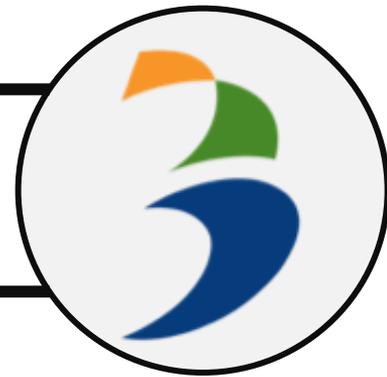

BADAN PERENCANAAN PEMBANGUNAN NASIONAL



Growth Strategies For Indonesia Infrastructure Development

Dr. Ir. Bastary Pandji Indra, MSP

Director of Public Private Partnership Development
National Development Planning Agency (Bappenas)

EKONID/BMWi Business Conference Indonesia 2014
Jakarta, 3 November 2014

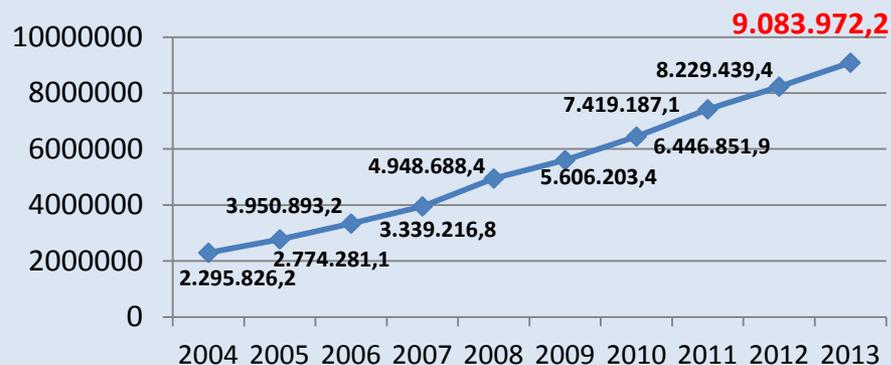
Indonesia Economic Condition

Indonesia last 5 years Economic Growth

Year	2009	2010	2011	2012	2013	1 st Semester 2014
Economic Growth (%)	4.63%	6.22%	6.49%	6.23%	5.78%	5.20%

Average Economic Growth in the last 5 year (2009-2013): **5.9%**

GDP (Rp Billion)



Indonesia GDP Per Capita (USD)



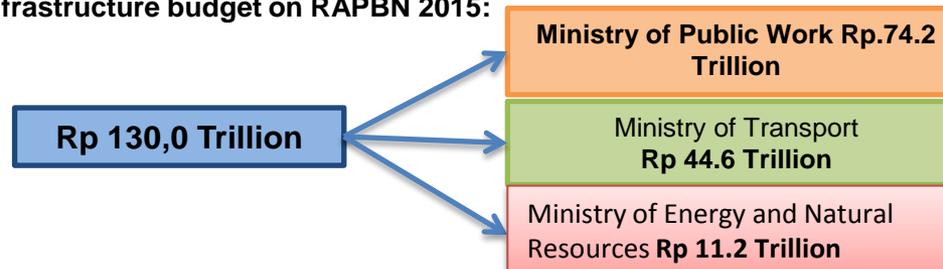
Indonesia's 2015 Proposed Budget (RAPBN 2015) was presented by President SBY on 15th August 2014.

Macroeconomics Assumption RAPBN 2015

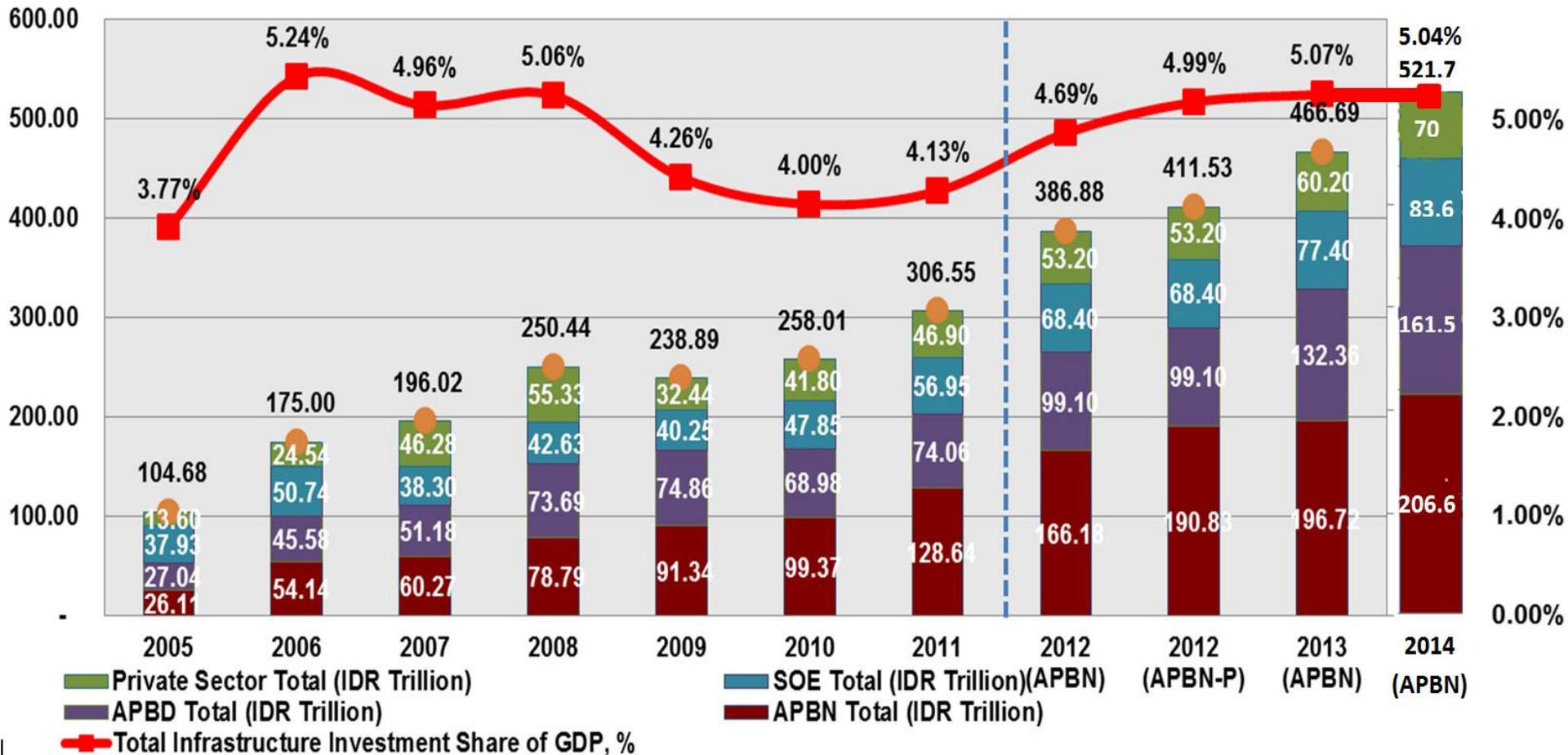
Description	RAPBN
Economic Growth	5.6%
Inflation (yoy)	4.4%
Exchange Rate (Rp/USD)	11,900
Gov. Treasury Bill Interest Rate (3 months)	6.2%
Oil Price ICP	105.0 USD/barrel
Oil Lifting	845,000 barrel/day
Gas Lifting	1,248,000 barrel/day

(Rp Trillion)	RAPBN 2015	APBNP 2014
Gov. Spending	Rp 2,019.86	Rp 1,876.9
Gov. Income	Rp 1,762.29	Rp 1,635.4
Deficit	2.32% of GDP	2.4% of GDP

Infrastructure budget on RAPBN 2015:



INFRASTRUCTURE INVESTMENT 2005-2014



Sumber: JICA Study Team computations based on APBN Data

INDONESIA'S INFRASTRUCTURE CONDITION (1)

	<u>Indicator</u>	<u>Current</u>		<u>Benchmark</u>
Road	• Road Serviceability (%)	• 91%		• 95%
	• Widening to 6m (%)	• 59%		• 80%
	• Vehicle density (vhc./km)	• 33%		• 80%
		• 511		• 450
		• 44.7		• 30
Benchmark Countries: Thailand (for most indicators)				
Railway	• Railway density (km/km ²)	• 0.25		• 0.79
	• Railway density per capita	• 0.02		• 0.06
Benchmark Countries: Thailand (for all indicators)				
Urban Transport	• Modal share (%)	• 3%		• 15%
	• Average speed (km/h)	• 8.3		• 20
Benchmark Countries: Taipei (for modal share), International Standard (Average Speed)				

Sea Transport

Ferry Transport

Air Transport

Due to geographical factors, demand projection, and inconsistent international benchmarks, these sectors still apply bottom-up approach for investment calculation.

Calculation methodology under review and refinement

INDONESIA'S INFRASTRUCTURE CONDITION (2)

	<u>Indicator</u>	<u>Current</u>	<u>Benchmark</u>
Power	• Electrification Ratio (%)	• 74%	• 100%
	• Reserve Policy (%)		• 30%
	• Consumption per capita (kWh/capita)	• 680	• 1,800
Benchmark Countries: Thailand, IEA and EU SEC (for all indicators combined)			
Water Resources	• Rice surplus (million tons/year)	• 1.81	• 10
	• Dam irrigation coverage (%)	• 11%	• 20%
Benchmark Countries: Thailand (for all indicators)			
Water Supply	• Access to clean water supply (%)	• 55%	• 85%
	• Piped water access ratio (%)	• 20%	• 60%
	• Non-Revenue Water Ratio (%)	• 33%	• 20%
Benchmark Countries: Malaysia (access to clean water supply), Philippines (piped water access, non-revenue water)			
Sanitation	• Wastewater treatment share (%)	• 34%	• 60%
	• Cover of centralized water treatment	• 2%	• 20%
	• Communal sewerage (%)	• -%	• 30%
Benchmark Countries: Thailand (for all indicators)			

Infrastructure Sector Long Term Development Plan (RPJPN) Direction

- The major theme of the 3rd RPJMN is *competitiveness*;
- Several directives in the field of infrastructure that need to be considered are:
 - Fulfillment of the needs of basic services:
 - **Electricity supply** is reliable and efficient → 100% of household and rural electrification ratio.
 - Fulfillment of **drinking water supply** to meet the basic needs of society → 100% access to clean water sources.
 - Fulfillment of the **housing needs** that comes with supporting infrastructure and facilities, supported by long-term housing finance system which is sustainable, efficient and accountable → cities without slums.
 - The utilization of **nuclear energy** for electricity generation.
- The fulfillment of these basic needs must be taken along with efforts to improve the competitiveness of the national economy through infrastructure development.

RPJMN (Middle Term Development Plan) 2015-2019 Targets

- | | | |
|--------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| a. 100% of Electrification Ratio (81,4% in 2014) | d. 100% Decent Housing Access | h. 30% Fixed broadband population (urban) and 6% (rural) and 100% mobile broadband population |
| b. 100% Drinking Water Access (68.5% in 2014) | e. 100% Steady state of Road (94 % in 2014) | i. 20% Irrigation by Reservoir (11% in 2014). |
| c. 100% Decent Sanitation (60.5% in 2014) | f. Logistics costs decreased to 20% of PDB (27% in 2014) | j. Raw Water Capacity into 100.5 m ³ /s |
| | g. Public Transportation Market Share into 32% (23% in 2014) | |

Infrastructure Development Strategic Issues (2015-2019)



**Endurance in
Water, Food
and Energy
to support
National
Security**



**Strengthening
National
Connectivity
to balance
development
emphasize in
maritime**



**Urban Mass
Transport
System
Development**



**Fulfillment of
Basic
Infrastructure
Availability**



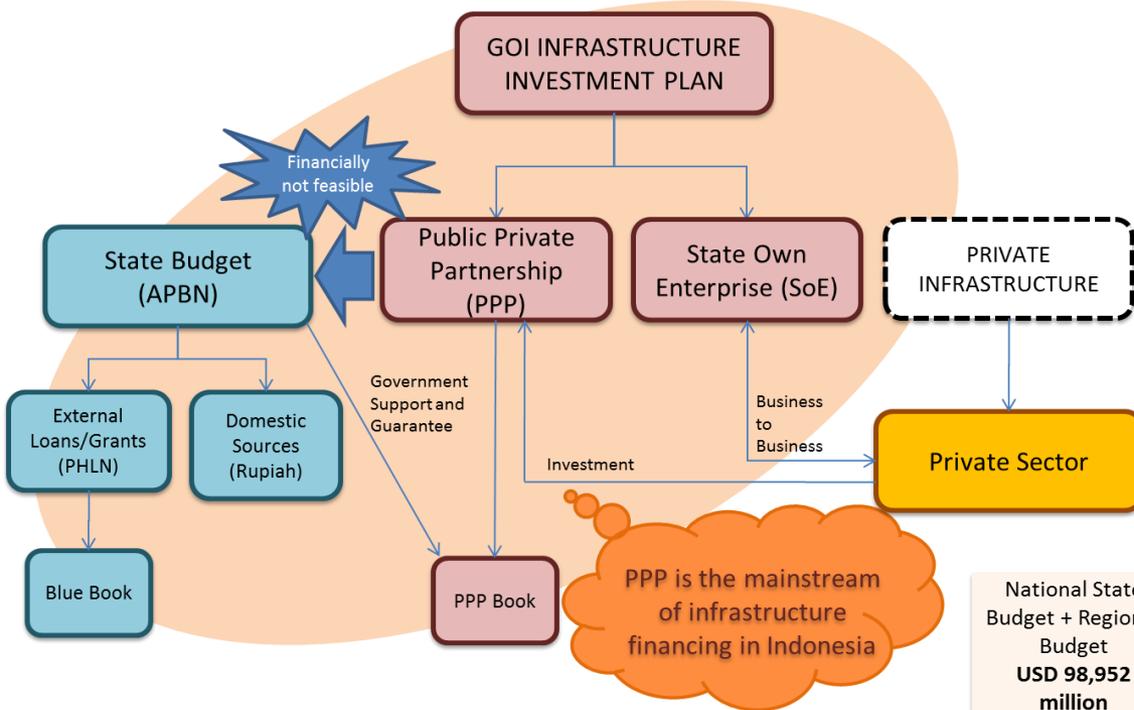
**Improved
Effectiveness
and Efficiency
in the Provision
of
Infrastructure
Financing**

Estimated Infrastructure Investment Need (2015-2019) Based on Technocratic Study

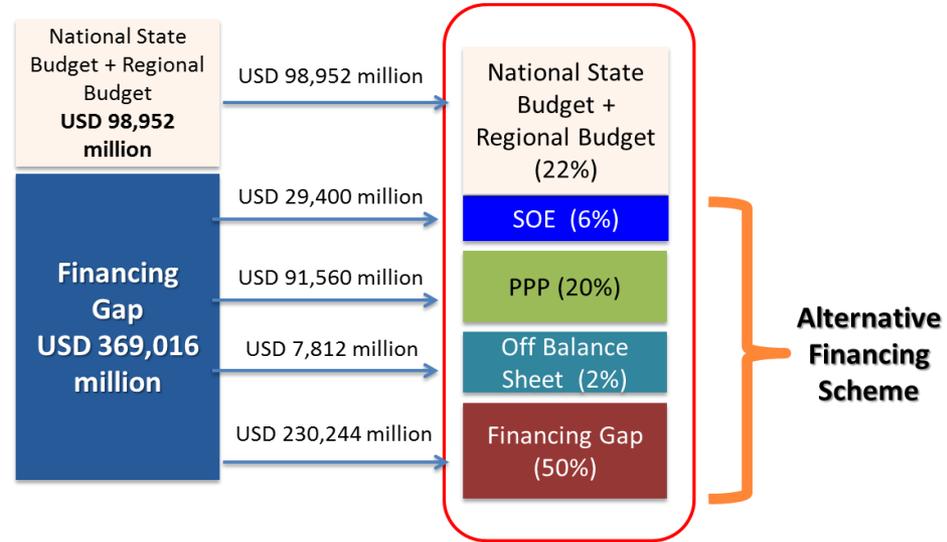
IDR Trillion					
Sector	Full Scenario (100%)	Partial Scenario (75%)		Basic Scenario (50%)	
		Needs	Portion to 100%	Needs	Portion to 100%
Roads	1,274	851	67%	637	50%
Railways	278	222	80%	140	50%
Urban Transportation	166	115	69%	75	45%
Sea Transportation	563	424	75%	282	50%
Ferry and ASDP	91	80	88%	60	66%
Aviation	182	165	91%	100	55%
Electricity	1,080	762	71%	714	66%
Energy and gas	535	420	79%	268	50%
Water Resources	1,091	845	77%	645	59%
Clean water and waste	666	450	68%	330	50%
Housing	384	247	64%	180	47%
Communication technology and informatics	242*	200	83%	130	54%
Total Investment	6,552	4,781		3,561	

*) IDR 22 Trillion of this figure is the government portion **Priority investment needs is estimated around IDR 5,452 Trillion ≈ USD 477 Billion** Slide 8

Indonesia's Infrastructure Financing Scheme



Improve partnerships between government, community, private sector, bilateral and multilateral



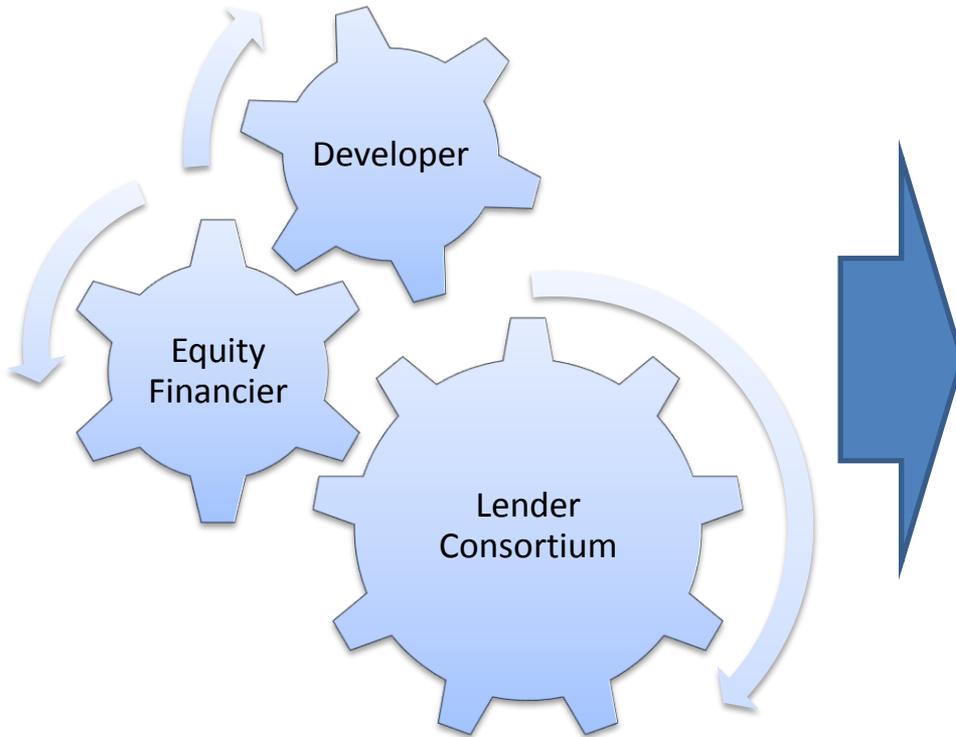
**“Estimated Funding Source for Infrastructure Development (2015-2019)
IDR 5,452 Trillion ≈ USD 477 Billion”**

The figure shown describes CAPEX and rehabilitation (excluded operation and maintenance cost)

Indonesia's Next Steps

- **Strengthening domestic strategy** for: (i) economic resilience and (ii) acceleration and continuity of economic growth through Indonesia economic transformation:
 - Industrial transformation in a broad sense
 - Increased competitiveness
- In line with the Indonesian free and active foreign policy, **Indonesia's future economic cooperation** will be more selective and increase the effectiveness of the International Economic Diplomacy.
- The application of the right strategy for the **utilization of global opportunities.**
- **Infrastructure Support** encourages the implementation of Indonesia's Geopolitical and Goeconomics targets.
- Massive development of physical infrastructure will develop various sectors and improve economic structure.
- Adequate infrastructure will enhance the efficiency and competitiveness of the industry. In addition, economic equality will be implemented throughout Indonesia.
- The improvement of infrastructure will enhance the economic growth and GDP per capita growth and bring Indonesia to the **Middle Income Country.**

Critical for Success - Partnership



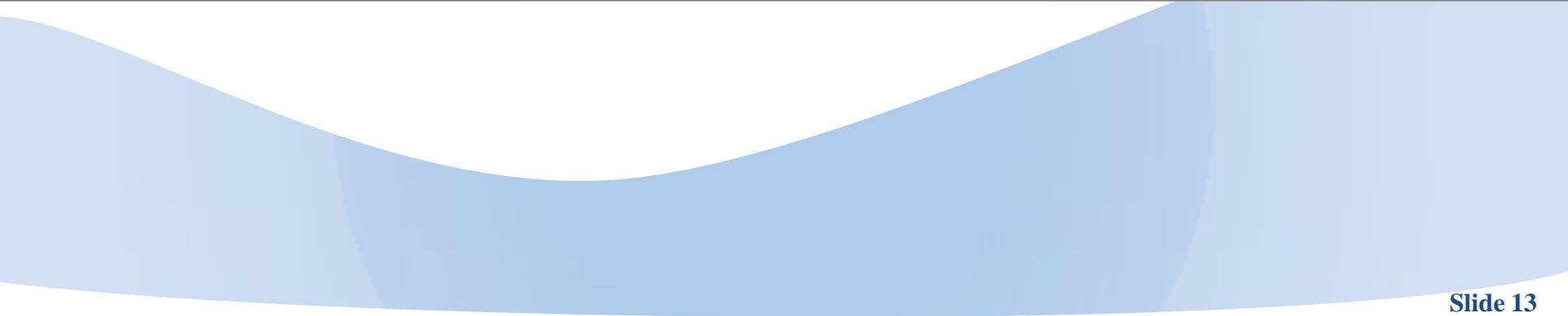
- Private-sector financing remains a challenge around the world and particularly in Indonesia
- To overcome such challenges, it is critical to have credible sponsors (developer and equity financier) with adequate local, technical and financial resources
- Lenders with expertise which can provide long-term funding at an appropriate time

Making PPP Works in Infrastructure

- Government of Indonesia is committed to maintain the momentum of investment friendly environment and is exploring all options in encouraging private as well as community participation in infrastructure (create championship, eliminate flip flop policy)
- PPPs represent an innovative way for the governments to work with the private sector in providing high-quality service delivery and in closing the gaps in fund requirements of the infrastructure sector.
- Opportunities for participation in the Indonesia PPP programme and infrastructure projects may be through mainly three channels:
 - Support the government in the development and transaction of projects (project preparation and transaction role)
 - Directly participating in tenders for project implementation and delivery, either as lead, partner or member of a consortium (investor role)
 - Providing services that includes planning, construction, maintenance and equipment product, throughout the supply chain (the supplier role)
 - Focus on small scale PPP that can increase local SME (Small Medium Enterprises) to participate in infrastructure development
 - Develop strong and capable PPP unit in each province



ATTACHMENT



The Government of Indonesia is committed to provide all parties engaged in the provision of infrastructure, especially the private sector, with clear and up-to-date information about existing and prospective PPP projects.

In the near future, Bappenas will publish PPP Book 2015 which is a guide to investors, lenders, contractors and suppliers about the opportunities to participate as a private partner in a PPP project.

PPP Book 2015 will consist of three criteria project :

- Ready to Offer
- Prospective
- Potential

ALREADY TENDERED PROJECTS

Land Transportation

1. Consolidated Urban Development, Banda Aceh

Sea Transportation

1. Tanah Ampo Terminal Cruise

Railway

1. Puruk Cahu – Bangkuang Coal Railway

Toll Road

1. Kemayoran – Kampung Melayu Toll Road
2. Sunter – Rawa Buaya – Batu Ceper Toll Road
3. Ulujami – Tanah Abang Toll Road
4. Pasar Minggu – Cassablanca Toll Road
5. Sunter – Pulo Gebang – Tambelang Toll Road
6. Duri Pulo – Kampung Melayu Toll Road
7. Nusa Dua – Ngurah Rai – Benoa Toll Road
8. Medan – Kuala Namu – Tebing Tinggi Toll Road
9. Serpong – Balaraja Toll Road

Water Supply & Sanitation

1. Umbulan Water Supply, East Java
2. Bandar Lampung Water Supply, Lampung
3. Maros Regency Water Supply, South Sulawesi
4. Lamongan Regency Water Supply, East Java
5. Solid Waste Management Improvement Project, Bandung Municipal
6. Batam Solid Waste, Riau Island

Power

1. Central Java Coal Fired Power Plant
2. South Sumatera 9 Mine Mouth Coal Fired Steam Power Plant
3. South Sumatera 10 Mine Mouth Coal Fired Steam Power Plant

TRANSACTION PREPARATION PROJECT



No.	Project	Estimated Investment (US\$ Million)	Contracting Agency	Status
1.	Soekarno Hatta-Halim Airport Railway	2,570.00	Ministry of Transportation	<ul style="list-style-type: none"> Trace determination has been issued by MoT Pre FS document has been completed land acquisition and PQ preparation
2.	Tanjung Enim-Tanjung Api-API Coal Railway, South Sumatera	2.975,00	Government of South Sumatera Province	<ul style="list-style-type: none"> Unsolicited project PT. Mega Guna Ganda Semesta (MGGS) has been appointed as project initiator Review of basic design PQ preparation
3.	Bandung Light Rail Transit (LRT), West Java	562,90	Government of Bandung Municipal	<ul style="list-style-type: none"> Pre-FS has been completed Market Sounding has been conducted PQ preparation.
4.	Pasir Koja-Soreang Toll Road	210.00	Ministry of Public Works	<ul style="list-style-type: none"> Land acquisition process has reached 75%
5.	West Semarang Municipal Water Supply	78,00	Government of Semarang Municipal	<ul style="list-style-type: none"> Submission of VGF to Ministry of Finance PQ preparation
6.	Pondok Gede Water Supply	25,00	Government of Bekasi Municipal	<ul style="list-style-type: none"> FS has been prepared by GCA. The transaction preparation process through IRSDP-Bappenas assistance. Finalization of FBC
7.	Pekanbaru Water Supply	175,00	Government of Pekanbaru Municipal	<ul style="list-style-type: none"> Unsolicited project Tender preparation
8.	Solid Waste Treatment and Final Disposal-Bogor and Depok Area	48,00	Government of West Java Province	<ul style="list-style-type: none"> Pre-FS has been completed by GCA on 2012. Project transaction preparation through IRSDP-Bappenas assistance. Finalization of bidding document

The Selected 10 Airports

10 Airport Candidates

8 Priority Airports

MOT selected airports based on the following aspects:

- Regional Economy Condition
- Market
- Consistency with Government's Program
- Accessibility

2 Tourism Airports

No	Airport Name	MoT Score	Revenue 2012 (IDR mn)	Aircraft Mov'mts 2011	Passenger 2011 ('000 pax)	Cargo Traffic 2011 ('000 kg)	Terminal Area (m2)	Regional Development Potential
1	Sentani, Jayapura	7.39	18,542	47,494	1,124	63,329	2,910	Eastern Indonesia Cargo Hub
2	Juwata, Tarakan	6.71	18,200	13,668	770	8,453	6,757	Trade and Agribusiness
3	Fatmawati Soekarno, Bengkulu	6.22	6,313	5,545	577	2,246	2,807	Agribusiness & Mining
4	S. Babullah, Ternate	6.00	6,627	8,562	477	40	751	Agribusiness
5	Radin Inten II, Lampung	5.92	7,968	15,464	1,034	2,469	2,016	Agribusiness and fisheries
6	Tjilik Riwut, Palangka Raya	5.79	7,300	6,320	606	3,643	5,734	Mining & Plantation
7	Mutiara, Palu	5.24	7,960	7,234	783	8,413	n.a.	Airport Hub
8	H.A.S. Hananjoeddin, Tanjung Pandan	4.86	3,218	17,509	512	1,578	1,668	Mining & Tourism
9	Matahora, Wakatobi	n.a.	n.a.	112	3.2	n.a.	n.a.	Tourism
10	Labuan Bajo, Komodo	n.a.	1,132	3,144	131	161	795	Tourism

Source: Ministry of Transportation

NATIONAL CAPITAL INTEGRATED COASTAL DEVELOPMENT (NCICD)



Project Location: DKI Jakarta Province

Project Description :

NCICD will provide flood safety for Northern Jakarta both on short and long term. Three phases are distinguished in the development of flood safety infrastructure.

Phase A Upgrading the current coastal defence, includes 1) slowing down the land subsidence 2) strengthening and heightening sea walls 3) upgrading the urban drainage system 4) preventing upstream river water entering the low-lying Jakarta area, and also accelerating the water sanitation

Phase B (2018-2040), the Outer Sea Wall in the west side of the bay will be constructed together with land reclamations and road connections. The subsidence in this part of the National Capital is at the highest rate, requiring a large sea wall with 'waduk' before 2025.

Phase C (starting in 2030), the east side of the bay will be closed off (the deadline depending on subsidence rate).

Project Structure

The estimation for the construction cost is US\$ 21.5 billion, (phase A: USD 2.1 billion, and phase B/C USD 19.4 billion) excluded pre conditions USD 16 billion

Project Objectives

- Flood safety
- Offshore water retention of 7.500 ha
- Combining with large scale land reclamation
- New central business district
- Complete missing links in the transportation system
- Spectacular new water front

Jakarta Mass Rapid Transportation (MRT)



- The Jakarta Mass Rapid Transportation project is expected to stretch across over 108 kilometers, including 21.7 kilometers for the north-south corridor (from Lebak Bulus to Kampung Bandan) and 87 kilometers for east-west corridor (from Balaraja to Cikarang).
- The north-south corridor is being implemented through the financing from the Government of Indonesia (Central Government and the Provincial Government of Jakarta) and ODA from the Japan International Cooperation Agency (JICA).
- The east-west corridor is expected to become operational between 2024 and 2027.
- The east-west corridor is still open for investors and companies to participate.



Cooperation on Sunda Strait Bridge



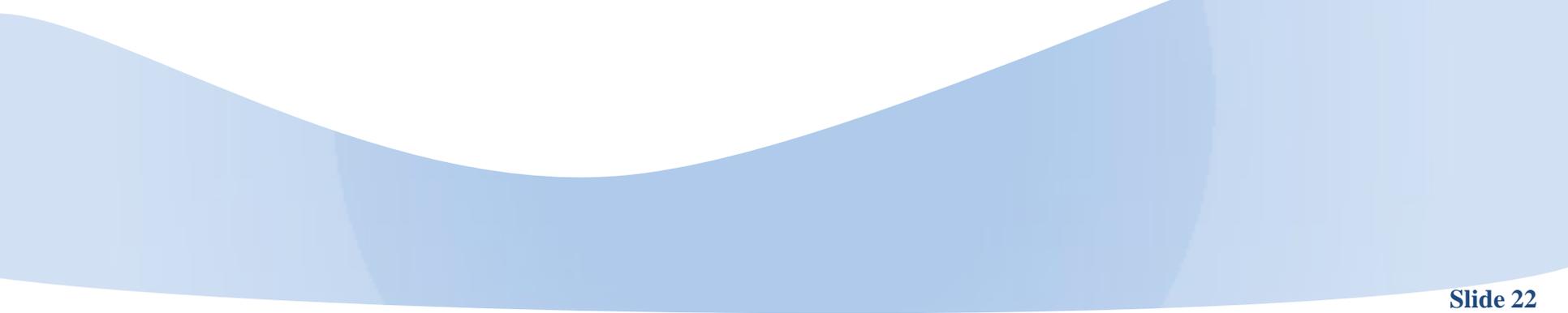
- There has been a long delay with the feasibility study as differences of opinion emerged over who would undertake the study and how it will be financed.
 - There are two options to finance the feasibility study. Firstly, it can be financed by Indonesia's State Budget (APBN) or by state-owned enterprises and the Graha Banten Lampung Sejahtera consortium.
-
- The Government of Indonesia has established an inter-ministerial team (Tim 7) to facilitate the development of this mega project: Minister for Public Works, Coordinating Minister for Economic Affairs, Minister of Finance, Minister for Law and Human Right, Minister for Industry, Cabinet Secretariat and Minister for Development and Planning.
 - The current status of this project is waiting for Tim 7's recommendation whether this project will be implemented by a state-owned enterprise or by state-owned enterprise and the Graha Banten Lampung Sejahtera consortium.

PLTA Projects with Groundbreaking Target in 2014-2015

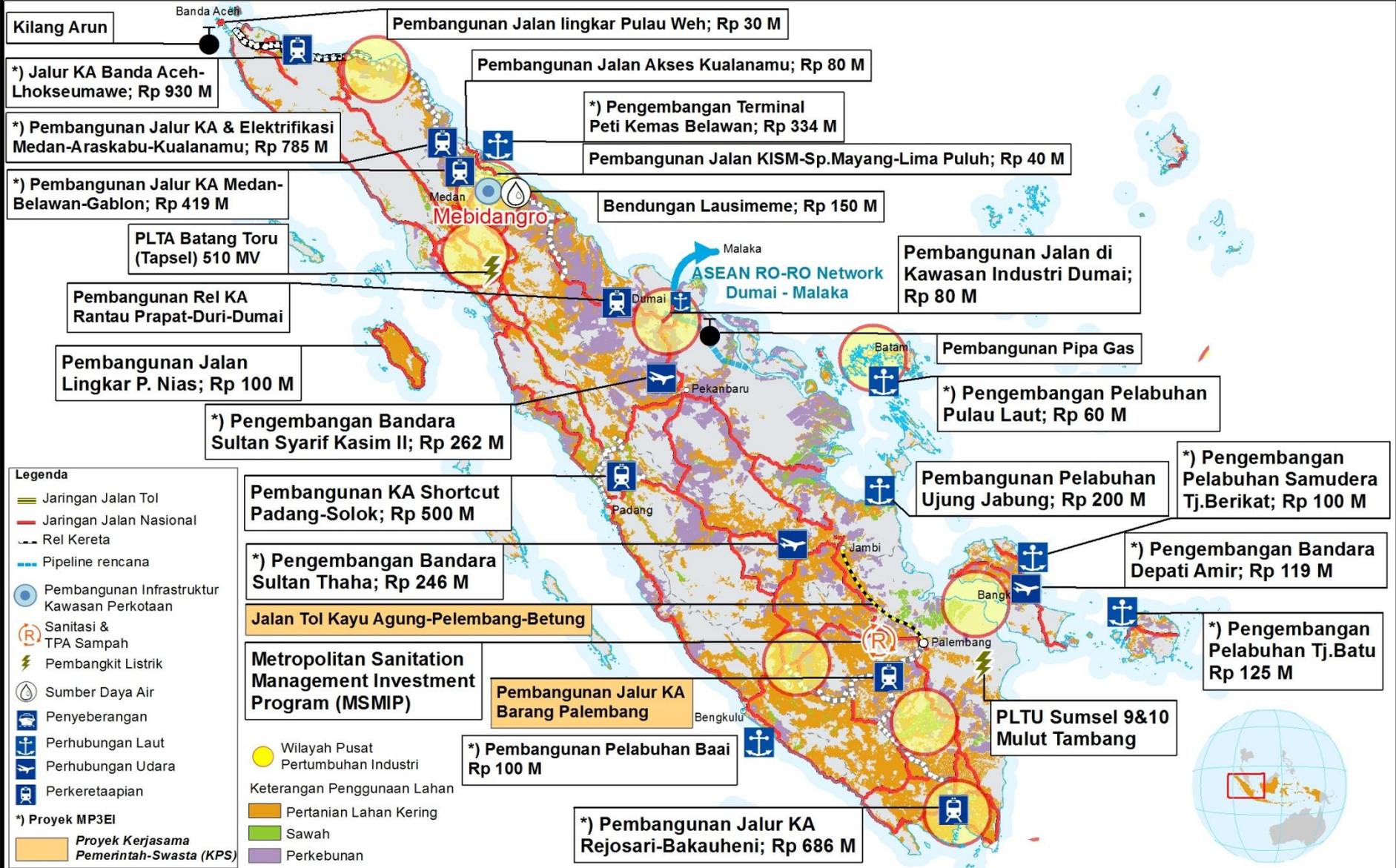
No.	PLTA	Progress
1.	Upper Cisokan (4x260 MW), West Java	<ul style="list-style-type: none">land acquisition for access road has reached 100%Aanwijzing by PT PLN on 28-29 September 2014Groundbreaking on March 2015
2.	Jatigede (110 MW), West Java	<ul style="list-style-type: none">Sinohydro as winning bidderLand acquisition processGroundbreaking on January 2015
3.	Asahan III – 2x87 MW, North Sumatera	<ul style="list-style-type: none">Acces road has been constructedGroundbreaking on October 2014 , if the reserved forest problem is clear
4.	Jatibarang (1.5MW), Central Java	<ul style="list-style-type: none">Principle License and PPA processGroundbreaking on Desember 2014
5.	Rajamandala (47 MW), West Java	<ul style="list-style-type: none">Groundbreaking on October 2014
6.	Pandan Duri (3.5 MW), Lombok	<ul style="list-style-type: none">Principal License processGroundbreaking on December 2014
7.	Titab (1.8 MW), Bali	<ul style="list-style-type: none">Principle License and PPA processGroundbreaking on December 2014



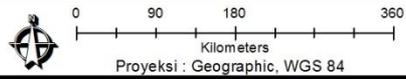
STRATEGIC INFRASTRUCTURE PROJECT LOCATION RPJMN 2015-2019



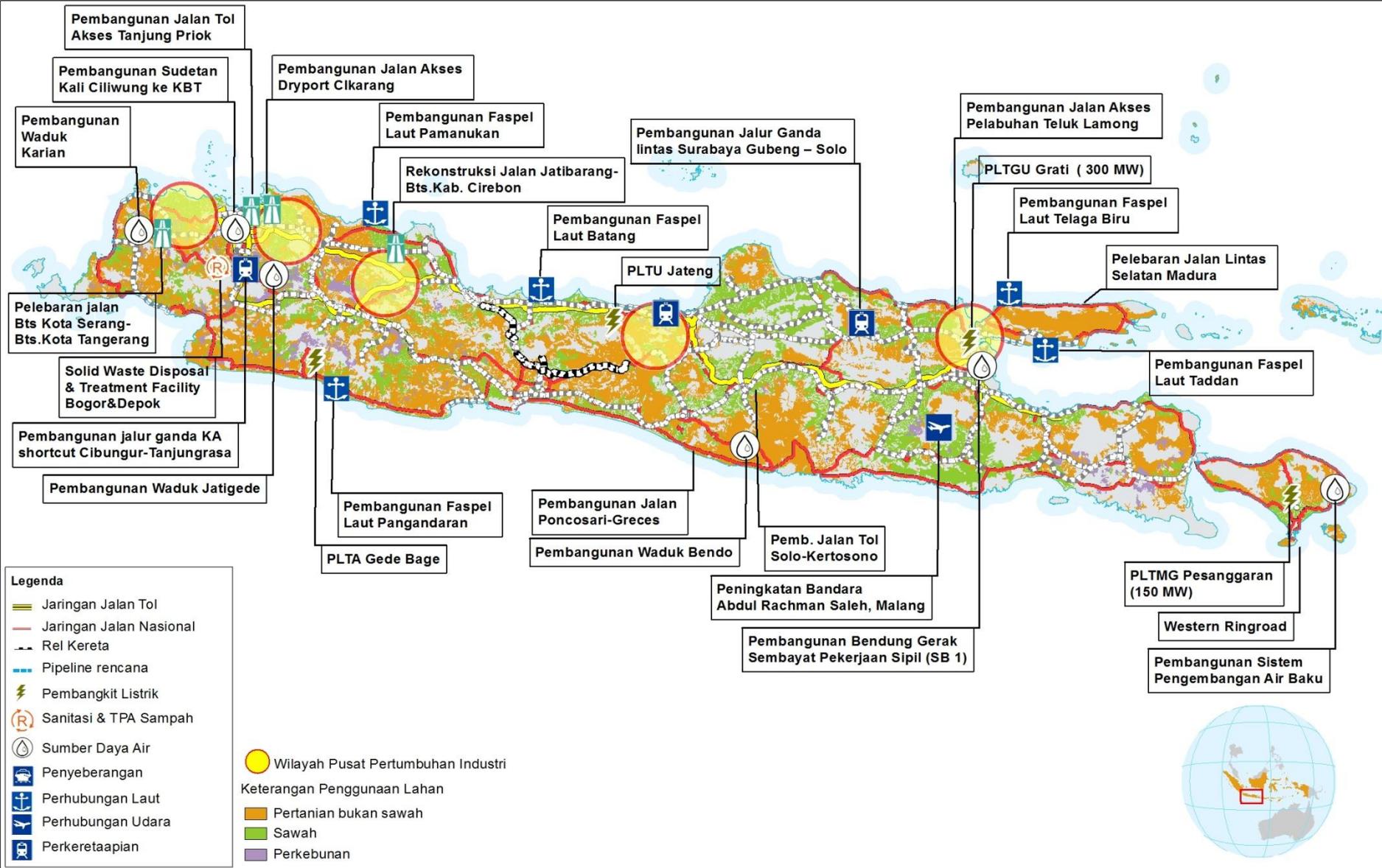
PROYEK STRATEGIS RPJMN INFRASTRUKTUR WILAYAH SUMATERA TAHUN 2015-2019



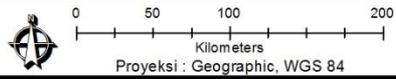
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Kedeputan Sarana Prasarana
BAPPENAS



PROYEK STRATEGIS INFRASTRUKTUR RPJMN WILAYAH JAWA TAHUN 2015-2019

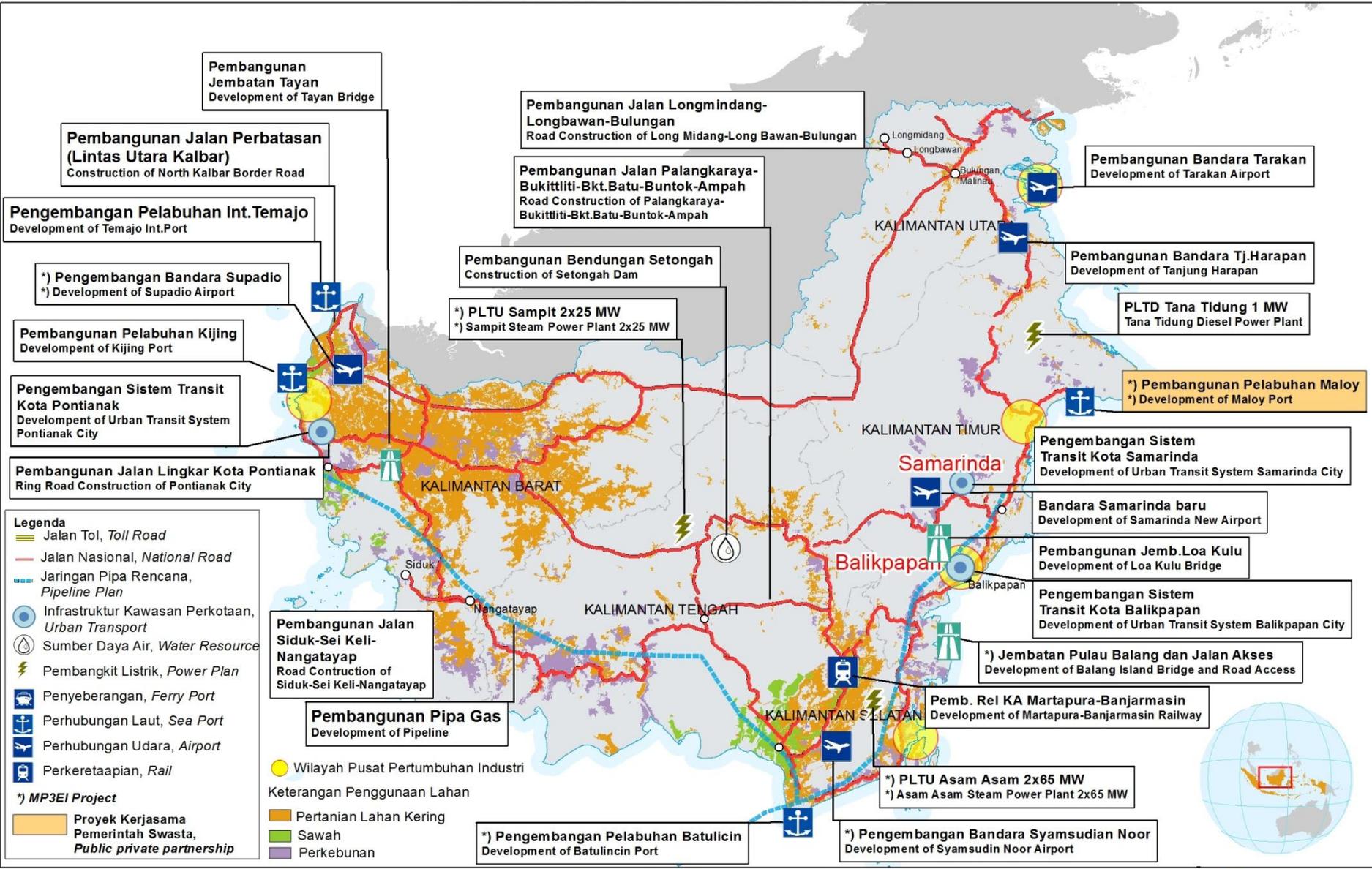


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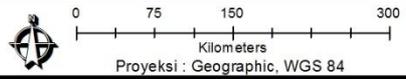


Kementerian PPN/
Bappenas

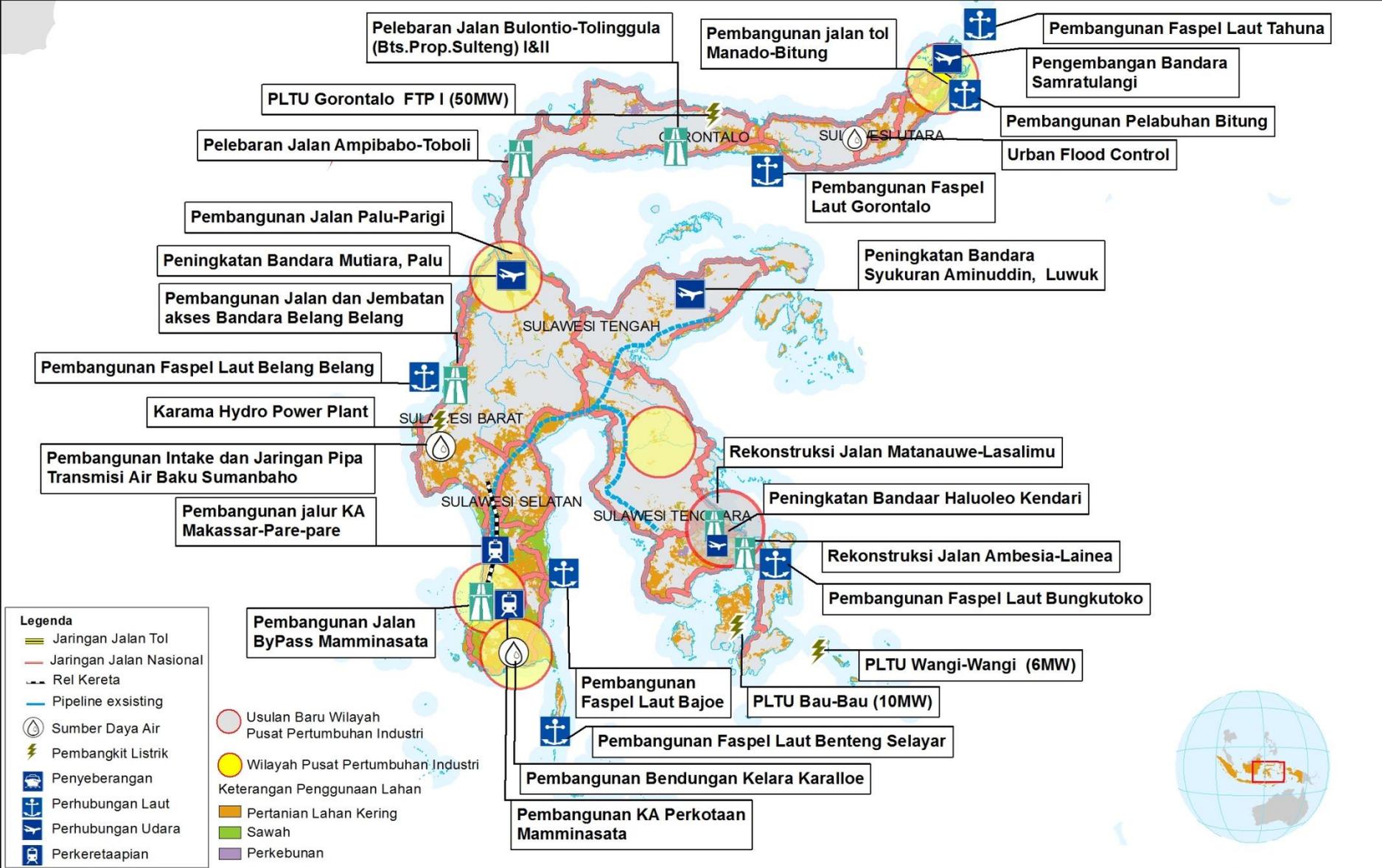
PROYEK STRATEGIS RPJMN INFRASTRUKTUR WILAYAH KALIMANTAN TAHUN 2015-2019
KALIMANTAN REGIONAL STRATEGIC INFRASTRUCTURE PROJECT



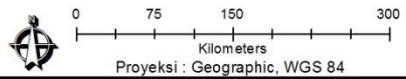
Sumber : Source :
 Kedeputan Sarana Prasarana Deputies of Infrastructure
 BAPPENAS Ministry of National Development Planning Agency



PROYEK STRATEGIS INFRASTRUKTUR RPJMN WILAYAH SULAWESI TAHUN 2015-2019

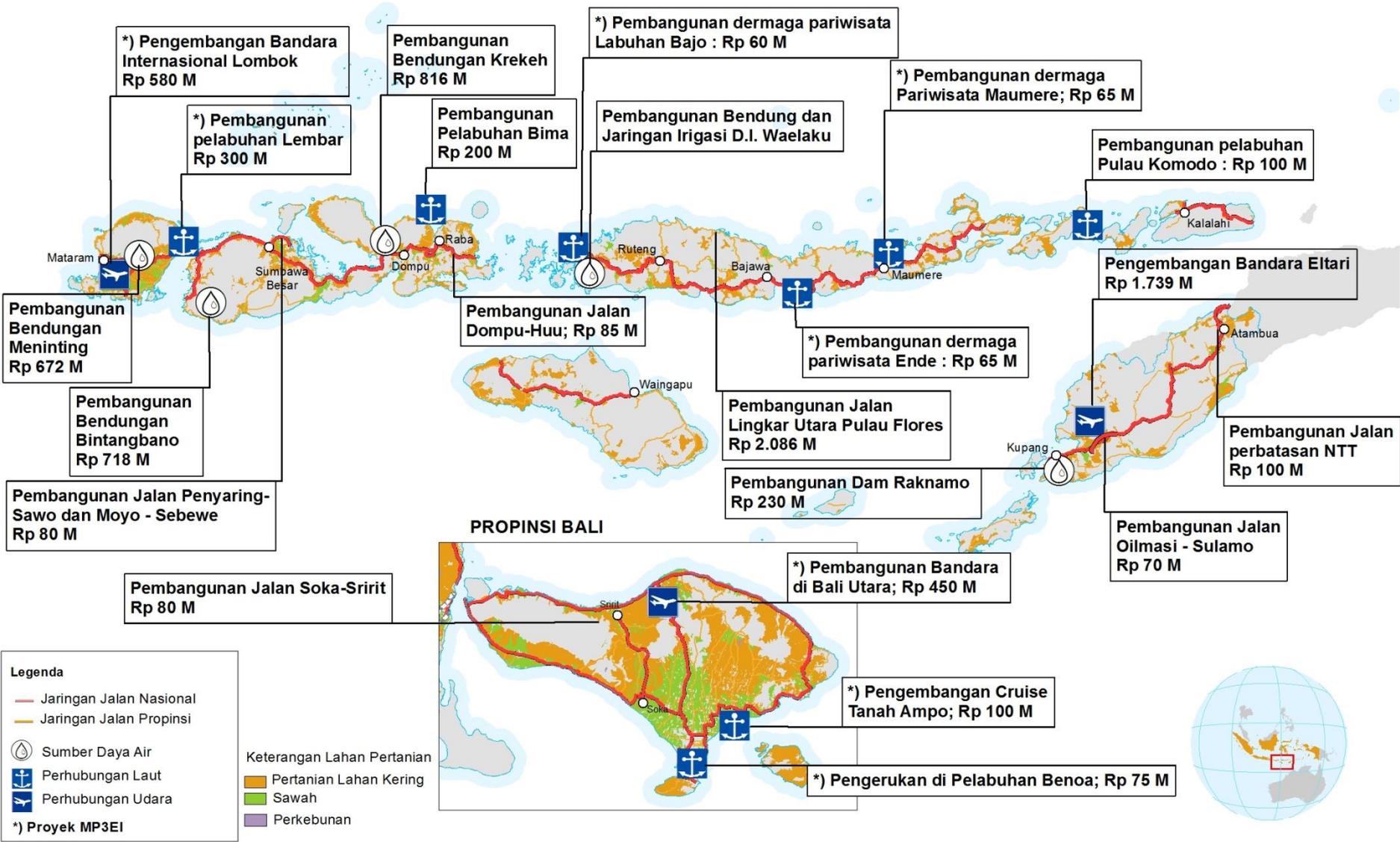


Sumber :
Kedeputan Sarana Prasarana
BAPPENAS



Kementerian PPN/
Bappenas

PROYEK STRATEGIS RPJMN INFRASTRUKTUR WILAYAH BALI - NUSA TENGGARA TAHUN 2015-2019



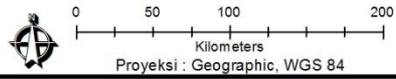
Legenda

- Jaringan Jalan Nasional
- Jaringan Jalan Propinsi
- Sumber Daya Air
- Perhubungan Laut
- Perhubungan Udara
- *) **Proyek MP3EI**

Keterangan Lahan Pertanian

- Pertanian Lahan Kering
- Sawah
- Perkebunan

Sumber :
Kedeputan Sarana Prasarana
BAPPENAS



PROYEK STRATEGIS RPJMN INFRASTRUKTUR WILAYAH MALUKU TAHUN 2015-2019

***) Pembangunan Jalan Lingkar Halmahera (Utara, Tengah, Selatan) Rp 240 M**

Pembangunan Konstruksi Pengamanan Pantai Maba Thp. I; Rp 95 M

***) Pembangunan pelabuhan Sofifi : Rp 300 M**

***) Pembangunan pelabuhan Gebe Rp 134 M**

Pengembangan Bandara Oesman Sadik Labuha; Rp 15 M

***) Pembangunan Konstruksi Pengamanan Pantai Bisui & Tabahidayat; Rp 95 M**

Pembangunan Bendung D.I. Bula (Fufa) Rp 150 M

Pembangunan Jalan Trans Maluku ruas Airnanang-Musiwang-Waru-Bula Rp 100 M

Pengembangan Sistem Transit Kota Ambon Rp 958 M

Perpanjangan Runway Bandara di Tual : Rp 60 M

Pembangunan Jalan Lingkar Pulau Ambon Rp 750 M

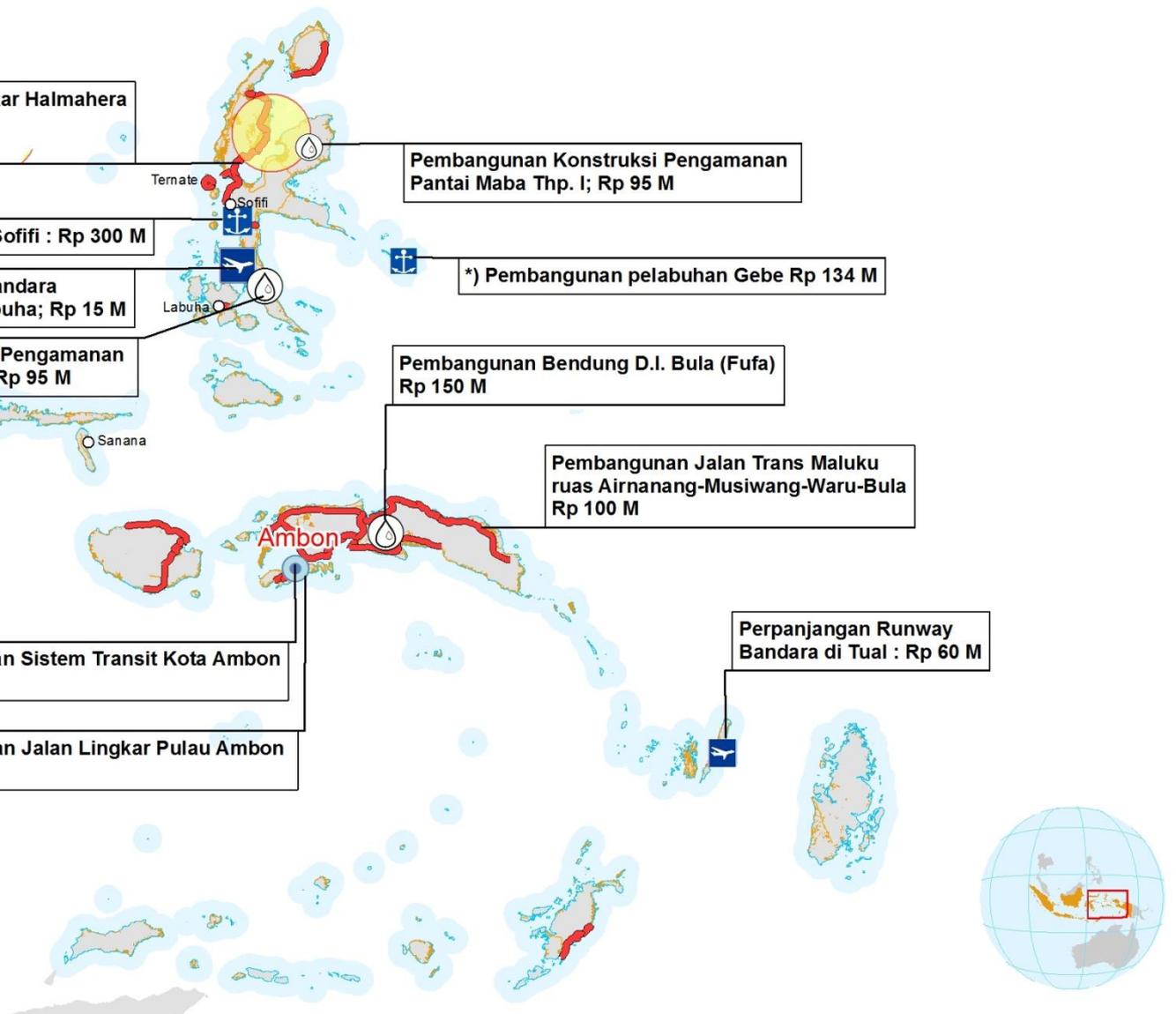
Legenda

-  Jaringan Jalan Tol
-  Jaringan Jalan Nasional
-  Pembangunan Infrastruktur Kawasan
-  Penyeberangan
-  Perhubungan Laut
-  Perhubungan Udara
-  Wilayah Pusat Pertumbuhan Industri

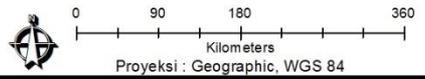
Keterangan Penggunaan Lahan

-  Pertanian Lahan Kering
-  Sawah
-  Perkebunan

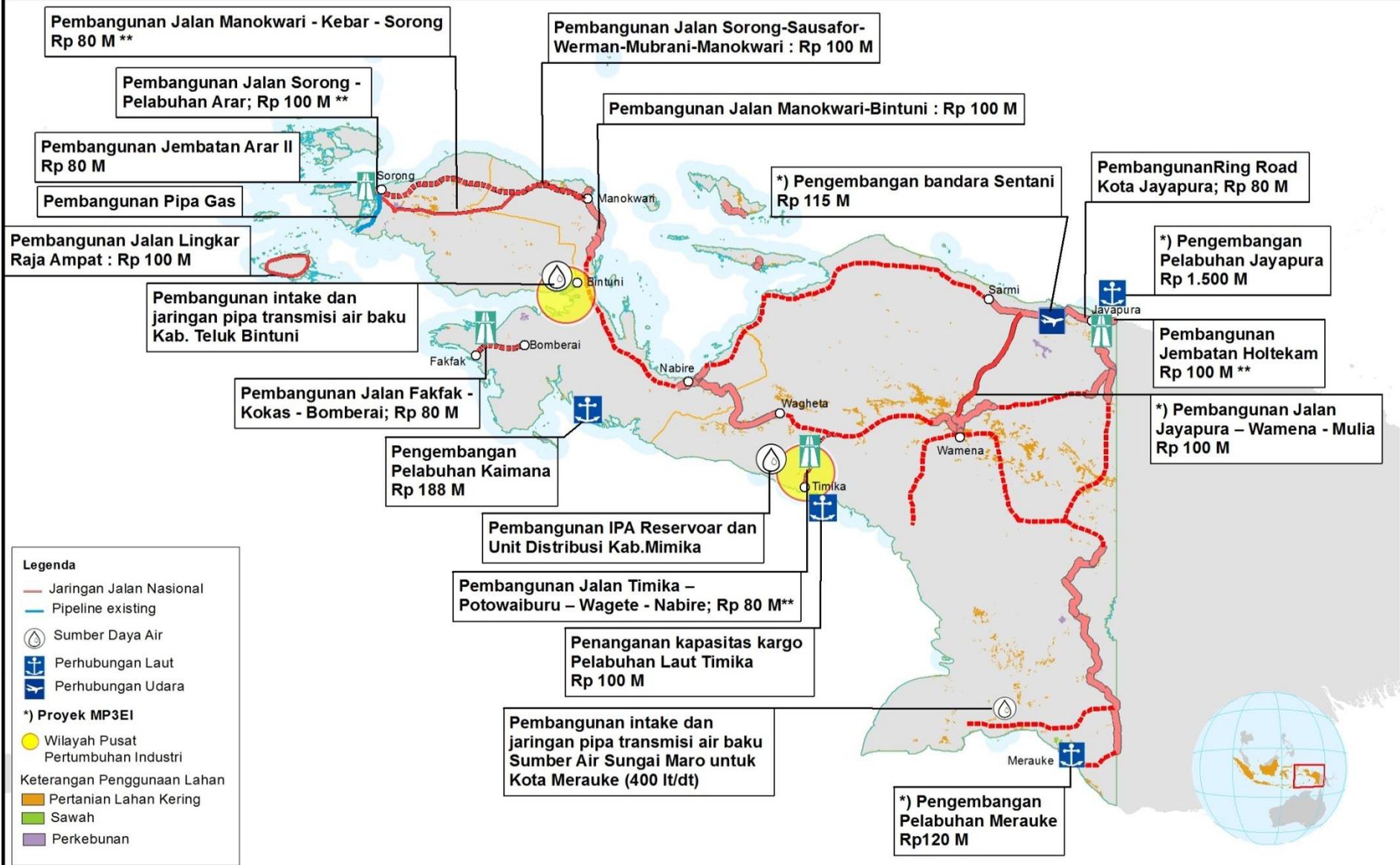
***) Proyek MP3EI**



Sumber :
Kedeputan Sarana Prasarana
BAPPENAS



PROYEK STRATEGIS RPJMN INFRASTRUKTUR WILAYAH PAPUA TAHUN 2015-2019



Legenda

- Jaringan Jalan Nasional
- Pipeline existing
- Sumber Daya Air
- Perhubungan Laut
- Perhubungan Udara

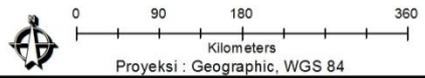
***) Proyek MP3EI**

- Wilayah Pusat Pertumbuhan Industri

Keterangan Penggunaan Lahan

- Pertanian Lahan Kering
- Sawah
- Perkebunan

Sumber :
Kedeputan Sarana Prasarana
BAPPENAS



THANK YOU



**DIREKTORAT PENGEMBANGAN KERJASAMA PEMERINTAH DAN SWASTA
KEMENTERIAN PERENCANAAN PEMBANGUNAN NASIONAL/BAPPENAS**

JL. TAMAN SUROPATI NO. 2

JAKARTA 10310

TELP : 021 31934175

WEBSITE: pkps.bappenas.go.id

EMAIL: pkps@bappenas.go.id