Early Warning System

# AIIB-001082

## Indonesia : Water Security for Small Islands Development Project

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### Quick Facts

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| **Countries** | Indonesia |
| **Financial Institutions** | Asian Infrastructure Investment Bank (AIIB) |
| **Status** | Proposed |
| **Bank Risk Rating** | B |
| **Borrower** | Republic of Indonesia, Suminto |
| **Sectors** | Climate and Environment, Water and Sanitation |
| **Loan Amount (USD)** | $ 150.00 million |

## Project Description

According to the bank's website, the project aims to "strengthen water security in selected small islands by improving disaster resiliency, water availability, and storage capacity". "The lagged development of Indonesia's small islands has been a critical barrier to addressing inequality and distributing economic growth. The country comprises over 17,000 islands, with widely varying economic development, concentrated on its largest islands and those with tourism and trade potential. Small islands have been vulnerable to climate-driven risks, including water shortages (due to their limited storage capacity and underdeveloped water supply networks) and coastal floods. The proposed Project will strengthen water security in small islands by improving disaster resiliency, water availability, and storage capacity. The Project will adopt an adaptive integrated water resources management driven by variations in challenges, productive potential, and possible solutions across the small islands. It will focus on small islands classified by the Government of Indonesia as underdeveloped, remote, and outermost to address long-standing regional development disparities". The Project has four components: Component 1. Adaptive Water Resources Management (USD96 million) aims to improve the storage capacity, availability, and accessibility of water resources for domestic, economic, and environmental uses through system- and community-level interventions. It will invest in water storage infrastructures, including ponds, wells, rainwater harvesting facilities, sustainable groundwater pumps, and water conveyance networks. Component 2. Water Disaster Resilience (USD35 million) aims to strengthen the resiliency against climate-driven risks, including flooding, storm surge, land erosion, and coastal abrasion. It will invest in physical, digital, and natural infrastructures, including strengthening coastal dikes, augmenting drainage networks, modernizing pumping systems, and harnessing flood-regulating ecosystem services in Nature-based Solutions (NbS). Component 3. Water Security Information System (USD7 million) will enable technological improvements in the planning, monitoring, and evaluation of water management. It will invest in data acquisition networks, automated remote monitoring, forecasting models to establish a Water Information System for Small Islands. This will be built upon Indonesia's ongoing efforts under Presidential Regulation 88/2012 on the Management of Hydrology, Hydrometeorology, and Hydrogeology Information Systems (SIH3). The investments will include capacity building activities in optimizing and sustaining technology-oriented improvements to the operations and maintenance regime of the improved water infrastructures. Component 4. Project Management (USD12 million) will facilitate the overall coordination, monitoring, and evaluation under the Project."

## Investment Description

- Asian Infrastructure Investment Bank (AIIB)

## Contact Information

**Suminto**
Director-General of Budget Financing and Risk Management, Ministry of Finance
Republic of Indonesia

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan 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 AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

## Bank Documents

- Project Summary (April 17, 2026) [Original Source]