REPUBLIC OF INDONESIA

List of Medium-Term Planned External Loans (DRPLN-JM) 2011-2014 ~2012 Revision~

1st Book

Ministry of National Development Planning/
National Development Planning Agency

Foreword

In view of the direction of the President that the utilization of external loans must be more focused to activities on infrastructure and energy, and to supporting the funding of programs under the Master Plan for the Acceleration and Expansion of Economic Development of Indonesia (MP3EI), changes have been made to the List of Medium-Term Planned External Loans (DRPLN-JM) of 2011-2014. This revision has taken into account the Maximum Loan Limit (BMP) for the 2013-2014 period, that was stipulated by the Minister of Finance.

The Revised List of Medium-Term Planned External Loans (Revised DRPLN-JM) of 2011-2014 has been compiled on the basis of Government Regulation Number 10 of 2011 on Procedure for Procurement of External Loans and for Receiving Grants and on the basis of Regulation of the State Minister for National Development Planning/Head of the National Development Planning Agency Number 4 of 2011 on Procedure for Planning, Submitting of Proposals, Assessing, Monitoring, and Evaluating of Activities that are Financed by External Loans and Grants. The two regulations stipulate that the DRPLN-JM can be revised and adjusted to the needs and/or developments of the national economy.

The Revised List of Medium-Term Planned External Loans (Revised DRPLN-JM) of 2011-2014 that has been stipulated by Decree of the Minister of National Development Planning/Head of the National Development Planning Agency, Number KEP. 101/M.PPN/HK/11/2012. The Revised DRPLN-JM 2011-2014 comprises activities that are proposed by Ministries/Government Agencies and State Owned Enterprises (BUMNs), and consists of new proposals, revised proposals, and cancelled proposals. The amount of new proposals is USD 7,336 million mainly for infrastructure and energy.

With the issuance of the Revised DRPLN-JM 2011-2014, it is expected that the implementation of external loans will be more effective and efficient and can accelerate the achievement of development goals.

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INTRODUCTION

1.1 Background

In response to current developments, among others, the issuance of directive of the President on the utilization of external loans, the issuance of the Maximum Loan Limit (BMP) that was issued by the Minister of Finance, and the need to finance the Master Plan for the Acceleration and Expansion of Economic Development of Indonesia (MP3EI), changes have been made to the List of Medium-Term Planned External Loans of 2011-2014 (DRPLN-JM 2011-2014). These changes are made possible by Government Regulation Number 10 of 2011 on Procedure for Procurement of External Loans and Grants, and by Regulation of the State Minister for National Development Planning/Head of the National Development Planning Agency Number 4 of 2011 on Procedure for Planning, Submitting Proposals, Assessing, Monitoring, and Evaluating Activities that are Financed by External Loans.

The directive of the President on the utilization of external loans that was issued at the Limited Cabinet Meeting in 2011, stipulated among others, the following directions:

a. Towards attaining a Balanced Budget by 2014, with a Debt to GDP ratio of 20 percent;
b. The utilization of external loans are to be focused to of infrastructure and energy;
c. The executing agencies of activities that are financed by external loans will be subject to a performance contract.

The Maximum Loan Limit (BMP) for the 2013-2015 period is formulated by the Minister of Finance. The BMP contains the estimated maximum limit for the disbursement of external loans that are related to project loan as well as program loan for a period of 3 (three) to 5 (five) years and is an instrument for controlling external loans. The policy in applying the Maximum Loan Limit (BMP), encompasses:

a. Placing the emphasis to the financing of priority activities that have been determined by the Government;
b. Supporting endeavors for enhancing the quality of activities;
c. Supporting endeavors for attaining the targeted risks and debt financing.

The financing needs of the Master Plan for the Acceleration and Expansion of Economic Development of Indonesia (MP3EI), that include the MPA program, are quite large. The financing needs can be supported by among others external loans. The MP3EI provides a strategic direction for accelerating and expanding the economic development of Indonesia for a 15 (fifteen) years period, from 2011 to 2025. The MP3EI is implemented through three basic strategies, namely:

a. Increasing the economic potentials through development of economic corridors;
b. Strengthening national connectivity;
c. Enhancing the capacity of the national human resources and science and technology.

On the basis of the aforementioned considerations, and congruent to Article 13 paragraph (4) of Government Regulation Number 10 of 2011, and Article 10 paragraph (3) of Regulation of the State Minister for National Development Planning/Head of the National Development Planning Agency Number 4 of 2011, the Revised List of Medium-Term Planned External Loans for 2011-2014 (Revised DRPLN-JM 2011-2014) is issued through the Decree of the State Minister for National Development Planning/Head of the National Development Planning Agency Number KEP. 101/M.PPN/HK/11/2012. Issuance of the Revised DRPLN-JM of 2011-2014 is made in the context of

amending the DRPLN-JM of 2011-2014. The DRPLN-JM remains in force in line with issuance of the Revised DRPLN-JM 2011-2014.

1.2 Objectives

The objectives of stipulating the Revised DRPLN-JM 2011-2014 are as a reference for :

a. The Government of Indonesia in multilateral and bilateral cooperation forums that are related to external loans;
b. Ministries/Government Agencies for implementing/taking follow-up steps of proposed activities in the Revised DRPLN-JM 2011-2014 in preparing the steps for meeting the readiness criteria of those activities;
c. Development Partners in preparing planned cooperation with the Government of Indonesia.

1.3 Scope

The scope of the Revised DRPLN-JM 2011-2014 encompasses the :

a. Cancellation of activities that have been contained in DRPLN-JM 2011-2014;
b. Revision of activities that have already been contained in DRPLN-JM 2011-2014;
c. New proposals that have not yet been contained in DRPLN-JM-2011-2014.

POLICY DIRECTION FOR THE UTILIZATION OF EXTERNAL LOANS

Policies for utilizing External Loans are based on the Medium-Term National Development Plan of 2010-2014 (RPJMN 2010-2014). In the context of enhancing efficiency and effectiveness of External Loans, the Government has revised Government Regulation Number 2 of 2006 to become Government Regulation Number 10 of 2011.

On the basis of Government Regulation Number 10 of 2011, the Ministry of Finance has stipulated the Maximum Loan Limit (BMP) for the 2013-2015 period. By taking into account the BMP and the directive of the President for attaining a balanced budget with a Debt to GDP ratio of 20 percent by 2014, the Revised List of Medium-Term Planned External Loans of 2011-2014 (Revised DRPLN-JM 2011-2014) has been compiled.

2.1 Government Regulation Number 10 of 2011

Some of the basic amendments of Government Regulation Number 2 of 2006 to become Government Regulation Number 10 of 2011, are: (i) distinction between provisions on External Loans and Grants; (ii) enhanced compilation of planning documents; (iii) stipulations on 'readiness criteria'; (iv) stipulations on procurement of goods and services for Multilateral Creditors, Bilateral Creditors, Foreign Private Creditors, and export Credit Guaranteeing Institutions; and (v) enhanced mechanism for monitoring and evaluation.

In accordance with Government Regulation Number 10 of 2011 on Procedure for Procurement of External Loans and Receiving Grants, External Loans can be utilized for : (i) funding of priority activities of Ministries/Government Agencies; (ii) forward lending or providing grants to Local Governments, and/or (iii) forward lending to State Owned Enterprises (BUMNs).

The utilization of External Loans are to be based on principles that must be complied with that are as follows : transparency, accountability, efficiency, and effectiveness, not accompanied by political ties, and not containing elements that can disrupt the stability and security of the nation.

2.2 Planned Utilization of External Loans (RPPLN) of 2011-2014 – Revised

On 12 April 2012, the Decree of the State Minister for National Development Planning/Head of the National Development Planning Agency Number KEP.52/M.PPN/HK/04/2012 on the Planned Utilization of External Loans (RPPLN) Revised was promulgated.

The direction of the external loan policy is in accordance with the Revised Planned Utilization of External Loan (Revised RPPLN) of 2011-2014, encompassing the following :

a. Sharpening of utilization focus that is more selective for supporting development that is more inclusive and just (pro-poor, pro growth, and pro-job);
b. Attaining fiscal sustainability with the target towards a 20 percent Debt to GDP ratio by 2014;
c. Increasing effectiveness in the management of debt portfolio and risks; and
d. Strengthening institutional capacity and enhancing the mechanism of coordination at all stages in the procurement of External Loans.

The priority in the utilization of external loans for 2011-2014 is mainly focused in the development of infrastructure and energy, while the setting of priority in other sectors is still possible, even though very limited. External loans in 2011-2014 are also directed at supporting the need for the financing of activities in the context of implementing the Master Plan for the Acceleration and Expansion of Economic Development of Indonesia (MP3EI).

The utilization of external loans is implemented in the context of development cooperation under the following considerations:

a. Activities that provide investment leverage, thereby having a broad multiplier effect to the economy;
b. Activities that transfer knowledge and technology by utilizing the comparative advantages of each development partner and by utilizing international best practices;
c. Activities that can contribute to the bigger role of Indonesia in international cooperation.

In terms of the executing agencies, external loans are mainly for Ministries/Government Agencies, Local Governments, and State-Owned Enterprises that have good track-records in the management of external loans and have the capacity and commitment to implement external loan activities with sound performance.

REVISED LIST OF MEDIUM-TERM PLANNED EXTERNAL LOANS OF 2011-2014

The Revised DRPLN-JM 2011-2014 consists of 2 (two) books. Book I covers the background of the compilation, the policy direction of the planned utilization of External Loans, and a recapitulation of the list of external loan activities. Book II covers a brief description (digest) of each of the proposed activities.

3.1 Recapitulation of Proposed Activities

The Revised DRPLN-JM 2011-2014 comprises 38 new proposed activities, 14 revised proposed activities, and 6 (six) cancelled proposed activities (please refer to Table 1). A recapitulation of the proposed activities in the Revised DRPLN-JM 2011-2014, by Executing Agencies is shown in Table 2a, 2b, and 2c.

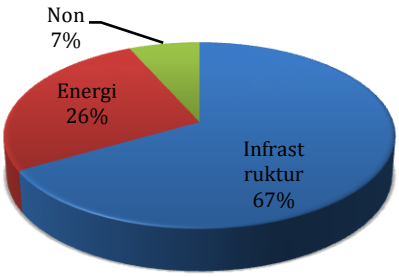
Table1. Recapitulation of Proposed Activities in the Revised DRPLN-JM 2011-2014 (in million USD)

No	Institutions	New Proposals			Revised Proposals			Cancelled Proposals		
		Total of Proposals	Loan	Counterpart Fund	Total of Proposals	Loan	Counterpart Fund	Total of Proposals	Loan	Counterpart Fund
1	Ministries/ Government Agencies	33	5,387	948	11	2,009	290	4	243	36
2	Local Government	0	0	0	1	1,050	150	0	0	0
3	State Owned Enterprises	5	1,949	311	2	282	49	2	414	60
Total		**38**	**7,336**	**1,259**	**14**	**3,341**	**489**	**6**	**657**	**96**

New proposal activities consist of 29 infrastructure activities, 5 energy activities, and 4 non-infrastructure/energy activities, as shown in Diagram 1. Activities in the Revised DRPLN-JM 2011-2014 also include activities that support the MPA program and MP3EI, and also include activities that are categorized as SLA and Non-SLA loans.

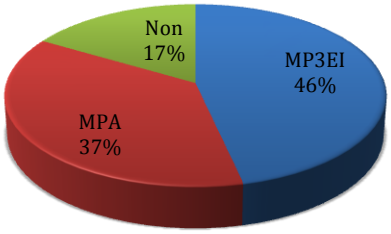
Diagram 1. New Proposed Activities in the Revised DRPLN-JM 2011-2014(in million USD)

A. Proposed Activities in Infrastructure, Energy, and Non-Infrastructure/Energy



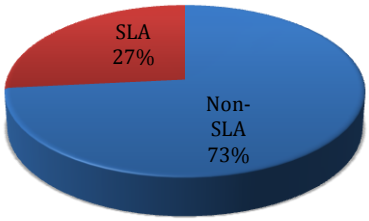
Category	Total of Proposals	Loan
Infrastructure	29	4,896
Energy	5	1,949
Non-Infra/Energy	4	492
TOTAL	**38**	**7,336**

B. Proposed MP3EI, MPA and Non-MP3EI/MPA



Category	Total of Proposals	Loan
MP3EI	21	3,408
MPA	7	2,709
Non-MP3EI/MPA	10	1,219
TOTAL	**38**	**7,336**

C. Proposed SLA and Non-SLA



Category	Total of Proposals	Loan
Non-SLA	33	5,387
SLA	5	1,949
TOTAL	**38**	**7,336**

Table 2a. The Recapitulation of Revised DRPLN-JM 2011-2014 by Executing Agency
== New Proposals ==

(US$'000)

No	Agency	Total of Proposals	Loan	Counterpart Fund
1	Kementerian Kelautan dan Perikanan/ *Ministry of Marine Affairs and Fisheries* *(Grant component USD 20 million)*	1	100,000	12,000
2	Kementerian Pekerjaan Umum/ *Ministry of Public Works*	24	3,526,627	623,947
	Ditjen Bina Marga/Directorate General of Land Transportation	*5*	*1,350,000*	*160,000*
	Ditjen Cipta Karya /Directorate General of Human Settlements	*4*	*663,900*	*235,000*
	Ditjen SumberDaya Air /Directorate General of Water Resources	*15*	*1,512,727*	*228,947*
3	Kementerian Perhubungan/ *Ministry of Transportation*	5	1,407,327	217,841
	Ditjen Perhubungan Laut/ Directorate of Sea Transportation	*1*	*50,000*	*0*
	Ditjen Perhubungan Udara/ Directorate General of Civil Aviation	*1*	*66,870*	*6,000*
	Ditjen Perkeretaapian/ Directorate General of Railways	*3*	*1,290,457*	*211,841*

(US$'000)

No	Agency	Total of Proposals	Loan	Counterpart Fund
4	Kementerian Perumahan Rakyat/*Ministry of Public Housing* *(Grant component USD 10 million)*	1	161,970	12,500
5	Kementerian PPN/*Ministry of National Development Planning*	1	96,525	26,422
6	Kementerian Riset dan Teknologi / *Ministry of Research and Technology*	1	95,000	55,000
7	PT. PLN	5	1,948,540	311,200
	SUB TOTAL	**38**	**7,335,989**	**1,258,910**

Table 2b. The Recapitulation of Revised DRPLN-JM 2011-2014 by Executing Agency
== Revised Proposals ==

(US$'000)

No	Agency	Total of Proposals	Loan	Counterpart Fund	Loan	Counterpart Fund
1	Kementerian Pekerjaan Umum/ *Ministry of Public Works*	9	1,101,267	76,300	1,761,620	243,342
	Ditjen Cipta Karya /*Directorate General of Human Settlements*	*7*	*922,207*	*55,500*	*1,486,850*	*190,440*
	Ditjen Sumber Daya Air / *Directorate General of Water Resources*	*2*	*179,060*	*20,800*	*274,770*	*52,902*
2	Kementerian Perhubungan/ *Ministry of Transportation*	2	246,000	43,000	247,753	46,223
3	Pemerintah Propinsi DKI Jakarta, *Local Government of DKI Jakarta Province*	1	500,000	75,000	1.050,000	150,000
4	PT. PLN	2	212,000	23,000	282,070	49,770
	SUB TOTAL	**14**	**2,059,267**	**217,300**	**3,341,443**	**489,335**

Table 2c. The Recapitulation of Revised DRPLN-JM 2011-2014 by Executing Agency
== Cancelled Proposals ==

(US$'000)

No	Agency	Total of Proposals	Loan	Counterpart Fund
1	Kementerian Pekerjaan Umum/ *Ministry of Public Works*	4	242,740	36,300
	Ditjen Bina Marga/Directorate General of Land Transportation	*1*	*120,000*	*18,000*
	Ditjen Cipta Karya /Directorate General of Human Settlements	*1*	*30,000*	*4,500*
	Ditjen Sumber Daya Air /Directorate General of Water Resources	*2*	*92,740*	*13,800*
2	PT. PLN	2	413,800	60,000
	SUB TOTAL	**6**	**656,540**	**96,300**

3.2 List of Revised DRPLN-JM 2011-2014

There is Revised DRPLN-JM 2011-2014 in according as The Decree of the Minister for National Development Planning/Head of the National Development Agency, Number KEP 101/M.PPN/HK/11/2012.

Table 3. List of Revised DRPLN-JM 2011-2014

New Proposals *(US$'000)*

No	Project	Loan	Counterpart Fund
Kementerian Kelautan dan Perikanan/ *Ministry of Marine Affairs and Fisheries*			
1	Coral Reef Rehabilitation and Management Program-Coral Triangle Initiative (COREMAP-CTI) *(Grant component USD 20 million)*	100,000	12,000
Kementerian Pekerjaan Umum/ *Ministry of Public Works*			
Ditjen Bina Marga/ Directorate General of Land Transportation			
1	Metropolitan Arterial Road Network Improvement in Jabodetabek, Surabaya, and Medan	310,000	31,000
2	Regional Roads Development Project (Phase II)	250,000	50,000
3	Development of Cileunyi - Sumedang - Dawuan Toll Road Phase II	330,000	33,000
4	Toll Road Development of Balikpapan - Samarinda	380,000	38,000
5	Toll Road Development of Manado - Bitung	80,000	8,000
Ditjen Cipta Karya/ Directorate General of Human Settlements			
1	Rural Infrastructure Support National Community Empowerment Program IV (RIS PNPM IV)/Urban Sanitation and Rural Infrastructure (USRI)	200,000	-
2	Metropolitan Sanitation Management Investment Program (MSMIP)	264,000	115,000
3	Construction of the West Java Regional Solid Waste Treatment and Final Disposal (Solid Waste Final Disposal and Treatment Facility)	100,000	20,000
4	Community Based Water Supply Project (PAMSIMAS II)	99,900	100,000
DitjenSumberDaya Air/ Directorate General of Water Resources			
1	Bali Beach Conservation Program Phase II	80,000	8,000
2	Additional Loan for Jatigede Dam	172,060	17,200
3	Construction of Mujur Dam	92,550	13,000
4	Construction of Pamukulu Dam Irrigation Project	87,360	15,814
5	Implementation of Tanju and Mila Dam Construction for Rababaka Complex	74,108	8,234
6	Lausimeme Multipurpose Dam Development Project	103,500	11,500
7	Paselloreng Dam and Gilirang Irrigation Project	79,663	8,851
8	Countermeasure for Sediment in Wonogiri Multipurpose Dam Reservoir (Slice II)	73,210	11,630

New Proposals *(US$'000)*

No	Project	Loan	Counterpart Fund
9	Comprehensive Countermeasure for Sediment & Flood Problems in South Sulawesi Province	108,100	3,900
10	Lower Solo River Improvement Project Phase II	155,836	22,500
11	Urban Flood Control System Improvement in Selected Cities Phase II	74,900	18,725
12	Integrated Participatory Development and Management LhokGuci Irrigation	78,650	5,737
13	Modernization Strategic Irrigation Project for Eastern Region of Indonesia	52,180	7,675
14	Modernization Strategic Irrigation Project for Western Region of Indonesia	150,610	20,481
15	Integrated Citarum Water Resource Management Project II	130,000	55,700
Kementerian Perhubungan/ ***Ministry of Transportation***			
Ditjen Perhubungan Laut/ Directorate of Sea Transportation			
1	Cilamaya New Port Development Project	50,000	-
Ditjen Perhubungan Udara/ Directorate General of Civil Aviation			
1	Procurement and Delivery Airport Rescue and Fire Fighting Vehicles (ARFF)	66,870	6,000
Ditjen Perkeretaapian/ Directorate General of Railways			
1	Jabodetabek Railway Capacity Enhancement Phase I	495,400	57,900
2	Procurement of Track Material and Turn Out Phase II	185,474	46,369
3	Railway Double Tracking and Signaling Improvement Solo-Surabaya	609,583	107,572
Kementerian Perumahan Rakyat/ ***Ministry of Public Housing***			
1	New Town Development in Maja *(Grant component USD 10 million)*	161,970	12,500
Kementerian PPN/*Ministry of National Development Planning*			
1	Professionalism Human Resource Development Program (PHRDP) Phase IV	96,525	26,422
Kementerian Riset dan Teknologi/ ***Ministry of Research and Technology***			
1	Research and Innovation in Science and Technology	95,000	55,000
PT. PLN			
1	Indramayu Coal Fired PP Project (1x1000 MW) Phase I	833,870	134,510
2	Suralaya Coal Fired Power Plant Rehabilitation for Unit 3 and 4	137,100	24,200
3	Kamojang Geothermal Power Plant Rehabilitation for unit 1, 2, and 3	55,300	9,800
4	Warsamson Hydro Electric Power Plant (49 MW)	164,590	29,040
5	Construction of Java-Sumatra Interconnection 500 kV (HVDC) - Phase II	757,680	113,650

Revised Proposals *(US$'000)*

No	Project	Old		Revised	
		Loan	Counterpart Fund	Loan	Counterpart Fund
Kementerian Pekerjaan Umum/ *Ministry of Public Works*					
Ditjen Cipta Karya/ Directorate General of Human Settlements					
1	National Community Empowerment Program - In Urban Areas	637,207	-	645,450	-
2	Rural Settlement Infrastructure and Kabupaten Strategic Areas Development (RISE II)	40,000	6,000	120,000	18,000
3	Community Based Sanitation Program (SANIMAS)	100,000	15,000	100,000	15,000
4	Neighborhood Upgrading and Shelter Sector Project Phase II (NUSSP 2)	40,000	4,000	74,400	7,440
5	Emission Reduction in Cities - Solid Waste Management	35,000	20,000	100,000	-
6	Mamminasata Water Supply Development Project	20,000	3,000	100,000	50,000
7	Water Supply Project to the JABODETABEK (Jatiluhur - Jakarta Pipeline and Water Treatment Plant)	50,000	7,500	347,000	100,000
Ditjen Sumber Daya Air/Directorate General of Water Resources					
1	Construction of Dams in East Nusa Tenggara: Including Raknamo Dam, Kolhua Dam, and Mbay Dam	125,900	12,900	210,730	26,180
2	Urgent Disaster Reduction Project for Mount Merapi and Lower Progo River Area – Phase II	53,160	7,900	64,040	26,722
Kementerian Perhubungan/ *Ministry of Transportation*					
Ditjen Perkeretaapian / Directorate General of Railways					
1	Engineering Services Jakarta Mass Rapid Transit (MRT) East - West Line Phase I Project	20,000	3,000	23,000	3,000
2	Railway Double Tracking of Kroya - Kutoarjo on Java South Line - Phase II	226,000	40,000	224,753	43,223
Local Government of DKI Jakarta Province					
1	Construction of Jakarta Mass Rapid Transit Project	500,000	75,000	1,050,000	150,000
PT. PLN					
1	Hululais 1&2 Geothermal Power Plant (2x55 MW)	147,000	16,000	178,380	31,480
2	Tulehu 1&2 Geothermal Power Plant (2x10 MW)	65,000	7,000	103,690	18,290

Cancelled Proposals *(US$'000)*

No	Project	Loan	Counterpart fund
Kementerian Pekerjaan Umum/ ***Ministry of Public Works***			
Ditjen Bina Marga/ Directorate General of Land Transportation			
1	Additional Loan for Tanjung Priok Access	120,000	18,000
Ditjen Cipta Karya/ Directorate General of Human Settlements			
1	Drainage Improvement Support Project for Metropolitan Cities	30,000	4,500
Ditjen Sumber Daya Air/ Directorate General of Water Resources			
1	Construction of Pandanduri Dam	52,740	7,800
2	Water Supply System Development for Banten - Jakarta from Karian DAM	40,000	6,000
PT. PLN			
1	Muara Tawar Add On Block 2 Combined Cycle Power Plant (500 MW)	400,000	60,000
2	Containerized Diesel Power Plant	13,800	-