



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 25-Mar-2024 | Report No: PID188



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) Indonesia	Operation ID P500764	Operation Name Indonesia Supporting Health Transformation Project (I-SeHat)	
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 22-May-2024	Estimated Approval Date 19-Jun-2024	Practice Area (Lead) Health, Nutrition & Population
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Republic of Indonesia	Implementing Agency Directorate for Community Health Management, Ministry of Health Republic of Indonesia, Bureau of Planning and Budgeting, Ministry of Health Republic of Indonesia	

Proposed Development Objective(s)

To enable coordinated partner support for Government of Indonesia’s health system transformation agenda with special focus on the pillars for primary healthcare and digital health

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?

Is this project Private Capital Enabling (PCE)?

SUMMARY

Total Operation Cost	41.00
Total Financing	11.50
Financing Gap	29.50

DETAILS

Non-World Bank Group Financing



Trust Funds	11.50
Trust Funds	11.50
Environmental and Social Risk Classification	Concept Review Decision
Low	The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Indonesia's steady economic growth is expected to return to its pre-pandemic level, which is necessary for its commitment to invest in the health sector reform. The country's economy grew at a vigorous rate of 5.3 percent in 2022 as previously projected and is projected to continue at the same level in 2023. The rebound of the country's economy from the contraction due to the pandemic is critical to ensure increased investment to address disparity in infrastructure for public services including for essential health services. The country needs to invest in infrastructure and nurture its human capital to achieve the vision to reach developed country status in 2045.

Sectoral and Institutional Context

Despite significant progress in improved health status for the past decades, Indonesia continues to face challenges from multiple burdens of disease due to epidemiologic and demographic transitions. At the same time geographic and income-related inequalities in access to health care services, as well as shortcomings in the services received, persist. Although the overall service readiness of public primary health care facilities, and disparity across regions, has improved in recent years, the publicly owned community primary health care centers (*Puskesmas*), especially those in the western part of Indonesia, continue to possess a better capacity to deliver basic health services than their counterparts in the east and the private sector. This is compounded by socioeconomic inequalities, with poor households still having infant and child mortality rates that are double those of richer households. Moreover, access to care does not guarantee that patients will receive all intended services.

Historically low government spending on health, coupled with generally limited fiscal and accountability at the subnational level, contributed to persistent regional disparities in healthcare access and quality at different levels of services, and types of public health services.. Indonesia's total government health expenditure only amounted to US\$73 per capita in 2020 – well-below the US\$110 needed to finance a minimum package of essential UHC services. Moreover, over two-thirds of public health spending happens at the subnational level, where the Ministry of Health (MoH) has limited influence. Although a large share of district revenue is derived from central transfers, most of these transfers are not tied to results. DAK Fisik has managed to reduce infrastructure gaps⁵. However, investment in health infrastructure remains widely varied across districts due to DAK Fisik's limited size. Coupled with unequal subnational accountability, monitoring, evaluation, and quality assurance capacities, this leads to persistent disparities in health infrastructure and therefore also in access to quality healthcare.



Aiming to address the above challenges, MoH recently launched an ambitious Health System Transformation Agenda (HSTA) with the aim of establishing a well-structured public health system that integrates and standardizes all levels of public health facilities and laboratories. This ambitious agenda, which was launched in the wake of the devastating impact of the COVID-19 pandemic with the aim of establishing a “healthy, productive, independent, and just people”, centers around the following six pillars (figure 1): (i) primary care transformation; (ii) secondary care transformation; (iii) health resilience transformation; (iv) health financing and system transformation; (v) health workforce transformation; and (vi) health technology transformation. The focus is thus on establishing a well-structured public health system that integrates and standardizes all levels of public health facilities and laboratories. This means creating a cohesive framework where different levels of public health facilities, including primary health centers, district hospitals, and specialized hospitals, work together in a coordinated manner.

Digital transformation component is fundamental to the HSTA. At its core is the establishment of SATUSEHAT, a comprehensive interoperable platform that integrates all the available public health information systems (HIS) across Indonesia. Multiple health applications that exist in the current HIS often overburden health providers and program managers which creates inefficiencies and reduces the quality and timeliness of service delivery, and prevents development of effective policies, based on real-time evidence and data. The SATUSEHAT platform was officially launched in July 2022, and aims to integrate patient health data from hospitals, clinics, laboratories, pharmacies, and, in the future, potentially even data from the Social Security Administrator for Health (BPJS-K, or *Badan Penyelenggara Jaminan Sosial – Kesehatan*) in a standardized, electronic format. The incremental implementation targets the integration of 30,000 health facilities across Indonesia by the end of 2024.

Relationship to CPF

The proposed Project is closely aligned with the World Bank Group’s Indonesia Country Partnership Framework (CPF) for Fiscal Year (FY) 2021-2025. Its development objective, which seeks to support the GoI’s HSTA activities across six pillars of the HSTA resonates strongly with the CPF Objective 3.2 on strengthening the quality and equity in nutrition and health. This is part of Engagement Area 3, ‘Nurture Human Capital’

C. Proposed Development Objective(s)

To channelize coordinated partner support for Government of Indonesia’s health system transformation agenda with special focus on the pillars for primary healthcare and digital health

Key Results

The Project Development Objective will be measured by indicators on the establishment of a well-functioning mechanism that coordinates multiple development partners to support the GoI’s HSTA. The following are the proposed indicators that will be further refined during the Project preparation:

- a. A functioning mechanism that coordinates multiple development partners to support the GoI’s Health System Transformation Agenda;

A set of indicators that measure immediate and intermediate results are as the following

- a. Members of the development partners participated in the Multi Donor Trust Fund set up as the source of funds for this Project are represented in the advisory body in the institutional set up of this Project.
- b. Share of Project funds used for the focus areas namely Primary Health Care and Digital Transformation in Health
- c. The total value amount of MDB projects that the Project supported with its activities;



- d. The total amount of development partners contribution that is channeled by the Project to the Gol for HSTA related activities;
- e. Timely progress report of the Project;
- f. The number of the MDB projects supported by the Project that perform 'satisfactory' (or similar rating)
- g. The number of expert staff recruited/supported by the Project;

D. Concept Description

The proposed 'Indonesia Health Transformation' MDTF adopts a programmatic approach. This means that not all activities are known at its establishment. Therefore, the Project uses an annual workplan process in close consultation with the partnership committee and an overarching results framework that captures its expected activities and key components. The Project components include:

- (a) Component 1: Building Knowledge, Evidence, and Iterative learning for a Sustainable Health System Transformation.
- (b) Component 2: Effective Stewardship and Program Management and Administration.

Component 1: Building Knowledge, Evidence, Iterative learning for a Sustainable Health System Transformation

The Project will support activities tailored to achieve Indonesia's Health System Transformation Agenda. This includes:

- Analytical support to the policy and research agenda to inform the health system transformation.
- Operational and analytical support to the ongoing project portfolio linked to each of the six pillars of the Health System Transformation Agenda with stronger emphasis on Primary Health Care, and Digital Transformation pillars.
- Monitoring, supervision, evaluation, and project management activities carried out by Gol.

Component 2: Effective Stewardship and Program Management and Administration

These activities will be implemented as a set of limited and well-defined tasks and activities in agreement with the Steering/Partnership Committee drawing from the Bank-Executed portion of the MDTF. Bank-executed analytics and technical assistance will be undertaken as per guidance from the Steering/Partnership Committee and will include responding to specific, just-in-time implementation support requests from MoH, for instance for the hiring of international consultants with specific expertise. The Project will use the MDTF funds for the Project Secretariat, Project Management Unit (PMU) as well as any Project Implementation Units (PIU),

- The review and clearance of procurement documents and Terms of Reference
- Ensuring fiduciary and operational practices adhere to the World Bank anti-corruption and Environmental and Social Framework standards.
- Regular monitoring & evaluation of operations, including joint implementation support missions in each semester.



	Triggered?	
	Last approved	Current
Projects on International Waterways OP 7.50	No	
Projects in Disputed Area OP 7.60	No	
Summary of Screening of Environmental and Social Risks and Impacts		

The Operation is to support the Government's Health System Transformation Agenda by providing technical assistance (TA), knowledge and evidence generation at the national level. Activities under the Operation is projected not to have direct physical footprint as no construction of new buildings or expansion of facilities are envisaged so the project is expected not to have any direct environmental impacts and risks. The outcomes of the TA of the Project's Component 1 will not have negative environmental implications. The project will not assist the preparation for the future construction of physical infrastructure (feasibility studies, detailed technical designs, bid documents) with potentially significant physical impacts. Hence, it is also projected that there is no downstream environmental implications from the specific subsequent physical investment as per OESRC guidance in term of specificity, timing and directness. The Component 2 of the Project that will support the organizational of the Project will adhere to the World Bank Environmental and Social Framework standards. Thus, the potential adverse risks and impacts to the environment are expected to be low.

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APPROVAL

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