



Indonesia: Stepping Up Investments for Growth Acceleration Program Subprogram 2

Project Name	Stepping Up Investments for Growth Acceleration Program Subprogram 2
Project Number	48134-004
Country	Indonesia
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 8661-INO: Stepping Up Investments for Growth Acceleration Program Subprogram 2 Technical Assistance Special Fund US\$ 1.50 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Public sector management - Public expenditure and fiscal management
Gender Equity and Mainstreaming	Some gender elements
Description	SIGAP is designed to adopt a bottom-up approach by promoting an evidenced-based policy dialogue approach through piloting the implementation of certain policy actions at local levels. It also adopts a new approach to dialogue between national and local governments and the business community to address policy incoherence between different tiers of government. The interplay of an evidence-based approach and effective public-private dialogue aims to achieve better buy-in from all stakeholders, improve coordination and ease implementation difficulties, where the largest set back has been experienced in the past. Programmatic approach adopted for SIGAP will allow the new administration building on thrusts, achievements and lessons from past reform efforts to chart the next phase of policy reforms and raise the credibility of government's actions. With this thrust, SIGAP will comprise two subprograms. Subprogram 1 is expected to be submitted to ADB Board of Directors for consideration on or before 30 September 2014, with Subprogram 2 expected to be submitted in September 2016. SIGAP also reflects discussions with multilateral and bilateral development partners and leverages their on-going and programmed support to the reform areas covered by the program.
Project Rationale and Linkage to Country/Regional Strategy	Indonesia still faces fundamental challenges in achieving sustainable and equitable growth. One key factor is insufficient investment. The proposed Stepping Up Investments for Growth Acceleration Program supports the Government's General Plan for Direct Investments for 2012_2025 approved by the President of Indonesia in 2012 aimed at accelerating domestic and foreign capital investments. From 2003 to 2013, Indonesia has been growing growing on average by 5.7%. However, the growth is still below the target required to enable Indonesia to become one of the 10 major economies in the world by 2025. For this to happen, Indonesia must grow annually by 7% 9% in 2011_2025. Attaining such growth requires a rise in the investment ratio beyond its average level of 26% gross domestic product in 2002_2012. Some estimates suggest that the investment ratio may need to go as high as 47% by 2019 to reach the required economic growth. Achieving higher levels of investment will require the government to increase private and public investments.
Impact	

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services TA will be provided by a firm recruited through quality- and cost-based selection, indicatively including 21 person-months of international consultant inputs, and 30 person-months of national consultant inputs. ADB will select and engage consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). Some of the contingency funds will remain unallocated and can be used for individual consultants to be determined as needed. Upon TA completion, equipment procured under it will be transferred to the executing agency.

Responsible Staff

Responsible ADB Officer	Hattari, Rabin I.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Indonesia Resident Mission
Executing Agencies	<i>Coordinating Ministry for Economic Affairs 2nd Floor, Jl Lapangan Banteng Timur 2-4 Jakarta Pusat 10710</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	23 May 2014
Last Review Mission	-
Last PDS Update	30 Mar 2017

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
23 May 2014	05 May 2015	05 May 2015	30 Nov 2016	30 Nov 2017	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,500,000.00	0.00	150,000.00	0.00	0.00	0.00	1,650,000.00	23 May 2014	929,961.15

Project Page	https://www.adb.org/projects/48134-004/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48134-004
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