



Indonesia: Polytechnic Development Project

Project Name	Polytechnic Development Project	
Project Number	42099-012	
Country	Indonesia	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 7453-INO: Polytechnic Development Project	
	Japan Special Fund	US\$ 1.20 million
	Canada (CIDA)	US\$ 95,900.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Private sector development	
Sector / Subsector	Education - Non-formal education - Technical and vocational education and training	
Gender Equity and Mainstreaming		
Description	<p>The impact of the project is that polytechnic education system contributes to national socio-economic development objectives in selected industries. The expected outcome is that polytechnic education is more accessible, relevant and responsive to labor market needs, technological and entrepreneurial innovation. The performance targets are (i) the number of polytechnic students enrolled in programs in the 4 priority sectors increases by 25%, with at least 30% of these female; (ii) the number of polytechnic graduates entering the workforce in-crases by 25% in 4 priority sectors, with at least a 15% increase of these female, and (iii) the percentage of polytechnic graduates finding relevant employment within 6 months of graduation increases 25% by Year 5 at four Centers of Excellences (COEs) and 12 satellite polytechnic institutions. The proposed project has the following outputs:</p> <p>(a) _Output 1: Increased Quality and Relevance of Polytechnic System, Public and Private. The project will: (i) strengthen standards in collaboration with industry and align with the Indonesian Qualification Framework (IQF). Standards will be packaged into professional teaching programs to address skills requirements in 4 industry sectors; (ii) lecturer skills enhancement program to be implemented; (iii) revise accreditation systems, national assessment systems, and quality assurance systems according to IQF and ASEAN policies and guidelines; (iv) Improve facilities and equipment in 4 COEs and 12 satellite polytechnic institutions; (v) facilitate engagement with industry and implement projects funded through a National Skills Fund.</p> <p>(b) _Output 2: Increased and more equitable access to polytechnic education. The project will: (i) increase participation rates in four priority sectors; (ii) revise entry requirements and access policies to increase enrolments; (iii) assess through RPL 20000 students; (iv) link with vocational schools and private providers to establish seamless pathways and provide multiple entry points into the system, (v) fund equity strategies to ensure access by females and disadvantaged groups.</p> <p>(c) _Output 3: Increased private sector involvement in polytechnic sector. The project will: (i) establish an institutional framework for private sector involvement; (ii) implement training programs and methods relevant to industry skills needs; (iii) enable industry to support delivery and assessment of training.</p> <p>(d) _Output 4: Strengthened governance, management and financing of polytechnic institutions. The project will: (i) review and revise the regulatory, employment, management and financing frameworks and systems for polytechnic institutions to be better aligned with government policy objectives.</p>	

Project Rationale and Linkage to Country/Regional Strategy	Indonesia saw rapid growth and declining poverty in the early 1990s, followed by sudden economic deterioration and heightened poverty over the period 1997-2000, following the Asian financial crisis. Since the crisis, the country has undertaken significant economic reforms and has seen its economic growth increase substantially. At the same time, the focus on macroeconomics and debt reduction has led to a diminished emphasis on development spending. As a result, progress toward the Millennium Development Goals (MDGs) has been mixed. The Government's Medium-Term Development Plan 2005-2009 seeks to raise levels of sustainable economic growth, create jobs and accelerate the achievement of the MDGs. The ADB's Country Strategy and Program (CSP) for 2006-2009 has identified a lack of competitiveness as a key constraint on economic growth (in 2008/09, Indonesia ranked 55th on the Global Competitiveness Index) and seeks to help the Government achieve higher levels of pro-poor sustainable growth and enhance social development. It will also have a positive impact on the country's investment climate and business development by helping to meet the expected demand for skilled labor. It will also support a number of the broad areas of engagement in the CSP, including the development of infrastructure, accelerated attainment of the MDGs and increased emphasis on private sector expansion. Improvements in the performance of polytechnics would also complement government efforts to strengthen vocational education at the senior secondary school level.
Impact	The polytechnic system is more responsive and relevant to labor market demand.

Project Outcome

Description of Outcome	An agreed design for a loan project, suitable for ADB financing, that will enhance the quality and relevance of the polytechnic system and produce graduates with skills relevant to the labor market.
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Progress Toward Outcome

Implementation Progress

Description of Project Outputs	(i) An assessment of the role of polytechnics in the broader technical and vocational education; (ii) A strategy for the reform of the polytechnic system; (iii) A critical review of sector constraints and experiences of previous projects completed, and critical issues in reforming polytechnic identified; (iv) A completed project outline that addresses key constraints and projected labor market needs; (v) A detailed project design based on the DMF.
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location	Indonesia
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Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	The Directorate General of Higher Education has sought the development of this project. Ministry of National Education (MONE) consulted with ADB in preparing the TA concept during the preparation of the Country Operations Business Plan 2008-2010, and the 2008 Country Program and Confirmation process. There is a general recognition that the current Technical Vocational Education Training (TVET) sector faces many challenges and that a particular weakness is its inability to develop workers with skills that are relevant to the needs of the economy. There is also recognition that graduates of Vocational Schools have access to too few options for further developing their skills. To address this, the focus of the TA will be on lifting the quality and relevance of both public and private polytechnics by increasing the participation of the private sector in the planning and provision of skills training in Indonesia. Close consultation with employers, industry groups and chambers of commerce will ensure that the resulting systems are responsive to labor market needs.
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During Project Implementation	<p>The Executing Agency for the PPTA PDP is the Directorate General of Higher Education (DGHE) of the Ministry of National Education (MoNE). The implementation of the PPTA is supervised by the Director of the Directorate for Learning Programs and Student Affairs (till recently named the Directorate of Academic Affairs). An advisory counterpart team of DGHE to work with the TA has been appointed under the supervision of the Director of Learning Programs and Student Affairs consisting of professional staff of Polytechnic Institutions (7 members) and MoNE (10 members). In the inception phase, the counterpart team presented its draft Strategic Plan for Polytechnic Development 2010-2014 indicating preferred directions for the intended project, which were taken into account by the PPTA team in the design of the project during the second phase. The draft Plan had been developed in early 2010 in anticipation of the ADB support to the sector. Also, the planning of the PPTA project was discussed in the inception phase with the objective to align the activities of both teams, to agree on working arrangements and cooperation in preparation for the Polytechnic Development Project. Since the start of the project there has been a series of meetings of the counterpart team with the PPTA experts' team on the planning and activities of the TA and especially on the development of the Problem Tree and the DMF for the project. There have also been joint field visits for the sector assessment, and the PPTA experts were invited to three workshops in which all state Polytechnics participated to present and discuss the initial design of the PDP. The workshops provided an opportunity to inform all state Polytechnics on the intended PDP and to receive their feedback and recommendations on the implementation of the PDP. A major concern of the counterpart team has been the timely production of the final project document for the PDP loan to allow the use of earmarked GoI funds for the PDP in 2011. An important approach was the conducting of interviews and discussions with relevant stakeholders all over Indonesia. A large number of polytechnics, other TVET and higher educational institutions, education and training support institutions, industries, industrial associations, ministries and donor agencies were visited for interviews, discussions, meetings, collecting information and informing them on the intended PDP. Some 32 visits were made to different public and private polytechnics, some 16 visits to different industries, 8 visits to supporting agencies (BNSP, LSP, Kopertis, BAN-PT, ASPI, SEAMOLEC), and 7 visits to Ministries other than MoNE. Around 95 interviews were conducted with one or more resource persons.</p> <p>A workshop with the donor community and stakeholders from the polytechnic education sector was held in the Ministry of Education on 29th July 2010, in which the PPTA was presented and discussed to inform the international donor community and stakeholders on the intended PDP. Several donors, including ADB, presented their visions and plans in the context of overall skills development policies and requirements in Indonesia, and options for donor coordination and alignment were discussed.</p> <p>The series of meetings and workshops with the MoNE counterpart group and involving representatives of the Polytechnics were an important venue to socialize the project objectives and approach and to get feedback in the process of defining the project design and the technical approaches for its implementation. Some 16 meetings were held with the counterpart group till May 2011. Of special importance were the meetings with all polytechnic directors and management staff arranged by the counterpart group, respectively in Manado, Surabaya, Batam and Jakarta. The objectives of the PDP were socialized and intensively discussed with the polytechnic directors and managing staff, including implementation strategies.</p> <p>For the definition of the Problem Tree based upon the findings of the assessment phase, and for the initial design of the DMF, the project team had a series of intensive focus group discussions by which both documents gradually took shape and were prepared for further consultation with the ADB and stakeholders at the central and institutional levels.</p>
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Business Opportunities

Consulting Services	<p>An international consulting firm will be engaged in accordance with ADB's Guidelines on the Use of Consultants (2007, as amended from time to time). The selection and engagement of the international consulting firm will be through the quality and cost based selection method using a full technical proposal and standard quality-cost ratio of 80:20. The TA will be carried out in two phases, with a 3-4 week break in between for the Government and ADB to consider the recommendations arising from the sector assessment. For Phase 1, the TA will provide 4 international consultants (12 person-months) and 4 national consultants (12 person-months). For Phase 2, the TA will provide 9 international and 10 national consultants for 18 and 20 person-months of international and national consultancy services respectively. Some time allocations and tasks may change.</p> <p>For Phase 1, the team leader will submit a brief inception report within one month of starting the TA, a midterm report after 2.5 months, a draft final report after four months and the final report after 4.5 months. The same reports will be submitted for Phase 2: inception report after one month of beginning Phase 2, a midterm report after three months, a draft final report after five months and a final report after 5.5 months.</p>
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Responsible Staff

Responsible ADB Officer	Kubitzki, Wolfgang G.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Indonesia Resident Mission
Executing Agencies	<p><i>Ministry of Education and Culture</i> <i>Dr. Fasli Jalal, Director General for Higher Educ</i> <i>Jl. Jend Sudirman, Pintu I Senayan, Jakarta Indonesia</i></p>

Timetable

Concept Clearance	04 Nov 2008
Fact Finding	07 Nov 2008 to 17 Nov 2008
MRM	-
Approval	28 Mar 2012
Last Review Mission	-
Last PDS Update	30 Mar 2012

TA 7453-INO

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2009	09 Apr 2010	09 Apr 2010	31 Dec 2010	15 Apr 2013	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,200,000.00	95,900.00	300,000.00	0.00	0.00	0.00	1,595,900.00	15 Dec 2009	1,259,088.93

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