



Ministry of Finance  
The Republic of Indonesia



Lembaga  
Manajemen  
Aset  
Negara



# Indonesian Government Property Management Institution, Ministry of Finance, Indonesia

[ L E M B A G A M A N A J E M E N A S E T N E G A R A ]

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# Indonesia National Strategic Project Plan targets 246 infrastructure projects and 1 electricity program of 35K megawatts executed in 2014-2019



## Logistics



### Indonesian Maritime

- Sea toll
- 24 new seaports
- Additional ships
- 60 ferry ports



### Connectivity

- 15 new airports
- 6 locations of air cargo facilities
- pioneer airports



### Revitalization of road efficiency

- 2,650 km new roads
- 1,000 km new tol roads
- 46,770 km rehabilitation of existing roads



### New Trains at Java, Sumatera, Sulawesi, Kalimantan

- 2,159 km city-to-city trains
- 1,099 km intercity trains



### Urban transports

- Bus Rapid Transit (BRT) at 29 cities
- Mass Rapid Transit (MRT) at 6 metropolitan cities and 17 at big cities

## Energy



### Electrification ratio

- 96.6% in 2019
- 35000 MW Power Plant Program



### Food Sustainability

- 33 new dams
- 30 Hydroelectric power plant
- 1 million ha irrigation system rehabilitation

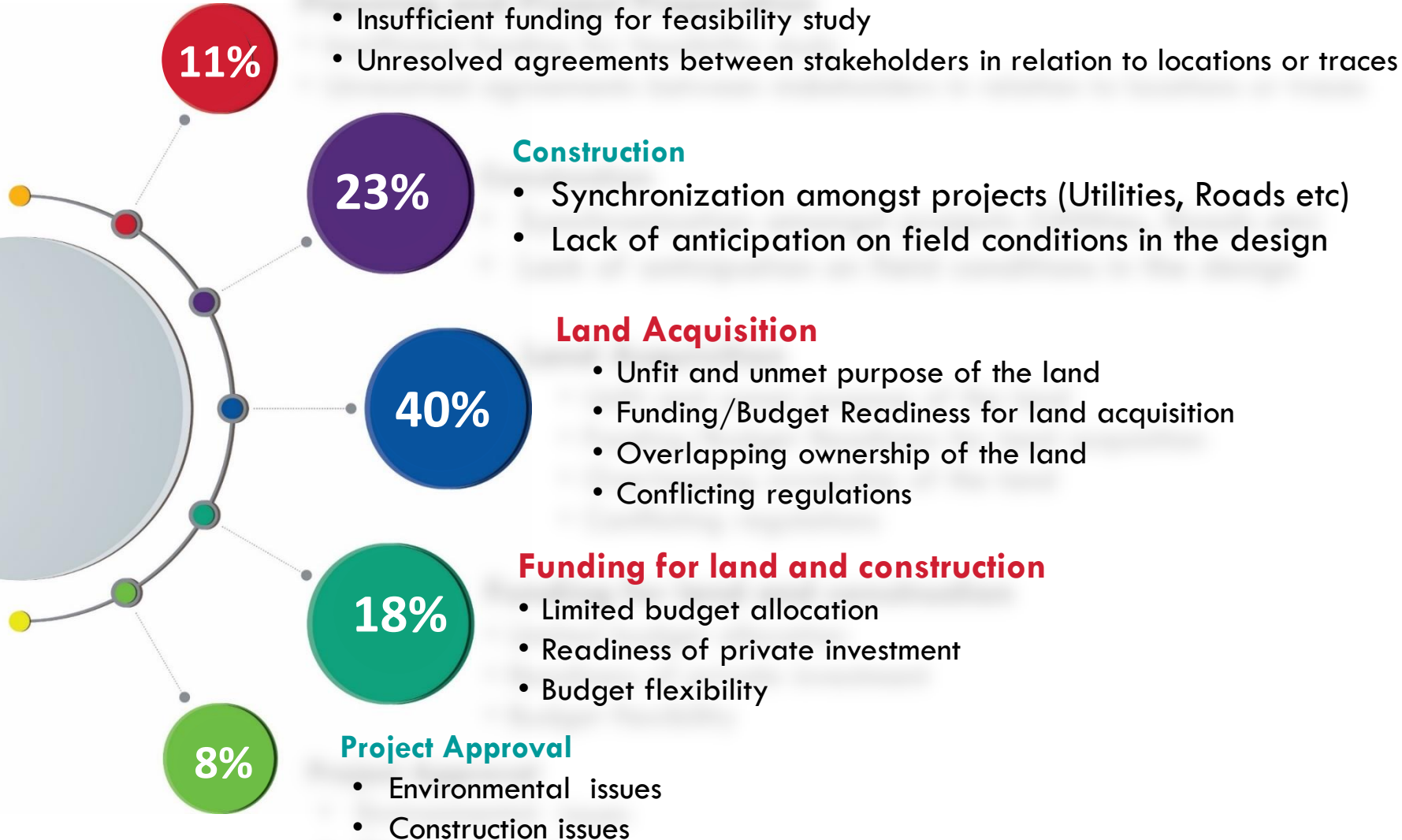


### Oil and Gas

- New refinery
- Development of oil plants (Cilacap and Balongan)

“It is a massive infrastructure development acceleration”

# Issues in Infrastructure Development in Indonesia



# LMAN as a solution for Land Acquisition problems



- LMAN as Land guarantee

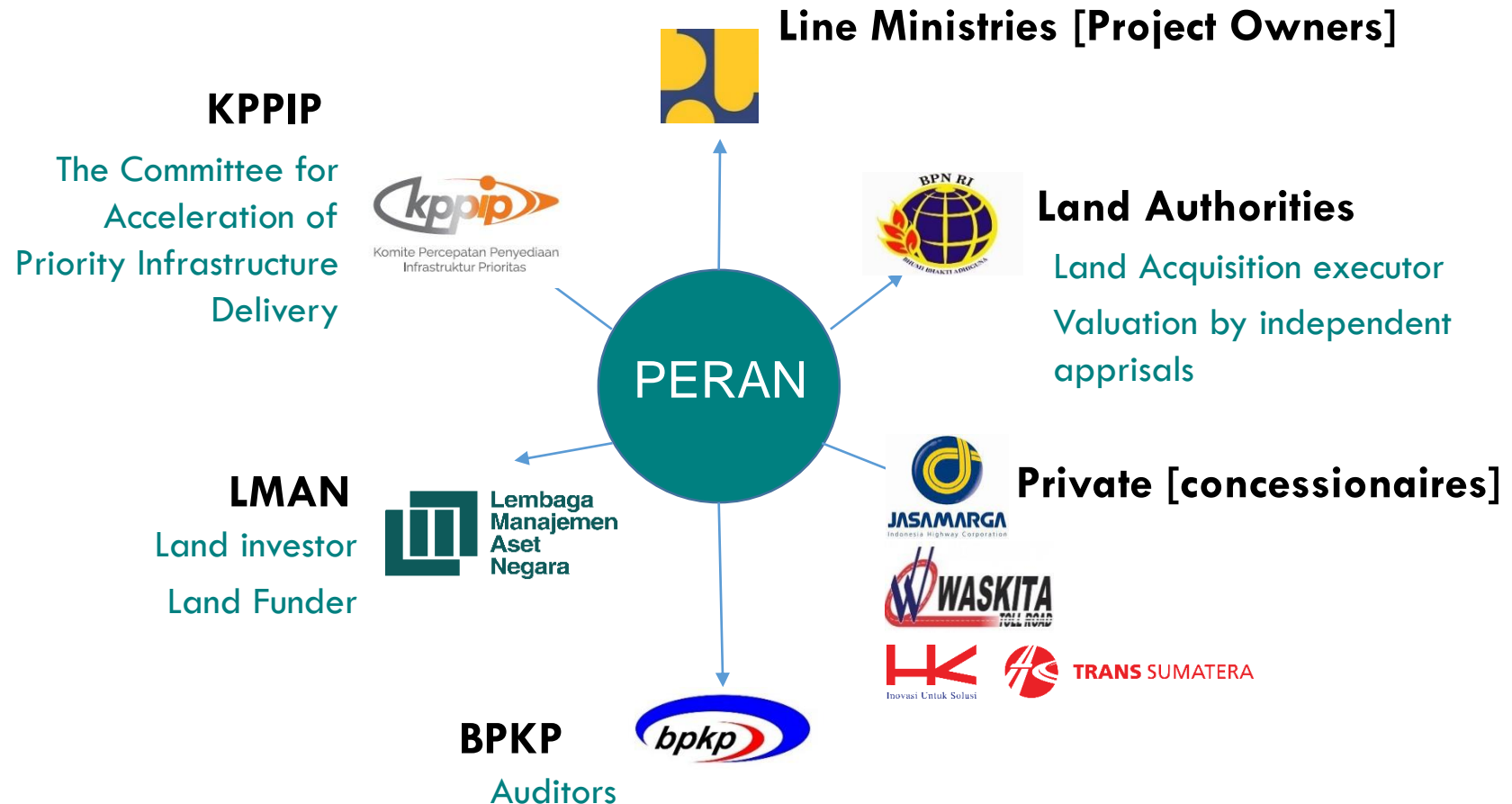


- LMAN as Financier



- LMAN as Land Investor/Property Management

# Land Funding Scheme Requires Many Parties to Participate



# In Land Funding scheme, .....

- Legal basis: Presidential Decree, Ministerial Decree, and Agreements of 3 parties [LMAN, toll road regulator, concessionaires]
- LMAN is a 'landlord'
- One-stop land funding on the Ministry of Finance [the state treasury's budget]
- The investment financing scheme calls for an activity to increase the value and leverage of assets.
- Land funding avoids budget deficit
- Encourages governance [check and balance mechanism]



LMAN is not allowed to

- sell the land
- involve in the land acquisition process

# Allocated Budget and Project Pipelines

2016

US\$1.6 bill  
27 projects

2017

US\$3.2 bill  
78 projects

2018

US\$3.5 bill  
65 projects



5 Trans Sumatera Toll Road

8 Trans Java Toll Road

3 Non-Trans Java Toll Road

9 Jabodetabek Toll Road



43 Toll road infrastructure



1 Seaport



6 Railway infrastructure



27 Water dam infrastructure + 1 NCICD



23 Toll road infrastructure

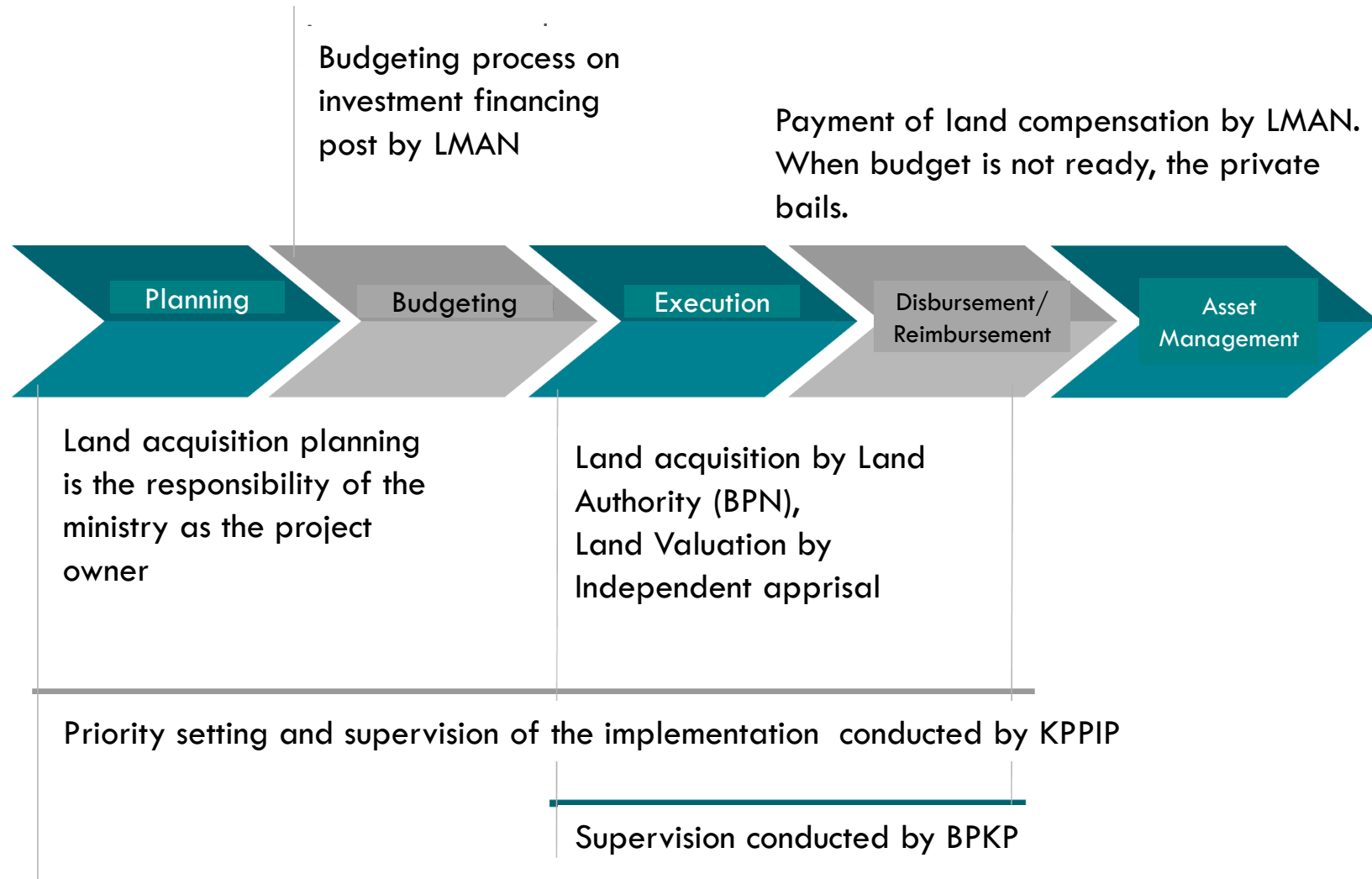


40 dam infrastructure



2 Railway Infrastructure

# Land Funding End-to-End Process



# Challenges and Opportunities

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- Planning of land acquisition
- Problems in the field
- Alignment of sectoral policies
- Coordination among stakeholders
- Valuation by independent appraisals
- Limited fiscal space

## Challenges



- Alignment and flexibility on the regulations
- Value enhancement of the land
- Alternative funding of land through other sources

## Opportunities

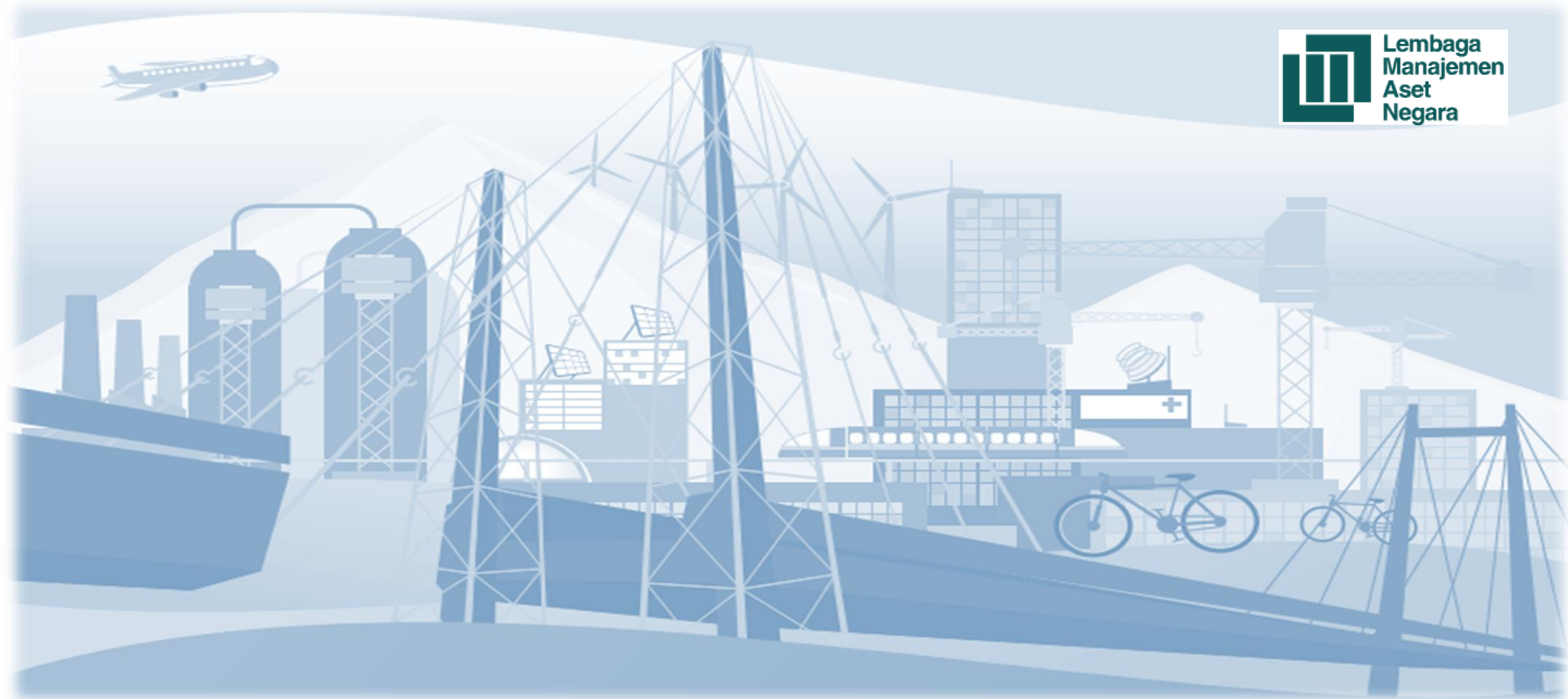


# Next concerns



## LMAN is looking at

- **High investment on land should generate any return**
- **Sustainability of land acquisition fund**  
Any return in form of cash inflow would be a boost to land acquisition funding resources.
- **Bridging of land funding and property management mandate**  
Land funding function should support the property management mandate so that the entity sustainability could be assured
- **Performance Based Annuity Scheme Plus (PBAS+)**  
Development of Availability Payment (AP) scheme  
Revenue sharing from the surpassing target traffic and government land optimization by concessionaire
- **Land Lease**  
Wide of land acquired exceed the wide of the toll road design.  
The leftovers area could be leased for commercial purpose, electric power and natural gas transmission, water pipe.



**Thank You**