



Indonesia: Fiscal and Public Expenditure Management Program (Subprogram 3)

Project Name	Fiscal and Public Expenditure Management Program (Subprogram 3)	
Project Number	50168-003	
Country	Indonesia	
Project Status	Approved	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3842-INO: Fiscal and Public Expenditure Management Program (Subprogram 3)	
	Ordinary capital resources	US\$ 500.00 million
	Loan: Fiscal and Public Expenditure Management Program (Subprogram 3)	
	KfW Bankengruppe	US\$ 553.70 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Public sector management - Public expenditure and fiscal management	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The program supports critical fiscal and public expenditure management reforms to improve the quality of government spending on health, education, social protection and infrastructure, and is consistent with the government's reform priorities to: (i) align the medium-term expenditure with the National Medium Term Development Plan 2015 2019 (RPJMN 2015 2019) and the Sustainable Development Goals (SDGs); (ii) enhance the national public expenditure system; and (iii) improve fiscal transfers and spending for better service delivery at the subnational government level. The proposed subprogram is aligned with the operational priorities in ADB Strategy 2030 to: (i) address poverty and reduce inequality, (ii) strengthen governance and institutional capacity and (iii) accelerate progress on gender equality.	
Project Rationale and Linkage to Country/Regional Strategy	FPMP uses a programmatic approach which aligns ADB's support with the government's reform program over a medium- to long-term horizon. The government's medium-term strategy is to create sustainable and equitable economic growth through optimizing revenue, improving spending quality, improving subsidy schemes, and decentralizing fiscal authority. Together with the commitment to increase spending in pro-poor sectors, the government is also increasing the quality of expenditure through PEM reforms. The program aligns medium-term expenditure with the RPJMN and SDGs targets, enhances the national public expenditure system, and improves fiscal transfers and subnational governments' spending for service delivery	
Impact	Household income inequality reduced	
Project Outcome		
Description of Outcome	Social sector and infrastructure spending improved	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Medium-term expenditure aligned with RPJMN and SDGs targets National public expenditure system enhanced Fiscal transfers and subnational governments' spending for service delivery improved	
Status of Implementation Progress (Outputs, Activities, and Issues)		
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	Mohd Sani Mohd Ismail
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	Fiscal Policy Office-Ministry of Finance Fiscal Policy Office-Ministry of Finance Gedung RM Notohamiprojo, 8th floor Jl. DR. Wahidin No. 1 Jakarta, Indonesia

Timetable	
Concept Clearance	02 Aug 2016
Fact Finding	29 Apr 2019 to 08 May 2019
MRM	06 Aug 2019
Approval	25 Oct 2019
Last Review Mission	-
Last PDS Update	25 Oct 2019

Loan 3842-INO

	Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost		1,053.70	Cumulative Contract Awards			
ADB		500.00	-	0.00	0.00	%
Counterpart		0.00	Cumulative Disbursements			
Cofinancing		553.70	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/50168-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=50168-003
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