



Indonesia: Talent Management and Human Capital Development for Civil Service

Project Name	Talent Management and Human Capital Development for Civil Service	
Project Number	53375-001	
Country	Indonesia	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Indonesia Public Private Human Capital Talent Management (I-PACT)	
	Ordinary capital resources	US\$ 200.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Education - Education sector development - Tertiary	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The proposed investment project will address key constraints in planning and managing HCD: (i) leveraging digital technology to address challenges in fragmented, outdated, aggregated and unreliable data on labor and skills demand and supply; (ii) capacity constraints associated with competencies of civil servants in a fast changing world of work that increasingly requires tech-savvy and inclusive workforce; and (iii) institutional constraints for effectively developing talent and expanding options to test smart and innovative solutions with private sector partnerships. The government sees this project as a key initiative to build state capacity in driving inclusive reforms by leveraging technology to improve government effectiveness and make progress towards achieving its long-term development vision. The outputs are: (i) improved talent management system in the civil service; (ii) enhanced capacity of the civil service; and (iii) improved institutional capacity for talent management.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The Medium-Term Development Plan (RPJMN) 2020-2024 focuses on human capital development (HCD) for transitioning to an upper-middle income country. Given the changing demand for labor in the age of fourth industrial revolution and the types of skills required at work, Indonesia needs to focus on HCD to boost competitiveness and productivity. The government highlights that a high-performing and professional civil service that effectively implements policies and regulations is necessary for supporting progress towards development objectives. Improving the professionalism of the civil service is a goal over the government's next five years administration through investing in skills and capacities, as well as adopting more innovative strategies to boost performance and deliver quality services. The RPJMN 2020-2024 will be complemented by comprehensive human capital development programs (HCDPs) that include skills development strategies to build talent across public and priority private sectors.</p> <p>In order to deliver on the HCDPs, Indonesia needs to enhance state capacity and improve associated business processes. In the World Bank's government effectiveness index which includes dimensions such as quality of public services and quality of policy formation and implementation Indonesia ranked 84 out of 193 countries, behind regional peers such as Malaysia and Thailand. Areas where Indonesia lags behind are public sector's capabilities, human resource management, and use of digital services. Mirroring this, on the global talent competitiveness index, Indonesia ranks 67 out of 125 countries. There are several reasons behind Indonesia's low performance on indicators of civil service and talent management: (i) limited data on skills demand and supply; (ii) underdeveloped human resource management system; (iii) limited use of digital technology for managing talent; (iv) inadequate education and training required for a modern civil service; (v) limited opportunities for skills upgrading and career progression opportunities for women; (vi) outdated institutional arrangements; and (vii) limited ability within the government to test innovative, smart, and tech-enabled solutions.</p>	
Impact	Human capital for achieving national development priorities strengthened (Medium-Term Development Plan, 2020-2024)	
Outcome	Human capital in the public sector in Indonesia strengthened	
Outputs	Talent management information systems in the civil service improved Capacity of the civil service to deliver HCD plans and programs enhanced Institutional capacity for talent management improved	
Geographical Location	Nation-wide	
Safeguard Categories		
Environment		C
Involuntary Resettlement		C
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		

During Project Design

During Project Implementation

Responsible ADB Officer	Khatiwada, Sameer
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Human and Social Development Division, SERD
Executing Agencies	National Development Planning Agency (BAPPENAS) Jl. Taman Suropati No. 2 Jakarta 10310 Indonesia

Timetable	
Concept Clearance	21 Feb 2020
Fact Finding	09 Oct 2019 to 09 Oct 2019
MRM	21 Nov 2019
Approval	-
Last Review Mission	-
Last PDS Update	29 Feb 2020

Project Page	https://www.adb.org/projects/53375-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53375-001
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