



Project Summary Information

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| Date of Document Preparation/Updating: November 19, 2024 | |
| 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 | Preparation |
| Objective | To improve solid waste management services for populations in selected cities and districts in Indonesia. |
| Project Description | <p><u>Component 1. Provision of Solid Waste Infrastructure.</u> This component will finance priority investments in waste management infrastructure in each participating local governments (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 supervision consultants to oversee the construction works.</p> <p><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; and (iii) enhancement of SWM master plan.</p> |

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| | <p><u>Component 3: Support for SWM and Circular Economy Initiatives.</u> This component aims to enhance waste management services through supporting local governments' and communities' efforts for sustainable waste management. This component will provide performance-based grants for: (i) selected LGs to enhance the capacity of local governments in optimizing waste segregation, collection, and transportation service; and (ii) community groups, villages and urban wards, and LGs to perform SWM activities with a circular economy approach¹.</p> <p><u>Component 4: Implementation Support.</u> This component will support the project management including: procurement, financial management, monitoring and evaluation, environmental and social safeguards. It will provide support to the relevant national and local officials, for effective implementation through (i) national project management consultant; (ii) advisory team for Central Project Management Unit (CPMU) and (iii) national monitoring and evaluation team for Bappenas. It will also provide technical assistance including financial sustainability for SWM operations; handling the integration of waste pickers, and citizens engagement.</p> |
| Expected Results | The Project objectives will be evaluated against the following key result indicators: (i) number of people with access to improved SWM services; (ii) waste properly collected by the improved SWM services; (iii) waste properly treated by the improved SWM services; and (iv) waste properly disposed in residual landfills. |
| Environmental and Social Category | A |
| 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 |

¹ The Project encourages the practices of the waste hierarchy and introduces the circular economy principle through the development of a Circular Economy for SWM manual and pilot projects and performance-based grants for circular economy practices in selected LGs. In the context of SWM in Indonesia, the application of circular economy approach aims to minimize waste and make the most of resources by keeping materials in use for as long as possible at the highest value through facilities such as intermediate recycling facility (TPS3R) and waste bank.

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 will be disclosed at the Ministry of Public Works (MPW) and Bank's websites in a timely manner and made available at project sites in hard copies.

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; risk of fire and explosion caused by biogas from landfill, and during production, storage and transportation of fuel products; dust and bio-aerosols, odors, and vehicle emissions from waste receipt, unloading, processing, storage, and transport; noise and vibration from truck traffic, loading equipment, stationary compactors, balers, grinders, and other treatment and conveyance systems; community health and safety concerns including odor, traffic safety, workers' camps, and pollutant leakage. 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 proposed in the ESIA/ESMP to address these impacts, including 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 ESIAs including possible E&S legacy issues, associated facilities, and project's area of influence.

Gender Aspect. The Project consulted and involved women and other vulnerable groups in the design, planning, delivery, and evaluation of the solid waste disposal sites that identified possible interventions to promote improved working conditions for women and vulnerable groups currently involved in waste collection, sorting, and disposal networks as well as facilitate gender inclusion in overall project operations. The Project engaged various stakeholders on a separate consultation with women and vulnerable groups during the appraisal and preparation of the first three ESIA's. To mitigate the adverse impact on women waste pickers, the project design includes a) provisions for women waste pickers to access benefits from the solid waste value chain b) support to business opportunities, c) training opportunities based on the results of a training needs assessment (TNA), and d) an increase percentage of women with access to services in solid waste management as workers. 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 ESAs. 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 website https://ciptakarya.pu.go.id/admin/assets/upload/file/laporan/2024/10/30/152237_2.%20ESMPF.pdf and will be disclosed on the Bank's website before the deadline of disclosure as per AIIB ESP.

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 at least 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, ESAs, 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 field visit to monitor the implementation of E&S instruments and the Borrower's E&S performance.

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| Cost and Financing Plan | AIIB: USD150 million AEPW: USD40 million (potential) Government of Indonesia: USD20 million | | |
| Borrower | Republic of Indonesia | | |
| Implementing Entity | Ministry of Public Works Ministry of Home Affairs Ministry of Health | | |
| Estimated date of loan closing (SBF) | March 2030 | | |
| Contact Points: | AIIB | Borrower | Implementation Organization/Sponsor |
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| Date of Concept Decision | 02/22/24 | | |
| Date of Appraisal Decision | 11/13/24 | | |
| Estimated Date of Financing Approval | 2025 Q1 | | |

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| 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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