

The following is IIF's response to the Business & Human Rights Resource Centre, relating to the planned publication on its Weekly Update on Wednesday, April 26, 2017, which will include a report titled: "Reckless Development: The IFC's Dodgy Deals in Southeast Asia", Inclusive Development International, Mar 2017 [http://www.inclusivedevelopment.net/wp-content/uploads/2017/03/Outsourcing Development-Part-3.pdf](http://www.inclusivedevelopment.net/wp-content/uploads/2017/03/Outsourcing%20Development-Part-3.pdf):

PT Indonesia Infrastructure Finance ("IIF") was established by the Government of the Republic of Indonesia cq. the Ministry of Finance of the Republic of Indonesia along with the World Bank, Asian Development Bank (ADB) and other multilateral institutions, on August 6, 2010, through the Decree of the Minister of Finance (KMK) No 439/KM.10/2010.

IIF's purpose is to be a catalyst to accelerate and to improve private participation in infrastructure development in Indonesia. IIF provides fund based products such as long-term loan and non-fund based product such as guarantees, and other services relating to infrastructure projects.

In its operations, IIF applies best practices based on international standards in its credit, risk management and all aspects of its corporate governance. IIF implements international social and environmental protection standards to ensure sustainability of infrastructure development in Indonesia. While supporting the government's agenda in infrastructure development, up to this date IIF has not made any investments in any: (i) coal related projects; (ii) new development of mega hydropower projects; (iii) nuclear plants; or (iv) roads and railways through biodiversity forested areas inhabited by indigenous and other forest-dependent communities.

IIF is a private financial institution and therefore, some proprietary and commercial sensitive information cannot be shared to the general public. Notwithstanding that, as governed in its Operations Manual and Shareholders Agreement, IIF discloses on its website relevant social and environmental (S&E) documents of its project borrowers, such as: Amdal, EA reports, Resettlement Action Plans (RAPs), Indigenous Peoples Development Plans (IPDPs), etc.

Contrary to the claim that IIF only began disclosing some information about its activities following civil society campaign, IIF has started disclosing such S&E documents of Project since August 2013. Most of our project borrowers' S&E documents are accessible at our website in Bahasa Indonesia, especially related to documents such as Amdal, RKL-RPL and UKL-UPL. However, there are some documents that, to date, are only available in English, such as ESHIA, and Supplemental Resettlement Action Plan (SRAP).

In every project, IIF conducts S&E Due Diligence to obtain facts on hand relating to affected people and environment, and design a customized corrective action program to provide assistance to the project adversely affected people to get proper compensation based on: physical, economical (including job loss) and access displacements.

IIF also has a gender policy that adopts gender mainstreaming as a key strategy for promoting gender equity, for ensuring that women participate in and that their needs are explicitly addressed in the decision-making process for development activities within the IIF business.

An example of comprehensive and integrated action plans that were done was developing a supplemental action plan to provide impacted people in a toll road project in Java with a

comprehensive livelihood restoration program administered with the assistance of three local NGOs as well as a consulting company. In another case, in a project nearby a national park, which was confirmed during the S&E due diligence to be outside the protected forest, the land was acquired through direct negotiation process based on willing buyer/willing seller without any involuntary resettlement.

On the environment side, an example is the case of a gas pipeline project, where the action plan required offsetting the removed mangrove area by replanting mangrove double the size of the removed area, while making sure that only some part of the original mangrove area is removed. The replanting was completed within one year after IIF's commitment to fund the project.

IIF is committed to transparency in handling S&E matters. Updated reports on IIF, our Environmental and Social Safeguard Frameworks, Social and Environmental Management System, S&E principles and S&E documents are published on our website, and we provide email contacts for S&E related queries. IIF's website and its contents are continuously updated for the public to review our S&E documents.

IIF's standpoint on S&E matters are clear. We are promoting infrastructure development in Indonesia bound by international standards adopted in our constitutional documents and guidelines. IIF is committed to transparency while ensuring that confidentiality obligations to our clients are respected. IIF is continuously improving itself, including on S&E matters, to ensure that IIF funded projects comply with applicable rules, regulations and standards.

Jakarta, 21 April 2017