPR Grant)	0.6	1.0	1.0	0.4	-	-	-	3.0
DLI 5.1 (ACEF Grant)	-	1.0	1.0	1.0	-	-	-	3.0
Total	0.6	2.0	2.0	1.4	-	-	-	6.0

c. Financing Disbursement

ADB

PLN will submit a withdrawal application reporting on the achievement of the DLIs. Disbursement will be made subject to verification by an IVA (Independent Verification Agency) in accordance with the agreed verification protocols. If a target has not been fully achieved but partial disbursement has been agreed for that DLI, ADB will determine the amount to be disbursed based on the level of achievement. Loan proceeds will be disbursed to PLN's general account with a commercial bank. The proceeds of the loan are to be used to finance the expenditures of the Program in accordance with the provisions of the Loan Agreement.

PLN

The disbursement is based on the payment voucher issued by the Company.

Grant JPFR and Grant ACEF

Prior to submitting an application for withdrawal from the grant account in respect of a DLI, PLN will submit evidence to ADB in accordance with the DLI Verification Protocol, which shows that the DLI has been fully achieved or, for a DLI for which partial disbursement is allowed (as specified in the DLI matrix), that such DLI has been achieved to the extent required for partial disbursement under the DLI verification protocol. After ADB's confirmation that the DLI has been achieved in full or in part, PLN may submit to ADB an application for withdrawal of the corresponding grant amount for such DLI.

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2. SIGNIFICANT ACCOUNTING POLICIES OF THE SPECIAL-PURPOSE STATEMENTS OF PROGRAM RECEIPTS AND EXPENDITURES (continued)

d. Plan Program Expenditures

The plan program expenditures for respective provinces in Kalimantan, Maluku and Papua are presented based on ADB and PLN estimation.

e. Actual Program Expenditures

ADB

Proceeds from the loan withdrawal were used for the purposes of the program in accordance with the loan agreement. The aggregate amount of Eligible Expenditures under the program is equal to or exceeds the loan proceeds withdrawn by the borrower for the program. Such Eligible Expenditures are part of the expenditures incurred under PLN's program, but they exclude any expenditures for (a) procurement of works, goods, and services from countries which are not members of ADB; (b) procurement of works, goods, and services from persons or entities debarred or suspended by ADB; (c) procurement involving High-Value Contracts; (d) any activities which involve any significant adverse environmental or involuntary resettlement impacts, both within the meaning of the ADB's Safeguard Policy Statement SPS; and (e) any activities which are prohibited investment activities provided in Appendix 5 of ADB's Safeguard Policy Statement.

The units within Regions of Kalimantan, Maluku and Papua are paid to contractor for any transactions related to the Program with PLN budget ("APLN"). Distribution Strategic Planning Division ("RSD") who act as Program Management Unit must screen the eligible expenses for reimbursement with the ADB-RBL fund. Based on the approval from RSD, the eligible expenses will be forwarded to the Treasury Division, which will transfer a certain amount of money from the defined escrow account related to ADB-RBL to PLN's account.

PLN

Expenditures are based on payment vouchers issued by the Company.

Grant JPFR and Grant ACEF

Proceeds from the withdrawal of the grant were used for the purposes of the program in accordance with the provisions of the Allocation and Withdrawal Schedule as mentioned in the grant agreements, as such Schedule may be amended from time to time by agreement between PLN and ADB.

f. Deposit Account

Prior to submitting the first application to ADB for withdrawal from the Loan Account and the Grant Accounts, the Borrower shall nominate an account at a commercial bank as the Deposit Account for the Program to ADB into which all withdrawals from both Loan Account and also Grant Accounts shall be deposited. The Deposit Account shall be managed and liquidated in accordance with terms and conditions satisfactory to ADB. Referring to paragraph 2 and 3 of Schedule 3 to the Loan Agreement, PLN shall maintain separate records in respect of the Deposit Account in accordance with accounting principle acceptable to ADB. The Loan and Grant proceeds will be disbursed to PLN's general account with a commercial bank.

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3. ALLOCATION AND WITHDRAWAL OF LOAN AND GRANT PROCEEDS

Proceeds from the loan and grant withdrawal were used for the purposes of the program in accordance with both the loan agreement and grant agreements. Goods and services have also been procured in accordance with the internal procurement guidelines.

Since its effective date of 14 January 2021, the Company has withdrawn financing according to the DLI matrix amounting to US\$325.8 million in 2021 and 2023 which has the following details:

	<u>Withdrawal (in million US\$)</u>	<u>Equivalent to Rupiah (in million)</u>	<u>Date of NOD</u>	<u>Middle Conversion Rate of Bank Indonesia</u>
Withdrawal:				
- Advance Financing	104.78	1,488,505	16 November 2021	14,206
- 2021	75.22	1,068,952	17 November 2021	14,211
	95.80	1,374,826	10 December 2021	14,351
- 2023	15.00	230,355	15 September 2023	15,357
	35.00	549,955	14 November 2023	15,713
Total	325.80	4,712,593		

From the above withdrawal of Rp4.71 trillion in 2021 and 2023, the use of proceeds of the loan as of 31 December 2023 amounted to Rp4.71 trillion.

The company has also withdrawn financing from JFPR Grant 9215-INO amounting to US\$0.75 million or Rp10.68 billion (converted using the middle conversion rate of Bank Indonesia on Note of Disbursement date 15 November 2021) in 2021 as Advance Financing, although there is no use of proceeds during the year.

4. ACTUAL PROGRAM EXPENDITURES BY CATEGORY

4.1 Renewable Generations

Renewable generations in PLN commonly use several kinds of renewable energy sources such as solar photovoltaic (PV), mini- and micro-hydro, and small biogas. Small diesel generators are also provided for communities living in the remote grids. To increase electricity usage in the targeted areas, PLN invests in those types of generations which are also funded the loan and grants related to the DLIs.

Actual disbursement for renewable energy generations as of 31 December 2023, is as follows:

	<u>ADB Financed</u>	<u>PLN Financed</u>	<u>Grant JFPR Financed</u>	<u>Grant ACEF Financed</u>	<u>Total</u>
Balance at beginning of year	5,813	3,833	-	-	9,646
Additions	-	114,856	-	-	114,856
Balance at end of year	5,813	118,689	-	-	124,502

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4. ACTUAL PROGRAM EXPENDITURES BY CATEGORY (continued)

4.2 Capacity Expansion

Capacity expansion is in the form of additional capacity. Additional capacity includes additional asset related to energy access, rural electrifications and supporting equipment. For this investment activity, PLN conducts activities to support new instalment, power upgrading and addition of networks to rural areas that are not yet electrified. Including the addition or replacement of distribution transformers/ distribution lines because of greater demand from new and/or existing consumers.

a. Additional Asset Related to Energy Access

Actual disbursement for additional assets related to energy access as of 31 December 2023, is as follows:

	<u>ADB Financed</u>	<u>PLN Financed</u>	<u>Grant JFPR Financed</u>	<u>Grant ACEF Financed</u>	<u>Total</u>
Balance at beginning of year	1,407,797	1,248,546	-	-	2,656,343
Additions	<u>811,776</u>	<u>122,521</u>	<u>-</u>	<u>-</u>	<u>934,297</u>
Balance at end of year	<u>2,219,573</u>	<u>1,371,067</u>	<u>-</u>	<u>-</u>	<u>3,590,640</u>

b. Rural Electrifications

Actual disbursement for rural electrifications as of 31 December 2023, is as follows:

	<u>ADB Financed</u>	<u>PLN Financed</u>	<u>Grant JFPR Financed</u>	<u>Grant ACEF Financed</u>	<u>Total</u>
Balance at beginning of year	148,578	391,526	-	-	540,104
Additions	<u>59,004</u>	<u>1,573,703</u>	<u>-</u>	<u>-</u>	<u>1,632,707</u>
Balance at end of year	<u>207,582</u>	<u>1,965,229</u>	<u>-</u>	<u>-</u>	<u>2,172,811</u>

c. Supporting Equipment

Actual disbursement for supporting equipment as of 31 December 2023, is as follows:

	<u>ADB Financed</u>	<u>PLN Financed</u>	<u>Grant JFPR Financed</u>	<u>Grant ACEF Financed</u>	<u>Total</u>
Balance at beginning of year	7,814	82,596	-	-	90,410
Additions	<u>50,252</u>	<u>19,273</u>	<u>-</u>	<u>-</u>	<u>69,525</u>
Balance at end of year	<u>58,066</u>	<u>101,869</u>	<u>-</u>	<u>-</u>	<u>159,935</u>

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4. ACTUAL PROGRAM EXPENDITURES BY CATEGORY (continued)

4.3 Capacity Strengthening

From the existing distribution network, for better-served customers, the Company perform activities to upgrade its quality, network reliability enhancement and efficiency improvements, such as barrier instalment along the distribution lines to prevent tree disturbances or animals, network reconfiguration and additional insertion transformers to repair shrinkage and provision of appropriate voltage. These activities are not intended to add the distribution lines or transformers to increase power supply but rather to improve network quality and capacity-related services.

a. Network Reliability Enhancement

Actual disbursement for network reliability enhancement as of 31 December 2023, is as follows:

	<u>ADB Financed</u>	<u>PLN Financed</u>	<u>Grant JFPR Financed</u>	<u>Grant ACEF Financed</u>	<u>Total</u>
Balance at beginning of year	534,545	486,728	-	-	1,021,273
Additions	<u>639,697</u>	<u>120,875</u>	<u>-</u>	<u>-</u>	<u>760,572</u>
Balance at end of year	<u>1,174,242</u>	<u>607,603</u>	<u>-</u>	<u>-</u>	<u>1,781,845</u>

b. Efficiency

Actual disbursement for efficiency as of 31 December 2023, is as follows:

	<u>ADB Financed</u>	<u>PLN Financed</u>	<u>Grant JFPR Financed</u>	<u>Grant ACEF Financed</u>	<u>Total</u>
Balance at beginning of year	519,657	403,914	-	-	923,571
Additions	<u>527,660</u>	<u>94,479</u>	<u>-</u>	<u>-</u>	<u>622,139</u>
Balance at end of year	<u>1,047,317</u>	<u>498,393</u>	<u>-</u>	<u>-</u>	<u>1,545,710</u>