

GIIO Indonesia Update report

Sample Pipeline Analysis – June 2019

Summary

Indonesia is making progress on transitioning to a low-carbon, sustainable and inclusive society. The government aims to develop billions of dollars of new public-works projects over five years. This will include a significant scaling up of green infrastructure.

An analysis of three key government project pipelines show that there are various green projects of different sizes and technologies spread across the island nation. These pipelines are the ‘National Strategic Projects’ pipeline; the ‘PPP Infrastructure Projects Plan in Indonesia, 2018’; and, the Center for Private Investment (PINA) project pipeline.

The ‘National Strategic Projects’ pipeline

The government’s Committee for Acceleration of Priority Infrastructure Delivery (KPIIP), was established as a coordinating unit to streamline across stakeholders for national infrastructure projects, in line with Indonesia’s strategic priorities. The National Strategic Projects pipeline is hosted by KPIIP and is available on their website.

As at June 2019, the KPIIP website shows a total of 242 [National Strategic Projects](#) over 26 sector categories, most of which are infrastructure projects. Of these projects there are 22 green projects, i.e. aligned to the [Climate Bonds Taxonomy](#), and 22 projects that could possibly be green, but more information is needed to determine their ‘greenness’. These green and possibly green projects appear below in Table 1.

PPP Infrastructure Projects Plan in Indonesia, 2018

Each year, the Indonesian Ministry of National Development Planning, known as BAPPENAS, releases an annual update on PPPs in Indonesia. The ‘[PPP Infrastructure Projects Plan in Indonesia, 2018](#)’ includes information on existing PPPs; projects already tendered, ready to offer or under preparation for future PPPs as well as prospective projects that could be executed via a PPP.

In the ‘PPP Infrastructure Projects Plan in Indonesia, 2018’, there are a total of 12 existing PPP’s showcased – 1 of which is possibly green, in accordance with the [Climate Bonds Taxonomy](#). Of the 23 projects already tendered, ready to offer or under preparation, there are 6 green projects and 1 potentially green project. Of the 70 projects that are prospective PPPs, there are 11 green and 11 potentially green projects. These green and possibly green projects appear below in Table 2. Please note, some of the PPP projects overlap with KPIIP pipeline projects.

Center for Private Investment (PINA), project pipeline

The Center for Private Investment is a ministerial unit under the Ministry of National Development and Planning (BAPPENAS). Its main role is to accelerate and facilitate the development of national infrastructure projects funded by commercial investors (non-state budget). PINA is currently involved in 29 projects including transportation, energy and housing projects.

From this pipeline of projects, there is 1 green and 10 potentially green projects, in accordance with the Climate Bonds Taxonomy. These green and possibly green projects appear below in Table 3. Two of these projects overlap with the KPIIP and PPP Book project pipeline.

Pipeline analysis

Table 1a. KPIIP - Green National Strategic Projects: Green

Sector	Project name	Location
Transport	Trans Sulawesi Railway: Makassar – Parepare Railway	South Sulawesi
Transport	Prabumulih – Kertapati Train (80km, part of Trans-Sumatera Railway)	South Sumatera
Transport	Construction of Kertapati – Simpang – Tanjung Api – Api railway (part of Trans-Sumatera Railway)	South Sumatera
Transport	Construction of Tebing Tinggi – Kuala Tanjung railway (supporting Sei Mangkei Special Economic Zone [KEK], part of Trans-Sumatera Railway)	North Sumatera
Transport	Purukcahu – Bangkuang Train	Central Kalimantan
Transport	East Kalimantan Railway Development	Provinsi Kalimantan Timur

Transport	Southern Jawa Double Track Development	Provinsi Jawa Barat, Provinsi Jawa Tengah, Provinsi DI Yogyakarta, dan Provinsi Jawa Timur
Transport	Jakarta – Bandung High Speed Train	DKI Jakarta – West Java
Transport	Muara Enim – Pulau Baai Train	Bengkulu – South Sumatera
Transport	Tanjung Enim – Tanjung Api-Api Train	South Sumatera
Transport	Jambi – Pekanbaru Train	Jambi – Riau
Transport	Jambi – Palembang Train	Jambi – South Sumatera
Transport	Rantau Prapat – Duri – Pekanbaru Railway	North Sumatera – Riau
Transport	New Yogyakarta Airport Access Railway, Kulon Progo	D.I. Yogyakarta
Transport	Jakarta – Surabaya Railway	DKI Jakarta – East Java
Transport	Mass Rapid Transit (MRT) Jakarta Koridor North – South	DKI Jakarta
Transport	Mass Rapid Transit (MRT) Jakarta, East – West Corridor	DKI Jakarta
Transport	Kereta api ekspres SHIA (Soekarno Hatta – Sudirman)	DKI Jakarta – Banten
Transport	Jabodetabek Circular Line	DKI Jakarta
Transport	Integrated Light Rail Transit (LRT) in Jakarta, Bogor, Depok, Bekasi	DKI Jakarta – West Java
Transport	General Railway Organization in Jakarta	DKI Jakarta
Transport	Light Rail Transit (LRT) in South Sumatera (Metro Palembang)	South Sumatera
Water	Drinking Water Supply System (SPAM) of Jatiluhur Region	West Java

Table 1b. KPPIP - Green National Strategic Projects: *Potentially green*

Sector	Project name	Location
Waste	Energy from Big Cities Waste (Semarang, Makassar, Tangerang)	West Java, South Sulawesi, Banten
Water	Drinking Water Supply System (SPAM) West Semarang	Central Java
Water	Drinking Water Supply System (SPAM) of Jatigede Region	West Java
Water	Drinking Water Supply System (SPAM) Umbulan	East Java
Water	Drinking Water Supply System (SPAM) of Mamminasata Region	South Sulawesi
Water	Drinking Water Supply System (SPAM) of Mebidang Region	North Sumatera
Water	Drinking Water Supply System (SPAM) of Wasusokas Region	Central Java
Water	Jakarta Sewage System	DKI Jakarta
Water	Lhok Guci Irrigation Development	Aceh
Water	Jambo Aye Kanan Irrigation Development	Aceh
Water	Lematang Irrigation Development	South Sumatera
Water	Umpu System (Way Besai) Irrigation Development	South Sumatera
Water	Leuwigoong Garut District Irrigation Development	West Java
Water	Baliase Dam and Irrigation Development	South Sulawesi
Water	Gumbasa Dam and Irrigation Development	Central Sulawesi
ICT	Palapa Ring Broadband (Eastern part) total in 57 District/City	National
ICT	Palapa Ring Broadband (457 district/city)	National
Renewable energy	PLTA Karangates IV & V (2x50MW)	East Java
Renewable energy	PLTA Kesamben (37MW)	East Java
Renewable energy	PLTA Lodooyo (50MW)	East Java

*Table 2a. BAPPENAS – Green PPP projects: **Green***

Sector	Project name	Location
Water	Bandar Lampung Water Supply	South Sumatera
Transport	Medan Municipal Transport	North Sumatera
Transport	Surakarta Street Lighting	Central Java
Waste	Nambo Regional Waste Management	West Java
Water	Jatiluhur Regional Water Supply I	West Java
Water	West Semarang Water Supply	Central Java
Transport	Batam LRT	Riau
Transport	Bandung LRT	West Java
Transport	Makassar LRT	South Sulawesi
Transport	Surabaya LRT	East Java
Transport	Railway to Juanda Airport	East Java
Transport	TOD Poris-Plawad	Banten
Transport	TOD Dukuh Atas	DKI Jakarta
Transport	Bali Railway	Bali
Transport	Makassar-Parepare Railway	South Sulawesi
Transport	Pramubulih Street Lighting	South Sumatera
Transport	Bandung Street Lighting	West Java

*Table 2b. BAPPENAS – Green PPP projects: **Potentially green***

Sector	Project name	Location
Water	Pekanbaru Regional Water Supply	Riau
Waste	Waste to Energy	Medan, North Sumatera
Waste	Waste to Energy Rawakucing	Banten
ICT	Batam e-Gov Phase 2	Batam, Riau
Renewable energy	Kayan Hydro Plant 2-5	North Kalimantan
Water	Manado Water Supply and Treatment	North Sulawesi
Water	Pondok Gede Water Supply	West Java
Water	Pumped Storage Jatiluhur – Cirata	West Java
Water	Karian Water Supply	Banten
Water	Sea Water Reverse Osmosis Batam	Batam, Riau
Water	South Tangerang Water Supply	Banten
Water	Batam Sewage System Phase 2	Batam, Riau

*Table 3a. Center for Private Investment (PINA): **Green***

Sector	Project name	Location
Transport	Trans Sulawesi Railway: Makassar – Parepare Railway	South Sulawesi

*Table 3b. Center for Private Investment (PINA): **Potentially Green***

Sector	Project name	Location
Renewable energy	Kayan Hydro Plant 2-5	North Kalimantan
Transport	Rolling Stock Manufacturing Expansion	East Java

ICT	Indonesian PPP Satellite Telecommunication Project	National
Waste	Waste to Energy Solo	Central Java
Renewable energy	Biomass Power Plant	Riau Sumatera
Renewable energy	9 Hyrdopower Generators totalling to 50 MW	Various
Renewable energy	Corn-based Biomass (5MW)	Nias, Sumatera
Waste	Nusa Dua Waste to Energy Power Plant (2MW)	Nusa Dua, Bali
Waste	Bangli Waste to Energy Power Plant (2MW)	Bali
Renewable energy	Ponu Biomass Power Plant (5MW)	East Nusa Tenggara
Waste	Kaltimex Waste to Energy Luwuk	Luwuk, Sulawesi

Recommendations

In the pipelines analysed, green projects and potentially green projects were in the minority. Furthermore, neither of these pipelines specifically identified these projects as ‘green’.

In the future, we recommend that when the government prepares its infrastructure pipelines, it prioritises projects that are in line with international definitions for “green” and provides clear labelling within the pipelines of which projects are green. These two actions will signal to the market that there are green infrastructure investment opportunities available in Indonesia, which could help meet global institutional investor demand for green assets. It could also lead to Indonesia accessing private sector capital that is essential for financing their infrastructure plans and transitioning to a low-carbon economy.