



ICCTF NAMAs SUMMIT:
Climate and Development
Investment Forum



Sustainable Urban Transport Program Indonesia NAMA SUTRI

Nugroho Indrio

Ministry of Transportation

Climate and Development Investment Summit

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Shangri-La Hotel, Jakarta



Background

Greenhouse Gas Emissions of Transportation

The transport sector in Indonesia emitted 25% of all energy-related emissions in 2010 (91% in road transport).

Challenges of urban transport: Rapid motorization leads to air pollution, decreasing life quality (congestion, noise, road safety), comprising economic development

Core problem: There is no structure to technically and financially support local governments in developing sustainable transport systems.

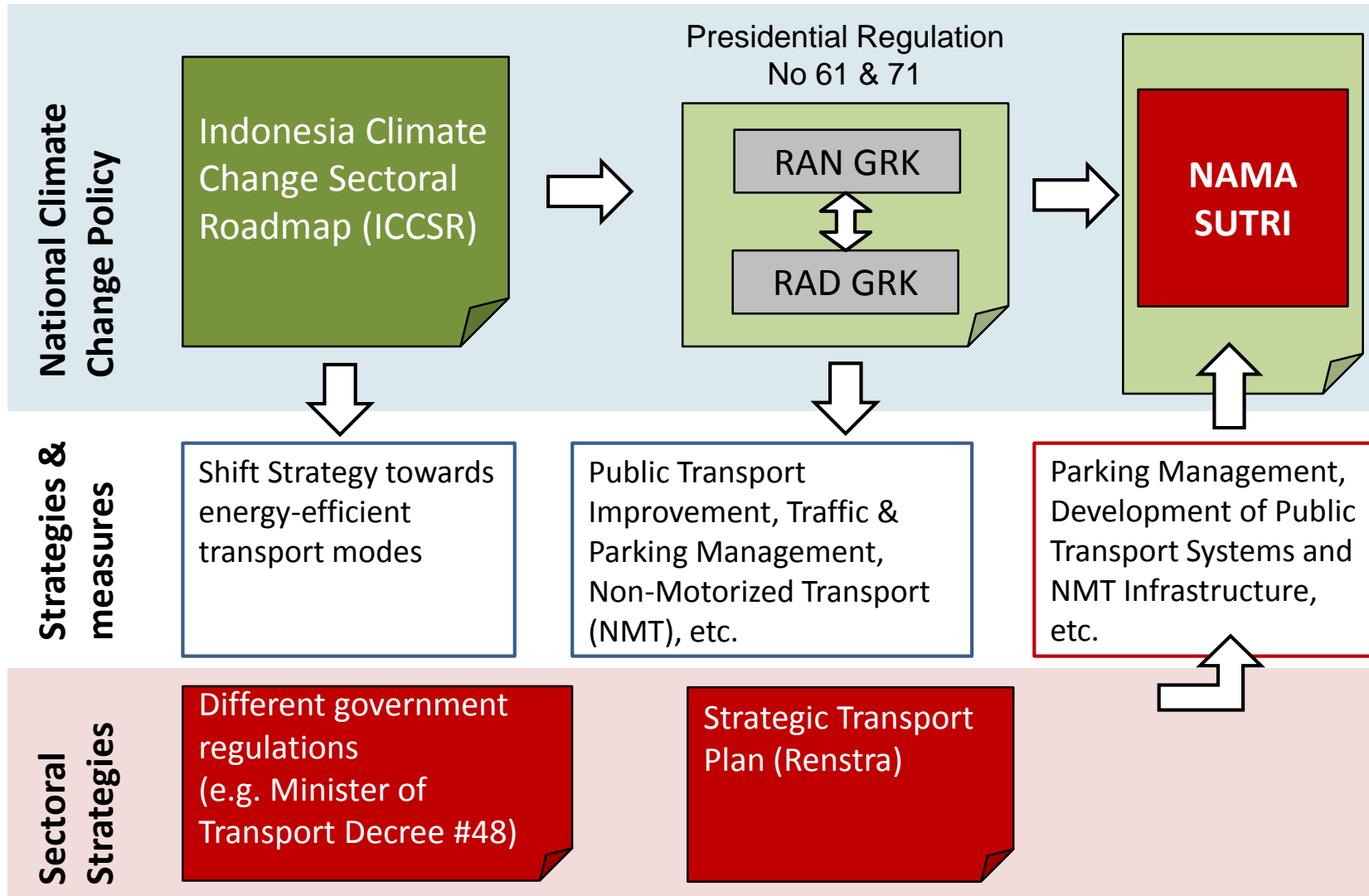


Objective of NAMA SUTRI:

To establish a national urban transport program by providing technical and financial support for sustainable urban transport policies and projects.



Linkage with National Policies





Scope of the project

The Sustainable Urban Transport Program (NAMA SUTRI) addresses urban transport with specific focus on passenger transport.

The following technologies of urban transport are foreseen:

- Public Transport system improvements (system reform, network, management, operation)
- Investment in energy efficient vehicles (buses)
- Investment in infrastructure (e.g. bus stops, pedestrian infrastructure, parking meters)
- Integrated planning, parking management, informal bus-system / private vehicle regulation

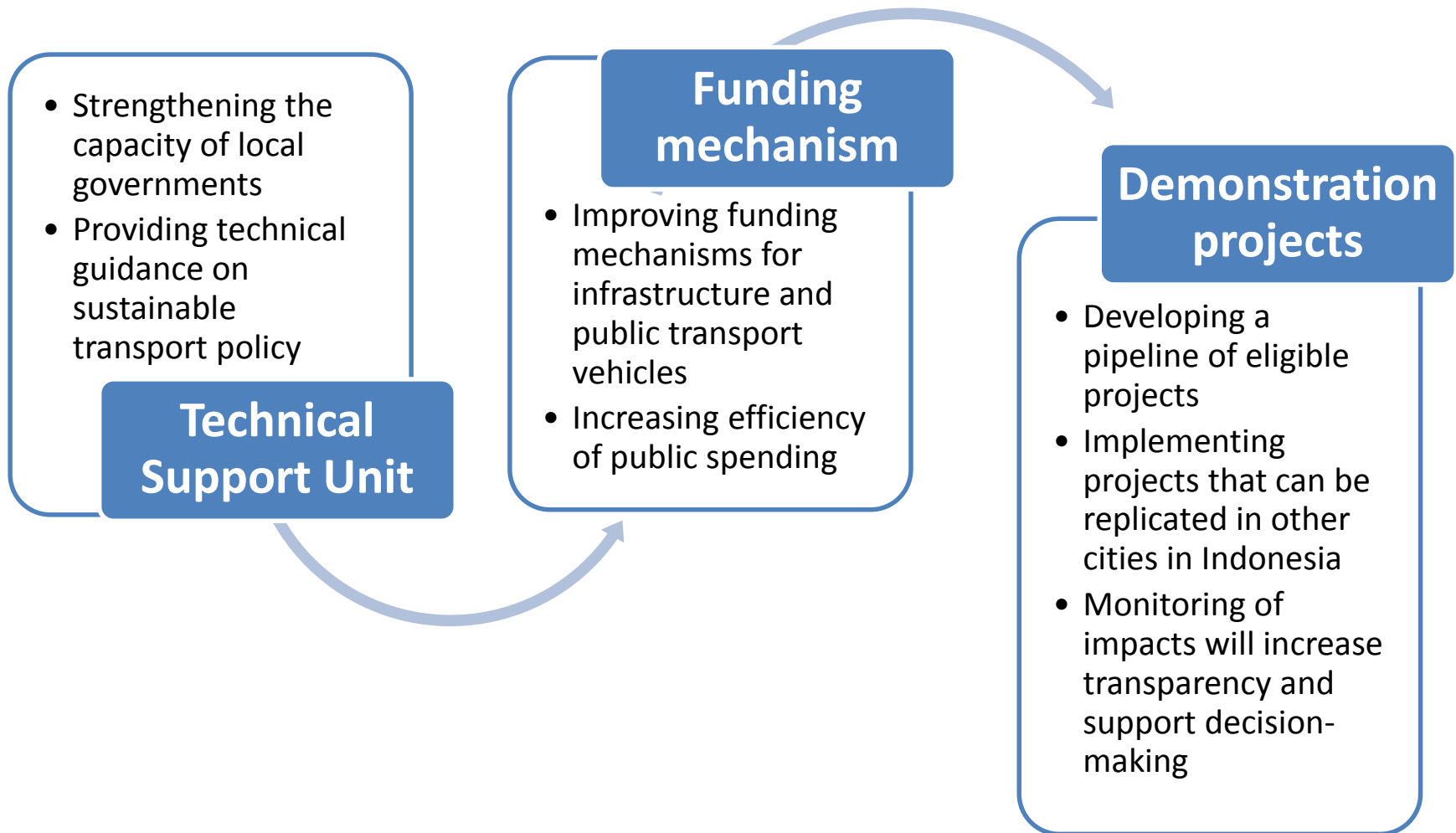
Cities for pilot phase (2015-2019)

- Medan
- Palembang
- Bogor
- Batam
- Solo
- Yogyakarta
- Manado



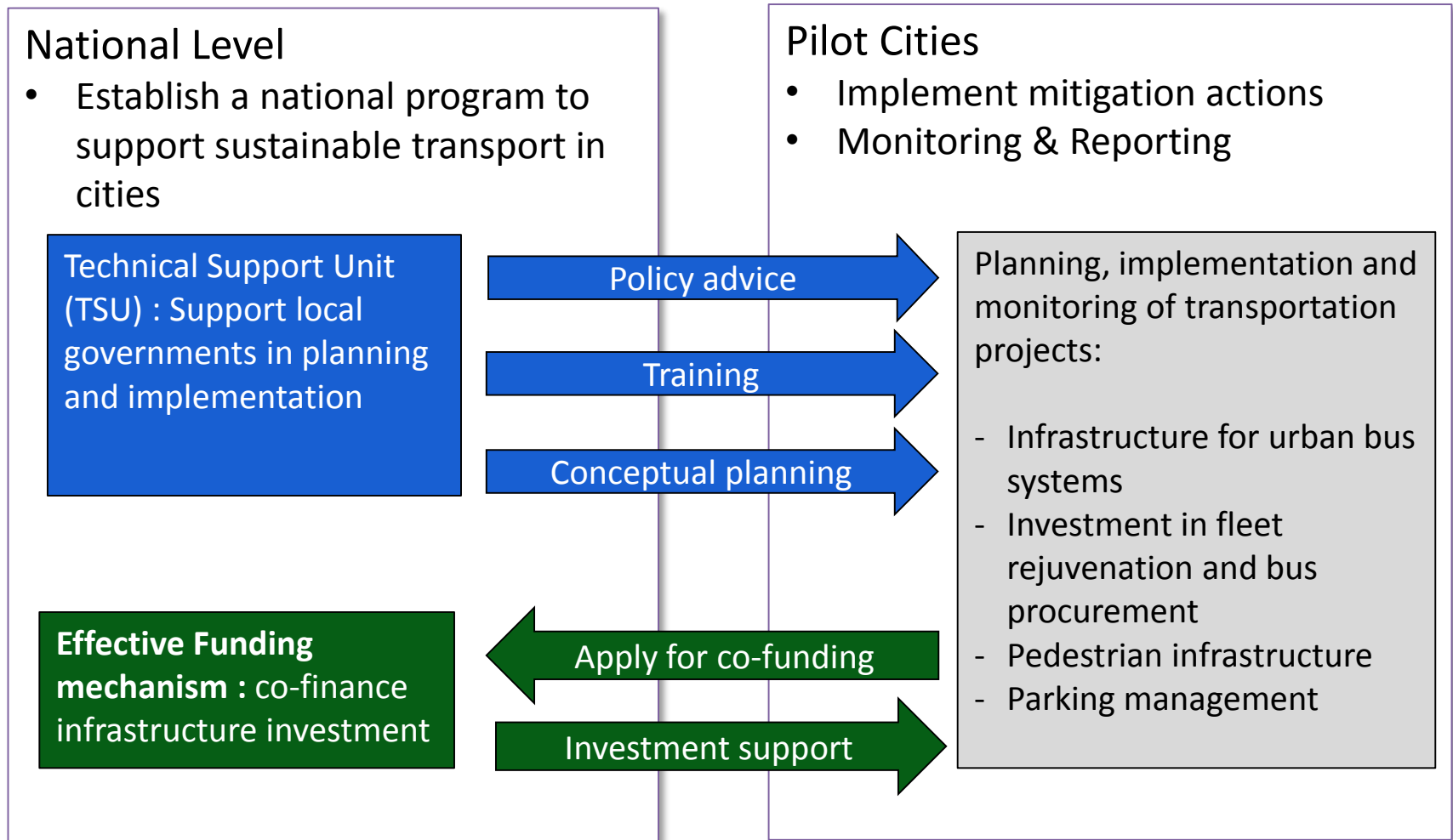


Strategic Approach





Project Concept



Project Activities



Work Packages	Selected Activities
(1) Development and operation of the Technical Support Unit	<ul style="list-style-type: none">• Organisational development measures for the Technical Support Unit• Definition and development of service packages and modes of delivery• Technical support to implement fast-start measures
(2) Policy advice and technical assistance on improving funding mechanism	<ul style="list-style-type: none">• Agreement with financing partners on standard operation procedures• Pilot-testing of the mechanism
(3) Capacity development on transport planning in cities	<ul style="list-style-type: none">• Establishment of a pool of consultants to support cities on long-term and short term assignments• Technical assistance on policy design, project management and technical aspects
(4) Support to funding and implementation of pilot projects	<ul style="list-style-type: none">• Development of guidelines and standards to ensure a high quality of urban transport projects• Development of demonstration projects to be supported under NAMA SUTRI
(5) MRV System development and Mainstreaming	<ul style="list-style-type: none">• Development of a common MRV methodology• Provision of technical advice for the standardisation of data collection and processing



GHG Mitigation Impact

- **Direct mitigation** through the implementation of demonstration projects in cities leading to a
 1. Shift of passengers from Car/motorbike/mini-busses to more energy efficient public transport as well as walking and cycling (Shift-Scenario)
 2. Improved energy efficiency of the public transport vehicles fleet through a concessional loan schemes for efficient busses (Improve-Scenario)
- **Indirect mitigation impact** through the national program providing technical and additional funding from public and private sources. This will lead to significantly higher mitigation impacts in further cities in Indonesia.



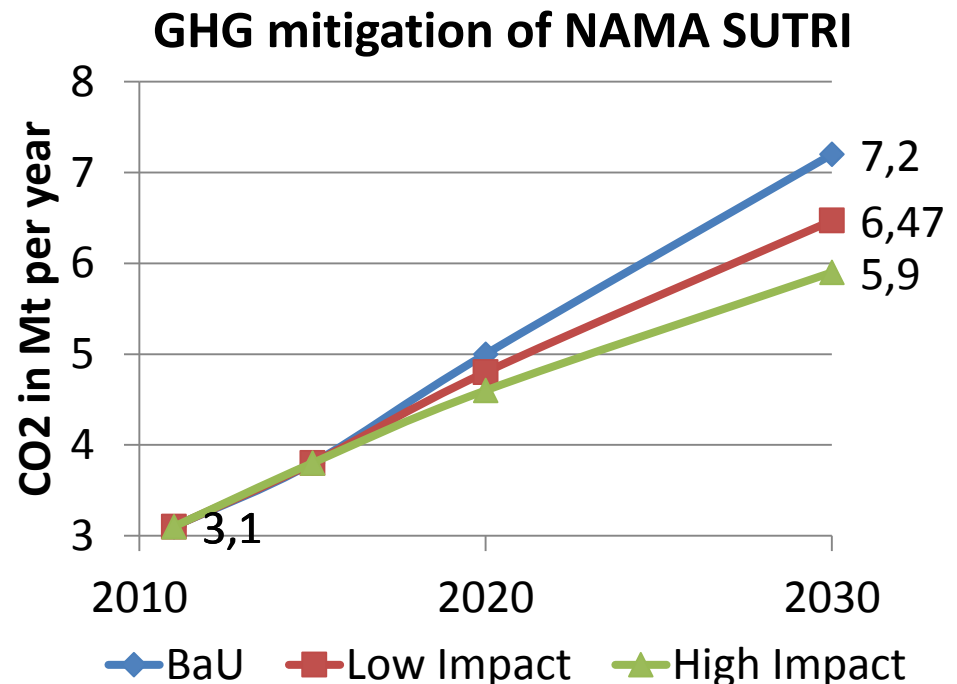
Impacts of NAMA SUTRI

Transformation of urban transport policy towards a low-emission pathway through improved use of public funding will lead to

- Increased budget allocation by central and local governments
- Mobilization of private sector investments

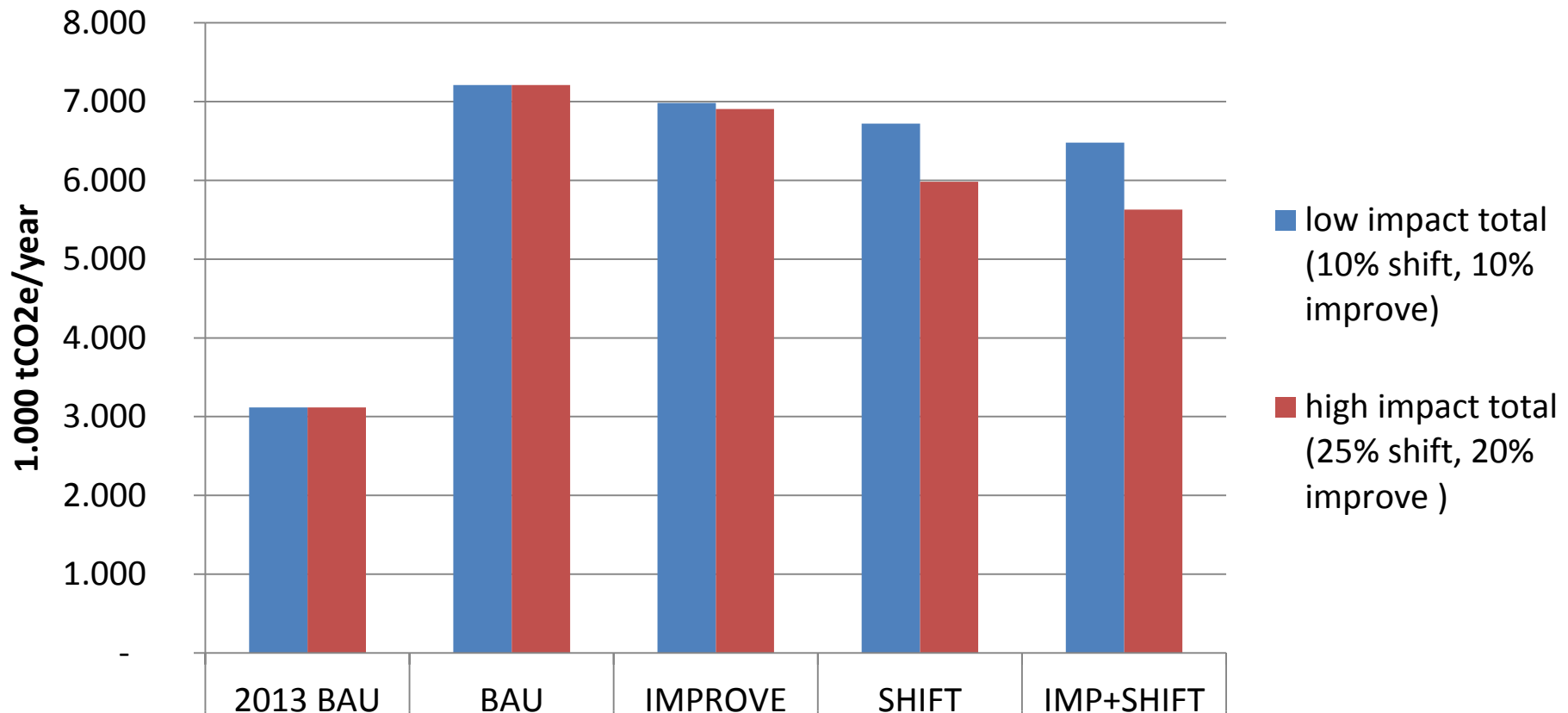
Co-benefits

- Less travel time for PT users
- improved local air quality
- better road safety
- enhanced physical activity
- Reduced car- and fuel dependency
- Improved conditions for economic development





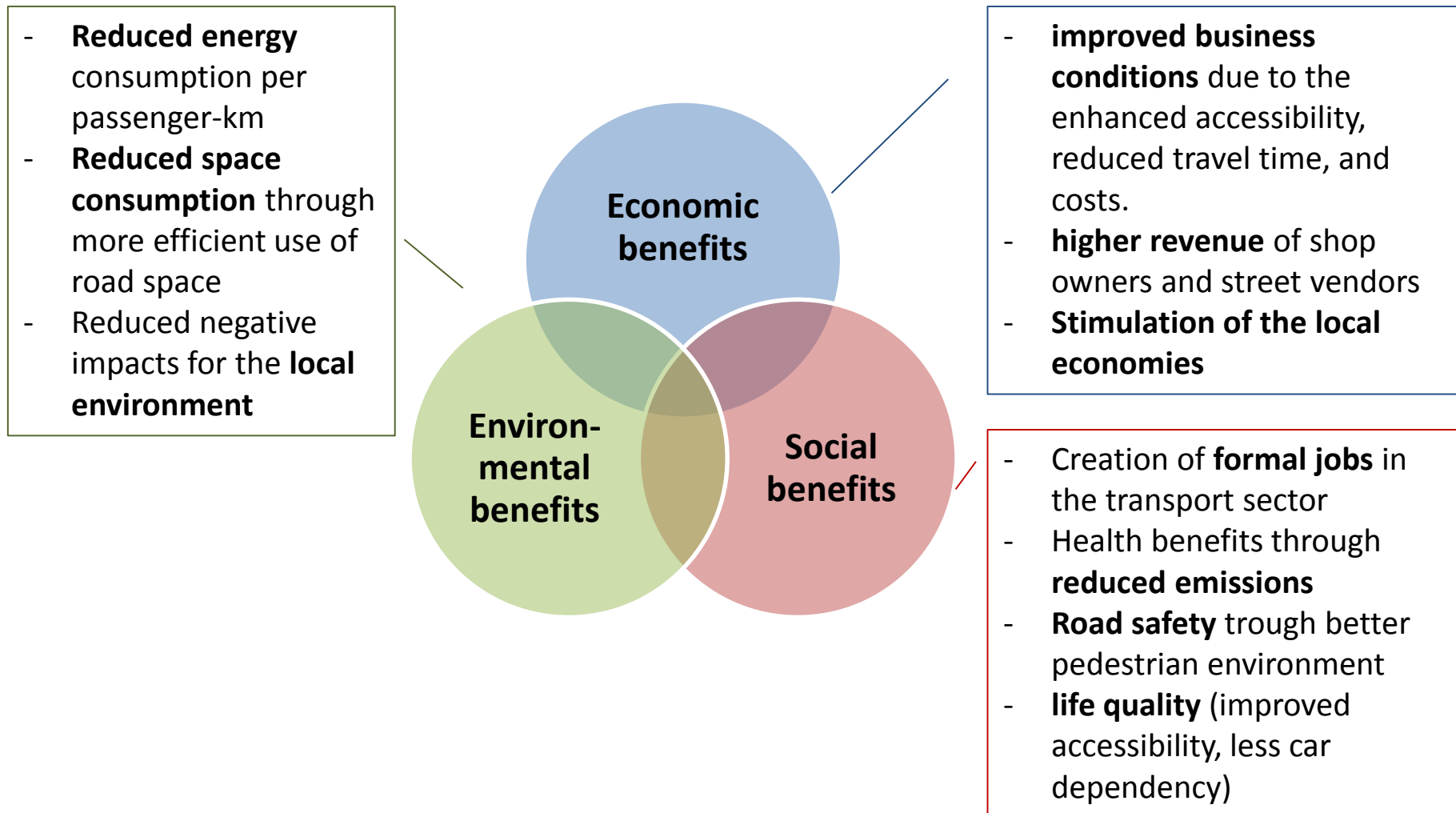
Estimated GHG Mitigation Impact



Based on one high- and one low-impact scenario, the direct mitigation impact of the NAMA Support Project is estimated **between 0,7 – 1,3MtCO₂e** per year in 2030.

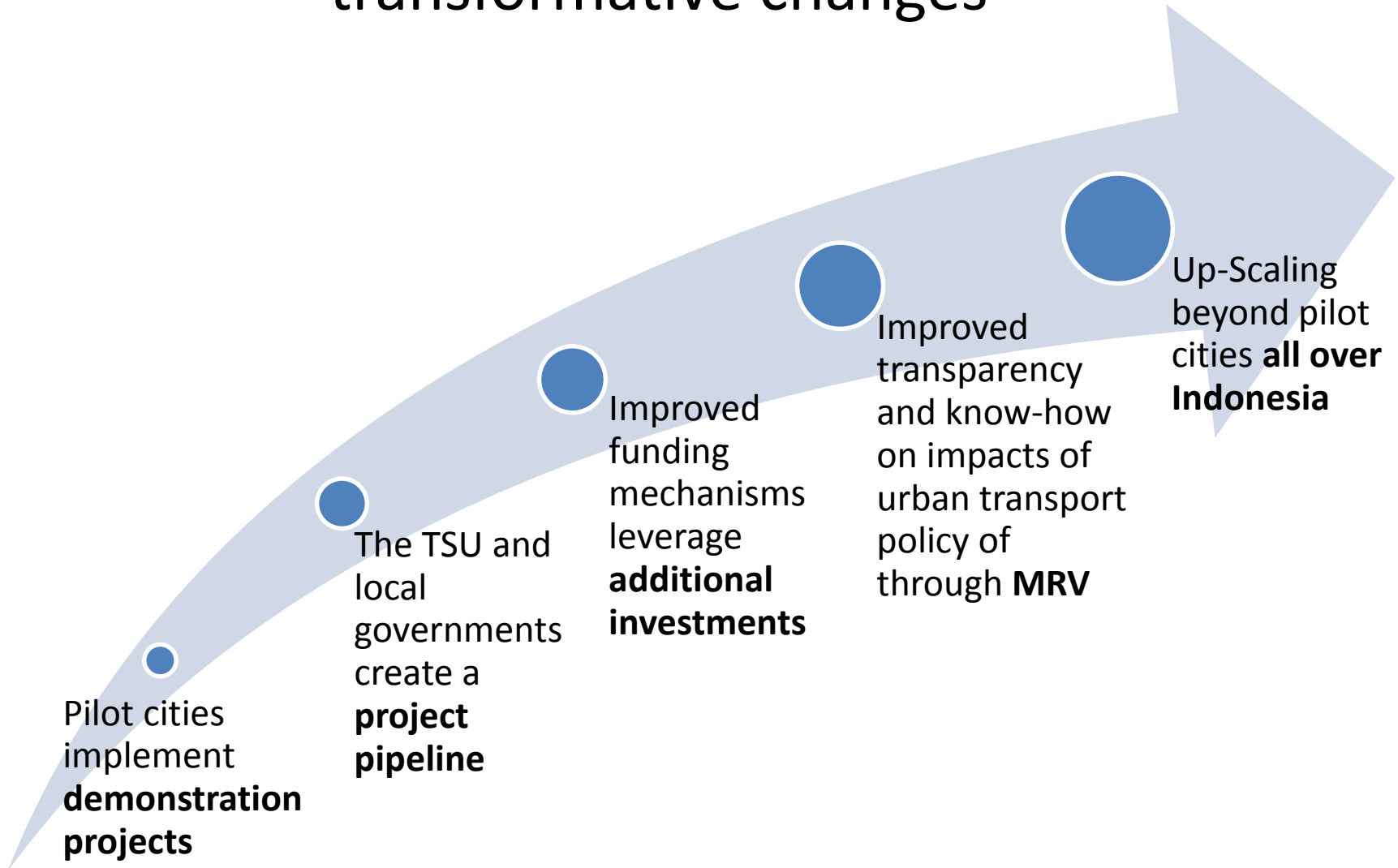


Development Benefits





Upscaling potential and transformative changes



Funding structure



	type	instrument	beneficiary	Leverage potential	Partner contribution	Project examples
Phase 1 – up to 2 Mio USD from NAMA Facility Funding						
1a	Investment grants	Direct procurement through ICCTF	Local contractors (as proposed by local government)	1:4	Public funding from national and local budget proposed in mid-term budget planning*	Small infrastructure projects / technologies, e.g. traffic lights, parking meters, public transport stations, IT technology for traffic management
Option 1b only applies if ICCTF readiness is not given at project start						
1b	Investment grants	Local subsidies through GIZ	Local governments, NGOs, private companies	1:4		
Phase 2 – up to 9 Mio USD, with approx. 6Mio USD for 2a) and 3Mio USD for 2b)						
2a	Credits for the private sector	Concessional loans provided by local bank	Private sector (bus operator, investors)	high	Private investment	Procurement of additional buses, fleet rejuvenation
2b	Investment grants	Direct subsidies / reimbursement / dedicated funding (to be decided)	Local governments	1:8 to 1:10	<ul style="list-style-type: none"> • 17 Mio € matching fund from MoT • Additional public funding* 	Infrastructure investment, e.g. BRT corridors, intersection design

*budget proposed for the implementation of public transport and TDM measures in seven pilot cities: Ministry of Transport (APBN) 300Mio USD; cities / provinces (APBD) 100Mio USD



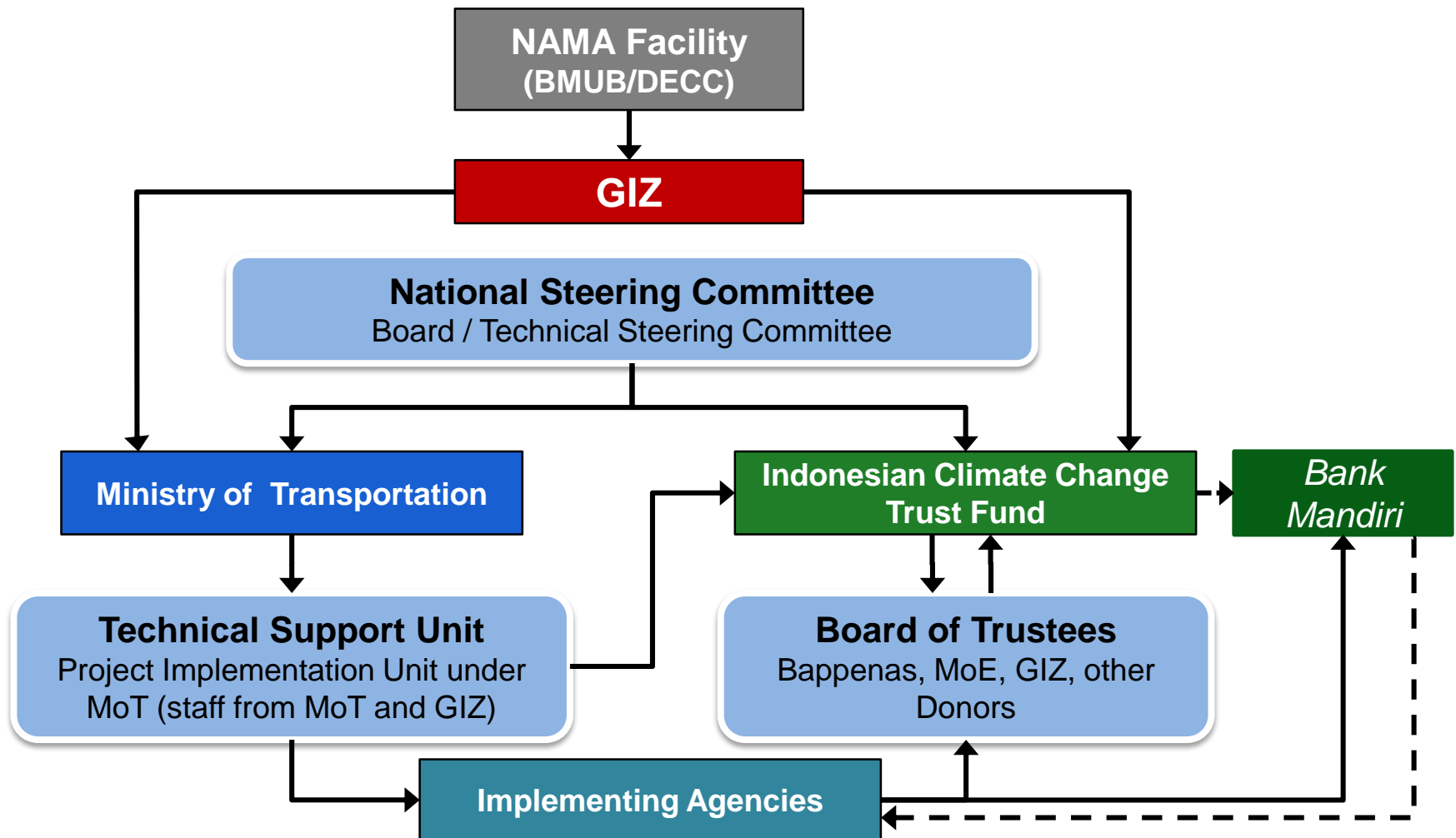
Funding opportunities

Additional matching opportunities for development partners, private sector and technology providers exist. Further Investments in NAMA SUTRI could address the following measures:

- Establishment of private sector investment schemes (e.g. low emission busses, rolling stock)
- Promoting technology transfer (Public transport prioritization, Intelligent Traffic Management)
- Training and Education on urban transport planning (public transport, inclusive street design)
- Training on public transport operation and maintenance (e.g. fleet management)

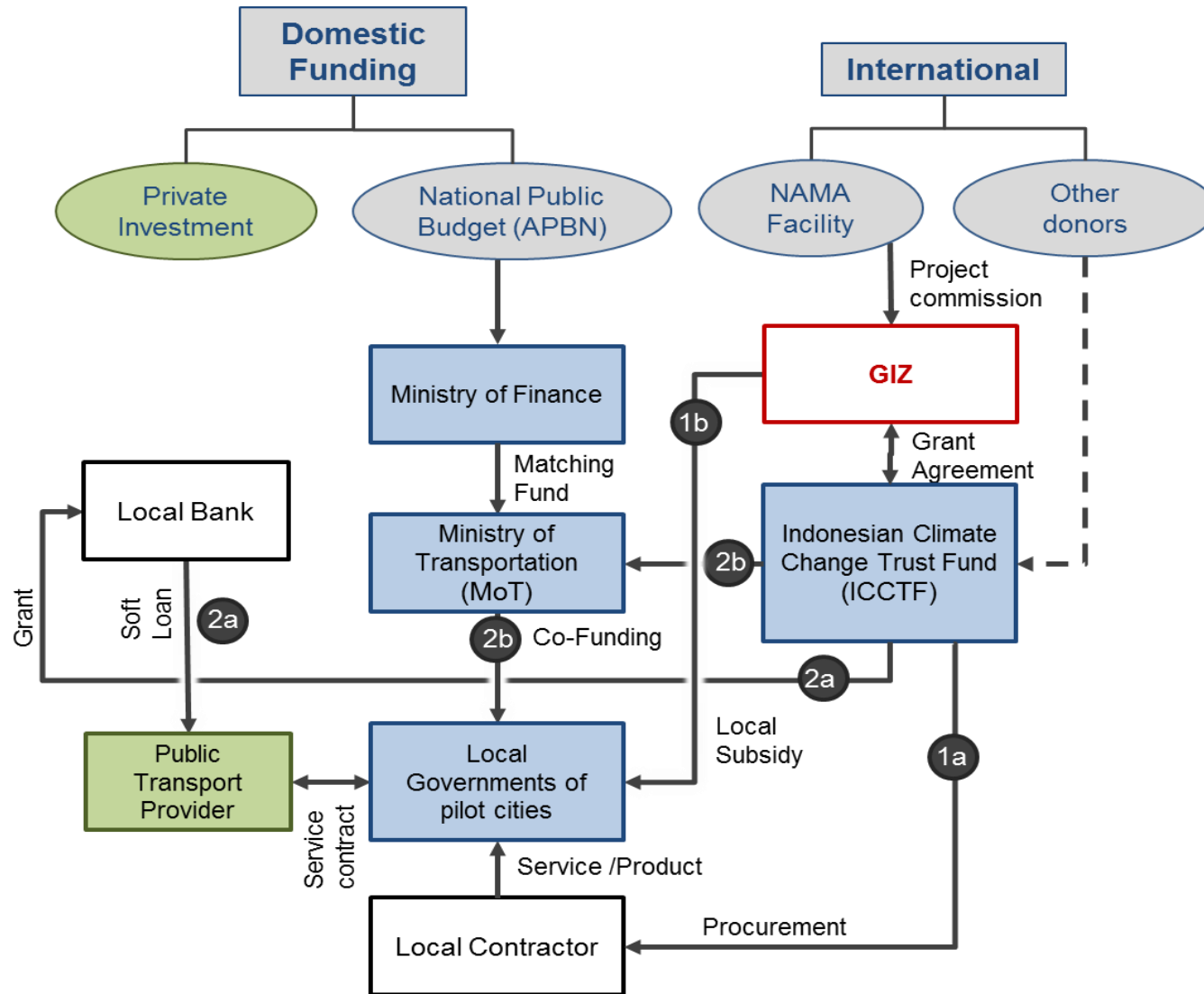


Project Structure





Financial Feasibility





Technological Feasibility

The following technologies will be introduced under NAMA SUTRI:

- National urban transport funding instruments
- Integrated urban transport planning
- Public Transport system improvements (system reform, network optimization, management and operation advise)
- Investment in energy efficient vehicles (busses)
- Investment in infrastructure (e.g. bus stops, pedestrian infrastructure, parking meters)
- Parking policy and informal bus-system regulation

These technologies have been applied all over the world and have proven to be effective.



Potential Risks

- **Change of institutional arrangements and priorities** (elections)
- **Lack of political will** of local decision makers to overcome existing barriers (e.g. changing the current funding mechanism)
- **Insufficient enforcement** of supporting activities in cities
- **Lack of contribution** (cash or in-kind) by project counterparts
- **Organisational development** does not lead to expected set-up
- **Financial mechanism** cannot be realised in-time
- **Insufficient political will / initiative at local level** to apply for co-funding
- **Lack of political will and institutional alignment** at local level to implement and enforce transport policies (e.g. parking management, angkot regulation)
- **Social barriers** (e.g. demonstrations against formal public transport, parking regulation)

Mitigation of Risk

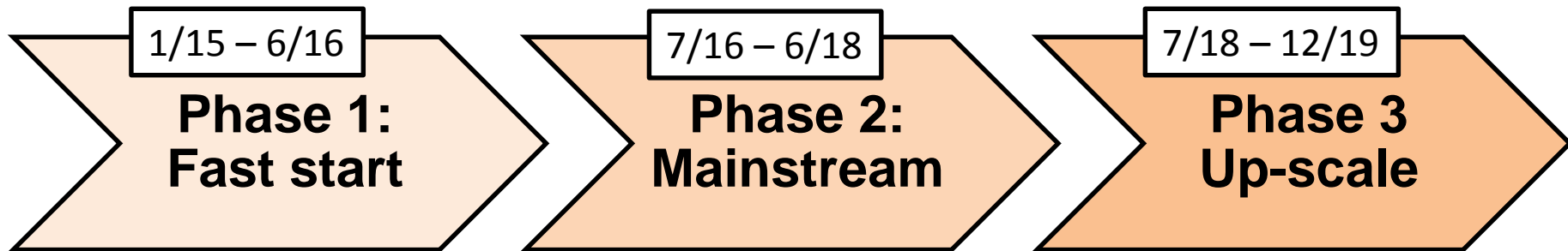


<p>Political Support</p>	<ul style="list-style-type: none"> • Close linkage to two national ministries: Ministry of Transportation and the National Planning Authority (BAPPENAS) • Cooperation with seven pilot cities creating a certain competition between the cities
<p>Lack of Funding</p>	<ul style="list-style-type: none"> • Political endorsement will ease the availability of national public funding • Foster budget allocation cities by preparing project proposals jointly and encouraging local decision makers as well as the local community • Encourage private sector investment through capacity development measures, optimized planning and policy enforcement in cities
<p>Institutional Barriers</p>	<ul style="list-style-type: none"> • Improved inter-ministerial coordination through the Steering Committee • Political endorsement of different ministries may help pave the way for implementation
<p>Social barriers</p>	<ul style="list-style-type: none"> • Facilitate dialogue with interest groups through local transport forums ('Forum Lalu Lintas'), project implementation units, participation processes and awareness-raising activities such as public hearings, campaigns, and social media instruments
<p>Institutional and human capacity</p>	<ul style="list-style-type: none"> • Anchoring the project in different institutions at national and local level, and training consultants through a sub-national training network

High risk
 Medium risk
 Low risk



Project Implementation Schedule



- Support initial measures in cities (low-hanging-fruits)
- Pilot-test capacity building scheme
- Prepare funding mechanism
- Develop MRV methodology

- Develop SUT more systematically (create good projects)
- Operate capacity building scheme
- Pilot testing funding mechanism
- First monitoring reports and GHG inventories

- TSU identifies and supports projects
- Review and adjust capacity building scheme and funding mechanism
- Up-scale funding, prepare for more cities
- Monitor and report systematically



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Thank you for your attention!

Wendy Aritenang
Inspector General
Ministry of Transportation



CONTOH KEGIATAN

- Medan:
 - Bus Rapid Transit (BRT) development
 - Bike path
 - City centre sidewalk improvement
 - Off street parking building railway station
 - ATCS Installation
- Batam:
 - BRT corridor development
 - Bike lane construction
 - Sidewalk improvement project
 - Parking management in city centre and parking zoning
 - Bus priority signal
- Manado:
 - Public transport revitalization
 - Bike lane boulevard
 - Pedestrian path boulevard greenways
 - Parking building for ASPOL



- Palembang:
 - Water Bus Development Project (Solar Cell)
 - Mode Integration Project in 7 Ulu
 - Parking Management : On Street Parking Project in CBD Area
 - Transmusi Capacity Building
- Bogor :
 - NMT Improvement Project Stage 3 – 9
 - Sukaresmi Station TOD Project
 - Transpakuan Corridor Development Project (Corr 4 – 6)
- Surakarta :
 - Batik Solo Trans Corridor Development Project (Corr 3 – 9)
 - Pasar Gede Improvement Project (Parking Management and NMT Facilities)
- Yogyakarta:
 - Malioboro Improvement Project (Parking Management and NMT Facilities)
 - Transjogya Corridor Development