

 Early Warning System

WB-P514469

Industrial Decarbonization and Competitiveness Facility Project



Quick Facts

Countries	Indonesia
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2027-07-30
Borrower	Government of Indonesia - Ministry of Finance
Sectors	Climate and Environment, Energy, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 500.00 million
Loan Amount (USD)	\$ 500.00 million
Project Cost (USD)	\$ 1,000.00 million



Project Description

According to the World Bank, the proposed project would include two components:

- **Component 1 - Aggregated Financing for Industrial Decarbonization.** This component will establish a blended financing facility - the IDCF to provide loans and potentially other financial products for eligible low-carbon investments undertaken by select industrial enterprises. Eligible investments include:
 - Energy and material efficiency upgrades;
 - Fuel switching (e.g., electrification of low-temperature processes via grid or on-site RE);
 - Adoption of low-carbon fuels (e.g., biofuels);
 - Circular economy solutions and industrial symbiosis; and
 - Pilot demonstrations of new technologies, where viable.

The facility will focus on the nine priority sectors identified in Ministry of Industry's decarbonization roadmap and offer tailored financial products (e.g., long tenor, de-risking features) to mobilize domestic banks and private capital.

- **Component 2 - policy support, technical assistance (TA) and project implementation support.** A Project Management Unit (PMU) will be established under MoI to support early project development, raise awareness, and coordinate implementation. The PMU will strengthen the broader ecosystem by engaging green industry service companies (GISCOS), energy service companies (ESCOs), banks, industrial firms, and technology providers, supporting pipeline development and capacity building across the market.

This component could include the following activities:

- (i) policy and regulatory support;
- (ii) market and pipeline development, and transaction support;
- (iii) capacity building and training; and
- (iv) pilot and innovation support.



Investment Description

- World Bank (WB)



Contact Information

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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. 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

- [Concept Environmental and Social Review Summary \(ESRS\) - Industrial Decarbonization and Competitiveness](#)
- [Concept Project Information Document \(PID\)](#)
- [PROCUREMENT PLAN](#)