

SBF Project Completion Note

Indonesia: Emergency Response to COVID-19 Program Including Additional Financing for Emergency Response to COVID-19 Program

1. Project Information

Project ID:	P000379 and P000484		
Responsible department:	PSC1		
Borrower:	Republic of Indonesia		
Implementing Agency:	Ministry of Health, Indonesia		
Financing type:	Sovereign-Backed Financing		
Instrument type:	Loan		
Member:	Indonesia		
Sector:	CRF-Public Health		
E&S category:	B		
Overall rating:	Successful		
Effectiveness Assessment:	Effective		
Relevance Assessment:	Relevant		
Efficiency Assessment:	Efficient		
Sustainability Assessment:	Likely sustainable		

2. Project Development Objectives

To prevent, detect and respond to the threat posed by COVID-19 and to strengthen national systems for public health preparedness in Indonesia.

3. Key Dates

Approval:	06/22/20	Signing:	07/03/20
Effective:	08/11/20	Restructured (if any):	06/24/21
Orig. Closing:	10/31/21	More Restructured dates (if any)	
Rev. Closing:	12/31/22		

4. Financial Summary (US Dollar million)

Currency:	US Dollar		
Committed:	250.00	Cancelled:	
Disbursed:	250.00	Undisbursed:	0.00

5. Overall rating

Overall rating:	Successful
Executive summary of the completion note:	
<p>The Indonesia Emergency Response to COVID 19 Program (the Program), approved in June 2020, comprised initial financings of US\$250 million each from the World Bank and AIIB (the Original Financing) to support the original scope, followed by Additional Financing of US\$500</p>	

million each from the World Bank and AIIB in June 2022 to support an expanded scope. The Program was structured as a Program for Results (PforR), with disbursements linked to Disbursement Linked Indicators (DLIs) measuring priority results across three areas: improving hospital and health system readiness, strengthening laboratory and surveillance capacity, and enhancing communication and coordination for emergency response. Disbursements were released upon independent verification of Disbursement Linked Results (DLRs), including expansion of intensive care and isolation beds, scaling up PCR testing laboratories with external quality assurance, and implementation of national risk communication protocols. This Project Completion Note (PCN) covers both the Original Financing and the Additional Financing. Unless otherwise specified, references to financing amounts and disbursements in this note reflect the combined contributions under both financings.

The Additional Financing approved in June 2022 scaled up the Program to support Indonesia's national vaccination rollout, introducing DLIs and DLRs on vaccine readiness and deployment. The Program also benefited from parallel contributions of EUR 200 million from Kreditanstalt für Wiederaufbau (KfW) and US\$9.9 million from Australia's DFAT. By tying financing directly to verified results, the Program ensured accountability while strengthening Indonesia's overall public health preparedness and response systems.

Both the Original Financing and the Additional Financing are rated Successful, based on achievement of the Program Development Objective (PDO), all key intermediate results, and all DLIs. This rating is justified by: (a) effectiveness, demonstrated by measurable results reflected in the Results Monitoring Framework; (b) efficiency, evidenced by timely disbursements following achievement of DLI targets and implementation of activities with minimal delays; and (c) sustainability, with Program benefits expected to endure over time. The Program was also highly relevant to Indonesia's policy priorities, institutional framework, and global commitments to pandemic preparedness and health security.

The Program benefited from strong co-financing and close operational collaboration between the World Bank and AIIB, with the World Bank providing the established PforR framework, technical leadership, and results verification systems, while AIIB provided substantial parallel financing and supported timely disbursement, loan restructuring, and implementation coordination. The use of the PforR instrument proved effective in an emergency context, as it enabled rapid mobilization of resources while anchoring disbursement to clearly defined DLIs linked to critical system level results, including service delivery continuity and institutional strengthening. The design and selection of DLIs focused on achievable, time bound actions that could generate measurable outcomes within a compressed crisis response period. This operation represented the first health sector collaboration between the World Bank and AIIB in Indonesia and formed part of AIIB's broader COVID 19 Crisis Recovery Facility. The effective

collaboration between the World Bank and AIIB combined complementary institutional strengths and facilitated efficient implementation during the crisis period. The experience gained through this joint engagement informed the preparation of subsequent large scale health sector operations in Indonesia, strengthening the foundation for continued partnership. AIIB financed activities were fully disbursed and operationally completed in 2022, the co-financed World Bank PforR formally closed on June 30, 2024, reflecting the extended monitoring and verification period required under the World Bank PforR modality following the Additional Financing, rather than continued implementation of AIIB financed activities.

In addition, the World Bank finalized its internal Summary Project Assessment in 2025. Given the co-financed nature of the operation, additional time was required to align the PCN narrative with the findings, ratings, and lessons documented in this assessment, contributing to the timing of finalization of this PCN.

Section I. Effectiveness

Effectiveness Assessment:	Effective
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Overall assessment of effectiveness:

The Program's overall effectiveness is rated Effective, as all PDOs and intermediate indicators were achieved. According to the Results Monitoring Framework, the Program had a significant impact on primary beneficiaries, including suspected cases visiting hospitals and health facilities. Over 68.8 million suspected cases were tested, far exceeding the target of 7 million, critical care beds expanded to 35,908, well above the target of 6,000, and daily testing capacity reached 582,828, surpassing the target of 90,000. The Program also benefited the broader community through enhanced surveillance and communication, including more than 103,000 interactions via the COVID-19 hotline, over 4 million visits to the government's COVID-19 portal, and 1,361 instances of countering misinformation, ensuring that women and vulnerable groups were reached. Independent verification of results was conducted by BPKP in a timely and transparent manner. While close coordination was required given the scale and pace of implementation, no material issues or delays were encountered that affected disbursements or the achievement of results.

Elderly vaccination coverage remained uneven, with 87 percent of districts reporting coverage below 70 percent. This reflected wide variation in last mile delivery capacity across subnational governments, as well as access barriers among older populations, including mobility constraints, remoteness, and lack of identification. Local health systems were also overstretched by competing pandemic response priorities, and pockets of hesitancy further slowed uptake, despite adequate national supply and policy support. While this highlights an important equity and demand-side challenge, it does not materially undermine the overall effectiveness of the Program. The Program's primary focus was on strengthening system-wide readiness, delivery capacity, logistics, and risk communication at the national scale. These foundational systems enabled the rapid rollout of vaccination and other essential services and, provided they are adequately maintained and financed, are expected to continue supporting improved coverage among elderly and high-risk populations beyond the Program period.

Project Objective Indicators

Monitoring end year: 2023

Indicator Name	Unit of Measure	Baseline	Actual (Current)	End Target
Number of critical care beds fully equipped as per national protocol	Number	0	35,908	6,000
Total capacity for quality assured tests per day	Number	3,000	582,828	90,000
Availability of an improved surveillance system that incorporates lessons from the COVID-19 response experience	Text	No	Yes	Yes
The number of interactions with the COVID-19 phone line	Number	0	103,463	25,000

Comments:

Intermediate Result Indicators**Monitoring end year: 2023**

Indicator Name	Unit of Measure	Baseline	Actual (Current)	End Target
Concrete measures to support and compensate health professionals for added COVID-19 related workload and risk are implemented	Text	No	Yes	Yes
Number of beds temporarily converted for patient isolation and/or low intensity medical care	Number	0	107,966	6,011
Number of COVID-19 cases successfully treated, disaggregated by sex	Number	0	6,012,818	1,800,000
Infection prevention and clinical management protocols developed and disseminated to all nonreferral facilities	Text	No	Yes	Yes
Cumulative number of COVID-19 suspect cases tested by PCR or rapid molecular testing, disaggregated by sex	Number	10,000	68,811,162	7,000,000
A surveillance mechanism for community-based reporting of outbreaks and new illnesses among humans and animals is functional	Text	No	Yes	Yes
MOH supports the creation of a multi-sectoral coordination mechanism for COVID-19 response	Text	No	Yes	Yes

Cumulative number of website visitors to the COVID-19 communication portal set up by the Government of Indonesia	Number	5,000	4,003,700	750,000
Number of times MOH counters COVID-19 related misinformation and posts on its website	Number	25	1,361	532
Number of simulation exercises undertaken as per updated national pandemic preparedness plan	Number	0	2	2

Comments:

Achievement of Project Results - Component {x}:

Under the Original Scope, achievements under the results framework and linked indicators were substantial. Critical care capacity expanded well beyond targets, with more than 35,900 intensive care unit beds made available against a target of 6,000, over half of which were equipped with ventilators. Laboratory capacity increased from 3,000 to nearly 583,000 tests per day, and more than 68 million PCR and rapid molecular tests were conducted compared to the target of 7 million. Surveillance and reporting systems were fully established, while community engagement through the national hotline and online portal generated over 4 million interactions, far exceeding expectations. Incentives for health workers, the rollout of infection prevention and clinical management protocols, and the treatment of more than six million COVID 19 cases were delivered in line with agreed results, enabling full disbursement under the Original Financing Program.

Several indicators significantly exceeded their original end targets. For example, the number of beds temporarily converted for patient isolation reached 107,966 against an initial target of 6,011. These targets were set conservatively at appraisal to reflect minimum emergency readiness requirements under conditions of high uncertainty in the early phase of the pandemic. As the pandemic evolved, the Government substantially scaled up its response, supported by additional domestic resources and coordinated partner financing, resulting in levels of achievement far beyond initial expectations.

Under the Additional Scope, the revised results framework and DLIs/DLRs focused on vaccination, continuity of essential services, and vaccine logistics. These were fully achieved. Vaccination coverage expanded rapidly, with 65 million people reached with WHO Emergency Use Listing vaccines, and overall, 86 percent of the population received a first dose and 75 percent were fully vaccinated. Continuity of essential maternal health services was maintained, with coverage of four antenatal care visits reaching 88.7 percent, above the 81.25 percent target. Cold chain monitoring exceeded targets with 2,650 functional locations, and a national pharmacovigilance system was established. The Ministry of Health (MoH) also countered 1,361 cases of misinformation, well above the 532 target, and all planned simulation exercises were conducted. These verified results confirmed that all DLIs and DLRs under the Additional Financing were achieved, enabling full disbursement and demonstrating strong Program performance.

Section II. Relevance

Relevance Assessment:	Relevant
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Alignment with AIIB's Strategic Priorities:

The Program's overall relevance is rated as Relevant. It was closely aligned with AIIB's efforts to support its members in responding to the COVID-19 pandemic, particularly in preventing, detecting, and responding to the virus, and in strengthening national health systems. The Program was processed under AIIB's COVID-19 Crisis Recovery Facility (CRF), launched in April 2020 to provide rapid support to members facing urgent pandemic-related needs. In Indonesia, the operation directly contributed to mitigating the adverse public health and socio-economic impacts of the pandemic and was fully consistent with AIIB's core mandate, particularly in fostering sustainable economic development to address development challenges. The Program was also aligned with government priorities and complemented support provided by other multilateral and bilateral development partners.

The choice of the Program-for-Results (PforR) instrument further supported the Program's relevance by linking financing directly to measurable results in priority areas of Indonesia's COVID-19 response. The use of country systems and independent verification by Badan Pengawasan Keuangan dan Pembangunan (BPKP), appointed as the Independent Verification Agent, reinforced accountability while enabling timely disbursement. Key DLIs focused on urgent needs, including equipping 3,000 high-care beds with ventilators, procuring and reserving over one million Personal Protective Equipment (PPE) sets, scaling up quality-assured laboratory testing with 350 rapid molecular machines, and updating the National Pandemic Preparedness Plan. By linking disbursements to clear and verifiable targets, the Program addressed immediate gaps in health facility readiness, testing, and surveillance during the crisis.

The Program was implemented in close coordination with other multilateral and bilateral development partners. While coordination was generally effective, differences in institutional procedures and reporting timelines required additional effort to ensure alignment, underscoring the importance of early harmonization mechanisms in co-financed emergency operations.

Alignment with Member policies, subnational planning and stakeholder needs, including changes to project objective and design:

The Program is also aligned with the Government of Indonesia's policy. The national medium term development plan (RPJMN 2020 – 2024) explicitly included pandemic preparedness and health security as priorities. The Program is well aligned with key components of the Government of Indonesia's COVID-19 response, particularly those led by the MoH. In the short term, it supported expanding health system preparedness by addressing urgent needs in referral hospitals, including medical equipment, PPE, and staff incentives. It also strengthened the laboratory network and surveillance system through expanded testing capacity, procurement of diagnostic tools, and enhanced contact tracing. Additionally, the Program reinforced the MoH's role in cross-sector coordination and public communication, ensuring consistent guidance and response efforts across all levels of government.

Section III. Efficiency

Efficiency Assessment:	Efficient
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Achievement of efficiency, including implementation delays, cost overruns and savings:

The Program's overall efficiency is rated Efficient. The initial disbursements were made promptly, enabled by the PforR instrument's design that allowed financing against advances and recognition of prior-results DLIs. The Program demonstrated strong government readiness in mobilizing financing. For the Original Financing Program, the first disbursement took place on September 21, 2020, just over one month after effectiveness. Under the Additional Financing, the first disbursement was made on January 26, 2022, less than one month after effectiveness. These short intervals highlight the government's and development partners' proactive efforts to achieve early results and ensure timely access to funds under the PforR modality.

This rapid disbursement performance represents a key strength of the Program, reflecting strong government

readiness and the effective use of the PforR modality in enabling timely access to financing during a public health emergency.

Although all disbursements were made in a timely manner, the closing dates of the Financings was extended once from October 31, 2021 to December 31, 2022. This extension did not affect the achievement of the PDO or the DLIs, all of which were fully met by the revised closing dates. The extension allowed for adjustments to the Program timeline and specific DLRs in response to technical, administrative, and pandemic related implementation challenges such as health system strain during pandemic surges, evolving implementation requirements, and data and verification constraints, while preserving the original objectives and providing sufficient time for completion and accurate verification of results.

The Program utilized PforR approach. The Program budget was prepared during the planning stage based on anticipated activities. Disbursements were made against the verified achievement of DLRs in a timely manner. However, after Program completion with all objectives met, the final Program cost is no less than the total financing from the AIIB and World Bank.

Section IV. Sustainability

Sustainability Assessment:	Likely sustainable
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Implementation of project-specific Environmental and Social (E&S) instruments, such as the Environmental and Social Action Plan (ESAP), including the establishment and operation of a project-level Grievance Redress Mechanism:

AIIB applied the World Bank's Environmental and Social Risk Assessment (ESRA) approach to assess program risks. Based on this assessment, the Program's overall environmental and social risk was rated Substantial. Actions to mitigate these risks were included in the Program Action Plan (PAP), and all Environmental and Social (E&S) indicators linked to the DLIs were achieved. The PAP was implemented through guidelines, training, and oversight on waste management, occupational health and safety, communication, and grievance systems, and by 2023 was fully mainstreamed into MoH systems with strengthened fiduciary controls.

A key strength of the Program is the institutionalization of PAP measures within the MoH. Corrective actions related to waste management, occupational health and safety, grievance redress, and risk communication were not only implemented during the Program period but were also integrated into government systems and operating procedures in a manner that expanded the Government's options and flexibility to respond to evolving environmental and social risks. Rather than being irreversible, these measures provide adaptable tools and processes that can be adjusted as needs, risks, and resource availability change.

The Program also contributed to strengthening the existing public Feedback and Grievance Redress Mechanism for the COVID-19 response, including the establishment of dedicated websites and a national hotline. By June 2021, the MoH Directorate of Healthcare Quality and Hospital Accreditation had received 1,190 cases, including 36 COVID-19 treatment complaints. In October 2020, a local NGO complaint related to medical waste management and procurement at one health facility was investigated with local authorities and resolved through corrective actions implemented by the facility, following official instructions issued by the MoH. These instructions documented the remedial measures required and their implementation, rather than serving as general guidance. In addition, the "Halo Kemkes" platform was developed and served as the Ministry of Health's official communication and information hub, enabling the public to report issues and access information.

Investment Sustainability (operational, financial/commercial, institutional):

Subject to continued and adequate investment, the Program benefits are highly likely to endure as Indonesia's capacity to respond to health emergencies has been significantly strengthened, particularly in coordination, critical

care, diagnostics, and risk communication. The Program supported sustainable improvements in testing capacity, quality assurance in diagnostics, and the surveillance information system, all of which are essential for maintaining preparedness and resilience against future pandemics.

Any Outstanding issues and Follow-up actions, if applicable:

Lessons Learned

Lesson 1.

Category	Strategic External Environment
What had AIIB planned would happen?	The cofinancing model assumed that the World Bank would lead implementation support, verification, and engagement with the Ministry of Health, while AIIB and other partners would provide aligned financing based on the same results framework and verification system. This was intended to reduce transaction costs for the government and ensure coordinated partner support to Indonesia's COVID 19 response.
What happened during implementation?	The cofinancing arrangement functioned well despite the highly disruptive pandemic environment. The Ministry of Health coordinated implementation across departments, and the independent verification system remained operational. AIIB and other partners relied on the same verified results for disbursements and participated in joint implementation support, most of which had to be conducted virtually due to travel restrictions. The World Bank's in-country presence became critical for day-to-day coordination and problem solving.
Why was there a difference between what was planned and what happened?	The scale and duration of the pandemic made normal supervision and travel impossible, which was not anticipated at design. However, strong government ownership, a functioning verification system, and close coordination among partners allowed the cofinancing structure to continue operating effectively under remote working conditions.
What can AIIB do differently in the next project?	For future emergency cofinanced operations, AIIB should explicitly plan for crisis operating conditions in the cofinancing design, including protocols for virtual supervision, data sharing, and joint verification when travel is restricted. Clearer upfront arrangements on how partners will coordinate and provide implementation support under emergency conditions would further strengthen resilience and reduce operational risk in future crises.

Lesson 2.

Category	Project Design
What had AIIB planned would happen?	AIIB and the World Bank designed the PforR to strengthen risk communication and coordination as a core pillar of Indonesia's COVID 19 response, using results-based financing to drive performance. The results framework included indicators on public engagement and information management, such as the number of interactions with the COVID 19 hotline, visits to the national communication portal, and the number of times the Ministry of Health counters COVID 19 related

	<p>misinformation. The design assumed that these national level indicators would ensure that timely, accurate, and coordinated health messaging would reach the population during the emergency.</p>
<p>What happened during implementation?</p>	<p>The national risk communication system significantly exceeded its targets. The COVID 19 communication portal recorded more than four million visits compared with a target of 750,000, and the Ministry of Health countered more than 1,300 cases of misinformation compared with a target of about 500. Hotline engagement and large-scale training of health workers also exceeded expectations. However, the monitoring system could not reliably disaggregate communication results by geography or vulnerable groups, limiting the ability to assess how well risk communication reached elderly, poor, and remote populations.</p>
<p>Why was there a difference between what was planned and what happened?</p>	<p>The results framework was designed to prioritize speed and national scale during an emergency, using aggregate indicators that were relatively easy to verify under crisis conditions. While this allowed rapid scaling of communication platforms, it did not capture differences in access, trust, and uptake across regions and population groups. Data systems focused on producing national level results for verification rather than granular information needed to guide targeted communication in a highly decentralized system.</p>
<p>What can AIIB do differently in the next project?</p>	<p>Future emergency PforR operations should combine simple, scalable national indicators with early investment in disaggregated and interoperable data systems. Results frameworks should include indicators that track communication reach across age groups, locations, and vulnerable populations, not only overall volume. This would allow governments and partners to adjust communication strategies during implementation and ensure that risk communication supports equity and behavior change, not only information dissemination.</p>

6. Client feedback

Annex: Client Feedback on the Project

1. Are the services and support provided by AIIB's Project Team professional, sufficient and in time, during project preparation and project implementation? Please provide some specifics or examples as an illustration.

Yes, the AIIB Project Team provided support throughout the preparation and implementation phases. AIIB, along with the World Bank and KfW, played a significant role in the Indonesia Emergency Response to COVID-19 program, included enhancing public health laboratory capacity and surveillance systems, as well as improving communication and coordination for pandemic response and preparedness. However, there is a need to improve expert or professional oversight for key program issues, because the support has been so far only provided through the World Bank and not directly from AIIB. The example are AIIB's role in ensuring the timely disbursement of funds, which was linked to the achievement of specific Disbursement Linked Results (DLR); and also guarding smooth amendment process for the Loan Agreement both P000379 and P000484.

2. Is it convenient to access to the Project Team's services and support? Please provide some specifics or examples as an illustration. Yes, the Project Team was easily accessible and maintained regular coordination with stakeholders. The MOH team contact them by email or WhatsApp; Even during project team transitions, coordination easily (supported also by the Task Team Leader World Bank). For Meetings, both virtual and in-person, were consistently held to monitor progress and capture challenges. The other example like Joint Implementation Support Missions (JISM), which conducted every six months. AIIB team jointly in-person in MOH office and discuss with our Secretary General (at that time, the COVID-19 situation getting better/ transition period).

3. Does the Project Team demonstrate flexibility and efficiency during project preparation and project implementation? Please provide some specifics or examples as an illustration. The AIIB team demonstrated both flexibility and efficiency by adjusting project implementation timelines to align with Indonesia's evolving COVID-19 response needs. For example, the loan agreement was amended to extend the program's closing date, (DLR about ensuring the implementation of Essential Health Service; roadmap Cold Chain vaccination; Eligible COVID-19 claims have been paid to hospitals); allowing for the completion of all targeted interventions. Additionally, AIIB coordinated effectively with other lenders and donors, ensuring that financing was deployed efficiently and that disbursement conditions were met despite the dynamic nature of the pandemic response.

4. What is the value addition of AIIB's financing in the Project? AIIB's financing (USD 750 million) played a crucial role to support Indonesia's COVID-19 response and funding, particularly in:

- Supporting the national vaccination program, including improvements in cold chain vaccine logistics.
- Expanding hospital capacity to manage critical COVID-19 cases or patient.
- Enhancing surveillance and testing capacity across Indonesia.

This support aligned with the program's development objective while strengthening Indonesia's national public health preparedness system. The MOH got additional funding (top up estimated IDR 200,91 trillion) from Ministry of Finance period 2020-2022 including those activities above.

5. Will you consider working with the AIIB again in infrastructure development? Please provide a few specific reasons. Yes, we would consider working with AIIB on future due to:

- Their expertise in large-scale financing for critical health infrastructure or health medical equipment.
- Their ability to efficiently coordinate with multiple stakeholders, including the Ministry of Health, Ministry of Finance, and development partners.
- Their structured financing model that ensures accountability and performance-based disbursement. It was not complicated in terms of the disbursement process and required documentation, as it followed the World Bank's scheme.

Currently, the Ministry of Health is collaborating again with AIIB for the Indonesia Health Systems Strengthening (IHSS) Project, co-financed with the World Bank, ADB, and IsDB, to enhance the availability of functional equipment in public health facilities (hospitals, primary healthcare facilities, and public health laboratories) and improve the utilization of healthcare services nationwide.

6. Do you have any suggestion to the Project Team and/or the AIIB for them to improve their operations in the future? A key area for improvement is enhancing expert and professional support to facilitate intensive discussions ensuring that the details of agreements between AIIB and the Government of Indonesia are effectively implemented. Currently, technical support on critical issues, such as Environmental & Social Compliance or the program's Result Framework, has primarily been provided through the World Bank. Strengthening AIIB's direct engagement by deploying dedicated experts or professionals to actively oversee and support these aspects would enhance alignment, compliance, and overall program effectiveness. But we really appreciate AIIB's high level of expertise and experience, which ever directly contributes to the success of this program.

7. Other comments, such as comments on the reporting requirements, approval of project changes, etc. The reporting mechanisms and project change approval processes were well-structured, ensuring transparency and alignment with national health priorities. However, simplifying documentation requirements for disbursement claims could further improve efficiency in future collaborations.