## Indonesia: Supporting Technological Transformation

### Project Details
- **Project Name**: Supporting Technological Transformation
- **Project Number**: 51343-001
- **Country / Economy**: Indonesia
- **Project Status**: Closed
- **Project Type / Modality of Assistance**: Technical Assistance
- **Source of Funding / Amount**: TA 9450-INO: Supporting Technological Transformation (Technical Assistance Special Fund) US$ 750,000.00

### Strategic Agendas
- Inclusive economic growth

### Drivers of Change
- Gender Equity and Mainstreaming
- Governance and capacity development
- Knowledge solutions
- Private sector development

### Sector / Subsector
- Public sector management / Economic affairs management
- Some gender elements

### Description
The project will support analysis of the implications of disruptive technologies on Indonesia. The study will cover both economy-wide impacts as well as the impacts on selected sectors and subsectors (such as manufacturing, finance, energy, e-commerce, and urban). In examining the broader implications for industrialization, employment prospects, and inequality, the analysis will model the effects on the Indonesian economy, which are likely to be transmitted and amplified through global value chains. The sector/subsector analysis will seek to answer the following questions: (i) What are the implications for economic productivity, jobs, and inequality? and (ii) What needs to be done to leverage the benefits and mitigate the risks? The study will prioritize the identification of policies and investment required for increasing Indonesia’s productive capability.

### Project Rationale and Linkage to Country/Regional Strategy
Indonesia stands at the cross roads of global technological transformation. The potential benefits of digitization for Indonesia’s economy is projected to be about $150 billion by 2025. Indonesia is among the fastest growing internet markets in the world. Indicators such as internet traffic, revenue from cloud services, and connected devices (Internet of Things) are growing rapidly. Home-grown online ride-hailing applications, such as Grab and Go-Jek, have not only created jobs, but often provide better wages and benefits, such as health insurance and access to bank accounts, compared to more traditional jobs. However, disruptive technologies may also pose important risks for Indonesia in the form of potential jobs losses in certain sectors and increase in inequality.

The government has developed “2020 Go Digital Vision”, which entails Indonesia emerging as the largest digital economy in the Association of Southeast Asian Nations (ASEAN) region by the year 2020. Detailed analysis on the impact of the disruptive technologies on the Indonesian economy, both at the aggregate and the sector levels, will be imperative for supporting evidence based policies as well as the business case for public investments.

### Impact
Benefits of technology leveraged for sustainable and inclusive economic growth.

### Project Outcome
- **Description of Outcome**: Better informed public policies and investment plans.
- **Progress Toward Outcome**: Flagship study on the implications of disruptive technologies for Indonesia prepared.

### Implementation Progress
- **Description of Project Outputs**: Flagship study on the implications of disruptive technologies for Indonesia prepared.

### 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**: The TA plans to recruit 13 person-months of international (a lead economist and international experts) and 21 person-months of national experts (through a national firm/research institute). A national firm/research institute will conduct the survey as well as macroeconomic, sector and labor market analysis. All international consultants will be recruited using individual consultant selection. The national firm/research institute will be recruited using consultants’ qualification selection. The composition of expertise will be based on sectors selected/prioritized and will be responsive to the knowledge demand.
- **Procurement**: All TA financed Goods shall be procured in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated PAIs/TA Staff Instructions.

### Responsible ADB Officer
Basnett, Yurendra
<table>
<thead>
<tr>
<th>Responsible ADB Department</th>
<th>Southeast Asia Department</th>
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<td>Executing Agencies</td>
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### Timetable

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<td>Fact Finding</td>
<td>13 Nov 2017 to 29 Nov 2017</td>
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<td>MRM Approval</td>
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### TA 9450-INO

#### Financing Plan/TA Utilization

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#### Cumulative Disbursements

- **Date**: -
- **Amount**: 0.00

### Project Page

https://www.adb.org//projects/51343-001/main

### Request for Information

http://www.adb.org/forms/request-information-form?subject=51343-001

### Date Generated

01 October 2023

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