Early Warning System

AIIB-001083

Indonesia: Optimized Lowland Irrigation for Food Security Project

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Quick Facts

Countries	Indonesia
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	B
Borrower	Republic of Indonesia, Suminto
Sectors	Agriculture and Forestry, Infrastructure, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 200.00 million
Loan Amount (USD)	$ 200.00 million

Project Description

According to bank's website, the proposed project aims to improve the service coverage and performance of lowland irrigation systems in selected areas. It builds on past investments under the Strategic Irrigation Modernization and Urgent Rehabilitation Project (SIMURP), co-financed by AIIB and the World Bank and concluded in June 2025. While SIMURP invested in improving both surface/upland and lowland irrigation schemes, the proposed Project will focus on the latter. The Project is envisaged to consist of four components:

Component A: Rehabilitation and Upgrading of Irrigation Infrastructure (USD152.25 million)
aims to rehabilitate and upgrade water management infrastructure serving 108,000 ha of DIRs across Indonesia, scaling up the works initiated under SIMURP. It aims to restore the infrastructure to its original design capacity, optimize irrigation and drainage performance, and strengthen its adaptive capacity against relevant hydrometeorological hazards. Key interventions will include canal lining, embankment reinforcement, clearing/desilting of congested canals, and upgrading/expanding water regulatory structures.

Component B: Modernization of Water Management Systems (USD12.47 million)
will modernize infrastructure and hydrological monitoring networks (sensors and stations), as well as selected water control instruments. The modernized data acquisition systems will connect to real-time water monitoring centers at selected river basin organizations (B/BWS), enabling data-driven operation and maintenance (O&M) planning and implementation. It will support irrigation managers in optimizing water allocation efficiency, predicting seasonal flow fluctuations, and balancing water distribution across seasons and croplands.

Component C: Operational Sustainability Strengthening (USD23.02 million)
aims to enhance and sustain DIRs' operational performance of strengthening key stakeholders at three levels: (a) National level: strengthening the Balai Teknik Rawa (the national center of excellence in lowland management); (b) River basin level: establishing and strengthening B/BWS' in-house irrigation management units (UPIs) and upgrading their inventory of O&M equipment and machinery; and (c) Water user level: establishing and strengthening water user associations/ federations (P3A/GP3A) and engaging them in O&M activities.

Component D: Project Management (USD12.26 million)
will facilitate overall coordination, monitoring, and evaluation under the Project, including mobilizing Project Management Consultant, Technical Assistance consultants for design review/finalization, construction supervision, monitoring and evaluation (M&E), and overall project management services.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Proposed Funding Amount: US$ 200 million

Contact Information

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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 (October 23, 2026) (English) [Original Source]