



Project Summary Information

Date of Document Update: 08/27/26	
Project Name	Toll Road Development in Sumatera Islands - Jambi-Rengat Section Phase 1 (Sp Ness-Merlung)
Project Number	P000556
AIIB member	Indonesia
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To improve the connectivity, safety, and resilience of the road network in Sumatra, by building a segment of the TSTR from Jambi (Sp. Ness) to Merlung.
Project Description	The project involves the construction of a 67.45 km toll road segment connecting Jambi (Sp. Ness) to Merlung as part of the Trans-Sumatra Toll Road (TSTR)'s Jambi–Rengat section. The TSTR is a centerpiece of the Government of Indonesia's infrastructure agenda, prioritized under the National Medium Term Development Plan (Rencana Pembangunan Jangka Menengah Nasional {RPJMN}) 2025–2029 and mandated as a Strategic National Project through Presidential Regulations (PR) No. 18/2020 and No. 42/2024, and the Coordinating Minister for Economic Affairs Regulation No. 16/2025. By closing critical network gaps, the project serves as a vital enabler for industrial downstreaming and logistics efficiency, providing the high-capacity, access-controlled infrastructure necessary to overcome regional economic disparities and the geographical constraints of Sumatra's current road network. The project has 2 components: A) Civil Works and Intelligent Transport Systems (ITS) Design and Installation. This component finances the construction and ITS installation of a 67.45km toll road segment of TSTR between Sp. Ness and Merlung in Sumatra's Jambi province, including subgrade, pavement, toll facilities, rest areas, and advanced monitoring sensors.

	B) Consulting Services and Capacity Building to Support Project Implementation. This component supports consulting services for project management, construction supervision, and implementation monitoring, alongside capacity building for Ministry of Public Works (MPW) staff and technical studies.
Expected Results	The project aims to improve regional connectivity by reducing average travel time along the Jambi (Sp. Ness)–Merlung section from 2 hours and 15 minutes to 45 minutes. The infrastructure will be designed to achieve a minimum four-star safety rating under the International Road Assessment Program (iRAP) and will incorporate climate-resilient engineering and green design measures to enhance network reliability. Furthermore, the project will strengthen institutional capacity within MPW through targeted technical assistance and staff training, including a focus on the professional development of female employees. The project will also promote environmental sustainability by establishing dedicated animal crossing corridors to maintain ecological connectivity within the landscape.
Environmental and Social Category	A
Environmental and Social Information	Applicable Policy and Categorization: AIIB's Environmental and Social Policy (ESP, 2021), including the Environmental and Social Policy (ESP), Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to the Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Land Acquisition and Involuntary Resettlement) are relevant. ESS 3 (Indigenous Peoples) is not applicable, as due diligence undertaken during project preparation did not identify Indigenous Peoples meeting the requirements of ESS 3 within the Project area. The Project is categorized as Category A due to significant land acquisition and involuntary resettlement impacts, labor influx, community health and safety risks, and potential risks to priority biodiversity values within the Bukit Tigapuluh Landscape. The Project is co-financed with IsDB, and the environmental and social (ES) assessment, due diligence, and associated E&S instruments prepared in accordance with the AIIB ESP apply across the full Simpang Ness-Merlung section. Environmental and Social Instruments: The Borrower has prepared, consulted with key stakeholders, and disclosed the following instruments: a) Environmental and Social Impact Assessment (ESIA) including Environmental and Social Management Plan (ESMP) and Biodiversity Management Plan (BMP), b) Land Acquisition and Resettlement Plan (LARP), c) Stakeholder Engagement Plan (SEP), d) Labor Management Procedures (LMP), and e) Gender Action Plan (GAP). Draft ES documentation is disclosed in accordance with the AIIB ESP, following stakeholder consultation and incorporation of feedback and comments (link). The instruments will be incorporated into procurement documents for civil works contracts and consulting services for project management and implementation, external ES monitor, and construction supervision.

Environmental Aspects: Key potential environmental risks and impacts include, but not limited to: ES performance management of civil works contractors (and subcontractors); construction phase impacts such as generation of noise and vibration, air emissions, solid and hazardous waste, and wastewater; biodiversity impacts (habitat fragmentation, degradation or loss, impacts on remnant peat swamp forests and riparian corridors, and impact to critical habitat and species, among others); plantation and soil impacts; and river and aquatic impacts, among others. Surveys, impacts assessment, and development of mitigation measures were conducted by the Directorate General of Highways (DGH) with support from qualified experts with engagement and consultation with project-affected communities, government conservation agencies in Jambi and Riau provinces, and international conservation non-governmental organizations (NGOs) and civil society organizations (CSOs), and civil society and multi-stakeholder forums, among others. The ESMP addresses general environmental aspects including cross-cutting issues, and the BMP includes measures to address potential risks and impacts to biodiversity, which includes measures integrated in the design (wildlife crossings for small mammals, arboreal bridges, and sound-proofing walls, among others). Restoration measures to address residual impacts from minimization measures are integrated to achieve net gain for impacts on critical habitat, and if significant residual risks remain, it will be addressed in an offset. Overall, biodiversity monitoring and evaluation will be guided by an adaptive management approach.

Social and Gender Aspects: The Project is expected to generate significant socio-economic benefits through improved connectivity, accessibility, road safety, and regional economic development. Key social risks relate to land acquisition and resettlement impacts affecting approximately 519 households, including physically displaced households and vulnerable households. A LARP has been prepared to address compensation, livelihood restoration, grievance management, and assistance measures for vulnerable and severely affected households. The LARP establishes the framework for livelihood restoration, including eligibility criteria, institutional responsibilities, indicative measures, and funding arrangements. Detailed livelihood restoration activities will be developed and implemented during LARP implementation. The GAP includes measures to promote women's participation in consultations and project benefits, improve access to employment opportunities, and address risks related to gender-based violence, sexual exploitation and abuse, and sexual harassment (GBV/SEA/SH).

Health and Safety and Labor and Working Conditions (LWC): The Project involves large-scale construction which have potential occupational health and safety risks and impacts from, including but not limited to, machinery and tool hazards (heavy machinery operation, struck-by-accidents; vibration, noise; traffic safety); and chemical exposure (exhaust; dust; other chemical exposures). Health and safety risks to communities may include risks associated with worker influx, among others. Operation phase risks and impacts to workers include air pollution exposure, traffic and safety hazards, and environmental stressors, among others and to communities include traffic safety, air and noise pollution, among others.

	These risks and impacts are generally mitigated through the ESMP and through site-specific management plans of civil works contractors and the toll road operator. LWC risks management will be conducted through the LMP, including ensuring worker accommodation standards and compliance with applicable labor and working conditions requirements. Stakeholder Engagement, Consultation and Information Disclosure: A SEP has been prepared to guide stakeholder engagement throughout project preparation and implementation. Consultations have been undertaken with project-affected communities, local government agencies, civil society organizations, and other stakeholders, and have informed project design and mitigation measures. Draft E&S documentation will be disclosed in English and Bahasa Indonesia in accordance with the disclosure requirements of the AIIB ESF applicable to Category A projects. Project Grievance Redress Mechanism (GRM): A Project-level GRM has been established to receive and facilitate timely resolution of concerns and complaints from project-affected people, communities, and workers, including those related to ES impacts, land acquisition and resettlement, labor and working conditions, and SEA/SH issues. The GRM includes village/sub-district level grievance intake and resolution arrangements, district- and Project-level grievance escalation mechanisms, and contractor-level grievance channels for construction-related complaints and worker grievances. The GRM will be accessible, transparent, culturally appropriate, and available free of charge to project-affected persons and other stakeholders throughout project implementation. GRM performance, including grievance resolution and response times, will be monitored and reported as part of Project environmental and social performance monitoring. AIIB's Project-affected People's Mechanism (PPM) applies to the Project. The information about the established GRM and Bank's PPM will be disclosed in an appropriate manner. Monitoring and Reporting Arrangement. The Borrower is responsible for implementation, supervision, and monitoring of the Project in accordance with the AIIB ESP. ES performance will be supported through dedicated E&S specialists and external monitoring arrangements. The Borrower will submit semi-annual ES monitoring reports to AIIB based on an agreed format, and the Bank will supervise implementation through document review, implementation support missions, and site visits, as appropriate. AIIB's Project-affected People's Mechanism applies to the Project.
Cost and Financing Plan	Total project cost: USD 1.150 billion AIIB: USD 941 million (81.83%) Islamic Development Bank (IsDB): USD 159 million (13.83%)

	Government of Indonesia (GOI): USD 50 million (4.35%)			
Borrower	Republic of Indonesia			
Implementing Entity/Sponsor	Ministry of Public Works, Indonesia			
Estimated date of loan closing	12/31/2030			
Contact Points:	AIIB	IsDB	Borrower	Implementation Organization
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Date of Concept Decision	03/02/2022			
Date of Appraisal Decision	8/14/2026			
Estimated Date of Financing Approval	Q4 2026			

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the 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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management's processes. 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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