



Project Summary Information

Date of Document Preparation/Updating: October 31, 2025	
Project Name	Solid Waste Management for Sustainable Urban Development Project
Project Number	P000769
AIIB member	Indonesia
Sector/Subsector	Urban / Integrated Waste Management
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Approved
Objective	To improve integrated solid waste management services for populations in selected cities and districts in Indonesia.
Project Description	<u>Component 1. Provision of Solid Waste Infrastructure.</u> This component will finance priority investments in waste management infrastructure in each participating LG, including support for better utilization and upgrading existing infrastructure. Priority investments include construction of Waste Treatment Facilities (resource recovery, composting and Refuse-Derived Fuel plants) and upgrading existing landfills. It will provide heavy equipment to support the operations at the Waste Treatment Facilities and residual landfills, as well as supervision consultants to oversee the construction works. <u>Component 2: Institutional Strengthening and Community Participation.</u> This component aims to enhance the performance of LGs and community participation in Solid Waste Management (SWM). Component 2 will support (i) strengthening the SWM institutional performance, including regulation, institutions, financial, and technical aspects; (ii) enhancing community participation in SWM through awareness raising, behavior change, and training activities; (iii) enhancement of SWM master plan.

	<u>Component 3: Support for SWM and Circular Economy Initiatives.</u> This component aims to enhance waste management services through supporting local governments and community' efforts for sustainable waste management. This component will provide grants for (i) selected LGs to enhance the capacity of local governments in optimizing waste segregation, collection, and transportation service; (ii) community groups, villages and urban wards, and LGs to perform SWM activities with a circular economy approach¹. <u>Component 4: Implementation Support.</u> This component will support the project management during implementation, including: procurement, financial management, monitoring and evaluation, environmental and social safeguards; and it will provide support to the relevant national and local officials, for effective implementation through (i) a national project management consultant under the Central Project Management Unit (CPMU); (ii) a national monitoring team for overall solid waste program under the Steering Committee; (iii) advisory individual consultants for the CPMU and Central Project Implementation Units (CPIUs); (iv) evaluation and studies consultants; and (v) incremental operating cost.
Expected Results	The Project objective will be evaluated against the following key result indicators: (i) number of people with access to improved SWM services; (ii) waste properly collected at the waste treatment facility; (iii) waste properly treated by improved SWM services and (iv) waste properly disposed of in residual landfills
Environmental and Social Category	A

¹ The circular economy is an approach that aims to minimize waste and make the most of resources by keeping materials in use for as long as possible at the highest value. It involves reducing, reusing, repairing, recycling, and recovering materials at every stage of the product lifecycle. Rather than following the traditional "take, make, dispose" model, the circular economy seeks to design waste out of the system by promoting sustainable product design, extending product life, and ensuring that end-of-life materials are either repurposed or reintegrated into the production cycle.

Environmental and Social Information	Applicable Policy and Categorization: AIIB's Environmental and Social Policy (ESP) applies to the Project, including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL). The initial Environmental and Social (E&S) due diligence determined that ESS 1 (Environmental and Social Assessment and Management) applies to the assessment of E&S impacts of Project activities. ESS 2 (Land Acquisition and Involuntary Resettlement) also applies as Project-related activities can lead to adverse direct and indirect impacts on waste pickers and those who derive income from landfills. ESS 3 (Indigenous Peoples) will not apply to this Project as no Indigenous Peoples are identified according to the AIIB team's desk review and field visit. As per the Bank's ESP, the Project has been assigned Category A, considering the potential adverse E&S risks and impacts from upgrading of the existing landfill and construction of integrated waste treatment and its associated facilities. Environmental and Social Instruments. Since not all subprojects to be financed are finalized in term of detailed design and location of supporting facilities, as a result, a framework approach to E&S risk management will be applied and an Environmental and Social Management Planning Framework (ESMPF) has been developed which includes a Resettlement Planning Framework (RPF). The ESMPF and RPF will guide the preparation of site-specific Environmental and Social Impact Assessments (ESIAs) and site specific Environmental and Social Management Plans (ESMPs) including site specific Resettlement Plan and Livelihood Restoration Plan (RPs and LRP). The client has prepared three draft ESIAs/ESMPs for the first batch of the sub-projects and those have been disclosed at the Ministry of Public Works (MPW) and Bank's website. Environmental and Social Aspect. The Project is expected to generate positive E&S outcomes from integrated and improved waste management and reduced waste load to the environment. However, potential adverse E&S impacts of primary concern during project construction and operation include air pollutant emissions and disposal of hazardous wastes, such as fly ash from RDF burning and accidentally disposed medical and hazardous waste; treatment of leachate from landfill and waste compression. While the landfill is adjacent to residential and agricultural land, the impacts are site-specific and are not expected to cause significant harm to the nearby communities. Mitigation measures such as buffer zones will be added to ensure that any adverse effects are addressed. Other social issues are anticipated around the associated facilities, such as temporary landfill options and access roads. Mitigation measures are also proposed in the ESIA/ESMP to address these impacts, including
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a site-specific LRP targeting scavengers, women, and other vulnerable groups will also be prepared. Any legal and physical footprints will be verified during site-specific ESIAAs including possible E&S legacy issues, associated facilities, and project's area of influence. In addition, the Project engaged various stakeholders on a separate consultation with women and vulnerable groups during the appraisal and preparation of the first three ESIAAs. Entitlements for women will also be included, together with measures to address gender-based violence (GBV), sexual exploitation, abuse and sexual harassment (SEA/SH) are incorporated. In addition, a Gender Action Plan (GAP) will also be developed to address and prevent potential negative impacts on women. This plan aims to promote inclusion and equality, prevent GBV and SEA/SH.

Occupational Health and Safety, Labor and Employment Conditions. In addition to typical construction work-related OHS risks, existing risks that will continue to be relevant are: a) the waste pickers, landfill workers, and staff due to interactions with waste, exposure to dangerous gases such as methane, moving equipment, compost and RDF products and heavy machinery, leading to possible workplace accidents and injuries and health impacts from exposure to toxic waste, medical waste, fire and smoke, and pathogens; b) potential risk Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks on communities due to possible labor influx; and c) child and women protection concerns on SEA/SH and Gender Based Violence (GBV) in light of the prevalence of women and children among waste pickers at the landfill. Measures to improve workplace safety for women and men through providing personal protective equipment (PPE) and safety training as well as improving security standards and protocols on landfill sites and waste facilities will be formulated to protect the workers and to be included in the site-specific ESMPs.

Stakeholder Engagement, Consultation, and Information Disclosure. Several consultations, discussions, and interviews have been carried out with key stakeholders, including relevant government units, project-affected people, local communities, women, waste pickers, other vulnerable groups, and other interested parties, during the preparation of the ESMPF and the first three site-specific ESIAAs. The consultation process, including comments and suggestions received from stakeholders and how they are addressed, is documented in the E&S instruments. The Client has also prepared a separate Stakeholder Engagement Plan (SEP). The consultation process will continue and be expanded to facilitate meaningful consultation and provide opportunities for public participation during project implementation. The draft E&S instruments in English and summary in Bahasa

	Indonesia have been disclosed on October 30, 2024, by the client on MPW website² and the final ones have been re-disclosed in July 2025 including on the Bank's website³. Project Grievance Redress Mechanism (GRM): A multi-tier GRM will be established at the Project and subproject level for the Project Affected People (PAPs). A separate GRM for Project contracted workers will also be developed to receive and facilitate the resolution of the concerns or complaints of local communities, other stakeholders particularly women, vulnerable groups, and people who believe they have been adversely affected by E&S impacts of the Project. In addition to the above, GRM will be made available to address complaints from the local communities and workplace grievances. The Project-level GRM will be operational before any Project activities that require the GRM coverage are implemented. Information on established multi-tier GRMs and Bank's Project-affected People's Mechanism (PPM) in local languages will be timely disclosed in an appropriate manner to communities surrounding the area of the project activities prior to implementation of the Project. Monitoring and Supervision Arrangements. The Central Project Management Unit (CPMU) will have the overall responsibility for project preparation, coordination, supervision, and monitoring of project including E&S impacts, and coordination with all 10 Project Implementation Units (PIUs) and submission of consolidated project implementation reports to AIIB. The CPMU will be supported by the National Project Management Consultant (NPMC) to assist in the implementation and monitoring of ESMPF, ESIAs, ESMPs and RPs, across all 10 project sites. They will also prepare E&S quarterly and bi-annual monitoring reports based on agreed format to be submitted to CPMU and AIIB. The Bank's E&S Specialists will carry out semi-annual field visit to monitor the implementation of E&S instruments and the Borrower's E&S performance.
Cost and Financing Plan	AIIB: EUR127,937,000 (equivalent to USD150 million) AEPW: USD40 million Government of Indonesia: USD20 million
Borrower	Republic of Indonesia

² <https://ciptakarya.pu.go.id/produk>

³ [Indonesia: Solid Waste Management for Sustainable Urban Development Project](#)

Implementing Entity	Ministry of Public Works Ministry of Home Affairs Ministry of Health		
Estimated date of loan closing (SBF)	March 2031		
Contact Points:	AIIB	Borrower	Implementation Organization/Sponsor
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Date of Concept Decision	02/22/24		
Date of Appraisal Decision	11/13/2024		
Date of Financing Approval	10/30/2025		

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 the Project-level GRM or the processes of AIIB's Management. For information on AIIB's PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .
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