Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 18-Dec-2022 | Report No: PIDC277111

BASIC INFORMATION

A. Basic Program Data

Country	Project ID	Parent Project ID (if any)	Program Name
Indonesia	P180491		INVESTING IN NUTRITION & EARLY YEARS PHASE 2
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Does this operation have an IPF component?**
EAST ASIA AND PACIFIC	13-Mar-2023	30-May-2023	Yes
Financing Instrument	**Borrower(s)**	**Implementing Agency**	**Practice Area (Lead)**
Program-for-Results Financing	Republic of Indonesia	Ministry of Finance, Secretariat of the Vice President	Health, Nutrition & Population

Proposed Program Development Objective(s)

To increase simultaneous utilization of nutrition interventions by 1,000-day households in priority districts.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	14,638.00
Total Operation Cost	624.00
Total Program Cost	600.00
IPF Component	24.00
Total Financing	6,324.00
Financing Gap	-5,700.00

FINANCING (USD Millions)

Total World Bank Group Financing	600.00
World Bank Lending	600.00
Total Government Contribution	5700.00

Total Non-World Bank Group and Non-Client Government Financing	24.00
Trust Funds	24.00

Concept Review Decision
The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **This concept note builds on the experience of the Investing in Nutrition and Early Years (INEY) Phase 1 to propose a new International Bank for Reconstruction and Development (IBRD) Program-for-results (PforR) loan** in the amount of US$600 million combined with an IPF grant in the amount of US$24 million from the Global Financing Facility (GFF) and the Global Vaccine Alliance (GAVI).

2. **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.** After reaching upper-middle-income status in 2020, the country has been reclassified as a lower-middle-income country. Before the pandemic, Indonesia's level of general government spending (1.4 percent of gross domestic product [GDP]) was about half of the average of other emerging markets, mainly due to its low tax-to-GDP ratio. Rebounding from the economic contraction is critical to improve the revenue-raising potential, a major constraint on public spending.

3. **The economy is steadily recovering from COVID-19 despite challenging global conditions.** Employment continues its recovery, although not yet reaching pre-pandemic levels. However, a large number of workers remain trapped in lower-quality work. Similarly, poverty is continuing its decline but inflationary pressures especially on food can deteriorate purchasing power, specifically for poorer households. The lifting of mobility restrictions and release of pent-up demand have fueled a rise in private consumption and investment. The economy expanded by 5.2 percent year-on-year in early 2022, up from 3.1 percent in the same period in 2021. Domestic demand has boosted manufacturing, wholesale and retail trade, as well as telecommunication sectors. Poverty has declined albeit at a slower pace than during pre-pandemic years. In 2021, the international poverty rate stood at 3.6 percent, down from 3.8 percent in 2020. In addition to recovering domestic demand, the COVID-19 social assistance package played a notable role in protecting households from falling into poverty. With 72.2 percent of the population vaccinated, the government has scaled back the COVID-19 stimulus package and lifted mobility restrictions. Nevertheless, global trends of rising fuel and food prices continue to push inflation, which in July 2022 reached a seven year high (4.9 percent year-on-year). However, fuel consumption has also accelerated rapidly, which together with higher prices, contributed to growing subsidies. To relieve fiscal pressures, the authorities raised the retail price of fuel by 30 percent in September 2022.

4. **In recent years, Indonesia has significantly advanced the human capital agenda.** The period 2010 to 2019 saw robust economic growth, job growth and poverty reduction. In parallel, Indonesia was able to reduce stunting, progress toward universal health coverage, and expand student enrollment in education. In parallel, Indonesia's performance in the World Bank's Human Capital Index (HCI) – which quantifies the contribution of health and education to the productivity of the next generation of workers – steadily improved, with the overall value increasing from 0.50 to 0.54 from 2010 to 2020. Indonesia has also been an early and strong champion of the Human Capital Project (HCP), launched at the 2018 Annual Meetings in Bali, and is committed to further accelerating multisectoral efforts to enhance human capital outcomes. The country's National Medium-Term Development Plan (RPJMN) 2020–2024 recognizes that human capital needs to be the main driver to achieve inclusive and equitable development. Accordingly, its fourth chapter focuses on improving the quality and competitiveness of Indonesia's human resources – with the objective to mold healthy, intelligent, adaptive, innovative, skilled and good-character people.

5. **Nevertheless, low absolute levels of human capital represent a key structural bottleneck to achieving Indonesia's inclusive growth and poverty reduction agenda.**[1] According to the latest human capital index (HCI), Indonesia's next generation will only be 54 percent as productive as it could have been with full health and complete education. Indonesia's HCI score is below the average of countries in East Asia and the Pacific (EAP) and upper-middle income countries (Table 1). Significant differences in HCI scores across provinces and districts mean that some parts of Indonesia have HCI scores almost at par with Vietnam and China while HCI scores in others are similar to those in Niger and Sierra Leone. The correlation between government spending and HCI performance at the district level is weak. A child born into a family with in the first quintile of the consumption distribution is expected to achieve an HCI that is 10 percentage points lower than a child born into the fifth quintile.[2]

Table 1. Key Human Capital Indicators

Indicator	Indonesia 2020 or latest	Indonesia 2010	East Asia and Pacific 2020 or latest
Probability of Survival to Age 5	0.975	0.966	0.978
Expected Years of School	12.4	11.4	11.9
Harmonized Test Scores	395	398	432
Survival Rate from Age 15-60	0.850	0.828	0.864
Fraction of Children Under 5 Not Stunted	0.723	0.608	0.759
Human Capital Index (HCI)	0.54	0.50	0.59
Non-communicable disease deaths	0.26	0.27	0.21
Smoking	0.39	0.37	0.25

6. **Indonesia's human capital expenditures as compared to Gross Domestic Product (GDP) have been low, though not necessarily as compared to overall public spending**. Indonesia spends 20 percent of its total budget on education, higher than many of its neighbors. But as a share of GDP, spending on education (3 percent of GDP) is lower than in many of these countries. Similarly, the Government spends 1.4 percent of GDP on health – about half of what the average lower middle-income country spends. At 0.7 percent of GDP, spending on social assistance also remains at about only half of what the average lower middle-income country spends. A World

[1] World Bank (2021d)
[2] Sari and Tiwari (2021). Girls show a higher average human capital potential than boys (HCI score of 0.56 vs. 0.52). World Bank (2020b).

Bank Public Expenditure Review highlights that Indonesia's low revenue-raising capacity constrains the spending envelope with respect to human capital. Before the COVID-19 pandemic, Indonesia's general government spending was about half of the average of other emerging markets due to its low tax-to-GDP ratio[3].

Sectoral (or multi-sectoral) and Institutional Context of the Program

7. **Indonesia continues to face significant challenges in building its human capital, especially due to stubbornly high childhood stunting rates, despite recent progress**. According to the 2013 National Health Survey (RISKESDAS), which was the most recent survey available when INEY phase 1 was prepared, 37.2 percent of Indonesian children under 5 years of age (almost 9 million children) were stunted. More recently—and after almost two decades of stagnation—the rate has begun to decline, but it remains comparable to low-income countries rather than its middle-income peers. The 2018 RISKESDAS reported a decline of about 1.3 percentage points each year between 2013 and 2018, to 30.8 percent. Most recently, the integrated SUSENAS-SSGI Survey (National Socioeconomic-Child Health Status Survey), an annual publication linked to the DLI 3 of INEY Phase 1 Program, reported a significant decline in the national stunting rate from 27.7 percent in 2019 to 24.4 percent in 2021 despite constraints posed by the COVID-19 pandemic[4].

8. **Indonesia also experienced major Covid-19 related disruptions across essential RMNCAH-N services further exacerbating human capital challenges.** Indonesia's basic immunization coverage rate was only 87.8% in 2018 and has been severely impacted by the pandemic; at the peak of disruptions, the number of third dose pentavalent (DPT3) immunizations in May 2020 were 60% lower than in May 2019. As of January 2021 there were approximately 300,000 toddlers that had not been vaccinated at all which makes them vulnerable to vaccine-preventable diseases and to preventable mortality and morbidity. Furthermore, National Population and Family Planning Board (Badan Kependudukan dan Keluarga Berencana Nasional or BKKBN) predicted that Indonesia will experience a baby boom due to unplanned pregnancies; it is estimated that 300,000 - 500,000 unplanned pregnancies have occurred in 2020 alone, due to reduced access to family planning facilities such as *Puskesmas* and independent midwives. It is estimated that due to COVID-19, there has been a reduction in birth control measures; total new users to family planning in February 2020 were 427,133, which had shrunk to 267,132 by April 2020.

9. **Drawing on World Bank analytical work and technical advice, Indonesia's Vice President initiated preparation of a National Strategy to Accelerate Stunting Prevention (Stranas Stunting) in August 2017**[5]. The Stranas Stunting adopts a multi-sectoral convergence approach that commits 23 ministries to increase the impact of almost US$4 billion of government spending each year on nutrition-specific and nutrition-sensitive interventions and services. The strategy consists of five pillars: (i) National Leadership and Commitment; (ii) National Public Awareness Campaign; (iii) National, Regional, and Community Program Convergence, Coordination, and Consolidation, (iv) Nutritional Food Security; and (v) Monitoring and Evaluation. More recently, the President has

3 World Bank (2020c).
4 The RISKESDAS and SSGI survey are both accepted by the GOI and the World Bank as comparable measures of national stunting prevalence. Basic Health Survey (Riskesdas) is a household survey done every 5 years by MoH to measures health indicators which also includes anthropometric measurement The Child Nutrition Status Survey (SSGI) is a household survey done annually by MoH to measures child health related indicators includes anthropometric measurement. The two data sources have household sample size of approximately 350,000 per round and rely on the same sampling method. They are designed to be representative at district, province and national level. Each is done by MoH with the same data collection and data quality measurement methods.
5 World Bank / Ministry of Health (2017) Operationalizing a Multisectoral Approach for the Reduction of Stunting in Indonesia.

added stunting reduction as one of 16 National Priority Projects and incorporated the Stranas Stunting targets and multi-sectoral convergence approach in the National Medium-Term Development Plan (RPJMN) for 2020-24.

10. **A new Presidential Regulation (Peraturan Presiden, or *Perpres*) number 72 of 2021 issued in August 2021 ensirnes stunting reduction as a top priority for the government**; it also substantially alters the implementation arrangements and rollout timeline for the stunting reduction agenda beyond what was envisaged at INEY's design. This new Perpres adopts many aspects of the Str*an*as Stunting and enacted into law Indonesia's whole-of-government approach to improve nutritional outcomes, reduce stunting, and accelerate human capital development. The Perpres solidified the implementation arrangements for the stunting reduction agenda, one important addition being the introduction of a new entity, BKKBN. Among its other roles, BKKBN is entrusted with developing the national action plan which is known as RAN PASTI (National Action Plan for the Acceleration of Stunting Reduction). BKKBN is expected to be the coordinator of the acceleration of stunting prevention at the family level, in coordination with the SoVP, MoV, and subnational task forces. BKKBN will also focus on the continuity of essential health and nutrition services at the district and village levels and enhanced data use to support implementation of priority interventions.

11. **The Perpres also accelerates Stra*n*as Stunting implementation relative to initial plans.** Implementation began in 100 stunting priority districts in 2018, expanded to an additional 60 districts in 2019, and added an additional 100 districts each year in 2020 and 2021, bringing the total to 360 districts in 2021. With the *Perpres,* Stra*n*as Stunting implementation expanded nationwide in 2022, ahead of the previous plan to expand to all 514 districts by 2024.

12. **In 2018, the World Bank mobilized a multi-sectoral cross-global practice task team under the joint leadership of the Social Sustainability and Inclusion (SSI) and Health, Nutrition, and Population (HNP) global practices to prepare INEY PforR with additional IPF components funded by a grant from the Global Financing Facility for Women, Children, and Adolescents (GFF).** INEY provides flagship financial support to the GOI to implement the national program for the acceleration of stunting reduction.

13. **The INEY Program development objective (PDO) is to increase simultaneous utilization of nutrition interventions by 1,000-day households in priority districts.** The INEY Program was designed to complement the existing World Bank portfolio at the time of approval and focuses on: (i) addressing the management and system challenges that undermine convergence at each level of intervention delivery (central, district, and village); (ii) plugging critical gaps in the Government's mix of sector programming; and (iii) strengthening citizen engagement in the frontline delivery and oversight of nutrition interventions. It aims to incentivize ten implementing agencies, hundreds of local governments, and tens of thousands of villages to collaborate to converge a multi-sectoral package of priority nutrition-specific and -sensitive interventions on priority households at the village level.

14. **The INEY Phase 1 PforR consists of ten DLIs, structured around four results areas (RAs) (Table 2).** The DLIs were designed to be phased and—in some cases—inter-related. They span the Program's entirety from inputs to outcomes, such that achievements in the Program's latter years are dependent upon establishment of systems, processes, and procedures in the start-up phase.

Table 2. INEY Phase 1 Program Overview as of October 21,2022

	Lead Agency

Activity	
Results Area 1. Strengthening national leadership	
1. Public commitment of priority district leaders to accelerate stunting prevention	SoVP
2. Tracking and performance evaluation of national spending on priority nutrition interventions	MoF and Bapenas
3. Timely publication of annual national and district stunting rates	BPS
Results Area 2. Strengthening delivery of national sector programs	
4. Priority districts delivery of nutrition-sensitive professional development program for early childhood education and development (ECED) teachers	MoEC & MoV
5. Nutrition-sensitivity of the food assistance program	MoSA
6. Priority districts implementation of locally adapted interpersonal communication (IPC) activities	MoH
Results Area 3. Strengthening convergence of district activities	
7. Strengthening capacity for village convergence	Bappenas, MoF and MoHA
8. Predictability and results orientation of fiscal transfers that support convergence	SoVP & BPS
Results Area 4. Converging village service delivery	
9. Villages empowered to identify 1,000-day households and converge intervention delivery	MoV & MoF
10. Village convergence of nutrition interventions on 1,000-day households	SoVP & MoF

15. **The IPF component of INEY finances catalytic investments to accelerate improvements in national and subnational leadership and oversight and provide the foundation for long-term and sustainable service delivery reforms**. The IPF component serves to: (i) strengthen multisectoral coordination by the Secretariat of the Vice President (SoVP); (ii) strengthen the capacity of Bappenas (National Planning Development Agency) and the Ministry of Finance (MoF) to implement their planning and budgeting functions and enhance the use of results-based approaches; (iii) provide technical support to sector line agencies and subnational governments that are responsible for nutrition intervention delivery; and (iv) strengthen the systems for monitoring, evaluation, and continuous learning at the Team for the Acceleration of Stunting Prevention Secretariat and Bappenas. Financed activities include capacity building; development and implementation of performance systems; piloting and rolling out innovative digital technology systems and tools; and analytics, evaluation and learning.

16. **The IBRD loan for the INEY PforR in the amount of US$400 million, together with the US$20 million recipient-executed grant from the GFF for the IPF component, was approved on June 21, 2018 and became effective on September 27, 2018.** The Program has been restructured three times to-date, as follows, with the third constituting an adaptive management response to the pandemic experience:
    (a) May 2020: allowed for an advance disbursement mechanism and provided for additional time for DLI 3 achievement in FY2020 (from September 2020 to December 2020).
    (b) February 2021: added the Ministry of Villages, Disadvantaged Areas and Transmigration (MoV) as an implementing agency in the IPF component.
    (c) September 2021: (a) extended the loan and grant until December 30, 2023; (b) modified the technical assistance arrangements financed through the IPF component and reallocate funds between sub-components

to optimize the available funds under the grant and sustain key grant-funded activities over a longer period; and (c) revised the 2020 and 2021 DLI targets to accommodate the modified *Stranas Stunting* timeline, COVID-19 delays, and rectify challenges that emerged with the initial design based on actual implementation experience.

17. **A fourth restructuring, accompanied by an additional financing of US$6 million grant from the GFF to the IPF components, is currently in process and is expected to be approved in December 2022**. The restructuring: (a) adds DLR targets for 2022 and revises the results framework to allow for continued accommodation of COVID-19 related delays and the associated program modifications; and (b) adds BKKBN as an implementing agency for the Program's IPF component. The additional financing draws upon a grant funding window made available by GFF to help countries to maintain essential health and nutrition services and enhance service quality and system resilience in the face of the COVID-19 pandemic. This additional grant financing is particularly valuable for INEY to close the financing gap for created by (a) modification of the government program implementation arrangements as outlined in the Presidential Regulation number 72 of 2021 (Perpres 72/2021 or Perpres); (b) the acceleration of nationwide rollout; and (c) the extended program duration. These grant resources were committed in late 2021 for processing by early 2022, linked to—but processed in advance of—the proposed IBRD additional financing. Full disbursement of the grant is contingent on the approval of this proposed IBRD new financing. The disbursement schedule agreed with the GFF is as follows: (a) an amount of US$4 million from the new GFF US$20 million grant will be available immediately upon approval to meet the current and pressing needs of INEY; (b) a second tranche of up to US$2 million will be made available in early 2023 once the first tranche of financing is significantly disbursed. The balance (US$14 million) of the US$20 million approved by GFF is integrated in this additional financing.

18. **The SoVP at the Ministry of State Secretariat is the executing agency for the Program.** Two enabling agencies, six implementing agencies, and district and village governments are involved in the implementation arrangements. *Tim Percepatan Penurunan Stunting* (TP2S) supports SoVP in Program implementation and monitoring. Upon completion of the fourth restructuring, there will be five implementing agencies under the IPF components, with MOV and the BKKBN added as implementing agencies for the IPF component after approval of the original program (Table 3).

Table 3. IPF Component Structure of INEY phase 1

Activity	Lead Agency
Component 1: Institutional Strengthening for National Leadership and Delivery	
1A: Strengthen coordination, nutrition program delivery monitoring, and debottlenecking capacity of SOVP	SoVP
1B: Strengthen capacity of implementation agencies	SoVP
1C: Strengthen results-based synchronized planning, budgeting, and technical convening	Bappenas
Component 2: Strengthen Capacity for District Convergence	MOHA – Bangda
Component 3: Strengthen Capacity for Village Convergence	MoV
Component 4: Strengthen Capacity for Household Convergence	BKKBN

MOHA: Ministry of Home Affairs.

Relationship to CAS/CPF

19. **The proposed second phase of the INEY PforR operation will support the government's current RJPMN 2019-2024 and the *Perpres* 72 issued in August 2021 to reinforce and ratify the acceleration of stunting reduction as a GOI priority**. Indonesia's commitment to reducing stunting is evidenced by the inclusion of ambitious targets in the current RPJMN and the listing of stunting reduction as one of the Strategic Priority Projects. By 2024, the GOI is targeting reduction of stunting nationwide by 14 percentage points. RPJMN recognizes that the acceleration of the progress towards reducing stunting in Indonesia require enlisting more sectors, in addition to the health sector, such as agriculture, education, social protection, and water, sanitation, and hygiene in the effort to improve nutrition. Large scale "nutrition-sensitive" interventions in these sectors must not only address the key underlying determinants of nutrition effectively, but also intensify the impact of "nutrition-specific" interventions (Lancet, 2013).

20. **The proposed program supports the Country Partnership Strategy (CPS) for Indonesia 2021-2025**. Specifically, it supports Engagement Area III on Nurturing Human Capital, including its Objective 3.2 on Strengthen quality and equity in nutrition and health. The program will contribute to achievement of CPF objective indicators on: (i) Objective 8 Indicator 2: National Stunting Reduction Coordination mechanism launched and operational; (ii); Objective 8 Indicator 3: Number of districts implementing district based, community focused training system for early childhood education (ECED) teachers; (iii) Objective 8 Indicator 4: Number of people having access to improved water services in targeted areas, disaggregated by gender, and (iv) Objective 8 Indicator 5: Number of people having access to improved sanitation services in targeted areas, disaggregated by gender**.** Indonesia has been an early and strong champion of the World Bank's Human Capital Project (HCP), launched at the 2018 Annual Meetings, and is committed to accelerating multisectoral efforts to enhance human capital outcomes. The proposed loan and grant are fully aligned with the World Bank's Twin Goals of eradicating extreme poverty and promoting shared prosperity. In addition, the program also emphasizes rigorous monitoring and evaluation. This ensures that available resources are more efficiently allocated to where they are most needed and can make optimal impact, hence making stunting interventions more impactful in addressing poverty and promoting shared prosperity.

Rationale for Bank Engagement and Choice of Financing Instrument

21. **This concept note builds on the experience of the INEY Phase 1 to propose a new International Bank for Reconstruction and Development (IBRD) Program-for-results (PforR) loan in the amount of US$600 million combined with an IPF grant in the amount of US$24 million from the Global Financing Facility (GFF) and the Global Vaccine Alliance (GAVI).** The original financing of the INEY Phase 1 PforR is at 60% disbursement, and remaining funds are fully committed for the value of 2021 and 2022 disbursement-linked indicators (DLI) targets. The IPF component is nearly fully disbursed (98.5%). Amid the COVID-19 context, critical management and governance arrangements have been established and strengthened to promote the resilience of the Program and progress toward the development objectives, despite significant setbacks to health and nutrition service delivery in communities outcomes at the household level. The new financing for Phase II of the program is intended to fill gaps in the original Program and reinforce support for the frontlines through high impact, essential health and nutrition interventions at the community and household levels. The new grant financing of the IPF component from Gavi will help to meet the financing gap. These investments are necessary to further catalyze achievement of the Government of Indonesia's (GOI) ambitious targets for stunting reduction to 14 percent by 2024.

Rationale for Bank Engagement and Choice of Financing Instrument

22. **The proposed program continues the flagship partnership of the GOI and the World Bank on stunting reduction under INEY Phase 1**. The World Bank is exceptionally well positioned to support the government's national convergence strategy to address stunting and improve early learning. The first years of Program implementation of Phase 1 successfully tackled critical governance and management challenges, introduced results-based financing and monitoring instruments at district and convergence actions, and supported technical advice and analytical work in multiple sectors (health, education, social protection, WASH, social development and governance). This experience provides useful lessons learned on the technical aspects, implementation modalities and enabling environment to effectively address the nutrition and early years agenda. With these concerns being substantially addressed, bandwidth is available from a Program management perspective to prioritize critical sectoral intervention support under the phase 2 financing.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

To increase simultaneous utilization of nutrition interventions by 1,000-day households in priority districts.

PDO Level Results Indicators

23. **Progress toward achieving the PDO will be measured through PDO indicators**. The current set of PDO indicators are derived from the first phase and will be updated, as needed, through the course of preparation to reflect the updated situation under the *Perpres*[6]. Subject to agreement of the GOI, the Program's PDO indicators will largely remain the same as phase 1. Currently, the only proposed change is PDO indicator (b) "Priority Districts implementation of locally-adapted interpersonal communications activities." This PDO indicator is proposed to be revised to remove "locally-adapted" from the definition of the activities in order to expedite the rollout of behavior change communication activities using nationally developed tools.

PDO-level indicators	(a) Public commitments of Priority District leaders to accelerate stunting prevention (b) Priority Districts implementation of interpersonal communication (IPC) activities (c) Performance of districts in targeting priority nutrition interventions (d) Consumption of IFA supplements during pregnancy (e) Village-level convergence of nutrition interventions on 1,000-day households[7]

[6] "Simultaneous utilization" means that households have access to all these services at the same time. The term "1,000-day households" refers to households with pregnant women and/or children aged 0-24 months. "Priority districts" refers to those selected for the annual scale-up within the NatStrat Stunting based on assessments of the prevalence and incidence of stunting.

[7] This refers to 14 key nutrition interventions in the health and nutrition, WASH, social protection and ECED sectors that

D. Program Description

PforR Program Boundary

24. **The new financing of US$600 million to the INEY phase 2 PforR will finance the scale up of phase 1 activities and new activities, supporting the original PDO "to increase simultaneous utilization of nutrition interventions by 1,000-day households in priority districts"**. It is proposed that the IBRD new financing for INEY phase 2 retain the four original RAs, while revising the DLIs to: (a) finance scale up over three additional years (2023-26); (b) modify DLIs and results to emphasize high impact interventions and learn from Program implementation; and (c) add new DLIs to target high impact, attainable aspects of the stunting reduction program, prioritized in the MTR. Modifications to the DLIs and associated targets are proposed in Table 3 and are under discussion with the GOI and development partners (namely Gavi and GFF). Confirmation of the GOI to retain the original RAs or adapt further to the *Perpres* will be reached prior to appraisal. As the results framework is developed, appropriate intermediate results indicators will be added to reflect new DLIs and DLRs, such as the identification and targeting of zero dose immunization children and communities.

    (a) **Results Area 1: Strengthening national leadership.** This RA will strengthen national leadership and ensure the effective national coordination and accountability mechanisms that are critical for the sustained and high-quality implementation of *Perpres 72.* This includes national actions to secure the annual commitments of subnational leaders (district heads and mayors) to deliver and converge priority district programs and activities, improved expenditure systems for monitoring, performance assessments of national spending on nutrition interventions, and accelerated learning on what works and what doesn't through improved data systems. Key activities include Annual Stunting Summits (SoVP/TP2S[8]), National Expenditure Tagging and Performance Reviews (Bappenas and MoF), and strengthening the monitoring and evaluation (MonEv) system for the *Perpres,* including through implementation of anthropometric modules in SUSENAS by the National Statistical Agency (BPS).

    (b) **Results Area 2: Strengthening delivery of national sector programs.** This RA will support the improved design and delivery of national sector programs that have been identified as key to reducing stunting. While the first phase had identified significant gaps in the delivery of ECED programs, food assistance, and IPC, the MTR identified significant gaps in the delivery of nutrition-specific interventions (including immunization) that need to be addressed. The focus of food assistance programs will also shift to the introduction of fortified foods in social assistance programs.

    (c) **Results Area 3: Strengthening convergence of district activities.** This RA will strengthen the management and implementation of nutrition activities implemented at the district level and reduce financial fragmentation. It will help to strengthen evidence- and results-based budgeting at the district level, providing incentives to districts to spend more and better on nutrition interventions and monitoring systems (including behavioral change programming), and to improve the prioritization of

will be tracked through the Village Convergence Scorecard.

[8] The Vice President will convene the annual summits with Secretariat support from TNP2K and technical inputs from Bappenas, Menko PMK, MoH, and MoHA.

district and village plans and budgets to address stunting. The main activity is implementation of an annual performance assessment to measure districts' implementation of the convergence program, incentivized by a performance assessment of stunting convergence actions, which together will support districts in implementing district-level convergence actions, including local stunting surveillance, district diagnostics, and HDW mobilization. This RA will also be expanded to include district level support to posyandu strengthening.

(d) **Results Area 4: Converging village service delivery.** This RA will support activities that will converge delivery of priority interventions on all 1,000-day households in villages, incentivize villages to allocate additional budget from the *Dana Desa* to priority nutrition-specific and nutrition-sensitive interventions, and increase the quality of and participation in community-based growth promotion activities. Key activities will include village-level social mapping of 1,000-day households, Village Convergence Scorecards, and Height-based Community Growth Promotion (MoV, MoH, and MoF). This RA will also be expanded to include village level support to posyandu strengthening and enhancing village level coordination in the face of the *Perpres.*

E. Initial Environmental and Social Screening

25. **Building on the experience of the INEY Phase 1, the assessment of the environmental and social (E&S) aspects of this INEY Phase 2 was conducted based on initial reviews of the E&S performance to-date** of the related multisectoral agencies and the existing system currently implemented for the ongoing program in managing the potential E&S risks which have been identified for the original program.

26. **The E&S risks/impacts are likely to be similar with the original Phase 1 program considering the nature and type of the proposed activities will be generally the same, with some additional intervention activities**. INEY Phase 2 retains the Program Development Objective (PDO) of the original program: to increase simultaneous utilization of nutrition interventions by 1,000-day households in priority districts (the term "priority districts" refers to those selected for the annual scale-up within the NatStrat Stunting based on assessments of the prevalence and incidence of stunting). Although the targeted PDO remained, changes to the environmental and social footprint are expected with the wider geographical coverage of the proposed INEY Phase 2, as the program implementation is expanded nationwide in 2022, with all 514 districts/cities had signed commitments, from the original 100 stunting priority districts in 2018.

27. **An initial screening of E&S risk for the concept stage has been prepared, carried out for all proposed Program activities across four risk criteria**: (a) Likely E&S effects, (b) Contextual risk factor, (c) Institutional capacity and complexity risks, and (d) political and reputational risks. Assessment on relevant GoI regulations and institutional systems, including capacity of the implementing agencies (IAs) to apply GoI requirements will be performed through an Environmental and Social Systems Assessment (ESSA) which will be prepared for the appraisal stage.

28. **The overall environmental and social risk remain to be classified as Moderate, with environmental risk rated moderate and social risk rated low**. Environmental risk rating is expected to be moderate, as further measures relating to safe handling of pharmaceutical waste and disposal systems are required, managed by Posyandu and Puskesmas. Meanwhile, the social risk is rated as low. Although the downstream implications of the INEY program

are expected to contribute to addressing equity issues in nutrition intervention program distribution in the community, social risk remained, pertaining to equality in community access including across vulnerable groups and Indigenous People (if present in the targeted communities).

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

Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component

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