



Project Summary Information

Date of Document Preparation/Updated: June 8, 2026

Project Name	Karian Dam - Serpong Water Conveyance System Stage II Project
Project Number	P001121
AIIB member	Indonesia
Sector/Subsector	Water
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	The Project Objective is to increase long-term raw water supply capacity in the Provinces of Jakarta, West Java, and Banten.
Project Description	<p>The rapid urbanization, economic development, and population growth in the Provinces of Jakarta, Banten, and West Java demand substantial improvements in water supply reliability. These three provinces are central to Indonesia's growth, generating approximately one-third of its GDP and accounting for one-quarter of its population. The limited availability and accessibility of the region's surface water resources (i.e., reservoirs and rivers) have led to water shortages, hindering optimal growth across productive sectors. The delayed development of water supply networks has led to increased abstraction and reliance on groundwater, resulting in environmental degradation, accelerated land subsidence, and the risk of saltwater intrusion. The prolonged deficit has also impaired sanitation services in urban areas, increasing public health risks and the prevalence of waterborne diseases. The Project will contribute to addressing these challenges by investing in water-conveyance networks that link the newly constructed Karian Dam to the regional Water Treatment Plants (WTPs). The Project also aims to support the preparation of the Karian Dam – Serpong Water Conveyance System Project (KSCS) Phase 2, which the Government of Indonesia (GOI) positions as a long-term investment to strengthen regional water security in Indonesia's most populous and productive region. The Project is envisaged to consist of three components:</p> <p><u>Component 1: Construction of the Transmission Pipeline (USD 112.2 million)</u> aims to complete the Karian-Serpong conveyance network by constructing the final 17 km (out of 60 km) of the 1,800 mm-diameter transmission pipelines planned under KSCS Phase 1. It will connect the edge of the under-construction Stage I pipeline (spanning 43 km east of the Karian Dam) to the WTP Villa Mutiara (the largest and last WTP in the conveyance line).</p> <p><u>Component 2: KSCS Phase 2 Planning and Preparation (USD 2.3 million)</u> aims to support the analytical and planning activities</p>

	<p>required for the second phase of KSCS. Key documents prepared under this component will include the Survey Report, Feasibility Study (FS), Detailed Engineering Design (DED), and other safeguard- and fiduciary-related reports. KSCS Phase 2 will conclude the implementation of the GOI's current strategy to reduce the region's reliance on the groundwater aquifer and the associated environmental and disaster risks.</p> <p><u>Component 3: Project Management (USD 5.5 million)</u> will facilitate the overall coordination, monitoring, and evaluation under the Project, which will include the mobilization of consultants for construction supervision, monitoring and evaluation (M&E), and the overall project management service.</p>
Expected Results	The Project is expected to bring key results of: (a) an increased number of population served with an improved raw water supply system, (b) an increased raw water supply capacity, and (c) an improved implementation readiness of KSCS Phase 2.
Environmental and Social Category	B
Environmental and Social Information	<p>Applicable Policy and Categorization: AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to the Project. The applicability of ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) has been confirmed. Based on an initial scope assessment, the Project is assigned to Category B, subject to confirmation by the Bank's appraisal. The applicability of ESS 3 (Indigenous Peoples) will be assessed during the Bank's appraisal and, where relevant, for specific work sites and/or activities during Project implementation.</p> <p>Environmental and Social Instruments: The Project's environmental and social (ES) due diligence will be guided by the ESP and applicable ESSs and will draw on the KSCS ESIA (covering Phase 1 Stages I and II) and associated RKL-RPL matrices and Standard Operating Procedures (SOPs), including those for (i) environmental quality monitoring; (ii) hazardous and toxic (B3) waste management; (iii) non-hazardous waste management; and (iv) control of air emissions, noise, and vibration. A Land Acquisition and Resettlement Action Plan (LARAP) has also been prepared for the Project. A gap assessment of the available instruments against the ESP and applicable ESSs is underway and will inform any time-bound actions for the Project, to be captured in an Environmental and Social Action Plan (ESAP), as needed. Contractors will be required to prepare and implement a Construction Environmental and Social Management Plan (CESMP). Due diligence will also consider ES risks and impacts associated with the ongoing KSCS Phase 1 Stage I works, to the extent relevant to the Project. The DGWR-MOPW has appointed an ES focal point and mobilized a dedicated ES consultant to support the finalization of the Project's ES instruments.</p> <p>Environment and Social Aspects: The ESIA identifies environmental risks and impacts during the pre-construction, construction, and operation of the KSCS raw water transmission pipeline and outlines mitigation and monitoring measures in the</p>

RKL-RPL matrices and SOPs. The Project's pipeline alignment is in urban areas and does not pass through environmentally sensitive areas, such as natural reserves or key biodiversity areas. The Project is expected to deliver a net positive social impact. The LARAP estimates that constructing the entire 60 km transmission pipeline across the Provinces of Banten and West Java will require land acquisition. The Project Team will further assess LARAP to identify any areas where land acquisition practices may not fully align with ESS2 and ESS3. In addition, a comprehensive evaluation will be conducted on both the completed dam construction and the ongoing transmission pipeline construction under KSCS Phase 1 Stage I. This evaluation will carefully consider potential legacy issues, including but not limited to involuntary resettlement and loss of livelihoods resulting from land acquisition. Furthermore, the Project Team will recommend targeted actions to MOPW to address current gaps in gender sensitivity and promote gender equality throughout implementation and operations. Implementing these actions will help deliver inclusive project preparation and implementation, with equitable benefits and responsiveness to the distinct needs and contributions of both women and men in the affected communities.

Occupational Health and Safety (OHS), Labor and Employment Conditions: Social risks and impacts associated with transmission pipelines could arise from extensive construction and operational activities that expose workers to physical hazards such as heavy machinery, confined spaces, and hazardous substances. Inadequate labor practices may lead to excessive working hours, lack of proper contracts, insufficient protective equipment, and inadequate grievance mechanisms. Further, an influx of labor may place pressure on local communities, potentially resulting in labor influx risks, including increased demand for local services, social tensions, and impacts on vulnerable groups. It is essential to ensure compliance with national labor laws and international standards, provide safe and healthy working conditions, and implement robust OHS management systems to mitigate these risks and promote the well-being of workers and affected communities throughout the project lifecycle.

Stakeholder Engagement, Consultation and Information Disclosure: Key stakeholders, including Project-Affected People, disadvantaged or vulnerable groups, and other stakeholders, will be identified and engaged. A Stakeholder Engagement Plan (SEP) will be prepared to assess the impacts on and the influence of these diverse groups. The SEP will outline tailored strategies and approaches for meaningful, culturally appropriate engagement and define the roles and responsibilities of PMU and PIUs for implementing the SEP throughout construction and operation. The consultation process, including stakeholder feedback, with comments and suggestions fully addressed, will be recorded and properly documented in the ES instruments, which will be timely disclosed in an appropriate manner.

Project Grievance Redress Mechanism (GRM): A multi-tier GRM will be established at the Project and subproject levels, including a separate GRM for project contracted workers. The GRMs will be designed to receive and facilitate the resolution of concerns or complaints from local communities and other stakeholders, particularly women, vulnerable groups, and those who

	<p>believe they have been adversely affected by the Project's ES impacts. The Project-level GRM will be operational before any Project activities that require GRM coverage are implemented. Information on the established multi-tier GRMs and AIIB's Project-Affected People's Mechanism (PPM) in local languages will be disclosed to surrounding communities before Project implementation.</p> <p>Monitoring and Reporting Arrangement: The Project will be implemented by the DGWR-MOPW and a Project Management Unit (PMU) will be established under the DGWR-MOPW. The PMU will be responsible for monitoring and evaluating the Project's implementation, including compliance with the Bank's policies and requirements, in accordance with the procedures established in the Project's safeguard documents. The PIUs will prepare a monitoring report every six months to capture implementation progress and key issues. The PMU will verify these reports and compile them into a consolidated monitoring report for submission to the Bank for biannual review. AIIB will conduct biannual implementation support missions (including site visits) to assess implementation progress, identify key risks, and support their resolution.</p>		
Cost and Financing Plan	<p>Total Project Cost: USD120 million AIIB's Sovereign-backed Loan: USD120 million Government of Indonesia's Counterpart Funding: TBD</p>		
Borrower	Republic of Indonesia		
Implementing Entity	Ministry of Public Works		
Estimated date of loan closing	March 2031		
Contact Points:	AIIB	Borrower	Implementation Organization
Name	David Ginting	Suminto	Arnold Aristoteles Papolapna Ritiauw
Title	Senior Investment Officer - Water	Director-General of Budget Financing and Risk Management, Ministry of Finance	Director-General of Water Resources, Ministry of Public Works
Email Address	david.ginting@aiib.org	suminto@kemenkeu.go.id	dirjensda@pu.go.id
Date of Concept Decision	June 8, 2026		
Estimated Date of Appraisal Decision	September 2026		

Estimated Date of Financing Approval	February 2027
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Independent Accountability Mechanism	<p>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.</p>
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