



Indonesia: Local Government Finance and Governance Reform (Project Loan)

Project Name	Local Government Finance and Governance Reform (Project Loan)		
Project Number	36541-023		
Country / Economy	Indonesia		
Project Status	Closed		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	Loan 2193-INO: Local Government Finance and Governance Reform (Project Loan)		
	Asian Development Fund		US\$ 30.00 million
Strategic Agendas	Inclusive economic growth		
Drivers of Change			
Sector / Subsector	Public sector management / Decentralization		
Gender	No gender elements		
Description	The project loan implements reforms in public expenditure and financial management (PEFM) under phase 1 through development and upgrading of related FMIS. The project consists of five components: (i) upgrade and expand electronic access to the regional financial information system (SIKD) by 100 local governments; (ii) computerize the new Directorate General of Regional Financial Management (DG BAKD), at the Ministry of Home Affairs to enhance oversight of PEFM reforms; (iii) develop and implement regional financial management information system (SIPKD) in 71 local governments; (iv) streamline and computerize the system at the Ministry of Finance (MOF) for review of local government regulations (perdas) and draft perdass on taxes and charges for consistency with higher laws and regulations; and (v) develop certification program at MOF for regional financial administrators.		
Project Rationale and Linkage to Country/Regional Strategy			
Impact	More effective and efficient delivery of basic public services by local governments		
Project Outcome			
Description of Outcome	Increased accountability in management of local government finances		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	1. Enhanced intergovernmental coordination and development of NAPFD 2. Strengthened and harmonized framework for regional autonomy 3. Strengthened, rationalized, and harmonized framework for intergovernmental fiscal relations 4. Strengthened and harmonized framework for planning, budgeting and financial management at the local government level 5. Enhanced awareness of PEFM reforms and modernization of FMIS		
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location			
Safeguard Categories			
Environment	C		
Involuntary Resettlement			
Indigenous Peoples			
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	Approximately 3,266 person-months of consulting services will be required, consisting of 3,242 person-months of domestic consulting services and 24 person-months of international consulting services. The detailed terms of reference will be developed by the Executing Agency with the concurrence of ADB. Consultancy services will be engaged in accordance with ADB's Guidelines on the Use of Consultants using Quality and Cost Based Selection (QCBS) method.		
Procurement	IT Hardware and Software		

Responsible ADB Officer	Hattari, Rabin I.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	Ministry of Home Affairs Drs. Susilo Regional Financial Management, BAKD, Ministry of Home Affairs

Timetable	
Concept Clearance	03 Jan 2011
Fact Finding	14 Apr 2004 to 29 Apr 2004
MRM	26 May 2005
Approval	03 Nov 2005
Last Review Mission	-
PDS Creation Date	27 Nov 2006
Last PDS Update	16 Apr 2010

Loan 2193-INO

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Nov 2005	09 Dec 2005	29 Dec 2005	30 Jun 2009	31 Dec 2010	14 Jan 2011

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	42.90	Cumulative Contract Awards			
ADB	30.00	17 Jun 2022	4.50	0.00	100%
Counterpart	12.90	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	4.50	0.00	100%

Project Page	https://www.adb.org/projects/36541-023/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=36541-023
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