

 Early Warning System

WB-P512328

Local Service Delivery Improvement Project



### Quick Facts

|                                |                                                                             |
|--------------------------------|-----------------------------------------------------------------------------|
| <b>Countries</b>               | Indonesia                                                                   |
| <b>Financial Institutions</b>  | World Bank (WB)                                                             |
| <b>Status</b>                  | Approved                                                                    |
| <b>Bank Risk Rating</b>        | A                                                                           |
| <b>Voting Date</b>             | 2025-12-18                                                                  |
| <b>Borrower</b>                | Government of Indonesia - Ministry of Home Affairs,Ministry of Public Works |
| <b>Sectors</b>                 | Infrastructure, Law and Government, Water and Sanitation                    |
| <b>Investment Type(s)</b>      | Loan                                                                        |
| <b>Investment Amount (USD)</b> | \$ 350.00 million                                                           |
| <b>Project Cost (USD)</b>      | \$ 350.88 million                                                           |



## Project Description

According to the Bank's website, the objective of this project is to build financial and institutional capacities for improving solid waste management services in select local governments in Indonesia.

This proposed project aims to support local governments (LGs, which covers cities and regencies) in Indonesia to improve the delivery of SWM services through a two-pronged approach of support for national-level policy action areas and capacity-building performance-based grants (PBGs) for LGs. The project will complement the existing project of ISWMP (Improvement of SWM to Support Regional and Metropolitan Area Project) that focused its investment on large-scale waste treatment facilities.

The project will be composed of three components.

- \* Component 1 (Technical advisory, policy development support and project management for national government) will provide technical support for national-level policies, regulations, and updating national waste accounting platform needed as the basis for improving SWM service delivery at the local level and having better monitoring at the national level. Among the most important activities under this component will be laying the path to adding SWM as Mandatory Basic Service (SPM). With SWM as SPM, LG will have to allocate an adequate budget for SWM service. In addition, National Management Consultant (NMC) will be hired under this component to support the CPMU and CPIUs with project management.
- \* Component 2 (Performance-based grants to LG for SWM service delivery) will provide grants that will incentivize institutional reforms through financial allocations. Disbursement of PBGs will be conditional on LGs undertaking policy changes and reaching specific targets of SWM. The LGs will also use the grants for implementing their SWM plans (e.g., LG SWM Policy and Strategy (Jakstrada), SWM Masterplan). The grant for LGs will be on top of their current budgetary allocation for the sector. The grant disbursement through PBGs will be conditional on LGs undertaking policy changes and reaching specific targets. The grant will focus on upstream activities of the SWM that include waste segregation and collection, transport, transfer, recycling, and construction of small-scale intermediate treatment facilities.
- \* Component 3 will provide technical assistance (TA), implementation support and project management for local governments to support project activities. The TA will focus on supporting the development or updating of Jakstrada and SWM masterplan, the establishment of institutions that separate operator-regulator roles for SWM service delivery, the implementation of the waste tariff, as well as supporting detailed planning and engineering design of the proposed LG investments. The Local Management Consultants will also be procured for each participating LGs.



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## Early Warning System Project Analysis

The overall environmental and social risk are **substantial**. The environmental risk is substantial due to the large geographic scale combined with low SWM capacity at LGs, inadequate enforcement of regulations, and the need for strong coordination. The planned technical assistance activities and overall project implementation require proper mitigation measures, compliance with standards, and expertise to manage the risks effectively, as the existing SWM legislation and regulations are insufficient to address environmental and social risks. Without proper management, the investment in civil works and equipment procurement will further burden the already strained LGs SWM system. The TA activities aim to resolve jurisdictional conflicts and improve waste management planning at the local level. The enforcement mechanisms and overall capacity to ensure compliance with environmental regulations are currently inadequate. Equipment and infrastructure investments have potential impacts such as noise, dust, odor, and water contamination. The social risk includes land acquisition issues, the need for social acceptability of facilities, potential livelihood loss for waste pickers, complex institutional arrangements, and lack of experience by implementing agencies regarding the ESF. Labor and working condition risks are expected to be low for direct workers and moderate for contracted workers, but substantial Occupational Health and Safety risks may arise for workers involved in facility operation.



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## Investment Description

- World Bank (WB)

Total Project Cost: US\$ 350.88 million

IBRD Commitment: US\$ 350.00 million

National Government: US\$ 0.88 million



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## Contact Information

### CONTACT POINT - World Bank

Task Team Leader: Yuko Arai

Title: Senior Urban Specialist

Email: [yarai@worldbank.org](mailto:yarai@worldbank.org)

TTL Contact: Kian Siong

Job Title: Senior Environmental Specialist

Email: [ksiong@worldbank.org](mailto:ksiong@worldbank.org)

TTL Contact: Uri Raich

Job Title: Senior Urban Specialist

Email: [uraich@worldbank.org](mailto:uraich@worldbank.org)

### ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

### ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing [ipanel@worldbank.org](mailto:ipanel@worldbank.org). Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



## Bank Documents

- [Appraisal Environmental and Social Review Summary \(ESRS\) - Indonesia Local Service Delivery Improvem](#)
- [Appraisal Project Information Document \(PID\)](#)
- [Climate Finance Assessment \(P512328\)](#)
- [Concept Environmental and Social Review Summary \(ESRS\) - Indonesia Local Service Delivery Improvem](#)
- [Concept Project Information Document \(PID\)](#)
- [Disclosable Version of the ISR - Local Service Delivery Improvement Project - P512328 - Sequence No](#)
- [Environmental and Social Commitment Plan \(ESCP\) - Indonesia Local Service Delivery Improvement Proje](#)
- [Indonesia - EAST ASIA AND PACIFIC- P512328- Local Service Delivery Improvement Project - Procurement](#)
- [Indonesia - EAST ASIA AND PACIFIC- P512328- Local Service Delivery Improvement Project - Procurement](#)
- [Indonesia - EAST ASIA AND PACIFIC- P512328- Local Service Delivery Improvement Project - Procurement](#)
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- [Indonesia - EAST ASIA AND PACIFIC- P512328- Local Service Delivery Improvement Project - Procurement](#)
- [Indonesia - Local Service Delivery Improvement Project](#)
- [Official Documents- Disbursement and Financial Information Letter for Loan 99020-ID.pdf](#)
- [Official Documents- Loan Agreement for Loan 99020-ID.pdf](#)
- [Stakeholder Engagement Plan \(SEP\) - Indonesia Local Service Delivery Improvement Project - P512328](#)

## Media

- [The World Bank Approves a New Project to Support Indonesia Achieve Solid Waste Management Targets](#)