



Concept Paper

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Proposed Programmatic Approach and Policy- Based Loan for Subprogram 1 Republic of Indonesia: State-Owned Enterprises' Reform Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 July 2022)

Currency unit – rupiah (Rp)

Rp1.00 = \$0.000067

\$1.00 = Rp14,967

ABBREVIATIONS

ADB	–	Asian Development Bank
GDP	–	gross domestic product
MOF	–	Ministry of Finance
MSOE	–	Ministry of State-Owned Enterprises
PSO	–	public service obligation
RPJMN		Rencana Pembangunan Jangka Menengah Nasional (National Medium-Term Development Plan)
SOE	–	state-owned enterprise
TA	–	technical assistance

NOTE

In this report, "\$" refers to United States dollars.

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PROGRAM AT A GLANCE

1. Basic Data		Project Number: 55235-001	
Project Name	State-Owned Enterprises' Reform Program, Subprogram 1	Department/Division	SERD/SEPF
Country	Indonesia	Executing Agency	Ministry of State-Owned Enterprises
Borrower	Republic of Indonesia		
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=55235-001-CEI		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=55235-001-PortAtaGlance		
2. Sector		ADB Financing (\$ million)	
✓ Public sector management	Economic affairs management		100.000
	Reforms of state owned enterprises		400.000
		Total	500.000
3. Operational Priorities		Climate Change Information	
✓ OP1: Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	11.500
✓ OP2: Accelerating progress in gender equality		Climate Change impact on the Project	Medium
✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability			
✓ OP6: Strengthening governance and institutional capacity		ADB Financing	
		Adaptation (\$ million)	35.980
		Mitigation (\$ million)	51.140
		Cofinancing	
		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	0.000
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.4		Effective gender mainstreaming (EGM)	✓
SDG 5.5			
SDG 8.1		Poverty Targeting	
SDG 10.2		General Intervention on Poverty	✓
SDG 12.6			
SDG 13.a			
SDG 16.6			
4. Risk Categorization:	Complex		
5. Safeguard Categorization	Environment: C	Involuntary Resettlement: C	Indigenous Peoples: C
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		500.000	
Sovereign Programmatic Approach Policy-Based Lending (Regular Loan): Ordinary capital resources		500.000	
Cofinancing		423.000	
Agence Francaise de Developpement - Programmatic Approach Policy-Based Lending (Loan) (Not ADB Administered)		108.000	
KfW Bankengruppe - Programmatic Approach Policy-Based Lending (Loan) (Not ADB Administered)		315.000	
Counterpart		0.000	
None		0.000	
Total		923.000	
Currency of ADB Financing: US Dollar			

I. THE PROPOSAL

1. State-owned enterprises (SOEs) play an important role in the Indonesian economy. They serve both as commercial enterprises that provide revenue to the state, and as agents of development that provide core public services, ranging from infrastructure development in rural areas to procurement of vaccines for the coronavirus disease (COVID-19). As such, SOEs will be instrumental in fostering an inclusive and sustainable recovery from the pandemic. However, structural issues relating to the efficiency and corporate governance of SOEs restrict their potential to deliver greater value for Indonesia. To address these constraints, the government has initiated an ambitious SOEs' reform agenda. The State-Owned Enterprises' Reform Program is aligned with this agenda and will help increase the economic and social value SOEs provide to Indonesia.¹ A programmatic approach that combines policy-based loans, technical assistance (TA), and knowledge support was selected as it allows complex and challenging reforms to be addressed comprehensively.

2. The program is aligned with the government's Vision of Indonesia 2045 and National Medium-Term Development Plan (RPJMN) 2020–2024.² It is also aligned with ADB's Strategy 2030 will contribute to the following operational priorities: (i) addressing remaining poverty and reducing inequalities by improving the delivery of public services; (ii) accelerating progress in gender equality by improving gender balance in SOE management; (iii) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability by helping reduce carbon emissions; and (iv) strengthening governance and institutional capacity by improving the governance of SOEs.³ It will contribute to pillar 2 of ADB's country partnership strategy for Indonesia, 2020–2024, on accelerating economic recovery.⁴ The program will also help strengthen the financial condition of SOEs to attract private sector participation (footnote 4).

II. PROGRAM AND RATIONALE

A. Background and Development Constraints

3. **Macroeconomic context.** Indonesia's economy is projected to grow by 5.2% in 2022 and 2023 supported by favorable commodity prices, but downside risks are significant due to the Russian Federation's invasion of Ukraine and the resurgence of COVID-19 outbreaks.⁵ The government plans to consolidate public finance with a projected budget deficit of 4.9% of gross domestic product (GDP) in 2022 and a return to the budget deficit ceiling of 3.0% of GDP by 2023. The macroeconomic framework remains satisfactory, and central government debt is sustainable at 41.0% of GDP in 2021, below the threshold of 60% of GDP.⁶ Nevertheless, it will be important to increase government revenue to support economic recovery and fiscal consolidation efforts. Indonesia has one of the lowest revenue-to-GDP ratios among the G20 countries. SOEs are important source of government revenues and reforming SOEs will help government's fiscal consolidation efforts.

¹ A preliminary draft of the policy design and monitoring framework is in Appendix 1. Transaction technical assistance will be provided for program preparation (accessible from the list of linked documents in Appendix 2).

² Government of Indonesia. 2019. *Vision of Indonesia 2045*. Jakarta; Government of Indonesia. 2019. [National Medium Term Development Plan \(RPJMN\), 2020–2024](#). Jakarta.

³ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

⁴ ADB. 2020. [Country Partnership Strategy for Indonesia, 2020–2024](#). Manila.

⁵ ADB. 2022. [Asian Development Outlook 2022 Supplement: Recovery Faces Diverse Challenges](#). Manila.

⁶ Exposure to explicit contingent liabilities in the form of loan guarantees to SOEs amounted to 1.6% of GDP in 2020, below the guarantee ceiling of 6.0% of GDP.

4. **Indonesia's state-owned enterprises.** SOEs are prominent in Indonesia's economy—there were over 100 SOEs in Indonesia in 2021, which held \$600 billion in assets, equivalent to 52.0% of GDP. The SOEs are overseen by the Ministry of State-Owned Enterprises (MSOE). These SOEs provide a range of public services including electricity, pharmaceuticals, air navigation services, food distribution, and logistics. The nine largest SOEs, in terms of assets, include those in energy (Pertamina and Perusahaan Listrik Negara), banking (Bank Mandiri, Bank Negara Indonesia, Bank Rakyat Indonesia, and Bank Tabungan Negara), telecommunications (Telkom), mining (Mining Industry Indonesia), and fertilizer (Pupuk). These nine SOEs account for 80.0% of the total assets held by SOEs, while the smallest 50 account for just 0.5% of the total assets. Following the 2020 Job Creation Law, most of the sectors where SOEs operate are now open to both domestic and foreign direct investments.

5. **Declining economic value.** SOEs in Indonesia hold dual roles—as commercial entities and as agents of government policy. As commercial entities, SOEs contribute to state revenue. During 2010–2019, SOEs provided annual dividends to the state equivalent to 0.37% of GDP on average, while tax payments were 1.64% of GDP. As development agents, SOEs are called upon to provide subsidized goods and services (e.g., electricity, fuel, and fertilizer), which amounted to 1.17% of GDP annually during 2015–2019. However, frequent delays in government payments for the provision of these subsidized goods and services have adversely affected SOEs' financial condition.⁷ Many SOEs have also been called upon to develop infrastructure for which they are provided equity injections by the state, totaling Rp126 trillion between 2010 and 2019. This arrangement is burdensome as the SOEs must take on debt to finance the remaining costs of projects that may be commercially unviable.⁸ Implicit subsidies, or foregone profits, averaged about Rp258 trillion (1.6% of GDP) during 2019–2021,⁹ while the consolidated SOE debt-to-equity ratio increased from 1.87 in 2016 to 2.56 in 2020. Hence, SOEs' economic value added has declined from 8% of GDP in 2013 to 6% in 2017.

6. **Coronavirus disease.** COVID-19 adversely impacted Indonesia's SOEs. In 2020, SOEs' consolidated net income decreased by 89% compared to 2019 and, as of end of 2021, it had not yet recovered to pre-pandemic levels. While all SOEs recorded declining revenue, those focused on tourism, logistics, and infrastructure were particularly affected by the disruptions. For instance, Garuda Indonesia, the national airline, is undergoing court-supervised debt restructuring. The government provided equity injections of \$4.0 billion to SOEs in 2020 to ensure continued public service delivery, while SOEs provided only \$4.7 billion of revenue to the state. SOEs were also at the forefront in responding to the pandemic, as a key pillar for the implementation of the *Pemulihan Ekonomi Nasional* (National Economic Recovery) plan, which included support to small and micro-sized businesses and implementation of a salary subsidy program. In the absence of comprehensive reforms, the already high fiscal burden SOEs place on the state could increase, leading to disruptions of core public services and jeopardizing the nascent economic recovery from the pandemic.

7. **Development constraints.** A portfolio of strong SOEs could help the government generate an inclusive, sustainable post-pandemic recovery. The Organisation for Economic Co-operation and Development defines the purpose of state ownership of enterprises as maximizing

⁷ ADB. 2020. [Reforms, Opportunities, and Challenges for State-Owned Enterprises](#). Manila; ADB. Forthcoming *Indonesia's State-Owned Enterprises: Unlocking Economic and Social Value*. Manila.

⁸ ADB is providing TA to the Ministry of Finance to develop a new funding allocation framework for SOEs.

⁹ Implicit subsidies can be interpreted as an opportunity cost to the public sector of allocating public sector capital to SOEs on which the public corporations do not generate a sufficient return to cover the risk-adjusted cost of capital.

value for society through an efficient allocation of resources.¹⁰ By this definition, two critical constraints have led to the declining economic and social value generated by Indonesia's SOEs: (i) weak performance and resilience; and (ii) a suboptimal corporate governance framework.

8. **Weak performance and resilience.** As of 2019, MSOE had 114 SOEs in its portfolio, of which, 43 were not considered commercially viable (footnote 9). This is partly because SOEs have expanded into businesses beyond their core operational areas—for example, an oil and gas SOE owning hospitals, or both state-owned banks and insurance companies offering insurance services. Government assignments to SOEs do not incorporate commercial considerations and have in turn placed financial burdens on SOEs. This has led to the weakening of the financial performance of SOEs and reduced their resilience to shocks. At an aggregate level, SOEs' financial indicators have progressively worsened, while SOEs outstanding liabilities have substantially increased. From 2010 to 2020, return on equity fell from 16.0% to 0.5%, while return on assets fell from 4.0% to 0.2%. The asset turnover ratio (revenues/assets) halved for nonfinancial SOEs during 2013–2017, suggesting a decline in their effectiveness in converting assets into revenue. While the public listing of SOEs have been limited, an ADB assessment found that listing SOEs increases their performance due to better corporate practices and more stringent reporting requirements (footnote 7).

9. **Suboptimal corporate governance framework.** Indonesia can be best characterized as having a dual-ownership model, with elements of decentralization and multiple centers of control. In 2001, the government established MSOE, which exercises many but not all aspects of the state's ownership function. This has resulted in a fragmentation of the institutional oversight of SOEs, with multiple actors providing what is at times contradictory oversight. Moreover, MSOE's organizational structure is not conducive to effectively managing the SOEs in its portfolio. The fragmented institutional oversight has led to the uneven application of sound corporate governance practices. The lack of aggregate financial data has weakened financial monitoring of the entire SOEs portfolio, while the risk management frameworks do not account for unique sector-level risks faced by SOEs, including transitional and physical risks posed by climate change. Furthermore, SOEs also have large carbon emissions footprint. Three SOEs (PT Perusahaan Listrik Negara, PT Semen, and PT Pertamina) accounted for 34.6% (204 metric tons of carbon dioxide equivalent, out of a total of 589.5 metric tons) of the country's total emissions in 2020. Weak accountability and transparency have led to cases of operational mismanagement (footnote 7). Many members of senior management, including board members, have been political appointees whose skills did not match their roles.¹¹ Women accounted for only 9% of SOE leadership in Indonesia in 2020, despite evidence that inclusivity and diversity increase a company's financial performance.¹²

10. **State-owned enterprises' reform and the need to address challenges.** Indonesia is undertaking wide-ranging reforms to achieve its goal of becoming a high-income country by 2045. The government understands that SOEs will be critical in helping advance towards this long-term goal, and, if not reformed, SOEs will act as a drag on the economy. Following post-Asian Financial Crisis reforms, supported in part by ADB in 2004, there has been no comprehensive SOEs' reform program. This changed in 2020 when the government articulated its vision for SOEs, which entailed delivering greater economic and social value for the country. The government embraced an ambitious SOEs' reform roadmap that is geared towards adopting global best practices.

¹⁰ Organisation for Economic Co-operation and Development. 2021. [Ownership and Governance of State-Owned Enterprises: A Compendium of National Practices 2021](#). Paris.

¹¹ Indonesian companies have a two-tiered board system (a board of commissioners that has a supervisory role and a board of directors that manages the company).

¹² Initial Poverty and Social Analysis (accessible from the list of linked documents in Appendix 3).

B. Policy Reform, ADB's Value Addition, and Sustainability

11. **Government's reform priorities.** In 2019, MSOE launched an ambitious five-year reform roadmap (2020–2024), aligned with the RPJMN, 2020–2024 (footnote 2). The SOEs' reform roadmap seeks to revamp SOEs' business models and focus them on core businesses, optimize SOEs asset values and build a healthy investment ecosystem, professionalize SOEs governance and human resources, and strengthen SOEs' digital capability. In 2019, the government initiated the consolidation of SOEs; placed a moratorium on formation of new SOEs subsidiaries; and set up a strategic delivery unit at the office of the SOEs minister to remove bottlenecks, monitor priority SOEs projects, and promote private sector participation. SOEs Srikandi, a community of women working in SOEs, was established with the objective of providing a platform to build their capacity and maintain a balance between work and home. The reform measures guided by the government's SOEs' reform roadmap are expected to reduce MSOE's portfolio of SOEs while retaining resilient, viable SOEs that can efficiently deliver core public services. ADB provided knowledge support and TA for the development and implementation of the SOEs' reform roadmap.

12. **ADB program.** The proposed program builds on ADB's knowledge work and high-level policy dialogue on SOEs' reforms in Indonesia as well as project lending to SOEs, and it is an integral part of ADB's country partnership strategy for Indonesia, 2020–2024. It supports the government's efforts to ensure that SOEs provide increased economic and social value to Indonesia by improving the efficiency and resilience of SOEs and strengthening their corporate governance framework. The design of the program is aligned with ADB's Guidance Note on State-Owned Enterprise Reform in Sovereign Projects and Programs.¹³ The program also complements ADB's broader sovereign and nonsovereign operations in Indonesia.

13. **Reform area 1: Efficiency and resilience of state-owned enterprises improved.** Under subprogram 1, the government will reduce the number of SOEs from 108 in 2020 to 72 in 2022 to focus SOEs on their core activities and to improve their efficiency and resilience. It will finalize the closure of three unviable SOEs with assets worth Rp1.4 trillion in the manufacturing sector, which had been pending for many years, and began the orderly divestment of its SOEs ownership through initial public offerings. To alleviate the fiscal and financial burdens placed by all government assignments to SOEs, including public service obligations, the government will toughen the criteria for state equity injections to SOEs and require that government assignments to SOEs be approved by the minister of SOEs and accompanied by an assessment by the relevant SOEs Board. The role of MSOE will be to ensure that such assignments are assessed from a broader corporate and financial viability perspective. Under subprogram 2, the government will further reduce the number of SOEs to 41, pursue additional divestment of SOEs, and close unviable SOEs.

14. **Reform area 2: Corporate governance framework for state-owned enterprises strengthened.** Under subprogram 1, the government will group all SOEs into 12 sectoral clusters, with each cluster consisting of SOEs with similar businesses and value-chains, and aligned the clusters overhaul MSOE's structure, capacity, and competence to improve its oversight. The government will establish a greenhouse gas (GHG) emission baseline consistent with international emission accounting standards for the seven SOEs with the largest carbon footprint. The government will review all existing regulations issued by MSOE, using a risk-based approach, to ensure consistency and effective implementation of the regulations. The government

¹³ ADB. 2020. [Guidance Note on State-Owned Enterprise Reform in Sovereign Projects and Programs](#). Manila.

will strengthen SOEs' accountability by adopting consolidated financial statements and a new risk management guideline for all SOEs and establish key performance indicators for all SOEs board members. It will require all SOEs to adopt international standards on antibribery measures and all SOEs board members to disclose their personal finances. It will set an ambitious target to improve the gender balance on all SOEs boards and adopt a new respectful workplace policy for all SOEs. Under subprogram 2, the government will remove inconsistent MSOE regulations and implement a regulatory impact assessment for all future regulations.

15. **Value addition and sustainability.** The proposed program builds on ADB's knowledge work, policy dialogue, and operational engagement with SOEs in the country. In 2018, ADB carried out an economic analysis of Indonesia's SOEs and discussed the findings at the 2019 high-level policy dialogue with the Ministry of Finance (MOF). In 2021, ADB undertook in-depth diagnostics to study the constraints faced by SOEs. These knowledge products coupled with the high-level policy dialogue helped inform government's SOEs' reform plans. ADB, in close coordination with Indonesia's key development partners, is providing TA to MSOE and MOF to implement SOEs' reforms. Indonesia's national political context impacts SOEs' reforms, and the proposed program capitalizes on the reform opportunities initiated by the current administration. The sustainability of the program will be supported through the inclusion of the program's outcome targets in MSOE's new planning document (2025–2030) and ADB's engagement with selected SOEs (e.g., SOEs involved in electricity, pharmaceuticals, and transport).

16. **Prior ADB engagement and lessons.** ADB has a long-standing operational engagement with SOEs in Indonesia.¹⁴ In 2001, ADB approved a program loan to support reforms targeting SOEs corporate governance and privatization. It has subsequently provided financing to SOEs on core infrastructure development and helped to promote public–private partnerships and strengthen corporate governance, including environmental and social safeguards. More recently, SOEs have played an important role (as off takers) for ADB's nonsovereign investments in renewables and are important partners in the implementation of country operations. A key lesson is that Indonesia's political dynamics and strong government ownership are critical, and to be sustainable, reform measures need to be aligned with the country's medium- to long-term development aspirations. Therefore, a programmatic approach is best suited to tackling the constraints present in the SOEs ecosystem, while the linkages to broader country operations will help deepen the impact of the reform measures supported by the program.

C. Expected Outcome of the Reform

17. The outcome will be SOEs contribution to economic and social value increased. The program is aligned to the following overarching development objective of Indonesia: economic resilience for quality growth strengthened and disparities between regions reduced (footnote 2).

D. Development Financing Needs and Budget Support

18. In 2022, government financing needs are projected to be \$96.36 billion, which will be met through domestic (\$77.89 billion) and foreign (\$18.47 billion) sources. The programmatic approach is estimated to cost \$1 billion and will comprise policy-based loans for two subprograms of \$500 million each. The size of the loans is based on the country's current financing needs and the impact of the reforms. As part of regular country programming dialogue, ADB closely coordinates with the International Monetary Fund, the World Bank, and bilateral funding agencies

¹⁴ ADB. 2018. [State-Owned Enterprises Engagement and Reform](#). Manila.

on policy-based loans to Indonesia. German Development Cooperation through KfW and the Agence Française de Développement are expected to provide parallel cofinancing for subprograms 1 and 2 (Appendix 1).

E. Implementation Arrangements

19. MSOE will be the executing agency. MOF and MSOE will be the implementing agencies. The office of the minister of SOEs will monitor the implementation of the policy actions. The implementation period will be from January 2020 to August 2022 for subprogram 1 and from September 2022 to March 2024 for subprogram 2. A third subprogram may be considered depending on the progress on SOEs' reforms and the request from the government.

III. DUE DILIGENCE REQUIRED

20. The following assessments will be carried out: (i) economic impact; (ii) gender; (iii) climate change; (iv) safeguards; (v) public financial management; and (vi) private sector. Subprogram 1 is expected to be classified *effective gender mainstreaming* and category C for all safeguard aspects.

IV. PROCESSING PLAN

A. Risk Categorization

21. Subprogram 1 exceeds \$50 million and is therefore considered complex.

B. Resource Requirements

22. About 24 person-months of international and 6 person-months of national ADB staff inputs will be required to process the proposed program. Processing will be aided by a project preparatory TA facility of \$10,045,000, of which \$50,000 has been allocated to this program, to be financed from ADB's Technical Assistance Special Fund (TASF-other resources) (Appendix 2).

C. Processing Schedule

23. The milestones and their expected completion dates are summarized in the following table.

Proposed Processing Schedule

Milestones	Expected Completion Date
Concept approval	July 2022
Loan fact finding	July-August 2022
Informal Board Seminar	August 2022
Management review meeting	September 2022
Loan negotiations	September 2022
Board consideration	November 2022
Loan signing	November 2022
Loan effectiveness	December 2022

Source: Asian Development Bank

V. KEY ISSUES

24. Strong MSOE leadership and technical capacity will be important for the implementation of the reforms. ADB is providing TA to MSOE in coordination with other development partners.

PRELIMINARY POLICY DESIGN AND MONITORING FRAMEWORK

Country's Overarching Development Objective Economic resilience for quality growth strengthened and disparities between regions reduced (National Medium-Term Development Plan, 2020–2024; Vision of Indonesia 2045) ^a		
Outcome Increased economic and social value provided by SOEs		Risks and Critical Assumptions R: Global coronavirus disease pandemic and macroeconomic volatility
Indicative Policy Actions: Subprogram 1 January 2020–August 2022	Indicative Policy Actions: Subprogram 2 September 2022–March 2024	Outcome Indicators By 2025
Reform Area 1: Efficiency and resilience of SOEs improved		
<p>1.1. The government will reduce the number of SOEs from 108 to 72 which included the mergers of six state-owned port corporations and the establishment of a single hospital, tourism, and insurance holding company, to focus SOEs on their core business activity.^b (MSOE)</p> <p>1.2. The government will close 3 unviable SOEs in the manufacturing sector and identified additional unviable SOEs that will be closed.^c (MOF, MSOE)</p> <p>1.3. The government will divest state ownership in SOEs and subsidiaries by successfully undertaking an IPO in the telecommunication sector and identifying an additional 13 SOEs for IPO.^d (MOF, MSOE)</p> <p>1.4. The government will: (i) make all government assignments to SOEs, including public service obligations, contingent on prior approval from the minister of SOEs; (ii) require an assessment of the impact of such</p>	<p>2.1 The government will: (i) further reduce the total number of SOEs to 41; and (ii) establish updated nondiscriminatory and gender-sensitive procedures based on international best practice to manage labor redundancy. (MSOE)</p> <p>2.2 The government will: (i) transfer the ownership of additional troubled SOEs to PT Perusahaan Pengelola Aset (an asset management company); and (ii) close additional financially unviable SOEs, in an orderly manner. (MOF, MSOE)</p> <p>2.3 The government will further divest state ownership in SOEs through IPOs and list 13 SOEs on the Indonesian Stock Exchange in the energy, oil and gas, health, food and fertilizer, telecommunications, and mining sectors. (MSOE)</p> <p>2.4 The government will: (i) require that financing for government assignments, including national strategic projects, must be secured prior to the approval of such assignments, to control the pressure on the state budget and</p>	<p>a. SOEs contribution to state revenue increased to Rp 550 trillion (2020 Baseline: Rp 465 trillion) (Source: MSOE and MOF)</p> <p>b. SOEs net profit increased to Rp 180 trillion (2020 Baseline: Rp 13.3 trillion) (Source: MSOE and MOF)</p> <p>c. State equity injection to SOEs reduced (target to be determined) (2020 Baseline: Rp 2.58 trillion) (Source: MSOE and MOF)</p> <p>d. Financially viable SOEs as a share of total SOEs portfolio increased to 84% (2020 Baseline: 77%) (Source: MSOE and MOF)</p> <p>e. Total SOEs debt-to-equity ratio reduced to 2.00 (2020 Baseline: 2.56) Source: MSOE and MOF)</p>

Indicative Policy Actions: Subprogram 1 January 2020–August 2022	Indicative Policy Actions: Subprogram 2 September 2022–March 2024	Outcome Indicators By 2025
<p>assignments on the SOEs from the relevant board of directors with written responses from the Board of Commissioners and/or Supervisors; and (iii) set economic, fiscal, financial, environmental, and social targets that projects must meet as a prerequisite for approving state equity injections to SOEs to reduce SOEs fiscal and financial burdens.^e (MOF, MSOE)</p> <p>1.5. The government will require SOEs to: (i) undertake asset recycling, in partnership with the Indonesia Investment Authority, to deleverage their balance sheets; and (ii) adopt climate compatible business model to reduce transitional and physical risks to SOEs.^f (MOF, MSOE)</p>	<p>financial burden on SOEs; and (ii) establish a centralized mechanism at MSOE to monitor and report on all government assignments to SOEs. (MOF, MSOE)</p> <p>2.5 The government will: (i) further recycle SOEs assets in partnership with the Indonesia Investment Authority; and (ii) require SOEs to enter strategic partnership with the private sector. (MOF, MSOE)</p>	
Reform Area 2: Corporate governance framework for SOEs strengthened		
<p>1.6. The government will: (i) strengthen its oversight of SOEs by better organizing them into twelve sectoral clusters consisting of SOEs with similar business models and value-chains, and at the same time overhauling MSOE's management structure to match appropriate expertise with the clusters, and developing the overall capacity and competencies of MSOE's staff; (ii) establish a GHG emission baseline in line with international GHG emission accounting standard(s) for the seven SOEs with the largest carbon footprints (accounting for 85% of total SOE emission) to support the development of SOEs-level decarbonization plans; and (iii) designate a climate change focal in</p>	<p>2.6 The government will: (i) further strengthen the institutional oversight of commercial and noncommercial SOEs in line with international best practices on reporting, accountability, gender diversity, and transparency; (ii) implement and monitor SOEs-level decarbonization plans; (iii) allow MSOE to annually retain a portion of SOEs dividends for the ministry's operations; and (iv) subject MSOE to an audit and required disclosures covering the use of the retained dividends. (MOF, MSOE)</p>	<p>f. Centralized SOEs oversight, aligned with OECD guidelines, adopted (2020 Baseline: Limited) (Source: MSOE)</p> <p>g. All MSOE regulations are fully harmonized (2020 Baseline: 60%) (Source: MSOE)</p> <p>h. All SOEs meet international standards on anti-corruption (2020 Baseline: None) (Source: MSOE)</p> <p>i. Productivity of SOE workforce increased to Rp 3.45 million per person (2020 Baseline: Rp 3.07 million per person) (Source: MSOE)</p>

Indicative Policy Actions: Subprogram 1 January 2020–August 2022	Indicative Policy Actions: Subprogram 2 September 2022–March 2024	Outcome Indicators By 2025
<p>the seven SOEs who is responsible for the development of the decarbonization plan and its future implementation.⁹ (MSOE)</p> <p>1.7. The government will complete a risk-based review of all the regulations issued by MSOE to ensure effective implementation of the SOE reform roadmap.^h (MSOE)</p> <p>1.8. The government will: (i) adopt aggregate financial statements for the entire SOEs portfolio thereby enabling improved oversight, evaluation, management control, and financial planning at the consolidated and cluster-levels; (ii) adopt a new, comprehensive risk management guidelines for SOEs; (iii) establish key performance indicators on profitability, business growth, partnerships, and workforce productivity for the SOEs boards of commissioners and directors; and (iv) implement a monitoring and performance management system to evaluate the performance of the boards of commissioners and directors.ⁱ (MSOE)</p> <p>1.9. The government will: (i) update the codes of ethics and conduct for all SOEs employees; (ii) require the disclosure of personal finances by all members of the SOEs boards of commissioners and directors; (iii) require all SOEs to adopt international standards on anti-bribery (ISO 37001:2016); (iv) establish an</p>	<p>2.7 The government will: (i) remove inconsistent MSOE regulations; and (ii) implement a regulatory impact assessment for all future regulations issued by MSOE. (MSOE)</p> <p>2.8 The government will: (i) establish accounting policies for aggregated SOEs financial statements which are aligned with the International Financial Reporting Standards; (ii) implement new, comprehensive risk management guideline across all SOEs; (iii) disclose the consolidated financial statements through annual reports and integrated financial planning; (iv) assess international sustainability standard (including climate-related financial disclosure standards) applicable to Indonesia’s SOEs; and (v) monitor and take corrective measures on SOEs risks and key performance indicators. (MSOE)</p> <p>2.9 The government will: (i) ensure all SOEs operationalize the international standards on anti-bribery (ISO 37001:2016) and disclose them on their individual websites; and (ii) issue legal clarity that an SOEs loss is a corporate loss and not a state loss to address the</p>	<p>j. Reduction in CO2 emissions from SOEs (target to be determined) (2020 Baseline: to be determined) (Source: MSOE)</p> <p>k. Women account for 25% of Board of Commissioners and Board of Directors of SOEs (2020 Baseline: 9%) (Source: MSOE)</p>

Indicative Policy Actions: Subprogram 1 January 2020–August 2022	Indicative Policy Actions: Subprogram 2 September 2022–March 2024	Outcome Indicators By 2025
<p>integrated SOEs-wide whistleblowing system with Indonesia’s Corruption Eradication Commission; and (v) take legal action, through the Jakarta corruption court, on SOEs corruption cases estimated to be worth Rp 38 trillion (\$2.7 billion equivalent) to improve SOEs anti-corruption measures.^j (MSOE)</p> <p>1.10. The government will establish: (i) clearer selection criteria for all SOEs boards members, which require that candidates have never been personally declared bankrupt or caused any company to be bankrupt, hold a tax payer identification number, and are not politically affiliated; (ii) an SOEs leadership and management research institute for building corporate financial management expertise among SOEs officials in line with international-standards; (iii) an onboarding program for new members of the boards of commissioners and directors; and (iv) a centralized SOEs talent pool at the MSOE for positions of SOEs leadership with an independent entity competitively selected to verify individual talent to upgrade the quality of SOEs human resources.^k (MSOE)</p> <p>1.11. The government will require all SOEs to: (i) ensure women account for at least 25% of SOEs board of commissioners, directors, and senior management; and (ii) prepare and implement a respectful</p>	<p>critical decision paralysis at SOEs. (MSOE)</p> <p>2.10 The government will permit SOEs staff to be appointed to a board of directors of an SOEs without having to first resign, thereby correcting the disincentive placed on talented staff to move from one SOEs to another, particularly to SOEs in financial trouble and hence in critical need of expertise. (MSOE)</p> <p>2.11 The government will require all SOEs to: (i) implement a policy on closing gender pay gaps and offering flexible working hours to support the new respectful workplace policy; (ii) use corporate social responsibility mandates to support</p>	

Indicative Policy Actions: Subprogram 1 January 2020–August 2022	Indicative Policy Actions: Subprogram 2 September 2022–March 2024	Outcome Indicators By 2025
workplace policy to increase inclusivity and diversity in SOEs. ¹ (MSOE)	women-owned businesses; and (iii) report annually on the progress toward achieving the gender target on SOEs boards of commissioners and directors. (MSOE)	
Budget Support Asian Development Bank Subprogram 1: \$500.00 million (policy-based loan, indicative) Subprogram 2: \$500.00 million (policy-based loan, indicative) German Development Cooperation through KfW Subprogram 1: \$315.00 million (€300 million, policy-based loan, indicative) Subprogram 2: \$315.00 million (€300 million, policy-based loan, indicative) Agence Française de Développement Subprogram 1: \$108.00 million (€100 million, policy-based loan, indicative) Subprogram 2: \$108.00 million (€100 million, policy-based loan, indicative)		

A = assumption, CO₂ = carbon dioxide, € = Euro, GHG = greenhouse gas, IPO = initial public offering, ISO = International Organization for Standardization, MOF = Ministry of Finance, MSOE = Ministry of State-Owned Enterprises, OECD = Organisation for Economic Co-operation and Development, R = risk, Rp = rupiah, SOE = state-owned enterprise.

^a Government of Indonesia. 2019. *National Medium-Term Development Plan (RPJMN) 2020–2024*. Jakarta; Government of Indonesia. 2019. *Vision of Indonesia 2045*. Jakarta.

^b The government consolidated SOEs by establishing holding companies through: (i) government regulation number 5/2022 on the addition of state capital participation into the share capital of PT LEN Industri through the transfer of all government shares (series B) owned by PT Dirgantara Indonesia, PT PAL Indonesia, PT Pindad, and PT Dahana to PT LEN Industri; (ii) government regulation number 65/2021 on the addition of state capital participation into the share capital of PT Perusahaan Listrik Negara (PT PLN) through the transfer of all government shares (series B) owned by PT Energy Management Indonesia to PT PLN; (iii) government regulation number 118/2021 on the addition of state capital participation into the share capital of PT Rajawali Nusantara Indonesia through the transfer of all government shares (series B) owned by PT Perusahaan Perdagangan Indonesia, PT Garam, PT Sang Hyang Seri, PT Berdikari, and PT Perikanan Indonesia to PT Rajawali Nusantara Indonesia; (iv) government regulation number 7/2022 on the addition of state capital participation into the share capital of PT Danareksa through the transfer of all government shares (series B) owned by PT Nindya Karya, PT Kliring Berjangka Indonesia, PT Kawasan Industri Medan, PT Kawasan Industri Wijayakusuma, PT Kawasan Industri Makassar, PT Kawasan Berikat Nusantara, PT Penerbitan dan Percetakan Balai Pustaka, and PT Perusahaan Pengelola Aset to PT Danareksa; (v) government regulation number 66/2021 on the addition of state capital participation into the share capital of PT Biro Klasifikasi Indonesia through the transfer of all government shares (series B) owned by PT Surveyor Indonesia and PT Superintending Company Indonesia (Sucofindo) to PT Biro Klasifikasi Indonesia; (vi) government regulation number 73/2021 on the addition of state capital participation into the share capital of PT Bank Rakyat Indonesia through the transfer of all government shares (series B) owned by PT Pegadaian and PT Permodalan Nasional Madani to PT Bank Rakyat Indonesia; (vii) government regulation number 104/2021 on the addition of state capital participation into the share capital of PT Aviassi Pariwisata Indonesia through the transfer of all government shares (series B) owned by PT Hotel Indonesia Natour, PT Sarinah, PT Taman Wisata Candi Borobudur, Prambanan dan Ratu Boko, PT Angkasa Pura I, and PT Angkasa Pura II to PT Aviassi Pariwisata Indonesia; (viii) government regulation number 20/2020 on the addition of state capital participation into the share capital of PT Bahana Pembinaan Usaha Indonesia through the transfer of all government shares (series B) owned by PT Asuransi Kredit Indonesia, PT Asuransi Jasa Indonesia, PT Asuransi Kerugian Jasa Raharja, and PT Jaminan Kredit Indonesia to PT Bahana Pembinaan Usaha Indonesia; and (ix) government regulation number 10/2022 on the addition of state capital participation into PT Bio Farma through the transfer of all government shares (series B) owned by PT Industri Nuklir Indonesia to PT Bio Farma. The government also consolidated SOEs by merging SOEs through: (i) government

- regulation number 97/2021 on the merger of PT Bhandha Ghara Reksa into PT Perusahaan Perdagangan Indonesia; and (ii) government regulation number 101/2021 on the merger of PT Pelindo I, PT Pelindo III, and PT Pelindo IV into PT Pelindo II.
- c Shareholders of the following three closed SOEs issued decisions to close the SOEs: PT Industri Sandang Nusantara (2 February 2022); PT Industri Gelas (10 March 2022); and PT Kertas Kraft Aceh (11 March 2022). The closures were conducted in compliance with all relevant laws, including labor law.
 - d PT Dayamitra Telekomunikasi (subsidiary of PT Telkom Indonesia) was listed on the Indonesia Stock Exchange and issued shares through an IPO on 22 November 2021 (information available on the Indonesia Stock Exchange [website](#) (hyperlinked)).
 - e The government issued Ministry of SOE regulation PER-1/MBU/03/2021 on guidance on proposals, reporting, monitoring, and changes in state capital participation that required the approval of the Ministry of SOE, Ministry of Finance, and other relevant line ministries on all government assignments to SOEs. The government also issued Ministry of Finance regulation PMK 218/PMK.06/2020 on the assessment of the treasurer's proposals on budget allocation for government investment, including state capital and equity participation in SOEs. The regulations set the guidelines for submission of proposal for budget allocation and required that appraisal of such proposals include analysis of economic, fiscal, financial, legal, environmental, and social implications.
 - f The government regulation number 74/2020 established the Indonesian Sovereign Wealth Fund/Indonesia Investment Authority (INA), while Ministry of SOE regulation PER-08/MBU/04/2021 established the partnership between SOEs and INA. The partnership may include INA's management of SOE assets, establishment of joint venture company, investment fund management, lease-rent assets, operational cooperation, build-operate-transfer, build-own-transfer, build-transfer-operate, equip-operate-transfer, equip-operate-transfer, and/or other types of cooperation based on the relevant SOE's articles of association. PT Pertamina Power Board of Directors Decree No. KPTS-20/C00000/2020-S0 established the Power & New Renewable Energy (subholding) to increase investment in renewable energy and transition towards climate-compatible business model.
 - g Guided by the SOE reform roadmap, the government completed the grouping of SOEs into 12 clusters through MSOE regulation PER-4/MBU/03/2021 and disclosed the SOE clusters through the MSOE [website](#) (hyperlinked). The government implemented Presidential regulation No. 81, issued in 2019, on reorganization of the MSOE, through MSOE regulation PER-4/MBU/03/2021, which established two newly appointed vice ministers directly responsible for SOEs' portfolio management as well as the working procedures. MSOE regulation PER-8/MBU/05/2021 permitted high-level positions at the MSOE to be filled by qualified individuals from the private sector with corporate management experience and required disclosure of such appointments through the list of SOE management on the MSOE [website](#) (hyperlinked). The government is preparing (i) compliance documents on GHG emission baseline, in line with international GHG emission accounting standard(s), for the seven SOEs that account for the largest GHG emission (estimated to be 85% of the total GHG emission from all SOEs) and (ii) designation of a climate change focal in each of the seven SOEs, who will be responsible for development and implementation of a decarbonization plan.
 - h The Ministry of SOE will issue a decree to undertake a review of all MSOE regulations, using a risk-based approach.
 - i The Ministry of SOE issued ministerial decrees SK-164/MBU/05/2021 on producing aggregated financial reports for SOEs and SK-145/MBU/05/2021 on digital financial statements. The minister of SOEs issued letter S-787/MBU/10/2021 to all boards of commissioners and directors on shareholders' aspirations and established key performance indicators and management systems. The government is preparing the ministerial decree on new risk management guideline and monitoring for SOEs.
 - j The government implemented the new core value (AHLAK) through MSOE Regulation PER-06/MBU/07/2020 on a code of conduct for state civil apparatus which requires disclosure of personal finances of all boards of commissioners and directors. Ministry of SOE circular letter SE-12/MBU/10/2021 requires all board of commissioners and directors to submit a state official wealth report (LHKPN), which is disclosed on Indonesia's Corruption Eradication Commission [website](#). The government also required SOEs to adopt international standards on anti-bribery (ISO 37001:2016) through minister of SOE's letter to the SOE Boards S-35/MBU/01/2020 on the implementation of an anti-bribery management system in SOEs. As of 17 March 2022, 41 SOEs have attained the ISO certification on anti-bribery. The government established an integrated SOE-wide whistleblowing system through a memorandum of understanding with the Corruption Eradication Commission, which is operational and [online](#). The government has taken legal actions on SOE corruption cases through the court verdicts on the ASABRI corruption case (Court Decision Number 4/Pid.Sus-TPK/2021/PT DKI) and the Jiwasurya corruption case (Court Decision Number 34/PID.SUS-TPK/2020/PN JKT.PST).
 - k The government issued MSOE Regulation PER-10/MBU/10/2020 and PER-11/MBU/07/2021 on the requirements and mechanisms of the appointment and termination of the members of boards of commissioners and boards of directors, respectively. The government established an onboarding program for boards of commissioners and directors through Ministry of SOE circular letter SE-1/MBU/02/2021 on the transformation of a learning function center and corporate university, research, and innovation center of SOEs, and established the BUMN (SOE) Leadership and Management Institute as a center for research, innovation,

collaboration, managerial skills, and leadership across all clusters of SOEs. The government issued ministerial decree SK-394/MBU/12/2021 to provide guidance on the implementation of talent assessment and management for SOE's board of directors.

¹ To improve gender balance, the government directed SOEs to increase the representation of women to 25% on each board of commissioners and board of directors, and in senior management, which is one level below the board of directors, through a key performance indicator agreement between the Deputy of Human Resource, and Technology Information at the Ministry of SOEs and the Minister of SOE. To boost company performance, growth, and sustainability, the government issued MSOE circular letter SE-3/MBU/04/2022 on respectful workplace policy for SOEs, which requires the boards of directors of SOEs to prepare and implement a respectful workplace policy within the SOE company groups and directs all SOE personnel to create a work environment free from discrimination, violence, and harassment.

Source: Asian Development Bank.

TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE

1. The technical assistance (TA) facility for the Southeast Asia Public Management, Financial Sector, and Trade Policy Facility was approved on 28 June 2019 for \$3,000,000, financed on a grant basis by the Technical Assistance Special Fund (TASF) of the Asian Development Bank (ADB). On 29 June 2020, an increase in the TA amount of \$2,000,000 from the TASF was approved to finance a minor change in scope and implementation arrangements. On 10 December 2020, an increase in the TA amount of \$2,500,000 from the Asia-Pacific Climate Finance Fund was approved to support the post-program partnership framework (P3F) of the Disaster Resilience Improvement Program (DRIP) for the Philippines. On 23 June 2021, an increase in the TA amount of \$2,545,000 from the TASF was approved to finance a minor change in scope and implementation arrangements. As of 6 October 2021, the total amount of the TA facility was \$10,045,000, of which \$50,000 was allocated for the State-Owned Enterprises' (SOEs') Reform Program. As of 8 June 2022, based on the records in the Integrated Disbursement System, contract awards amounted to \$8,025,652, of which \$3,615,920 had been disbursed. The total uncommitted amount was \$2,019,348.

2. The TA facility has so far delivered the following outputs:

3. **Output 1. Capital market and financial inclusion reforms supported.** The TA facility helped governments implement capital market reforms and financial inclusion initiatives and supported the preparation of four programs: the Promoting Innovative Financial Inclusion Program (subprogram 2) in Indonesia and Inclusive Finance Sector Development program in Cambodia (subprogram 3), as well as the Inclusive Finance Development (subprogram 2) and Support to Capital Market Generated Infrastructure programs in the Philippines. Under the Promoting Innovative Financial Inclusion Program, the TA facility supported further development and expansion of financial inclusion initiatives including designing a financial literacy series for children in Indonesia. Under the Inclusive Finance Sector Development program (subprogram 3), the TA helped the National Bank of Cambodia establish a financial technology regulatory sandbox and helped the Securities and Exchange Commission of Cambodia draft and revise laws to promote new financial products such as corporate bonds and collective investment schemes. Under the Inclusive Finance Development program (subprogram 2), the TA team mobilized financial inclusion and public communications specialists to help the Philippine Statistics Authority develop a strategic plan and public communications programs for the Government of the Philippines' national identification system, known as PhilSys. To support the preparation of the Support to Capital Market Generated Infrastructure program, ADB recruited an information technology firm to help the Central Bank of the Philippines enhance the Personal Equity and Retirement Account (PERA). The PERA will encourage individuals to invest and save for retirement, while taking advantage of tax incentives and privileges granted to PERA investors. Over time, this will contribute to the development of an institutional investor base.

4. **Output 2. Public finance management reforms supported.** The TA facility contributed to improved public finance management and domestic resource mobilization through five programs: the Second Decentralized Public Service Financial Management Sector Development Program (subprogram 1) in Cambodia, the Domestic Resource Mobilization Program in Indonesia, and the Strengthening Public Finance Management Program (subprogram 1) in the Lao People's Democratic Republic, as well as the Local Governance Reform Program (subprogram 2) and DRIP in the Philippines. Under the Second Decentralized Public Service Financial Management Sector Development Program, the TA team mobilized national and international gender specialists to assess gender conditions, issues, opportunities, and constraints related to subnational administrations and the delivery of public services. Under the

Domestic Resource Mobilization Program, ADB recently engaged an international finance specialist to help the government formulate a roadmap to serve as a guide for the development of a capital market ecosystem in 2021–2025. Under the Strengthening Public Finance Management Program, ADB provided policy advisory services to the Lao People's Democratic Republic's Ministry of Finance (MOF) to draft a Prime Minister's Decree on budget reform to improve budget processes and standards for interagency coordination. The TA helped MOF's Tax Department conduct a social impact assessment of three new tax laws to inform policymakers about the potential impacts of those laws on gender groups, small and medium-sized enterprises, and the poor. Under the Local Governance Reform Program (subprogram 2), the TA helped the Philippine Department of Finance and the Bureau of Local Government Finance improve the efficiency of real property tax valuation and administration, as required by the Real Property Valuation and Assessment Reform Act. Under DRIP, ADB will support the implementation of key disaster risk and health policy reforms of DRIP's post-program partnership framework. The engagement of consultants is underway.

5. **Output 3. Trade, industrial, and competitive policies supported.** The TA facility is currently helping the Government of Indonesia boost the capacity of implementing agencies to improve competitiveness, industrial policy, and trade under the Competitiveness, Industrial Modernization, and Trade Acceleration Program. The TA facility focused on two areas of reform: (i) boosting competitiveness and accelerating investment; and (ii) upgrading and diversifying the manufacturing segment and promoting exports. Specifically, trade policy experts convened two focus group discussions in 2020. These discussions brought together key government agencies and stakeholders to discuss the market access schedule chapter of government procurement on the Indonesia–European Union Comprehensive Economic Partnership Agreement. The TA facility financed a study of labor laws in four selected member countries of the Association of Southeast Asian Nations (Malaysia, the Philippines, Thailand, and Viet Nam) and in three non-member countries (Australia, Japan, and Germany) to support Indonesia's Job Creation Law. The TA facility is helping to prepare the Boosting Productivity through Human Capital Development Program (subprogram 1) in Indonesia by providing technical support to MOF's Directorate of State Financial Risk Management as it conducts a comparative study on unemployment benefit schemes and develops policy papers. The TA will provide advice on the draft regulatory framework on unemployment benefits under the Job Creation Law and facilitate capacity building of the Directorate of State Financial Risk Management. The TA facility is also supporting the Trade and Competitiveness Reform Program in Cambodia through the engagement of international trade and private sector development consultants to assess competitiveness of the private sector and the current framework for trade and trade facilitation in Cambodia.

6. **Resources under the technical assistance facility.** The updated consultants' input allocation from the TA facility is presented in Table A2. It is confirmed that: (i) the TA facility has adequate resources; and (ii) the existing terms of reference for consultants are sufficient for them to undertake the activities required to deliver the outputs for the ensuing SOEs' Reform Program.

Table A2: Updated Input Allocation for Consultants from the Technical Assistance Facility
(person-months)

Item	No.	Projects															
		P1 C	P2 LR	P3 C	P4 C	P5 LR	P6 C	P7 LR	P8 LR	P9 C	P10 C	P11 C	P12 C	P13 C	P14 CR	P15 C	P16 C
International experts																	
Finance sector specialists	72	14	9	14	21	6				8							
Public finance specialists	49			3			20	7	10		4	3					2
Economists	50	2	2	3	4	1	6	3	4	2	4	3	4	4	2	3	3
Tax specialists	22						8	4	6			4					
Gender specialists	44	4	2	3	4	1	4	2	4	3	2	1	4	4	2	2	2
Trade policy specialists	29												8	8	3	7	3
Competition policy specialist	28												12		6	7	3
Disaster risk financing specialists	40									40							
Legal experts	8									3						1	
Total	342	20	13	23	29	8	38	16	24	56	12	13	28	16	13	20	13
National experts																	
Finance sector specialists	151	26	18	38	42	14				13							
Public finance specialists	47						20	8	6		6	4					3
Economists	56	2	2	5	4	1	4	2	4	2	6	3	6	7	2	3	3
Legal experts	52	2	2	5	8	2	4	1	4	6	3	2	6	3	2	2	
Tax specialists	39						20	10			3	6					
Gender specialists	52	2	2	5	8	2	4	1	4	2	3	2	6	3	2	3	3
Local government finance specialists	34						20	14	14								
Disaster risk financing specialists	4									4							
Total	435	32	24	53	62	19	72	36	32	27	21	17	18	13	6	8	9

C = complex, CR = complex risk, COVID-19 = coronavirus disease, LR = low risk, P = project
 Project 1 = Indonesia: Promoting Innovative Financial Inclusion Reform Program (subprograms 1–2); Project 2 = Cambodia: Inclusive Finance Sector Development Program, (subprograms 2–3); Project 3: Philippines: Support to Capital Market Generated Infrastructure Financing (subprograms 1–2); Project 4 = Philippines: Inclusive Finance Development Program (subprograms 2–3); Project 5= Timor-Leste: Financial Sector Program; Project 6 = Philippines: Local Governance Reform Program (Subprograms 1–2); Project 7 = Lao People’s Democratic Republic: Strengthening Public Financial Management (subprograms 1–2); Project 8 = Cambodia: Second Decentralized Public Service and Financial Management Sector Development Program (subprograms 1–2); Project 9 = Philippines: Disaster Resilience Improvement Program; Project 10 = Indonesia: State-owned Enterprise Reform Program; Project 11 = Indonesia: Domestic Resource Mobilization Program; Project 12 = Indonesia: Competitiveness, Industrial Modernization, and Trade Acceleration Program (subprograms 1–2); Project 13= Indonesia: Boosting Productivity and Human Capital Program (subprograms 1–2); Project 14 = Philippines Facilitating Youth School to Work Transition Program (subprograms 2–3); Project 15 = Cambodia: Trade and Competitiveness Program (subprogram 1); Project 16 = Support for Post COVID-19 Business and Employment Recovery Program.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=55235-001-ConceptPaper>

1. Initial Poverty and Social Analysis
2. Sector Assessment (Summary): Public Sector Management