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Unlimited Mobility Through Infrastructure Revitalization

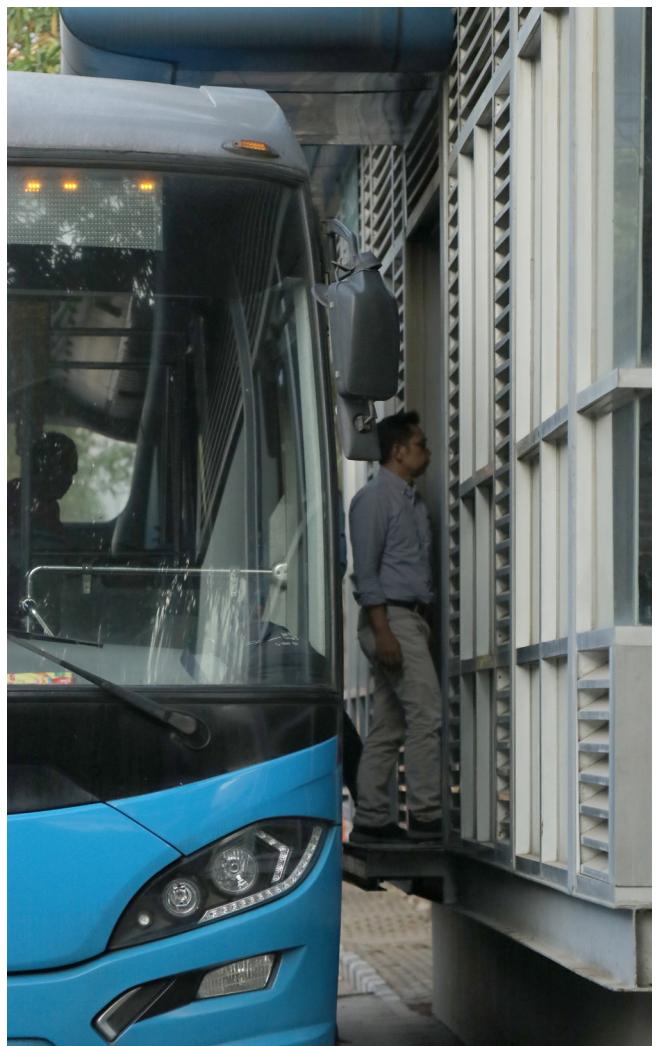
The acceleration of infrastructure development indirectly revitalizes a mobility that has not been fully utilized. The presence of various infrastructures that are supporting mobility in general such as transportation infrastructure generates the benefits of mobility that have been withheld so far both the mobility of transportation that facilitates the movement of people from one place to another as well as economic mobility driven by the movement of industrial logistics locally and internationally.

The importance of a mobility value is also an implicit hope of President Joko Widodo in his ambition to undertake various infrastructure projects in Indonesia. With the improved mobility of a nation, there will be efficiency in the process of economic development with equal distribution caused by the interconnection of large areas such as Indonesia, interhuman knowledge transfer in every connected region and growth of new businesses in the area.

As benefit of efficiency resulting from mobility, the Public-Private Partnership (PPP) scheme provides innovations for efficient execution and procurement of infrastructure projects. PPP was born as a solution to the limitations of budget owned by the government and technological innovation of the business entities. Thus, there is a creative solution that can accelerate infrastructure development in Indonesia by constantly focusing on innovation development and quality enhancement.

The PPP has an important role to provide solutions in optimizing the mobility revitalization in Indonesia.

The presence of PPP will cause a significant acceleration and movement in the development of infrastructure to support mobility so that major goals such as economic equal distribution can be achieved immediately. Some PPP projects that support the mobility revitalization include the Bekasi Proving Ground, Kalimantan toll road (Balikpapan-Samarinda) and KLB (Krian-Legundi-Bunder-Manyar) toll road which will be discussed in this edition.



Poris Plawad Terminal

Connecting Nations Through Highway Network



Antara foto tol balikpapan-samarinda

Connectivity networks in the New Capital Region in East Kalimantan Province is very important. With this connectivity network, cities in the vicinity of new capital region area will become more connected and will also present new economic centers. In addition, this connectivity network can also reduce the costs of transportation making it more efficient.

One of the connectivity networks built in the IKNB area is the toll road that connects Samarinda city to Balikpapan. The First Toll Road in East Kalimantan Province has a total length of 99.35 km divided into five packages comprising two sections namely Section 1 consisting of Package 1 Balikpapan-Semboja of 25.07 km and Package 5 Sepinggan-Balik-Papan of 11.09 km. Furthermore, Section 2 consists of Package 2 of Samboja-Palaran I of 23.26 km, Package 3 of Samboja-Palaran II of 21.9 km and Package 4 of Palaran-Mahkota II Bridge of 17.7 km. Investment for the Samarinda-Balikpapan toll road construction is Rp. 9.97 trillion and the development progress has currently reached 97 percent.

The initial process of the Balikpapan-Samarinda Toll Road construction began in 2010. Starting from the era of the 6th President of the Republic of Indonesia, Susilo Bambang Yudhoyono (SBY) and Governor Awang Faroek Ishak. This project was inaugurated together with several other infrastructure projects. However, in 2012, there were difficulties in funding followed by rising land prices that had to be acquired by the government, making the project stalled and could only resume in November 2015.

The Balikpapan-Samarinda Toll Road is included in the list of National Strategic Projects. It is stated in the Presidential Regulation that national strategic projects are projects implemented by the Government, Regional Governments, and/or business entities that have strategic characteristics to increase growth and equitable development in order to improve community welfare and regional development. In addition, with an industry focus based on Oil Palm, coal, oil and gas and agriculture, this toll road is expected to improve industrial connectivity and mobility so as to create better economic synergies by cutting logistics costs and travel times between the cities of Samarinda-Balikpapan and the surrounding areas.



<https://economy.okezone.com/>

Development Without Obstacles

As of November 2019, PT Jasa Marga reported that the construction progress of the project was almost 100% complete. Overall, it has reached 97.56 percent and land acquisition has reached 99.54 percent. Various efforts have also been pursued to accelerate the construction by PT Jasamarga Balikpapan Samarinda (JBS) which is a subsidiary of Jasa Marga in managing the Balikpapan-Samarinda Toll Road to achieve the specified targets.

One of processes taken was the receipt of a syndicated loan or credit of Rp. 6.89 trillion obtained through the company from 13 banks and one infrastructure financing institution. This becomes one of indicators of the return of banks' trust in financing infrastructure projects.

Another interesting thing is that the presence of Islamic banking institutions, Donny Arsal, as the director of Jasa Marga Finance explained, "In addition to conventional banks, there are also sharia-based bank and non-bank financial institution as well. Through the signing of this syndicated loan agreement, we as shareholders are committed to safeguarding and fulfilling the obligations

to creditors holding shares that will provide liquidity." He also said he was optimistic about the target of the functioning of this toll road during the Christmas holidays in 2019 and the new year 2020.

This toll road is the first toll road built in Kalimantan. The expected benefits of this toll road have been estimated from the connectivity to the travel duration which is cut hence faster from Balikpapan to Samarinda city. In addition, the plan to relocate the capital to East Kalimantan also makes this toll road a foundation for further infrastructure projects related to access to IKNB and other strategic projects.

Manado-Bitung Toll Road Project, North Sulawesi

The importance of mobility in the course of development constitutes an integral part of the overall development process. Building and revitalizing infrastructures support the increasing positive potential of mobility. The Manado-Bitung Toll Road Project, North Sulawesi is a project aimed at developing various sectors including the potential of mobility. One of them connects the Special Economic Zone and the port international Bintan and

is expected to be able to support the development of economic growth and tourism in Manado, North Minahasa, and Bitung regions.

A 39 km toll road worth an investment of 5.12 Trillion Rupiah is planned to operate this year (2019). However, several obstacles were still encountered in the process. According to the presentation of the President Director of PT Jasa Marga Manado Bitung (JMB) George IMP Manurung, the progress for package 2 of Air Madidi-Bitung by the end of September 2019 has reached 50.27% and land acquisition has reached 93.20%. Section 2B is still facing a constraint, namely land acquisition at the location of main road and several sections at interchanges.

In an effort to accelerate the construction stage, PT JMB carries out various businesses such as adding a batching plan, bringing in heavy equipment for embankment work and adding workers, as well as adding material resources needed.

Based on data from PT Jasa Marga (Persero), projects built through PPP scheme with the financing of Viability Gap Fund (VGF) in package 1 of 14 KM and use of funds from

Toll Road Business Entity (BUJT) in package 2 of 25 KM. The investment bidding in PPP scheme was completed in May 2016. In this bidding, PT Jasamarga Manado-Bitung was chosen as BUJT to build the section. The signing of the Toll Road Concession Agreement (PPJT) for this project was carried out on June 9, 2016. In addition, this project also received a guarantee from PT Penjaminan Infrastruktur Indonesia (PT PII). In addition, the Assurance Guarantee Agreement and Rgress Agreement were also signed on June 9, 2016.

According to the presentation of the Mayor of Bitung, Maximiliaan Jonas Lomban, the connectivity of this toll road project with the Special Economic Zone will have positive impacts on the national economy and certainly the regional economy. Because in the special economic zones and in international rights activities, foreign exchange will be created for the country which will be used for foreign payments in export-import activities. Hence, this is a form of Bitung regional support for the country's progress.



Strategic Role of Proving Ground for Improving the Safety of Land Transportation

Built on an area of 92 hectares, the Testing Facility for Road-worthiness Testing and Motor Vehicle Certification or known as proving ground is an infrastructure built for understanding and conducting a feasibility test for the safety and reliability of transportation before entering any mass production in Indonesia. In addition, this development of proving ground is a strategic step to meet the international standards of UNECE and ASEAN MRA to be able to compete both regionally and globally.

From the data and presentation on the importance of the proving ground establishment, Chandra Irawan, Director of infrastructure in Directorate General of Land Transportation Ministry of Transportation explained that vehicle growth in Indonesia reached 32% or the highest in Asean, more precisely above Thailand ranks at second position.

675 vehicles were tested in BPLJSKB in 2015. The number decreased to 512 units in 2016 and again rose to 625 units of vehicles tested at proving ground Bekasi.

In the context of revenue, proving ground recorded a total revenue of Rp1.198 trillion from vehicle testing of Rp5.92 billion, SUT (Type Test Certificate) of Rp34.075 billion and SRUT (Type Test Registration Certificate) of Rp1,158 trillion. This total revenue was recorded in 2016 and experienced an increase in 2017 to Rp1.299 trillion. With this potential income, it shows that there is a potential promising business.

With such potential, it is expected that there will be investors or private parties interested in entering and working with the government for this project. In this case, PPP scheme becomes a platform to be able to combine investors or business entities with government projects. This condition is also supported by differences in ceiling at the Ministry of Transportation due to lack of funds to build this proving ground.

Met at her workplace, Susi Pratiwi, as the head of the Sub-Directorate of Road Transport Management, Directorate General of Land Transportation, Ministry of Transportation who is also the Deputy Director of the proving ground project explained the strategic role of this project, i.e. the presence of government, for

enhancing safety for motor vehicle drivers, also meeting UNECE standards or international standards and ASEAN MRA terms.

Susi Pratiwi also mentioned the very important role of PPP in financing this project, especially in terms of CAPEX. It is known that funding from the government is very limited, but the need for a proving ground is highly needed by the people of Indonesia. Therefore, PPP can attract investors who are needed by the government in meeting the needs of the proving ground project. PPP scheme used in this project is the availability of payment with an investment of Rp. 1.97 trillion and a concession period of 20 years. The planned construction can begin in 2021 and operate in 2022.

In the context of PPP's hopes for the future, Susi stated that this PPP will bring fresh air to the development of infrastructures existing in land transportation. According to him, this PPP gives a sense of security, comfort for Government Contracting Agency (GCA) itself because it is helped by a joint office. This joint office has various stakeholders directly involved in helping PPP process along with the bottleneck that will occur. Investors will also be more interested and feel more confident to participate in investing because they get a guarantor, namely PT Indonesia Infrastructure Guarantee Fund (PT IIGF), who can provide guarantees for PPP projects.



Susi Pratiwi also explained that the progress of the proving ground project itself was in accordance with the existing steps and in accordance with the Regulation of the Minister of Bappenas No. 4 of 2015 and the Presidential Regulation 38 of 2015. "As information about the proving ground, the business case has been in the final preparation stage and assisted with PDF facilities from the Ministry of Finance through PT PII." Susi added. The preparation process is also carried out in parallel, comprising the follow-up issue that must be resolved by the Cooperation Project Person in Charge (PJPK) and the study that needs to be carried out by the consultant. Market sounding or market confirmation is also planned to be carried out in December 2019 and will soon enter the Prequalification phase. All of this progress is in accordance with the optimistic target expected by the Minister of Transportation.

According to the Minister of Transportation, Budi Karya Sumadi, PPP scheme is a very strategic step especially in executing programs to accelerate the development of infrastructure facilities. Infrastructure development focused on the development of land transportation is useful to ensure the welfare of all Indonesian people.

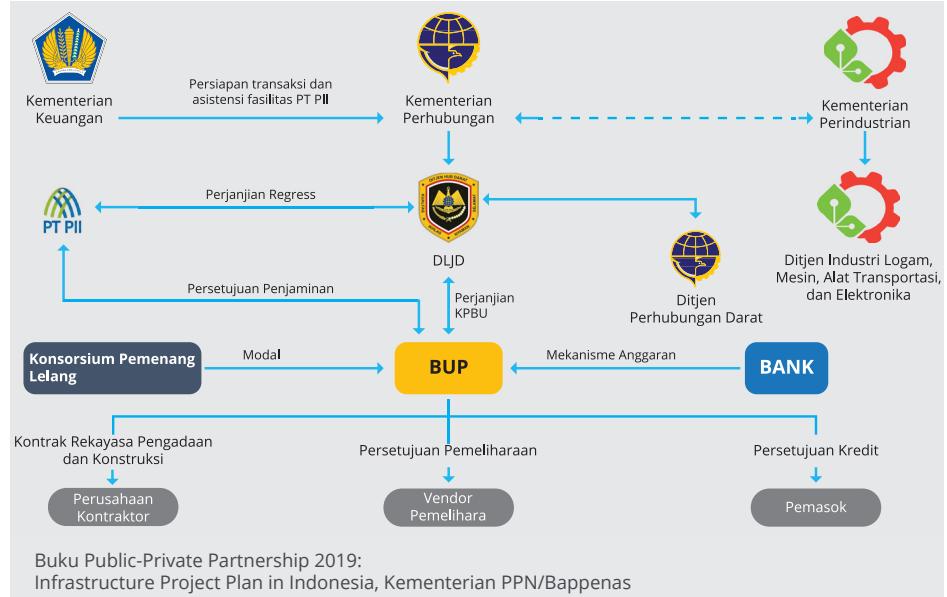
This is the strategic plan of the Directorate General of Land Transportation in 2020-2024, namely by conducting Public-Private Partnership (PPP) in land transportation development projects. One of the projects is the Construction of the Proving Ground. "This cooperation project cannot be separated from the government's drive to realize the Nawacita program in developing Indonesia from the periphery and strengthen rural areas and to ensure that infrastructures continue to be built despite the limitations of the state budget," he explained.

Previously, this BPLJSKB already had an indoor trial facility and a multi-purpose track of 1 Km. To be able to meet international standards or UNECE standards, an Outdoor trial facility is required. These facilities include:

- General Roads
- Climb Track
- High Speed Track
- (Cosiness Track)
- (External Noise Track)
- Off Road Track
- Dry Track

"Proyek kerja sama ini tidak lepas dari dorongan pemerintah untuk merealisasikan program Nawacita dalam membangun Indonesia dari pinggiran dan memperkuat daerah pedesaan serta untuk memastikan infrastruktur tetap dibangun walaupun dengan keterbatasan APBN"

Indikasi Struktur Proyek KPBU



Buku Public-Private Partnership 2019: Infrastructure Project Plan in Indonesia, Kementerian PPN/Bappenas





Creative Innovation to Enhance the Capacity of Jakarta-Cikampek Highway



Stretching from west to east with a total length of 83 KM, the beginning of the Jakarta-Cikampek Toll Road built in 1988. Passing through the points of the city administration area of Bekasi City, Bekasi Regency and Karawang Regency some of the area of which has also been filled with growing population and industrial areas. It brings about significant impacts on the volume of traffic density passing through this toll road section exceeding the previously planned capacity.

Such condition has also impacted mobility around the area associated with efficiency in economic activity. Therefore, this elevated toll road project was created to provide additional traffic capacity along the DKI Jakarta section and its surrounding areas in the Jabodetabek area.

Certainly, the purpose and benefits of this elevated toll road will give increased mobility through efficiency in the transportation system that supports the national economy, enhances smooth flow of land transportation,

guarantees safe land transportation services, facilitates the movement of traffic flow and the flow of goods and residents from Jakarta to the Bekasi area up to Bandung, accommodates the movement of goods and services across provinces and supports the development of cities in the area of West Java Province.

Jakarta-Cikampek Elevated Toll Road is the first Double Decker Motorway toll road project because it is built on an existing toll road. However, this breakthrough is not the only thing that has ever been done related to this project. In addition, the elevated toll road also uses the Public-Private Partnership (PPP) financing scheme. By using this creative financing scheme, the government budget burden in building infrastructures can be lighter. This Rp16.4 trillion project is an unsolicited project initiated by a business entity namely PT Jasa Marga. The project also received guarantees from PT Penjaminan Infrastruktur Indonesia (PT PII) and the Ministry of Finance.

Unsolicited Project

The Jakarta-Cikampek elevated toll road construction project is a PPP project initiated by a business entity, PT Jasa Marga (Persero) or referred to as unsolicited project. The progress of Jasa Marga as project initiator is not without reason. According to the President Director of PT Jasa Marga Desy Aryani, the high traffic flow in Jakarta-Cikampek Toll Road constitutes an important reason so that it is necessary to increase capacity through the construction of elevated roads.

Furthermore, the construction of the Jakarta-Cikampek Flyover Toll Road is the first unsolicited project for the toll road sector. The initiative of PT Jasa Marga (Persero) is important in the midst of government budget constraints to keep on enhancing the strategic role of toll roads as land connectivity in Indonesia.

In terms of PPP scheme, the project with an investment value of Rp16.4 trillion is funded by two investors. The first investor is PT Jasa Marga (Persero) with a total investment of 80 percent. PT Ranggi Sugiron Perkasa becomes the second investor with a total investment of 20 percent. This project has a concession period of 45 years.

Furthermore, to manage the operations of the Jakarta Cikampek Elevated Toll Road, PT Jasa Marga established a subsidiary, i.e. PT Jasamarga Jalan Layang Cikampek (JJJC) established on November 24, 2016. However, in accordance with the agreement between PT JJJC and also the government, then after the concession period ends, PT JJJC will return and hand over the toll roads to the government through the Toll Road Regulatory Agency (BPJT).



SNAPSHOTS



1 | Balikpapan-Samarinda Toll Road Construction
(<https://pu.go.id/>)



2 | Kertajati Airport (<https://www.thejakartapost.com/>)



3 | Kertajati Airport Services
(<https://economy.okezone.com/>)



4 | LRT Jakarta (<https://www.thejakartapost.com/>)



5 | LRT Palembang (<https://tirto.id/>)

SNAPSHOTS



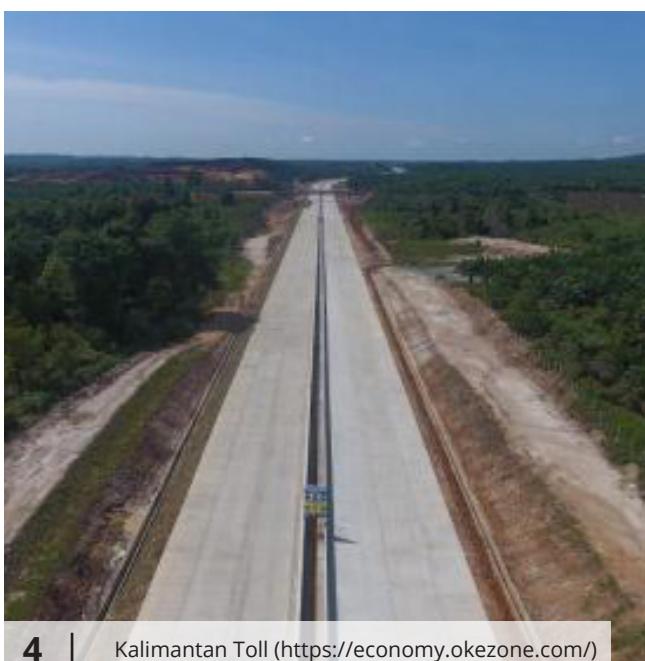
1 | LRT Project (<https://beritagar.id/>)



2 | Trans Sumatra Toll Road (<https://www.merdeka.com/>)



3 | Semarang-Solo Toll Road (<https://kppip.go.id/>)



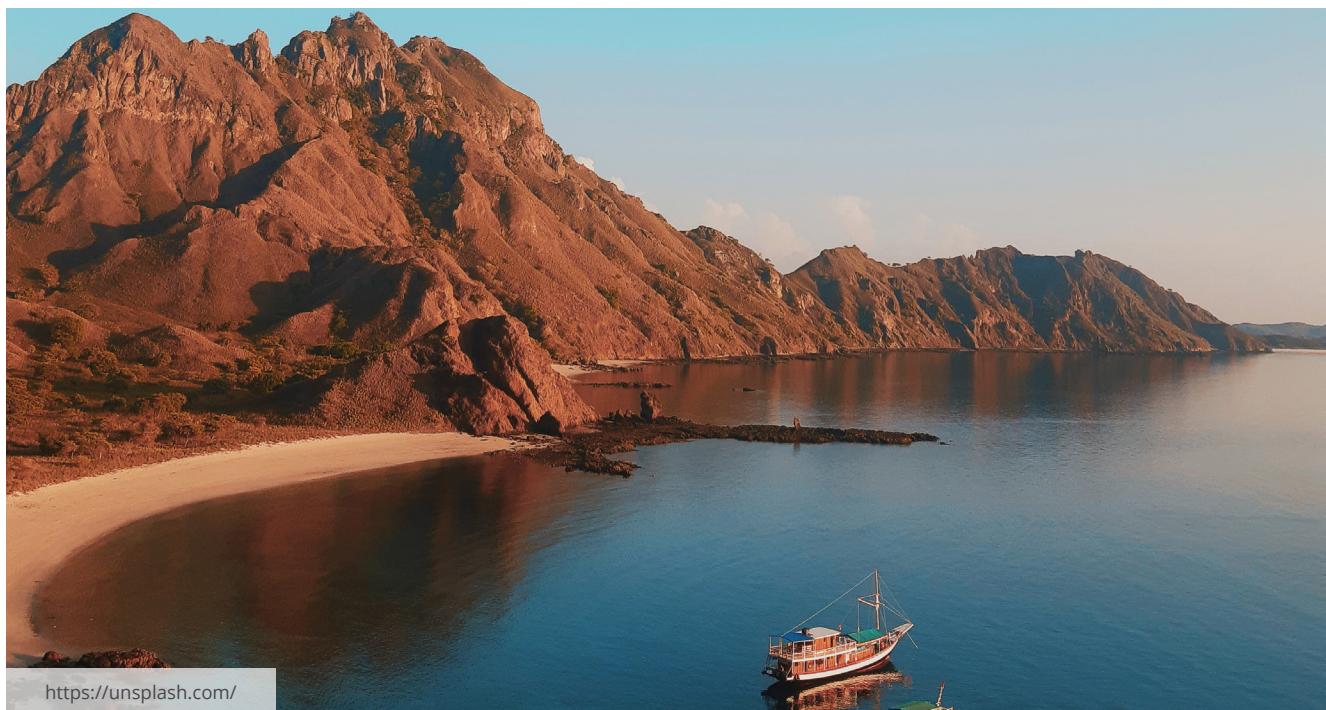
4 | Kalimantan Toll (<https://economy.okezone.com/>)



5 | BMW stadium project (<https://kump.com/.com/>)



New Breath of Labuan Bajo



<https://unsplash.com/>

Indonesia establishes a leading sector of 10 (ten) Priority Tourism Destinations according to the President's instruction on tourism as stipulated in the Letter of Cabinet Secretariat No: B-652/Seskab/ Maritim/11/2015, dated 6 November 6, 2015. In point number 3 (three) of the main organizational tasks of the Minister of Transportation, it is stated that the Minister shall provide transportation infrastructure support, especially the extension of airport runways, construction of port infrastructure and grant permits to foreign airlines who want to get direct flights to various cities in Indonesia.

As one of Indonesia's leading tourism potentials, Labuan Bajo needs infrastructure support such as airports. To facilitate the accessibility of tourists, especially foreign tourists, an international airport needs to be provided. Labuan Bajo is one of Indonesia's tourism destinations which is very famous for its exotic scenery and stunning Komodo dragons, making it an extraordinary attraction for domestic and foreign travelers. Certainly, there has been a significant increase in activities in the Labuan Bajo region. So there needs to be some infrastructure supports to be able to facilitate such increase in mobility.

Located on the Flores island with a runway of 2.25 Km long, Komodo Labuan Bajo Airport is one of the infrastructures that is very important related to facilitating the mobility due to increase in various other sectors such as the economy and tourism. With the opening of many flight routes to Labuan Bajo, the high level of flight activities must also be accompanied by adequate capacity and facilities for potential future developments.

Director General of Civil Aviation of the Ministry of Transportation, Agus Santoso also said that increasing the capacity of the Komodo airport was carried out in line with the potential for increase in tourism in Labuan Bajo. This area is one of the priority tourism locations included in the ten new Bali programs. Number of tourists visiting Labuan Bajo via Komodo Airport is increasing up to 30% per year. But the Komodo Airport is only able to accommodate 800 thousand passengers.

Expansion plan

Komodo Airport Labuan Bajo is planned to become an international airport by expanding the runway to 45x2000 meters or 9,000 square meters which is expected to be capable of accommodating and serving the Boeing 737.

The parking lot and the passenger terminal will also be expanded. The expansion will cover 11,100 m² for the apron (aircraft parking), 24,949 m² for the domestic passenger terminal and 5,343 m² for the international passenger terminal and various expansions at other facilities.

On December 27, 2019, the Ministry of Transportation announced the winner of the Komodo Airport development project. The winner of this project is the consortium of Cardig Aero Service. This consortium consists of PT Cardig Aero Service (CAS), Changi Airports International Pte Ltd (CAI), and Changi Airports Mena Pte Ltd. Previously the tender process had been carried out twice with five consortiums namely Changi-Cardig, Astra with a French company, PT Angkasa Pura II with an Indian company GVK in the first phase, whereas the final phase passed the Changi-Cardig consortium.



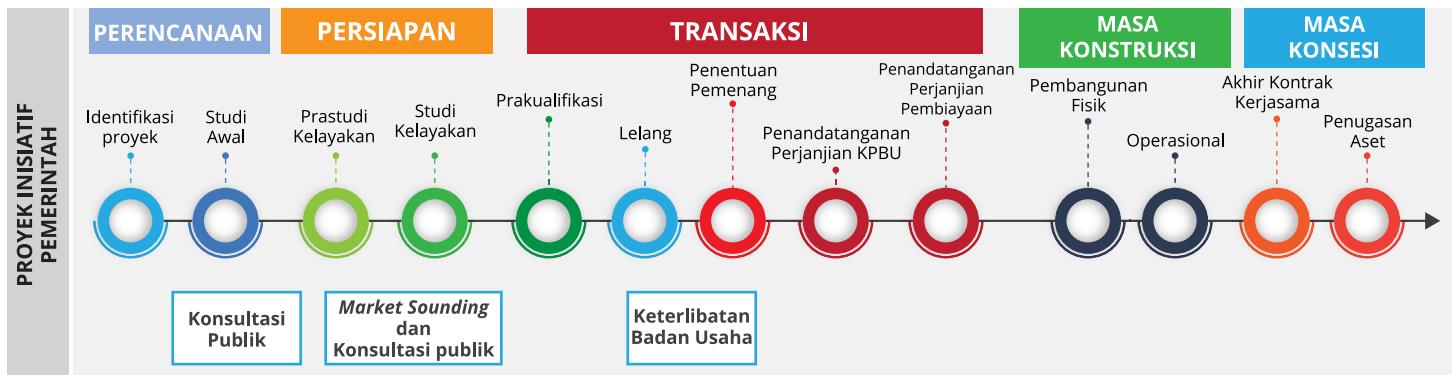
Head of the Ministry of Transportation's Airport Cooperation and Development Section, Arif Mustofa said that his party had also conducted a survey of the airports operated by these companies. Some of these are airports in Cyprus, Brazil and Cambodia. These companies are also considered to be capable of encouraging PPP scheme to catch up with other countries that have been applying PPP.

He explained the reason for opening a tender to foreign companies because he was looking for experience in operating airports in the international market. "There are markets that we have not yet managed, to manage international markets, we cannot only build airports, we have a state-owned enterprise that works well, but airport operators who have international links that build international tourism networks are more important," he added.



REGULATIONS

LKPP Institution Regulation No. 29 of 2018



The government and Business Entity cooperation in carrying out infrastructure procurement certainly requires a framework, stages as well as transparent regulations to be able to produce a good cooperation process and facilitate the provision of infrastructures. LKPP Regulation No. 19 of 2018 has an arrangement aimed at becoming a reference for all stakeholders. It is expected that this regulation, in particular, can give the principles of efficiency, effectiveness, transparency, openness, competitiveness, fairness and accountability. They can attract more investors and relevant parties to cooperate in infrastructure procurement.

This institutional regulation explains in detail the process and stages of PPP project transactions. Starting from upstream to downstream. Such as procurement preparation in the initial stages, Prequalification, Bidding and Direct Appointment. It also explains how these stages must be carried out and fulfilled in order to proceed to the next stages.

Even starting from the preparatory stage, the procurement to be carried out must go through several confirmations including confirmation of PPP project readiness and confirmation of market interest such as market sounding conducted by PJPK or discussion in the Business Entity forum, as explained in Article 11, the Procurement Preparation section.

It is important to know that the purpose of the LKPP Regulation No. 19/2018 is to ensure that the infrastructure procurement carried out can avoid being stalled or come to a complete halt in midstream. Learning from a variety of large projects related to several problems, strengthening PPP scheme with this institutional regulation can be a solution to creating a secure infrastructure provision for investors and related stakeholders. In addition, it is also important to understand that conditions for PPP project differ from the procurement of goods and services. This is because projects that use PPP schemes have a higher level of complexity compared to procurement of goods and services that are generally carried out through LKPP.

The rationale of investors to be involved in infrastructure procurement projects is that they certainly want a security and clarity or transparency of what they invest in. Therefore, the bidding process is also included in this institutional regulation. It explains who is involved, how the process of selecting project winners and evaluating is carried out after the bidding. There are also rules for submitting objections to the results in each stage if any procedure deviation/violation occurs. Such things can maintain the investors' interest and invite more interested investors. All processes taken and all possibilities that occur in the middle of the process can be mapped.



PT Jasa Marga Pandaan Malang

Enhancing Infrastructure Connectivity in the Eastern Part of Java Island

The government also cooperating with business entities continues to boost the development of transportation infrastructure aimed at improving connectivity between regions. This can later contribute to the efficiency of transportation costs so as minimizing high commodity prices. In addition, with this connectivity, the economic equal distribution can be realized. One of the noble ideals was realized through the construction of the Pandaan-Malang Toll Road managed by PT Jasa Marga Pandaan Malang. The role of PT Jasa Marga Pandaan Malang is very strategic to manage the operations of this toll road.

Please note, the Pandaan-Malang Toll Road is divided into five sections, namely: Section I consisting of the Pandaan-Purwodadi section of 15.47 km; section II consisting of the Purwodadi-Malang section 8.05 km; section III consisting of the Lawang-Singosari section of 7.10 km; section IV consisting of the Singosari-Pakis segment of 4.75 km and section V consisting of the Pakis-Malang section of 3.11 Km. The total length of the Pandaan-Malang Toll Road is 38.48 Km. This toll road was built under PPP scheme with a total investment of US\$461 million with a concession period of 35 years. Besides PT. Jasa Marga Pandaan Malang, the investors investing in this toll road are: PT Jasa Marga (Persero) Tbk, PT. Pembangunan Perumahan (Persero) Tbk, and PT. Sarana Multi Infrastruktur (Persero).

It is expected that Pandaan-Malang Toll Road will reduce the volume of traffic on national roads and also can strategically become the route of choice for transportation access to industrial areas in Malang City and Batu City. In addition, with this toll road, the travel time from Pandaan-Malang-Pasuruan can be reduced to less than an hour.

PT Jasa Marga Pandaan Malang was established on June 6, 2016. As a company engaged in infrastructure especially in managing toll roads, PT. Jasa Marga Pandaan Malang has business activities, namely: performing such works as Planning; construction of roads and bridges, road supporting buildings and toll facilities; operation and maintenance of toll roads, including collection and use of toll money; use of the toll road space for other related businesses



with the operation of the toll road, without prejudice to the provisions of the applicable laws and regulations and/or the approval of the authority; and organizing other business activities related to or supporting business activities including Rest Areas, Machine rental services, management consultancy especially human resources in the field of toll road management, land transportation equipment rental (non-operator).

On June 9, 2016, the Company and the Government signed the Pandaan - Malang Toll Road Concession Agreement ("PPJT"). In this agreement, the Company's concession period is set for 35 years. At the end of the concession period, the Company must return and hand over the toll road to the Government/through the Toll Road Regulatory Agency ("BPJT") without any condition.

THE NEED FOR A CREATIVE FINANCING SCHEME FOR INDONESIA'S INFRASTRUCTURES

The Indonesian government through the Ministry of Public Works and Public Housing (PUPR) has planned to build the 732-kilometers (km) national route in 2019. The construction includes toll roads reaching 218 km in length, hence adding the total length of national roads built in the period of 2015 and 2019 to 4,119 km.

Although this is very good news to the country, many have highlighted the economic risks that might be posed by the establishment of financial structure for these plans to the economy.

Leading infrastructure expert, Shadik Wahono, stated that to minimize long-term financial risks, the government must pay attention to investment schemes for infrastructures. The government currently starts the construction first, and then looks for investors and makes regulations. Sadiq, who has carried out various toll road projects himself,

said that there are some points that the government must consider in the future. The first point is related to return on investment or ROI. According to him, the current toll road development carried out by BUMN must be in the context of ROI. "If not, they will lose money later," he said.

He explained that before posting a loss, usually BUMN would seek additional loans or substitutions from banks or bond issuance. If not, then the financial costs will continue to undermine the value of the project, and in the end if it is sold, it does not have to be the proceeds of the sales that are able to pay back what has been spent. "Of course, this method is not healthy," he explained.

In addition, many infrastructure projects have not shifted from traditional infrastructure financing in the early 70s and 80s in which several developed countries provided assistance through donors or multilateral agencies



<https://kurio.id/>

often making development costs very expensive and slow, because they are loaded with many foreign interests and policies. Donor countries are included in the terms of the financing agreement.

Based on the latest data released by Bappenas, it is estimated that infrastructure investment need for the next five years amounts to at least Rp. 6,445 T. Of this nominal amount, the government can only fulfill its portion of up to 58% from the state budget or through BUMN.

If the government's fiscal strength is very high, the government can build whatever infrastructure it wants. But for Indonesia, this is not the case. The country's foreign debt has reached Rp5,581 trillion at the end of Q1 2019. This makes it difficult for the government and SOEs to shoulder the expenditure.

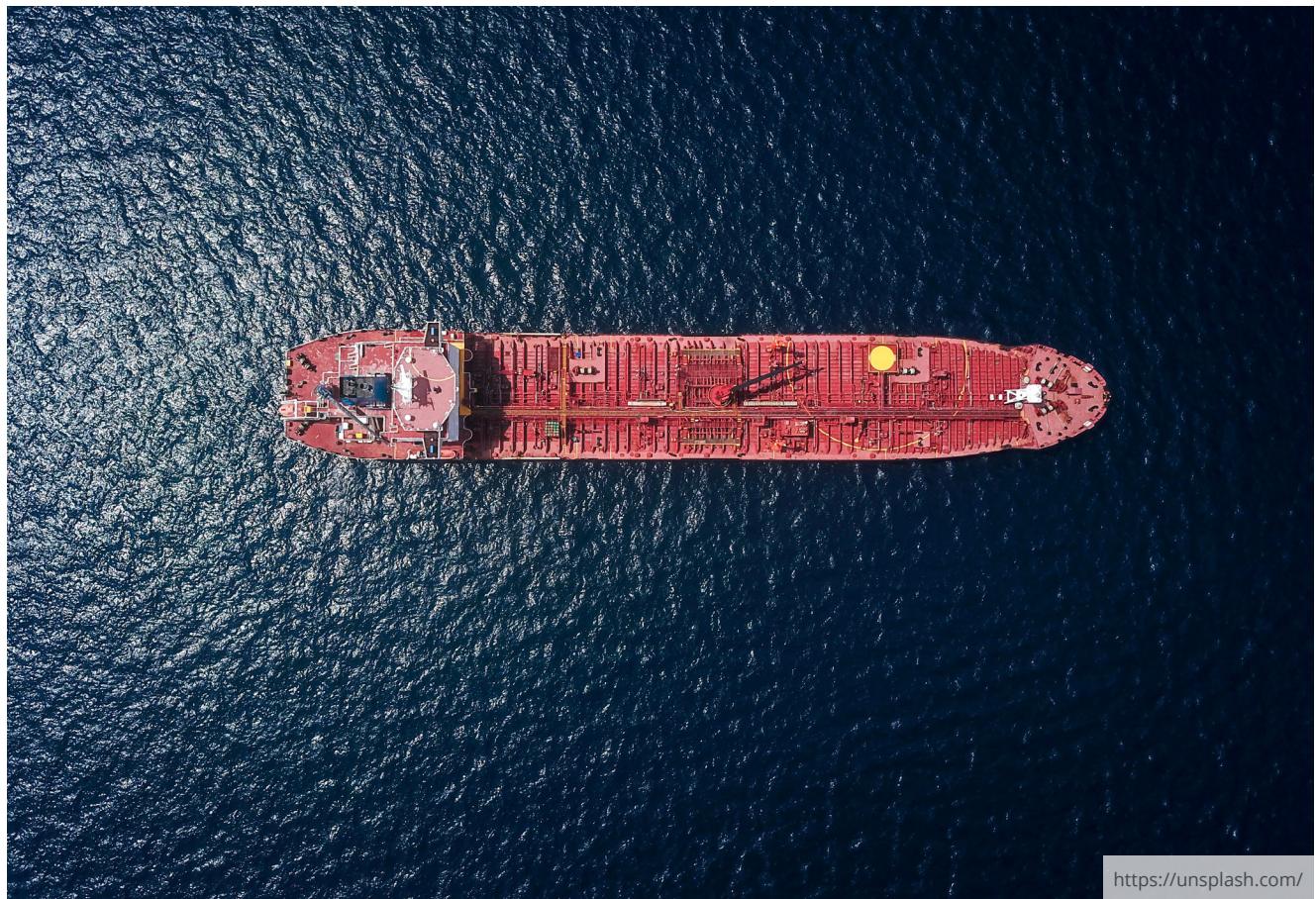
In limited fiscal capacity, the government must still build infrastructures to support the economic growth, by overhauling the financing structure. In this case, the government must again pay attention to investment discipline.

"The government must be able to provide adequate support, so that infrastructure projects offered to the private sector to build can have an attractive risk return profile and the ROI level that is in line with the demands of the financial markets," Shadik concluded.



Patimban Port

Patimban Port, Sea and Land Mobility Synergy



<https://unsplash.com/>

Patimban Port in Subang, West Java is one of the projects that is highly expected by President Joko Widodo to be a gateway for various mobilities needed to boost the economy. The purposes of building Patimban Port include reducing logistics costs by bringing production centers closer to ports, strengthening economic resilience, reducing traffic congestion in Jakarta by distributing vehicle traffic, and ensuring the safety of shipping, including oil and gas exploration areas.

Its location near Karawaci and Karawang industrial areas makes this port very strategic so that logistics mobilization is much more efficient. In addition, with the projected potential growth of the automotive business, the car terminal is also built for what will become the export center for Indonesian automotive products.

With this car terminal, it is expected that Patimban Port can reduce the traffic density of export-import vehicles at Tanjung Priok Port frequently contributing to traffic congestion between Bekasi and Tanjung Priok, Jakarta.

The infrastructure project valued at Rp23.5 trillion will also become the largest port in Indonesia. This project is planned to be fully operational in 2027. Until that year, there will be 3 phases of the project to be carried out.

The first phase will be used for a 35-hectare container terminal with a capacity of 250,000 TEUs and a 25-hectare terminal for Completely built up/CBU vehicles with a capacity of 218,000. In the second phase, the capacity of container terminal services will rise to 5.5 million TEUs whereas the third phase will increase the capacity to 7.5 million TEUs.

Secretary Director General of Sea Transportation of the Ministry of Transportation, Arif Toha said, the development of Patimban Port will be completed in 2027 with a reclamation area of 300 hectares and a backup area of up to 354 hectares and this backup area includes office buildings, commercial areas, warehouses and logistic park.

Revitalizing logistics mobility

The plan to become the largest port in Indonesia makes the Patimban Port to be built capable of driving the efficiency of logistics mobility in Indonesia. It is expected that it can serve as liaison with hinterland (Industrial Area), presenting a suggestion for the development of a rail network that is integrated with the port. The suggestion was raised by the Chairman of Supply Chain Indonesia (SCI), Setijadi, who further explained that Patimban Port has the potential to increase the efficiency of industrial logistics in the country.

According to him, this port's railroad network can avoid the problems of the previous port which has impacts on high user inefficiency. This efficiency can be reached for a number of other industrial areas in Java Island with the cooperation between Patimban Port and PT Kereta Api Indonesia (Persero).

In addition to reducing dependence on Tanjung Priok Port, the accessibility of which from and to several industrial areas is constrained by traffic congestion, he added, the presence of Patimban Port will increase healthy inter-port competition. The focus of the export of the automotive industry chosen by Patimban Port must also consider its use for the import process to increase port usage. In addition to focusing on the automotive industry, Patimban Port is a strategic infrastructure for industries in West Java in general and has the potential to shift export-import volumes from Tanjung Priok Port.



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Based on the SCI analysis, around 79 percent of export volume and 84 percent of import volume through Tanjung Priok Port are for industries located in West Java. The export volume is mainly from the Karawang region (29 percent of Tanjung Priok volume), Purwakarta (8 percent), and Bandung (6 percent), and did not rule out the possibility of Bekasi (32 percent). While the import volume is for the Karawang region (36 percent), Purwakarta (9 percent), and Bandung (6 percent), and Bekasi (23 percent).

"With the fact that the volume of export-import through Tanjung Priok Port is at around 65 percent of the national volume, so the efficiency that can be obtained from the presence of Patimban Port has the potential to have a positive impact of improving the efficiency of national logistics, "he explained.

On the other hand, Patimban, he explained, is potentially important in the Bekasi-Karawang-Purwakarta (Bekapur) area development plan as a very important National Strategic Area (KSN) because of its high economic contribution, namely around 15 percent of the national industry. Furthermore, Patimban Port has a strategic role. With the existence of this port, not all export-import activities will rely on Tanjung Priok

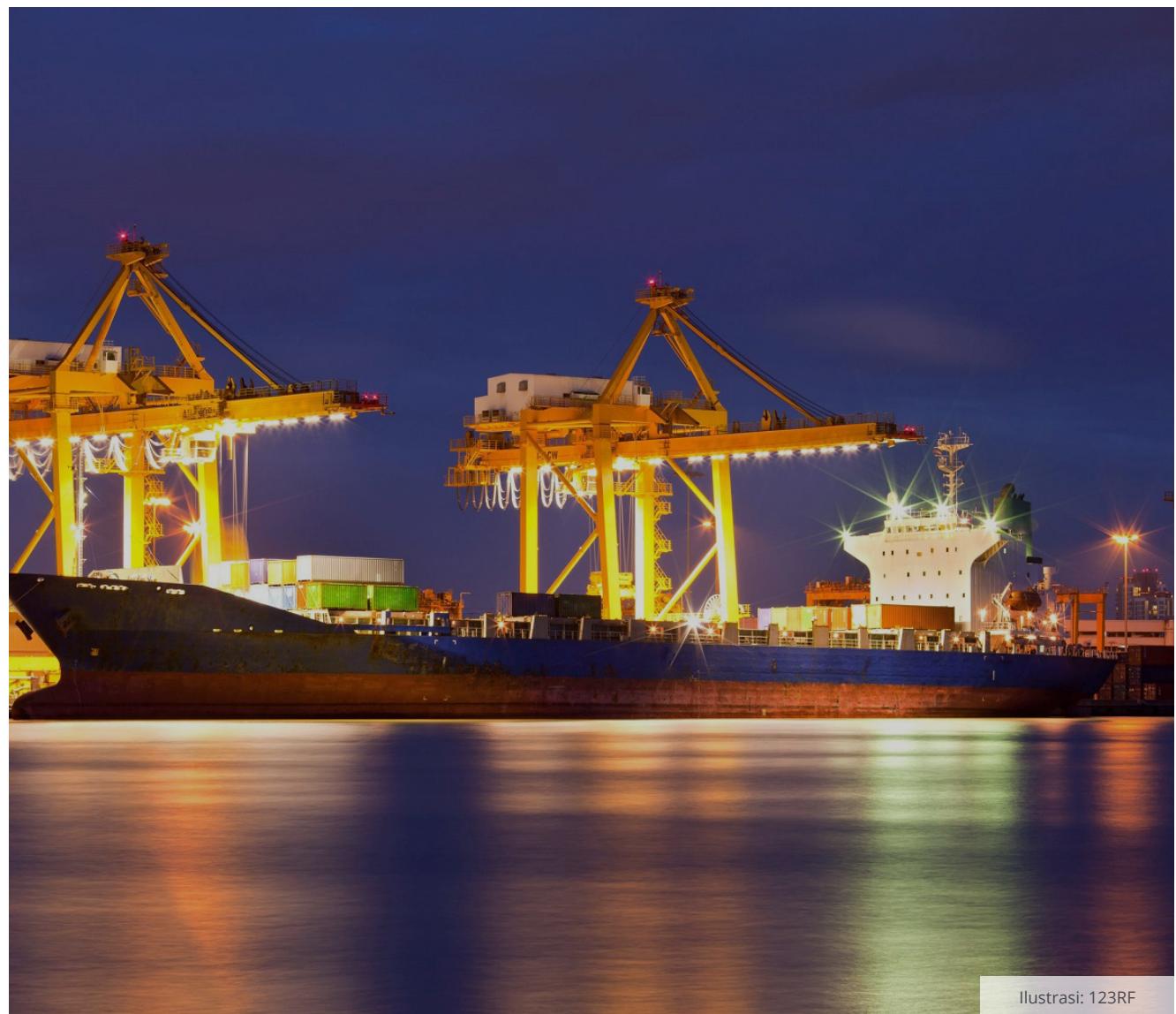
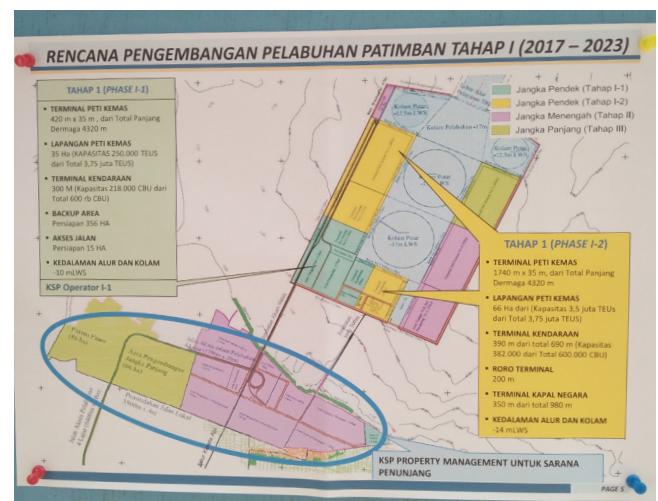
Port resulting in an increase in the efficiency of national logistics activities. In addition, Patimban Port which is located close to Cikarang industrial area, West Java, will facilitate industry players in carrying out export-import activities so as to save transportation costs and other financial burdens.

Currently the government is constructing an eight-kilometer access road. The progress of the construction of this access road as of December 2019 has reached 55.8 percent and is expected to be completed in April 2020 so that later, the Patimban Port can start its operations in September 2020. PPP scheme will later be used in the second phase of development, namely increasing the container terminal service capacity to 5.5 million TEUs.

Progress Stage of Patimban Port Development Project

In the first Phase or Phase 1-1, there are six infrastructures that will be built at Patimban Port. They comprise the Container Terminal measuring 420 m x 35 m with a total length of 4,320 m. The second infrastructure to be built is the 35-hectare Container Yard with a capacity of 250 thousand TEUs out of a total of 3.75 million TEUs. Next, a 300-meter vehicle terminal with a capacity of 218 thousand CBUs out of a total of planned 600 thousand CBUs will be built. In addition, a backup area, road access, as well as the deep channel and pond reaching -10mLWS will be built.

Then in phase 1-2, six infrastructures consisting of a container terminal covering an area of 1740 m x 35 m with a berth with total length of 4,320 m will also be built. Subsequent infrastructure is a container terminal with an area of 66 hectares that has a capacity of 3.5 million TEUs out of a total of 3.75 million TEUs. In addition, a vehicle terminal covering an area of 390 meters out of a total of 690 meters with a capacity of 382 thousand out a total of 600 thousand CBUs will also be built. There will also be a RORO terminal, a state ship terminal and deep channel and pond reaching -14 mLWS.





Path to changes: Krian - Legundi-Bunder - Manyar Access Toll

Connectivity between the points of human life brings movements of change that are more beneficial than before. The movements of humans and the activities they bring with, certainly give effect to the surrounding environment. Likewise, with the presence of access connectivity Krian-Legundi-Bunder-Manyar (KLBM) Toll Road. This toll road financed under PPP scheme can be used as a model for infrastructure development in other regions. With the use of PPP, this toll road alleviates the burden of the APBN (National Budget), and its construction is carried out without the assistance of foreign parties so that all processes, materials and human resources used are locally produced. With a total investment of Rp12,224 billion, the 39-Km toll road has successfully connected the Surabaya and Mojokerto city. In addition, open access to industrial mobility activities in the main buffer zones of Surabaya, such as Sidoarjo and Gresik.

Before the presence of this toll road, the community had used another toll road access namely Surabaya-Gempol for mobility. Starting from mobility during the exodus season up to industrial mobility. This is reinforced by the fact that the Surabaya - Gempol Toll Road is the most active toll in East Java. Based on data from PT Jasa Marga Cabang Surabaya Gempol, the average volume of vehicles in 2005 was 173,000 vehicles per day. In 2008, the figure rose to 156,000. Previously, the volume was slightly disrupted by the impact of the Lapindo hot mudflow and downed to 147,200 in 2006.

Due to the dense volume and disruption of facilities due to hot mudflow, some methods are applied. One of them is the construction of KLBM Toll Road. With the presence of this KLBM Toll Road, another alternative route has been created to reduce the congestion burden of the previous Su-Gem Toll Road, and various strategic benefits that can be achieved such as, connectivity between major industrial areas (Sidoarjo-Gresik) and support access to logistics vehicles mobility in the vicinity of Port area in East Java also bringing easy access for tourists visiting East Java. The 38-km distance at normal speed will be achieved only in 38 minutes instead of 2-3 hours before the toll road construction, hence resulting in efficiency



<https://www.lensaindonesia.com/>

and positive synergies from many strategic activity points in East Java.

The construction in section 4 uses piles or known as slab on pile, which makes the toll road floats above the ground. The construction of Slab on Pile is chosen because the construction has better stability, matching the field conditions which are dominated by water-saturated land or ponds and swamps, using piles as foundation at certain depth up to hard soil with the safety level of soil's ultimate bearing capacity 3 (three).

In addition, the production of concrete materials in the factory makes the quality of concrete and products more guaranteed. Another advantage is that the construction time is faster than in conventional methods and requires more efficient construction & maintenance costs than in conventional methods.

Reported from BPJT data as of October 7, 2019, the progress of toll road construction has currently reached 82.27 percent. With the following details, Section 1: Krian-Kademean 85.56%; Section 2: Kademean Mengganti-Boboh 93.07%; Section 3: Boboh-Bunder 98.07%; Section 4: Bunder-Manyar

forming a consortium of 42 domestic banks valued at Rp. 12 trillion and consignment to the government for 45 years. All the processes are carried out by the local people starting from funding, construction, workers and raw materials. Waskita Beton Precast which is a subsidiary of PT Waskita Karya (Persero) Tbk since 2014 has been a producer of pre-cast concrete and ready mix with the current production capacity of 3.7 million tons from 11 factories. In addition to producing pre-cast concrete and ready mix, this company has also reinforced itself in the field of construction services. Waskita Precast is mostly working on the elevated or overpass (flyover) projects because the areas



45.37%. The target of operation is estimated to be in 2020. In the process, PT Waskita Bumi Wira has used fund loan facility 3 times with a total amount of Rp. 467.5 billion to the parent company.

From Us, For Us

This toll road, began in 2017, chose the financing process with PPP financing in order to reduce the burden on the APBN. This toll road is under the responsibility of the Ministry of PUPR and was built by PT Waskita Bumi Wira by

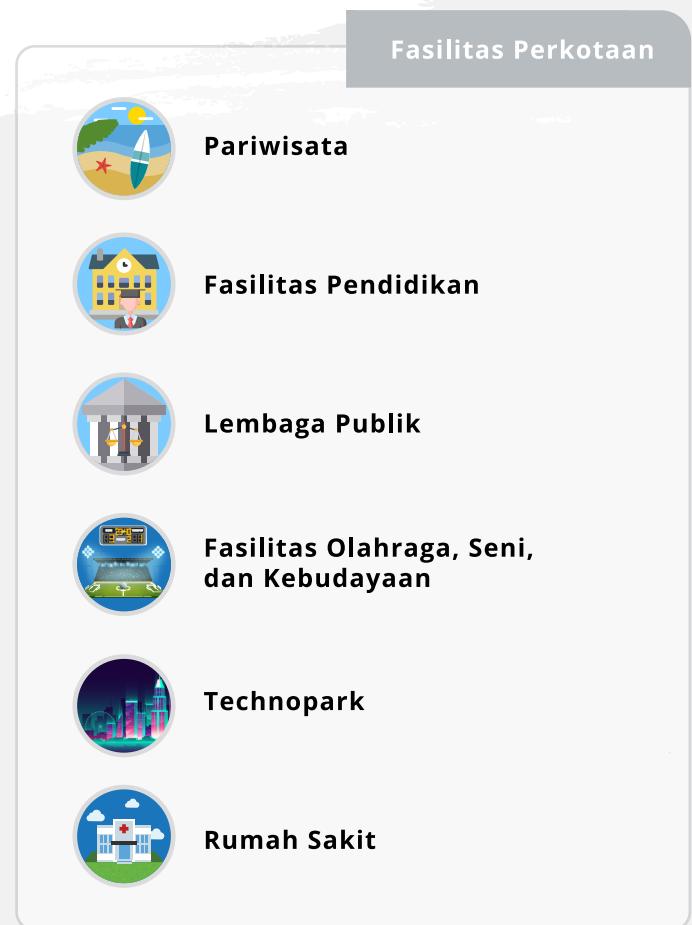
Over which the toll roads pass, especially in Gresik, is a pond area that is not strong enough to be buried so it requires piles that are produced by the company itself. Waskita Beton Precast is a precast and ready- mix concrete production company with the currently largest production capacity in Indonesia. With the support of 3 certificates comprising ISO 9001: 2015 integrated management system Quality Management System 14001: 2015 on Environment Management System, and OHSAS 18001: 2007 on Occupational, Health and Safety Management System as an international standard for Occupational Health and Safety Management System.

SEKILAS MENGENAI PROYEK PEMBANGUNAN JALAN TOL KRIYAN-LEGUNDI-BUNDER-MANYAR

- Proyek prakarsa Badan Usaha (unsolicited) yaitu PT Waskita Bumi Wira
- Berlokasi di Kabupaten Gresik, Mojokerto, dan Sidoarjo
- Memiliki panjang 38,2 Km



19 JENIS INFRASTRUKTUR YANG DAPAT DIKERJASAMAKAN MENGGUNAKAN SKEMA KPBU



PHOTOS OF PPP PROJECT



PPP Toll Projects (<https://www.kemenkeu.go.id/>)



Bau Bau Port (<http://beritatrans.com/>)



Batam Hang Nadim Airport(<https://bisnis.tempo.co/>)



Pandaan-Malang Toll Road (<https://jasamarga.com/>)



PHOTOS OF PPP PROJECT





CISUMDAWU TUNNEL PROJECT