



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 16-Jun-2023 | Report No: PIDC35840

**BASIC INFORMATION****A. Basic Project Data**

Project Beneficiary(ies) Indonesia	Operation ID P180811	Operation Name Indonesia Health Systems Strengthening Project	
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 04-Oct-2023	Estimated Approval Date 19-Dec-2023	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing (IPF)	Borrower(s) The Republic of Indonesia	Implementing Agency Ministry of Health	

Proposed Development Objective(s)

To strengthen health and laboratory facilities' service readiness and improve access to quality public health services across Indonesia

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Operation Cost	3,853.50
Total Financing	3,850.00
of which IBRD/IDA	1,400.00
Financing Gap	3.50

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	1,400.00
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Non-World Bank Group Financing

Other Sources	2,450.00
Asian Infrastructure Investment Bank	1,000.00
Asian Development Bank	650.00
Islamic Development Bank	800.00



Environmental and Social Risk Classification

Moderate

Concept Review Decision

The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Indonesia has achieved impressive economic growth and substantial gains in poverty reduction in the past two decades. However, this has partially been reversed by the COVID-19 pandemic. Although Indonesia has shown encouraging signs of recovery following the pandemic (e.g., 5.31 percent GDP growth in 2022¹) this process has not been even, with most disadvantaged households yet to experience an improvement in their livelihoods², as well as 25 million Indonesians still living in poverty.

The pandemic highlighted enduring challenges associated with Indonesia's complex geographic landscape, low government revenue, and unequal subnational capacities. The population of 276 million people across 17,500 islands,³ combined with substantial variations in the capacity of subnational governments to effectively fulfill their functions within the country's decentralized governance model, has made it difficult for the Government of Indonesia (GoI) to achieve equitable economic growth across the country, with wealth, public services, and essential infrastructure largely concentrated in the west of Indonesia, particularly urban centers located on Java, Sumatra, Southern Borneo, and Bali.⁴

Indonesia is also extremely vulnerable to the effects of climate change, with significant impacts on the economy, lives, and livelihoods of its population. Indonesia is currently the 49th most climate-vulnerable country in the world,⁵ with potential economic losses from climate change projected to reach as high as IDR554 trillion⁶ (approx. US\$37.8 billion) between 2020-2024.

Sectoral and Institutional Context

Indonesia has achieved momentous gains in its health outcomes and progress towards achieving Universal Health Coverage (UHC) in recent years. Between 2000 and 2020, life expectancy rose from 66 to 72 years. In addition, thanks to the introduction of the *Jaminan Kesehatan Nasional* (National Health Insurance, JKN) in 2014, health coverage and

¹ Cabinet Secretariat of the Republic of Indonesia. (February 2023). *Indonesia's Economy Grows by 5.31% in 2022*. Available at: <https://setkab.go.id/en/indonesias-economy-grows-by-5-31-in-2022/>

² UNICEF, UNDP, Prospera, and SMERU, 2022.

³ Encyclopedia Britannica. (2023). *Indonesia*. Available at: <https://www.britannica.com/place/Indonesia#ref22833> ; https://kemlu.go.id/vancouver/en/pages/indonesia_at_a_glance/2016/etc-menu

⁴ Central Bureau of Statistics of the Republic of Indonesia. (2023). *Produk Domestik Regional Bruto Per Kapita (Ribu Rupiah), 2020-2022*. Available at: <https://www.bps.go.id/indicator/52/288/1/-2010-version-per-capita-gross-regional-domestic-product-by-province.html>

⁵ European Commission (EC). (2023). *INFORM Risk Index 2023*. Available at: <https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Risk/Risk-Facts-Figures>

⁶ Antara. (2022). *Climate change losses could touch Rp544 trillion in 2020--2024: gov't*. Available at: <https://en.antaranews.com/news/243525/climate-change-losses-could-touch-rp544-trillion-in-2020-2024-govt>



utilization of health care services rose dramatically, covering over 90 percent of the Indonesian population as of May 2023⁷.

However, Indonesia continues to trail its regional and economic peers in most health outcomes and is faced with a “double burden” of enduring communicable diseases and increasing non-communicable diseases (NCDs). At 173 deaths per 100,000 live births⁸ (2020), Indonesia’s maternal mortality ratio remains significantly higher than the average for East Asia and the Pacific (77). It also compares unfavorably in life expectancy, infant, under-five, and neonatal mortality. Furthermore, the country is the third-largest contributor to the global tuberculosis burden, accounting for 8.4 percent⁹ of all estimated incident cases worldwide (2020). The share of deaths due to NCDs in Indonesia has also increased from 61 percent to 76 percent between 2000 and 2019, with cancer, heart, stroke and uronephrology diseases (*Kanker, jantung, stroke and uronefrologi, or KJSU*, in Bahasa Indonesia) accounting for the highest mortality rates and health costs. These trends are increasingly straining Indonesia’s health system, which is currently still unprepared to diagnose, treat, and adequately manage chronic conditions, and also straining JKN, which, as of the end of 2019 had incurred a substantial cumulative deficit of US\$3.5 billion.¹⁰

Regional disparities in healthcare access and quality persist, leading to widely varied health outcomes across the nation.

Indonesia possesses an extensive PHC network that provides a standardized set of essential services across the country. This is composed of community health centers (*Puskesmas*) that provide 31 essential health services at the subdistrict level, complemented by auxiliary health posts (*Pustu*) and mobile clinics (*Posyandu*) that provide a limited set of primary health care (PHC) services at the village and hamlet level, respectively. However, of the 171 out of 7,230 subdistricts without at least one service-ready puskesmas, 90 percent are in two eastern provinces: Papua and West Papua.¹¹ This disparity in access to quality care in turn also contributes to widely varied health outcomes across provinces. In 2019, for females, the difference in life expectancy between the highest-ranked (North Kalimantan) and lowest-ranked (North Maluku) provinces was 13.7 years.¹² Insufficient access to referral-level health services also exists across Indonesia, contributing to low health outcomes and high healthcare costs. Currently, the facilities with the capability to deliver standardized services for KJSU are still concentrated on the island of Java. This has led to delayed detection, faster disease progression, lower survival rates, as well as losses in quality of life and productivity elsewhere. For instance, over 70 percent of cancer cases were detected at later stages of disease progression.¹³ Indonesia’s public health laboratory system also requires strengthening to support pandemic prevention, preparedness, and response (PPR) and public health service delivery. Indonesia scored quite low on indicators that assess real-time surveillance system on the latest Joint External Evaluation Report (JEE) in 2017¹⁴. Key gaps include spatial disparities in the distribution of laboratories and limited or out-of-date diagnostic tools in lower-income and remote areas.

⁷ Social Security Administrator for Health of the Republic of Indonesia (BPJS). (2023). *BPJS Kesehatan Presents JKN Program Updates to Commission IX DPR RI*. Available at: <https://www.bpjs-kesehatan.go.id/bpjs/post/read/2023/2618/BPJS-Kesehatan-Paparkan-Update-Program-JKN-Ke-Komisi-IX-DPR-RI>

⁸ World Bank. (2020). *Maternal mortality ratio (modeled estimate, per 100,000 live births) – Indonesia*. Available at: <https://data.worldbank.org/indicator/SH.STA.MMRT?locations=ID>

⁹ World Health Organization (WHO). (2021). *Global Tuberculosis Report 2021*. Available at: <https://www.who.int/publications/i/item/9789240037021>

¹⁰ Indonesia-Investments. (2023). *Indonesia’s National Healthcare Program Expected to Swing Back to Deficit by 2024*. Available at: <https://www.indonesia-investments.com/finance/financial-columns/indonesia-s-national-healthcare-program-expected-to-swing-back-to-deficit-by-2024/item9607>

¹¹ Ministry of Health of the Republic of Indonesia (MoH). (2022b). *Partners Meeting on Strengthening Primary Health Care in Indonesia*.

¹² Institute for Health Metrics and Evaluation. (2019). *Global Burden of Diseases (GBD) Study 2019*. Available at: <https://www.healthdata.org/gbd/gbd-2019-resources#:~:text=GBD%202019%20incorporates%20major%20data,of%20369%20diseases%20and%20injuries>.

¹³ Ministry of Health of the Republic of Indonesia (MoH). (2022d). *Dirjen Menganangkan Gerakan Bulan Deteksi Dini Penyakit Tidak Menular (Director General Launches the Movement for Early Detection of Non-Communicable Diseases)*. Available at: <http://p2p.kemkes.go.id/dirjen-menganangkan-gerakan-bulan-deteksi-dini-penyakit-tidak-menular/>

¹⁴ World Health Organization (WHO). (2018a). *Joint external evaluation of IHR core capacities of the Republic of Indonesia: mission report, 20-24 November 2017*. Available at: <https://apps.who.int/iris/handle/10665/272363>



Against this backdrop, MoH, based on the mandate of President Joko Widodo, recently launched an ambitious Health Transformation Agenda with the aim of establishing a well-structured public health system that integrates and standardizes all levels of public health facilities and laboratories. This ambitious agenda, which was launched in the wake of the devastating impact of the COVID-19 pandemic with the aim of establishing a “healthy, productive, independent, and just people”, centered around the following six pillars: (i) primary care transformation; (ii) secondary care transformation; (iii) health resilience transformation; (iv) health financing and system transformation; (v) health workforce transformation; and (vi) health technology transformation.

Relationship to CPF

The proposed Project is closely aligned with the World Bank Group’s Indonesia Country Partnership Framework (CPF) for Fiscal Year (FY) 2021-2025¹⁵, and the World Bank’s Evolution Roadmap seeking to support long-term development at greater scale in middle-income countries¹⁶. Its development objective resonates strongly with the CPF Objective 3.2 on strengthening the quality and equity in nutrition and health. This is part of Engagement Area 3, ‘Nurture Human Capital’.

C. Proposed Development Objective(s)

To strengthen health facilities' service readiness and improve access to integrated, quality health services in Indonesia

Key Results (From PCN)

The following indicators reflect the proposed key result areas at PDO level which will be refined during project preparation in consultation with GoI counterparts:

- (a) Share of all health facilities which are supply ready¹⁷ as per the benchmarks set under the Health Transformation Agenda
- (b) Share of public health facilities for which procured and installed equipment have stayed functional for most of the reported period with sub-indicators for:
 - i. Primary care facilities
 - ii. Hospitals/ referral health
 - iii. Public health laboratories
- (c) Share of public laboratory facilities regularly reporting on selected tracer infectious diseases using SILNAS as the integrated electronic public laboratory data system

D. Concept Description

Given pressing equipment needs of Indonesian public health facilities, the proposed Project seeks to contribute to the provision of equipment to all levels of public health facilities across Indonesia to ensure the filling of critical service delivery gaps, aligned with both the Indonesian Health System Transformation Agenda and the RPJMN for 2020-2024.

The MoH envisages three components for this work: (i) a primary care component seeking to close equipment gaps at the three levels of primary care facilities in Indonesia: Posyandu, Pustu, and Puskesmas, including the Tier-1 public health laboratories in the Puskesmas; (ii) a referral network component seeking to close equipment gaps at the three levels of hospital care in Indonesia: Madya, Utama, and Paripurna-level hospitals; and (iii) a public health laboratory component seeking to close equipment gaps at the Tiers 2, 3, 4, and 5 laboratory facilities in Indonesia.

¹⁵ World Bank. (2021a). *World Bank – Indonesia 2021-2025 Country Partnership Framework (CPF)*. Available at:

<https://www.worldbank.org/en/country/indonesia/brief/indonesia-country-partnership-framework-2021-2025>

¹⁶ World Bank. (2023). World Bank Group Statement on Evolution Roadmap. Available at: <https://www.worldbank.org/en/news/statement/2023/01/13/world-bank-group-statement-on-evolution-roadmap>

¹⁷ ‘Supply ready’ is defined as having the minimum Human Resource capacity, infrastructure, utility access (electricity and, where necessary, internet), as well as the full standardized set of facility-specific equipment for each level of the public health system as per the benchmarks set under the Health Transformation Agenda



The partnership of MDBs, comprising the World Bank Group (WBG), Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB), and Islamic Development Bank (IsDB), will jointly support the Government to deliver on this transformative operation. Though final Project amount and the respective share of financing is still being determined by MoH.

- (a) **Component 1: Procurement, installation, operation, and maintenance of equipment to primary care facilities and tier-1 laboratories across Indonesia.** Before equipment is supplied to any facility, some “facility readiness criteria” will be developed and used: such as prior availability of equipment in the facility, human resource capacity, and utility access.
- (b) **Component 2: Procurement, installation, operation, and maintenance of equipment to referral hospital facilities across Indonesia.** While challenges in terms of human resources and facility readiness are projected to be smaller at the referral level, facility readiness criteria will apply here as well.
- (c) **Component 3: Procurement, installation, operation, and maintenance of equipment to tier 2, 3, 4, and 5 public health laboratory facilities across Indonesia.** Facility readiness criteria will apply here as well.
- (d) **Component 4: Project Management, Administration, Digitization and Training across Components 1-3.**
- (e) **Component 5: Contingency Emergency Response Component (CERC)** with a zero initial allocation and for use during emergencies.

Considerations related to climate change mitigation and adaptation and innovation cut across the components. The equipment will be energy-efficient and robust with an eye on resilience in the face of climate shocks or natural hazards. The relevant efficiency standards will therefore be applied and included in the equipment specifications. Moreover, where possible, innovations in digital health and telemedicine will be leveraged in priority areas.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

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APPROVAL

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