# Indonesia: Maternity and Child Care Hospital Project

**Project Name**  
Maternity and Child Care Hospital Project

**Project Number**  
52120-001

**Borrower/Company**  
PT Medikaloka Hermina

**Country**  
Indonesia

**Location**  
Nation-wide

**Approval Number**  
7555

**Type of ADB Assistance / Amount**

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<tr>
<th>Strategic Agendas</th>
<th>Inclusive economic growth</th>
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**Sector / Subsector**

- Health  
  - Health system development  
  - Mother and child health care

**Gender Equity and Mainstreaming**  
Gender equity

**Responsible ADB Department**  
Private Sector Operations Department

**Responsible ADB Division**  
Portfolio Management Division, PSOD

**Responsible ADB Officer**  
Pati, Aniruddha V.

**Description**

**Objectives and Scope**

The equity investment will help Hermina expand its operations from the current 28 hospitals with 2,780 beds to 40 hospitals with 4,000 beds during 2018-2020. ADB’s participation in the initial public offering of PT Medikaloka Hermina as an anchor investor, will play an important role, both by providing direct financing and in attracting third-party investors and establishing confidence in Hermina’s future access to capital markets.

**Status of Operation/Construction**

Agreement was signed on 7 May 2018. The project continues to operate satisfactorily with 29 hospitals across 18 cities in Indonesia, 2 hospitals are under development.

**Linkage to Country/Regional Strategy**

The project aligns with ADB’s country partnership strategy, 2016-2019 for Indonesia, which supports expansion of the universal health coverage program by strengthening local service delivery. The project also catalyzes and enhances the effectiveness of private investment. The project is in line with ADB’s operational plan for health and supports health sector development through nonsovereign investments. The operational plan also aims to strengthen gender outcomes in health sector projects by focusing on improving women’s access to health services.

### Safeguard Categories

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<td>Involuntary Resettlement</td>
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<td>Indigenous Peoples</td>
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**Summary of Environmental and Social Aspects**

**Environmental Aspects**

The potential environmental impacts of hospital construction and operation are limited, generally site-specific, and reversible. Potential environmental impacts during operation includes impacts from hazardous and medical waste management and wastewater discharge. Hermina has developed a set of standard operating procedures to manage these impacts, and engages a third-party contractor to dispose of medical waste.

**Involuntary Resettlement**

All land required for Hermina hospitals has been purchased on a willing buyer - willing seller basis in accordance with national laws and regulations. Hermina’s existing land acquisition procedure is adequate to ensure involuntary displacement impacts are avoided and sufficient consultation and research is carried out to ensure certainty of title being transferred to Hermina.

**Indigenous Peoples**

Hermina’s hospitals are in locations that are adjacent to main roads, city centers or major residential or development areas. No distinct or vulnerable indigenous peoples groups have been identified in such areas that would be differently affected, either negatively or beneficially, from the project. No hospitals are planned in areas that would produce such impact.

**Stakeholder Communication, Participation, and Consultation**

**Timetable for assistance design, processing and implementation**

<table>
<thead>
<tr>
<th>Concept Clearance</th>
<th>10 Apr 2018</th>
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<tr>
<td>Due Diligence</td>
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<tr>
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<td>23 Apr 2018 to 23 Apr 2018</td>
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<td>Approval</td>
<td>24 Apr 2018</td>
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<td>Last PDS Update</td>
<td>17 Oct 2018</td>
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<td>Date Generated</td>
<td>10 June 2019</td>
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