



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 11/19/2021 | Report No: ESRSA01641



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Indonesia	EAST ASIA AND PACIFIC	P172707	
Project Name	National Health Insurance (JKN) Reforms and Results Program		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Health, Nutrition & Population	Program-for-Results Financing	10/25/2021	12/15/2021
Borrower(s)	Implementing Agency(ies)		
Republic of Indonesia	BPJS- Kesehatan, Ministry of Finance, Dewan Jaminan Sosial Nasional (DJSN), Ministry of Health		

Proposed Development Objective

The program development objective is to strengthen the quality and efficiency of Indonesia's National Health Insurance program.

Financing (in USD Million)	Amount
IPF Component	2.33
Total Project Cost	18752.33

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The IPF component of National Health Insurance (JKN) Reforms and Results Program closely supports the broader PforR component. The purpose of the IPF Component is to strengthen the implementation and coordination capacity of the JKN PforR Secretariat (which will be hosted in the Ministry of Finance) to support key ministries and organizations involved in the PforR. More specifically, the component will support:



- i. hiring consultants and technical experts to provide support to stakeholder agencies (also including, in addition to MOF, the Ministry of Health, the National Health Insurance Agency (BPJS-K), and the National Social Security Council (DJSN), involved in the implementation of the PforR;
- ii. coordination of JKN stakeholders, including the implementing agencies and other key stakeholders such as the President’s Office, the Ministry of Home Affairs, Bappenas and the Coordinating Ministry for Human Development; regular communications and convening of technical working group comprised of representatives from all relevant units and departments within the key stakeholder agencies;
- iii. strengthening the Secretariat’s monitoring and evaluation function to track progress, learn, course-correct and evaluate the program’s impact and effectiveness; and
- iv. generate knowledge and provide lessons learned for other countries for continuous learning.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project seeks to complement the proposed Program-for-Result (PforR) operation designed to strengthen the quality and efficiency of Indonesia’s National Health Insurance (Jaminan Kesehatan Nasional or hereafter JKN). This Investment Project Financing (IPF) component is to strengthen the implementation and coordination capacity of the JKN PforR Secretariat which will be hosted in the Ministry of Finance (MoF). The project will support key ministries and agencies involved in the PforR, specifically on expenditures for a) hiring of technical experts and consultants to support implementing agencies, particularly the Ministry of Health (MoH), the National Health Insurance Agency (BPJS-K) and the National Social Security Council (DJSN). This also includes hiring pf consultants to provide technical support to the implementation of social actions under the PforR b) coordination of JKN stakeholders, including the implementing agencies and other key stakeholders such as the President’s Office, the Ministry of Home Affairs (MoHA), the National Planning Agency (BAPPENAS), the Coordinating Ministry for Human Development and Cultural Affairs (Kemenko PMK), regular communications and technical workshops; c) strengthening the Secretariat’s monitoring and evaluation function to track progress, learn, course-correct and evaluate the Program’s impacts and effectiveness; d) generating knowledge and provide lessons learned for other countries for continuous learning. The consultants will mostly be based in the capital Jakarta with occasional travels depending on COVID-19 circumstances.

The project is not envisaged to involve any civil works nor purchase of equipment with environmental and social implications. Most of the upstream TA activities will be coordinated by JKN PforR secretariat and hence, will support specific reforms of the JKN program to achieve the PforR’s development objective. Capacity strengthening activities may benefit national and sub-national stakeholders. No physical footprints are envisaged as a result of project activities and no context-specific information pertaining to the salient geographic, environmental and social characteristics is available nor considered relevant for the environmental and social assessments during project preparation. Overall environmental and social impacts are assessed as low to negligible.

D. 2. Borrower’s Institutional Capacity

The TA activities will be coordinated by the JKN PforR Secretariat under MoF. The Secretariat will be responsible to coordinate activities executed by beneficiary ministries and agencies. The Secretariat will have an expanded role to



support overall coordination and oversight of JKN PforR implementation, including broader engagement with both government and non-government stakeholders at national and sub-national levels.

Familiarity with environmental and social risk management under the World Bank’s Safeguards Policies and/or ESSs across MoF agencies is limited since previous operations are low risk in nature, where requirements for such institutional capacities are not relevant. However, ongoing operations such as Indonesia Disaster Risk Finance & Insurance (P173249), Indonesian Environment Fund Technical Assistance Project (P175025), the Public Finance Management (PFM) Multi-donor Trust Fund (MDTF) III Support to Government of Indonesia (P173429) have recently contributed to strengthening institutional environmental and social capacities within MoF.

No adverse environmental and social risks and impacts are expected from project activities and there is no additional environmental and social assessment warranted during appraisal. Going forward, focus will be on enhancing stakeholder engagement across project activities, and to ensure that social measures to enhance the JKN’s program as identified in the PforR ESSA can be implemented under the PforR through inclusive and participatory processes.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

The environmental risk rating is low. Activities and investments under the IPF component of this project (JKN PforR) will focus on hiring of consultants, coordination of JKN stakeholders, training for monitoring and evaluation including on relevant environmental and social aspects under the PforR,, and generating knowledge and lessons learned. No physical footprints are envisaged as result of these activities. No adverse direct environmental impacts are expected. The operational engagement is not likely to have adverse impacts on GHG emissions.

Social Risk Rating

Low

The overall social risk rating is low. The project seeks to strengthen the implementation and coordination capacity of the JKN PforR, including across social measures identified through the PforR ESSA. Downstream implications of the implementation of the TA activities to support JKN reforms are expected to be positive. The TA supports the provision of technical experts, stakeholder engagement and related analytics to promote social outcomes of the JKN implementation. Financing under the IPF is limited to the provision of personnel, inter-agency and inter-ministerial coordination, analytics, and capacity building. No physical investments, nor direct community engagement, including with vulnerable groups are envisaged under the operation. The project does not finance feasibility or design of any future investments that would have physical footprints or potential downstream adverse impacts. On the basis of this assessment, the social risks are rated low. Public participation will be sought through stakeholder engagement to promote transparency, citizen feedback, and equitable access to participation for activities related to JKN PforR implementation. Relevant measures to promote public participation will be addressed as part of project design and implementation, guided by a Stakeholder Engagement Plan (SEP) prepared by MOF.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered



B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 is applicable for the operation. Application of ESS1 is to set out relevant roles and responsibilities for environmental and social management, particularly concerning to labor management and stakeholder engagement as further elaborated in ESS2 and ESS10 sections. In line with the OESRC Advisory Note on Technical Assistance and the Environmental and Social Framework (May 21st, 2019), the project is classified as a Technical Assistance (TA), involving activities categorized as Type 2 (supporting the formulation of policies, programs, plans, strategies or legal frameworks) and Type 3 (strengthening borrower capacity). The TA provided by the project is not expected to generate adverse environmental and social impacts. Potential implications of future JKN reforms being supported by the PforR will be assessed as part of the stakeholder consultations, deliberation and relevant diagnostics on specific parts of the reforms of the JKN program. Such measures have been included as part of the Program Action Plan as informed by the Environmental and Social System Assessment (ESSA). Under the RETF, an SEP will serve as the main instrument to promote public participation, transparency and equitable access to project benefits, particularly related to technical assistance and capacity building activities undertaken with funding from the RETF.

ESS10 Stakeholder Engagement and Information Disclosure

Multi-stakeholder programs like JKN face challenges in ensuring sequential or inter-dependent results chains that connect different stakeholders and their policy intentions with actual impact. Hence, stakeholder engagement represents a building block for JKN PforR implementation, which the project supports. Project beneficiaries will include the main PforR implementing agencies, including MoH, BPJS-K, DJSN and other departments in MoF. The project will also promote coordination with other key ministries where collaboration is required, such as MOHA for population database, Ministry of Social Affairs (MoSA) for JKN premium subsidy targeting amongst poor populations, Kemenko PMK and BAPPENAS for inter-ministerial coordination and planning. The Secretariat will coordinate and interact with a Technical Working Group (TWG) comprised of focal points from the stakeholder teams and units responsible for implementing DLIs to provide technical guidance, comprising of technical-level representatives from different teams across those agencies and ministries. Broader public engagement will be sought as part of the PforR implementation. This includes system enhancement within the JKN program to facilitate citizen engagement, grievance handling, stakeholder consultations for policy reforms, disclosure of information as further elaborated in the PforR social action plans. An SEP for the RETF project has been prepared prior to project appraisal to provide a high-level framework for stakeholder engagement along with its institutional arrangement, resource and capacity building requirements

Relevant risks associated with COVID-19 circumstances, which may likely result in travel restrictions and application of requisite Infection Prevention and Control (IPC) measures, has been considered as part of the SEP. MOF will be required to adhere to public health measures to minimize COVID-19 transmission for stakeholder engagement activities, in line with the government regulations and good international practices, such as the World Health Organization's (WHO) guidelines.

B.2. Specific Risks and Impacts



A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is relevant given the project will involve staffing and hiring of consultants and trainers, all of whom are considered as project workers. Potential risks related to project workers may include workplace discrimination on the basis of gender, status, disability and/or other during the hiring process; health and safety risks during travels to the project locations (air and land travel); and other risks related to working conditions such as no mechanism for raising concerns at the workplace. Provisions for labor management will be integrated as part of the RETF Project Operation Manual (POM) to be prepared by the JKN PforR Secretariat and will cover relevant measures such as personal safety and other provisions in compliance with ESS2 provisions and the national law where relevant and/or equivalent, such as fair and equal opportunity in the hiring process and pay, grievance redress mechanisms at the workplace, codes of conduct pertaining to Gender Based Violence (GBV)/Sexual Exploitation and Abuse/Violence Against Children (GBV/SEA/VAC).

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is currently not relevant as the project activities will not contribute to new or current natural resources use or energy use which will not contribute to potential pollution.

ESS4 Community Health and Safety

ESS4 is not applicable as the project activities will not present health and safety risks to communities. No direct community engagement is envisaged for the purpose of project implementation. Requirements for public consultations are being addressed under the ESS10.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is not applicable as the project activities will not require land and result in any access restrictions. No physical investments are envisaged under the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is currently not relevant given the project does not involve any activities that would potentially affect biodiversity or habitats, either positively or negatively, directly or indirectly, or depend on biodiversity to achieve the project objectives.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is not relevant as the project activities will not involve any activities, nor engagement with communities, including Indigenous Peoples. Public participation will be sought through implementation of a SEP in line with the ESS10.

ESS8 Cultural Heritage



ESS8 is not applicable since the project does not finance any physical investments which may affect cultural heritage, both tangible and intangible. Similarly, the project will not finance feasibility and design studies with downstream impacts on cultural heritage.

ESS9 Financial Intermediaries

ESS9 is not applicable since the project does not finance and/or involve financial intermediation activities.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:

No use of Borrower Framework is envisaged under the operation

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Republic of Indonesia

Implementing Agency(ies)

Implementing Agency: BPJS- Kesehatan

Implementing Agency: Ministry of Finance

Public Disclosure



Implementing Agency: Dewan Jaminan Sosial Nasional (DJSN)

Implementing Agency: Ministry of Health

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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Practice Manager (ENR/Social)	Janamejay Singh Cleared on 08-Oct-2021 at 05:53:42 GMT-04:00
Safeguards Advisor ESSA	Nina Chee (SAESSA) Concurred on 19-Nov-2021 at 08:37:28 GMT-05:00