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**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY**

**PERFORMANCE AND LEARNING REVIEW
OF THE COUNTRY PARTNERSHIP FRAMEWORK**

**FOR
THE REPUBLIC OF INDONESIA
FOR THE PERIOD FY21-FY25**

July 19, 2024

**Indonesia Country Management Unit
East Asia and Pacific Region
The International Finance Corporation
The Multilateral Investment Guarantee Agency**

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FISCAL YEAR

July 1 to June 30

CURRENCY EQUIVALENTS

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Currency unit: Indonesian Rupiah (IDR)

\$1.00 = IDR15,487

ABBREVIATIONS AND ACRONYMS

AIIB	Asian Infrastructure Investment Bank	J-CAP	Joint Capital Program
ADB	Asian Development Bank	KfW	Kreditanstalt für Wiederaufbau (Credit Institute for Reconstruction)
ASA	Advisory Services and Analytics	M&E	Monitoring & Evaluation
ASEAN	Association of Southeast Asian Nations	MIGA	Multilateral Investment Guarantee Agency
BTPN	National Retirement Savings Bank	MSME	Micro, Small, and Medium Enterprises
CDF	Disruptive Tech and Funds	MoH	Ministry of Health
CIPP	Comprehensive Investment and Policy Plan	NDC	nationally determined contributions
CPF	Country Partnership Framework	OJK	Otoritas Jasa Keuangan/Financial Services Authority
CR	Credit Rating	PforR	Program-for-Results
DFAT	Australian Department of Foreign Affairs and Trade	PASA	Programmatic Analytical and Advisory Services
DPL	Development Policy Lending	PISA	Program for International Student Assessment
FDI	Foreign Direct Investment	PLN	Perusahaan Listrik Negara (State Electricity Company)
FSOL	Financial Sector Omnibus Law	PLR	Performance and Learning Review
FY	Fiscal Year	PMI	Partnership for Market Implementation
GDP	Gross Domestic Product	PPA	power purchase agreements
GHG	Greenhouse Gas	PPP	Public-Private Partnerships
HSS	Health Systems Strengthening	RE	Renewable Energy
IBRD	International Bank for Reconstruction and Development	REDD	Reducing Emissions from Deforestation and Forest Degradation
ICSID	International Centre for Settlement of Investments Disputes	SMEs	Small and Medium Enterprises
IDA	International Development Association	SOE	State-owned enterprises
IFC	International Finance Corporation	UMIC	Upper Middle-Income Country
IPF	Investment Project Financing	VAT	Value-added Tax
IsDB	Islamic Development Bank	VC	venture capital
JETP	Just Energy Transition Partnership	WB	World Bank
JKN	Jaminan Kesehatan Nasional (National Health Insurance)	WTP	Water Treatment Plant

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I. INTRODUCTION

1. **This is a Performance and Learning Review (PLR) of the World Bank¹ Country Partnership Framework (CPF) for Indonesia for the period FY2021 to FY2025.** It incorporates Indonesia's current economic and social context and: (i) outlines the key developments and lessons learned since the adoption of the CPF; (ii) assesses the evolution of the World Bank's partnership with Indonesia and the progress towards achieving the CPF objectives; and (iii) adjusts the World Bank's engagement for the remainder of the CPF period.

2. **The four engagement areas of the CPF are focused on tackling the global challenges at local level².** The World Bank program in Indonesia addresses (i) Climate Change Adaptation and Mitigation; (ii) Pandemic Prevention and Preparedness; (iii) Energy Access; (iv) Food and Nutrition Security; (v) Water Security and Access; (vi) Enabling Digitalization; and (vii) Protecting Biodiversity and Nature. These goals are also aligned with Government's development strategy³ and its intent to become a High-Income Country by 2045. The engagement areas are strengthen economic competitiveness and resilience; improve infrastructure; nurture human capital; and sustain management of natural assets, natural resources-based livelihoods, and disaster management. The PLR sets out some adjustments to the World Bank Group program to adapt to changing government priorities, reflect the lessons learned from the pandemic, and promote a livable planet in the context of addressing climate change. The PLR reconfirms support to global public goods and World Bank corporate priorities on private capital mobilization, digitalization, and gender, consistent with the CPF.

3. **Most of the CPF objectives remain relevant and are on track to be met.** In some key areas progress has already exceeded targets, such as in natural resource management, nutrition and health, and the financial sector. At the same time, Indonesia's relatively quick recovery from the pandemic enabled the government to expand its plans and become more ambitious, which required the World Bank to adapt its program. The latter was reflected through adjustments made to some of the objectives and indicators.

4. **Between July 1, 2020 to December 31, 2023 , the World Bank extended 21 loans amounting to \$10.94 bln**(see Annex 6). During the same period, IFC committed \$1.3bln in various sectors, with \$528m focusing on a green economy, digitalization and technology, gender equality, and inclusion.⁴ MIGA issued guarantees of \$522m to cover loans for the working capital needs of the electricity utility company PLN in support of renewable energy projects. The World Bank lending envelope will likely be between \$2.7-3.2bln over the remainder of the CPF period (Annex 4) and will likely consist of three IPFs and one guarantee operation in climate resilient and low carbon agriculture, energy, urban sanitation, waste management, and two Program for Results (PforRs) type of operations that will support extension of renewable energy to Eastern Indonesia, and upgrade of electricity transmission systems.

5. **Over the remaining CPF period, IFC has a strong pipeline in the financial sector and is actively building its pipeline in infrastructure, manufacturing, and agriculture sectors.** IFC's potential pipeline for Infrastructure development in next 2 years amounts to \$660m of IFC's own account investment and \$1bln of IFC's long-term financing but execution will require commitment from the government to open infrastructure sectors to private investment. IFC's pipeline also includes \$500-750m of long-term financing (including mobilization) focused on (i) digital economy; (ii) healthcare services, and life-science companies (iii) climate smart agriculture, food security solutions/import substitution; and (iv) decarbonization.

II. MAIN CHANGES IN COUNTRY CONTEXT

6. **The CPF was developed when Indonesia, like the rest of the world, was working to mitigate the impacts of the pandemic, which were exacerbated by worsening global political and economic conditions related to the Russia's invasion of Ukraine and rising commodity prices.** The Government of Indonesia managed this turbulent period well and used the crisis to introduce major reforms. At the same

¹ The World Bank refers to IBRD, IDA, IFC, and MIGA, throughout this document.

² The alignment of Indonesia development priorities and the WB program with global challenges is described in Annex 7.

³ National Medium-Term Development Plan, 2020-2024.

⁴ A financial facility of \$500 m in support for social and green bonds was extended.

time, crises inevitably led to delays in certain areas, changes in government focus and efforts, as well as setbacks, including in education.

7. **The CPF covers the final term of President Joko Widodo which has seen a continuation of a broad set of reforms.** Through these reforms, Indonesia focused on deregulation, easing of labor market rigidities, introducing measures to sharpen competitiveness; improving the quality of public spending away from inefficient subsidies towards human capital and infrastructure; decarbonization and clean energy; and stronger safeguarding of natural assets. Indonesia emerged onto the world stage by chairing the G20 in 2022, achieving its key goals of strengthening the global health architecture and advancing the global consensus on digital transformation and energy transition. These goals were also reflected in its chairmanship of ASEAN in 2023.

8. **The final year of the CPF coincides with the last year of the current government.** Well-organized elections have taken place in February 2024, and it is expected for the new government to be formed in October 2024. The transition to a new administration at the end of 2024 may cause a temporary slowdown in reform implementation as the transition period may mark reluctance on the government's part to approve new operations. The World Bank will be engaging with the new Government early on to discuss the development priorities of the new administration and the future of the World Bank program. The team is actively mitigating this risk by aligning operational support with the government's longer-term priorities. The development of the new CPF is planned to start towards the end of 2024, in consultation with the new government.

Recent Economic Developments

9. **The economy has recovered from the pandemic despite difficult global conditions.** A lifting of pandemic-related restrictions together with high global commodity prices led to a rebound in GDP growth from 3.7 percent in 2021 to 5.3 percent in 2022. The economy has continued to grow at 5 percent in the first three quarters of 2023. Poverty has fallen back to pre-pandemic levels. Despite steady progress in poverty reduction, ensuring households' economic security remains a challenge. The recovery comes amidst a slowdown in global growth and tightening external financing conditions. Inflation peaked at 5.7 percent in September 2022 but was within the target range of 2-4 percent by May 2023. The external position strengthened partly owed to a positive terms-of-trade shock: commodity windfalls have contributed to a current account surplus. International reserves remain adequate, covering over six months of imports and short-term debt cover. However, high policy rates in the US and the EU have added external financing pressures, which Indonesia has also felt more recently including an acceleration in capital outflows and weakening of the Rupiah. The rapid acceleration in COVID related spending and the negative shock to revenues in 2020 and 2021 expanded the fiscal deficit to 6.1 percent of GDP. A combination of tax reforms, commodity windfalls, and GDP acceleration in 2022 enabled a strong recovery in revenues from a low of 10.8 percent of GDP in 2020 to 13.4 percent and 12.6 percent in 2022 and 2023 respectively.

10. **The authorities responded effectively to address the impacts of the pandemic.** Emergency fiscal packages were implemented to provide relief to households and support to firms equivalent to about 4 percent of GDP in 2020 and 2021. Monetary policy was broadly accommodative during the recovery phase, though substantially tightened in 2022 to anchor inflation expectations. The economic scarring from the pandemic, ongoing geopolitical tensions, uncertainties around Russia's invasion of Ukraine and conflict in the Middle East, and tightening of global monetary policy cloud the outlook.

11. **The authorities have maintained a sound macroeconomic stance throughout the CPF period.** They embarked on fiscal consolidation, supported by a broad-based revenue rebound, a tax reform, and the scaling back of the pandemic support package. After peaking at 6.1 percent of GDP in 2020, the fiscal deficit narrowed to 4.7 percent of GDP in 2021 and declined to 2.4 percent of GDP in 2022. The debt to GDP ratio has declined from its peak of 40.7 percent in 2021 to 39.1 percent in Q1 2023.

Table 1: Key Macroeconomic Indicators

	2020	2021	2022	2023e	2024f	2025f
Real GDP growth, at constant market prices	-2.1	3.7	5.3	5.0	4.9	4.9
Private consumption	-2.7	2.0	4.9	4.8	4.9	4.8
Government consumption	2.1	4.2	-4.5	4.2	3.1	3.5
Gross fixed capital investment	-5.0	3.8	3.9	4.4	4.6	4.9
Exports, goods and services	-8.4	18.0	16.3	3.3	4.0	4.0
Imports, goods and services	-17.6	24.9	14.7	1.8	2.4	2.5
Real GDP growth, at constant factor prices	-1.6	3.3	4.9	4.9	4.9	4.9
Agriculture	1.8	1.9	2.3	3.8	3.5	3.0
Industry	-2.8	3.4	4.1	4.1	4.1	4.1
Services	-1.5	3.5	6.5	6.0	6.0	6.1
Inflation (consumer price index)	2.0	1.6	4.2	3.9	3.3	3.0
Current account balance (% of GDP)	-0.4	0.3	1.0	-0.1	-0.5	-1.0
Net foreign direct investment inflow (% of GDP)	1.3	1.5	1.1	1.0	1.3	1.5
Fiscal balance (% of GDP)	-6.1	-4.6	-2.4	-2.2	-2.3	-2.3
Revenues (% of GDP)	10.7	11.8	13.5	12.6	12.4	12.6
Debt (% of GDP)	39.3	40.7	39.5	39.1	39.0	38.4
Primary balance (% of GDP)	-4.1	-2.5	-0.4	-0.1	-0.2	-0.3
International poverty rate (\$2.15 in 2017 PPP)^{a,b}	3.8	3.6	2.5	2.0	1.6	1.3
Lower middle-income poverty rate (\$3.65 in 2017 PPP)^{a,b}	23.5	22.4	20.3	18.3	16.6	15.1
Upper middle-income poverty rate (\$6.85 in 2017 PPP)^{a,b}	60.8	60.7	60.5	58.6	56.8	55.1
GHG emissions growth (mtCO₂e)	-0.4	1.1	0.7	1.2	1.1	0.9
Energy related GHG emissions (% of total)	30.1	30.7	30.9	31.5	32.2	32.7

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast.

a/ Calculations based on EAPPOV harmonization, using 2011-SUSENAS and 2022-SUSENAS. Actual data: 2022. Forecasts are from 2023 to 2025.

b/ Projection using annualized elasticity (2011-2022) with pass-through = 1 based on GDP per capita in constant LCU.

12. **GDP growth is estimated to moderate to 5 percent in 2023 and stay broadly flat at around 5 percent in the medium term.** Growth will be supported by private consumption as inflationary pressures subside. A small surplus in the current account (0.02 percent of GDP) in 2023 is projected to turn into a deficit of 1.0 percent of GDP in 2025. The fiscal deficit is projected to remain below 3 percent of GDP in line with the reinstated fiscal rule. The drivers of long-term growth will need to be based on market friendly policies and institutions that allocate resources to the most productive firms and industries, as well as on the further acceleration of human capital development.

III. SUMMARY OF PROGRAM IMPLEMENTATION

Overview of Progress towards Achieving CPF Objectives

13. **Overall, progress towards achieving the CPF objectives is on track, with activities in some areas advancing faster than others.** The CPF covers four Engagement Areas comprised of 12 objectives, with 40 Indicators. Of those, twelve have already been achieved, while the remaining twenty-eight are on track to be achieved within the next 12 months. The Indonesian Government, with World Bank support, has embarked on significant reforms and transformational programs: interventions in the health sector are poised to overhaul and modernize the health services throughout the country, the enhanced tax collection and public spending quality has significantly increased. The enactment of two Omnibus Laws has spurred economic openness and competitiveness, attracting foreign investment. With the help of the World Bank, the Government will scale-up restoration of close to 500,000ha of mangroves across the country. Environment efforts show mixed results, with notable success in combating deforestation, plastic waste, and greenhouse gas emissions, but agriculture struggles due to the pandemic, food security issues, and political instability. Local service delivery has improved, though the shift to low carbon energy lags. The pandemic has worsened educational setbacks.

Engagement Area 1: Strengthen Economic Competitiveness and Resilience

14. **In Engagement Area 1, of 14 indicators, three have been achieved ahead of time, while the rest are on track to be achieved by the end of the CPF period.** The Government made significant strides in improving tax collection and the quality of public spending. In addition, two Omnibus Laws (on Job Creation and Financial Sector), developed with the help of the World Bank, have reformed the overall competition environment in the country and opened the economy of Indonesia for foreign investments.

15. **The government moved forward with improvements in the overall tax ratio and legislation to improve the quality of public spending.** The former has fluctuated between 9.5 percent to 10.5 percent of GDP. Legislative changes were directed at addressing principal problems, such as high thresholds and exemptions, system complexity and weak compliance, and low financial depth which breeds informality. To enhance domestic revenue mobilization, the World Bank supported a tax reform legislation that raised VAT rates, reduced the scope of select exemptions, made provisions for a carbon tax, and strengthened institutions for planning, budgeting, and fiscal transfers. This contributed to an increase in the tax to GDP ratio from 9.5 percent in 2021 to 10.5 percent in 2022. World Bank support contributed to a reform of the inter-governmental fiscal transfer system to address the quality of public spending. The flagship Poverty Assessment noted that, with the elimination of extreme poverty in Indonesia, attention should shift to bolstering economic security. This is because more than one-third of Indonesians remain economically insecure. They can be pushed into poverty by another pandemic outbreak or a natural disaster — the frequency and severity of which is increasing due to climate change. It recommended raising skills and productivity, tightening linkages to global value chains, seeking efficiency gains in agriculture, urban investments, expanding childcare to incentivize female labor participation, and targeting social protection systems.

16. **Efforts have been made during the CPF period to address the principal barriers to competition and to remove investment constraints.** Private investment, especially FDI, has been sapped by non-tariff measures, local content requirements that raise domestic costs, a wide range of export restrictions, restrictions on imports of services, and privileges for state-owned enterprises. The government addressed some of these constraints through an Omnibus Law on Job Creation, developed with technical advice from the World Bank and supported by IFC's trust funds and projects. The Investment and Trade Reforms DPL focused on opening certain sectors to FDI, partially liberalizing the import of skilled labor, improving access to manufacturing inputs, and reducing restrictions on food and raw material imports. In 2022, FDI in liberalized sectors grew 48 percent faster than in non-liberalized sectors, illustrating the powerful effects of easing the FDI regime. The establishment of an online single submission system as part of licensing reform has benefitted more than 3 million firms.

17. **The government has implemented a comprehensive financial sector reform program to deepen the financial sector, enhance financial efficiency, and strengthen financial resilience.** This program led to the ratification of the Financial Sector Omnibus Law (FSOL) in January 2023, with support from the World Bank's financial sector programmatic ASA. The FSOL integrated 17 institutional and sectoral laws, bringing about key changes in the institutional architecture of the financial sector. The achievements of this reform program include enhancing supervision and regulation, promoting long-term and sustainable finance, strengthening consumer protection, and improving access to finance for MSMEs. These achievements involve expanding the role of institutions like the Indonesia Deposit Insurance Corporation, Financial Services Authority (OJK), and Bank Indonesia, establishing legal foundations for various financial products, incorporating sustainable finance into regulation, and introducing measures to support fintech development. In addition, a series of World Bank's financial sector development policy operations have contributed to deepening of financial markets by increasing outreach, broadening products, and mobilizing long-term savings, raising efficiency in financial intermediation through competition, digitalization, consumer protection and insolvency framework, and bolstering financial resilience through resolution framework, sustainable finance practices and disaster risk financing. The sustainable finance regulatory framework has been strengthened through joint efforts with the IFC's Indonesia Sustainable Finance Advisory program⁵, which has supported the capacity building of OJK and has provided technical support to the development and implementation of the Sustainable Finance Regulatory Framework. As part of this effort, a Green Taxonomy has been developed to assess and identify activities or assets that meet climate, social, green, or sustainable objectives. The WB-IFC Joint Capital Program (J-CAP) is promoting sustainable financing in Indonesia, particularly through capital market instruments that prioritize green and social financing. Through its programmatic approach, IFC has supported various projects, including a

⁵ Through its Indonesia Sustainable Finance Advisory program, IFC facilitates technical assistance to financial institutions, helping them mainstream climate considerations, develop sustainable finance products, and scale up financing for adaptation, mitigation, and other environmental-related activities.

significant investment in PT Bank BTPN (National Retirement Savings Bank), issuing social and green bonds to support women-led businesses and climate change initiatives.

Engagement Area 2: Improve Infrastructure

18. **In Engagement Area 2, of 9 indicators, four have been achieved, and five are on track to be achieved.** This Engagement Area is focused on improving infrastructure provision and quality of services, transition to low carbon energy and attainment of universal access to reliable and sustainable energy. Results are mixed, with strong progress in service delivery at the local level, but slower than expected progress in the transition to low carbon energy.

19. **The World Bank has financed several activities to improve infrastructure and access to services, especially for the most vulnerable and rural population.** Projects focused on upgrading slums and improving access to water and sanitation in low-income communities have both exceeded expectations, reaching more beneficiaries and alleviating larger areas than originally anticipated – 25 m people in more than 35,000 villages have gained access to water and sanitation services. The overall functioning of water and sanitation provision and management by local governments has improved considerably as evidenced through the almost tripling of positive responses to customer satisfaction surveys.

20. **In transport, activities to improve urban mobility and accessibility to high priority corridors in selected urban areas are on track.** The Mass Transit project is improving mass transit systems in Bandung and Medan (with total population of app. 5m) including improvement of the related institutional structure. The associated studies, to be completed during the CPF period, will provide data related to the changes in travel time for public transport users in these metropolitan areas.

21. **Access to clean water and sanitation, and waste management are the key components of the World Bank program in this Engagement Area.** The PAMSIMAS⁶ project provided access to clean water and improved sanitation facilities to more than 5 million people in around 7,000 villages, while the new Citywide Inclusive Sanitation project will improve access to safely managed sanitation services in selected urban areas will benefit more than 500,000 households. In the area of waste management, the Improvement of Solid Waste Management project has financed the construction of eleven waste treatment facilities (with additional six to be constructed), and the follow up Local Service Delivery Improvement project will continue building financial and institutional capacities for improving solid waste management services in selected local governments in Indonesia.

22. **Progress in transition to low carbon energy has been challenging.** One of the main reasons is the abundant supply of coal, which is the main energy driver for electricity production, industry and transportation. Further to this, fundamental sector conditions and policy and regulatory barriers undercut decarbonization efforts. Large end-user energy subsidies, stringent local content requirements which increase the costs of renewable energy, the large power overcapacity in the main power system and a slower than expected pace of coal phase-down are significantly limiting the transition to lower-carbon energy sources. Some progress has been made with setting more ambitious targets for renewable energy development (reaching a share of 23 percent by 2025 from 12 percent in 2022) in the revised nationally determined-contributions (NDC); improved remuneration for grid-connected renewable energy generation enabling the phase-down of coal-fired power; a moratorium on new public grid-connected coal-fired power; and improved sector institutional framework for the implementation of the transition under the Energy Transition Mechanism Country Platform. The World Bank stepped up financing and technical assistance for power system infrastructure to enable the penetration for low-carbon electricity supply through (a) financing for the development of the country's first pumped storage project to support the integration of variable renewable energy, and (b) support to close the electrification gap in lagging Eastern regions and promote a switch from fossil fuel to renewable energy. A proposed IBRD guarantee to mobilize private financing through sustainability-linked loans will support critical investments in the transmission system. The energy transition will also be supported by two PforR operations under preparation⁷. The World Bank has also been leading the policy work on Indonesia's ambitious emissions targets and transition to clean energy commitments through support to the Just Energy Transition Partnership (JETP) The first result of

⁶ The full name of the project is Water Supply and Sanitation for Low Income Communities Program.

⁷ Indonesia Sustainable Least-cost Electrification II project and Indonesia Electricity Network Transformation Program

this work has been the development and delivery of the Comprehensive Investment and Policy Plan (CIPP), which sets out the technical and policy roadmap for achieving the targets under JETP.

23. **IFC has been actively collaborating with IBRD to promote the scale-up of renewable energy.** This includes providing input on policy notes related to model power purchase agreements (PPA) and PLN Procurement notes. However, there has been a deterioration in risk allocation in PPAs challenging the commercial bankability of projects. As a result, projects in these sectors have been largely owned by SOEs and financed by local (state-owned) banks on sub optimal conditions. Improvement in the contractual arrangement is critical to scale up infrastructure to attract more private sector investment and mobilization of long-term capital. To that end, IFC has sought to support demonstration projects and provided refinancing for a hydropower project as part of efforts to mobilize private institutional investors to directly invest in de-risk infrastructure assets. It also provided Transaction Advisory Services to support the first PPP Waste to Energy project in Indonesia. IFC is currently mandated to provide long-term debt financing to the Karian Water Treatment Plant (WTP) project, one of the national high-priority projects and which is expected to be the first internationally financed sustainable water treatment PPP, setting a benchmark for future concessions in infrastructure investments. However, scaling IFC infrastructure investment is partially constrained by the Indonesia's SOE-led development model. Additional time is needed to access the sectors with less SOE dominance e.g., in Telecom, Media and Technology (TMT), or supporting early-stage technology and product innovation.

24. **In the context of its COVID response package, MIGA issued guarantees to international lenders to cover loans to the Indonesian state-owned enterprise PT Perusahaan Listrik Negara (PLN) to finance medium-term working capital expenses in relation to its U.S. Dollar denominated tariff payments.** The project specifically limited the use of proceeds for PLN's purchases of electricity from seven existing renewable projects, ensuring timely payments to renewable IPPs at a time of financial constraints and significant uncertainty. The project also supported Indonesia in its efforts to evolve and diversify its power supply mix to increase renewable energy generation and ensuring the financial stability of this vital part of the energy sector. MIGA is also working to provide guarantees for power transmission and waste-to-energy projects.

Engagement Area 3: Nurture Human Capital

25. **In Engagement Area 3, of seven indicators, two have been achieved, and five are on track to be achieved.** This Engagement Area is focused on strengthening the quality and equity of education, health and nutrition services, and the inclusiveness and responsiveness of social and worker protection. The pandemic caused a slowdown of activities in the area of human development but has also motivated the authorities to significantly increase investments in health and education. Notably, advances made in the area of health reforms were much deeper and wider than those in social policy, due to the differences in commitment of key Government counterparts.

26. **Cutting across objectives within this engagement area, a human capital DPL strengthened policies that boost human capital throughout the life cycle.** The operation supported raising the effectiveness of public spending and protecting existing human capital investments. Tobacco taxes were raised, and unemployment insurance with an emphasis on training and job search assistance was introduced. Governance arrangements and institutions of the anti-stunting program were strengthened, a stronger regulatory system for tuberculosis control was institutionalized, and a legal and regulatory system for telemedicine was supported.

27. **Concerted attempts were made to improve student learning outcomes** through evidence-based policy making and improved management of education services supported through the World Bank's programmatic analytical and advisory services (PASA). PASAs have provided support to mitigate learning losses after the pandemic (Grade 4 students in Indonesia lost 11.2 months equivalent of math skills and 10.8 months equivalent of language skills while the Program for International Student Assessment (PISA) revealed a reduction in reading, mathematics, and science scores among 15-year olds of 12-13 points) and to strengthening early childhood education and development (ECED) through an assessment of the ECED accreditation system and a review of the Government's plans on the expansion of compulsory education. World Bank financing has improved the learning environment and strengthened the resilience of the

infrastructure in 7,847 schools managed by the Ministry of Religious Affairs, and instituted competency-based assessments in 24,861 schools under the ministry.

28. **Significant advances have been made in nutrition and health, including a significant reduction in the stunting rate.** The pandemic induced new thinking within the government to embark on an ambitious and comprehensive health system transformation agenda, that encompasses primary and referral care, resilience, human resources, health financing and digital transformation as its core elements. In response to government requests and in support of multiple facets of this transformation, World Bank's financing for health and nutrition grew to \$4.5bln thus far in the CPF period, including support for health infrastructure, health insurance reforms, anti-tuberculosis program, pandemic preparedness as well as financing for the second phase of the anti-stunting program. The COVID-19 emergency response PforR, under which the Bank convened partners for a unified response, mobilized \$1.75bln to support the health system response to the pandemic and develop structures and financing for pandemic preparedness and response. A new Health Systems Strengthening operation, focused on addressing health infrastructure requirements at all levels of the Indonesian health system (primary healthcare, public health laboratories, and referral hospitals) mobilized \$4bln in financing from four multilateral development banks, led by the World Bank with its own financing of \$1.5bln. A recent Universal Health Coverage development policy operation with financing of \$1bln focuses on the ambitious health omnibus law, especially the important provisions to improve the availability of health professionals across the country. The health portfolio has also engaged private providers in the delivery of services ranging from the COVID-19 treatment to provision of healthcare services under the National Health Insurance program (JKN), increasing their role in tuberculosis case management especially at the primary care level, and overall strengthened the capacity of the Ministry of Health (MoH) to work with the private sector. It has also enabled the mainstreaming and integration of digital tools and innovative contracting with the private sector for ensuring the functionality of health infrastructure. A record of cutting-edge knowledge work, reform-oriented government leaders, and their trust in the World Bank were instrumental in creating this opportunity for scale, collaboration, and impact.

29. **The health sector is at an inflection point with a strong IFC program growth forecast over the CPF period.** With the approval of health sector omnibus law (July 2023), the government has improved the regulatory environment, and is supportive of foreign direct investment — a growing trend in the market especially in pharmaceuticals, vaccines and MedTech sectors. To leverage this market dynamic, the IFC team is actively collaborating with the Indonesian MoH and works closely with the World Bank on the “Indonesian Healthcare Systems Strengthening Project”. IFC signed an MoU with the MoH in May 2023 to facilitate private sector foreign direct investment into the Pharma, Vaccine, & MedTech sectors.

30. **The modernization of the national social security system, expansion of social protection coverage for uninsured workers, and reform of the civil service pension system have been focus areas of World Bank's advisory and investment activities.** Given that social insurance coverage has long been inadequate, an important policy reform was the introduction of unemployment insurance with an emphasis on training and job search assistance which was supported both by ASA and the Human Capital DPL. While the dialogue with the Ministry of Social Affairs has stalled and the social assistance project will need to be restructured, ASA has continued to focus on ensuring a more inclusive and adaptive social protection system. Importantly, the Digital ID and Registration for Inclusive Service Delivery project will develop Indonesia's digital public infrastructure to close gaps in identity (ID) ownership among vulnerable populations, improving delivery and access to social services and opportunities created by the digital economy. A Labor Market Information and Skills System Transformation project will improve access to and the effectiveness of skills development and employment services for the working-age population.

Engagement Area 4: Sustain Management of Natural Assets, Natural Resource-Based Livelihoods, and Disaster Resilience

31. **In Engagement Area 4, of ten indicators, three have been achieved, while seven are on track to be achieved.** This Engagement Area is focused on strengthening the management of natural assets and environment, improving agriculture and natural, resource-based livelihoods, and strengthening multi-hazard disaster resilience. Results achieved thus far vary, them being more visible in preventing deforestation, reducing plastic waste and GHG emissions, while the work in the agriculture sector was

negatively impacted by the pandemic, the global food security crisis, and the political turmoil at the Ministry of Agriculture.

32. **The World Bank’s advisory work and landscape management projects have contributed to a sharp reversal in the pace of deforestation and to a reduction in peat fires⁸, helping reduce GHG emissions and conserve carbon stocks.** The World Bank study on the blue economy, followed by the Oceans for Prosperity project, is contributing to improved management of marine protected areas, including fisheries, and promotion of diversified sustainable livelihoods in coastal communities. The World Bank has also helped initiate strengthening of mangrove management and rehabilitation — the Mangroves for Coastal Resilience project will scale-up restoration of 75,000 ha of mangroves and the sustainable management and natural regeneration of an additional 400,000 ha of mangroves in 345 villages across four provinces targeting over 1m beneficiaries. The project has supported the government to develop the first national regulation on the Management and Protection of Mangroves Ecosystem. This is the first regulation to provide a clear framework for mangroves management nationally and guide further scale-up of mangrove restoration. Overall, engagement in natural resource management moved from small-scale trust-funded projects to large-scale transformational projects supporting sustainable management of critical ecosystems and livelihoods of local communities.

33. **Rapid progress with land registration has enhanced local livelihoods and supported sustainable landscape management.** The World Bank supported the government to establish clarity on land rights and land use in target villages, enabling 26.5 m project beneficiaries including landholders and community members to register their land parcels, encouraging greater incentives for sustainable land management and investment. Additionally, World Bank provided financing and TA to improve farmer productivity and resilience, and enhance commercialization.

34. **In bolstering resilience to disasters, the Bank has focused on risk-reduction investments.** It has developed the National Urban Flood resilience project to increase the capacities of selected Indonesian cities to mitigate the risk of floods. In addition, it brought to bear layered financing instruments, as well as supported policy reform and institutions in disaster risk management. A pooling fund for disaster response financing was established which leverages private funds to protect the state budget.

Crosscutting Areas (Digitalization, Gender, Climate Change⁹) and Partnerships

35. **Digitalization is becoming part of all World Bank interventions in Indonesia.** World Bank assistance for digitalization has been based on analytical work¹⁰ that provided an in-depth assessment of digital technologies in the country, and identified policies focused on improving digital connectivity and ensuring that it works for all, harnessing it to provide better services and improve the quality of citizens-state interaction; and stimulate digital innovation. In April 2023, the World Bank also approved a project that will strengthen population and civil registration and increase usage of digital identification to improve delivery and accessibility of select public and private sector services for all Indonesians. Next steps will include several comprehensive and mutually reinforcing reforms: (i) internet broadband expansion, (ii) improvement of digital infrastructure and data interoperability, (iii) digitalization of selected key sectors, and (iv) bolstering data protection and cybersecurity.

36. **IFC, through its Disruptive Tech and Funds (CDF), has strategically deployed a diverse portfolio of venture capital funds and direct equity investments.** The primary aim is to propel digitization and foster technological advancements across a spectrum of sectors, encompassing software, consumer internet, fintech, SME tech, eCommerce, edtech, and health-tech, advancing the objectives of the CPF. Since the beginning of FY21, IFC has actively participated in various funds, all key players in the Indonesian venture capital (VC) landscape¹¹. IFC has supported digital innovation across several sectors including e-fishery with the first aqua-tech startup in Asia; a Shariah-compliant social commerce platform facilitating connections between brand principals (primarily SME’s) and end-consumers through resellers;

⁸ These activities account for over half of total GHG emissions from the country.

⁹ Corporate priorities in climate change are covered in the discussion of engagement areas.

¹⁰ Beyond Unicorns: Harnessing Digital Technologies for Inclusion in Indonesia.

¹¹ IFC has invested in 2 Indonesia VC funds committing \$36m. The two funds raised \$636m in total. IFC has also recently committed \$20m to another fund in Indonesia (ACV Fund V) in FY24, which is yet to be closed]. These funds have made 80 investments committing capital of more than \$325m till date.

and investment in a leading e-grocery platform directly sourcing from farmers¹². These ventures have contributed to enhancing economic competitiveness and resilience, in alignment with the CPF's overarching objectives.

37. **Gender.** Key gender constraints have been discussed through the *Gender Equality for Growth* programmatic advisory work, public advocacy, and lending interventions, bridging all four engagement areas of the CPF on a “whole of country program approach”. The analytical work has helped the government move closer to eliminating the gender gap in labor force participation through labor market reforms and investments in the care economy. Country ownership of the gender agenda has been strengthened through a comprehensive public advocacy campaign supported by the World Bank. The share of gender tagged World Bank operations has risen over the CPF period. Of seven projects delivered in FY22, six were gender-tagged. In FY23, all but one of new lending operations were gender-tagged and in FY24, as of December 2023, 3 out of 4 projects which have been delivered are gender-tagged. Further to this, specific operations, such as the Investing in Nutrition and Early Years project, included actions to strengthen delivery of nutrition-specific interventions to pregnant women and reduce early marriage and adolescent pregnancy, while the Indonesia Financial Sector Reform DPL Series included a series of reforms in digital financial technologies that addressed gender gaps in access to finance. World Bank supported piloted community-based mobile health clinics to help poor and vulnerable women get health and social assistance services and provided labor market information to female senior high school students. IFC supported multiple gender-related projects during the CPF period, including Indonesia’s first gender bond to support women-led businesses. In addition, IFC partnered with a microfinance fintech platform in September 2023 to create a platform to tap financing which could be scaled up through mobilization to support women owned microenterprises.

38. **World Bank approach to climate change has been comprehensive, including both advisory and lending services.** The Indonesia Country Climate and Development report has informed the climate work. It presents a comprehensive diagnostic; an impact assessment of climate actions on emissions, growth, and poverty reduction; as well as a framework for policy reform to reconcile growth objectives with reduced emissions and 2060 net zero target. World Bank investments have helped in avoiding deforestation, reducing marine plastic pollution, improving management of selected coastal and marine ecosystems, and reducing greenhouse gases emission. Between FY18-FY22, climate co-benefits amounted to \$3.1 bln of \$10.2 bln or 30 percent of total new lending. In FY22 and FY23, climate co-benefits reached 45 and 32 percent respectively. In FY24, as of November 2023, climate co-benefits were estimated at 46 percent. During the CPF period, IFC’s Green Building certification portfolio has grown to over 140 projects, certifying 36,000 homes and over 3m sqm of certified area. The program has supported the first zero carbon building in Indonesia. MIGA is exploring further opportunities to support cross-border investment in support of Indonesia’s climate agenda.

39. **Private capital mobilization remains critical for sustainable and green growth given the large infrastructure investment needs in the context of low carbon transition.** Through technical assistance and budget support, the World Bank has assisted Indonesia implement regulatory reforms, liberalize markets for foreign investors, remove barriers to trade and import of workforce and remove distortions in renewable energy pricing. The Infrastructure Finance Facility in which IFC has a 20 percent equity position, has deployed \$11bln in private capital towards infrastructure investments, leveraging lending of \$550m from IFC and \$263m from World Bank. The Indonesia Sustainable Least Cost Electrification PforR will support the mobilization of \$400m of private sector capital for the development of renewable energy in Eastern Indonesia as part of the government’s plan to shift from the use of diesel to renewable energy for power generation. IFC has mobilized private capital to address sustainable development goals by scaling up financing for environment-related activities. One example is IFC’s investment in one of the national high priority water projects (tagged also as 100 percent climate finance), which demonstrates significant bankability improvements to set a benchmark for future concessions in climate related investments. IFC has also been actively collaborating with the Bank in the energy sector to promote energy efficiency (i.e., renewables) and bring in more private capital to the sector. MIGA guarantees facilitated timely payments to existing renewable energy projects.

¹² CDF has made 3 direct investments in Indonesia committing \$37.8m (including \$16m from AMC).

40. **Citizen Engagement is mainstreamed into the World Bank program.** However, although the compliance rate is higher at project preparation, further improvements are necessary in the implementation phase. This will be addressed in the remainder of the CPF period by ramping up technical support to task teams to identify entry points and relevant citizen engagement mechanisms and by conducting more systematic stocktaking to compile innovative approaches.

41. **The World Bank is working closely with development partners on reforms in key areas,** through advisory and analytical work focused on the recovery from the pandemic, urbanization, stunting reduction, education, health security, blue economy, gender equality, and digitalization, among others. In the health sector, the fully disbursed \$1.75 bln *Indonesia Emergency Response to COVID-19* program included financing from the World Bank (\$750m), the Asian Infrastructure Investment Bank (AIIB, \$750m), KfW (EUR200m), and the Australian Department of Foreign Affairs and Trade (DFAT; \$9.9m). Further to this, the total investment of \$3.98bln from four MDBs to the *Indonesia Health Systems Strengthening (HSS)* operation will strengthen health infrastructure; the project is coordinated by the World Bank (\$1.485bln) and is supported by three other financing partners: AIIB (\$1bln), Islamic Development Bank (IsDB; \$845m), and the Asian Development Bank (ADB; \$650m). Over the rest of the CPF period, collaboration with the development partners will focus on economic reforms, infrastructure finance, pathways to energy sector reform and transition to low carbon, carbon pricing and sustainable landscapes management. The Australian government is a major financier of ASA in three engagement areas with a gender focus: human capital, economic governance, and infrastructure. In addition, the World Bank plays a critical role in coordinating development partners through the Just Energy Transition Partnership (JETP).

Lending Trends

42. **The World Bank portfolio is the largest in the East Asia and the Pacific region with 46 operations (31 IBRD loans and 7 Trust Funded operations) and total commitments of \$11.96bln.** New commitments increased from an average of \$1.8bln per year during FY17- FY20 to an annual average of \$2.6bln over the current CPF period. As of December 2023, 21 operations have been approved across a wide range of sectors.

43. **Over the CPF period (FY2021-FY2023), IFC's new investments totaled \$1.3 bln, with IFC own account amounting to \$1.2 bln (92 percent).** As of June 2023, IFC had an investment portfolio with a total of \$2.1bln, with IFC's biggest exposure being in financial markets (65 percent), followed by manufacturing, agriculture, and services (22 percent), funds and disruptive technology (7 percent), and infrastructure (6 percent). IFC's Advisory Services portfolio stood at \$16 m, including regional and transactional advisory. The portfolio average credit rating (CR) is 5.5 (vis a vis current IFC average CR of 7.4). The strong CR was mostly due to IFC's large exposure to commercial Banks with good credit, which constituted up to 60 percent of total portfolio.

44. **MIGA Portfolio.** Currently, MIGA has a total of \$634m of outstanding exposure in Indonesia. \$495m relate to MIGA's guarantees issued within the context of MIGA's COVID-19 response package and covers the offtake obligations of state-owned electricity utility PLN in relation to its tariff payments under Power Purchase Agreements with seven existing renewable projects. The remaining \$139m relate to the Rajamandala 47 MW hydropower project, that achieved commercial operations in May 2019.

Portfolio Performance

45. **The World Bank portfolio is stable, and performance has been steady with a marked reduction in risks as compared to the end of FY20.** The number of active operations since the beginning of the CPF has been stable, with marked increase in commitments. Number of projects at risk has fallen from 10 in FY21 to 3 at the end of FY23. In FY23, the proactivity rate was 75 percent, while the IPF disbursement rate was 19 percent.

Table 2: Key Portfolio Indicators

	FY20	FY21	FY22	FY23
Active projects #	34	37	37	36
Projects at risk #	9	10	9	3
Problem projects	8	8	8	3
Annual disb. Ratio %	15	13.5	19.6	19.2
EAP disb ratio %	18.6	18.7	16.4	15.4
Proactivity %	100	63	100	71
EAP proactivity %	50	72	79	77

46. **The implementation of the World Bank portfolio is affected by several factors.** The project preparation period is sometimes longer than two years because project planning and budgeting in Indonesia is administratively layered, consensus-based, and requires inter-ministerial coordination and approval. Portfolio performance could also be affected by changes in the leadership of Ministries, as is the case with the investments in social policy and agriculture. Finally, weak coordination among government agencies, and weak capacity particularly of those at the local level, often adds to the difficulties in implementation.

IV. EMERGING LESSONS

Key lessons emerge at the mid-point of this CPF, including:

47. **Lesson 1: Utilizing analytical work to build ownership and coordinating the preparation of operations with the Government cycle is the key.** Knowledge-based work is to be used to build the foundation for the forthcoming investments in critical reforms, and to build the needed consensus among Government institutions in advance of project preparation. Given the consensus-oriented decision-making culture, action is rarely immediate or linear. Coordination with the Government process of developing the corresponding development programs will be the key for efficient identification and preparation of World Bank-financed programs.

48. **Lesson 2: Continue utilizing the full array of World Bank instruments.** Given Indonesia's journey from lower to UMIC and corresponding improvements in policy planning and program implementation, PforR and development policy lending has proven invaluable in support of fiscal and financial sector reforms and have also supported the ambitious Government agenda in health sector. Going forward, the use of guarantees will be used in the energy sector. Investment Project Financing continues to be relevant particularly in sectors such as water, agriculture, and the environment.

49. **Lesson 3: Wherever possible, apply the platform approach for impact.** Under this approach, all parties – government and development partner financiers to a project – join in to work on an investment or on series of reforms in a consistent and transparent manner. This approach helps improve the allocative efficiency and technical quality of project expenditures and incentivizes coordination within the government. The World Bank deploys its convening power, knowledge products and TA to implement the approach building strong relationships with all parties. Health, rural water supply and sanitation, tourism, and urban development projects have benefitted from a platform approach.

50. **Lesson 4: Scale up investments.** To get results at an appropriate scale in a \$1.4 trillion economy, and to address the issue of high transaction cost of doing small interventions, the size of World Bank operations needs to be large.

51. **Lesson 5: Aligning project preparation with the Government's timelines.** Given Indonesia's unique, multi-layer planning processes, project preparation is often taking longer than usual especially if they were not included in the planning documents in advance. In this regard, forward-looking knowledge products and development of lending operations aligned with the Government's timelines will be crucial to build the ownership and reducing the processing times going forward.

V. ADJUSTMENTS TO COUNTRY PARTNERSHIP FRAMEWORK

52. This PLR maintains the CPF engagement areas and cross-cutting themes, as they correspond to the evolving country priorities. The before mentioned lessons will be incorporated for the remainder of the CPF period:

53. **The focus of the World Bank Group program is shifting from economic recovery to supporting sustainable and inclusive growth.** To guide these efforts, the World Bank will prepare a flagship economic report on long-term growth. The report will examine what it would take to achieve that goal: constraints to productivity growth in industry, services and industrial policies; and economic informality and its impact on household welfare, firm productivity, and macro performance. Long-term growth drivers and integration into global value chains will be strengthened through work on competition and trade. Opportunities and challenges for private sector led investment will be reviewed in the context of Indonesia's SOE driven development model.

54. **Health sector transformation is the prime example of using an array of World Bank instruments and the platform approach for impact.** Given government's ambitious health system transformation agenda, there will be active focus on implementation in the remainder of the CPF period, including the use of the Bank's convening power to ensure a harmonized response by development partners. Apart from the analytical work on health service delivery and financing, the World Bank is supporting, through a recently approved development policy operation, the government's efforts to strengthen the supply of medical care professionals, in particular medical doctors through its Health Omnibus Law approved in August 2023. Also, jointly with three other multilateral development banks, the World Bank delivered an investment operation that will increase the availability of functional equipment in public health facilities and improve the utilization of public health services at all levels of the health system (primary healthcare, public health laboratories, and referral hospitals). The \$4.5bln health portfolio leverages co-financing amounting to over \$3bln from several development partners. IFC is supporting implementation of this program by helping to ensure that contractual terms are structured to enable private sector participation, and where needed, providing financing to private sector medical equipment suppliers and distributors.

55. **Investments related to climate change and energy will be significantly scaled up.** The Country Climate Development Report (CCDR) outlines several short-term priorities that will be supported in the medium to long term. The World Bank is moving forward with an ambitious plan that includes advisory and financial support focusing on climate-smart agriculture, including an agriculture project on low emissions rice, improving spatial planning and early warning systems, green financing for MSMEs, a coral bond to generate private financing for marine protected areas, and exploring similar bonds to promote plastic recycling and ocean cleanup with links to the monetization of carbon credits. The IFC will explore opportunities, e.g. in developing green and blue capital markets, expand the green buildings program, advance decarbonization in real sector companies, and explore technology led solutions to support adaptation and mitigation. Finally, the climate change work with an impact on global public goods will continue to be pursued through the mangroves project and marine protected areas and coastal assets. MIGA will continue seeking to facilitate cross-border investment in support of climate-related projects through its political risk and credit enhancement instruments.

56. **The World Bank will continue to provide support to carbon pricing instruments through the Partnership for Market Implementation (PMI).** In energy, further technical and institutional work remains to be done on the emissions trading system. The government aims to eventually apply carbon taxes to all activities that generate carbon emissions and to all goods containing carbon. In forests and land use the focus will be on international carbon financing opportunities, with ongoing results-based payments from Reducing Emissions from Deforestation and Forest Degradation (REDD+) projects, while also exploring emerging demand from voluntary and compliance carbon markets. The largest carbon credit payments associated with reduced deforestation in East Kalimantan benefit from a Bank project and similar arrangements for obtaining carbon credits are being explored for Jambi province sustainable landscape project. The mangroves project has already anticipated the eventual monetization of resulting carbon credits.

57. **The World Bank lending pipeline for the remainder of the CPF period is strong and diversified, underpinned by strong ASA program.** The indicative pipeline for the remaining CPF years (Annex 4: FY24-25 Pipeline) is robust. It is focused on Indonesia’s green transformation, upgrade of the transmission system, and infrastructure improvements. The World Bank will maintain a broad ASA program. The government has sought World Bank advice on a variety of areas in the preparation of its National Medium-Term Development Plan for 2025–2029. Annex 5 provides a summary of the main non-lending activities that the World Bank is actively working on as of December 2023.

58. **IFC is set to achieve its target of up to \$1-2 bln in new engagements by 2025,** relying on the strong pipeline of equity, loans, guarantees, and mobilization to unleash private sector opportunities across six key themes¹³. The pipeline includes: (i) a mobilized financing facility for a fintech peer-to-peer platform to improve access to finance for women-led MSMEs; (ii) an investment for pharmaceutical and medicine manufacturing, which is a potential second deal under the MoU between IFC and the Ministry of Health to support the healthcare sector through advisory and financing; (iii) a financing facility to support decarbonization efforts in the (downstream) manufacturing and agribusiness sectors; and (iv) a financing facility for the development of renewable energy to support the government’s climate agenda. IFC will continue to focus on the sustainable financial markets, while also looking to broaden and deepen its engagement across sectors.

59. **MIGA is examining options to assist the government in leveraging private finance in its investment programs,** particularly through the new World Bank Guarantee Platform for the energy sector and its green transition, water, transportation, and municipal projects. Near term opportunities are seen in the trade finance space and support for power transmission and waste-to-energy projects.

VI. RISK

Table 2: Risk Rating Matrix

Risk categories	risk rating (H, S, M or L)
1. Politics and governance	S
2. Macroeconomic	M
3. Sector strategies and policies	M
4. Technical design of project or program	M
5. Institutional capacity for implementation and sustainability	S
6. Fiduciary	S
7. Environment and social	S
8. Stakeholders	M
9. Other	
OVERALL	S

H = high; S = substantial; M = moderate; L = Low.

A. Substantial risks to the CPF program

60. *Political and governance.* Indonesia enjoys a stable, democratic political framework with decentralized institutions that provide voice and accountability to its population. However, the next administration may voice different priorities for the future of the economic development of Indonesia and different views regarding the assistance the World Bank is providing. The Bank will continue to mitigate this risk through regular meetings with the political leaders, ASA work and advocacy, working with all stakeholders, including the civil society and development partners.

¹³ (i) partnering with offshore enterprises to establish medical manufacturing, distribution, and services business; (ii) improving sustainability and ESG performance through IFC’s advisory programs; (iii) decarbonization of real sector enterprise including green buildings, electric vehicles and low carbon agribusiness and forestry; (iv) supporting the renewable energy providers; (v) providing direct financing to high growth businesses emerging from the early venture stage; and (vi) supporting the regulatory authorities and the stock exchange to develop Indonesia’s capital market.

61. *Institutional capacity for implementation and sustainability.* As noted, institutional capacities at both the central government and in de-centralized entities are uneven, e.g., in such areas as policy formulation and coordination, effective implementation, design and implementation of regulation, with M&E systems generally being rudimentary. In mitigation, the World Bank will continue efforts to strengthen national and sub-national institutions through ASA and TA products. Particular attention will be paid to developing and institutionalizing M&E systems in government programs and projects to minimize risks. The tradition of close coordination with development partners will continue.

62. *Environment.* The high risks associated with the environment arise from weaknesses in institutions and capacity, as well as from vested interests. The CPF mitigation strategy lies in intensifying dialogue with the authorities using evidence-based ASA, the large ongoing portfolio and new operations and activities addressing environmental concerns as well as supporting the attainment of Indonesia's international commitments on climate change.

63. *Fiduciary.* Risks arise through manual, paper-based systems that are being addressed by digitalization, e.g., in payments processes, and linkages between financial management and e-procurement systems. Digitalization of PFM systems and improving budget transparency will continue to help mitigate fiduciary risks.

Annex 1. Updated CPF Results Framework

ENGAGEMENT AREA 1: STRENGTHENING ECONOMIC COMPETITIVENESS AND RESILIENCE	
Objective 1.1 Attain higher revenue collection and fiscal and debt sustainability	
CPF Objective Indicators	World Bank Group Program
1. Average tax revenue collection as a percent of tax revenue targets (%) Baseline 2020: 84.4 Target 2025: 95	<p>Ongoing:</p> <ul style="list-style-type: none"> • Financial Sector reform DPL 1 (P174940) – closed • Investment and Trade Reforms DPL (P172439) –closed • Human Capital Development DPL 1 (P175742) –closed • Fiscal Reform DPL (P177726) – closed <p>Planned lending:</p> <ul style="list-style-type: none"> • Human Capital Development DPL 2 • SOE Reforms DPL – dropped <p>Key ASA:</p> <ul style="list-style-type: none"> • Modernizing the Management of Public Resources in Indonesia PASA (P173922) • Subnational Finance and Management for Results (SEMAR) PASA (P174158) • Strengthening Fiscal Policy (P179625) • Strengthening the Fiscal Management of Natural Resource Revenue (P157833) completed in FY22 • Indonesia Government Debt and Risk Management phase II (P 167142), completed in FY23 • Infrastructure Financing Support - Capital Market and Risk Products (P158784), completed in FY22 <p>IFC Activities:</p> <p>IFC advisory on Corporate Governance, dropped</p>
2. Registered individual taxpayers as a percent of working labor force Baseline 2020: 32.9 Target 2025: 46.9	
3. Central Government tax-to-GDP ratio, (%) Baseline 2020: 8.3 Target 2025: 11	
Objective 1.2 Increase efficiency, equity and effectiveness of public spending	
CPF Objective Indicators	World Bank Group Program
4. Average budget execution of line ministries and agencies as a percent of their end-of-year annual capital budget allocation Baseline 2020: 92.1 (of which CAPEX: 82) Target 2025: 97 (of which CAPEX: 90)	<p>Planned lending:</p> <ul style="list-style-type: none"> • Human Capital Development DPL 1 (approved and closed in FY22) • HCD DPL 2

<p>5. Ratio of the national median of revenue per capita to median revenue per capita of districts in the highest population quintiles. Baseline 2020: 2.05 Target 2025: 2.00</p>	<ul style="list-style-type: none"> • Intergovernmental Transfers and Sub-National Finance (SINERGIS) PforR approved in FY24 • SOE Reforms DPL, dropped <p>Key ASA:</p> <ul style="list-style-type: none"> • Modernizing the Management of Public Resources in Indonesia PASA • Subnational Finance and Management for Results (SEMAR) PASA • MAPS assessment and follow-up support including for enhancement of procurement M&E system, women’s participation in public procurement. (financed by PFM PASA) • Strengthening Fiscal Policy • Knowledge based solutions for Poverty Reduction and Mobility PASA • Digital Technologies for Inclusive Development PASA (completed) • Gender Equality for Growth Program (completed) • Infrastructure Financing Support - Capital Market and Risk Products (completed) • Indonesia Social Dimensions of Climate Change PASA
Objective 1.3 Reduce barriers to trade and investment	
CPF Objective Indicators	World Bank Group Program
<p>6. Relative import growth of products liberalized from pre-shipment inspections, i.e., difference in yoy growth in import value between liberalized and non-liberalized products, (%).¹⁴ Baseline 2019: -2.3% Target 2025: 8%</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Tourism Development IPF (P157599) • Investment and Trade Reforms DPL (P172439), approved and completed in FY21 • SOE Reforms DPL, dropped
<p>7. Relative FDI growth of fully liberalized sectors from investment restrictions, i.e., share of FDI in fully liberalized 2-digit sectors¹⁵ as a share of total FDI, (%). Baseline 2019: 51% Target 2025: 60%</p>	<ul style="list-style-type: none"> • Oceans for Prosperity Program - LAUTRA Phase 1 (approved in FY23) • Agriculture Value Chain Development Project (ICARE) – approved in FY21 <p>Key ASA:</p> <ul style="list-style-type: none"> • Sustainable Tourism Development - completed in FY22 • Indonesia Jobs Action Program – completed in FY21 • Indonesia Firms, innovation and entrepreneurship – completed in FY21 • Indonesia trade and investment reforms' Implementation - completed in FY21
<p>8. Investment generated (\$) Baseline 2020: 0</p>	

¹⁴ Note: the affected products in this indicator and the products liberalized in the MoT regulation 20/2021. If there have been updated to this indicator this may change. October 2021 is used as cutoff for latest period before PSI liberalization

¹⁵ Fully liberalized refer to 2-digit sectors for which all the 5-digit subsectors within them have been liberalized (Indonesia Investment and Trade Reforms DPL ICR)

<p>Target 2025: 145 m</p>	<ul style="list-style-type: none"> • Carbon Pricing Implementation Support • Port Tariff Reform TA • Coastal Fisheries Challenge Fund • Transforming Indonesia’s agri-food system • Macroeconomics Analysis and Policy Dialogue <p>IFC activities</p> <p>Ongoing Advisory:</p> <ul style="list-style-type: none"> • Indonesia Investment Climate, Competition, and Competitive Sectors AS (602983 & 602984) <p>Supporting investment:</p> <ul style="list-style-type: none"> • Aqua Expeditions (38628) • RedDoorzRI4 (43134) • Trans Corp (RSE COVID-19 Facility) (44273)
Objective 1.4 Increase the depth, efficiency and resilience of the financial sector	
CPF Objective Indicators	World Bank Group Program
<p>9. Depth: Financial institutions’ assets/GDP, (%)</p> <p>Baseline 2019: 71%</p> <p>Target 2025: 74%</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Financial Sector Reform DPL 1 - closed • Financial Sector DPL – COVID 19 Supplemental Financing – closed • Financial Sector Reform DPL 3, approved FY23 • Financial Sector Reform DPL 2, closed • Indonesia Infrastructure Finance Facility • Disaster Risk Finance and Insurance <p>Planned lending:</p> <ul style="list-style-type: none"> • SOE Reforms DPL - dropped <p>Key ASA:</p> <ul style="list-style-type: none"> • Financial Sector PASA, FY25 • Strengthening Financial Sector Stability – completed FY21
<p>10. Efficiency: Net interest margins (% points)</p> <p>Baseline 2019: 4.9%</p> <p>Target 2025: 4.5%</p>	
<p>11. Resilience: Capital Adequacy Ratio, (%)</p> <p>Baseline 2020: 23.74%</p> <p>Target 2025: Above minimum Basel Committee requirement (currently Basel III min of 8%)</p>	

<p>12. Number of new financial products launched: Baseline 2020: 0 Target 2025: 1</p>	<ul style="list-style-type: none"> • Promoting Financial Access and Inclusion (including G2P related TFs) – completed FY21 • Supporting Long Term Finance & Risk Management – completed FY23 • Disaster Risk Finance and Insurance TA - dropped • Indonesia Infrastructure Finance and Development, FY24 • Urban Floods, Disaster Risk Management, and Drainage – completed FY21
<p>13. Agri loans disbursed, (\$): Baseline 2020: 0 Target 2023: 92,500</p>	<p>IFC activities: Ongoing:</p> <ul style="list-style-type: none"> • JCAP • Indonesia ESG advisory (605556) • Indonesia Agriculture Insurance (601736) • Farmer Capacity Development Through Digital Platform and Financing (604378)
<p>14. Loans disbursed to Woman, (\$): Baseline (2020): \$105 m Target (2024): \$210 m</p>	<ul style="list-style-type: none"> • Provident Growth Fund II, LP (42978) • BTPN SME Green Loan (41698) • OCBC NISP: Sustainable Bond Program (43613) • GoPay (43735) • Agri-Finance Advisory (603016) DCM BTPN Debt Project (47411)
ENGAGEMENT AREA II: IMPROVE INFRASTRUCTURE	
Objective 2.1: Improve infrastructure provision and quality of service	
CPF Objective Indicators	World Bank Group Program

<p>15. Households with access to improved or safer housing¹⁶, number Baseline 2021: 375,400 Target 2025: 902,400</p>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> • Indonesia Infrastructure Finance Facility • Indonesia Tourism Development • Indonesia's Infrastructure Finance Development (IIFD) – RE • GREM • Institutional Strengthening for Improved Village Service Delivery • PAMSIMAS • National Slum Upgrading Project • RIDF • National Urban Development Project • National Affordable Housing Project • National Urban Water Supply Project • National Urban Flood Resilience Project • Dam Operational Improvement/ Safety (DOISP) • Strategic Irrigation Modernization and Urgent Rehabilitation Project (SIMURP) • Indonesia Mass Transit Program Support Project (IMTPSP), approved FY22 <p><u>Planned lending:</u></p> <ul style="list-style-type: none"> • SOE Reforms DPL, dropped. • Eastern Indonesia Port-led Development Project (EIPDP), dropped. • PLN Financial Stabilization and Reform Project (Policy-based Guarantee), dropped.
<p>16. Subnational (provincial / city / district) governments with improved technical and financial capacities for provision of infrastructure, number Baseline 2021: 7 Target 2023: 40</p>	
<p>17. Area provided with improved irrigation services in selected National Irrigation Systems. Baseline 2020: 0 hectare Target June 2025: 178,000 hectares</p>	
<p>18. Mass transit systems planned and approved in Indonesian cities (other than Jakarta), number Baseline 2019: 0 Target 2025: 3</p>	

¹⁶ This is countrywide, both from WB project and GoI program on housing, supported by the WB. Results from NAHP project (2021-2022 volume, as project ends on Feb 2023) Improved housing: BSPS program funded by both NAHP and APBN – 320,000 units (including safer housing) Improved housing: HMF funded by NAHP – 7,000 units ; Safer housing: KPR subsidy program funded by both NAHP and APBN – 200,000 units.

<p>19. Value of private financing facilitated (\$) Baseline 2020: 0 Target 2025: 325,000,000</p>	<ul style="list-style-type: none"> • Institutional Strengthening for Improved Village Service Delivery AF, dropped. • National Urban Wastewater Management Program, dropped. <p><u>Key ASA:</u></p> <ul style="list-style-type: none"> • Indonesia Infrastructure Assessment Program, completed FY21. • Indonesia Infrastructure Finance & Development, FY24 • Infrastructure Institutional and Regulatory Support, completed FY23. • Urban Transport Support Program, completed FY21 • City Planning Labs and Spatial Planning, completed FY21. • Subnational Infrastructure Investment, completed FY21. • Affordable Housing Support Program, completed FY21. • Climate Auctions for Energy Efficient Buildings • Indonesia Sustainable Urbanization PASA, completed FY21. • Infrastructure Financing Support - Capital Market and Risk Products, completed FY22. • Long-term Decarbonization Pathway Study (LTS) • Village Development PASA • Digital Technologies for Inclusive Development in Indonesia PASA, completed FY23.
<p>20. Agreements (concession, etc.) signed, number. Baseline 2020: 0 Target 2023: 1</p>	<ul style="list-style-type: none"> • Indonesia Infrastructure Assessment Program, completed FY21. • Indonesia Infrastructure Finance & Development, FY24 • Infrastructure Institutional and Regulatory Support, completed FY23. • Urban Transport Support Program, completed FY21 • City Planning Labs and Spatial Planning, completed FY21. • Subnational Infrastructure Investment, completed FY21. • Affordable Housing Support Program, completed FY21. • Climate Auctions for Energy Efficient Buildings • Indonesia Sustainable Urbanization PASA, completed FY21. • Infrastructure Financing Support - Capital Market and Risk Products, completed FY22. • Long-term Decarbonization Pathway Study (LTS) • Village Development PASA • Digital Technologies for Inclusive Development in Indonesia PASA, completed FY23. <p>IFC activities:</p> <p>Ongoing</p> <ul style="list-style-type: none"> • Legok Nangka Waste to Energy PPP (603875) • Logos Indo 2020 (43835) • Indo Express (42548) <p>Farpoint Indo (43799)</p>
Objective 2.2 Transition to Low Carbon Energy and Attain Universal Access to Reliable and Sustainable Energy	
CPF Objective Indicators	World Bank Group Program
<p>21. JETP Comprehensive Investment and Policy Plan (CIPP) endorsed to support energy transition Baseline 2021: Not yet prepared</p>	<p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> • Pumped Storage TA Project

Target 2024: CIPP prepared and issued by government	<ul style="list-style-type: none"> • ID-Geothermal Energy Upstream Development • Indonesia Geothermal Resource Risk Mitigation Project (GREM)
22. PLN Debt Service Coverage Ratio ¹⁷ Baseline 2019: 0.8 Target 2025: 1.5	<ul style="list-style-type: none"> • Development of Pumped Storage Hydropower in Java Bali System, approved FY22. • Indonesia Sustainable Least-cost Electrification-1 (ISLE), approved FY23.
23. Value of Private Capital Mobilized under Energy Projects (\$) ¹⁸ - Baseline 2020: 0 Target 2025: \$700m	<p><u>Planned lending:</u></p> <ul style="list-style-type: none"> • Transition to sustainable clean and efficient energy PforR (including the Just Transition for All support in coal regions) – FY24 • PLN Financial Stabilization and Reform Project (Policy-based Guarantee), dropped. <p><u>Key ASA:</u></p> <ul style="list-style-type: none"> • Support gas & alternative energy sources, completed FY22. • Support sub-national management of resources, completed FY22. • Indonesia Energy Transition and Sustainable Access to Modern Energy for All – PASA (2020-2025), FY25 • Indonesia Infrastructure Finance Development, FY24 • E-Mobility Roadmap Adoption Strategies for the Indonesia Mass Transit Program, completed FY22 • Climate Change – Carbon Finance <p><u>IFC Activities:</u></p> <p><u>Ongoing lending:</u></p> <ul style="list-style-type: none"> • Asahan (40507) • Legok Nangka Waste to Energy PPP (603875) <p><u>Planned activities</u></p> <ul style="list-style-type: none"> • Jakarta Waste to Energy (JakPro Fortum) (41295) <p><u>MIGA guarantees:</u></p> <p>Rajamandala Hydropower Project (11862) PT Perusahaan Listrik Negara (Persero) (14660)</p>

¹⁷ Ratio of net operating income to debt service, based on PLN audited Financial Statements.

¹⁸ Liquidity Support (Policy-based Guarantee) and Indonesia Sustainable Least-cost Electrification (ISLE), and value of private financing facilitated by IFC (\$ 225 m target).

ENGAGEMENT AREA III: NURTURE HUMAN CAPITAL	
Objective 3.1: Strengthen the Quality and Equity of Education and of Skills.	
CPF Objective Indicators	World Bank Group Program
<p>24. Education Quality: Schools participating in the national student assessments (percentage) Baseline 2019: 35 % Target 2024: 95 %</p> <p>25. Skills Quality: New or updated SKKNI/KKNI developed (number) Baseline 2020: 751 Target 2025: 1000</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> Realizing Education's Promise: Support to Indonesia's Ministry of Religious Affairs for Improved Quality of Education Indonesia: Emergency Response to COVID19 Research and Innovation in Science and Technology Project, closed. Human Capital DPL1, approved FY22, closed. <p>Planned Lending:</p> <ul style="list-style-type: none"> Human Capital DPL2, project title is changed to Indonesia Universal Health Coverage – FY24. Skills Development Project, changed name to Labor market Information and Skills system Transformation for labor market Flexibility (LISTRAF) – FY24 Proving Quality, Relevance and Strengthening MoRA Higher Education, dropped FY23. Realizing Education's Promise AF, dropped FY23. <p>Key ASA:</p> <ul style="list-style-type: none"> Learning for Human Capital Development PASA, FY24 Jobs in Action PASA, completed FY21 KIAT Guru Phase 2 - Improving Teacher Performance and Accountability Phase 2, completed FY22. Digital Technologies for Inclusive Development in Indonesia PASA, completed FY22.
Objective 3.2: Strengthen Quality and Equity in Nutrition and Health	
CPF Objective Indicators	World Bank Group Program
<p>26. Health Equity: Active beneficiaries covered under JKN (percentage) Baseline 2018: 70.5 % Target 2024: 76 %</p> <p>27. Health Quality: Puskesmas (Community Health Centers) that have achieved higher level (i.e. top two tiers) of quality accreditation, also by Eastern Indonesia / rest of country (percentage) Baseline 2018: ~5 %</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> Investing in Nutrition and Early Years Supporting Primary Health Care Reform (ISPHERE) Emergency Response to COVID19 Health Emergency COVID response AF, approved FY21 National Health Insurance (JKN) Reforms and Results Program, approved FY22

<p>Target 2024: 30 %</p> <p>28. Nutrition Quality and Equity: Number of villages achieving good performance in the acceleration of stunting reduction (number)</p> <p>Baseline 2022: 0</p> <p>Target 2024: 30,000</p>	<ul style="list-style-type: none"> • Investing in Nutrition and Early Years (INEY) AF • Human Capital DPL 1, approved FY22, closed. • Innovations for Health Service Delivery. The project title changed to Indonesia Health Systems Strengthening Project – FY24 • Human Capital DPL2, project title is changed to Indonesia Universal Health Coverage – FY24 <p>Planned lending:</p> <ul style="list-style-type: none"> • Indonesia Strengthening Healthcare Transformation – FY24 <p>Key ASA:</p> <ul style="list-style-type: none"> • Gender Equality for Growth, completed FY23 • Supporting reforms to accelerate universal health coverage (UHC) • Support for Strengthening Multisectoral Responses to Nutrition <p>IFC Pipeline:</p> <ul style="list-style-type: none"> • Indonesia Healthcare Corporation (IHC), dropped.
Objective 3.3: Strengthen the Inclusiveness and Responsiveness of Social and Worker Protection	
CPF Objective Indicators	World Bank Group Program
<p>29. Protection System Inclusiveness: Poor and vulnerable households receiving social assistance, by gender (percentage)</p> <p>Baseline 2019: 65 % (67 % female-headed households; 62 % male-headed households)</p> <p>Target 2024: 70 % (both female- and male-headed households)</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Social Assistance Reform Program, closed • Social Assistance Reform Program Additional Financing • Strengthening Disaster Risk Finance • Digital ID and Registration for Inclusive Service Delivery, approved FY23 • Human Capital DPL 1, approved FY22, closed in FY22.
<p>30. Protection system responsiveness: Population registered in the Social Registry (percentage)</p> <p>Baseline 2020: 40 %</p> <p>Target 2025: 55 %</p>	<p>Planned lending:</p> <ul style="list-style-type: none"> • Human Capital DPL2, project title is changed to Indonesia Universal Health Coverage – FY24 <p>Key ASA:</p> <ul style="list-style-type: none"> • Support for Strengthening Multisectoral Responses to Nutrition, FY24 • Social Security, completed FY21 • Towards Gender-Smart Social Protection in Indonesia, completed FY23 • Identification for Development (ID4D) <p>Disaster Risk Financing & Insurance, completed FY22</p>

ENGAGEMENT AREA IV: SUSTAIN MANAGEMENT OF NATURAL ASSETS, NATURAL RESOURCE-BASED LIVELIHOOD AND DISASTER RESILIENCE	
Objective 4.1 Strengthen Management of Natural Assets and Environment.	
CPF Objective Indicators	World Bank Group Program
31. Area with avoided deforestation (hectares) Baseline 2020: 0 Target 2025: 183,781ha	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Coral Reel Rehabilitation and Management Program -Coral Triangle Initiative (COREMAP-CTI), closed FY23 • Promoting Sustainable CBNRM and Institutional Development (RETF), closed FY23 • HCFC Phase-out in the PU Foam Sector Project • Program to Accelerate Agrarian Reform (One Map Project) • Solid Waste Management project • East Kalimantan Project for Emission Reductions Results • Jambi Sustainable Landscape Management Project • Strengthening of Social Forestry in Indonesia • Oceans for Prosperity Project - LAUTRA, approved FY23 • Indonesia Mass Transit Program Support Project, approved FY22 • National Urban Flood Resilience Project (NUFReP), approved FY23 • Indonesia Sustainable Cities Impact Project (GEF), approved FY23 • Jambi Emission Reduction Results Project, approved FY23 <p>Planned lending:</p> <ul style="list-style-type: none"> • Revitalization of Lowland Irrigation for National Food Security (RAWA LESTARI), dropped • SOE Reform DPL, dropped • One Map Policy 2 (Multipurpose Cadaster for Sustainable Development), change to Integrated Land Administration and Spatial Planning (ILASP), FY24 <p>Key ASA</p> <ul style="list-style-type: none"> • Integrated Landscapes Programmatic PASA, particularly the Improved Land Administration and Governance, and Economic incentives to improve management of critical landscapes • Enabling Activities for Hydrofluorocarbons (HFC) Phase-down under the Montreal Protocol, completed FY21 • Addressing Marine Plastics Debris in Indonesia, completed FY22
32. People in selected urban areas with regular household waste collection (percentage) Baseline 2020: 65 Target 2025: 81	
33. Marine plastic waste reduction from land-based sources from selected urban populations (% of reduction from baseline) Baseline 2020: 0.27 – 0.58 ton/year Target 2025: 50 percent	
34. Area of coastal and marine ecosystems with improved management effectiveness (hectares) Baseline 2020: 2 m ha Target 2025: 3.35 m ha	
35. Greenhouse gases (GHG) emissions reduced (metric tons) Baseline 2020: 0 Target 2025: 9.2 m	
36. Non-forest area with land rights registered (parcels) Baseline 2020: 69 m Target 2025: 100 m	

	<ul style="list-style-type: none"> • Sustainable Management of Indonesia's Oceans and Coastal Resources, and Reducing Marine Debris • Promote Natural Resources Transparency & Anticorruption, completed FY22 • Indonesia Natural Resources for Development (NR4D TF One Map Policy Pillar) • Urban Transport Support Program, completed FY21 • Mobility Adoption Strategies for the Indonesia Mass Transit Program, delivered FY22 • Artisanal and Small-Scale Gold Mining Sector Analysis, completed FY21 <p>IFC Activities:</p> <p>Ongoing</p> <ul style="list-style-type: none"> • EAP Green Building (607215) • OCBC NISP: Sustainable Bond Program (43613) • PT Bank BTPN-TBK –Green Bond (47411)
Objective 4.2 Improve Agriculture and Natural Resource-Based Livelihoods	
CPF Objective Indicators	World Bank Group Program
<p>37. People in targeted forest and adjacent communities with increased income or non-monetary benefits (e.g., access to technology, higher capacity, education, funding) from forests¹⁹, number Baseline 2020: 0 Target 2025: 300,000</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Strengthening of Social Forestry in Indonesia (RETF) • Jambi Sustainable Landscape Management Project (J-SLMP), approved FY21 • Oceans for Prosperity Program – LAUTRA, approved FY23 • Agriculture Value Chain De (I-CARE), approved FY22
<p>38. People with improved access to sustainable economic infrastructure or facilities (Number) Baseline 2020: 0 Target 2025: 35,000</p>	<p>Planned:</p> <ul style="list-style-type: none"> • Tourism Development AF <p>Key ASA:</p> <ul style="list-style-type: none"> • Transforming Indonesia’s agri-food system • Sustainable Agriculture Livelihoods (part of Integrated Landscapes Programmatic ASA)

¹⁹ Direct and indirect communities received beneficiaries in targeted forest and adjacent communities with improved income and access to supporting facilities (funding, capacity building, technology, education, health and other services) , which include farmer groups, trader of products, and other private sector related to agriculture and forestry products.

	<ul style="list-style-type: none"> • Coastal Fisheries Initiative Investment Plans • Sustainable Management of Indonesia's Oceans and Coastal Resources, and Reducing Marine Debris <p>IFC Activities:</p> <p>Ongoing</p> <ul style="list-style-type: none"> • Farmer Capacity Development Through Digital Platform and Financing (604378) • Crowde AF Model (607633) • Sayurbox (46127) • E-Fishery (43779) • Olam Smallholder Crop Financing (40675) • Nabati (RSE COVID-19 Facility) (44276)
Objective 4.3 Strengthen Multi-Hazard Disaster Resilience	
CPF Objective Indicators	World Bank Group Program
<p>39. Number of people benefiting from a multi-hazard early warning system platform Baseline 2020: nil Target 2025: 30 m (of which 14 m are women)</p>	<p>Ongoing:</p> <ul style="list-style-type: none"> • Indonesia Disaster Resilience Initiatives Project (IDRIP) • Central Sulawesi Rehabilitation and Reconstruction Project (CSRRP) • Indonesia Social Assistance Reform Program (AF) • Indonesia Disaster Risk Finance and Insurance, approved FY21 • Indonesia: National Urban Flood Resilience Project (NUFReP), approved FY23 • Global Environment Facility Indonesia Sustainable Cities Impact Project (GEF-SCIP), approved FY23 <p>Key ASA:</p> <ul style="list-style-type: none"> • Disaster Risk Financing & Insurance, completed FY22 • TA to the Environmental Fund (BPD LH) • City Planning Labs (CPL), completed FY21 • [new] PASA: Strengthening Multi-hazard Disaster Resilience in Indonesia, FY24 • Climate Change – Carbon Finance
<p>40. The amount of financing leveraged under the umbrella national urban flood resilience program to reduce flood risk in participating cities Baseline 2020: nil Target 2025: \$600 m</p>	

Annex 2. Matrix of Changes to Original CPF Results Framework

Original Objectives and Indicators	Revised Indicators	Rationale for Change
Engagement Area 1: STRENGTHENING ECONOMIC COMPETITIVENESS AND RESILIENCE		
Objective 1.1: Attain higher revenue collection and fiscal and debt sustainability		
Average tax revenue collection as a percent of tax revenue targets (%) Baseline 2020: 84.4 Target 2025: 95	No change	
Registered individual taxpayers as a percent of working labor force Baseline 2020: 32.9 Target 2025: 46.9	No change	
Central Government tax-to-GDP ratio, (%) Baseline 2020: 8.3 Target 2025: 11	No change	
Objective 1.2: Reduce Barriers to Trade and Investment		
Efficiency: Average budget execution of line ministries and agencies as a percent of their end-of-year annual capital budget allocation Baseline 2020: 92.1 (of which CAPEX: 82) Target 2025: 97 (of which CAPEX: 90)	No change	
Effectiveness: Inter-governmental conditional transfers allocated based on results indicators as a percent of total conditional transfers Baseline 2020: 0.50 Target 2025: 20	To be dropped	The result will be delayed due to the delay in the reform and the World Bank intervention.

Original Objectives and Indicators	Revised Indicators	Rationale for Change
<p>Equity: Fiscal inequality across districts as measured by Gini coefficient of per capita district expenditure. Baseline 2020: 0.40 Target 2025: 0.34</p>	<p>Revised: Ratio of the national median of revenue per capita to median revenue per capita of districts in the highest population quintiles Baseline 2020: 2.05; Target 2025: 2.00</p>	<p>The original indicator is potentially outside the control of the World Bank. The new indicator will be measured as part of an approved WB PforR.</p>
Objective 1.3: Reduce Barriers to Trade and Investment		
<p>Trade: Relative import growth of sectors liberalized from pre-shipment inspections, i.e., share of total imports of 8-digit sectors subject to pre-shipment inspections in 2019, (%).</p> <p>Baseline 2019: 36%</p> <p>Target 2025: 45%</p>	<p>Revised: Relative import growth of products liberalized from pre-shipment inspections, i.e., difference in yoy growth in import value between liberalized and non-liberalized products, (%).²⁰</p> <p>Baseline 2019: -2.3%</p> <p>Target 2025: 8%</p>	<p>The accuracy of this indicator is improved by a readjustment to reflect the growth of liberalized import products relative to those that have not been liberalized.</p>
<p>Investment: Relative FDI growth of sectors liberalized from investment restrictions, i.e., share of total FDI in four-digit sectors subject to restrictions to foreign investments in 2019, (%).</p> <p>Baseline 2017-18: 49%</p> <p>Target 2025: 60%</p>	<p>Revised: Relative FDI growth of fully liberalized sectors from investment restrictions, i.e., share of FDI in fully liberalized 2-digit sectors²¹ as a share of total FDI, (%).</p> <p>Baseline 2019: 51%</p> <p>Target 2025: 60%</p>	<p>The indicator is revised as to make it consistent with the Investment and Trade Reforms DPL ICR. This would also change the baseline year to 2019, consistent with the writeup of the original indicator.</p>
<p>Investment generated (\$) ²²</p> <p>Baseline 2020: 0</p>	<p>Replaced from SI 8.2. to be new Indicator 9.</p> <p>Foreign direct investment generated (\$ bln) ²³</p>	<p>It is difficult to measure additional investment generated from the investment reforms. Consequently, SI 8.2 is revised to track the total</p>

²⁰ Note: the affected products in this indicator and the products liberalized in the MoT regulation 20/2021. If there have been updated to this indicator this may change. October 2021 is used as cutoff for latest period before PSI liberalization

²¹ Fully liberalized refer to 2-digit sectors for which all the 5-digit subsectors within them have been liberalized (Indonesia Investment and Trade Reforms DPL ICR)

²² Additional investment generated from the reforms in investment climate, competition and business regulation, supported by IFC. Sectors include ports (KBLI 52), tourism (KBLI 55,56,79), and agriculture (KBLI 01, 02, 03).

²³ Sectors include SI. 8.2. Investment generated (\$); *Baseline 2020: 0; Target 2025: 145 m*; ports, tourism, and agriculture.

Original Objectives and Indicators	Revised Indicators	Rationale for Change
Target 2025: 145 m	Baseline 2020: \$ 2.02 bln Target 2025: \$ 3 bln	value of FDI in the three identified sectors in the baseline relative to the target. This combined with indicator 8 would provide a comprehensive picture of the effect of FDI reforms.
Objective 1.4: Increase the depth, efficiency and resilience of the financial sector.		
Depth: Financial institutions' assets/GDP, (%) Baseline 2019: 71% Target 2025: 80%	Revised. 10. Financial institutions' assets/GDP, (%) Baseline 2019: 74% Target 2025: 74%	The revision is due to the COVID impact.
Efficiency: Net interest margins (% points) Baseline 2019: 4.9% Target 2025: 4.3%	Revised: Efficiency: Net interest margins (% points) Baseline 2019: 4.9% Target 2025: 4.5%	
Resilience: Capital Adequacy Ratio, (percent) Baseline 2020: 23.74% Target 2025: Above minimum Basel Committee requirement (currently Basel III min of 8%)	No change	
Number of new financial products launched: Baseline 2020: 0 Target 2025: 1	No change	
Agri loans disbursed, (\$): Baseline 2020: 0 Target 2023: 92,500	No change	
Loans disbursed to Woman, (\$): Baseline (2020): \$105 m Target (2024): \$210 m	No change	

Original Objectives and Indicators	Revised Indicators	Rationale for Change
ENGAGEMENT AREA II. IMPROVE INFRASTRUCTURE		
Objective 2.1: Improve infrastructure provision and quality of service		
People benefiting from new or improved access to urban and rural infrastructure services ⁴² , number Baseline 2020: 48,716,000 (out of which urban: 6,686,000; rural: 42,030,000) Target 2025: 185,000,000 out of which urban: 15,000,000; rural: 170,000,000)	Replaced with the Supplemental Indicator: Area provided with improved irrigation services in selected national irrigation systems Baseline 2020: 0 hectare Target 2025: 178,000 hectare	The original indicator was a composite one, and replaced with one that is easier to measure.
Households with access to improved or safer housing, number Baseline 2021: 375,400 Target 2025: 902,400	No change	
Mass transit systems planned and approved in Indonesian cities (other than Jakarta), number Baseline 2019: 0 Target 2025: 3	No change	
Container terminals developed with private sector participation in Eastern Indonesia, number Baseline 2019: 0 Target 2025: 2	To be dropped	Indicator dropped since the proposed Eastern Indonesia Port-led Development Project (EIPDP) has been dropped
Value of private financing facilitated (\$) Baseline 2020: 0 Target 2025: 325,000,000	No change	
Agreements (concession, etc.) signed, number. <i>Baseline 2020: 0</i> <i>Target 2023: 1</i>	No change	

Original Objectives and Indicators	Revised Indicators	Rationale for Change
Net changes in travel time for public transport users in selected metropolitan areas, disaggregated by gender, percentage Baseline 2020: 0 Target 2025: -10 *metropolitan areas with more than 1 m population participating in the phase 1 of implementation of Indonesian Mass Transit Program	To be dropped	
Container terminal performance index indicator (ship turnaround time in selected ports in Eastern Indonesia), number per hour Baseline 2020: 12 containers per hour Target 2025: 30 containers per hour	To be dropped	Indicator dropped since the proposed Eastern Indonesia Port-led Development Project (EIPDP) has been dropped.
Maritime connectivity indicator (rise in tonnage of goods handled by selected ports in Eastern Indonesia) Baseline 2020: Ambon 100,000 TEUs Kupang 110,000 TEUs Target 2025: Ambon 400,000 TEU Kupang 250,000 TEU	To be dropped	Indicator dropped since the proposed Eastern Indonesia Port-led Development Project (EIPDP) has been dropped.
Net changes in travel time for public transport users in selected* metropolitan areas, disaggregated by Gender, percentage. Baseline 2020: 0 Target 2025: -10	To be dropped	Studies that are supposed to show results are not completed.
Objective 2.2: Transition to Low Carbon Energy and Attain Universal Access to Reliable and Sustainable Energy		
Share of renewable energy in the generation mix, percentage Baseline 2020: 12% Target 2025: 23%	To be dropped	

Original Objectives and Indicators	Revised Indicators	Rationale for Change
PLN Debt Service Coverage Ratio Baseline 2019: 0.8 Target 2025: 1.5	No change	
Reduction in GHG emissions in the Power Sector under Energy Projects in selected areas* (percentage) Baseline 2020: 0 Target 2025: 15% *Islands considered under the ISLE project	To be dropped	Delays in the reform and the preparation of the World Bank assistance
Value of Private Capital Mobilized under Energy Projects ²⁴ (\$)- Baseline 2020: 0 Target 2025: 700,000,000	Revised the target indicator Value of Private Capital Mobilized under Energy Projects (\$)- Baseline 2020: 0 Target 2025: 300,000.00	The target value was revised since the PLN Financial Policy Based Guarantee is dropped.
ENGAGEMENT AREA III. NURTURE HUMAN CAPITAL		
Objective 3.1: Strengthen the Quality and Equity of Education and of Skills.		
Education Quality: Schools participating in the national student assessments (percentage) Baseline (2019): 35 % Target (2024): 95 %	No change	

²⁴ Liquidity Support (Policy-based Guarantee) and Indonesia Sustainable Least-cost Electrification (ISLE), and value of private financing facilitated by IFC (\$ 225 m target).

Original Objectives and Indicators	Revised Indicators	Rationale for Change
<p>Skills Quality: New graduates certified by the National Agency for Professional Certification BNSP (number) Baseline 2020: 70,681 (Female 33,359/47 %, Male 37,322/53 %) Target 2024: 84,285 (Female 40,457/48 %, Male 43,828/52 %)</p>	<p>Revised Skills Quality: New or updated SKKNI/KKNI developed (number) Baseline 2020: 751 Target 2025: 1000</p>	<p>The original indicator is dropped since the final RF of LISTRAF project does not support this indicator, thus not possible to measure.</p>
<p>Proportion of MoRA schools connected to internet. Baseline 2019: 59% Target 2025: 79%</p>	<p>To be dropped</p>	<p>The indicator is limited in range of schools it covers. The other two indicators are better placed to describe the achievement of the objective.</p>
<p>Objective 3.2: Strengthen Quality and Equity in Nutrition and Health</p>		
<p>Health Equity: Active beneficiaries covered under JKN (percentage) Baseline 2018: 74 % Target 2024: 85 %</p>	<p>Revised baseline and target Health Equity: Active beneficiaries covered under JKN (percentage) Baseline 2018: 70.5 % Target 2024: 76 %</p>	<p>Baseline and target data were overestimated.</p>
<p>Health Quality: Puskesmas (Community Health Centers) that have achieved higher level (i.e. top two tiers) of quality accreditation, also by Eastern Indonesia / rest of country, percentage Baseline (2018): ~5 % Target (2024): 30 %</p>	<p>No change</p>	

Original Objectives and Indicators	Revised Indicators	Rationale for Change
<p>Nutrition Quality and Equity: Districts exceeding 60 percent score on priority nutrition services targeting index ²⁵(percentage)</p> <p>Baseline 2018: 55 % Target 2024: 67 %</p>	<p>Revised indicator Number of villages achieving good performance in the acceleration of stunting reduction (number)</p> <p>Baseline 2022: 0 Target 2024: 30,000</p>	<p>This indicator is not being continued in INEY2 and will need to be replaced. As a Presidential Regulation (PerPres) 72 of 2021 has been issued on this area, we will use one of the goals of the Presidential Regulation which is also an indicator in INEY2, on tracking the number of villages that meet the required criteria for 'good performance'.</p>
<p>Objective 3.3: Strengthen the Inclusiveness and Responsiveness of Social and Worker Protection</p>		
<p>Protection System Inclusiveness: Poor and vulnerable households receiving social assistance, by gender (percentage) Baseline (2019): 65 % (67 % femaleheaded households; 62 % maleheaded households) Target (2024): 70 % (both female- and male-headed households)</p>	<p>No change</p>	
<p>Protection system responsiveness: Population registered in the Social Registry (percentage)</p> <p>Baseline 2020: 40 % Target 2024: 70 %</p>	<p>Revised target Protection system responsiveness: Population registered in the Social Registry (percentage)</p> <p>Baseline 2020: 40 % Target 2025: 55 %</p>	<p>Slow-down in reform momentum.</p>
<p>ENGAGEMENT AREA IV. SUSTAIN MANAGEMENT OF NATURAL ASSETS, NATURAL RESOURCES- BASED LIVELIHOODS AND DISASTER RESILIENCE</p>		
<p>Objective 4.1 Strengthen management of natural assets and environment</p>		
Original Objectives and Indicators	Revised Indicators	Rationale for Change

²⁵ Indonesia calculates a priority nutrition services targeting index measuring both the quality and equity of nutrition services. The index was introduced in priority target districts in 2018 and is expected to cover all districts by 2024.

Original Objectives and Indicators	Revised Indicators	Rationale for Change
<p>Area with thwarted deforestation ²⁶(hectares) Baseline 2020: 0 Target 2025: 183,781</p>	<p>Revised. Area with avoided deforestation (hectares) Baseline 2020: 0 Target 2025: 183,781</p>	<p>The term 'avoided' is more common in use for CC and REDD+, hence we have updated this.</p>
<p>People in selected urban areas (Bandung and Cimahi) with regular household waste collection (percentage) Baseline 2020: 65 Target 2025: 81</p>	<p>No change</p>	
<p>Marine plastic waste reduction from land-based sources from selected urban populations²⁷ (Bandung and Cimahi) (% of reduction from baseline) Baseline 2020: 0.27 - 0.58 ton/year Target 2025: 50%</p>	<p>Revised indicator, baseline and target. Marine plastic waste reduction from land-based sources from selected urban populations (% of reduction from baseline) Baseline 2020: 0 ton/year Target 2025: 50%</p>	<p>The project is expanded to new several cities (Denpasar, Gianyar, Tuban, Indramayu, Depok, Cilegon, and Padang) so we removed the words Bandung and Cimahi. Slightly different results expected, reflected in target. Note also that there was previously a mistaken in the baseline (wrong unit).</p>
<p>Area of coastal and marine ecosystems with improved (blue or gold standard) management (hectares) Baseline 2020: 0 Target 2025: 7,800,000</p>	<p>Revised indicator. Area of coastal and marine ecosystems with improved management effectiveness (hectares) Baseline 2020: 2,000,000 Target 2025: 3,350,000.</p>	<p>"Blue and gold" was removed to reflect a change in the government's measuring system. Baseline updated to reflect final LAUTRA project design (finalized after original CPF). Targets updated as per LAUTRA design. Target is proportional for 2025 end-point (i.e. not the final project target, which is 2027).</p>

²⁶ This is measured through a robust protocol following international best practices. It uses remote sensing images to check actual deforestation and compares to a reference level already prepared (the counterfactual of deforestation). This is following the REDD+ protocols agreed by the UN Convention on Climate Change

²⁷ Same as above.

Original Objectives and Indicators	Revised Indicators	Rationale for Change
Greenhouse gases (GHG) emissions reduced (Metric tons/year) Baseline 2020: 0 Target 2025: 42.7m	Revised indicator value. The target value is changed to 9.2m	The value has been decreased due to delays in project preparation and approval.
Non-forest area with land rights registered (parcels) Baseline 2020: 69 m Target 2025: 100 m	No change	
Objective 4.2: Improve Agriculture and Natural Resources-Based Livelihoods		
Share of high-value crops in agriculture GDP (%) 55 Baseline 2020: 24.1% Target (2025): 25.4%	To be dropped	Change of priorities of the Government
Forest: People in targeted forest and adjacent communities with increased income or non-monetary benefits (e.g., access to technology, higher capacity, education, funding) from forests, number Baseline 2020: 0 Target 2025: 300,000	No change.	
Coastal and marine resources: Beneficiaries in target coastal areas with diversified income sources (no. income sources relative to baseline) ²⁸ , number Baseline 2020: 0 Target 2025: 150,000	Revised indicator. People with improved access to sustainable economic infrastructure or facilities (Number) Baseline 2020: 0 Target 2025: 35,000	The revised target and indicators is based on final LAUTRA project design. Target is proportional for 2025 (i.e. not the final project target, which is for 2027).

²⁸ Number of beneficiaries reporting new, additional income sources.

Original Objectives and Indicators	Revised Indicators	Rationale for Change
Objective 4.3: Strengthen multi-hazard disaster resilience		
Number of people benefiting from a multi-hazard early warning system platform Baseline 2020: nil Target 2025: 30 m (of which 14 m are women)	No change	
The amount of financing leveraged under the umbrella national urban flood resilience program to reduce flood risk in participating cities Baseline 2020: nil Target 2025: \$600 m	No change	

Annex 3. Matrix Summarizing Progress Toward FY21-FY25 CPF Objectives²⁹

ENGAGEMENT AREA I. STRENGTHENING ECONOMIC COMPETITIVENESS AND RESILIENCE				
Objective 1.1: Attain higher revenue collection and fiscal and debt sustainability				
CPF Objective Indicators	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
1. Average tax revenue collection as a percent of tax revenue targets (%) Baseline 2020: 84.4 Target 2025: 95	Achieved. Progress 2022: tax Collection rate: 134.7, Revenue Collection rate: 142.3			Ongoing: <ul style="list-style-type: none"> • Financial Sector reform DPL 1 (P174940) – closed • Investment and Trade Reforms DPL (P172439) – closed • Human Capital Development DPL 1 (P175742) –closed • Fiscal Reform DPL (P177726) – closed Planned lending: <ul style="list-style-type: none"> • Human Capital Development DPL 2, dropped, replace with Universal Health Coverage DPL
2. Registered individual taxpayers as a percent of working labor force Baseline 2020: 32.9 Target 2025: 46.9	On track. 42.98 percent in 2023	SI 2.1. Tax Compliance filing ratio for income tax, (%) Baseline 2020: 77.6 Target 2023: 83 Target 2025: 85	On track. Progress 2022: 84.07%	<ul style="list-style-type: none"> • SOE Reforms DPL – dropped Key ASA: <ul style="list-style-type: none"> • Modernizing the Management of Public Resources in Indonesia PASA (P173922) • Subnational Finance and Management for Results (SEMAR) PASA (P174158) • Strengthening Fiscal Policy (P179625) • Strengthening the Fiscal Management of Natural

²⁹ In reporting results, the latest data available is presented.

<p>3. Central Government tax-to-GDP ratio, (%) Baseline 2020: 8.3 Target 2025: 11</p>	<p>On track. Progress 2023: 10.4</p>			<p>Resource Revenue (P157833) completed in FY22</p> <ul style="list-style-type: none"> Indonesia Government Debt and Risk Management phase II (P 167142), completed in FY23 Infrastructure Financing Support - Capital Market and Risk Products (P158784), completed in FY22 <p>IFC Activities: IFC advisory on Corporate Governance, dropped</p>
Objective 1.2: Increase efficiency, equity and effectiveness of public spending				
CPF Objective Indicators	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
<p>4. Efficiency: Average budget execution of line ministries and agencies as a percent of their end-of-year annual capital budget allocation Baseline 2020: 92.1 (of which CAPEX: 82) Target 2025: 97 (of which CAPEX: 90)</p>	<p>Achieved. 2021: 102.36% (of which CAPEX: 97.10%), realization above budget as an exception due to Covid responses. 2022: 99.06% (of which CAPEX: 120.77%), realization above budget as an exception due to Covid responses. Year 2023: available in early 2024</p>	<p>SI 4.1. Average deviation between Plan (RENSTRA) and Budget (APBN) in infrastructure and human development sectors (%) Baseline 2020: 30 30 Target 2023: 15 Target 2025: 9</p>	<p>The indicator is updated to: Percent Deviation between Plan (RENSTRA) and Budget (APBN) reduced Baseline 2018: 30% Target 2025: <10% Progress 2023: 16.62%</p>	<p>Planned lending:</p> <ul style="list-style-type: none"> Human Capital Development DPL 1 (approved and closed in FY22) HCD DPL 2 SOE Reforms DPL, dropped <p>Key ASA:</p> <ul style="list-style-type: none"> Modernizing the Management of Public Resources in Indonesia PASA Subnational Finance and Management for Results (SEMAR) PASA MAPS assessment and follow-up support including for enhancement of procurement M&E system,

				women's participation in public procurement. (financed by PFM PASA)
5. Effectiveness: Inter-governmental conditional transfers allocated based on results indicators as a percent of total conditional transfers Baseline 2020: 0.50 Target 2025: 20	To be dropped.			<ul style="list-style-type: none"> • Strengthening Fiscal Policy • Knowledge based solutions for Poverty Reduction and Mobility PASA • Digital Technologies for Inclusive Development PASA (completed) • Gender Equality for Growth Program (completed)
6. Equity: Fiscal inequality across districts as measured by Gini coefficient of per capita district expenditure. Baseline 2020: 0.40 Target 2025: 0.34	Revised.			<ul style="list-style-type: none"> • Infrastructure Financing Support - Capital Market and Risk Products (completed) • Indonesia Social Dimensions of Climate Change PASA
Objective 1.3: Reduce Barriers to Trade and Investment				
CPF Objective Indicators	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program

<p>7. Trade: Relative import growth of sectors liberalized from pre-shipment inspections, i.e., share of total imports of 8-digit sectors subject to pre-shipment in inspections in 2019 (%) Baseline 2019: 36% Target 2025: 45%</p>	<p>On track. Indicator revised to: Relative import growth of products liberalized from pre-shipment inspections, i.e. difference in yoy growth in import value between liberalized and non-liberalized products (%). Baseline 2019: -2.3 Progress to 2023: 5%. Target: 2025: 8%</p>	<p>SI 7.1. Trade: Imports subject to pre-shipment inspections (percentage of the sectors listed at the 8-digit HS code), (%). Baseline 2019: 25% (TBC) Target 2023: 20%</p>	<p>On track. Indicator revised (see Annex 2) to: Imports subject to pre-shipment inspections (percentage of the products listed at the 10-digit HS2007 level as share of total number of products (%). Baseline 2019: 32% Target 2023: 20%</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Tourism Development IPF (P157599) • Investment and Trade Reforms DPL (P172439), approved and completed in FY21 • SOE Reforms DPL, dropped • Oceans for Prosperity Program - LAUTRA Phase 1 (approved in FY23) • Agriculture Value Chain Development Project (ICARE) – approved in FY21 <p>Key ASA:</p> <ul style="list-style-type: none"> • Sustainable Tourism Development - completed in FY22 • Indonesia Jobs Action Program – completed in FY21 • Indonesia Firms, innovation and entrepreneurship – completed in FY21 • Indonesia trade and investment reforms' Implementation - completed in FY21 • Carbon Pricing Implementation Support • Port Tariff Reform TA
<p>8. Investment: Relative FDI growth of sectors liberalized from investment restrictions, i.e., share of total FDI in four-digit sectors subject to restrictions to foreign investments in 2019, (%). Baseline 2019: 49% Target 2025: 60%</p>	<p>Achieved. Indicator revised (see Annex 2) to: Relative FDI growth of fully liberalized sectors from investment restrictions, i.e. share of FDI in fully liberalized two-digit sectors as a share of total FDI (%) Baseline 2019: 51 Progress 2023: 63 Target 2025: 60</p>	<p>SI 8.1. Investment Sectors subject to restrictions to foreign investment, percentage of the sectors listed at the five-digit KBLI. Baseline 2020: 28% Target 2023: 10%</p>	<p>On track. Indicator revised (see Annex 2) to: Sectors subject to restrictions on foreign investment, percentage of the sectors listed at the five-digit KBLI level. Baseline 2020: 27% Progress 2023: 14% Target 2024: 10%</p>	

<p>9. Investment generated (\$) Baseline 2020: 0 Target 2025: 145 m</p>	<p>On track (new indicator). Progress 2023: 38.4 m</p>	<p>9.1. Laws/Government policies adopted to improve economy-wide investment climate reforms and competition. Baseline 2020: 0 Target 2023: 6</p>	<p>Achieved. Progress 2023: 15</p>	<ul style="list-style-type: none"> • Coastal Fisheries Challenge Fund • Transforming Indonesia’s agri-food system • Macroeconomics Analysis and Policy Dialogue <p>IFC activities: Ongoing</p> <ul style="list-style-type: none"> • Indonesia Investment Climate, Competition, and Competitive Sectors AS (602983 & 602984) • Aqua Expeditions (38628) • RedDoorzRI4 (43134) • Trans Corp (RSE COVID-19 Facility) (44273)
<p>Objective 1.4: Increase the depth, efficiency, and resilience of the financial sector</p>				
CPF Objective Indicators	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
<p>10. Depth: Financial institutions’ assets/GDP, (%) Baseline 2019: 71% Target 2025: 74%</p>	<p>On track. Progress 2023: 72%</p>	<p>SI 10.1. Adults (age 15+) with transaction accounts (either at financial institution or mobile money provider), %. Baseline (2021): 52% (female 52%, male 51%) Mid target (2023): 62% (female 63%, male 60%) Target (2025): 71% (female 74%, male 69%)</p> <p>SI 10.2. Adults using a transaction account to make or receive digital payments in the past year (% age 15+)</p>	<p>Progress: Next available data in 2025, based on next Findex data collection.</p> <p>Progress: Next available data in 2025, based on next Findex data collection.</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Financial Sector Reform DPL 1 - closed • Financial Sector DPL – COVID 19 Supplemental Financing – closed • Financial Sector Reform DPL 3, approved FY23 • Financial Sector Reform DPL 2, closed • Indonesia Infrastructure Finance Facility • Disaster Risk Finance and Insurance

		<p>Baseline (2021): 37% Mid target (2023): 43% Target (2025): 48%</p> <p>SI 10.3. Made or received digital payments in the past year, gender disaggregated (% age 15+) Baseline (2021): female 39%; male 36% Mid target (2023): female 44%; male 41% Target (2025): female 50%; male 46%</p> <p>SI 10.4. Number of new financial products launched Baseline 2020: 0 Target 2025: 1</p>	<p>Progress: Next available data in 2025, based on next Findex data collection.</p> <p>On track. Progress 2023: 1 (this supplemental indicator has been added to the CPF Objective Indicators).</p>	<p>Planned lending:</p> <ul style="list-style-type: none"> • SOE Reforms DPL - dropped <p>Key ASA:</p> <ul style="list-style-type: none"> • Financial Sector PASA, FY25 • Strengthening Financial Sector Stability – completed FY21 • Promoting Financial Access and Inclusion (including G2P related TFs) – completed FY21 • Supporting Long Term Finance & Risk Management – completed FY23 • Disaster Risk Finance and Insurance TA - dropped • Indonesia Infrastructure Finance and Development, FY24 • Urban Floods, Disaster Risk Management, and Drainage – completed FY21
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<p>11. Efficiency: Net interest margins (% points) Baseline 2019: 4.9% Target 2025: 4.5%</p>	<p>On track. Progress 2023: 4.8%</p>	<p>SI 11.1. Utilization of the pooling fund for disaster response financing Baseline 2020: pooling fund not established Target 2025: pooling fund utilized in disaster response.</p> <p>SI 11.2. Agri loans disbursed, (\$) Baseline 2020: 0 Target 2023: 92,500</p> <p>SI 11.3. Loans disbursed to Woman, (\$): Baseline (2020): \$105 mil Target (2024): \$210 mil</p>	<p>On track. Progress 2023: Pooling fund established.</p> <p>On track. Progress 2023: 55,767 (this supplemental indicator has been added to the CPF Objective Indicators).</p> <p>On track. Progress 2023: \$155.8m (this supplemental indicator has been added to the CPF Objective Indicators).</p>	<p>IFC activities: Ongoing:</p> <ul style="list-style-type: none"> • Indonesia ESG advisory (605556) • Indonesia Agriculture Insurance (601736) • Farmer Capacity Development Through Digital Platform and Financing (604378) • Provident Growth Fund II, LP (42978) • BTPN SME Green Loan (41698) • OCBC NISP: Sustainable Bond Program (43613) • GoPay (43735) • Agri-Finance Advisory (603016) <p>Pipeline:</p> <ul style="list-style-type: none"> • CIMB Niaga Bond (Green and SME -43543) • Indonesia Supply Chain Finance (603933) • MSME Finance • Affordable Housing Finance (603323) • Saratoga Strategic Fund • Indonesia Supply Chain Finance (603933) • Shared Workspace for Women (SWW) and Knowledge Hub • DARP and NPL Resolutions Pasar Polis (43291) • Shared Workspace for Women (SWW) and Knowledge Hub • DARP and NPL Resolutions KCB FMF (44494)
<p>12. Resilience: Capital Adequacy Ratio, (%) Baseline 2020: 23.74% Target 2025: Above minimum Basel Committee requirement (currently Basel III min of 8%)</p>	<p>On track. Progress 2023: 24.6%</p>			

ENGAGEMENT AREA II. IMPROVE INFRASTRUCTURE				
Objective 2.1: Improve Infrastructure Provision and Quality of Services				
CPF Objective Indicators	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
<p>13. People benefiting from new or improved access to urban and rural infrastructure services³⁰, number</p> <p>Baseline 2020: 48,716,000 (out of which urban: 6,686,000; rural: 42,030,000)</p> <p>Target 2025: 185,000,000 out of which urban: 15,000,000; rural: 170,000,000)</p>	<p>Progress 2023: Cannot be measured. Indicator was revised (see Annex 2).</p>	<p>SI 13.1. Subnational (provincial /city / district) governments with improved technical and financial capacities for provision of infrastructure³¹, number</p> <p>Baseline 2021: 7</p> <p>Target 2023: 40</p> <p>SI 13.2. Village governments with improved institutional capacity for provision of basic services,³² (%)</p> <p>Baseline: 2020: 0</p> <p>Target 2023: 70</p> <p>SI 13.3. Area provided with improved irrigation services in selected National Irrigation Systems.</p> <p>Baseline 2020: 0 hectare</p> <p>Target 2025: 178,000 hectares</p>	<p>Achieved: 13 cities have received Capital Investment Planning support under NUDP. Through the National slum upgrading project (NSUP), 37 Local Governments have completed slum improvement action plan approved by Mayor/Regent, and completed primary/secondary infrastructure.</p> <p>On track. Progress 2023: 146,979 hectares</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> Indonesia Infrastructure Finance Facility Indonesia Tourism Development Indonesia's Infrastructure Finance Development (IIFD) – RE GREM Institutional Strengthening for Improved Village Service Delivery PAMSIMAS National Slum Upgrading Project RIDF

³⁰ Number of people benefiting from set of IBRD financed projects including NSUP (P154782), NUWSP (P156125), PAMSIMAS-III (P085375), DOISP (P096532), ISIVSD (P165543)

³¹ Aggregated results of a set of projects, including PAMSIMAS-III (P085375), ISIVSD (P165543).

³² This is a composite indicator that consists of five key measurement: i) village government issue regulation on village authority in development (Y/N); ii) village government submit annual village planning document on time (Y/N); iii) village government submit annual village budget document on time (Y/N); 4) village government submit financial and activity realization reports on time (Y/N); and 5) village government publish village budget and realization reports (Y/N). Baseline is based on estimate from 2018 Sentinel Villages survey in 5 districts. An updated baseline data will be provided after the baseline survey in 2019. Increase is expected from Year 2 when the results of capacity building start to be visible.

		<p>SI 13.4. Dams with individual hazard reduced, number Baseline 2020: 25 dams Target 2025: 98 dams</p>	<p>On track. Progress 2023: 69 dams</p>	<ul style="list-style-type: none"> • National Urban Development Project • National Affordable Housing Project • National Urban Water Supply Project • National Urban Flood Resilience Project • Dam Operational Improvement/ Safety (DOISP) • Strategic Irrigation Modernization and Urgent Rehabilitation Project (SIMURP) • Indonesia Mass Transit Program Support Project (IMTPSP), approved FY22
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<p>14. Households with access to improved or safer housing³³, number Baseline 2021: 375,400 Target 2025: 902,400</p>	<p>Achieved. Progress 2023: 983,606</p>			<p><u>Planned lending:</u></p> <ul style="list-style-type: none"> • SOE Reforms DPL, dropped. • Eastern Indonesia Port-led Development Project (EIPDP), dropped. • PLN Financial Stabilization and Reform Project (Policy-based Guarantee), dropped. • Institutional Strengthening for Improved Village Service Delivery AF, dropped. • National Urban Wastewater Management Program, dropped. <p><u>Key ASA:</u></p> <ul style="list-style-type: none"> • Indonesia Infrastructure Assessment Program, completed FY21.
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³³ This is countrywide, both from WB project and GoI program on housing, supported by the WB. Results from NAHP project (2021-2022 volume, as project ends on Feb 2023) Improved housing: BPS program funded by both NAHP and APBN – 320,000 units (including safer housing) Improved housing: HMF funded by NAHP – 7,000 units ; Safer housing: KPR subsidy program funded by both NAHP and APBN – 200,000 units.

<p>15. Mass transit systems planned and approved in Indonesian cities (other than Jakarta), number Baseline 2019: 0 Target 2025: 3</p>	<p>On track. Progress 2023: 2 cities (Bandung and Medan)</p>	<p>SI 15.1. Establishment of institutional structures in selected metropolitan areas supported by IMTPSP to plan and manage public transport, number Baseline 2020: 0 Target 2025: 2</p> <p>SI 15.2. Assessment of the potential adoption of e-mobility in the cities supported by Indonesian Mass Transit Program Support Project (IMTPSP). Baseline 2021: 0 Target 2023: 1</p>	<p>Achieved. Progress 2023: 3 (Bandung, Medan, and Jakarta)</p> <p>On track.</p>	<ul style="list-style-type: none"> • Indonesia Infrastructure Finance & Development, FY24 • Infrastructure Institutional and Regulatory Support, completed FY23. • Urban Transport Support Program, completed FY21 • City Planning Labs and Spatial Planning, completed FY21. • Subnational Infrastructure Investment, completed FY21. • Affordable Housing Support Program, completed FY21. • Climate Auctions for Energy Efficient Buildings • Indonesia Sustainable Urbanization PASA, completed FY21. • Infrastructure Financing Support - Capital Market and Risk Products, completed FY22. • Long-term Decarbonization Pathway Study (LTS) • Village Development PASA • Digital Technologies for Inclusive Development in Indonesia PASA, completed FY23.
<p>16. Value of private financing facilitated (\$) Baseline 2020: 0 Target 2025: 325,000,000</p>	<p>On track. Progress 2023: 240.000,000</p>	<p>SI 16.1. Sustainable Urban Mobility Plans in place for cities, number Baseline 2019: 0 Target 2023: 2</p>	<p>Achieved. Progress 2023: 5 (Medan, Bandung, Semarang, Makassar, Denpasar)</p>	
<p>17. Net changes in travel time for public transport users in selected* metropolitan areas, disaggregated by Gender, percentage. Baseline 2020: 0 Target 2025: -10</p>	<p>To be dropped. Studies are not completed</p>	<p>SI17.1 Agreements (concession, etc.) signed, number. Baseline 2020: 0 Target 2023: 1</p>	<p>On track.</p>	

<p>*metropolitan areas with more than 1 m population participating in the phase 1 of implementation of Indonesian Mass Transit Program</p>				<p>IFC activities: Ongoing</p> <ul style="list-style-type: none"> • Legok Nangka Waste to Energy PPP (603875) • Asahan (40507) • Indo Express (42548) <p>Planned activities</p> <ul style="list-style-type: none"> • Jakarta Waste to Energy (JakPro Fortum) (41295) • Project Canopy - Bankability Review (p#605374) • EAP Logistics (p#605085) • Indonesia Healthcare Corporation (IHC) • E-mobility
<p>Objective 2.2: Transition to Low Carbon Energy and Attain Universal Access to Reliable and Sustainable Energy</p>				
CPF Objective Indicator	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
<p>18. Share of renewable energy in the generation mix, percentage Baseline 2020: 12% Target 2025: 23%</p>	<p>Off track. Progress 2023: 13%</p>	<p>SI 18.1. Pumped storage hydropower MW construction progress, percentage Baseline 2021: 0 Target 2025: 35%</p> <p>SI 18.2. Additional generation capacity of geothermal sub-projects reaching financial close (Megawatt) Baseline 2021: 0 Target 2025: 100 MW</p> <p>SI 18.3. Additional Variable renewable energy (VRE)</p>	<p>Off track. Progress 2023: 2%</p> <p>Off track. Progress 2023: 0</p> <p>On track Progress 2023: 0</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Pumped Storage TA Project • ID-Geothermal Energy Upstream Development • Indonesia Geothermal Resource Risk Mitigation Project (GREM) • Development of Pumped Storage Hydropower in Java Bali System, approved FY22. • Indonesia Sustainable Least-cost Electrification-1 (ISLE), approved FY23. <p>Planned lending:</p>

		generation capacity constructed in Eastern Indonesia Baseline 2021: 0 Target 2025: 10 MWp		<ul style="list-style-type: none"> • Transition to sustainable clean and efficient energy PforR (including the Just Transition for All support in coal regions) – FY24 • PLN Financial Stabilization and Reform Project (Policy-based Guarantee), dropped. <p>Key ASA:</p> <ul style="list-style-type: none"> • Support gas & alternative energy sources, completed FY22. • Support sub-national management of resources, completed FY22. • Indonesia Energy Transition and Sustainable Access to Modern Energy for All – PASA (2020-2025), FY25 • Indonesia Infrastructure Finance Development, FY24 • E-Mobility Roadmap Adoption Strategies for the Indonesia Mass Transit Program, completed FY22
19. PLN Debt Service Coverage Ratio ³⁴ Baseline 2019: 0.8 Target 2025: 1.5	Achieved. Progress 2022: Above 1.5	SI 19.1. White paper endorsed by government on medium to long term energy sector strategy to support energy transition and sector financial sustainability Baseline 2021: not yet prepared Target 2022: White paper prepared and adopted by the government.	On track. Indicator revised (see Annex 2) to: JETP Comprehensive Investment and Policy Plan (CIPP) endorsed to support energy transition Baseline 2021: Not yet prepared Target 2024: CIPP prepared and issued by government	

³⁴ Ratio of net operating income to debt service, based on PLN audited Financial Statements.

<p>20. Reduction in GHG emissions in the Power Sector under Energy Projects in selected areas* (percentage)</p> <p>Baseline 2020: 0 Target 2025: 15% *Islands considered under the ISLE project</p>	<p>Indicator revised (see Annex 2).</p>			<ul style="list-style-type: none"> • Climate Change – Carbon Finance <p>IFC Activities: <u>Ongoing lending:</u></p> <ul style="list-style-type: none"> • Asahan (40507) • Legok Nangka Waste to Energy PPP (603875) <p><u>Planned activities</u></p> <ul style="list-style-type: none"> • Jakarta Waste to Energy (JakPro Fortum) (41295)
<p>21. Value of Private Capital Mobilized under Energy Projects³⁵ (\$)- Baseline 2020: 0 Target 2025: \$700m</p>	<p>On track. Target was revised down to \$300m Progress 2023: \$295m</p>			
<p>ENGAGEMENT AREA III. NURTURE HUMAN CAPITAL</p>				
<p>Objective 3.1: Strengthen the Quality and Equity of Education and of Skills</p>				
<p>CPF Objective Indicator</p>	<p>Progress to date</p>	<p>Supplementary Progress Indicators</p>	<p>Progress to date</p>	<p>World Bank Group Program</p>
<p>22. Schools participating in the national student assessments (percentage)</p> <p>Baseline 2019: 35 % Target 2024: 95 %</p>	<p>Achieved. Progress 2023: 100 %</p>			

³⁵ Liquidity Support (Policy-based Guarantee) and Indonesia Sustainable Least-cost Electrification (ISLE), and value of private financing facilitated by IFC (\$ 225 m target).

<p>23. New graduates certified by the National Agency for Professional Certification BNSP (number)</p> <p>Baseline 2020: 70,681 (Female 33,359/47 %, Male 37,322/53 %) Target 2025: 84,285 (Female 40,457/48 %, Male 43,828/52 %)</p>	<p>Revised indicator: Since the final RF of the LISTRAF project does not measure the original indicator, the previous Intermediate Indicator serves as main one: New or updated SKKNI/KKNI³⁶ developed (number)</p> <p>Baseline 2019: 751 Target 2025: 1000</p> <p>This indicator is achieved.</p>	<p>SI 23.1. New or updated SKKNI/KKNI³⁷ developed (number)</p> <p>Baseline 2019: 751 Target 2025: 1000</p> <p>SI 23.2. Data analytics portal of the LMI platform developed (text)</p> <p>Baseline 2020: none Target 2025: data analytics portal developed</p>	<p>Achieved. Progress 2023: 1194</p> <p>Revised indicator on track. LISTRAF IPF will support development of data analytics portal by 2025</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> Realizing Education's Promise: Support to Indonesia's Ministry of Religious Affairs for Improved Quality of Education Indonesia: Emergency Response to COVID19 Research and Innovation in Science and Technology Project, closed. Human Capital DPL1, approved FY22, closed. <p>Planned Lending:</p> <ul style="list-style-type: none"> Human Capital DPL2, project title is changed to Indonesia Universal Health Coverage – FY24. Skills Development Project, changed name to Labor market Information and Skills system Transformation for labor market Flexibility (LISTRAF) – FY24
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³⁶ SKKNI: National Employment Competency Standards/KKNI: the National Qualifications Framework

³⁷ SKKNI: National Employment Competency Standards/KKNI: the National Qualifications Framework

<p>24. Proportion of MoRA schools connected to the internet Baseline 2019: 59 % Target 2025: 79 %</p>	<p>Achieved. Progress 2023: 90.4% (50,233)</p>			<ul style="list-style-type: none"> • Proving Quality, Relevance and Strengthening MoRA Higher Education, dropped FY23. • Realizing Education's Promise AF, dropped FY23. <p><u>Key ASA:</u></p> <ul style="list-style-type: none"> • Learning for Human Capital Development PASA, FY24 • Jobs in Action PASA, completed FY21 • KIAT Guru Phase 2 - Improving Teacher Performance and Accountability Phase 2, completed FY22. • Digital Technologies for Inclusive Development in Indonesia PASA, completed FY22.
Objective 3.2: Strengthen the Quality and Equity in Nutrition and Health				
CPF Objective Indicator	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program

<p>25. Active beneficiaries covered under JKN (percentage)</p> <p>Baseline 2018: 70.5 % Target 2024: 76 %</p>	<p>Revised indicator on track. Progress 2023: 74.1 %</p>	<p>SI 25.1. Pregnant mothers receiving all four prenatal checkups (percentage)</p> <p>Baseline 2018: 74.1 % Target 2023: 80 %</p> <p>SI 25.2. Deliveries attended by skilled health personnel percentage</p> <p>Baseline 2018: 79.3 % Target 2023: 85 %</p> <p>SI 25.3. Pregnant mothers consuming IFA supplements (percentage)</p> <p>Baseline 2018: 38.1 % Target 2023: 45 %</p>	<p>Achieved. Progress 2023: 86.2%</p> <p>Achieved. Progress 2023: 87.9%</p> <p>On track. Policy reforms supported by the Human Capital DPL are expected to increase the percentage of pregnant mothers consuming IFA supplements.</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> Investing in Nutrition and Early Years, approved 2018 Supporting Primary Health Care Reform (ISPHERE), approved 2018 Emergency Response to COVID19, approved 2020 Health Emergency COVID response AF, approved FY21 National Health Insurance (JKN) Reforms and Results Program, approved FY22 Investing in Nutrition and Early Years Phase 2 (INEY2) approved FY23 Human Capital DPL 1, approved FY22, closed. <p>Planned lending:</p> <ul style="list-style-type: none"> Innovations for Health Service Delivery. FY26. Human Capital DPL2, project title is changed to Indonesia Universal Health Coverage – FY24 <p>Indonesia Pre Service Training for Health Workers, FY26</p> <p>Key ASA:</p>
<p>26. Puskesmas (Community Health Centers) that have achieved higher level (i.e. top two tiers) of quality accreditation also by Eastern Indonesia / rest of country (percentage)</p> <p>Baseline 2018: ~5 % Target 2024: 30 %</p>	<p>On track. Progress 2023: 21.8%</p>			

<p>27. Number of villages achieving good performance in the acceleration of stunting reduction (number)</p> <p>Baseline 2022: 0 Target 2024: 30,000</p>	<p>On track. Progress 2023: 26,300 villages</p>	<p>N/A</p>	<p>N/A</p>	<ul style="list-style-type: none"> • Gender Equality for Growth, completed FY23 • Supporting reforms to accelerate universal health coverage (UHC) • Support for Strengthening Multisectoral Responses to Nutrition <p>IFC Pipeline:</p> <ul style="list-style-type: none"> • Indonesia Healthcare Corporation (IHC), dropped.
<p>Objective 3.3: Strengthen the Inclusiveness and Responsiveness of Social and Worker Protection</p>				
CPF Objective Indicator	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
<p>28. Poor and vulnerable households receiving social assistance, by gender (percentage)</p> <p>Baseline 2019: 65 % (67 % female-headed households; 62 % male-headed households) Target 2024: 70 % (both female- and male-headed households)</p>	<p>On track. Progress 2022: 67 (73 % for female-headed households; 66 % male-headed households)</p>	<p>SI 28.1 Proportion of death certificates issued within 60 days of the event’s occurrence (percentage):</p> <p>Baseline 2022: 62 % Target 2025: 75 %</p> <p>SI 28.2. Number of citizens who have installed digital ID application and authenticated themselves at least one time (number)</p> <p>Baseline 2022: 0 Target 2025: 1 m</p> <p>SI 28.3. Informal workers covered by of old age savings program (JHT) (percentage)</p>	<p>On track. The ID4D IPF will implement activities to increase the proportion of death certificates issued within 60 days of the event’s occurrence.</p> <p>On track. The ID4D IPF will implement activities to increase the number of citizens who have installed digital ID application and authenticated themselves at least one time.</p> <p>Revised indicator on track. Baseline and target data for the initial indicator were overestimated. After a slump</p>	

		Baseline (2019): 0.3 % Target (2023): 1.0 %	during COVID19, the revised indicator is now on track to being achieved by 2025. Progress 2022: 0.5 %	Ongoing lending: <ul style="list-style-type: none"> • Social Assistance Reform Program, closed • Social Assistance Reform Program Additional Financing • Strengthening Disaster Risk Finance • Digital ID and Registration for Inclusive Service Delivery, approved FY23 • Human Capital DPL 1, approved FY22, closed in FY22. Planned lending: <ul style="list-style-type: none"> • Human Capital DPL2, project title is changed to Indonesia Universal Health Coverage – FY24 Key ASA: <ul style="list-style-type: none"> • Support for Strengthening Multisectoral Responses to Nutrition, FY24 • Social Security, completed FY21 • Towards Gender-Smart Social Protection in Indonesia, completed FY23 • Identification for Development (ID4D) Disaster Risk Financing & Insurance, completed FY22
29. Population registered in the Social Registry (percentage) Baseline (2020): 40 % Target (2024): 70 %	On track. Progress 2023: 52% Target was revised (see Annex 2)	SI 29.1. Disbursements from the Pooling Fund for Disasters (PFB) to Ministry of Social Affairs (MoSA) for requested activities comply with timeline agreed, and rules and protocols adopted Baseline (2020): 0 % Target (2025): 80 %	Progress 2023: MOF is currently working with MoSA to agree on the social assistance programs to be eligible for PFB funding (the revised Yr 2 result after restructuring of the DRF IPF).	
ENGAGEMENT AREA IV. SUSTAIN MANAGEMENT OF NATURAL ASSETS, NATURAL RESOURCES-BASED LIVELIHOODS AND DISASTER RESILIENCE				
Objective 4.1: Strengthen Management of Natural Assets and Environment				

CPF Objective Indicator	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
30. Area with avoided deforestation (hectares) Baseline 2020: 0 Target 2025: 183,781	On track Progress 2023: 129,710	SI 30.1. Land area under sustainable landscape management practices (hectares) Baseline 2020: 0 Target 2025: 9,440,000	On track. Update in 2023: 718,540	Ongoing lending: <ul style="list-style-type: none"> • Coral Reel Rehabilitation and Management Program -Coral Triangle Initiative (COREMAP-CTI), closed FY23 • Promoting Sustainable CBNRM and Institutional Development (RETF), closed FY23 • HCFC Phase-out in the PU Foam Sector Project

<p>31. People in selected urban areas³⁸ (Bandung and Cimahi) with regular household waste collection (percentage) Baseline 2020: 65 Target 2025: 81</p>	<p>Achieved. Progress 2023: 82.1</p>	<p>31.1. Solid waste recycled, composted and/or treated with other techniques to reduce waste disposal volumes in targeted urban areas (percentage) Baseline: 0 Target 2023: 10 Target 2025: 14</p>	<p>Achieved. Progress 2023: 14.13</p>	<ul style="list-style-type: none"> • Program to Accelerate Agrarian Reform (One Map Project) • Solid Waste Management project • East Kalimantan Project for Emission Reductions Results • Jambi Sustainable Landscape Management Project • Strengthening of Social Forestry in Indonesia • Oceans for Prosperity Program - LAUTRA Phase 1, approved FY23 • Indonesia Mass Transit Program Support Project, approved FY22
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³⁸ This relates to selection of cities and districts in Indonesia under the National Solid Waste Management Project (157245). Although for practical purposes the project design keeps the selection of cities/districts flexible, the geographical focus of the project is on the Citarum River catchment area. Cities/Districts that have been included in the selection in the first year of implementation (effectiveness April 2020) are Bandung City, Bandung District, Wests Bandung District and Cimahi City

<p>32. Marine plastic waste reduction from land-based sources from selected urban populations³⁹ (Bandung and Cimahi) (% of reduction from baseline) Baseline 2020: 0.27 - 0.58 ton/year Target 2025: 50%</p>	<p>On track. Indicator revised (Annex 1) Progress 2023: 23.7 (cumulative increase in collection capacity)</p>	<p>SI 32.1. Additional landfill disposal capacity operational per defined criteria in target areas (Cubic Meter(m3)) Baseline 2020: 0 Target 2023: 10,000,000 Target 2025: 16,000,000</p>	<p>Cannot be assessed. This indicator is under revision, pending the finalization of the project restructuring.</p>	<ul style="list-style-type: none"> • National Urban Flood Resilience Project (NUFREp), approved FY23 • Indonesia Sustainable Cities Impact Project (GEF), approved FY23 • Jambi Emission Reduction Results Project, approved FY23 <p><u>Planned lending:</u></p> <ul style="list-style-type: none"> • Revitalization of Lowland Irrigation for National Food Security (RAWA LESTARI), dropped • SOE Reform DPL, dropped
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³⁹ Same as above.

<p>33. Area of coastal and marine ecosystems with improved (blue or gold standard) management (hectares) Baseline 2020: 0 Target 2025: 7,800,000</p>	<p>On track. Indicator revised (annex 1)</p>	<p>SI 33.1. Area of mangrove ecosystem restored, rehabilitated or enhanced within target coastal areas (hectares) Baseline 2020: 0 Target 2023: 50,000 Target 2025: 75,000</p>	<p>Off track.</p>	<ul style="list-style-type: none"> • One Map Policy 2 (Multipurpose Cadaster for Sustainable Development), change to Integrated Land Administration and Spatial Planning (ILASP), FY24 <p><u>Key ASA</u></p> <ul style="list-style-type: none"> • Integrated Landscapes Programmatic PASA, particularly the Improved Land Administration and Governance, and Economic incentives to improve management of critical landscapes • Enabling Activities for Hydrofluorocarbons (HFC) Phase-down under the Montreal Protocol, completed FY21 • Addressing Marine Plastics Debris in Indonesia, completed FY22 • Sustainable Management of Indonesia's Oceans and Coastal Resources, and Reducing Marine Debris • Promote Natural Resources Transparency & Anticorruption, completed FY22 • Indonesia Natural Resources for Development (NR4D TF One Map Policy Pillar)
<p>34. Greenhouse gases (GHG) emissions reduced (Metric tons/year) Baseline 2020: 0 Target 2025: 9.2 m</p>	<p>Achieved. Progress 2023: 35,470,590</p>			

<p>35. Non-forest area with land rights registered (parcels) Baseline 2020: 69 m Target 2025: 100 m</p>	<p>On track. Progress 2023: 85 m</p>	<p>SI 35.1. Coverage of digital land value maps and zoning information in non-Forest Area (percentage) Baseline 2020: 56 Target 2023: 70 Target 2025: 77</p>	<p>On track. Progress 2023: 51</p>	<ul style="list-style-type: none"> • Urban Transport Support Program, completed FY21 • Mobility Adoption Strategies for the Indonesia Mass Transit Program, delivered FY22 • Artisanal and Small-Scale Gold Mining Sector Analysis, completed FY21 <p>IFC Activities:</p> <p>Ongoing</p> <ul style="list-style-type: none"> • EAP Green Building (604486) • BTPN SME Green Loan (41698) • OCBC NISP: Sustainable Bond Program (43613) <p>Pipeline:</p> <ul style="list-style-type: none"> • E-mobility • CIMB Niaga Bond (Green and SME -43543)
<p>Objective 4.2: Improve Agriculture and Natural Resource-Based Livelihoods</p>				
<p>CPF Objective Indicator</p>	<p>Progress to date</p>	<p>Supplementary Progress Indicators</p>	<p>Progress to date</p>	<p>World Bank Group Program</p>

<p>36. Share of high-value crops in agriculture GDP (%)⁴⁰ Baseline 2020: 24.1% Target (2025): 25.4%</p>	<p>To be dropped</p>	<p>SI 36.1. Number of farmers benefiting from improved financial services (direct and indirect)⁴¹ Baseline 2020: 39,000 Target 2024: 106,000 Actual 2023: 3,257</p> <p>SI. 36.2. Average yield of cocoa bean (productivity) (metric tons/Ha) Baseline 2019: 0.8 Target 2023: 0.9</p>	<p>To be dropped</p> <p>Off track</p>	<p>Ongoing lending:</p> <ul style="list-style-type: none"> • Strengthening of Social Forestry in Indonesia (RETF) • Jambi Sustainable Landscape Management Project (J-SLMP), approved FY21 • Oceans for Prosperity Program – LAUTRA, approved FY23 • Agriculture Value Chain De (I-CARE), approved FY22 <p>Planned:</p> <ul style="list-style-type: none"> • Tourism Development AF <p>Key ASA:</p> <ul style="list-style-type: none"> • Transforming Indonesia’s agri-food system • Sustainable Agriculture Livelihoods (part of Integrated Landscapes Programmatic ASA) • Coastal Fisheries Initiative Investment Plans
<p>37. People in targeted forest and adjacent communities with increased income or non-monetary benefits (e.g., access to technology, higher capacity, education,</p>	<p>On track. Progress 2023: 194,941</p>	<p>SI 37.1. Rural households accessing financial services⁴³, % Baseline 2019: Rural household has bank account: 33.1% Rural household has access to credit: 43.7% Target 2025: Rural household has bank account: 36.4% Rural household has access to credit: 48.1%</p>	<p>Dropped. This indicator is impossible to assess.</p>	

⁴⁰ an indicator to measure the impact of the reorientations of policy and public spending. It is measured as an increase (5%) of the share of high value agriculture in the overall agriculture GDP. This indicator would measure the economy-wide impact of ASA activities as well as ground level impact from refocusing agriculture budget allocation to support agriculture sector diversification and promote digitalization and value addition

⁴¹ SI measures intermediate results of the IFC program

⁴³This is an indicator to measure overall access to financial services among rural households as an intermediate outcome indicator for rural economic development, including agriculture transformation and participation in markets. It is assumed that this indicator would also be relevant to the ENB and IFC program in the CPF. Methodology: the proportion of rural households with

funding) from forests ⁴² , number Baseline 2020: 0 Target 2025: 300,000				<ul style="list-style-type: none"> • Sustainable Management of Indonesia's Oceans and Coastal Resources, and Reducing Marine Debris <p>IFC Activities: Ongoing</p> <ul style="list-style-type: none"> • IFC advisory on Digital Extension Services and Financing (604378)
38. Coastal and marine resources. Beneficiaries in target coastal areas with diversified income sources (no. income sources relative to baseline) Baseline 2020: 0 Target 2025: 150,000	<p>To be dropped. Indicator is revised (see Annex 2).</p>			

access to bank accounts is defined as the share of households in which the head of the household possesses a personal account in his/her name or a joint account in a financial institution (i.e. banks, cooperatives) in rural areas. The proportion of rural households with access to credit is defined as the share of rural households in which any of the household members received any forms of credit in the past year. This includes credit from the following sources: Kredit Usaha Rakyat (KUR), other commercial bank schemes aside from KUR, Bank Perkreditan Rakyat (rural banks), cooperatives, individuals with interest, pawn shops, leasing companies, Joint Business Groups (KUBE/KUB), Village-Owned Enterprises (BUMDES), and others. SUSENAS data collection is conducted twice a year, in March and September.

⁴² Direct and indirect communities received beneficiaries in targeted forest and adjacent communities with improved income and access to supporting facilities (funding, capacity building, technology, education, health and other services) , which include farmer groups, trader of products, and other private sector related to agriculture and forestry products.

Objective 4.3: Strengthen Multi-Hazard Disaster Resilience				
CPF Objective Indicator	Progress to date	Supplementary Progress Indicators	Progress to date	World Bank Group Program
39. Number of people benefiting from a multi-hazard early warning system platform Baseline 2020: 0 Target 2025: 30 m (of which 14 m are women)	On track. Update 2023: Development of multi-hazard early warning system platform is expected to be operational in 2024. Current data: 0	SI 39.1. # of cities with areas that consider environmentally informed integrated planning, including approaches that mainstream biodiversity and climate resilient development Baseline 2021: 0 Target 2023: 2 SI 39.2. Establishment of a multi-hazard early warning system that disseminates warnings for select hydrometeorological and geophysical hazards Baseline: No Target: Yes	Off track. Progress 2023: 0 On track. Development of multi-hazard early warning system platform is expected to be operational in 2024. Current data: No.	Ongoing: <ul style="list-style-type: none"> Indonesia Disaster Resilience Initiatives Project (IDRIP) Central Sulawesi Rehabilitation and Reconstruction Project (DPL) Indonesia Social Assistance Reform Program (AF) Indonesia Disaster Risk Finance and Insurance, approved FY21 Indonesia: National Urban Flood Resilience Project (NUFReP), approved FY23 Global Environment Facility Indonesia

<p>40. The amount of financing leveraged under the umbrella national urban flood resilience program to reduce flood risk in participating cities Baseline 2020: nil Target 2025: \$600 m</p>	<p>On track. Progress 2023: \$400 m</p>	<p>SI 40.1. # of cities with areas that consider capital investment prioritization frameworks that include attention to environmental considerations Baseline 2021: 0 Target 2023: 5</p> <p>SI 40.2. Utilization of the pooling fund for disaster response financing Baseline 2020: pooling fund not established Target 2025: pooling fund utilized in disaster response</p>	<p>Off track Progress 2023: 0</p> <p>On track. Progress 2023: pooling fund established</p>	<p>Sustainable Cities Impact Project (GEF-SCIP), approved FY23</p> <p>Key ASA:</p> <ul style="list-style-type: none"> • Disaster Risk Financing & Insurance, completed FY22 • TA to the Environmental Fund (BPDH) • City Planning Labs (CPL), completed FY21 • [new] PASA: Strengthening Multi-hazard Disaster Resilience in Indonesia, FY24 • Climate Change – Carbon Finance
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Annex 4. Indonesia IBRD Indicative Program FY24-25

No	Project/Program Title	Lending Instrument	Planned* (\$ m)
1	Indonesia Green Finance Facility (GreFi)	IBRD Guarantee	1000
2	*Citywide Inclusive Sanitation Towards Safely Managed Urban Sanitation Services	IPF	178
3	Indonesia Local Service Delivery Improvement Project	IPF	250-350
4	Indonesia Sustainable Least-cost Electrification-2 (ISLE-2)	PforR	500-600
5	Indonesia - Electricity Network Transformation (I-ENET) Program	PforR	400-500
6	Integrated Land Administration and Spatial Planning Project	IPF	400-600
	TOTAL		2.7b-3.2b

Note: * Project contributes to more than one Engagement Area

Annex 5. Active ASA as of December 2023

Engagement Area 1: Strengthening Economic Competitiveness and Resilience
Digital Transformation for Inclusion and Better Service Delivery
Indonesia Investment & Competitiveness PASA
Indonesia FSAP Update II
Indonesia Financial Sector Technical Assistance
Subnational Finance and Management for Results (SEMAR)
Modernizing the Management of Public Resources in Indonesia
Indonesia Accelerating Trade for Growth ASA
Indonesia Macroeconomic Analysis and Policy Dialogue
Indonesia Fiscal Policy PASA
Indonesia Country Economic Memorandum
Indonesia Livelihoods and Informality
Indonesia Poverty & Equity PASA
Engagement Area 2: Improve Infrastructure
Indonesia Energy Transition and Sustainable Access to Modern Energy for All (PASA)
Indonesia Integrated Landscapes Programmatic AAA
Indonesia Sustainable Transport PASA
Access to Safe Water Supply and Sanitation Acceleration
Engagement Area 3: Nurture Human Capital
Learning For Human Capital Development Programmatic ASA
Reforms to strengthen universal health coverage in Indonesia
Indonesia Social Protection Reform PASA
Inclusive Digital ID and Civil/Population Registration for Vulnerable Populations
Multisectoral Analytics and Technical Assistance for Investments in Nutrition and Early Years
Engagement Area 4: Sustain Management of Natural Assets, Natural Resources-Based Livelihoods and Disaster Resilience
Indonesia Agricultural and Food System Transformation PHASE II
Indonesia Integrated Landscapes Programmatic AAA
Sustainable Management of Indonesia's Oceans and Coastal Resources, and Reducing Marine Debris
Pollution Control and Environmental Management Programmatic Advisory Services & Analytics (PASA)
Indonesia Social Dimensions of Climate Change PASA
Indonesia Gender Equality Program
Strengthening multi-hazard disaster resilience in Indonesia
Consolidate Landscapes Fundamentals
Sustainable Urban Development in Indonesia
Integrated Urban Management and Resilience
Toward Climate-Resilient Affordable Housing and Settlement
Access to Safe Water Supply and Sanitation Acceleration

Annex 6. Planned and Actual IBRD Financing from July 1, 2020 to December 31, 2023

No	Project/Program Title	Actual (\$ m)	Planned* (\$ m)	Status
ENGAGEMENT AREA I. STRENGTHEN ECONOMIC COMPETITIVENESS AND RESILIENCE				
1	Indonesia Disaster Risk Finance & Insurance (COVID)	500	500	Approval on 1/21/21, under implementation
2	Investment and Trade Reforms DPL	800	800	Approved on 6/15/21, closed
3	Second Financial Sector Reform DPL	400	300	Approved on 6/10/21, closed
4	Third Financial Sector Reform DPL*	1000	300	Approved on 3/28/23, under implementation
5	Fiscal DPL*	750	300	Approved on 6/17/22, closed. <i>The program title changed to Fiscal Reform</i>
6	SOE Reforms DPL* ⁴⁴	n/a	350	<i>Dropped</i>
7	Subnational Finance	400	300	Approved 9/29/23 (FY24). The project title changed to <i>Strengthening Intergovernmental Transfers and Subnational Finance for Service Delivery in Indonesia (SINERGIS)</i>
ENGAGEMENT AREA II. IMPROVE INFRASTRUCTURE				
1	Development of Pumped Storage Hydropower in Java Bali System ⁴⁵	380	400	Approved on 9/10/21, under implementation
2	Indonesia Mass Transit Program Support Project	224	500	Approved on 5/20/22, under implementation
3	Eastern Indonesia Port-Led Development Project	n/a	200	<i>Dropped</i>
4	Subnational Finance*	400	300	Approved 9/29/23 (FY24). The project title changed to <i>Strengthening Intergovernmental Transfers and Subnational Finance for Service Delivery in Indonesia (SINERGIS)</i>
5	National Urban Wastewater Management Program	n/a	200	Title changed to Citywide Inclusive Sanitation Towards Safely Managed Urban Sanitation Services, FY24/25, loan amount \$178m
6	SOE Reforms DPL*		350	<i>Dropped</i>
7	Indonesia Infrastructure Finance Facility Additional Financing	n/a	tbd	<i>Dropped</i>
8	Institutional Strengthening for Improved Village Service Delivery Additional Financing	n/a	350	<i>Dropped</i>
9	National Urban Flood Resilience (NUFReP)*	400	400	Approved on 12/19/22, under implementation
10	PLN Financial Stabilization and Reform Project (Policy- based Guarantees) ⁴⁶	n/a	200	<i>The project title and amount changed to Indonesia Green Finance Facility (GreFi), \$1bln</i>
11	Indonesia Sustainable Least Cost Electrification-1	500	300	Approved on 6/26/23, under implementation
12	Transitioning to Sustainable, Clean and Efficient Energy PforR	n/a	350	<i>Dropped</i>
ENGAGEMENT AREA III. NURTURE HUMAN CAPITAL				
1	Indonesia Skills Development Project	144	300	Approved on 1/18/24 (FY24). The project title changed to <i>Labor Market Information and Skills System Transformation for Labor Market Flexibility</i> . The amount changed to 144.
2	Health Emergency COVID response Additional Financing PforR	500	500	Approved on 6/17/21, under implementation
3	Human Capital Development DPL 1,2*	350, 1000	300, 300	Human Capital DPL 1 approved on 6/29/22, closed. The amount changed to 350. Human

⁴⁴ Delivery subject to the GOI moving ahead with structural reforms, specifically SOE governance and financing reforms.

⁴⁵ AIIB is expected to co-finance the project with an additional \$250 m.

⁴⁶ Delivery subject to the Government of Indonesia moving ahead with structural reforms, specifically to: (i) implement energy subsidy and tariff reforms to ensure that PLN becomes financially sustainable after the bailout; and (ii) prepare a plan for the transition to increased use of renewables.

No	Project/Program Title	Actual (\$ m)	Planned* (\$ m)	Status
				Capital DPL 2 approved on 12/6/23 (FY24). The project title changed to <i>Universal Health Coverage DPL</i> . The amount changed to 1,000.
4	Investing in Nutrition and Early Years (INEY) Additional Financing	600	400	Approved on 6/26/23, under implementation
5	Realizing Education Promise Additional Financing		200	<i>Dropped</i>
6	National Health Insurance (JKN) Reforms and Results Program ⁴⁷	400	250	Approved on 12/15/21, under implementation
7	Innovations for Health Service Delivery	1,485	250	Approved on 12/8/21(FY24). The project title changed to <i>Indonesia Health Systems Strengthening Project</i> . The amount changed to 1485.
8	Improving Quality, Relevance and Strengthening MoRA Higher Education		250	<i>Dropped</i>
9	Digital ID and Registration for Inclusive Service Delivery	250	250	Approved on 5/12/23, under implementation.
10	Indonesia: Strengthening National Tuberculosis Response Program	300		Approved on 12/19/22, under implementation
ENGAGEMENT AREA IV. SUSTAIN MANAGEMENT OF NATURAL ASSETS, NATURAL RESOURCES-BASED LIVELIHOODS AND DISASTER RESILIENCE				
1	Oceans for Prosperity Program - LAUTRA Phase 1	200	400	Approved on 3/23/23, under implementation
2	One Map Policy 2 (Multipurpose Cadaster for Sustainable Development)		200	Planned in FY25, the title changed to Integrated Land Administration and Spatial Planning Project
3	Revitalization of Lowland Irrigation for National Food Security (RAWA LESTARI)		600	<i>Dropped</i>
4	Program for Advancing Sustainable Agriculture and Resilient Market (COVID)		100	<i>Dropped</i>
5	National Urban Flood Resilience Project (NUFReP)*	400	400	Approved on 12/19/22, under implementation
6	Indonesia Disaster Risk Finance & Insurance	500	500	Approved on 1/21/21, under implementation
7	Mangroves for Coastal Resilience Project	400		Approved on 5/20/22, under implementation
8	Agriculture Value Chain Development Project (ICARE)	100		Approved on 6/9/22, under implementation

Note: * Project contributes to more than one CPF Engagement Area

⁴⁷ Delivery depends on the establishment of a national higher-level coordinating body.

Annex 7: Alignment with World Bank corporate priorities

Development priorities of Indonesia financed by the World Bank program are well aligned with the Evolution Roadmap and the global challenges.

Fast Track Water Security and Climate Adaptation. The Government is determined to improve access to water and sanitation for rural and urban areas, and work on climate adaptation. The World Bank is supporting government efforts through operations such as the National Urban Water Supply project and the Strategic Irrigation Modernization project to improve access to clean water, help water service providers work better, improve irrigation systems and ensure that those managing irrigation systems are more accountable. The World Bank is also working with the government through the Indonesia Sustainable Landscapes Management Program, which promotes integrated landscape management, including sustainable water resource management and improved disaster risk reduction practices, and Strengthening Coastal and Marine Resources Management in Indonesia that supports coastal communities in adapting to climate change and sustainably managing water resources.

Energy Transition, Efficiency and Access. Even though Indonesia has one of the largest coal reserves in the world, the Government is determined to lower dependency on fossil fuel and increase the use of renewable energy resources. The World Bank is working with the government to develop the first large-scale pumped storage hydropower in Indonesia, to expand geothermal energy generation, improve access to electricity in Eastern Indonesia, and to build the capacity of the state electricity utility. The Indonesia Sustainable Oceans Program encourages the transition to a blue economy, promoting renewable energy use in coastal areas.

Enhanced Health Emergency Prevention, Preparedness and Response. The COVID19 pandemic accelerated the long-standing plans of the Government to further develop the health sector and make health services accessible to all citizens. In response to government requests, World Bank's financing for health and nutrition grew to \$4.5bln thus far in the CPF period, including support for health infrastructure, health insurance reforms, anti-tuberculosis program, pandemic preparedness as well as financing for the second phase of the anti-stunting program. The COVID-19 emergency response PforR, under which the Bank convened partners for a unified response, mobilized \$1.75bln to support the health system response to the pandemic and develop structures and financing for pandemic preparedness and response.

Food and Nutrition Security. Food security and quality of nutrition are key elements complementing the health of the people of Indonesia and the development of the country. The World Bank is assisting through projects that focus on developing agriculture value chains, while also investing in early childhood nutrition interventions to improve long-term health and development.

Forests for Development, Climate, and Biodiversity. World Bank investments have helped to avoid deforestation, improve management of selected coastal and marine ecosystems, and reduce greenhouse gases emission. The Indonesia Sustainable Landscapes Management Program aims to reduce deforestation and forest degradation, contributing to biodiversity conservation, while the Mangroves for Coastal Resilience project will scale-up restoration of 75,000 ha of mangroves and the sustainable management and natural regeneration of an additional 400,000 ha of mangroves. The World Bank is also supporting government to incentivize reduced deforestation and forest degradation in parts of Indonesia, through payment of verified emission reductions.

Accelerating Digitalization. The Government of Indonesia sees digitalization as key effort to increase access to services for all citizens and facilitate the development of the economy. In April 2023, the World Bank approved a project that will strengthen population and civil registration and increase usage of digital identification to improve delivery and accessibility of select public and private sector services for all Indonesians. Few other operations also involve digital components. For example, the use of online platforms for service delivery in certain initiatives contributes to building digital foundations and supporting digitalization efforts.