



# Country Operations Business Plan

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September 2018

Indonesia  
2019–2021

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**Asian Development Bank**

## CURRENCY EQUIVALENTS

(as of 2 September 2018)

Currency unit	–	rupiah (Rp)
Rp1.00	=	\$0.000068
\$1.00	=	Rp14,655

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPS	–	country partnership strategy
RPJMN	–	Rencana Pembangunan Jangka Menengah Nasional (National Medium-Term Development Plan)
TA	–	technical assistance

## NOTE

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

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## I. CONSISTENCY OF BUSINESS PLAN WITH COUNTRY PARTNERSHIP STRATEGY

1. The country operations business plan, 2019–2021 of the Asian Development Bank (ADB) for Indonesia is consistent with ADB's country partnership strategy (CPS), 2016–2019 for Indonesia and the priorities of the Government of Indonesia under the National Medium-Term Development Plan (RPJMN), 2015–2019.<sup>1</sup> It is broadly in line with the principles and operational priorities of ADB's new Strategy 2030.<sup>2</sup> The CPS aims at supporting Indonesia in achieving inclusive and sustainable economic growth, focusing on infrastructure services, economic governance, and human resource development. ADB has initiated the preparation of CPS, 2020–2024, which will align closely with RPJMN, 2020–2024. ADB is providing support to the government for the preparation of the new RPJMN in select strategic areas.

2. In support of the government's ambitious development agenda, ADB's country operations business plan, 2019–2021 includes increased financial assistance in the CPS core sectors (Appendix 1). Crosscutting priority themes include good governance and capacity development, private sector participation, resilience to climate change and disasters, gender equity, and technology and innovation. ADB is also exploring innovative financing initiatives to leverage public and private investments towards achieving Indonesia's development goals. To further strengthen the partnership in core sectors and areas of collaboration, ADB and the government are working toward (i) more long-term engagement and programmatic approaches, (ii) increased focus on innovation and value addition in ADB activities, (iii) synergies between sovereign and nonsovereign operations, (iv) deeper engagement with all executing and implementing agencies to ensure ownership, and (v) enhanced project and portfolio implementation performance.

## II. INDICATIVE RESOURCE PARAMETERS

3. Indonesia, a group C developing member country, is eligible for regular ordinary capital resources lending. The indicative resources available during 2019–2021 for sovereign operations amount to \$6 billion. The total indicative lending program for sovereign operations for 2019–2021 is \$6.95 billion with 26 firm and standby projects, reflecting a degree of overprogramming to ensure stable lending levels in the planning period (Appendix 2, Table A2.1). The lending pipeline for 2018 includes 5 firm projects (Appendix 3, Table A3.1). Cofinancing and funding from other sources, including the regular ordinary capital resources regional cooperation and integration set-aside, will be explored.

4. The program reflects a judiciously balanced mix of lending modalities. The government has requested ADB to maintain a degree of flexibility on lending levels and modalities in line with the government's evolving development financing needs. In terms of sector shares, the indicative assistance pipeline will have a strong focus on energy (46% of the total lending) followed by public sector management (17%); finance (11%); agriculture, natural resource, and rural development (11%); water and urban services (8%); transport (4%); and education (3%).

5. The nonlending program for 2019–2021 will support project preparation and implementation, capacity development, and knowledge work (Appendix 2, Table A2.2), building on the 2018 nonlending program (Appendix 3, Table A3.2). ADB will provide technical assistance (TA) through large regional TA projects or regional transaction TA facilities, with a sector or

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<sup>1</sup> ADB. 2016. *Country Partnership Strategy: Indonesia, 2016–2019—Towards a Higher, More Inclusive, and Sustainable Growth Path*. Manila; and Government of Indonesia. 2015. *National Medium-Term Development Plan (RJPMMN), 2015–2019*. Jakarta.

<sup>2</sup> ADB. 2018. *ADB Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

thematic focus. ADB will also support relevant knowledge products, solutions, and events (Appendix 4, Tables A4.1 and A4.2).

### III. SUMMARY OF CHANGES TO LENDING AND NONLENDING PROGRAMS

6. Changes in the lending and nonlending pipeline reflect increased demand for ADB's financial assistance and knowledge support in Indonesia, including expansion of activities in existing subsectors and diversification into new subsectors such as road and railway development, slums improvement, and renewable energy.

7. **Energy.** ADB has increased financing for the 2019 Sustainable Energy Access in Eastern Indonesia—Grid Development Program (Kalimantan) to \$600 million. The Geothermal Power Generation Project scheduled for 2020 and the Renewable Energy Development Project scheduled for 2021 (standby) will support Indonesia in achieving its renewable energy targets. ADB included three new projects in 2021 in support of the transition to cleaner sources of energy: the Sustainable Energy Access in Eastern Indonesia—Electricity Grid Development Program; the Sustainable and Efficient Energy Sector Development Program; and the Sustainable Energy Access in Eastern Indonesia—Liquefied Natural Gas Distributed Infrastructure Project.

8. **Water supply and other urban infrastructure and services.** ADB included three new projects in the program, marking its increased focus on urban infrastructure and services: phase 1 of the Slums Infrastructure Investment Program in 2019 and phase 2 in 2021; and the Water Supply Improvement Investment Project in 2020, which aligns with the government's source-to-tap approach. ADB rescheduled the Sewerage Sector Development Project to 2020 and reduced financing for the project.

9. **Transport.** ADB included two new projects in the program, reflecting its efforts to increase engagement in the transport sector: The National Roads Development Project (Kalimantan and Sulawesi) in 2020 and the Railway Development Project in 2021 (standby).

10. **Agriculture, natural resources, and rural development.** ADB rescheduled the Integrated Participatory Development and Irrigation Management Project, which will help develop new irrigation areas with improved climate resilience and agriculture productivity, to 2021.

11. **Public sector management.** Three new projects have been included. On the back of the successful phase 1 project on helping build state audit capacity, the State Accountability Revitalization Project (Phase 2) has been included in 2020. Boosting Competitiveness, Subprogram 1 in 2021 will support the shift to the next generation of economic reform series. The Support for Expanded Program Keluarga Harapan (Conditional Cash Transfer) Project in 2021 (standby) marks ADB's lending engagement in social protection.

12. **Finance.** Leveraging on a series of policy reform engagements in the finance sector, ADB included the Financial Inclusion Sector Development Program in the 2021 pipeline.

13. **Education.** Higher Education for Technology and Innovation project was included in 2020 and phase 2 of the project in 2021 (standby), as well as the Skills for Employability Project in 2021 (standby). The Strengthening Vocational High Schools to Improve Employability Project was dropped from the 2019 pipeline.

## COUNTRY ASSISTANCE RESULTS AREAS

Key Country Development Outcomes that ADB Contributes to	ADB		
	Key Areas of Assistance	Indicative Resources Available for Commitment in 2019–2021	Changes from Last COBP
<b>1. Agriculture, Natural Resources, and Rural Development</b>			
Food security and rural incomes increased	Water-based natural resources management Irrigated agriculture Raw water supply	Amount: \$780 million (regular OCR) and \$100 million (cofinancing) Share of COBP envelope: 11%	Integrated Participatory Development and Irrigation Management Project moved to 2021
<b>2. Education</b>			
Education system meeting the needs of a middle-income country and supporting the development of a productive, competitive, and innovative economy achieved	Tertiary education	Amount: \$200 million (regular OCR) Share of COBP envelope: 3%	Strengthening Vocational High Schools to Improve Employability Project dropped from 2019 firm  Title of Follow-Up Support for Higher Education, proposed in 2020, changed to Higher Education for technology and Innovation and its financing reduced from \$500 million to \$200 million
<b>3. Energy</b>			
Sustainable energy access achieved for all Indonesians	Energy utility services Electricity transmission and distribution Energy sector development and institutional reform Conventional and nonconventional energy generation	Amount: \$3.0 billion (regular OCR) and \$620 million (cofinancing) Share of COBP envelope: 46%	Response to the demand total value and number of projects increased
<b>4. Finance</b>			
Foreign and domestic direct investment accelerated  Labor market opportunities for Indonesians improved	Money and capital markets  Access to finance	Amount: \$900 million (regular OCR) Share of COBP envelope: 11%	Value of support increased
<b>5. Public Sector Management</b>			

Key Country Development Outcomes that ADB Contributes to	ADB		
	Key Areas of Assistance	Indicative Resources Available for Commitment in 2019–2021	Changes from Last COBP
<p>Infrastructure sector spending maintained</p> <p>Labor market opportunities for Indonesians improved</p> <p>Management and fiscal capacity of local governments enhanced</p> <p>Inclusiveness of the finance sector developed and increased</p>	<p>Economic affairs management</p> <p>Social protection initiatives</p>	<p>Amount: \$1.1 billion (regular OCR) and \$500 million (cofinancing)</p> <p>Share of COBP envelope: 17%</p>	<p>Three new projects included</p>
<b>6. Water Supply and Other Urban Infrastructure and Services</b>			
<p>Urban resilience promoted, with improved urban infrastructure and urban services, as well as a reduction in urban slums</p>	<p>Urban sanitation</p> <p>Wastewater treatment and collection networks</p> <p>Slums improvement</p>	<p>Amount: \$630 million (regular OCR).</p> <p>Share of COBP envelope: 8%</p>	<p>Three new projects included, resulting in increased total value of support</p>
<b>7. Transport</b>			
<p>Road connectivity improved and efficiency in land transportation increased</p>	<p>Road upgrading and new road construction</p> <p>Road safety audit and campaign</p> <p>Capacity development</p>	<p>Amount: \$340 million (regular OCR).</p> <p>Share of COBP envelope: 4%</p>	<p>Two new projects (road and railway development) included in the pipeline</p>

ADB = Asian Development Bank, COBP = country operations business plan, OCR = ordinary capital resources.

Source: Asian Development Bank estimates.



## INDICATIVE ASSISTANCE PIPELINE

Table A2.1: Lending Products, 2019–2021

Project/Program Name <sup>a</sup>	Sector	Poverty Targeting	Strategic Agendas and Drivers of Change	Division	Year of TRTA/PDA	Cost (\$ million)						
						ADB					Gov't	Co-finance
						Total	Regular OCR	COL	ADF Grants	Total		
<b>2019 Firm</b>												
Enhanced Water Security Investment Project <sup>b</sup>	ANR	GI	IEG, ESG, GCD, KNS, PAR, PSD	SEER	2018	600.0	550.0	0.0	0.0	550.0	0.0	50.0 <sup>c</sup>
Second Sustainable Energy Access in Eastern Indonesia—Electricity Grid Development Program (Kalimantan) (RBL) <sup>d</sup>	ENE	GI	ESG, IEG, KNS, PAR	SEEN	2018	600.0	600.0	0.0	0.0	600.0	0.0	0.0
Financial Market Development, subprogram 3 (PBL)	FIN	GI	IEG, PSD, GCD,	SEPF	2017	500.0	500.0	0.0	0.0	500.0	0.0	0.0
Slums Infrastructure Investment Program (Phase 1)	WUS	GI	ESG, GCD, GEM, PAR	SEUW	2018	100.0	100.0	0.0	0.0	100.0	0.0	0.0
<b>Total</b>						<b>1,800.0</b>	<b>1,750.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,750.0</b>	<b>0.0</b>	<b>50.0</b>
<b>2019 Standby</b>												
Fiscal and Public Expenditure Management Program, subprogram 3 (PBL)	PSM	GI	ESG, GCD, GEM, IEG, PAR	SEPF	2018	750.0	500.0	0.0	0.0	500.0	0.0	250.0 <sup>e</sup>
<b>Total</b>						<b>750.0</b>	<b>500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>500.0</b>	<b>0.0</b>	<b>250.0</b>
<b>2020 Firm</b>												
Higher Education for Technology and Innovation Project	EDU	GI	IEG, GCD, PSD	SEHS	2019	200.0	200.0	0.0	0.0	200.0	0.0	0.0
Geothermal Power Generation Project	ENE	GI	ESG, IEG, GCD, KNS, PSD	SEEN	2018	300.0	300.0	0.0	0.0	300.0	0.0	0.0
Sustainable and Inclusive Energy Program, subprogram 3 (PBL)	ENE	GI	ESG, GCD, IEG, PAR, PSD, KNS	SEEN	2018	710.0	400.0	0.0	0.0	400.0	0.0	310.0 <sup>ef</sup>

Project/Program Name <sup>a</sup>	Sector	Poverty Targeting	Strategic Agendas and Drivers of Change	Division	Year of TRTA/PDA	Cost (\$ million)							
						ADB						Gov't	Co-finance
						Total	Regular OCR	COL	ADF Grants	Total			
Sustainable Energy Access in Eastern Indonesia—Power Transmission Sector Project <sup>d</sup>	ENE	GI	ESG, IEG, KNS, PAR	SEEN	2018	500.0	500.0	0.0	0.0	500.0	0.0	0.0	
Fiscal and Public Expenditure Management Program, subprogram 3 (PBL)	PSM	GI	ESG, GCD, GEM, IEG, PAR	SEPF	2018	750.0	500.0	0.0	0.0	500.0	0.0	250.0 <sup>e</sup>	
State Accountability Revitalization Project (Phase 2)	PSM	GI	IEG, GCD, PAR, KNS	IRM		100.0	100.0	0.0	0.0	100.0	0.0	0.0	
National Roads Development Project (Kalimantan and Sulawesi)	TRA	GI	IEG, PSD, PAR, GCD	SETC	2018	300.0	300.0	0.0	0.0	300.0	0.0	0.0	
Sewerage Sector Development Project <sup>g</sup>	WUS	GI	ESG, GCD, GEM, PAR	SEUW	2016	100.0	100.0	0.0	0.0	100.0	0.0	0.0	
Water Supply Improvement Investment Project	WUS	GI	ESG, GCD, GEM, PAR	SEUW	2018	200.0	200.0	0.0	0.0	200.0	0.0	0.0	
<b>Total</b>						<b>3,160.0</b>	<b>2,600.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2,600.0</b>	<b>0.0</b>	<b>560.0</b>	
<b>2020 Standby</b>													
Accelerating Infrastructure Delivery through Better Engineering Services Project	ANR, TRA, WUS	GI	ESG, GEM	IRM	2016	100.0	100.0	0.0	0.0	100.0	0.0	0.0	
Third Sustainable Energy Access in Eastern Indonesia—Electricity Grid Development Program (RBL) <sup>d</sup>	ENE	GI	ESG, IEG, GCD, KNS, PSD, PAR	SEEN	2018	300.0	300.0	0.0	0.0	300.0	0.0	0.0	
Sustainable and Efficient Energy Sector Development Program (SDP)	ENE	GI	ESG, IEG, GCD, KNS, PSD, PAR	SEEN	2018	710.0	400.0	0.0	0.0	400.0	0.0	310.0 <sup>e</sup>	
Financial Inclusion Sector Development Program (SDP)	FIN	GI	ESG, IEG, GCD, GEM,	SEPF	2017	400.0	400.0	0.0	0.0	400.0	0.0	0.0	
<b>Total</b>						<b>1,510.0</b>	<b>1,200.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,200.0</b>	<b>0.0</b>	<b>310.0</b>	

Project/Program Name <sup>a</sup>	Sector	Poverty Targeting	Strategic Agendas and Drivers of Change	Division	Year of TRTA/PDA	Cost (\$ million)							
						ADB						Gov't	Co-finance
						Total	Regular OCR	COL	ADF Grants	Total			
<b>2021 Firm</b>													
Integrated Participatory Development and Irrigation Management Project (MFF)	ANR	GI	ESG, IEG, GCD, GEM, KNS, PAR	SEER	2018	250.0	200.0	0.0	0.0	200.0	0.0	50.0 <sup>c</sup>	
Third Sustainable Energy Access in Eastern Indonesia—Electricity Grid Development Program (RBL) <sup>d</sup>	ENE	GI	ESG, IEG, GCD, PAR, PSD, KNS	SEEN	2018	300.0	300.0	0.0	0.0	300.0	0.0	0.0	
Sustainable and Efficient Energy Sector Development Program (SDP)	ENE	GI	ESG, IEG, GCD, KNS, PSD, PAR	SEEN	2018	710.0	400.0	0.0	0.0	400.0	0.0	310.0 <sup>ef</sup>	
Sustainable Energy Access in Eastern Indonesia-Liquefied Natural Gas Distributed Infrastructure Project <sup>d</sup>	ENE	GI	ESG, IEG, GCD, PAR, PSD, KNS	SEEN	2018	500.0	500.0	0.0	0.0	500.0	0.0	0.0	
Financial Inclusion Sector Development Program (SDP)	FIN	GI	ESG, IEG, GCD, GEM	SEPF	2017	400.0	400.0	0.0	0.0	400.0	0.0	0.0	
Accelerating Infrastructure Delivery through Better Engineering Services Project	ANR, TRA, WUS	GI	ESG, GEM	IRM	2018	100.0	100.0	0.0	0.0	100.0	0.0	0.0	
Boosting Competitiveness Program, subprogram 1 (PBL)	PSM	GI	ESG, IEG, GCD, PAR	SEPF	2020	750.0	500.0	0.0	0.0	500.0	0.0	250.0 <sup>e</sup>	
Slums Improvement in Strategic Human Settlement Areas Project (Phase 2)	WUS	GI	ESG, GCD, GEM, PAR	SEUW	2018	200.0	200.0	0.0	0.0	200.0	0.0	0.0	
<b>Total</b>						<b>3,210.0</b>	<b>2,600.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2,600.0</b>	<b>0.0</b>	<b>610.0</b>	
<b>2021 Standby</b>													
Higher Education for Technology and Innovation Project (Phase 2)	EDU	GI	IEG, GCD, PSD	SEHS	2019	200.0	200.0	0.0	0.0	200.0	0.0	0.0	

Project/Program Name <sup>a</sup>	Sector	Poverty Targeting	Strategic Agendas and Drivers of Change	Division	Year of TRTA/PDA	Cost (\$ million)						
						ADB					Gov't	Co-finance
						Total	Regular OCR	COL	ADF Grants	Total		
Skills for Employability	EDU	GI	IEG, GCD, PSD	SEHS	2019	200.0	200.0	0.0	0.0	200.0	0.0	0.0
Renewable Energy Development Project	ENE	GI	ESG, GCD, KNS, PSD, PAR	SEEN	2018	500.0	500.0	0.0	0.0	500.0	0.0	0.0
Support for the Expanded Program Keluarga Harapan (Conditional Cash Transfer) Project	PSM	TI-H	IEG, GCD, GEM, PSM	SEHS	2018	200.0	200.0	0.0	0.0	200.0	0.0	0.0
Railway Development Project	TRA	GI	IEG, PSD, PAR, GCD	SETC	2018	100.0	100.0	0.0	0.0	100.0	0.0	0.0
<b>Total</b>						<b>1,200.0</b>	<b>1,200.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,200.0</b>	<b>0.0</b>	<b>0.0</b>

ADB = Asian Development Bank; ADF = Asian Development Fund; ANR = agriculture, natural resources, and rural development; COL = concessional OCR lending; EDU = education; ENE = energy; ESG = environmentally sustainable growth; FIN = finance; GCD = governance and capacity development; GEM = gender equity and mainstreaming; GI = general intervention; gov't = government; IEG = inclusive economic growth; IRM = Indonesia Resident Mission; KNS = knowledge solutions; MFF = multitranches financing facility; OCR = ordinary capital resources; PAR = partnerships; PBL = policy-based lending; PDA = project design advance; PSD = private sector development; PSM = public sector management; RBL = results-based lending; SDP = sector development program; SEEN = Southeast Asia Energy Division; SEER = Southeast Asia Environment, Natural Resources, and Agriculture Division; SEHS = Southeast Asia Human and Social Development Division; SEPF = Southeast Asia Public Management, Finance Sector, and Trade Division; SETC = Southeast Asia Transport and Communication Division; SEUW = Southeast Asia Urban Development and Water Division; TI-H = targeted intervention-income poverty at household level; TRA = transport; TRTA = transaction technical assistance; WUS = water supply and other urban infrastructure and services.

<sup>a</sup> Given the provisional nature of the indicative lending program, the composition of the lending instruments in the actual loan delivery may change.

<sup>b</sup> This project is referenced in government documentation as the Enhanced Water Security Investment Project and the Flood Management in Selected River Basins Project (additional financing).

<sup>c</sup> Indicative cofinancing from the International Fund for Agricultural Development.

<sup>d</sup> Financed by direct lending to Perusahaan Listrik Negara (the state electricity authority) with a guarantee from the Government of Indonesia.

<sup>e</sup> Indicative cofinancing by German development cooperation through KfW.

<sup>f</sup> Indicative cofinancing by the Agence Française de Développement.

<sup>g</sup> This project is referenced in government documentation as the Sewerage System Development Project in Indonesia.

Source: Asian Development Bank estimates.

Table A2.2: Nonlending Products and Services, 2019–2021

Assistance Name <sup>a</sup>	Sector	Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2019</b>								
Pilot Carbon Capture and Storage Activity in the Gas Processing Sector in Indonesia	ENE	SEEN	Grant			CCFF, JICA	19,200.0	19,200.0
Human and Social Development in Southeast Asia	HLT, EDU	SEHS	TRTA	TASF	2,000.0	TBD	500.0	2,500.0
Preparing Transport Sector Projects in Southeast Asia (Phase 2)	TRA	SETC	TRTA	TASF	5,000.0	TBD	1,000.0	6,000.0
Public Sector Management in Southeast Asia	PSM	SEPF	KSTA	TASF	3,000.0	TBD	500.0	3,500.0
Strengthening Financial Management Systems in Southeast Asia	FIN	SEOD	KSTA	TASF	1,500.0		0.0	1,500.0
Strengthening Procurement Systems in Southeast Asian DMCs	PSM	SEOD	KSTA	TASF	1,500.0		0.0	1,500.0
Preparing Agriculture, Natural Resources, and Rural Development Projects in Southeast Asia (additional financing)	ANR	SEER	TRTA	TASF	2,000.0	TBD	2,000.0	4,000.0
Knowledge Development Support for Southeast Asia (additional financing)	MUL	SERC	KSTA	TASF	1,500.0		0.0	1,500.0
Enhancing Gender Equality Results in Southeast Asian DMCs (additional financing)	MUL	SEHS	KSTA	TASF	1,500.0		0.0	1,500.0
Update of the National Railway Masterplan	TRA	SETC	KSTA	TASF	2,000.0		0.0	2,000.0
<b>Total</b>					<b>20,000.0</b>		<b>23,200.0</b>	<b>43,200.0</b>
<b>2020</b>								
Southeast Asia Urban Services Facility (Phase 2)	WUS	SEUW	TRTA	TASF	5,000.0	TBD	5,000.0	10,000.0
Southeast Asia Energy Sector Development—Investment Planning and Capacity Building (Phase 2)	ENE	SEEN	TRTA	TASF	3,000.0	TBD	2,000.0	5,000.0
Finance Sector in Southeast Asia	FIN	SEPF	KSTA	TASF	4,000.0	TBD	500.0	4,500.0
Strengthening Safeguards Management in Southeast Asia (additional financing)	PSM	SEOD	KSTA	TASF	1,500.0		0.0	1,500.0
<b>Total</b>					<b>13,500.0</b>		<b>7,500.0</b>	<b>21,000.0</b>

Assistance Name <sup>a</sup>	Sector	Division	Assistance Type	Sources of Funding				Total (\$'000)
				ADB		Others		
				Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>2021</b>								
Preparing Agriculture, Natural Resources, and Rural Development Projects in Southeast Asia (Phase 2)	ANR	SEER	TRTA	TASF	3,000.0	TBD	2,000.0	5,000.0
Preparing Transport Sector Projects in Southeast Asia (Phase 3)	TRA	SETC	TRTA	TASF	4,000.0	TBD	2,000.0	6,000.0
Knowledge Development Support for Southeast Asia (Phase 2)	MUL	SERC	KSTA	TASF	1,500.0		0.0	1,500.0
Public Sector Management in Southeast Asia (Phase 2)	PSM	SEPF	KSTA	TASF	3,000.0	TBD	500.0	3,500.0
Human and Social Development in Southeast Asia (additional financing)	HLT, EDU	SEHS	TRTA	TASF	2,000.0	TBD	2,000.0	4,000.0
Enhancing Effectiveness of Subregional Programs to Advance Regional Cooperation and Integration in Southeast Asia (additional financing)	MUL	SERC	KSTA	TASF	1,000.0	TBD	1,000.0	2,000.0
Strengthening Procurement Systems in Southeast Asian DMCs (additional financing)	MUL	SEOD	KSTA	TASF	1,500.0		0.0	1,500.0
<b>Total</b>					<b>16,000.0</b>		<b>7,500.0</b>	<b>23,500.0</b>

ADB = Asian Development Bank; ANR = agriculture, natural resources, and rural development; CCFE = Carbon Capture and Storage Fund; DMC = developing member country; EDU = education; ENE = energy; FIN = finance; HLT = health; JICA = Japan International Cooperation Agency; KSTA = knowledge and support technical assistance; MUL = multisector; PSM = public sector management; SEEN = Southeast Asia Energy Division; SEER = Southeast Asia Environment, Natural Resources, and Agriculture Division; SEHS = Southeast Asia Human and Social Development Division; SEOD = Southeast Asia Office of the Director General; SEPF = Southeast Asia Public Management, Finance Sector, and Trade Division; SERC = Southeast Asia Regional Cooperation and Operations Coordination Division; SETC = Southeast Asia Transport and Communications Division; SEUW = Southeast Asia Urban Development and Water Division; TASF = Technical Assistance Special Fund; TBD = to be determined; TRA = transport; TRTA = transaction technical assistance; WUS = water and other urban infrastructure and services.

<sup>a</sup> Given the provisional nature of the indicative lending program, the composition of the lending instruments in the actual loan delivery may change. Source: Asian Development Bank estimates.

## ASSISTANCE PROGRAM FOR CURRENT YEAR

### Table A3.1: Lending Products, 2018

Project/Program Name <sup>a</sup>	Sector	Poverty Targeting	Strategic Agendas and Drivers of Change	Division	Year of TRTA/PDA	Cost (\$ million)						
						Total	ADB			Gov't	Co-finance	
							Regular OCR	COL	ADF Grants			Total
<b>Firm</b>												
Advanced Knowledge and Skills for Inclusive Growth in Indonesia <sup>b</sup>	EDU	GI	GCD, IEG, PSD	SEHS	2017	200.0	200.0	0.0	0.0	200.0	0.0	0.0
Fiscal and Public Expenditure Management Program, subprogram 2 (PBL)	PSM	GI	ESG, GCD, IEG	SEPF	2015	738.0	500.0	0.0	0.0	500.0	0.0	238.0 <sup>c</sup>
Leveraging Private Infrastructure Investment Project <sup>d</sup>	FIN	GI	ESG, IEG, PSD	IRM		100.0	100.0	0.0	0.0	100.0	0.0	0.0
Stepping Up Investments for Growth Acceleration, subprogram 3 (PBL)	PSM	GI	GCD, IEG, PAR, PSD	SEPF	2014	738.0	500.0	0.0	0.0	500.0	0.0	238.0 <sup>c</sup>
Sustainable Energy Access in Eastern Indonesia—Power Generation Sector Project <sup>f</sup>	ENE	GI	ESG, IEG, KNS, PAR	SEEN	2016	635.0	600.0	0.0	0.0	600.0	0.0	35.0 <sup>e</sup>
<b>Total</b>						<b>2,411.0</b>	<b>1,900.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,900.0</b>	<b>0.0</b>	<b>511.0</b>

ADB = Asian Development Bank; ADF = Asian Development Fund; COL = concessional OCR lending; EDU = education; ENE = energy; ESG = environmentally sustainable growth; FIN = finance; GCD = governance and capacity development; GI = general intervention; gov't = government; IEG = inclusive economic growth; IRM = Indonesia Resident Mission; KNS = knowledge solutions; OCR = ordinary capital resources; PAR = partnerships; PBL = policy-based lending; PDA = project design advance; PSD = private sector development; PSM = public sector management; SEEN = Southeast Asia Energy Division; SEHS = Southeast Asia Human and Social Development Division; SEPF = Southeast Asia Public Management, Finance Sector, and Trade Division; TRTA = transaction technical assistance.

<sup>a</sup> Given the provisional nature of the indicative lending program, the composition of the lending instruments in the actual loan delivery may change.

<sup>b</sup> This project is referenced in government documentation as the Strengthening Capacity of State Higher Education Project. Universities supported under the project include (i) University of Malikussaleh, (ii) Universitas Pendidikan Indonesia, (iii) University of Jambi, and (iv) University of Riau.

<sup>c</sup> Indicative cofinancing by German development cooperation through KfW.

<sup>d</sup> This project is referenced in government documentation as Increasing PT Indonesia Infrastructure Finance Financing Capacity in Accelerating Infrastructure Development in Indonesia.

<sup>e</sup> Indicative cofinancing by the ASEAN Infrastructure Fund.

<sup>f</sup> Financed by direct lending to Perusahaan Listrik Negara (the state electricity authority) with a guarantee from the Government of Indonesia.

Source: Asian Development Bank estimates.

**Table A3.2: Nonlending Products and Services, 2018**

Assistance Name	Sector	Division	Assistance Type	Sources of Funding				
				ADB		Others		Total (\$'000)
				Source	Amount (\$'000)	Source	Amount (\$'000)	
<b>Firm</b>								
Advanced Knowledge and Skills for Sustainable Development Project	EDU	SEHS	TRTA		0.0	Trust Fund	1,500.0	1,500.0
Building Inclusive Social Assistance	PSM	SEHS	KSTA		0.0	Trust Fund	2,000.0	2,000.0
Indonesia Energy Sector Assessment and Priorities, 2020–2024 <sup>a</sup>	ENE	SEEN	KSTA		0.0	DFAT	1,000.0	1,000.0
Preparation of the Enhanced Water Security Investment Project <sup>a</sup>	ANR	SEER	TRTA		0.0	DFAT	1,000.0	1,000.0
Preparing Agriculture, Natural Resources, and Rural Development Projects in Southeast Asia	ANR	SEER	TRTA	TASF	3,000.0	TBD	2,000.0	5,000.0
Accelerating Infrastructure Delivery Through Better Engineering Services Project <sup>a</sup>	PSM	IRM	KSTA		0.0	DFAT	750.0	750.0
Sustainable and Universal Electricity Access in Indonesia <sup>a</sup>	ENE	SEEN	KSTA		0.0	DFAT	1,500.0	1,500.0
Strengthening State Procurement for Faster Infrastructure Delivery <sup>a</sup>	PSM	IRM	KSTA		0.0	DFAT	750.0	750.0
Municipal Bond Issuance and Infrastructure Finance <sup>a</sup>	FIN	IRM	KSTA		0.0	DFAT	500.0	500.0
Sustainable Infrastructure Assistance Program (Phase 2) <sup>b</sup>	MUL	IRM	C-TRTA		0.0	DFAT	30,000.0	30,000.0
Revitalising Informal Settlements and their Environments	WUS	SDSC	KSTA		0.0	UFPF and UCCRT	400.0	400.0
<b>Total</b>					<b>3,000.0</b>		<b>41,400.0</b>	<b>44,400.0</b>

ADB = Asian Development Bank; ANR = agriculture, natural resources, and rural development; C-TRTA = transaction technical assistance cluster; DFAT = Australia's Department of Foreign Affairs and Trade; EDU = education; ENE = energy; FIN = finance; IRM = Indonesia Resident Mission; KSTA = knowledge and support technical assistance; MUL = multisector; PSM = public sector management; SDSC = Sustainable Development and Climate Change Office of the Cluster Head; SEEN = Southeast Asia Energy Division; SEER = Southeast Asia Environment, Natural Resources, and Agriculture Division; SEHS = Southeast Asia Human and Social Development Division; TASF = Technical Assistance Special Fund; TRTA = transaction technical assistance; UCCRT = Urban Climate Change Resilience Trust Fund; UFPF = Urban Financing Partnership Facility; WUS = water supply and other urban infrastructure and services.

<sup>a</sup> To be financed under the Sustainable Infrastructure Assistance Program.

<sup>b</sup> The indicative list of Sustainable Infrastructure Assistance Program (Phase 2) subprojects include due diligence for road projects in Kalimantan and Sulawesi and capacity development; preparation of railway projects in Sulawesi, support for sustainable and efficient energy policies and investments, support for sustainable and universal electricity access, preparation of the Integrated Participatory Development and Irrigation Management Project; and infrastructure planning, financing, and program management.

Source: Asian Development Bank estimates.



## INDICATIVE KNOWLEDGE PUBLICATIONS AND EVENTS

Table A4.1: Knowledge Publications and Events for 2019

Title of Publication or Event	Subject	Type	Department or Sector Group or Thematic Group	Technical Assistance
Supporting Technological Transformation	Economics	Publication	SERD, IRM	9450
SOE Incentives for Renewables and Energy Efficiency	Energy	Publication	SERD, IRM	8858
Electrification: Mini and Micro Grid Development	Energy	Publication	SERD, IRM	8858
Energy Efficiency Energy Sector Assessment	Energy	Publication	SERD, IRM	9511
Water Security in Indonesia	Water	Publication	SERD, IRM	8858
Using Human-Centered Design in Labor Market Analysis (Lessons Learned from Analytical and Capacity Development Partnership)	Education	Publication	SERD, IRM	9406
Lessons Learned from Minimum Service Standards	Education	Publication	SERD, IRM	9415
Sector Assessment for Skills Development and Higher Education	Education	Publication	SERD, IRM	9406
Sector Assessment for Higher Education	Education	Publication	SERD, IRM	9406
Innovative Financing in Indonesia	Finance	Publication	SERD, IRM	8858
Asian Development Outlook 2019: Indonesia Chapter	Economics	Publication	ERCD, SERD, IRM	
Asian Development Outlook Update 2019: Indonesia Chapter	Economics	Publication	ERCD, SERD, IRM	
Asian Development Outlook 2019: Press Briefing	Economics	Event	ERCD, SERD, IRM	
Asian Development Outlook Update 2019: Press Briefing	Economics	Event	ERCD, SERD, IRM	
Country Report on Strengthening Resilience of Urban Poor	Urban	Publication	SDCC, IRM	9513
<b>Total number of publications = 13</b>				
<b>Total number of events = 2</b>				

ERCD = Economic Research and Regional Cooperation Department, IRM = Indonesia Resident Mission, SDCC = Sustainable Development and Climate Change Department, SERD = Southeast Asia Department, SOE = state-owned enterprise.

Note: "Publications" may include databases, multimedia, and other forms of documentation. "Events" may include event organization and training or capacity development.

Source: Asian Development Bank.

**Table A4.2: Additional Knowledge Publications and Events Delivered in 2018**

<b>Title of Publication or Event</b>	<b>Subject</b>	<b>Type</b>	<b>Department or Sector Group or Thematic Group</b>	<b>Technical Assistance</b>
Food Security in Indonesia	Agriculture and natural resources	Publication	SDCC, SERD, IRM	9218
Food Security in Indonesia	Agriculture and natural resources	Event	SDCC, SERD, IRM	9218
Policies to Support the Development of Indonesia's Manufacturing Sector	Economics	Publication	ERCD, SERD, IRM	8977
Strengthening Capacity for Developing Member Countries in Elderly Care (country chapter)	Social development and protection	Publication	SDCC, SERD, IRM	9111
Border Area Development: North Kalimantan's Malaysian Gateway through Sabah State	Regional cooperation and integration	Publication	SERD, IRM	9361
Border Area Development: West Kalimantan's Malaysian Gateway through Sarawak State	Regional cooperation and integration	Publication	SERD, IRM	9361
Border Area Development: East Nusa Tenggara' East Timor Gateway	Regional cooperation and integration	Publication	ERCD, SERD, IRM	9350
Launch of Border Area Development Studies (seminar)	Regional cooperation and integration	Event	ERCD, SERD, IRM	9361
State-Owned Enterprises (country chapter)	Governance and public sector management	Publication	ERCD, SERD, IRM	8931
Indonesia and ADB's Economic History	Economics	Publication	SERD, IRM	8977
Launch of Indonesia and ADB's Economic History (seminar)	Economics	Event	SERD, IRM	8977
Indonesia: Enhancing Productivity through Quality Jobs	Economics	Publication	ERCD, SERD, IRM	7951
Launch of Indonesia: Enhancing Productivity through Quality Jobs (seminar)	Economics	Event	ERCD, SERD, IRM	7951
Public Financial Management Systems—Indonesia: Key Elements from a Financial Management Perspective	Governance and public sector management	Publication	PPFD, SERD, IRM	
Annual International Forum on Economic Development and Public Policy	Economics	Event	SERD, IRM	8977
Parallel Session of the IMF-World Bank Meeting 2018—Inclusive Economic Growth: Poverty and Inequality	Economics	Event	ERCD, IRM	
Parallel Session of the IMF-World Bank Meeting 2018—Sustainable Development Goals Knowledge Platform	Economics	Event	SDCC, IRM	9388
Land Value Capture in Indonesia	Urban development	Publication	ERCD, IRM	8522
Asian Development Outlook 2018: Indonesia Chapter	Economics	Publication	ERCD, SERD, IRM	
Asian Development Outlook Update 2018: Indonesia Chapter	Economics	Publication	ERCD, SERD, IRM	
Asian Development Outlook 2018: Press Briefing	Economics	Event	ERCD, SERD, IRM	
Asian Development Outlook Update 2018: Press Briefing	Economics	Event	ERCD, SERD, IRM	
Indonesia's Country Safeguards Review	Social development and protection	Publication	SERD, IRM	8548
Indonesia's Country Safeguards Review (seminar)	Social development and protection	Event	SERD, IRM	8548
<b>Total number of publications = 14</b>				
<b>Total number of events = 10</b>				

ADB = Asian Development Bank; ERCD = Economic Research and Regional Cooperation Department; IMF = International Monetary Fund; IRM = Indonesia Resident Mission; PPF = Procurement, Portfolio, and Financial Management Department; SDCC = Sustainable Development and Climate Change Department; SERD = Southeast Asia Department.

Note: "Publications" may include databases, multimedia, and other forms of documentation. "Events" may include event organization and training or capacity development. The table includes additional knowledge publications and events delivered outside the list of indicative knowledge publications and events included in the country operations business plan, 2018–2020 (ADB, 2017. *Country Operations Business Plan: Indonesia, 2018–2020*. Manila).

Source: Asian Development Bank.

**Table A4.3: Innovation, Advanced Technology, and Pilot Initiatives to be Implemented in 2019**

<b>Item</b>	<b>Nature</b>	<b>Project Number</b>	<b>Sector or Theme</b>	<b>Division</b>
Carbon capture and storage	TCH, PLT	49081-001	ENE	SEEN
Gas-solar hybrid units with energy management system	TCH		ENE	SEEN
Smart grids and meters	TCH, PLT	INO 3560	ENE	SEEN
<b>Total number of innovation, advanced technology, and pilot initiatives = 3</b>				

ENE = energy, INO = innovation, PLT = pilot initiative, SEEN = Southeast Asia Energy Division, TCH = advanced technology.

Source: Asian Development Bank.