



## Indonesia: Supporting Technological Transformation

Project Name	Supporting Technological Transformation
Project Number	51343-001
Country	Indonesia
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	<b>TA 9450-INO: Supporting Technological Transformation</b> Technical Assistance Special Fund US\$ 750,000.00
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development
Sector / Subsector	<b>Public sector management</b> - Economic affairs management
Gender Equity and Mainstreaming	Some gender elements
Description	The project will support analysis of the implications of disruptive technologies on Indonesia. The study will cover both economy-wide impacts as well as the impacts on selected sectors and subsectors (such as manufacturing, finance, energy, e-commerce, and urban). In examining the broader implications for industrialization, employment prospects, and inequality, the analysis will model the effects on the Indonesian economy, which are likely to be transmitted and amplified through global value chains. The sector/subsector analysis will seek to answer the following questions: (i) What are the implications for economic productivity, jobs, and inequality? and (ii) What needs to be done to leverage the benefits and mitigate the risks? The study will prioritize the identification of policies and investment required for increasing Indonesia's productive capability.
Project Rationale and Linkage to Country/Regional Strategy	Indonesia stands at the cross roads of global technological transformation. The potential benefits of digitization for Indonesia's economy is projected to be about \$150 billion by 2025. Indonesia is among the fastest growing internet markets in the world. Indicators such as internet traffic, revenue from cloud services, and connected devices (Internet of Things) are growing rapidly. Home-grown online ride-hailing applications, such as Grab and Go-Jek, have not only created jobs, but often provide better wages and benefits, such as health insurance and access to bank accounts, compared to more traditional jobs. However, disruptive technologies may also pose important risks for Indonesia in the form of potential jobs losses in certain sectors and increase in inequality. The government has developed "2020 Go Digital Vision", which entails Indonesia emerging as the largest digital economy in the Association of Southeast Asian Nations (ASEAN) region by the year 2020. Detailed analysis on the impact of the disruptive technologies on the Indonesian economy, both at the aggregate and the sector levels, will be imperative for supporting evidence based policies as well as the business case for public investments.
Impact	Benefits of technology leveraged for sustainable and inclusive economic growth.
<b>Project Outcome</b>	
Description of Outcome	Better informed public policies and investment plans.
Progress Toward Outcome	
<b>Implementation Progress</b>	
Description of Project Outputs	Flagship study on the implications of disruptive technologies for Indonesia prepared.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	
<b>Summary of Environmental and Social Aspects</b>	
Environmental Aspects	

Involuntary Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

### Business Opportunities

**Consulting Services** The TA plans to recruit 13 person-months of international (a lead economist and international experts) and 21 person-months of national experts (through a national firm/research institute). A national firm/research institute will conduct the survey as well as macroeconomic, sector and labor market analysis. All international consultants will be recruited using individual consultant selection. The national firm/research institute will be recruited using consultants' qualification selection. The composition of expertise will be based on sectors selected/prioritized and will be responsive to the knowledge demand.

**Procurement** All TA financed Goods shall be procured in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated PAIs/TA Staff Instructions.

Responsible ADB Officer	Basnett, Yurendra
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Indonesia Resident Mission
Executing Agencies	<i>Ministry of Finance Frans Seda Building Jln. Dr. Wahidin Raya No. 1 Jakarta 10710, Indonesia</i>

### Timetable

Concept Clearance	22 Nov 2017
Fact Finding	13 Nov 2017 to 29 Nov 2017
MRM	-
Approval	08 Dec 2017
Last Review Mission	-
Last PDS Update	11 Dec 2017

### TA 9450-INO

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
750,000.00	0.00	0.00	0.00	0.00	0.00	750,000.00	-	0.00

Project Page <https://www.adb.org/projects/51343-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=51343-001>

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