



Project Summary Information

Date of Document Preparation: May 20, 2026	
Project Name	Teaching Hospital Referral Upgrading and System Transformation
Project Number	P001112
AIIB member	Indonesia
Sector	Health Infrastructure
Alignment with AIIB's thematic priorities	Green infrastructure and Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To upgrade selected national referral hospitals into inclusive, green, and climate-resilient main teaching hospitals to support the national program of hospital-based specialist training.
Project Description	<p>The Project is designed to operationalize Indonesia's Hospital based Specialist Training Program by transforming selected MoH vertical hospitals into Main Teaching Hospitals (RSPPU). The design follows an integrated approach combining:</p> <ol style="list-style-type: none"> i. Infrastructure development (hard components) to enable training and service delivery. ii. Institutional and human capital development (soft components) to ensure functionality and quality. iii. System strengthening measures to support implementation, governance, and sustainability. <p>Participating Hospitals RSUPN Dr. Cipto Mangunkusumo (Jakarta) RSUP Fatmawati (Jakarta) RSUP Dr. M. Djamil (Padang) RSUP Dr. Kariadi (Semarang) RSJ Dr. H. Marzoeki Mahdi (Bogor) RSUP Dr. Sitanala (Tangerang) RS Paru Dr. M. Goenawan Partowidigdo (Cisarua) RSJ Dr. Radjiman Wediodiningrat (Lawang)</p>

	<p>Component A: Integrated RSPPU Infrastructure (Civil Works). This component establishes the physical foundation for specialist training and advanced healthcare delivery. The designs will emphasize functional integration, ensuring that clinical service areas and educational spaces operate as a unified system.</p> <p>Component B: Medical, non-medical, and supporting equipment. To improve the standards of specialist medical education, consisting of 2 main subcomponents. This component equips hospitals with the technology required for modern specialist training and service delivery, and is critical to ensuring that training programs meet international standards and evolving technological requirements.</p> <p>Component C: Human Capital Investment & Research. This component will give the eight participating hospitals the tools to become functional teaching hospitals, ensuring that they can deliver high-quality training and sustain academic functions over time.</p> <p>Component D: Project Management. Support for management units (PMU/PIU), consulting services and audit to ensure Project is completed on time and with the required quality.</p>
Expected Results	<p>The Project is expected to deliver results across two levels:</p> <ul style="list-style-type: none"> i. At the output level, all eight hospitals are expected to achieve RSPPU designation and operationalize specialist training programs across target specialties, with simulation and skills laboratories, clinical research units, and academic facilities functional, and medical and non-medical equipment procured and installed. ii. At the outcome level, the Project is expected to contribute to an increase in the number of specialist doctors graduating through the hospital-based pathway, an improvement in the hospitals' capacity to accept and manage complex referrals, and ultimately the deployment of graduates to underserved provinces and districts under binding post-graduation service contracts.
Environmental and Social Category	B
Environmental and Social Information	<p>Applicable Policy and Categorization. The Project is governed by the AIIB Environmental and Social Policy (ESP), which includes the Environmental and Social Exclusion List (ESEL), Environmental and Social Standard (ESS) 1: Environmental and Social Assessment and Management, and ESS 2: Land Acquisition and Involuntary Resettlement. The Project is assigned to Category B, as the expected environmental and social (ES) risks and impacts are localized, largely temporary and reversible, and confined to the existing hospital footprints and immediate areas of influence, which can be reliably managed through the application of appropriate mitigation measures and good international industry practice. No land</p>

acquisition is anticipated as construction will take place on the land owned by the Ministry of Health. Subject to further assessment, the Project may cause minor impacts related to economic displacement of some street vendors and it does not trigger ESS 3: Indigenous Peoples, as there is no presence of Indigenous Peoples within the Project area.

Environmental and Social (ES) Instruments. An Environmental and Social Impact Assessment (ESIA) will be prepared for each hospital, incorporating a social and gender assessment, a Stakeholder Engagement Plan (SEP), and an Environmental and Social Management Plan (ESMP). Each ESIA will comprehensively cover all buildings and facilities under the respective hospital masterplan, including buildings and facilities to be demolished or constructed that will be financed through the Government's budget (i.e., not financed by AIIB), to ensure a holistic assessment of risks and impacts and to establish a consistent set of mitigation measures across the full scope of the planned hospital developments.

Environment and Social Aspects: The key environmental risks and impacts identified during construction phase include dust, noise and vibration, construction waste (including hazardous materials), stormwater runoff, traffic disruption, and infection control challenges within operating hospitals. Poor handling of hazardous materials (e.g. asbestos, chemicals) and inadequate site management could affect air, soil, water, and public safety. In the operation phase, expanded hospital services will increase healthcare waste and wastewater, posing environmental and public health risks if improperly managed. The Project is also expected to deliver significant social benefits by upgrading tertiary healthcare and medical education, supported by social and gender assessments integrated into ESIA's to ensure inclusive access. Potential adverse impacts include limited economic displacement of street vendors, which will be assessed at appraisal and addressed in line with AIIB's ESP if confirmed. Additional risks and impacts during demolition and construction include labor conditions, community and patient safety, service disruptions, data privacy, labor influx, sexual exploitation, abuse and harassment (SEAH) risks, and impacts on cultural heritage, all to be mitigated through ESIA and ESMPs. In addition, a gender assessment under the ESIA will identify barriers to access and participation for women and vulnerable groups in healthcare services and the medical workforce. Findings will inform a Gender Action Plan (GAP) to address gender gaps through targeted project and capacity-building measures.

Occupational Health and Safety (OHS), Labor and Employment Conditions: The Project will comply with Indonesian labor laws and AIIB's ESP, applying good international practice to manage OHS risks during demolition, construction, and equipment installation in operating hospitals. Key risks include construction and demolition hazards, lifting and hot works, exposure to hazardous materials, electrical/mechanical works, and working alongside patients and staff. Community health and safety risks such as noise, dust, traffic disruption, pollution, and disease exposure will be managed through ESMPs and contractors' Construction ESMPs. Mitigation measures include site-specific OHS plans, training and personal protective equipment (PPE), risk assessments and permits, access control, emergency response, worker welfare provisions, grievance mechanisms, and incident reporting.

	<p>Stakeholder Engagement, Consultation, and Information Disclosure: The ESIA's will include a SEP to identify and consult beneficiaries, affected persons, and interested parties, ensuring early, inclusive, and meaningful engagement, especially for women and vulnerable groups. Draft ESIA's including ESMP's will be publicly disclosed in English with a Bahasa Indonesia executive summary on the Borrower's and AIIB's websites, in line with AIIB's disclosure requirements.</p> <p>Project Grievance Redress Mechanism (GRM): As part of the Project's ESIA's, a GRM will be developed at the project/subproject level. The GRM will be built on the existing mechanisms that are operational at each hospital level, ensuring alignment with AIIB's ESP and the Project's specific needs. In addition to Project GRM's, a separate worker-specific GRM will be established at each hospital to address concerns and complaints from construction and hospital workers, particularly those related to OHS risks, and labor and working conditions, including any grievances about wages, working hours, or workplace conduct. The information of established GRM's, including AIIB's Project-affected People's Mechanism (PPM), will be disclosed in an appropriate manner.</p> <p>Monitoring and Reporting Arrangement. To ensure effective oversight, accountability, and continuous improvement, the Project's monitoring and evaluation will be done by the MoH (PMU) and AIIB. The PMU will oversee the management of ES risks and impacts associated with the Project. A dedicated Project Director will support the PMU Head, ensuring comprehensive and timely supervision. AIIB will conduct periodic monitoring and evaluation aligned with prepared ESMP, ensuring compliance with ESP and good international industry practices. Detailed monitoring and reporting arrangement will be discussed and determined with the borrower during project appraisal.</p>		
Cost and Financing Plan	The total estimated project cost is USD749.33 million of which AIIB loan will fund up to USD669.08 million.		
Borrower	Republic of Indonesia		
Implementing Entity	Ministry of Health, Indonesia		
Estimated date of loan closing	December 31, 2031		
Contact Points	AIIB	Borrower	Implementation Organization
Name	Deni Fauzi	Dian Lestari	Dr. Sunarto
Title	Senior Investment Officer	Director of Loans and Grants	Secretary-Director General of Advanced Health

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Date of Concept Decision	May 20, 2026		
Estimated Date of Appraisal Decision	August 5, 2026		
Estimated Date of Financing Approval	October 28, 2026		

Independent Accountability Mechanism	<p>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 ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit the 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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