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# Indonesia: Supporting the Advanced Knowledge and Skills for Sustainable Growth Project

## Project Name

Supporting the Advanced Knowledge and Skills for Sustainable Growth Project

## Project Number

50395-007

## Country / Economy

- Indonesia

## Project Status

Closed

## Project Type / Modality of Assistance

- Technical Assistance

## Source of Funding / Amount

TA 9678-INO: Supporting the Advanced Knowledge and Skills for Sustainable Growth Project

### Source

### Amount

Japan Fund for Prosperous and Resilient Asia and the Pacific US\$ 1.15 million

TA 9678-INO: Supporting the Advanced Knowledge and Skills for Sustainable Growth Project

### Source

### Amount

High Level Technology Fund US\$ 500,000.00

## Strategic Agendas

- Inclusive economic growth
- Regional integration

## Drivers of Change

- Gender Equity and Mainstreaming
- Governance and capacity development
- Knowledge solutions
- Partnerships

## Sector / Subsector

- **Education** / Tertiary

## Gender

Gender equity theme

## Description

The Asian Development Bank (ADB) approved the transaction technical assistance

(TA) on 11 December 2018 for \$1.15 million, financed on a grant basis by the Japan Fund for Poverty and Reduction. The TA supports the implementation of Loan 3749-INO: Advanced Knowledge and Skills for Sustainable Growth Project (AKSI). The project loan aims to improve Indonesia's higher-education system to support sustainable economic growth. It will upgrade four public universities: the university of Malikussalleh, the university of Jambi, and the University of Riau in Sumatra; and the Indonesia University of Education in Bandung, West Java to provide high-quality and demand-based programs. The loan project's impact will be increased income and productivity of the working age population, and the outcome will be strengthened access, relevance, and quality of targeted universities. The TA supports the following innovative elements of the loan project: (i) linking universities with industry in research and education, (ii) measuring and monitoring quality and relevance of education and research, and (iii) collaboration with international partners and stakeholders. The TA outputs are: (i) initial phase of the loan project implementation supported, and (ii) entrepreneurship and technology pilot assessments in higher education prepared.

On 13 March 2020, ADB approved \$0.5 million funding for the TA financed on a grant basis by the High-Level Technology Fund (with Government of Japan as financing partner) and administered by ADB, along with a change in scope and implementation arrangements. This brought the total TA amount of \$1.15 million to \$1.65 million. This increase in TA amount will support MOEC in (a) designing a digital credentialing system for tertiary education in Indonesia which would employ blockchain technology and (b) further development of the Indonesia Cyber Education (ICE) Institute's system design, business process, quality assurance mechanism, business model, online courses registration, and users registration infrastructure. This aligns with the government's priority to advance the next generation of online education in Indonesia and will be included in the medium-term investment plan for higher education. MOEC has assigned the Universitas Terbuka to lead the development of ICE Institute together with partner universities from all over Indonesia. The ICE Institute would become the marketplace where students could obtain online courses for their study, under the new academic regulation that allows these credit-bearing online courses to be part of their study programs in their respective universities. Deploying blockchain technology will enhance tracking and recording tertiary education student credentials and assure trust amongst the stakeholders including the universities, students, parents, employers, government and industry. The ICE Institute will provide the quality assurance system for online learning in Indonesia and will facilitate the registration of online courses from Indonesian universities, as well as online courses from international universities and global massive open online courses platforms.

#### Project Rationale and Linkage to Country/Regional Strategy

The proposed scope and scale of the innovations included in the initial stages of the loan project include implementation of national and international best practices, and collaboration between ministries and other stakeholders to develop a medium-term higher-education investment plan and a medium-term strategy to educate TVET teachers. Therefore, transaction TA is required to ensure the successful implementation of the loan project. The transaction TA will support implementation of innovative elements in the loan project, including the development of a medium-term higher-education investment plan and a medium-term strategy to educate TVET teachers. The TA will also support the assessment of pilots in entrepreneurship and technology that will benefit higher education.

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

Bandung, Jambi City, Lhokseumawe / Malikussaleh, Riau

## **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

ADB recruited three consulting firms: (1) The Project Implementation and Medium-Term Planning consulting firm was recruited using quality- and cost-based selection (QCBS) method (quality-cost ratio of 90:10) with simplified technical proposal. Mobilized in June 2019, this firm supports: (i) at the policy level, preparing the medium-term investment plan for higher education, and medium-term technical-and-vocational-education-and-training teacher strategy; and (ii) at the project level, knowledge management and communication, and capacity development for universities on accreditation, tracer study, centers of excellence, and governance. (2) The Entrepreneur Development Program Evaluation consulting firm was recruited using a biodata technical proposal for QCBS method (quality-cost of 90:10) and has completed its assignment (evaluation of entrepreneurship development and university-industry linkage programs and develop lessons learned for higher education institutions and future entrepreneurship training programs). (3) Coaction Indonesia (a non-profit think tank) was recruited using the single-source selection method and has also completed its assignment (the demand and supply of skilled labor in the electricity sector study).

The TA has the following individual consulting requirements: (1) a national civil engineer (3 person-months), mobilized in December 2019, ensures that the four

project universities benefitting from the project apply quality assurance for civil works and innovative building design principles. (2) an international gender and labor market expert (3 person-months), mobilized in April 2020, provides technical advice to the four project universities on: (i) research works regarding university-to-work transition and labor market barriers, and (ii) gender action plan implementation. (3) an international team leader and education program architect (7.4 person-months), mobilized in April 2020, leads and coordinates with the government counterparts in designing the national digital credentialing system and supporting the system design and business model development of the Indonesia Cyber Education (ICE) Institute. (4) an international blockchain/digital credentialing design specialist (5.6 person-months), mobilized in July 2020, prepares the technical design of the digital credentialing system, in collaboration with the blockchain specialist engaged by ADB's Digital Innovation and Architecture Division. (5) a national senior information technology specialist (4.5 person-months), mobilized in August 2020, supports the credentialing system design. (6) a national senior education specialist (4.5 person-months), mobilized in August 2020, prepares the ICE institute detailed assessment and will provide recommendations for further development. (7) the international data science specialist, who will identify data sources and prepare forecasting of jobs and skills demand in Indonesia and in the region, is expected to be fielded by end of September 2020. All consultant recruitment follows ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.

## Contact

Responsible ADB Officer

Wiryono, Sutarum

Responsible ADB Department

Southeast Asia Department

Responsible ADB Division

Human and Social Development Division, SERD

Executing Agencies

*Ministry of Education, Culture, Research and Technology*

*Ministry of Research, Technology and Higher Education*

## Timetable

Concept Clearance

-

Fact Finding

-

MRM

-

Approval

11 Dec 2018

Last Review Mission

-

Last PDS Update

29 Oct 2020

## Funding

### TA 9678-INO

#### Milestones

| Approval    | Signing Date | Effectivity Date | Closing     |             |             |
|-------------|--------------|------------------|-------------|-------------|-------------|
|             |              |                  | Original    | Revised     | Actual      |
| 11 Dec 2018 | 16 May 2019  | 16 May 2019      | 31 Dec 2020 | 30 Sep 2021 | 10 Dec 2021 |

#### Financing Plan/TA Utilization

| ADB  | Cofinancing  | Counterpart |               |                 |        | Total        |
|------|--------------|-------------|---------------|-----------------|--------|--------------|
|      |              | Gov         | Beneficiaries | Project Sponsor | Others |              |
| 0.00 | 1,650,000.00 | 0.00        | 0.00          | 0.00            | 0.00   | 1,650,000.00 |

#### Cumulative Disbursements

| Date        | Amount       |
|-------------|--------------|
| 17 Jun 2022 | 1,406,349.38 |

Project Page <https://www.adb.org/projects/50395-007/main>

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