



# Indonesia: Higher Education for Technology and Innovation Project

Project Name	Higher Education for Technology and Innovation Project	
Project Number	52332-001	
Country	Indonesia	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Higher Education for Technology and Innovation Project	
	Ordinary capital resources	US\$ 90.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Education - Tertiary Health - Health sector development and reform Information and communication technology - ICT strategy and policy, and capacity development	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>In response to the government's vision and plan to strengthen the role of higher education as a skills and innovation driver, the project will invest in two HEIs ITS in East Java, a leading public technological institution in Indonesia specializing in science, engineering, and arts; and UNILA in Sumatra, one of Indonesia's best public universities outside Java, in the field of medical education. The two HEIs are included in MORTHE's priority investment list, given their high level of readiness, capacity, commitment and potential to become top universities in specific specializations. Furthermore, ITS has strong linkages with the private sector as they conduct R&amp;D relevant for enterprises in the manufacturing sector, leading up to the creation of prototype and assessing their commercial viability. Support to ITS will strengthen its capacity to engage in demand-driven R&amp;D, while creating positive spillovers among students and faculty. Support to UNILA reflects the government's focus on human capital development in light of 4IR, within which health sector is prioritized as a high-growth industry, and with direct benefits to citizens through health outcome improvement. The project will integrate advanced technologies in teaching and research, expanding the two HEIs' capacity to deliver market-relevant programs and high-quality research to support innovation.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>With the advent of the fourth industrial revolution (4IR), new and emerging technologies such as artificial intelligence, robotics, internet of things and 3D printing, technological transformation and innovation are taking place at a much faster pace, reaching all sectors of the economy. But, leveraging technological transformation for innovation and higher economic growth requires skilled and educated workers. Studies have shown that most new work in high-value and technology-driven sectors require high-level skills. The availability of skilled workers to meet the demands of high-tech and high-value industries and services in Indonesia is critical in order to boost the country's ability to achieve desired growth. Higher education institutions (HEIs) play a vital role in providing the highly skilled workers to meet labor market demands. However, the current shortage of skilled professionals in high growth sectors and high unemployment of higher education graduates reflect a disconnect between HEIs on one side, and firms, employers, and other skills and research users, on the other. Half of the labor force is underqualified for the jobs they are performing while 10% of the labor force is overqualified. This disconnect is particularly prevalent in areas related to technology development and application, and innovation. In 2017, less than 20% of graduates held degrees in technology-relevant fields such as engineering with few women among them. Weaknesses in the higher education system partly explain the low labor productivity in Indonesia, relative to neighboring countries</p>	
Impact	Human capital enhanced to improve competitiveness and productivity (forthcoming RPJMN 2020 2024)	
Outcome	Quality and relevance of targeted higher education institutions improved	
Outputs	Cutting edge education and research in priority sectors delivered by ITS Medical education and research capacity of UNILA strengthened	
Geographical Location	Bandar Lampung, Sumatra, Surabaya	
<b>Safeguard Categories</b>		
Environment		B
Involuntary Resettlement		C
Indigenous Peoples		C
<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

Responsible ADB Officer	Lynnette Perez
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Human and Social Development Division, SERD
Executing Agencies	Ministry of Research, Technology and Higher Education Building D, Jalan Jenderal Sudirman, Pintu Satu, Senayan Jakarta 10270

Timetable

Concept Clearance	30 Sep 2019
Fact Finding	16 Dec 2019 to 20 Dec 2019
MRM	25 Feb 2020
Approval	-
Last Review Mission	-
Last PDS Update	03 Oct 2019

Project Page	<a href="https://www.adb.org/projects/52332-001/main">https://www.adb.org/projects/52332-001/main</a>
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