Bandung’s Dream of Having LRT Will Be Soon Manifested

Toll Road and Railway, PPP Project Locomotive

General Portrait of Railway Transportation and Toll Roads in Indonesia
Editors

Generating Mobility Supporting Infrastructure

A vailability of transportation infrastructure such as good road access, adequate port facilities, strategic bridges, well-equipped airports, toll roads as needed and other supporting facilities such as well-organized railway network systems, will directly affect the increase of the economic competitiveness which will lead to the rapid economic growth.

Bank Indonesia’s Monetary Policy Review stated that the transportation sector is the second most influential sector on the rate of economic growth in Indonesia, after the industrial sector. It is proper that the development of the transportation sector receives adequate portion of attention and is planned comprehensively so that the physical output of the development can be achieved as planned.

President Joko Widodo (Jokowi) said that the transportation infrastructure became one of the requirements to achieve economic growth above 7% in the next 3 years. In Nawacita vision, Jokowi is committed to comprehensively build infrastructure, including public transport which is integrated on land, sea and air as well as increasing the capacity of the road through road widening, adding new roads and toll road construction.

The development of railway infrastructure construction in the country has changed significantly in terms of equitable development. Previously, the government only conducts the development of railway infrastructure in the island of Java, now it has spread to all over Indonesia. With the availability of a diverse and adequate infrastructure, the efficiency is created. The real sector will be more likely to grow larger because both the small and the large business actors are benefited from the transportation and logistics costs which are cheaper.

Obviously, the development of railway and toll road infrastructure requires significant investment and a relatively long time. The Public Private Partnership (PPP) scheme is the most appropriate alternative funding because infrastructure provision related to public interest requires the government’s involvement.

Fast action of Jokowi’s Government to build railway and toll road transportation is showing the attention of the government on regional accessibility, it is because infrastructure provision will encourage economic potential growth. It is expected that increasing connectivity will be able to give a positive impact to the development of the potential of economic regional, which ultimately benefits all the Indonesian people. (*)
There is a method to accelerate the infrastructure project preparation process, which is Project Delivery Partnership (PDP) or Cooperation of the Provision of Infrastructure Project. PDP can be defined as structured direct appointment.

The progress of transportation system is one of the determining factors of the economic growth in a country. This system must be supported by the existence of adequate roads, including toll roads, so that the distribution of people and goods will be easily achieved.

The government is already on the right track by developing many railway infrastructure across Indonesia.
President Joko Widodo presented his first official speech last August in front of the Regional House of Representative which explained various infrastructure development programs included in the priority agenda of Nawacita. President mentioned several infrastructure projects that are being carried out by the government such as toll road and railway project (Trans News, 2015). In the document of the National Medium Term Development Plan (RPJMN) 2015-2019, the development of transportation infrastructure is prioritized to the strengthening of national connectivity to balance the development among regions and to support economic growth and national competitiveness. Building urban mass transportation became one additional priority focus on railway transportation sector.

Therefore, the transportation infrastructure development policy is aimed at: 1) building connecting infrastructure inter and to the economic corridors and areas of economic growth; 2) building infrastructure that meets global standards and compatibility of the regional / global corridors; 3) extending the range of infrastructure services to marginal areas through the provision of cheap public transportation, provision of good accessibility and pioneering activities of land, railways, sea and air transportation; 4) increasing the capacity of the transportation infrastructure to reduce the backlog and bottlenecking of the transportation infrastructure capacity; 5) encouraging the development of sea transportation, railways and crossing transportation to support the Marine Highway in the embodiment as the world maritime pivot (including the development of Long Distance Ferry (LDF) transportation); and 6) developing transportation in the metropolis city to improve mobility for the community through the revitalization of public transportation and the development of rail-based and road based mass transportation.

During the period of 2005-2014, infrastructure development policy in Indonesia has led to the increase of competitiveness. Development of the transportation sector has increased significantly on the road sector. For the road sector, the condition steadily increased from 80.6% in 2004 to 92.5% in 2013. The construction of 34,628 km National Highway by the end of 2004 became 47,017.27 Km in the beginning of 2015. The construction of the toll roads in 2005-2014 has reached 213.64 km, which the overall yield 942 Km toll road operating throughout Indonesia (status per June 2015).

The toll roads which started their operations in the period of 2005-2014 include: Cikampek-Purwakarta-Padalarang toll road, JORR W2S (Pondok Pinang-Veteran), North JORR S1 Section 3 (Pondok Pinang-Taman Mini), JORR E3 (Cakung-Cilincing), North JORR E1 Section 4 (Hankam Raya-Cikunir), SS Waru-Juanda Airport, Makassar Section IV, Suramadu bridge, Kanci-Pejagan, JORR W1 (Kebon Jeruk-Penjaringan), North JORR W2 (Kebun Jeruk-Ulujami), Surabaya- Mojokerto Section 1 (Waru Sepanjang), Semarang-Solo Section I (Semarang-Ungaran), Semarang-Solo Section II (Ungaran-Bawean), Kertosono-Mojokerto Section I (Bandar-Jombang), Bogor Ring Road (BORR) Section I ( South Sentul-Kedung Halang), BORR Section IIA (Kedung Halang-Kedung Badak), Cinere-Jagorawi Section I (Jagorawi-Raya Bogor), and Bali Mandara (Nusa Dua- Ngurah Rai-Benoa).

The success of the construction of
roads / toll roads and bridges to support economic growth centers is namely Kelok Sembilan Bridge, Nagrek Highway, Tayan Pontianak Street, Maros Street, Tanjung Benoa- Nusa Dua Toll Road, and Merah Putih Bridge. Beside that, the toll road improvement is carried out by the construction of the 71 Km toll roads, among other on the segment of Kanci-Pejagan, Semarang-Ungaran, Benoa-Nusa Dua, JORR W1 (Kebon Jeruk-Penjaringan), Cinere-jagorawi, Surabaya-Mojokerto, and Bogor Ring Road.

Until the end of 2014, the condition of the national road stability has reached 93.95%. The condition was achieving through several activities such as preservation of the 31, 214 km and 347.4 Km roads and bridges; road capacity increase by 4,132 km, construction of a 369 Km new road; construction of 7,751 m bridges; construction of 1,950 m flyovers / underpass; and the construction of 570 km strategic roads and 525 m bridges on Java southern cross, border, remote and outer, as well as 11 Km toll road construction by the government such as Semarang-Solo Toll Road Section II, BORR Kedung Halang-Kedung Badak Toll Road, and Mojokerto-Kertosono toll road.

Meanwhile, in 2015, the 116.75 Km Cikampek-Palimanan (Cipali) Toll Road has been operated. This toll road is a part of the Trans Java toll road that will connect Merak (Banten) to Surabaya (East Java), as well as shortening the distance as far as 40 km and is predicted to cut the travel time of 1.5 to 2 hours compared to passing through the Java North Coast Line. In addition, several constructions have also been completed, such as the construction of the 1,127 m Sukarno Bridge in Manado, which is part of Manado Outer Ring Road (MORR), the 12.05 Km Gempol-Pandaan toll road, and the 3.55 Km Porong-Gempol (Kejapanan-Gempol) toll road.

In the railway transportation sector, in the construction activities of double tracks, modernization of signaling and train safety facilities have been able to significantly reduce a number of railway accidents. provision of Public Service Obligation (PSO) Fund and the pattern of Jabodetabek railway operations are able to increase the service frequency and the number of railway passengers during the period of 2004 - 2014. The achievements of the activities in the railways sector that have been implemented include:

**Railway bridges**, have been carried out as many as 89 units from the 34 unit target or the realization reached 261.76% and the railway bridge construction activities have been carried out

### Table 1. Toll Road Construction Program in Indonesia

<table>
<thead>
<tr>
<th>Toll Road</th>
<th>Operation (up to 6/2015)</th>
<th>Operation (up to 6/2015)</th>
<th>Construction (up to 2019)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUMATRA A. Sumatra Island</td>
<td>43</td>
<td>950</td>
<td>2,815</td>
<td></td>
</tr>
<tr>
<td>1. Main Trans</td>
<td>a. Banda Aceh-Medan</td>
<td>43</td>
<td>538</td>
<td>1,187</td>
</tr>
<tr>
<td>b. Medan-Pekanbaru</td>
<td>197</td>
<td>335</td>
<td>792</td>
<td></td>
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<tr>
<td>c. Pekanbaru-Palembang</td>
<td>111</td>
<td>556</td>
<td>667</td>
<td></td>
</tr>
<tr>
<td>d. Palembang-Bakauheni</td>
<td>150</td>
<td>335</td>
<td>335</td>
<td></td>
</tr>
<tr>
<td>2. Feeder Trans</td>
<td>a. Tangerang-Bogor</td>
<td>-</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>b. Bogor-Depok</td>
<td>-</td>
<td>240</td>
<td>240</td>
<td></td>
</tr>
<tr>
<td>c. Palembang-Bengkulu</td>
<td>-</td>
<td>330</td>
<td>352</td>
<td></td>
</tr>
<tr>
<td>SUMATRA B. Non Trans Sumatra</td>
<td>-</td>
<td>25</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>JAVA ISLAND</td>
<td>872</td>
<td>950</td>
<td>988</td>
<td>2,815</td>
</tr>
<tr>
<td>1. A. Trans Java (Merak-Banyuwangi)</td>
<td>473</td>
<td>538</td>
<td>170</td>
<td>1,187</td>
</tr>
<tr>
<td>2. B. Jakarta Bogor Depok Tangerang Bekasi (Jabodetabek)</td>
<td>209</td>
<td>250</td>
<td>71</td>
<td>530</td>
</tr>
<tr>
<td>C. Non Trans Java and Non Jabodetabek</td>
<td>189</td>
<td>162</td>
<td>747</td>
<td>1,098</td>
</tr>
<tr>
<td>KALIMANTAN 1. Kalimantan Island</td>
<td>-</td>
<td>99</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>BALI ISLAND</td>
<td>10</td>
<td>-</td>
<td>219</td>
<td>229</td>
</tr>
<tr>
<td>BOLIVIA ISLAND</td>
<td>18</td>
<td>39</td>
<td>50</td>
<td>107</td>
</tr>
<tr>
<td>TOTAL</td>
<td>942</td>
<td>1,584</td>
<td>3,733</td>
<td>6,115</td>
</tr>
</tbody>
</table>

Source: Indonesia Toll Road Authority, Ministry of Public Works and Public Housing, November 2015
as many as 111 units of the 55 unit target or the realization reached 201.82%;

**Signaling**, in order to smoothen the operation of train travel and to support increased safety and improved services, several activities have been done, such as modernization and improvement of signaling, telecommunication and electricity that consist of signaling work as many as 71 packets of the target 29 packets or the realization reached 244.83% and electricity flow work as many as 14 packets of the target 14 packets or the realization reached 100%;

**Logistics**, in the implementation of development and improvement of railway lines, material / logistics procurement has been implemented in the last five years such as procurement of rail as much as 142,311 tons of 60,489 ton target or the realization reached 235.27% and the procurement of the railway switch as many as 15 units of the 71 packets of the target 29 packets or the realization reached 680%;

**Railway Infrastructure**, including the construction of the 135 km Cikampek-Cirebon double track, construction of the 64 km Yogyakarta-Kutoarjo double track, construction of the 23 Km Tanah Abang-Serpong double track, the construction of the 30.3 Km railway lines in Aceh between Simpang Mane-Blangpulo-Cunda, the electrification of the 20 Km railway line between Serpong-Parungpanjang including the rehabilitation of the 11.52 km existing track, and the construction of the 727 Km Java North Crossing double track (Jakarta-Surabaya) and the construction of the 27.8 Km railway line to the Kualanamu International Airport;

**Train Facilities**, procurement of train facility particularly to support economic train for medium and long distances, has been carried out. In the period of 2005-2009, the number of economic train procurement (K3 including KMP3) that has been implemented is 152 units of the 90 unit target or the realization reached 168.9%. In addition, to support the commuter / urban train service, procurement of KRD / KRDI as many as 63 units of the 15 unit target has been carried out or the realization reached 420% and the procurement of KRL as many as 68 units of the 10 unit target or the realization reached 680%;

**Rehabilitation**, consists of the rehabilitation of infrastructure and train facilities. The rehabilitation of facilities that has been carried out are among other, 47 units of economic train (K3 / KMP3) of the 100 unit target or the realization reached 47%, 18 units of KRL of the 5 unit target or the realization reached 360%, and 26 units of KRD of the 34 unit target or the realization reached 76.5%;

**Provision of PSO Funds**, the Government issued a policy of subsidy bestowal on economic trains that aims to ease the burden of the people so that the people’s purchasing power can afford the price of economy-class train ticket and encourage the displacement mode of transport from private cars and motorcycles to the public transportation, especially train. In the period of 2005-2013 there was a significant increase of PSO amounting from IDR 140 billion in 2004 to IDR 704.8 billion in 2013 or experiencing an increase of more than 5 (five) times, with the highest increase occurred in 2012 as much as 130.5 billion compared to the previous year.

Until the end of 2014, the railway transportation sector has got some important achievements, including the commencement of the construction of MRT Jakarta; construction of 725 Km double track railway of Java North Cross; the construction of several other double tracks such as Duri-Tangerang double track; Parungpanjang -Maja cross, and Cirebon-Prupuk cross. In addition, PT. KAI has also constructed several railways, among other, Araskabu-Kualanamu cross and railway access to Soekarno Hatta Airport via Tangerang; and the commencement of the Trans Sulawesi railway line construction between Makassar-Pare Pare. (*)

**Reference**
Completeness of Toll Road Regulation Increases Investment

"Toll road investment opportunities in Indonesia in 2015 are large and will continue to increase in the coming years," said Head of The Indonesia Toll Road Authority (BPJT) Ministry of Public Works Herry Trisaputra Zuna during an interview with Partnership magazine.

The great investment opportunity for the toll road business is not without reason. The government has made a strong regulation as legal protection that gives guarantees for the investors. There are five regulations that have been made by the government to support increased investment in the toll road business.

The five regulations are Law (UU) Number 38 year 2004 on the Road; Government Regulation (PP) Number 15 year 2005 on the Toll Road as last amended by Government Regulation Number 43 Year 2013; Government Regulation Number 34 year 2006 on the Road; Presidential Regulation Number 38 year 2015 on Cooperation between Government and Business Entities in Infrastructure Provision; and Law Number 2 Year 2012 on Land Acquisition for Public Interest.

"Particularly for the arrangements regarding the procedures and mechanisms of Public Private Partnership in the Provision of Toll Road Infrastructure are regulated in the Presidential Regulation Number 38 year 2015 along with its implementing regulations," said Herry.

In addition to regulations which provide legal certainty for the investors, the Ministry of Public Works and Public Housing (PUPR) also made a toll road development acceleration policy. The policy is contained in the document of ’Toll Road Investment Opportunities in Indonesia’ published in October 2014.
The policy is the regulations to support the toll road development acceleration; strengthening of institutional framework and the toll road setting through the establishment of The Indonesia Toll Road Authority (BPJT) as a regulatory agency in the toll road sector; the establishment of the Infrastructure Development Acceleration Policy Committee chaired by the Coordinating Minister for Economic Affairs; bankable and investor friendly toll road business agreement; an appropriate system formulation for toll rate adjustment; and risk management of land acquisition with the preparation of a revolving fund mechanism through Public Service Agency (BLU) -BPJT and land capping.

The existence of these regulations and policies, said Herry, is conducted in line with the government’s program to achieve the 1,000 kilometer (km) toll road development target over the next five years. BPJT, in this case, serves to ensure that planning is done carefully, bidding process is run transparently, development control is carried out, project is operated and the toll road maintenance is conducted.

In term of bidding, Herry explained, the philosophy of Public Private Partnership (PPP) is that integrated contract between the two parties must occur. The integration here is underlining the obligation of implementing business entity (BUP) to finance, build, operate, and maintain the projects. With the obligation that has become the responsibility of the BUP, the bidding process must be able to attract BUP that can carry out the construction and at the same time, gain benefits so that the projects can be carried out immediately right after the Toll Road Concession Agreement (PPJT) is signed.

"Therefore, in a document, it is required that bidders should have talked to the bank and appointed a contractor that will carry out the project. We will ensure that it is done," said Herry. Furthermore, he explained, the toll road business development with PPP scheme is supported by the Indonesia Infrastructure Guarantee Fund (IIGF) by giving contingent liability guarantee. Meanwhile, PT Sarana Multi Infrastruktur
(SMI) plays a role through the provision of loan portion with interesting tenor. PT SMI also gives loans on the cash deficiency in the early years of the toll road operation.

"This scheme is done by utilizing the advantage and certainty of the land acquisition process in accordance with Law Number 2 year 2012 and its derivatives. So toll road business entities (BUJT) can carry out its task without waiting for the land acquired 100 percent as what happened so far," said Herry.

Herry emphasized that the government currently directed all toll road projects to be developed with the Public Private Partnership (PPP) scheme. According to Herry’s explanation to the Partnership, currently there are 33 toll roads already in operation and 34 toll roads that are under concessions to be executed with PPP scheme.

Herry described, the private sector's role in the 1,000 km toll road business is 85 percent built by a business entity with the Build Operate Transfer (BOT) scheme, Supported Build Operate Transfer (SBOT), and SOEs assignment by the government.

Based on data reported by BPJT Ministry of Public Work and Public Housing, toll roads that have been built are 948 km long, built by BUJT like PT Jasa Marga (Persero) Tbk, PT Citra Marga Nusaphala Persada (CMNP), PT Astratel Nusantara under Astra Group, PT Nusantara Infrastructure Tbk (META), PT MNC Infrastruktur Utama, PT Bangun Tjipta Sarana, and PT Lintas Marga Sedaya.

In achieving the target of toll road construction to strengthen the infrastructure, Herry mentioned a number of challenges. But of these challenges, the regulation is not included.

"The government’s obstacle in realizing the toll road construction is especially concerning the land that has not been available and difficult to procure. Bank financing facility is also a challenge," said Herry.

Data reported by BPJT the Ministry of Public Work and Public Housing, during 2015, the government has signed the PPJT on some toll roads, among others Medan - Kualanamu - Tebingtinggi, Medan - Binjai, Soreang - Pasirkoja; Palembang - Indralaya; and Bakauheni - Terbanggi Besar. While the 1,584 km toll roads are still under construction until 2019. As for the toll roads in the preparation and the tender execution stage has a total length of 348 km.

For toll road projects in 2015, BPJT conducted toll road exertion bidding for several segments, among others Soreang - Pasirkoja (length 11 km with an investment cost of IDR 1.5 trillion; Kayuagung - Palembang - Betung 112 km with an investment of IDR 14,43 trillion; Manado - Bitung 39 km as much as IDR 3,89 trillion; Balikpapan - Samarinda 99 km, IDR 6 trillion; Pandaan - Malang 37.62 km with an investment of IDR 2.97 trillion; and Serpong - Balaraja 30 km, IDR 5.18 trillion.

"In addition to these projects, the construction of Trans Java toll road, Jabodetabek, non-Trans Java, and Trans Sumatra are currently being carried out," said Herry. Of the projects, two of them are in the pre-qualification process which are Samarinda-Balikapapan and Pandaan-malang; two projects are in the bidding process which are Manado-Bitung and Serpong-Balaraja.

Meanwhile, as many as five projects have been and will sign PPJT. They are Palembang-Indralaya, Bakauheni-TerbanggiBesar, Soreang-Pasir Koja, Kayuagung - Palembang - Betung and Pekanbaru-Dumai-Kandis. "Later on, there will be soon the prequalification for at least four toll road projects in the near future," said Herry. (*)
PPP Scheme: Railway Infrastructure Funding Alternatives

Public Private Partnership (PPP) scheme has begun to be used as the backbone of funding for building the railway infrastructure. Of the eight projects planned to be built with PPP scheme in 2013, the winner of the bidding of one of the projects has been determined.

To realize the maritime highway transportation system, effective and efficient mode support on the island is also needed. Rail-based development is considered effective because in addition to stimulate the economy in each region, the rail-based transportation is also more efficient in transporting logistics or passenger. Besides that, the train also never experiences congestion.

The development of rail-based mass transportation is also one of the main programs of the Ministry of Transportation. In the next five years, Ministry of Transportation will focus on equalizing railway construction throughout Indonesia.

Director General of Railways, Ministry of Transportation Hermanto Dwiatmoko, said that the Directorate General (DG) of Railways aims to build a 12,100 kilometer (km) national railway network for the islands of Java, Bali, Sumatra, Kalimantan, Sulawesi and Papua, as well as the urban railway network in 2030.

In addition, the Directorate General of Railways, the Ministry of Transportation is also targeting to have locomotives for passenger transport as many as 2,805 units and passenger train carriages as many as 27,960 units. As for the goods transportation, the targeted number of locomotives could reach 1,995 units and 39,655 units of carriages.

To realize the railway infrastructure in 2030, Ministry of Transportation requires investment funds of approximately US $ 60 billion. The need for these funds will not entirely come from the government, but it is also expected to come from business entity’s participation. The government’s portion is only 30%, or approximately US $ 18 billion and the rest of 70%, or about US $ 42 billion will come from private investors by developing the pattern and mechanisms of financing / investment through Public Private Partnership (PPP) scheme.

PPP scheme is the most appropriate funding alternative in the implementation of railway infrastructure because in addition to requiring a large investment from the business entities, it also needs government support to expedite the process of infrastructure development.

In the Railway National Master Plan 2030, several models of PPP schemes that can be used as an alternative for cooperation, among others: Design Bid Build, Private Contract, Design Build, Build-Operate-Transfer (BOT), Long Term Lease Agreement, Design Build Finance Operate (DBFO), Build-Own-Operate (BOO). To encourage the involvement of business entities gradually and proportionally, the fragmentation of the work scope needs to be done in accordance with the
funding capabilities of the entities. The fragmentation strategy is needed to determine the scale of investment (large and medium) so that the role of business entities may be broader.

Although PPP system still needs improvement, the Ministry of Transportation has been trying to plan railway infrastructure development projects using PPP pattern since 2013. Some of the projects already planned include: Soekarno-Hatta-Halimperdanakusumanah Airports (SHIA) Railways, LRT Bandung, Gedebage Multipurpose Integrated Terminal, monorail development in South Sumatra Province, Batam Island monorail, railway project from Muara Enim (South Sumatra Province) – Baai Island (Bengkulu province), and the railway project from Puruk Cahu to Batanjung through Bangkuang (Central Kalimantan Province).

Of the eight projects planned, there is only one project that the winner of the bidding has been determined, which is the railway project from Puruk Cahu to Batanjung through Bangkuang in Central Kalimantan province. Through Central Kalimantan Governor Decree Number 188.44 / 341/2015, Central Kalimantan provincial government as Contracting Agency (PJPK) determined PT. Perkeretaapian Tambun Bungai as Business Entity of Public Railway Infrastructure Implementer for Central Kalimantan Province from Puruk Cahu to Batanjung through Bangkuang. Currently, the business entity is in the land acquisition and Environmental Impact Assessment (EIA) permit process.

The project which is currently in the process of bidding is LRT Bandung. Now, there are two participants who pass the Pre-Qualification stage, the bidding process will be held in April 2016. For the initial development of corridor 1, the local government does not provide infrastructure cash funding support or Viability Gap Funding (VGF) but it provides 6 land spaces for Transit Oriented.

For Soekarno-Hatta-Halimperdanakusumanah Airport (SHIA) Railways, the Ministry of Transportation will still be reviewing the results of Feasibility Study, considering the value of VGF on study results of PT. Sarana Multi Infrastruktur is considered too big. The Ministry of Transportation will review it related to the integration of the existing railway lines and Jabodetabek LRT lines due to the change in the width of the rails. The original alignment, Halim Perdanakusuma-Manggarai-Dukuh Atas-Tanah Abang-Pluit-Soetta Airport, is converted into Gambir - Bandan City / Kampung - Pluit – Soetta Airport and use the existing railway line assets so it is more effective.

Seeing the development of PPP scheme in the railway sector that has been running quite well, in the near future, the Ministry of Transportation will propose new projects to be implemented with PPP scheme. The project intended here is the operation and maintenance of Jabodetabek LRT.

The project is proposed to carry out the mandate of the Presidential Regulation Number 98 year 2015 on the Implementation Acceleration of Light Rail Transit integrated in Jakarta area, Bogor, Depok and Bekasi. Currently, the Ministry of Transportation has also established an Oversight Committee for Infrastructure Development Implementation of Light Rail Transit to ensure the project can be performed well. (*)
Accountable Direct Appointment for the Acceleration of Infrastructure Projects in Indonesia

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Based on the Presidential Regulation Number 2 Year 2015 concerning the National Medium Term Development Plan 2015-2019, the Government has been mandated to encourage the participation of the private sectors, communities and local governments in the services and implementation of infrastructure. In the next 5-year plan, the Government of Indonesia is targeting approximately 220 infrastructure projects that will be funded by the tax, by the pattern of Public Private Partnership (PPP) or by foreign debt. For the sake of infrastructure development acceleration, the Government begin doing assignment for State-Owned Enterprises (SOEs) through direct appointment mechanism. There are many regulations that have been issued in 2014 and 2015 governing the assignment of SOEs on certain infrastructure development.

Presidential Regulation Number 67 year 2005 on Public Private Partnership in the provision of infrastructure has been existing since 2005, but for 10 years it has not been optimal in achieving the targets from year to year. In fact, it has been recognized by the central government that PPP project success rate is less than 2% of the project target. The main causes of unsuccessful PPP in Indonesia are mainly because of the limitations of the project preparation financing matter, limitations of consultant and investor procurement to prepare infrastructure projects which are ripe and worthy to be cooperated with PPP Scheme, as well as the technical problems of land acquisition.

One cause of the lack of success of the infrastructure provision with PPP pattern is the length of the preparation process of the infrastructure project by the Central Government and Local Government. Coordination and document preparation require a very long time because there is a tendency that agencies are waiting for each other. The provision of documents that requires quite lengthy budgeting and procurement process is due to the need for tendering consultants and experts. Unsolicited project preparation by preparing projects submitted to private enterprises has been done for the last few years, but it has not provided satisfactory results yet.

An example of the lengthy infrastructure project preparation is MRT Jakarta project that took 10 years, from the preparation of pre-feasibility study in 2004, until the ground breaking in 2014. MRT / LRT development plan for Jakarta city corridor to Soekarno-Hatta has been already more than 10 years and it is still in the process and uncertain because the scheme is changed from unsolicited PPP into fiscal funding. PPP plan of waste and sewage treatment in five regions in Jakarta has been more than 10 years and still not clear in term of the scheme of cooperation that will be done. Water Supply System (SPAM) of West Semarang took 8 years for the process of project preparation from 2008 to 2015. Even the process of SPAM Umbulan project preparation which has been running for 20 years is still not finished to start the construction.

Therefore, it is necessary to accelerate the project preparation. One way that has been done by the Government is the direct appointment of SOEs. In terms of political commitment, this mechanism raises political certainty. This method will also shorten the preparation time of coordination between institutions. However, the level of fairness and transparent becomes a question for all parties. It is feared that there will be a moral hazard that will lead to collusion and corruption. To avoid the lack of fairness and

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transparent as well as to open a fair competition, the direct appointment cooperation process needs to be done in an open manner. Based on study recommendation from PhD Leny Maryouri, 2015, there is a method to speed up the process of infrastructure project preparation, namely Project Delivery Partnership (PDP) or a Cooperation of Infrastructure Project Provision followed by Service Delivery Partnership (SDP) to ensure the developed infrastructure provides benefits for preparation of PPP infrastructure projects coordinate with the Government where the risks and uncertainties of the project for the government and the private sector can be structured early and more definite, especially for managing the cost of investment, return on investment and other overrun costs.

PDP has been successfully applied to build the infrastructure that is relatively requires large investments and private sector's willingness to invest. Examples of projects developed by the PDP include Cross Rail Link in London, England, and the development of the Urban Integrated Transport System in Kuala Lumpur, Malaysia. The time required from the planning integration process with the government and private capacity. So, fair competition will be created optimally at all the potentials to contribute to build the infrastructure in all parts of Indonesia.

We wish that infrastructure development acceleration in Indonesia can be achieved well. (*)

PDP is a cooperation process which is expected to shorten the process of planning, procurement, preparation until financial closing in setting up infrastructure projects. PDP will be followed up with SDP in accordance with the recommendation of the evaluation process.

With the PDP pattern, Indonesia is expected to be able to execute 220 infrastructure projects faster. Infrastructure projects can be distributed to all potential private and SOEs in a transparent manner in accordance with their

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\text{Figure 1: Project Delivery Partnership Framework, Source: (Maryouri et al., 2015)}
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Today, Canada has more than 46,000 kilometers railroad tracks. Railway transportation industry is an important element of the transportation system in Canada. In this neighboring country of the United States, railway transportation industry generates about $10 billion per year. Of that total amount, 95% comes from freight transporting train, while the remaining 5% is resulted from intercity commuter train and tourist train which generally serve short-distance trips.

As an illustration, Canada has a variety of railway transportation services, one of which is the shortline class train which is a fundamental component of the railway network in the country. This train normally transports goods operating from one city to another in Canada. There is also interstate passenger train. In 2009, the interstate passenger train reached 4.5 million passengers. For a short-distance intercity transportation, there is commuter train like Jabodebatet train in Indonesia. Many commuter trains in Canada are operated by transportation agencies which are established by the states.

Nearly similar to commuter trains, there are trains that connect the train station located in the city to the airport. It is intended to improve accessibility to the airport and to improve connections inter modes of transportation. Particularly for the city, many state governments develop Light Rail Transit (LRT) or so-called tram. Well, in Canada, the development of commuter train, airport destined train, until LRT and also their infrastructure are not apart from PPP scheme.

In the records of the Public Private Partnership (PPP) Inc., PPP institutional Center in Canada, this country at least has run PPP schemes for infrastructure development of railway transportation including LRT of Edmonton City, GO Transit.
Interestingly, railway transportation infrastructure development always involves local state government. Many states are beginning to realize that the rail mode of transportation is a means of liaison between regions as well as a solution to overcome traffic congestion and pollution. Hence with open arms, they always welcome the development of railway transportation infrastructure whether conducted with government budget or through PPP scheme.

The enthusiasm was at least reflected in the opinion of Michael Roschlau, Chairman of the Canadian Urban Transit Association. He said, LRT is experiencing a renaissance in cities across Canada with a variety of new lines which are being planned or are under construction. Like the other world’s major cities, the cities in Canada also have traffic congestion problems. The conditions, he said, encourages the development of LRT and commuter trains which are believed to be a way to overcome the problem. This step which is taken by the majority of the states, according to Roschlau, is supported by the public widely.

Roschlau assumed that to meet the public’s expectations of LRT until commuter train constructions, PPP scheme deserves to be a choice. For information, state governments often receive advice and input in any infrastructure development using PPP scheme. Suggestions and inputs are from PPP Inc. While the P3 Canada Fund will also provide financing guarantees. (*)

As for GO Transit East Rail Maintenance Facility which is located in the city of Whitby, it is intended to increase the capacity of the maintenance and to expand the network of railway transportation. Similar to Lachine Train Maintenance Centre in Montreal, Quebec, it is also intended as a railway maintenance facility. While Lincoln Station Project which is located in the City of Coquitlam, British Columbia is a transit station which is actually part of the Evergreen Rapid Transit Project lane.
Serpong -Balaraja Toll Road Opens Access to Tangerang Regency Area

There are a number of toll road projects included in the bidding process in 2015, one of which is Serpong -Balaraja toll road. Serpong-Balaraja toll road will be built as far as 30 kilometer (km) with a total investment value of IDR 5.18 trillion.

Serpong -Balaraja toll road project is the continuation of the toll road that had existed before which is Ulujami-Serpong. This toll road will become a strategic lane because it connects South Tangerang Municipal with Tangerang Regency.

Not only connecting Ulujami-Serpong toll road, this segment of the toll road will also be connected with Tangerang-Merak toll road and Jakarta-Serpong toll road that has been in operation long before. Serpong- Balaraja toll lanes will be constructed starting from Bumi Serpong Damai, Serpong subdistrict and pass through six subdistricts, namely Cisauk, Legok, Curug, Panongan, Tigaraksa, and Balaraja.

The toll road is built in three stages, the first stage is Serpong-Legok route, 11 km, followed by the second stage, Legok-Citralaya route, 8 km, and the third stage is Citralaya -Balajara route, 12 km. For the land acquisition, the budget is predicted up to IDR 1.7 trillion.

Head of The Indonesia Toll Road Authority (BPJT) Ministry of Public Works and Public Housing (PUPR) Herry Trisaputra Zuna said, the project is currently in the bidding stage by using a Public Private Partnership (PPP) scheme.

"The existence of the toll roads will attract the community’s interest, and of course become the main attraction for the marketing of property projects."

"In the pre-qualification stage, there are four participants who have already qualified. Now we are still waiting for the participants to complete the tender documents. Of the four participants, three participants probably will continue and be interested in this project, "said Herry to the Partnership, in the mid December 2015.

The four participants who passed the prequalification stage are PT Citra Marga Nusaphala Persada Tbk (CMNP); Consortium SP Road and PT Prabu Persada; Consortium PT Bumi Serpong Damai Tbk (BSDE), PT Astratel Nusantara and PT Transindo Karya Investama; and consortium PT Nusantara Infrastruktur Tbk and Egys, Contractor from South Korea.

"The target was several times delayed, but we are optimistic that this could go on. Today, It has been running well. About the construction, we are waiting for the tender documents and land acquisition which is still underway,” said Herry.

BPJT Data, that Partnership Magazine got, shows the progress of land acquisition section I (11 km Serpong-Legok) has reached nearly 100 percent, while the land acquisition for section II (Citralaya- Legok ) and section III (Citralaya-Balajara) has not yet begun.

Opening Productive Areas

Actually, Serpong-Balaraja toll road project has already been planned since 2002 by the Tangerang Regent at that time, Ismet Iskandar, but it encountered problem related to land acquisition. At first, this toll road project was targeted to begin its operation in the early 2014.

Herry explained, Serpong
The Balaraja toll road project will unravel traffic congestion in Puri area, West Jakarta. The riders and drivers from Merak can go directly to Balaraja which so far has always been jammed. The existence of this toll road will connect the Serpong-Airport and BSD- Jakarta toll roads.

With such a situation, Herry is optimistic that the investors are very interested in the business prospects of the existence of this toll road. In addition to accessibility, the project is predicted to increase the interest of the community to buy property in Serpong area.

"Investors see demand. People are now comfortable to live in Bumi Serpong Damai (BSD) because they can directly access the toll road and the price becomes expensive. Imagine, from the current end point of the toll, plus 10 more kilometer of the toll road, people will flock because of the easy access, "said Herry.

The work on Serpong -Balaraja toll road project is intended to open a number of areas that are closed so that they can develop into productive areas. Opening these areas will lead to an increase in the community's economy, particularly in Tangerang Regency.

Herry explained, one of the proofs that this project is very attractive for business entity is when PT Bumi Serpong Damai (BSD) Tbk participated in initiating the implementation of the project. BSD is said to have the interest to add the road access to the BSD City project, which became the company's flagship project. "The existence of the toll road will attract the community's interest, and of course become the main attraction for the marketing of property projects. Easy access makes a property location become strategic. That would increase the selling price, "said Herry.

Serpong- Balaraja toll road will open up access to the western part of BSD City which is planned into areas stage two and three. PT BSD Tbk still has undeveloped land (land bank) of 3 thousand hectares out of the total land area of about 6 thousand hectares.

Particularly for Serpong area, it has already been supported with adequate access, such as Jakarta-Tangerang toll road and Bintaro- Serpong toll road which is connected with JORR. (*)
Bandung’s Dream of Having LRT Will Be Soon Manifested

Bandung’s dream of having Light Rapid Transportation (LRT) will be soon manifested. If nothing goes wrong, the light rail project is ready to be developed in 2016 through Public Private Partnerships investment scheme. Currently, two consortium business entities that passed the prequalification stage have already been obtained. They are PT Len Industry (Ltd) joined PT Wijaya Karya (WIKA) Limited, and SMRT International, joined the T-Files.

Secretary of the Department of Transportation Bandung, Enjang Mulyana, said that Bandung LRT plan will be built with two corridors that serve the residential areas, commercial areas, office areas, and education or campus areas. “For the track, we utilize the local government road sections. Rail will be set on them. It means that the position of the LRT rail is on government-owned roads. So, it will not be too hard for the land acquisition matters, “said Enjang to the Partnership at his office, in the early November 2015.

The LRT construction cost is quite big. For Corridor 1, the estimated budget is around IDR 2.2 trillion. While for Corridor 2, the estimated budget is around IDR 3.9 trillion. The big amount of the cost is intended among other things for the construction work, station construction, depot construction, signaling and telecommunications work, as well as land acquisition. Considering the big costs needed, the government of Bandung Municipal decided to fully give the implementation of the investment to business entities. Corridor 1 development is targeted to be built in 2016 and is expected to be completed within a period of 2-3 years.

Regarding the chances of the project’s return on investment to the business entities, Enjang said, in term of the tariff, it cannot be given entirely to the business entities, but it must be approved by the Government of Bandung Municipal and by the Regional House of Representative. According to the study by Bandung Transportation Agency, for Corridor 1, the tariff charged is in the range of IDR 6,000 per passenger. While for Corridor 2 is in the range of IDR 7,500-IDR 12,500 per passenger. “The profit for the business entities is in the stations. They can use them to create business areas, including managing certain advertisements. Thus, their profit is not from the tariff, “he said.

According to Enjang, LRT is built...
DEVELOPMENT of LRT TRACTS

JUSTIFICATION OF SELECTED TRACTS - CORRIDOR 1
Selected tracts are accounted to pass more demand bags:
- Settlement Areas: Cibeunying, Tegallega Areas.
- Commercial Zones: BIP, BEC, Dago Factory Outlet, Hotels along Ir. H. Juanda Street.
- Office Areas: Banks along Ir. H. Juanda Street, City Hall on Merdeka Street, Asia Afrika Street.
- Education Areas: Padjadjaran University, ITB, Unicom, Pasundan University.

Other consideration refer to the following considerations:
- Availability of street ROW,
- Ease of implementation, and
- Connectivity with transportation service network to / from the outside area of Bandung city.

JUSTIFICATION OF SELECTED TRACTS - CORRIDOR 2
Selected tracts are accounted to pass more demand bags:
- Settlement Areas: Gedebage, Bojonagara, and South Cimahi Areas.
- Commercial Zones: Gedebage Market, Factory Outlets on Riau Street, BIP, BEC, Istana Plaza.
- Office Areas: Offices on Riau Street, City Hall on Merdeka Street, Offices on Padjadjaran Street.

Other considerations refer to the same considerations as corridor 1 tracts.

to overcome the traffic congestion in that Tourism City. The existence of LRT is also expected to become the backbone of public transportation, as the feeder of public transportation, and as an architectural landmark of Bandung City. Eniang said, currently the number of vehicles in the city of Bandung reaches 1.6 million units. Of that number, 65% is motorcycles, and the remaining is 3 and 4 wheeled vehicles. The high number of vehicles is not proportional to the availability of the road. Each year, the vehicle population in Bandung city grows by about 9.28%, while the segment of the road is only increased by 1.2%. “With the LRT, private vehicle users are expected to be reduced significantly,” he said.

Head of Regional Development Planning Agency (Bappeda) of Bandung Municipal, Kamalia Purbani, who was met separately, said, as a Metropolitan City, the need for mass transportation system is something that is inevitable for Bandung city. Therefore, the construction of the LRT is very urgent for the city with 2.7 million people. Moreover, traffic congestion in Bandung is starting to rise, especially on weekends.

In the master plan of transportation, said Kamalia, Bandung Municipal Government has prepared a concept of Bandung Urban Mobility. One of Bandung Urban Mobility concept programs is the construction of LRT. The construction of LRT is in line with other transportation development plans, which are the five toll roads, West Java province monorail program that connects the routes from outside Bandung city, the construction of Padalarang-Cicalengka double track railway, construction of Jakarta-Gedebage fast rail, and monorail transportation modes intra city.

Kamalia is optimistic that LRT project can be realized. Especially currently, there are two consortiums that passed the prequalification stage which are PT LEN Industry joined PT WIKA, and SMRT International with the T-Files. These consortiums are two out of five consortiums that took the pre-qualification on May 20, 2015. The other three consortiums were failed, the consortium MGGS-CGGC-CSN, the consortium of PT CRI and Ansteel, and the consortium of CFTEC-CICO-PT Monorel Pratama Indonesia. The three did not pass the administration criteria.

In the early first prequalification in 2015, PT LEN and SMRT were actually also declared failed in administration criteria. However, in the re-prequalification, PT LEN Industry with PT WIKA meet the minimum aggregate of IDR 3 trillion, suitable with the investment value.

PT LEN Industry is a state-owned enterprise engaged in the development and production of electronic devices. The company is located in Bandung. Meanwhile, PT WIKA is a state-owned enterprise engaged in the construction field. It is located in Jakarta. While SMRT International is a Singaporean construction company. Because it is based in Singapore, it is required to hold a local company. Its choice is T-Files which is located in Bandung. The company is engaged in the technology design and production. One of its business area is the development of marine-based power plants. (*)
The progress of the transportation system is indeed one of the determining factors of economic growth in a country. This system should be supported by the existence of roads, including adequate toll roads, so that the traffic distribution of people, goods and services will be more easily achieved.

Based on data from the Indonesia Toll Road Authority (BPJT) Ministry of Public Works and Public Housing (PUPR), from a total of 34 toll roads that are under construction, one of which is the Medan-Kualanamu-Tebing Tinggi (MKTT) toll road. Currently, the toll road project has already had a Toll Road Concession Agreement (PPJT).

The Head of BPJT, Ministry of PUPR, Herry Trisaputra Zuna said that the toll road investment opportunities are enormous. “Toll road investment opportunities in Indonesia in 2015 are very large and will continue to grow in the coming years. Especially with the target achievement of the 1,000 km new toll road construction in the next five years,” said Herry Trisaputra Zuna to the Partnership Magazine, October 4th, 2015.

MKTT toll project is undertaken by the consortiums that have been set by the government which are PT Jasa Marga (Persero) Tbk, PT Waskita Karya (Persero) Tbk, PT Hutama Karya (Persero) and PT Pembangunan Perumahan (Persero) Tbk. as the winners of the investment tender for Medan-Kualanamu-Tebing Tinggi toll road.

In addition to the 30 percent budget from the consortiums, the 61.7 kilometer toll road project is carried out with funding source from the bank loans amounting to 70 percent. The toll road is getting a loan from a syndicate of State-Owned Enterprises (SOEs) banks such as PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, and PT Bank Sumut (Persero), as much as IDR 2.8 trillion of the IDR 4.3 trillion total investment.

The consortium of the four state-owned companies formed Toll Road Business Entity (BUJT) under the name of PT Jasa Marga Kualanamu Toll as the manager and the holder of the concession for 40 years. The composition of share ownership for the
management of MKTT toll road is 55 percent by PT Jasa Marga, 15 percent by PT Waskita Karya, 15 percent by PT Hutama Karya, and 15 percent by PT Pembangunan Perumahan.

"Jasa Marga undertakes capital investment amounting to IDR 44 billion, or 44 thousand shares, or 55% of the company," that is the official statement of Jasa Marga. Of the 61.70 km total length of MKTT toll road, the land acquisition is divided into five sections: section 1 and 2 the 17.80 km Medan-Kualanamu route; section 3 the 4.83 km Parabaran-Lubukpakam; section 4 the 12.86 km Lubukpakam-Perbaungan; and section 5 the 9.57 km Perbaungan-Teluk mengkudu.

"Progress of land acquisition continues while construction is also being carried out. Because if we wait until the land acquired 100%, the construction work will not run," said Herry.

BPJT aims, that the land acquisition is to be entirely completed by the middle of next year. Currently, the land acquisition at each section ranges between 70% -100%. "I forgot exactly. But the land acquisition has indeed always been a challenge in any infrastructure development, especially toll roads," said Herry.

So far, the government has built the 17.80 km Tanjung Morawa (Medan)-Perbarakan-Kualanamu section as a form of support or Viability Gap Funding (VGF) so that the project is financially feasible. The lane built by the government is section 1 in the development process that will be done in the two sections.

The 44 km section 2 is to be built by investors. It stretches from Perbarakan to Tebing Tinggi. Investors will also split into two sections for the construction of the 44 km Medan-Tebing Tinggi-Kualanamu toll road. Section 1 is Perbarakan-Lubukpakam route and section 2 is Lubukpakam - Tebing Tinggi route.

Herry Trisaputra Zuna said that MKTT toll road is a part of the total 1,584 km toll road increase plan that has entered the construction phase until 2019.

Until August 2015, the construction phase of the MKTT toll road has reached 30%. The toll road will have 2x2 lanes at the early stage and 2x3 lanes at the final stage with a plan speed of 100 km / hour. The project is scheduled for completion in 2017. (*)
To minimize the cost of Soetta-Halim Airport Express Railway construction, the Ministry of Transportation plans to change the route tract of the airport railway. The changes were made because the Ministry of Transportation assessed that the amount of Viability Gap Fund (VGF) on the results of Feasibility Study (FS) by PT Sarana Multi Infrastruktur (SMI) was considered too large. Therefore, the Ministry of Transportation will review the results of the study.

Railway Director General, Hermanto Dwiamtoko in October 2015, said that the Minister of Transportation has sent a letter to the Minister of Finance related to the review of the study results. The Letter Number: PR 007/7/3 Phb 2015 dated October 28, 2015, stated that the Ministry of Transportation will conduct a study related to the integration of the existing Railway with the Jabodetabek Light Rail Transport (LRT) track due to the change in the gauge width. So, the tract which was originally from Halim Perdanakusuma Airport-Manggarai-Dukuh Atas-Tanah Abang-Pluit-Soetta Airport, is changed into Gambir - Kota/ Kampung Bandan - Pluit – Soetta Airport.

Hermanto added that the Minister of Transportation, Ignatius Jonan requested that the express train rails not be designed dedicated or specialized for express train carriage only but also can be used by other trains including airport KRL. Therefore, the size of the express train rails must be uniform with the existing rail.

Besides changing the tract, the Ministry of Transportation will also review the project financing structure of the Soetta-Halim Airport Express Railway. Where previously the entire procurement of the projects from the stage of project development until the operation of the airport express train will be financed with PPP scheme. Later on, only the operation and the purchase of “rolling stock” (set of train carriages) are still cooperated with PPP scheme. While the infrastructure development activities will be carried out by the Ministry of Transportation with the Ministry of Transportation’s ceiling from the State Budget (APBN).
By doing so, the value of the project which was originally reached IDR.24 trillion would be reduced drastically. And the VGF value which was based on the initial calculation was too large, can be reduced so that the funds could be used to build other infrastructure projects.

While waiting for the bidding process of Soetta- Halim Airport Express Railway running, to accelerate the operation of the railway to the Soetta Airport, the Ministry of Transportation has prepared the construction of Soekarno Hatta airport public railway infrastructure project through Tangerang city with PT. KAI since 2014. "We have signed the cooperation of railway implementation for the airport with KAI. We, from the Directorate General of Railway, have already completed the project from Batu Ceper to Tangerang and has been on operation since June 8, 2014. Then from Batu Ceper to Soekarno Hatta Airport around 12 km will be built by PT KAI, "said Hermanto.

The cooperation agreement was held as a follow-up to Presidential Regulation Number 83 Year 2011 regarding the Assignment of PT. KAI (Persero) to develop the Soekarno-Hatta Airport railway infrastructure via Tangerang city with PT. Angkasa Pura II. And in accordance with Article 307 of Government Regulation Number 56 Year 2009 on the Implementation of Railways, that any business entities that will implement a public railway infrastructure should be given the implementation rights as outlined in the agreement between the Government and the business entities.

The value of the investment for Soekarno Hatta Airport railway implementation is as much as IDR.2,5 Trillion with a concession period of 30 years and can be extended. The scopes of the agreement include: the construction, operation, maintenance and railway infrastructure exertion as well as the handover of the railway infrastructure.

As a form of compensation for the implementation of airport railway infrastructure, the Ministry of Transportation gives concession for the rail management of Soekarno - Hatta Airport, Tangerang, Banten for 30 years to PT Kereta Api Indonesia (Persero).

As the implementing agency of airport railway infrastructure, through PT. Railink, PT. KAI has initiated the process of airport railway line construction since October 2015. In addition to the procurement of rolling stock or rails, PT. Railink is also tasked to operate Soetta Airport Railway. PT. Railink is a subsidiary of PT. KAI and PT. Angkasa Pura II.

President Director of PT Railink, Heru Kuswanto explained that the construction has begun on the airport area because practically, there is no land problem since it is owned by PT Angkasa Pura (AP) II. While the process of new railway construction from Batu Ceper –Soetta Airport Station, has not been able to be carried out due to the land issues.

According to the plan, the 36.3 kilometer Soetta Airport public railway line project will be built elevated and underground. Besides being integrated with electric train network (KRL), this airport railway will also be integrated with Transjakarta shelter and Mass Rapid Transit (MRT) and the Automatic People Mover System (APMS) which is being prepared by the airport to support the mobility of passengers from the terminal to the station.

PT Railink is targeting Soetta Airport Railway to operate in 2017. While the operation hours follow the flight hours. “The operation hours follow the flight hours, if the flight is at 05.00 am, we will have been operating since 04.00 am,” said Heru. Every day, Railink will operate 124 trips with 10 circuits. One circuit consists of 6 to 10 trains which are targeted to carry 13,000 passengers from and to the Soetta Airport per day.

To fund the development needs of Soetta Airport Railway, PT. KAI got credit from a syndicate of four banks consists of BRI, Bank BCA, BNI and Bank Mandiri worth IDR 1.4 trillion or 84% of the total funding needs of infrastructure development around IDR 1.6 trillion. Meanwhile, PT Railink as the operator got IDR 612 billion loan from the same bank syndicate. The value is equivalent to 85% of the total needs of infrastructure provision with an estimation of IDR 720 billion. (*)
As known in the National Medium Term Development Plan (RPJMN) in the period of 2015-2019, the government allocates budget for rail-based mass transportation infrastructure as much as IDR. 234 trillion. With the budget, the government will build a railway network in major Indonesian islands such as Sumatra, Kalimantan, Sulawesi, until Papua. According to the plan, the government will develop new rail network that stretches along 3,258 kilometers. If this is realized, this project will be the longest project after the Dutch colonial era.

Tyas, as he is usually called, confirmed that the majority of regions outside Java have infrastructure deficit. Hence, the government’s plan to build a railway network in various regions outside Java is correct.

"President Jokowi’s policy is appropriate considering for 70 years of independence, the gap between Java and outside Java is actually widening,” he said when meeting Partnership Magazine.

For him, the government’s move is in line with what INSTRAN has voiced over the years. Tyas said that today 58% of Indonesia’s population live in Java, therefore adequate infrastructures accumulate in Java. On the other hand, the ecological carrying capacity of Java is no longer possible to compensate the population. Therefore, mass transportation infrastructure development policies should not be separated from the population equalization strategy to the entire regions. He explained that the ideology of a slowdown in Java and the ideology of acceleration outside Java need to be executed, so that there is a balance between Java and outside Java in the frame of the intact Republic of Indonesia (NKRI). On the other hand, the development of mass transportation such as trains outside Java certainly contributes to urbanization which is not only heading to Jakarta, but also to Sumatra and Kalimantan, Sulawesi and Papua, so that there is equal distribution of the population. If the construction outside Java uses the state budget, it can be understandable because its domino effect can reach Java.

Although he does not deny the involvement of business entities through Public Private Partnership (PPP) scheme in developing the railways,
the involvement of business entities in the development of infrastructure is better to be devoted only to train transporting mining and plantation products considering the investment return is not long. Specifically for passenger transport, Tyas asserted, it should be limited to the management until operational only. Dharmaningtyas who is also the Head of Advocacy Section of MTI (Indonesian Transportation Society) added, with the involvement of business entities in the railway managerial to operational will raise a balance of the government’s and business entities’ roles. Therefore, the economy will be strong. “So the role of business entities is limited to balancing,” he said. However, what we should keep in mind in the operations is how to create mass transportation convenient, safe and affordable. Therefore, Tyas reminded that the load factor in the building of mass transportation with PPP scheme should always be observed. So, in the future, never let the situation, when the number of users does not match the demand forecast, happen because this situation can cause a significant decrease in total revenues.

As it is known, based on the Ministerial Decree of PPN Number Kep 82 / M.PPN / HK / 05/2015, the government offers six PPP projects ready to be offered in the construction of rail based mass transportation infrastructure which includes the construction of Goods and Passengers Railway of Soekarno Hatta International Airport - Halim Perdanakusuma, Light Rail Transit (LRT) Bandung, West Java as well as Goods and Passengers Railway of Tanjung Enim-Tanjung Api-Api South Sumatra. While PPP prospective project is railway integrated terminal project Gedebage, Bandung and the construction of the monorail, South Sumatra. For information, development plan of South Sumatra monorail has been converted into LRT with the assignment to PT Waskita Karya Tbk. The PPP potential project is the construction of Goods and Passengers Railway Batam, Riau Islands, and the construction of Goods and Passengers Railway Baai Island-Muara Enim, Bengkulu, South Sumatra. (*)
Infrastructure and Transportation Development Must be Growth and Equalization Oriented

Prof Danang Parikesit
Chairman of the Indonesian Transportation Society (MTI)

According to Danang, when talking about infrastructure and transportation, it cannot be separated from two things. First, infrastructure and transportation should be able to grow the nation’s economy. Therefore, infrastructure and transportation should be built in the centers of export activities and economic growth acceleration activities. Second, infrastructure and transportation have the ability to suppress inflation. To be able to suppress inflation, the development of infrastructure and transportation should be evenly distributed throughout Indonesia. Thus, the cost of transportation or logistics can be suppressed. "Infrastructure and Transportation have two perspectives: one for growth and one for equalization," he said.

Danang sees that the provision of infrastructure and transportation in this country is still unequal, between urban and rural areas, and between the Western and Eastern Regions of Indonesia. One of the causes of not maximal provision of infrastructure and transportation is the government budget constraints. Danang assesses that the pattern of Public Private Partnership (PPP) is actually the right solution to get the funding for the provision of infrastructure and transportation. However, the government cannot just leave it to the business entities completely, considering the infrastructure and transportation address the needs of the community. "Public Private Partnership will not emerge if there is no government ahead. So, the government budget should remain the main points to boost the private participation," he said.

The graduate of Transportation Engineering, Technische Universitat Wien, Austria, in 1996, he has expectations of how infrastructure and transportation become the backbone for the country in the future. However, he does not agree if there are modes which are preferable in the transportation sector. "I think all modes should be encouraged at the same time. Because each region has its own characteristics. In the city, the transportation should be good to avoid traffic jams every day like in Jakarta. In the village, it should also be accessible well. Eastern region must also be connected to the western region. Likewise the border areas, also have to be served," he concluded. (*)
Types of Infrastructure That Can Be Cooperated

(Based on Presidential Regulation Number 38/2015, as described in Ministerial Regulation of PPN Number 4/2015)

1. Transportation Infrastructure:
- Provision, facility management, and airport services, including supporting facilities, such as passenger terminal and cargo.
- Provision, facility management, and port services.
- Railway facilities and infrastructure.
- Facilities and infrastructure of the urban mass transportation and traffic.
- Facilities and infrastructure of the sea, river, and lake crossing.

2. Road Infrastructure:
- Arterial roads, collector roads and local roads.
- Toll roads.
- Toll bridges.

3. Water Resource and Irrigation Infrastructure:
- Raw water transporting Channel.
- Irrigation net and water storage infrastructure and its complementary building, like reservoirs, dams and weirs.

4. Drinking Water Infrastructure:
- Raw water unit.
- Production unit.
- Distribution unit.

5. Centralized Wastewater Management System Infrastructure:
- Service unit.
- Collection unit.
- Processing unit.
- Final disposal unit.
- Sewer and sanitation.

6. Local Waste Water Management System Infrastructure:
- Local processing unit.
- Transportation unit.
- Sludge treatment unit.
- Final disposal Unit.
- Sewer and sanitation.

7. Waste Management System Infrastructure:
- Transportation.
- Processing.
- Final garbage processing.

8. Information and Telecommunication Infrastructure:
- Telecommunication network.
- E-government infrastructure.
- Passive infrastructure like transmission media cable ducting.

9. Energy and Electricity Infrastructure and Renewable Energy Infrastructure:
- Electricity Infrastructure, including generator, transmission, substation, and distribution.
- Oil and gas infrastructure, including bioenergy, covering processing, storage, transportation; and distribution.

10. Energy Conservation Infrastructure:
- Public roads lighting.
- Energy efficiency.

11. Urban Economic Facility Infrastructure:
- Utility tunnel.
- Public Market.

12. Area Infrastructure:
- Area of science, technology, and innovation development, including the development of science and techno park.
- Industrial area.

13. Tourism Infrastructure:
- Tourism information center.

14. Educational Facility, Research and Development Infrastructure:
- Learning facilities.
- Laboratory.
- Training center.
- Research center / study center.
- Research and development facility infrastructure.
- Business Incubator.
- Learning gallery.
- Student practice room.
- Library.
- Learning and training supporting facilities.

15. Sports, Arts and Culture Facility Infrastructure:
- Building / sports stadium.
- Arts and culture Building.

16. Health Infrastructure:
- Hospitals, such as hospital building, hospital infrastructure, and medical equipment.
- Basic health care facilities, such as buildings, infrastructure, medical equipment for health centers and clinics.
- Health laboratories, such as health laboratory buildings, health laboratory infrastructure and laboratory equipment.

17. Correctional Infrastructure:
- Correctional Institution.
- Correctional Hall.
- State prisoner house.
- Storage house of seized objects and state loot.
- Temporary child placement Institution.
- Child specialized coaching Institution.
- Correctional hospital.

18. Public Housing Infrastructure:
- Public housing for lower class.
- Simple rent flats.