

should be carefully examined with respect to its resultant financial and social impacts as well as the maintenance system.

- To educate the people in Kampung to adapt themselves to the new life style in flats, some pilot projects should be implemented although they may need a considerable amount of government subsidy.
- Managerial and administrative techniques should be developed to assure the best economical implementation of project within the stipulated time and to assure the adequate management and maintenance of the completed flats.

These discussions appear to have not yet consummated the national or regional policy, but it is hoped that a consensus on an urban renewal not only aimed at the development of flats but also aimed at more comprehensive redevelopment of urban functions and facilities, can be achieved so that REPELITA-IV should include the government's guidelines on such urban renewal programmes.

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2.5 REGIONAL FRAMEWORK PROPOSED BY JABOTABEK METROPOLITAN DEVELOPMENT PLANNING

The Metropolitan Jakarta Diagrammatic Structure Plan in the year 2003, as proposed by JABOTABEK Metropolitan Planning is shown in Fig. 2-2. As described in the structure plan, it consists of Greater Jakarta; four main sub-centres at Tangerang/Pasar Kemis, Bekasi/Tambun, Depok and Serpong; and two secondary sub-centres at Parung and Cikarang.

The predominant pattern of urbanization within the Metropolitan area is to the east and west within Greater Jakarta and including the Tangerang and Bekasi sub-centres. This is in response to existing locational trends of new private sector manufacturing employment growth and the predominance of national and provincial road/rail capacity (existing or proposed) in these corridors.

The development of Tangerang and Bekasi is recommended to be based primarily upon the efforts of government to provide the necessary incentives and serviced land for private and joint venture manufacturing concerns. Such a policy would provide the leading employment base and would help to locate the majority of industrial concerns within Metropolitan Jakarta.

The projected growth rates proposed for JABOTABEK are shown in Tables 2-3 and 2-4.

The development of Depok and Serpong would be dependent almost exclusively upon the will and financial resources of central government to provide directly the leading employment base of these sub-centres (e.g. by establishing higher education facilities in Depok (University of Indonesia) and nuclear research facilities in Serpong (Puspitek)).

As a result of the future road and railway improvements in JABOTABEK Area, the city of Jakarta will be more closely linked with these sub-centres with the probable result of drastic increase in inter-regional flows of person and goods. Manggarai, as a centre of the railway traffic as well as a juncting point between the rail and road traffic, will assume the function as a "transit-spot" of these flows which will naturally require various urban functions.

Table 2-3 EMPLOYMENT STRUCTURE IN THE METROPOLITAN JAKARTA SYSTEM, 1978 - 1993

Metropolitan Jakarta System	No. of Persons			Average Annual Growth Rate		
	1978	1993	2003	1978-93	1993-2003	1978-2003
Greater Jakarta	6,140,000	9,932,000	12,045,000	3.26	1.95	2.73
Kota Tangerang/Batuaceper	98,000	255,000	620,000	6.58	9.29	7.66
Kota Bekasi/Tambun	97,000	225,000	500,000	5.77	8.31	6.78
Depok	68,000	125,000	200,000	4.14	4.81	4.41
Serpong	8,000	70,000	135,000	15.56	6.79	11.97
Diputat	-	50,000	100,000	-	7.18	-
Total Metropolitan System	6,411,000	10,657,000	13,600,000	3.41	2.44	3.02

Note: Estimates prepared by JMDP Team

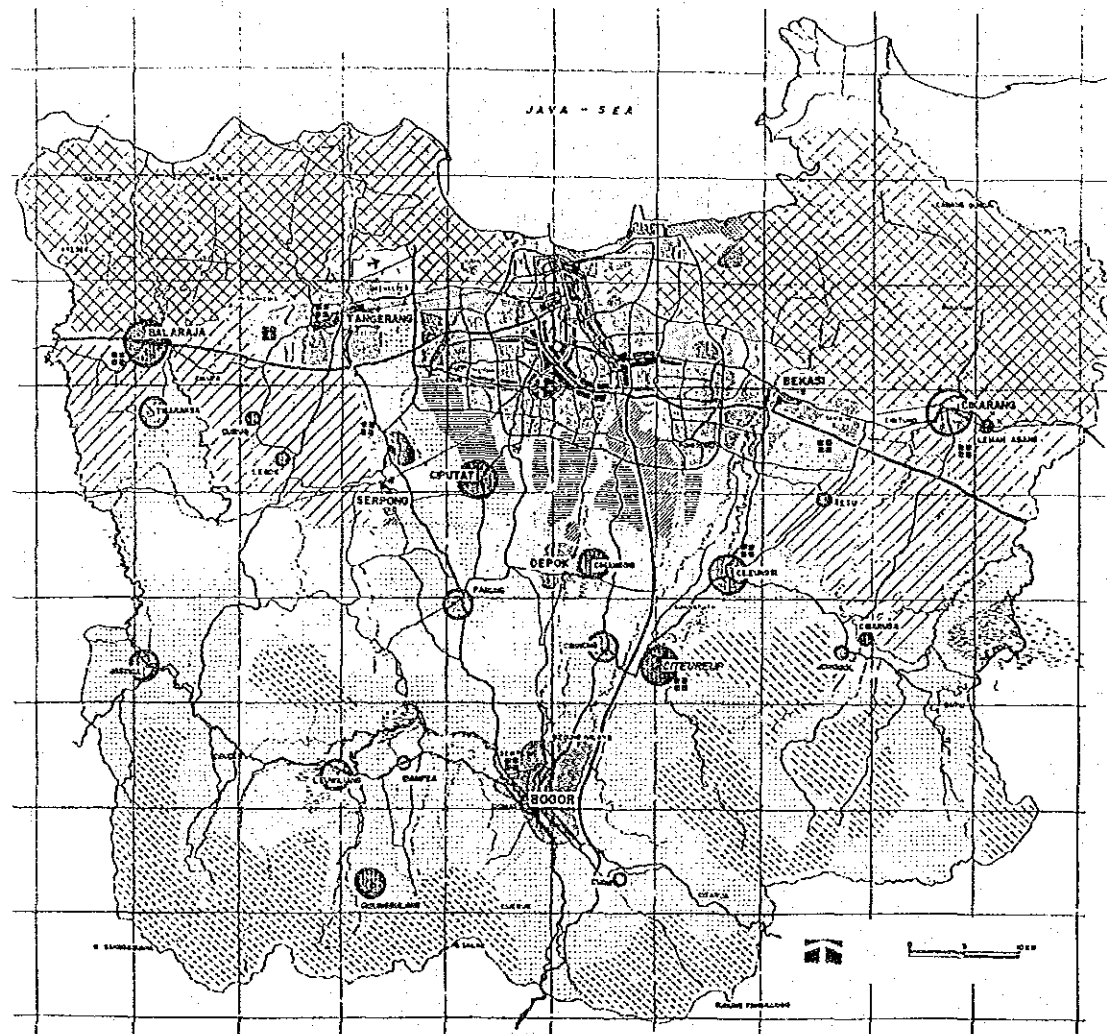
Table 2-4 FORECAST POPULATION LEVELS IN THE METROPOLITAN JAKARTA SYSTEM, 1978 - 2003

Activity	Jakarta		Tangerang/B. Ceper		Bekasi/Tambun		Depok		Serpong	
	1978	1993	1978	1993	1978	1992	1978	1993	1978	1993
Agriculture	2.9	1.7	10.7	4.0	22.1	9.0	21.0	8.5	25.6	3.0
Large & Medium Mfr	7.0	6.1	39.0	46.3	14.6	34.5	-	2.0	-	7.6
Small & Cottage Mfr	3.6	3.6	7.6	5.4	17.4	11.7	9.7	11.9	35.2	11.9
Government	12.7	12.2	16.0	9.3	9.9	9.8	16.8	27.6	9.2	42.5
Trade & Services	73.8	76.4	26.7	35.0	36.0	35.0	52.5	50.0	30.0	35.0
Total Employment (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number Employed	1,911,800	3,320,800	29,360	77,690	29,040	68,950	10,360	25,560	2,500	21,060
Commuters	43,700*	69,900*	4,000*	12,000*	3,000*	12,000*	7,000*	12,000*	50*	4,000*
Population Supported	6,005,000	9,720,000	98,000	225,000	97,000	225,000	68,000	110,000	8,000	70,000

Notes: 1 Estimates prepared by JMDP team

2 Plus student population of 15,000 persons

* : shows total commuter flows into DKI
* : shows commuter flows from main Sub-Centres only.



- MAIN URBAN AREA
- SECONDARY GROWTH CENTRES
- SUBURBAN DEVELOPMENT WITH REGULATION AND DEVELOPMENT CONTROL
- SPECIAL GOVERNMENT ZONE
- MAJOR COMMERCIAL CONCENTRATION (EXISTING AND EXPECTED)
- MAIN INDUSTRIAL AREAS AND WAREHOUSING
- SEAPORT AREA WITH INDUSTRY AND WAREHOUSING
- INTENSIVE AGRICULTURE AND COASTAL PLAIN PROTECTION ZONE
- INTENSIVE AGRICULTURE (PREDOMINANTLY TECHNICAL IRRIGATION)
- AGRICULTURE (PREDOMINANTLY RAINFED)
- UPLAND CONSERVATION ZONE
- LAKE
- AIRPORT CENKARENG
- SITE INDUSTRIAL PROJECT LOCATION
- TOLLWAY
- MAJOR URBAN ARTERIAL
- OTHER ARTERIAL
- SECONDARY ROAD
- RAILWAY

Fig. 2-2 OUTLINE REGIONAL STRUCTURE PLAN: JABOTABEK 2003

2.6 MASTER PLAN FOR URBAN/SUBURBAN RAILWAY TRANSPORTATION IN JABOTABEK AREA

PJKA established the Intermediate Development Plan on the basis of the report on Jakarta Metropolitan Transportation Study prepared in 1974. According to this plan railway transport was strengthened by newly operating electric-railcar trains and diesel-railcars with the result of remarkable increase in railway passengers since 1977. A total number of passengers using the Central Line up to Depok, the Eastern Line up to Bekasi, the Western Line up to Tangerang, and the Merak Line up to Serpong was 24,000 per day in 1976 and 40,000 per day in 1980.

This figure however, still accounts for only 1.2% of the total person trips in Jakarta and the railway transport is therefore presently taking a negligible role in public transport.

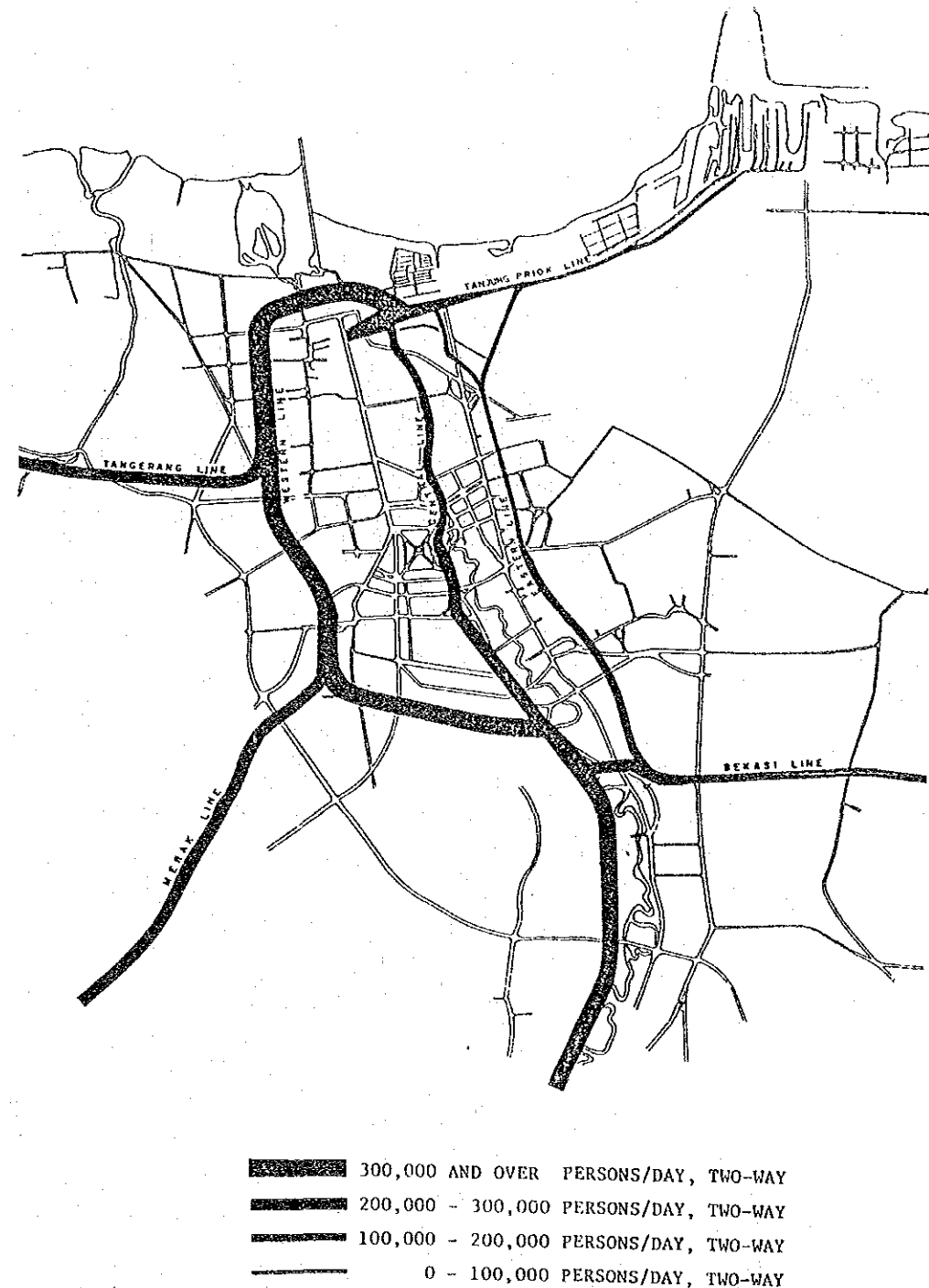
The Master Plan states, "The railway is the transport means best suited for mass, high-speed passenger transit and is featured, especially, by its regular time punctuality and higher energy-saving efficiency, in comparison to the road vehicle, with minimum impact to the environment. It is therefore recommended that the future urban traffic should be switched over mainly to the railway. For this conversion, drastic measures must be taken to improve the existing timeworn railway facilities, along with efforts to establish the well-disciplined organizational system as well as train professional staff for railway operation and maintenance and other urban development along the railway line areas and the existing feeder system".

Under the circumstances, the future public transport system will be heavily dependent on the railway transport, and based on this recognition a number of railway improvement programmes are planned and implemented to date.

According to the Master Plan these programmes will be completed between five to ten years from now. The Master Plan states that the Manggarai station will be a centre of railway traffic, serving as a terminal and junction station for long-distance and commuting trains. Estimated number of passengers using the station will be 100,000 or more per day, in 10-year time.

According to the person trip forecast, estimated railway passenger link traffic in year 2000 is as shown in Fig. 2-5.

Fig. 2-6 shows the new stations planned in DKI Jakarta. A tentative plan for elevation of railway tracks of the Central Line in the Manggarai station compound is as shown in Fig. 2-7.



Source : Consulting Engineering Service for Jakarta Metropolitan Transportation, Dec.1982

Fig. 2-5 ESTIMATED RAILWAY PASSENGER LINK TRAFFIC IN YEAR 2000

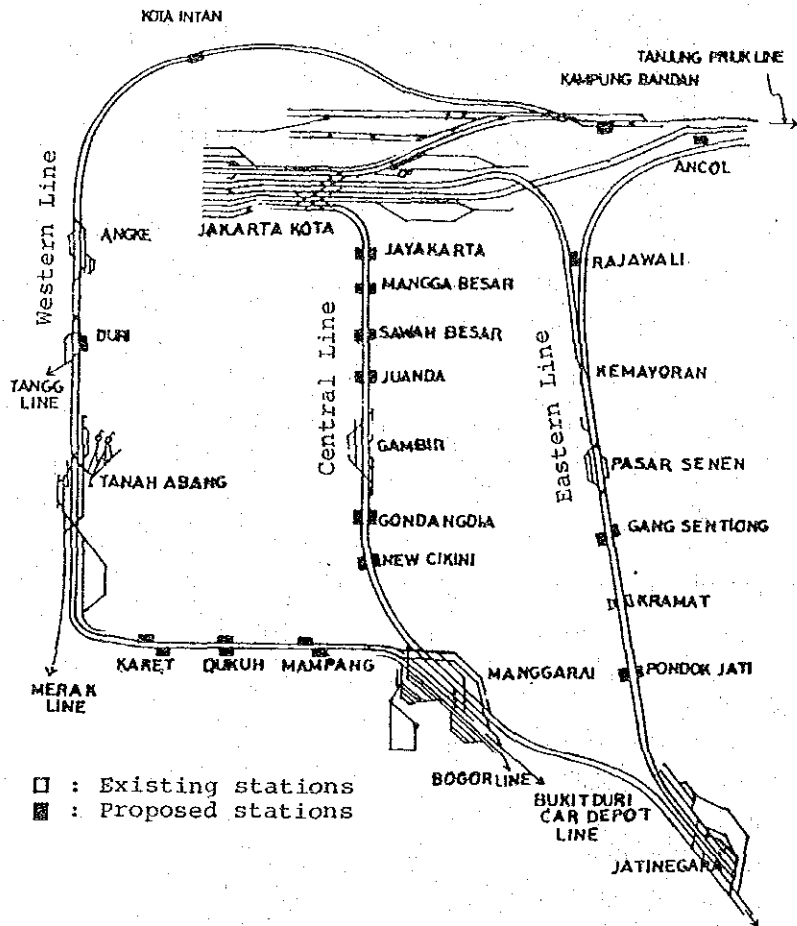


Fig. 2-6 EXISTING AND PROPOSED STATIONS IN JAKARTA

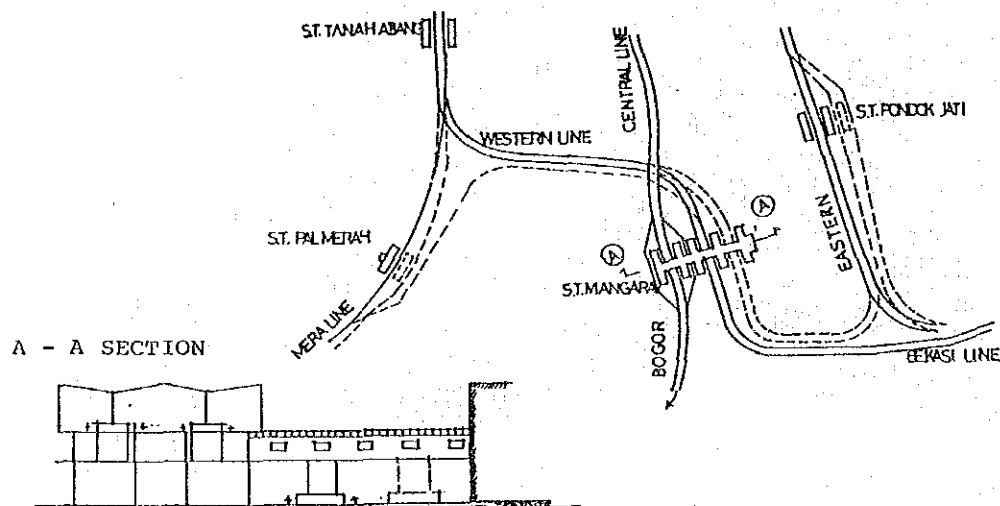


Fig. 2-7 TENTATIVE PLAN FOR ELEVATION OF RAILWAY TRACKS AT THE MANGGARAI STATION

Fig. 2-8 is a summary of the current programmes.

CONSTRUCTION PROJECTS	1983	1984	1985	1986	1987
1. WESTERN LINE ELECTRIFICATION	[Hatched bar]									
2. DEPOT AND WORKSHOP IMPROVEMENT	[Hatched bar]									
3. BEKASI LINE ELECTRIFICATION		[Hatched bar]								
4. MRI - DEPOK LINE TRACK ADDITION		[Hatched bar]								
5. DEPOK NEW EC DEPOT		[Hatched bar]								
6. CENTRAL LINE TRACK ELEVATION		[Hatched bar]								
7. MRI STATION GRADE SEPARATION					[Hatched bar]					
8. DEPOK - BOGOR LINE TRACK ADDITION						[Hatched bar]				
9. MERAK LINE TRACK ADDITION							[Hatched bar]			
10. TANGERANG LINE TRACK ADDITION								[Hatched bar]		

[Hatched bar] DESIGN PROJECT BY OECF LOAN FINANCE
 [Hatched bar] CONSTRUCTION PROJECT BY OECF LOAN FINANCE
 [Solid bar] PROJECT FINANCE SOURCE NOT YET DECIDED

Source : Consulting Engineering Service for Jakarta Metropolitan Transportation, Dec. 1982

Fig. 2-8 CURRENT PROGRAMMES OF THE MAJOR RAILWAY PROJECTS

The Master Plan also recommends that the area around the station should be developed to have multi-functions of business, shopping, amusement and tourist centres, with expansion of the station front area for closer coordination between rail and road traffic.

Although no commitment has yet been made to the project at this stage, a JICA study team is conducting a feasibility study on the railway connection between the New Cengkareng Airport and the downtown area. One of the tentative alternatives recommends to connect the New Airport to the Manggarai terminal station in future via Jakarta Kota station through the Central Line.

2.7 FUTURE ROAD NETWORK IN JAKARTA

2.7.1 Present Conditions

Jakarta, one of the busiest cities in the world, has a population of over 6 million.

In the major streets, there are many cars, buses, taxis and motor cycles with two, three or more people sitting on the back. During the morning and evening rush hours, one or two kilometers of road are linked with vehicles proceeding at walking speed.

In small streets, mini bus, bajaj (motor tricycle), motor cycle, becak (tricycle) and pedestrians are mixed. Traffic congestion is the biggest and foremost difficult problem of Jakarta.

2.7.2 Roles of Public Transport

In modern cities of the world, for instance, Tokyo, London, and Paris, railway transportation is well developed and greatly helps to solve the problem of traffic congestion.

In Jakarta, on the contrary, the railway holds only 1.2% of total person trips (1982) and this is because of the low efficiency of the railway system and the necessity of huge investment to improve the system. For most of the people in Jakarta, public bus system is the cheapest and most convenient means of transportation (one trip costs between Rp.150 – 200 in 1983).

The proportion of public vehicles is very high and according to DKI Jakarta's estimate, the rates against the total road trips are as follows:

1982		2005 (estimate)	
Public	Private	Public	Private
45%	55%	40%	60%

Although the figure drops from 45% to 40% in 20 years, it is still double the Japanese maximum (20%). When planning a transportation programme in Jakarta, the high percentage of public vehicles has to be considered, especially buses and mini-buses.

2.7.3 Existing Traffic Volume

In 1982, British consultants, Colin Buchanan and Partners, made a traffic survey in

Jakarta and the final report was submitted to the Ministry of Public Works in May 1983.

The report presents a peak hour traffic volume in the morning and the evening and includes a lot of suggestions for improvement to traffic flow. Based on the survey results, Fig. 2-9 and 2-10, and Table 2-11 show the traffic volume.

From the Figures, three major routes which carry traffic to and from the city center can be identified, and they are:

- North – South
Jl. Gajah Mada (Jl. Hayam Wuruk) – Jl. M.H. Thamrin – Jl. Jend. Sudirman
- North – South
Jl. Kramat Raya – Jl. Salemba Raya – Jl. Matraman Raya – Jl. Otto Iskandardinata
- West – East
Jl. Jend. Gatot Subroto – Jl. Let. Jend. M.T. Haryono.

The peak hour traffic volume is between 5,000 and 13,000 PCU (passenger car unit) and this means about 50,000 – 130,000 PCU are passing per day (if 10% is applied as a peak hour ratio). This seems to be excessive for an urban arterial road even though it has 2-way 6 lanes. Furthermore, it seems to be quite inadequate that there are only two main distributors in the North-South direction and one in the West-East direction.

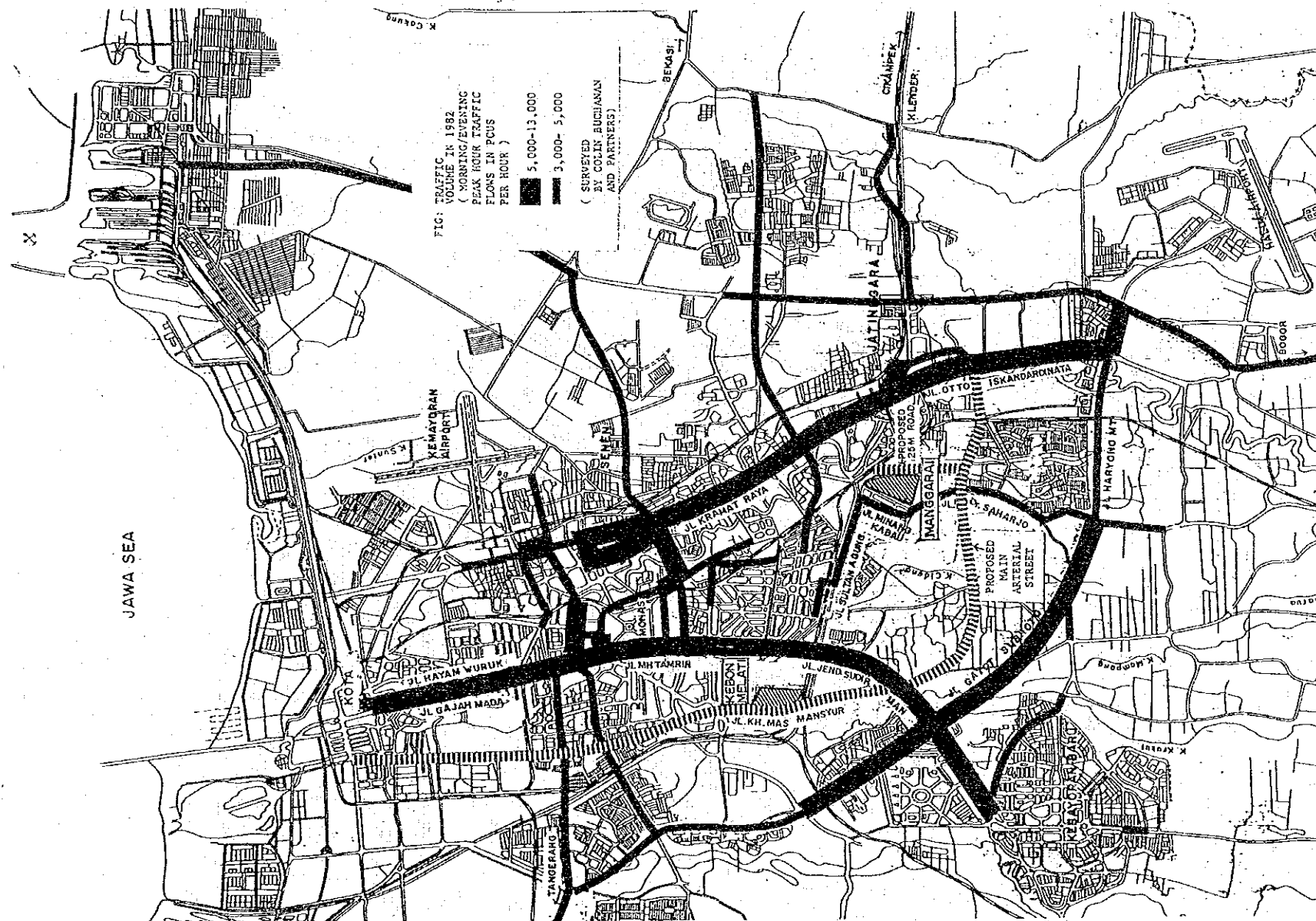


Fig. 2-9 EXISTING TRAFFIC VOLUME (IN 1982)

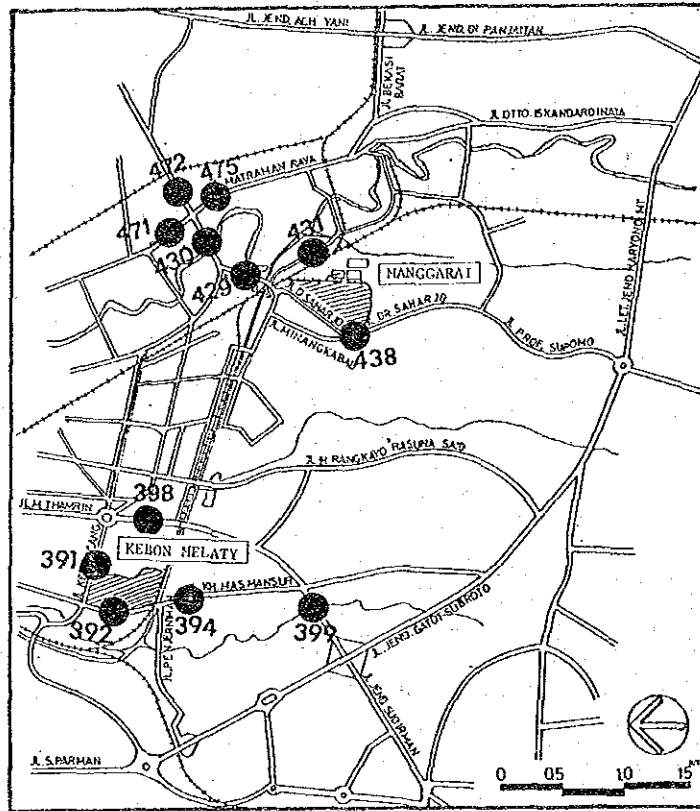


Fig. 2-10 LOCATION MAP TO SHOW THE NODE NUMBERS

Node No.	1980	1990	2000	2010
391	13930	64390	67870	71540
392	30630	50930	55110	61300
394	32610	69810	73690	61300
398	47720	108440	113920	132610
399	80330	178250	187610	212990
438	15260	24890	40610	41710
431	8970	11920	15840	16940
429	13170	38770	42380	46330
430	41030	71970	74530	81250
471	39900	78480	125140	135430
472	32830	70260	87880	99580
475	43220	77320	97300	111600

Table 2-11 PRESENT AND FUTURE TRAFFIC VOLUME (ANNUAL AVERAGE DAILY TRAFFIC VOLUME, TWO-WAY, PCU.)

2.7.4 Future Road Network

In order to mitigate the traffic congestion in Jakarta in harmony with the roads improvement at regional level, the Directorate General Bina Marga is planning and implementing Jakarta-West Java Tollway System consisting of the following major trunk highways.

- Jakarta-Tangerang Freeway (under construction)
- JAGORAWI Freeway (in use)
- Jakarta-Cikampek Freeway (under construction)
- Jakarta Outer Ring road (under planning)
- Cengkareng Access (under planning)
- Jakarta Harbour Road (under planning)
- Jakarta Intra-urban Tollway (partially under construction)

Upon completion of this new Jakarta-West Java Tollway System, new development potentials from the city planning aspect will be created particularly along the Jakarta Intra-urban Tollway consisting of South-West Arc and the North-South Link. Manggarai is conveniently located, for easy access to this Tollway although considerable improvements of the existing access roads will be necessary.

The future improvement programmes of the municipal roads will be described later in Volume II and Volume III, separately.

2.7.5 Special Consideration for Manggarai and Kebon Melati

Manggarai

Based on the traffic survey results, the Colin Buchanan's report stressed the importance of North-South connection in the area and indicated the Manggarai underpass improvement placing a first priority amongst 22 other projects in Jakarta.

Kebon Melati

Although the priority given in the report is No. 11, the proposed east-west connection road in the south of the study area was strongly recommended for improvement.

In DKI Jakarta's latest development plan for the year 2005, a new "Main arterial street" is proposed, which connects amongst the areas of south of Manggarai - Kebon Melati - Tanah Abang - Kota. The location of the new arterial street is shown in Fig. 2-9 by a dotted line. When this new street is completed, the proposed east-west connection road will become more important.

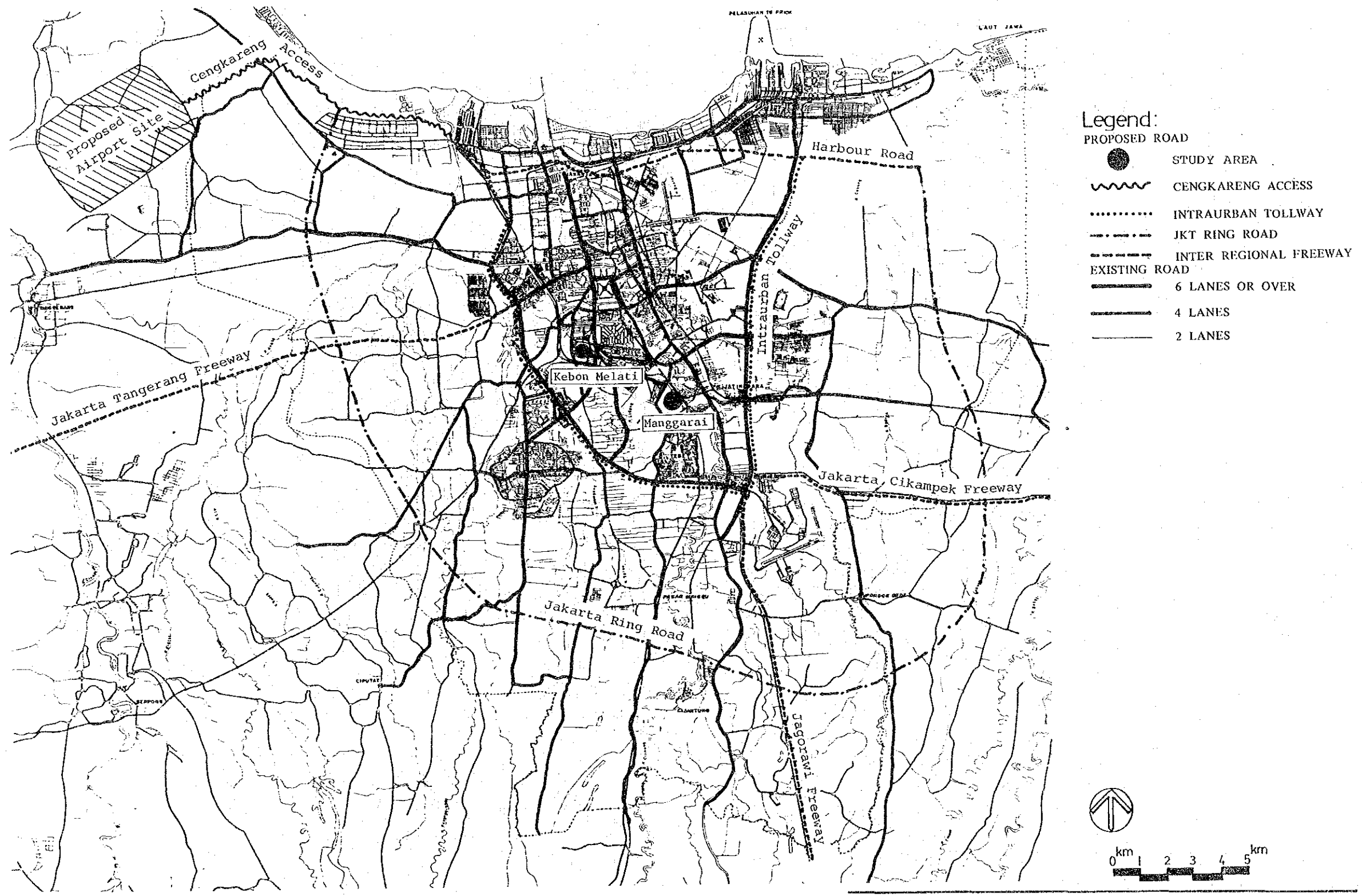


Fig. 2-12 EXISTING AND PROPOSED ROAD NETWORK IN JAKARTA

2.8 MASTER PLAN DRAINAGE AND FLOOD CONTROL OF JAKARTA

Starting from Mt. Pangrunggo (3,019 m) in the southern range, the Ciliwung River and several other rivers which flow into the Java Sea, affect the centre of DKI Jakarta. According to the historical trend, once every two years a flood occurs when rainfall exceeds 115 mm per day. It is considered that the reasons for the flood are as follows:

- Compared with the size of the catchment area and the rainfall volume, the discharge capacity of the rivers is small.
- River slopes are too flat and the rivers meander.
- Each river is affected by tidal rises in the river-mouth.

Fig. 2-13 shows the areas in the city which are frequently subject to flood.

For the urbanized area the following four countermeasures were recommended.

- Extensive rehabilitation of the existing open canals.
- Incorporation of the lower part of the existing Western Banjir Canal into the drainage system of Central and West Jakarta.
- Construction of two more major evacuation drains for the eastern urban area, the Sunter West Drain and the Eastern Main Drain.
- Provision of polder area with pumping stations for the lowest parts.

Kebon Melati is located southern-most of the Pluit Polder System and the Melati flood control reservoir which will continue to play an important role in the Pluit Polder System, has a storage capacity of maximum 110,000 cubic m with the pumping capacity of 4 cubic m per sec. The flood control is being carried out to keep the highest water level at N.W.P.+1.1 m under a 25-year rainfall by using the pumping drainage to the Banjir Canal.

The construction of an open canal called the "ring canal" is being left uncompleted on the west of the reservoir. This ring canal is designed to prevent the reversed sewerage water from its confluence to the reservoir and to discharge it to the Banjir Canal by using the existing pumps. The construction is being suspended due to difficulty in land acquisition. The sewerage outfall along the Banjir canal was also cancelled recently.

In the case of emergency caused by failure of the Melati Pump Station, the water level will come up to N.W.P.+1.2 m resulting in an inundation in the eastern area of the reservoir probably for the period of 3 to 4 hours. To prevent this, a new pumping station (Pompa Siantar) is also planned to be built near Jati Baru.



- Flood Area
- Study Area

Fig. 2-13 FREQUENT FLOOD AREA IN JAKARTA

2.9 JAKARTA SANITATION AND SEWERAGE PROJECT

There is at present no sanitary sewerage system in Jakarta. Most of the domestic sewage and industrial waste is discharged directly to drains and other available waterways, or in the case of toilet wastes from some homes, it will pass through either septic tanks or cesspools, before leaching into the ground through the permeable soil. Considerable number of the houses dispose of their human wastes either by means of pit privies, cesspools, latrines built over rivers and canals, or side ditches. All such discharges generally find their way either into the ground or into water courses which are only flushed at times of heavy rainfall.

The result of the discharge of most of the city's wastes without treatment, is gross pollution which produces septicity in the drains and rivers during low flows in the dry season and pollutes the beaches and offshore marine waters. Illegal dumping of garbage into waterways has also significantly increased the degree of water pollution, forming heavy organic deposits on the banks and beds of the waterways and also seriously reducing the capacities of the existing drainage system.

The rivers upon entering the Jakarta urban area are polluted, then gradually become grossly polluted while flowing through the city. The treatment of the raw water supply taken from the Banjir Canal, by the rapid sand filtration and chlorination processes used by the Jakarta Water Supply Company (PAM) is presently under a strain to produce quality drinking water.

The Government of Indonesia has set highest priority for urban development including the provision of safe drinking water, improvement of living conditions in Kampung, construction of housing for low-income groups, flood control, solid waste disposal, and last but not least, improvement of the sewerage system.

The IBRD (International Bank for Reconstruction and Development) assists in preparing and financing of studies and projects and its implementation for wastewater collection and disposal.

The project includes the following actions to prepare for its replication and for improvement of the water system in Jakarta.

- The construction of the main sewers (interceptors) and outfall.
- The construction and/or rehabilitation of a large number of minor facilities.
- The cleaning, rehabilitation, and construction of drainage ditches.
- The provision of equipment for operating, maintaining and managing the facilities of the Project.

The Project area as shown in Fig. 2-14 is subdivided into the two areas, namely Setia Budi and Tebet areas.

The improvement system of the Project is to collect the sanitary waste water now directly flowing to the Cideng River and the Banjir Canal either by improved sewerage system (Setia Budi area) or with the new interceptor drains (Tebet area) to be installed along the south of the Banjir Canal, in the dry season. The collected waste water in the Setia Budi Water Treatment Pond is given aeration and oxidation.

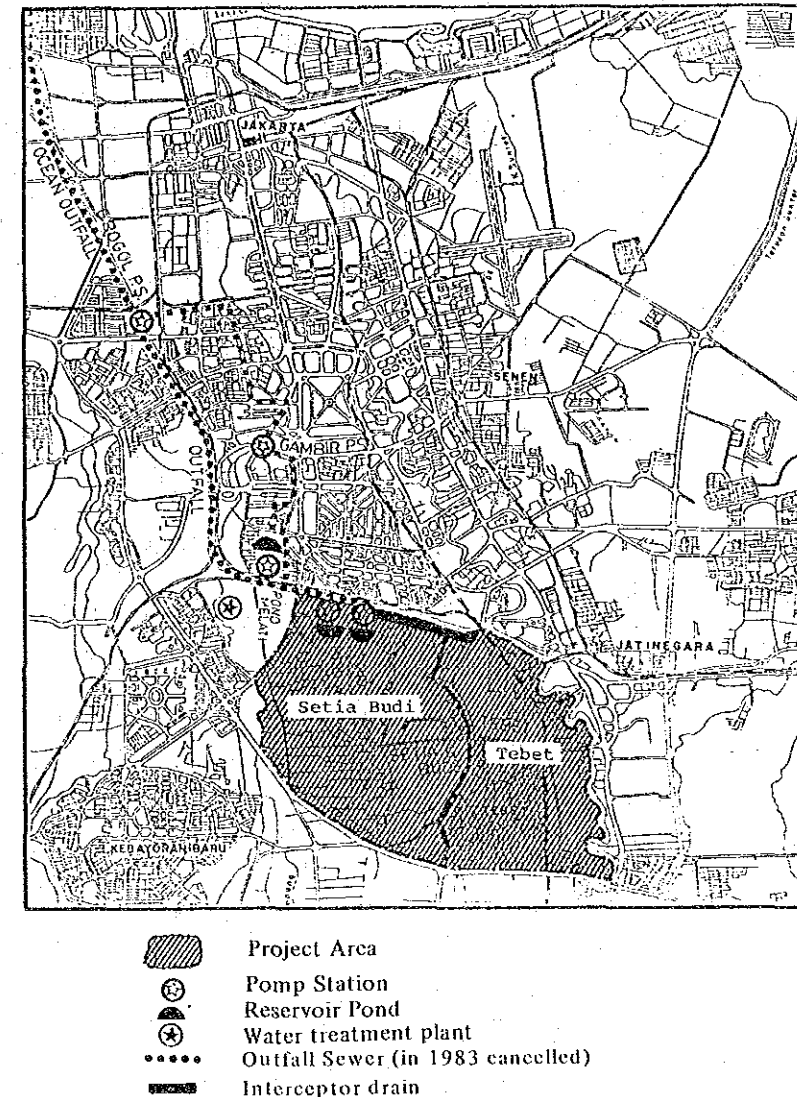


Fig. 2-14 PROPOSED SYSTEM OF SEWERAGE AND SANITATION IN JAKARTA

2.10 MASTER PLAN FOR THE JAKARTA WATER SUPPLY SYSTEM

Three different types of water supply are found in the urban areas.

- Water distribution systems connected to the water treatment plants of PAM.
- Local water distribution systems relying on deepwells.
- Private or communal waterpoints (well without piped distribution) such as deepwells with electric pumps, handpump-wells and dugwells.

Piped water supply from PAM is more frequent in medium and high income residential areas. Deepwells with local distribution systems have been built under KIP, but many of them are currently out of operation.

Most of the low and medium income inhabitants use groundwater from private or communal wells. Handpumps are most commonly used while dugwells are frequent in low income areas. Deepwells with electric pumps are often installed for commercial and industrial establishments.

PAM produces water at the treatment plant in Pejompongan with raw water from the Banjir Canal and a mini treatment plant at Cilandak. A further supply comes from the Ciburial springs near Bogor.

Dugwells and handpump wells and the majority of so called deepwells are drawing water from a phreatic aquifer with water table depths mostly between 5 and 15 m.

A master plan for the Jakarta Water Supply System was prepared by Nihon Suido Consultants in 1972. A review of the Master Plan was made as a part of the Jakarta Sewerage and Sanitation Project by NSC and again the JMDP Team in 1980.

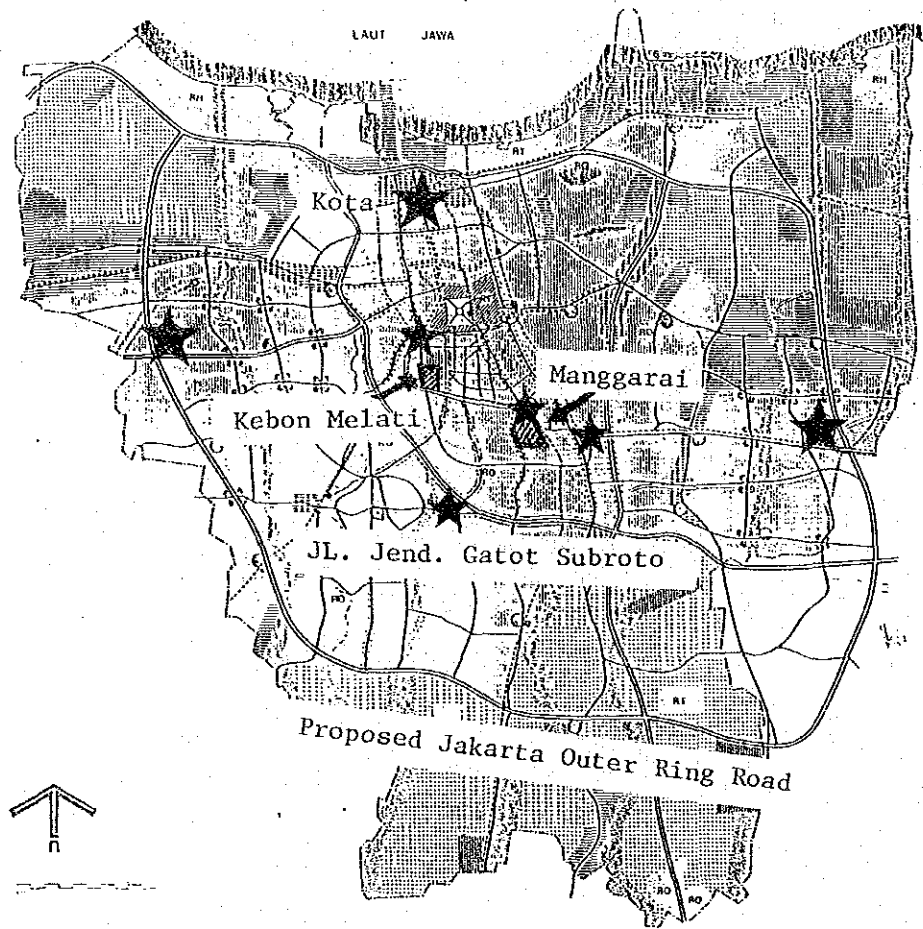
The first phase of an additional Water Treatment Plant in Pulo Gadung (Eastern Jakarta) nears completion more than 5 years behind the Master Plan schedule. The Plant will increase water production by 1 m³/s initially and by another 3 m³/s after completion of the phase two extension. The construction of trunk mains during phase one will be limited to eastern and northern Jakarta. Extension of water supply to the Jakarta Sewerage and Sanitation Project area by additional trunk mains from Pojompongan treatment plant, is proposed only for phase two (expected completion 1985).

2.11 STRUCTURE PLAN OF DKI JAKARTA

According to the latest structure plan of DKI Jakarta (August 1983), Manggarai is designated as one of the four commercial centres in Jakarta to be developed by the year 2005. The locations and the designation is shown on Fig. 2-15.

The present city centre is in the vicinity of the Merdeka Tower and the CBD is developed fully around these areas as shown in Fig. 2-16. From this existing situation, it can be said that Manggarai area has a large potential for development of the future city centre where the undeveloped space and area exist, and the Manggarai Station will become the main railway terminal in the future when the station will be reconstructed on separate levels by the JABOTABEK Railway Programmes as the commuter train transfer station as well as the long-distance train departure terminal.

Furthermore, if east and west connection become more important, Manggarai is just situated along the line and has good accessibility to the new development corridors along the Jakarta Intra-Urban Tollway and Jakarta-Bekasi Highway.



Legend

- ★ Regional commercial centre (3 Nos.)
- ★ Local commercial centre (4 Nos.)

Source: Pola Dasar Tata Ruang Daerah
DKI Jakarta 2005, August 1983

Fig. 2-15 STRUCTURE PLAN IN DKI JAKARTA

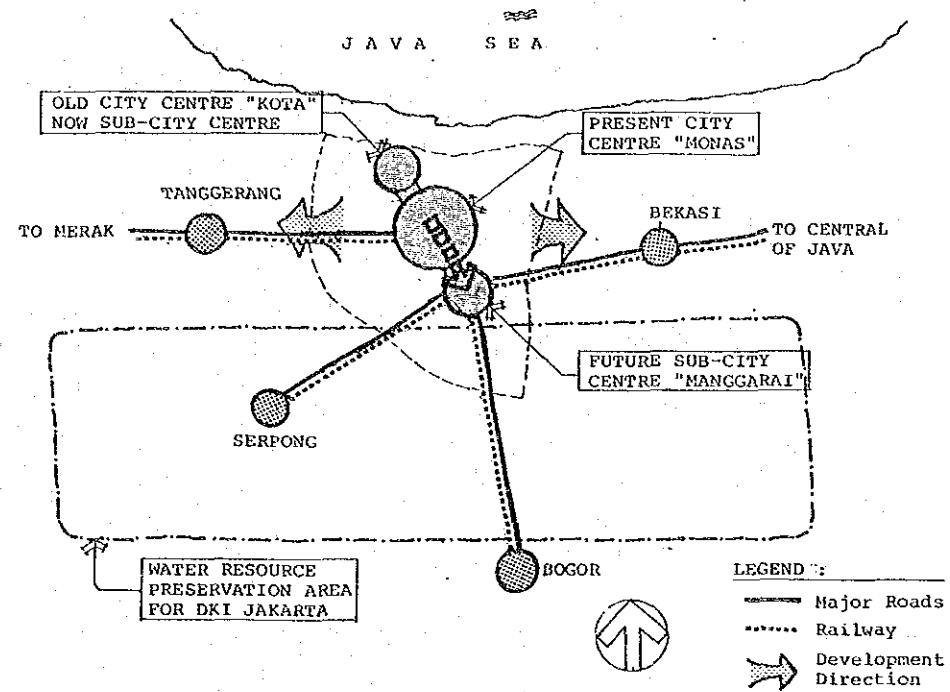
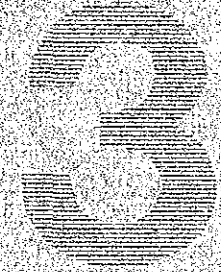


Fig. 2-16 CONCEPTUAL STRUCTURE OF DKI JAKARTA

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CHAPTER



CONCEPTS FOR URBAN RENEWAL IN JAKARTA

3.1 CHARACTERISTICS OF URBAN RESIDENTIAL AREAS AND NECESSITY FOR URBAN RENEWAL IN JAKARTA

With the exception of some high and middle class residential areas such as Menteng, Senen, Kebayoran Baru, Jatinegara, etc., urban residential areas in Jakarta are characterised by an overwhelming number of "Kampungs" or low-income neighbourhoods, which have been settled in an unplanned manner throughout the city for more than a hundred years.

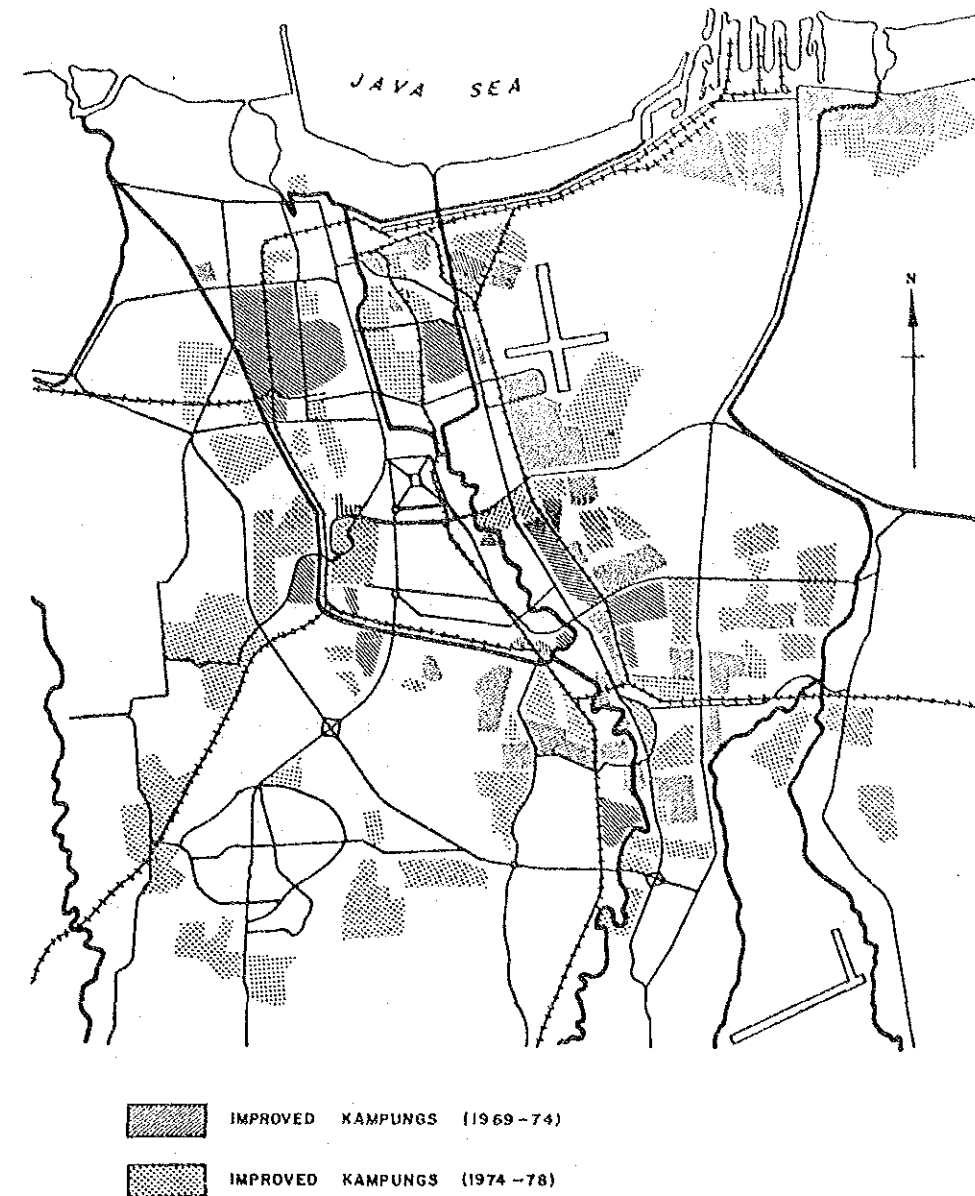
The "Kampungs" refers to predominantly residential areas which were often rural villages that have been engulfed by rapid urban expansion and incorporated within the city. These "urban villages", which include middle-income as well as low-income families, are characterised by generally inadequate physical infrastructure and social services. However, many of them are viable communities, and the term Kampung is neither synonymous with slums nor squatter settlements, where residents have no right of occupancy. The latter hardly exist in Indonesia since occupancy confers considerable right or possession.

In Jakarta, these Kampung account for about 60 percent of the city's area and about 75 percent of its population. Since 1969 the Kampung Improvement Programme has been implemented in an attempt to meet minimum infrastructure needs of urban poor at low cost. Up until now about ninety percent of Kampung have had their basic community infrastructure improved. Fig. 3-1 shows the areas where KIP has been applied.

According to the living environment, Kampung can be broadly classified into the following three classes.

- Moderate class, mostly located surrounding high and middle class residential areas. This class may be basically considered as areas to be preserved without immediate necessity for improvement.
- Low class which has been already improved by KIP but needs generally continuous improvement of housing and living environments.
- Extremely low class which has not yet been improved by KIP and is occupied mostly by squatters. These areas are often along railways, roads or in other public spaces, and need improvement as early as possible, particularly in basic community infrastructure.

The proposed study areas of Kebon Melati and Manggarai are considered to fall into the low class above. According to the socio-economic survey conducted by the Study Team, overall environmental conditions in the study areas are as shown in Table 3-2.



Source: Urban Planning Practice in Developing Countries, John L. Taylor and David G. Williams, 1962.

Fig. 3-1 MAP OF THE IMPROVED KAMPUNG AREAS

Table 3--2 OVERALL ENVIRONMENTAL CONDITIONS

Items	Kebon Melati	Manggarai
* Population density	: 560 persons/Ha	620 persons/Ha
* Household size	: 7.2 persons	6.8 persons
* Floor area less than 50 m ²	: 40%	71%
* Occupation	: Civil servant (24%) Private company employee (18%) Tradesman (16%)	: Civil servant (26%) Private company employee (18%) Workman/skilled labour (16%)
* Income level		
up to Rp. 50,000	: 20%	32%
Rp. 50,000 - 100,000	: 36%	43%
Rp. 100,000 - 200,000	: 30%	20%
Rp. 200,000 or more	: 13%	4%
* Electricity available (PLN)	: 85%	80%
* Water available		
Piped water	: 8%	8%
Well water	: 76%	86%
Water vender	: 14%	4%
* Waste disposal		
Septic tank	: 10%	30%
Public drain	: 69%	38%
River	: 7%	17%
* Garbage disposal		
Private garbage vessel:	37%	16%
Public garbage vessel :	50%	59%
River and others :	13%	25%
* Structure		
Permanent	: 57%	36%
Semi-permanent	: 33%	36%
Temporary	: 9%	26%

As mentioned in Chapter 1, there is an opinion that the Government should take action to improve housing conditions in Kampung, since, as a result of leaving the housing improvement to the individual willingness of the people, even after KIP, much housing has remained unimproved, thus leaving many areas of high density and poor standard. The Government has already started making efforts to cope with this problem and in its REPELITA III a new programme called the "Kampung Housing Improvement" was proposed, involving feasibility studies of six major

cities, including Jakarta. The programme intends to stimulate re-building of sub-standard housing by providing the people with "stimulation fund" and "temporary housing".

However, despite the real necessity for improvement, account must be taken of the Government's desire to realise equitable distribution of its limited funds. More specifically, the Government's guideline calls for the urban renewal being, in principle, self-financing independent from the Government's development funding. It may therefore be said that the moderate and low classes of Kampung should be principally improved by the people's own efforts using the indirect, financial and institutional help of the Government. The extremely low class should be improved by continuous efforts by KIP and/or by means of so-called "slum clearance" subsidized by the Government as social welfare.

Apart from the classification of Kampung or real necessity for improvement, comprehensive urban renewal should be implemented in the areas dominantly influenced by priority infrastructure programmes or the area where there is existing or potential feasibility for commercial, business, or any other developments aimed at improving, revitalizing or remodelling its urban functions.

The housing development involved in such urban renewal should also take the role of providing a "receptacle" to resettle the inhabitants affected by such infrastructure programmes. It is also emphasised that the urban renewal should be designed to be self-financing insofar as practical, by realising cross-subsidization involving commercial, business or any other revenue-producing projects.

3.2 BASIC CONCEPTS OF URBAN RENEWAL

3.2.1 Prerequisite

As pointed out in the previous Interim Report, particular care should be directed to the following two aspects as the prerequisite for urban renewal projects in Jakarta.

- Urban renewal must be comprehensively planned to include in the projects:
 - improvement of poor standard housing and living environment chiefly from the standpoint of social welfare;
 - development or improvement of urban infrastructures; and
 - improvement and revitalization of urban functions to be designed in harmony with city planning in terms of preferred land use.
- Following the government's guidelines, urban renewal must be oriented to cater for the low-income group constituting a majority of the urban population, and at the same time must be tailored to be principally self-financing or financially independent from the government development funding.

These two aspects are essential to realise equitable distribution of development benefits accrued by urban renewal; to assure that the people involved should never be exploited by urban renewal; and to allow the government's continuous efforts for urban renewal to be mainly that of guiding the projects from the institutional and legal aspects.

3.2.2 Aims and Effects

The urban renewal can be defined as project by which the existing urban structure not meeting modern standards can be renovated, and deteriorated urban environment can be improved, thus aiming at remedying an ailing city for recuperation.

The city of Jakarta is predominantly characterised by the existence of overwhelmingly large number of Kampung which were often rural villages that have been engulfed by rapid urbanization and incorporated within the city.

Due to the incessant inflow of migrants from rural areas and the fact that more often than not Kampung have played the role of "receptacle" of such population inflow, living environment in most of Kampung have been seriously subjected to deterioration by overcrowded inhabitation.

The recent KIP has greatly contributed towards improvement of living environment, yet it should be regarded as a "transitional programme" aimed at assuring minimum standards for human settlement, and not necessarily linked with the concepts of

urban renewal.

Because of the existence of the Kampung which predominantly characterise the city of Jakarta in both qualitative and quantitative terms, urban renewal in Jakarta must be focussed on the improvement of Kampung to attain sound and effective use of land in harmony with the city planning. As the population density of most Kampung is already very high, highrise flats and communal use of land are essential to create space for development of public facilities or for other purposes. In planning the urban renewal in Kampung, care should be directed to the preservation of the existing neighbourhood community by rehousing as many inhabitants as possible after the renewal work.

In order to respond to the governments' guidelines on project financing, the introduction of "revenue-producing projects" to enable cross-subsidization, is considered to be very essential. In Indonesia, it is often said that there are socio-economically "dual structures"; one is urbane, modern (westernised) and relatively wealthy structure, whilst the other is rustic, conservative (traditional) and relatively poor structure. The cross-subsidization appears to be synonymous with the "cross-subsidization" between these dual structures; in other words, the cross-subsidization could become substantial only when such urbane, modern and wealthy structure (functions) can be incorporated in the urban renewal projects in the form of the revenue-producing projects.

The sites that necessitate urban renewal in Jakarta, may, even amongst Kampung, have different "faces", but in general, the aims and effects of the urban renewal in Jakarta can be summarised as shown in Fig. 3-3.

One of the important effects expected as a result of urban renewal, is the release of defunct or under-used government land, and to identify the state's right to the land. By adopting the right conversion system, the state's right can become even clearer and the government can manage the right in a way preferable for attaining equitable distribution of resources.

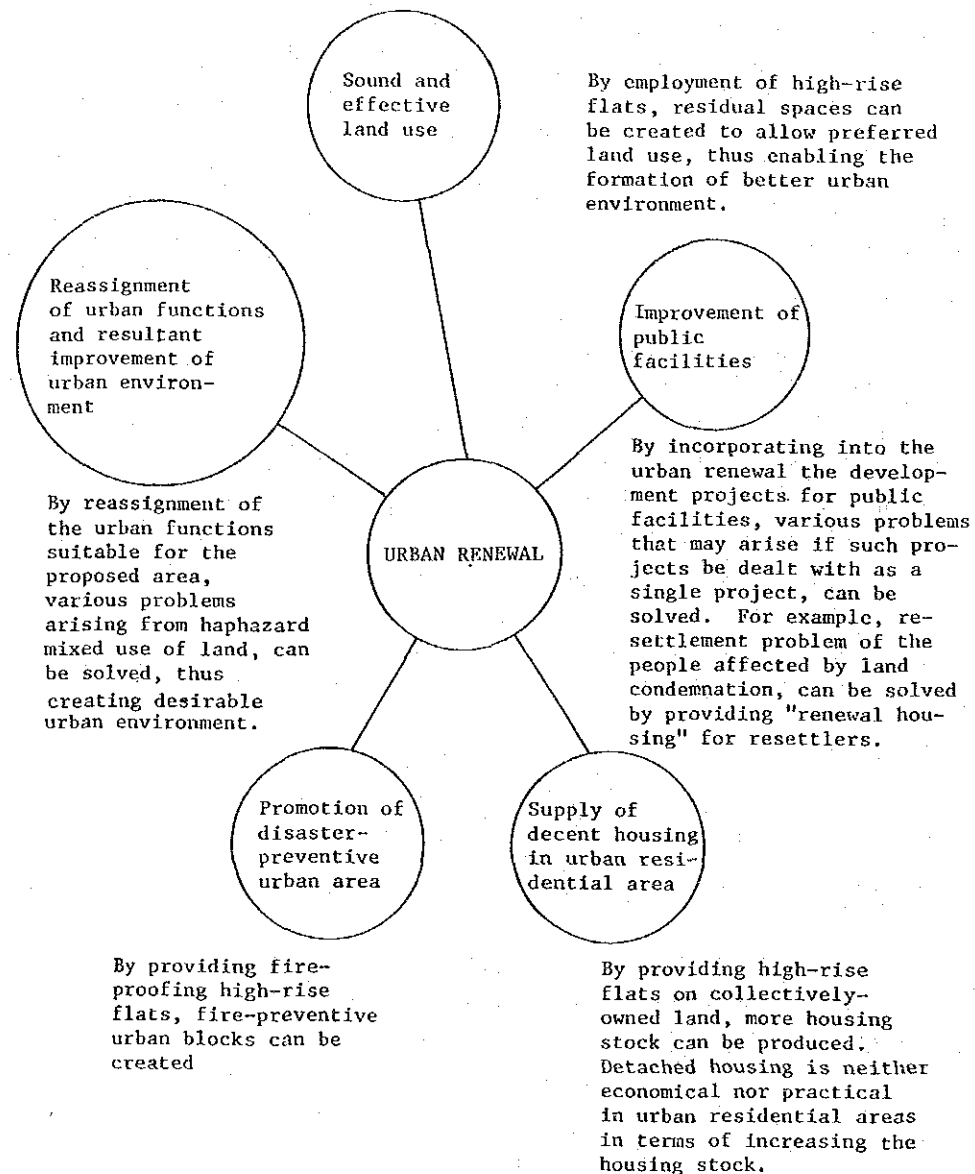


Fig. 3-3 AIMS AND EFFECTS OF URBAN RENEWAL

3.2.3 Aims and Effects

Other than the direct effects as described in 3.2.2 urban renewal can bring about the following indirect socio-economic benefits.

- Contribution towards national security
- Creation of employment opportunity
- Stimulation of domestic demands to activate urban economy
- Beautification of urban landscape

Unlike infrastructure development programmes such as the construction of highways, harbours, railways, etc. economic appraisal of urban renewal projects may face difficulties attributable to the following points.

- The prospective effects and benefits of urban renewal as already listed are by and large of the nature not quantifiable in money terms and have "intangible" merits which will defy quantification.
- Urban renewal will normally include the development of housing and commercial/office buildings which are often leased or sold to certain groups of persons or tenants. This is debatable in terms of the assurance of public benefits because of the particularization of the beneficiaries.

There appear to be no established ideas how to precisely evaluate the economic feasibility of urban renewal. In this context as a macro-evaluation, a concept called the Pareto Principle "only schemes where at least somebody is better off and nobody worse off should be allowed", could be applied to urban renewal projects, although this principle is still subject to the condition that the financial feasibility must be justified.

Later in this report, however, a concept for evaluating "development benefits" accrued by sound and effective use of land will be presented for the evaluation of economic feasibility of the proposed urban renewal projects.

3.3 URBAN RENEWAL PROCESS

The urban renewal process will be dependent upon who will be the implementation body; to what extent the implementation body will be involved; and what system will be adopted for implementation of the project.

There are a variety of alternatives, however, as explained later in this Chapter, taking the most feasible combination of thinkable alternatives, the following items listed in Table 3-4 are proposed as the basis for consideration as the process for the proposed urban renewal projects.

Table 3-4 PROPOSED METHOD OF PROJECT IMPLEMENTATION

Item	Contents
* Implementation agency	Directorate Cipta Karya, Ministry of Public Works
* Implementation body	PERUM PERUMNAS
* Authorized representative	Project management team made up on an ad-hoc basis, by consultants and counterpart staffs
* Range of involvement by the implementation body	A series of urban renewal activities commencing from the planning after the Government decision on project embarkation, through to the estate management at the post-renewal stage.
* Urban renewal system	Right conversion system
* Kind of project	City planning project approved by the Governor of DKI Jakarta

Fig. 3-5 shows the urban renewal process for the proposed projects. The projects will proceed in three stages that include five well defined phases:

Stage 1: Prerenewal

- Phase 1: Conception and initiation
- Phase 2: Evaluation and decision (preliminary renewal planning and programming*, government decision on project embarkation, and final renewal planning and programming).
 - * This JICA study will cover up to this point.
- Phase 3: Commitment (right conversion, agreements amongst the parties concerned).

Stage 2: Renewal

- Phase 4: Implementation (financing, leasing, design and construction).

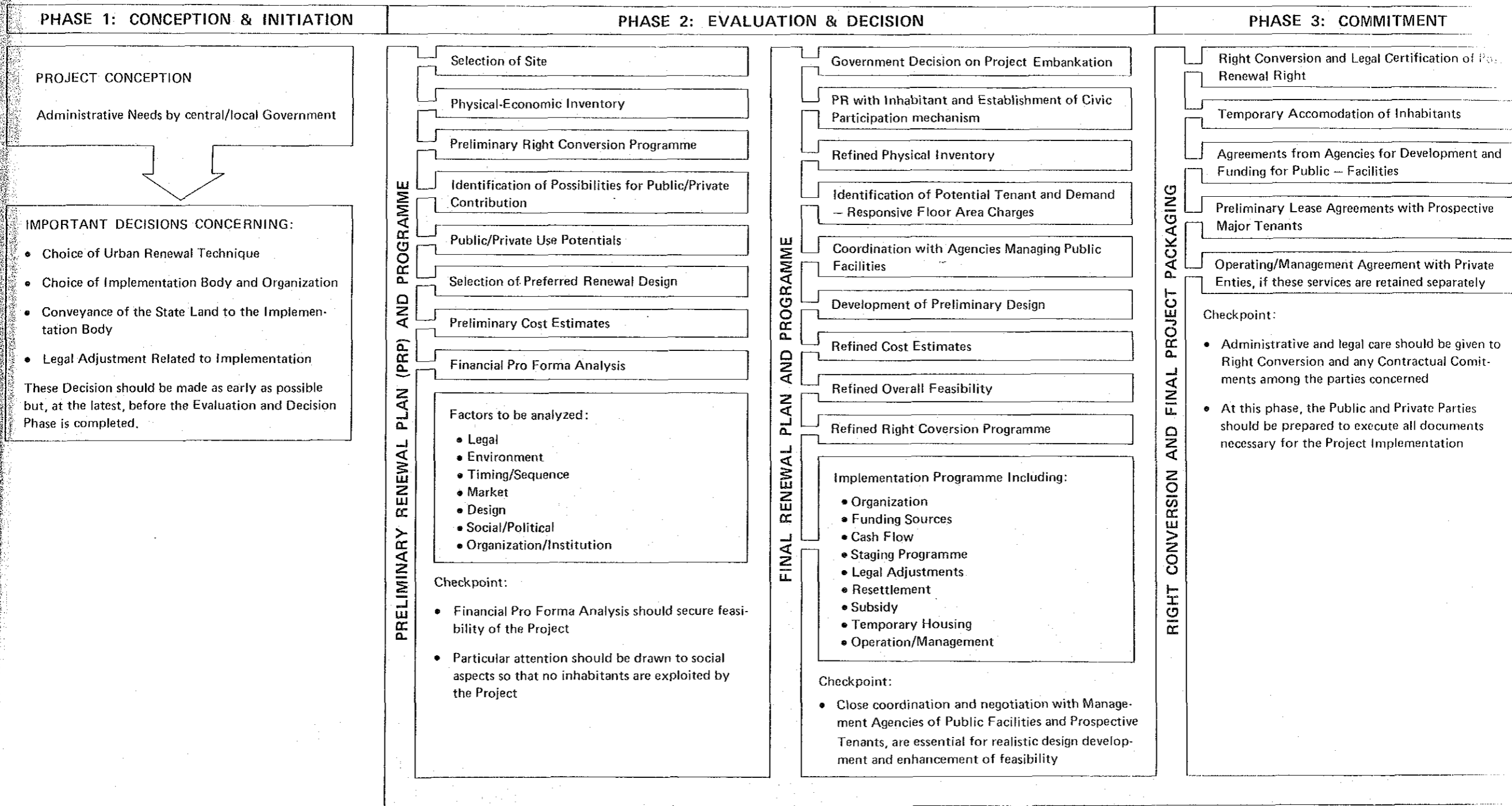
Stage 3: Post Renewal

- Phase 5: Management (management and maintenance of the project).

URBAN RENEWAL PROCESS : KEBON MELATI AND MANGGRAI

STAGE 1 : PRERENEWAL

STAGE



PROJECT STATUS (COMPLETED BY THE JICA STUDY) →

RENEWAL ACTIVITIES

KEBON MELATI AND MANGGARAI

PRERENEWAL

STAGE 2 : RENEWAL

STAGE 3 : POSTRENEWAL

2. EVALUATION & DECISION

PHASE 3: COMMITMENT

PHASE 4: IMPLEMENTATION

PHASE 5: MANAGEMENT

FINAL RENEWAL PLAN AND PROGRAMME

Government Decision on Project Embankation

PR with Inhabitant and Establishment of Civic Participation mechanism

Refined Physical Inventory

Identification of Potential Tenant and Demand – Responsive Floor Area Charges

Coordination with Agencies Managing Public Facilities

Development of Preliminary Design

Refined Cost Estimates

Refined Overall Feasibility

Refined Right Conversion Programme

Implementation Programme Including:

- Organization
- Funding Sources
- Cash Flow
- Staging Programme
- Legal Adjustments
- Resettlement
- Subsidy
- Temporary Housing
- Operation/Management

Checkpoint:

- Close coordination and negotiation with Management Agencies of Public Facilities and Prospective Tenants, are essential for realistic design development and enhancement of feasibility

RIGHT CONVERSION AND FINAL PROJECT PACKAGING

Right Conversion and Legal Certification of Post-Renewal Right

Temporary Accomodation of Inhabitants

Agreements from Agencies for Development and Funding for Public – Facilities

Preliminary Lease Agreements with Prospective Major Tenants

Operating/Management Agreement with Private Enties, if these services are retained separately

Checkpoint:

- Administrative and legal care should be given to Right Conversion and any Contractual Commitments among the parties concerned
- At this phase, the Public and Private Parties should be prepared to execute all documents necessary for the Project Implementation

RENEWAL ACTIVITIES

Project Financing

Development of Final Design:

- Final Architectural Drawings for Housing and Building
- Final Engineering Drawings for Civil Work
- Specifications
- Bid Document

Bidding and Selection of Contractor

Construction:

- Temporary Housing Construction
- Demolition and Removal of Housing and Building
- Site Preparation
- Building Construction
- Construction of Civil Work
- Acceptance of Work

Sales and Leasing of Residual Floors:

- Public Relations
- Advertising
- Selection of Tenant
- Sales of Residual Floors
- Sales and Leasing terms and Instruments

Liquidation of Equity Payment

Checkpoint:

- Development of Final Design and Construction should adhere to the Preliminary Plan and Programme in terms of the time and cost

OPERATION, MANAGEMENT AND MAINTENANCE

Operation, Management and Maintenance Activities:

- Contractual Agreement
- Provision of Service
- Implementation Body/Private Entities as Manager, if any/Tenants Relationships
- Marketing and Promotion
- Maintenance

Checkpoint:

- Estate Operation and Management by Public Entity often fails to generate any response from Public or Private Sector due to legal constraints. This must be overcome if the Public Implementation Body be involved also as a Manager. One solution to overcome this is to use professionals specialized in this field.

FIG. 3-5 URBAN RENEWAL PROCESS: MANGGARAI AND KEBON MELATI

3.4 RIGHT CONVERSION SYSTEM

3.4.1 General

When implementing urban renewal projects in a built-up urban area, there are three methods to acquire the necessary land for the projects.

Purchase-of-Land Method

This is the conventional method to acquire the necessary land for public projects. In a built-up urban area, particularly densely populated, over-crowded urban residential areas like Kampung, this method appears to be less workable due to difficulties in evaluating the piece-meal rights of the people on the fragmentary land ownership before renewal.

Moreover, as experienced in the project in Kebon Kacang, this method is likely to result in the dislocation of many inhabitants mainly because they tend to use the payment (received as compensation) for other purposes and this makes them unable to purchase new houses. As pointed out in the Interim Report, this dislocation of many inhabitants is a crucial problem in that the amount paid for compensation cannot be recovered for reinvestment in the projects, thus making worse the cash-flow of the project. As a result, one of the important objectives (to provide the poor people with decent housing) becomes abortive.

Rights Conversion Method

To avoid the disadvantages of the purchase-of-land method as above mentioned, this method was developed originally from the method of "land readjustment" (KUKAKU-SEIRI). In this method, the rights of the land and buildings before renewal are converted to the new rights after renewal.

The supreme objective of this method is to make the best possible effort to form an agreement for the urban renewal project amongst the inhabitants involved, thus aiming at maximising resettlement rate. On the one hand, to respect the formation of a consensus leads to a likelihood of the urban renewal by civic association, on the other hand, this method may possibly take a long time before the start-up of the project.

Reserved Right-Conversion Method

This is a variation of the right-conversion method by introducing the merits of the purchase-of-land method. In this method, the rights before renewal are once purchased and the payments are deposited until requested by the rightholders to withdraw the amount for dislocation. For those who request to be resettled in new

houses, the rights after renewal will be provided in the same manner as the ordinary right conversion method.

This method might be more practical to assure the people of their freedom of choice as to dislocation or resettlement, however, the implementation body has to bear the burden of heavier initial investment.

This method is suitable for the project in which public purposes precede the inhabitants' intention. The fact that the land should be purchased at the beginning stage, holds the implementation body responsible to complete the project within a certain period, which will in turn make the implementation body urge progress rather than honour the formation of a consensus. As a consequence, resettlement rate would become lower than that expected in the right conversion method.

In this report, the right conversion method is recommended as best suited for the proposed projects in that the method would maximise the resettlement rate and thus minimise the financial burden of the implementation body.

3.4.2 Right Conversion Method

In accordance with the right conversion system, the rights before renewal will be converted to the rights after renewal as shown in Fig. 3-6.

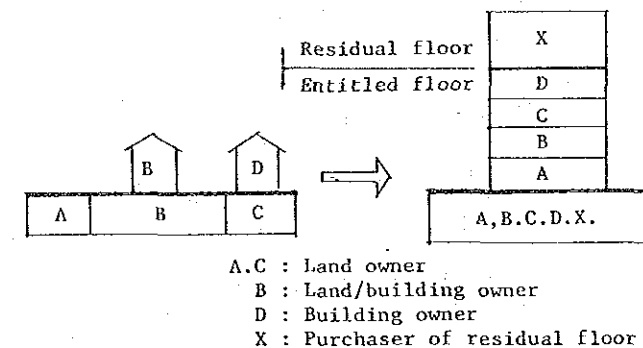


Fig. 3-6 RIGHT CONVERSION SYSTEM

The rights of the land severally owned before renewal are consolidated into the right on a parcel of land and collectively owned by the rightholders after renewal.

According to this method, the land ownership of the state can also be made clear and converted to the rights after renewal. More specifically, the Government can also enjoy the development benefits in the form of obtaining part of the entitled floor in proportion to its rights before renewal. This government's entitled floor can

be allocated for use of public facilities (e.g. school, clinic, nursery, public hall, etc.) or for supply of housing to the low-income people to serve as social welfare.

The detailed explanation and criteria on the right conversion will be given in Chapter 4.

3.4.3 System of Right Conversion

Urban renewal projects rely on the cooperation amongst the inhabitants, purchasers of residual floor and the local government. Financial feasibilities of the projects are dependent on the sales revenues of the residual floor produced by effective use of the land. By doing so, the inhabitants involved can obtain part of the floor (buildings) as the post-renewal properties which correspond to the pre-renewal rights (ownership of land and/or buildings); the right conversion implies a system of exchanging the rights before renewal to those after renewal.

Since many persons or groups are thus involved in the right conversion, urban renewal laws that prescribe various regulations such for approval of projects, registration of estates, collective ownership of land, etc., become necessary so that the right-holders can be always assured of their rights and the projects can be implemented smoothly without being suspended for any reason.

3.5 FINANCIAL ANALYSIS

3.5.1 General

Financial planning should respect the government's guideline that urban renewal projects should be, in principle, self-financing or financially independent of the government's development funding.

However, the self-financing appears to be a conflicting requirement when considering another guideline that urban renewal projects should cater for the low-income group of urban population who cannot afford, without the government's help, to improve their living conditions.

Moreover, when considering the urban renewal projects that include improvement of public facilities, it is quite reasonable that the government agencies or public corporations who are responsible for such public facilities should pay the costs of the improvement. This is because, regardless of the urban renewal projects, the costs of these improvements must be incurred by them at some time. There remains a question as to whether the improvements should be implemented "at the same time" in view of the varying priority rankings in the different agencies.

Consequently, so long as the urban renewal projects include the improvement of poor-standard housing of the low-income group from the standpoint of social welfare and the improvement of public facilities, the government's non-involvement in financial terms appears to be neither realistic nor reasonable. The point is how the government can effectively and efficiently support the projects at the least possible cost.

The proposed financial planning, which follows, highlights the right conversion system, cross-subsidization from revenue-producing projects, a system for a governmental subsidy, and a system for the defrayment that should be incurred by the respective governmental agencies or public corporations responsible for the public facilities.

3.5.2 Financial Planning

The expenses to be incurred by the implementation body are as follows :

- Compensation for the land and buildings, to be paid to the rightholders who will be dislocated to other places without being resettled.
- Compensation for any loss or damage incurred by the rightholders during the course of construction, such as compensation for suspension of trading, temporary housing, etc.

- Implementation expenses for planning and design, construction of public facilities and housing/buildings, interests against loan, etc.

Whereas, the revenues that shall be recovered by the implementation body, are as follows:

- Revenue from lease or sales of the residual floor or land which are normally developed for commercial or business use in expectation of higher productivity.
- Subsidy from the government which covers part of the compensations of the first two above, and part of the implementation expenses of the above. (In the case of Japan, normally shared by both local and central government equally but the subsidy from the central government is granted to the implementation body through the local government).
- Defrayments from the management agencies responsible for public facilities, the maximum amount of which is estimated on the assumption that the improvement would be done as an independent project by the "purchase-of-land" method. (In the case of Japan the central government pays 2/3 of the amount through the management agencies and the management agencies pay the remaining 1/3).

Fig. 3-7 shows the relation between pre- and post-status of the urban renewal.

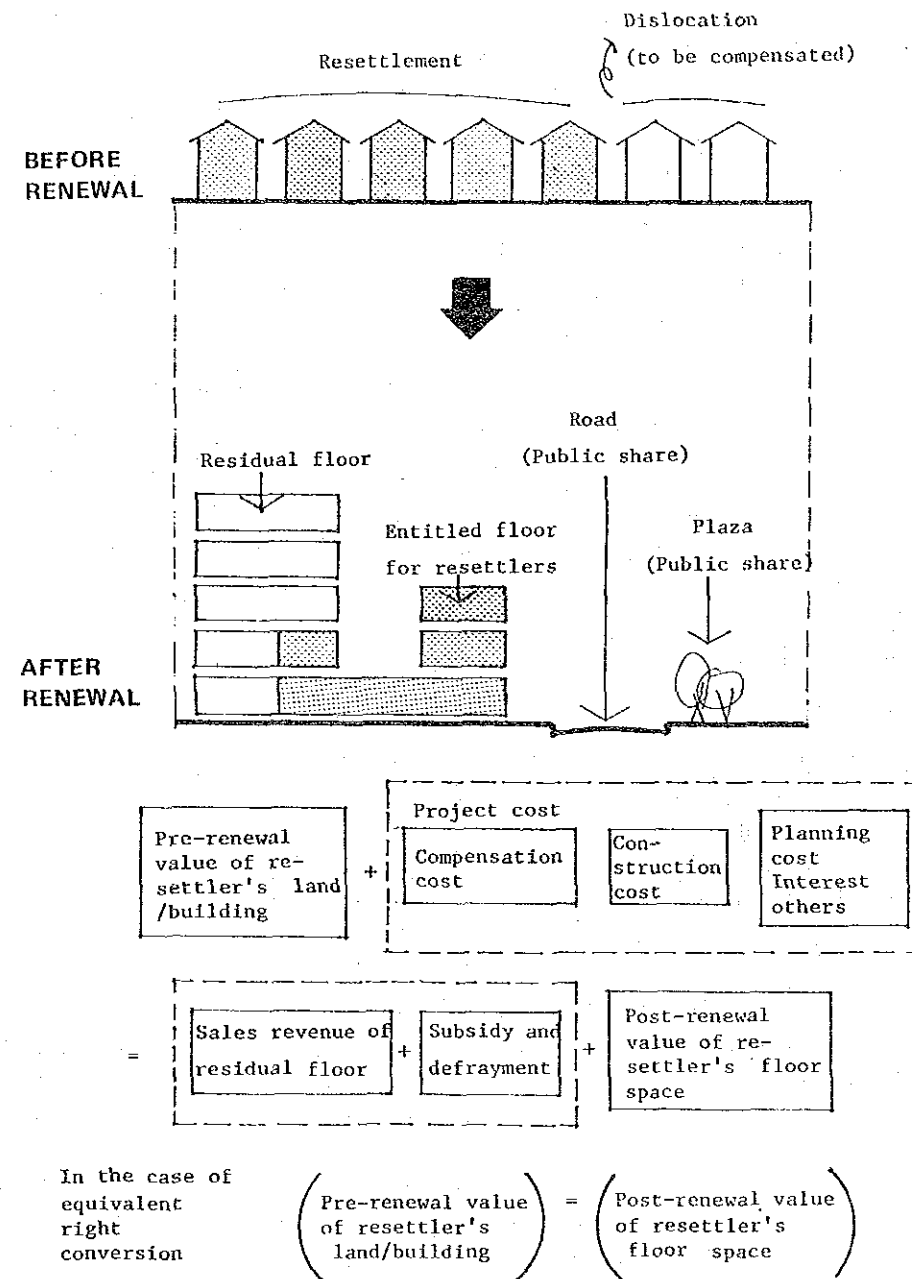


Fig. 3-7 RELATION BETWEEN "PROJECT" AND "FINANCE"

3.6 ORGANIZATION AND COORDINATION FOR URBAN RENEWAL

3.6.1 Organization

Organizations for urban renewal can be structured in various ways as described below and all of them designed to encourage private investment.

- DKI Jakarta (e.g. Public Works Department – Dinas Pekerjaan Umum, City Planning Department – Dinas Tata Kota, or a combination of both; or a new Dinas/Biro or ad hoc task force for urban renewal) has direct access to municipal funds and the ability to make grants but is subject to civil service constraints, political pressures, and certain state or local laws that may limit its ability to engage directly in real estate development.
- PERUM PERUMANAS, as a public corporation, can directly engage in such a comprehensive urban renewal project and there is no legal constraints to limit its ability only to develop housing. It can utilize its past experiences in housing development in Kebon Kacang, Tanah Abang and other places, but may lack experience in development or management of commercial/office buildings, thus necessitating strengthening of its ability to cope with this new type of comprehensive urban renewal programme. Also it has access to the Directorate General Cipta Karya, Ministry of Public Works, concerning arrangements of financial assistance from overseas lending agencies.
- Quasi-public entities (e.g. P.D. Pembangunan Sarana Jaya) are legally constituted private non profit corporations, distinct from municipal agencies, and enjoy administrative autonomy combined with some degree of political accountability. They have access to important development powers typically limited to municipalities, and have some financial supports, but usually lack the degree of political accountability that municipal agencies such as DKI Jakarta have.
- Civic associations established by a group of rightholders, to implement urban renewal projects. (In Japan, the associations must be established in accordance with the Urban Renewal Laws, and the group shall represent more than 2/3 of the rightholders who own the rights in the proposed site).

Amongst the above prospective organizations, civic associations appear to be inappropriate as an implementation body, particularly for the project in Manggarai. The scale of the project may exceed their technical and financial capabilities, their self-centred attitudes and their limited access to governmental supports may not suit the development of related urban infrastructures and low-cost housing for resettlers.

However, in view of the ultimate target of urban renewal projects being the encouragement of private investment, a system in which larger roles can be taken by civic associations should be pursued in future projects.

In consideration of the experiences in implementing K.I.P., P.D.P. (Provincial Development Projects) and INPRES projects, the local government (DKI Jakarta) directly responsible for the city problems should be the implementation agency for urban renewal projects.

However, urban renewal projects in Jakarta normally require intensive development of urban infrastructures, such as sewerage, drainage, road/street, railway, etc., and these developments are financially and technically controlled by the central government agencies, particularly by the Ministry of Public Works.

Therefore, as far as the proposed urban renewal projects are concerned, it is proposed that the Directorate General of Cipta Karya, the Ministry of Public Works, will be best suited as the implementation agency and the actual execution assumed by PERUM PERUMNAS as the implementation body. In this case, Cipta Karya should be responsible for preparation of the planning and design criteria, coordination with other related agencies particularly DKI Jakarta, arrangement of finance, technical assistance and administrative superintendence to PERUM PERUMNAS, etc.

The responsibility for review, up-dating and readjustment of prevalent laws and institutions related to urban renewal projects should also rest with Cipta Karya.

To augment the project management capability of PERUM PERUMNAS, a project management team consisting of consultants and counterpart staffs, is suggested. The consultants may include the experts on right conversion, estate management, real estate appraisal, marketing demand forecast, project account and finance, architecture and engineering, etc.

In the light of the future involvement of DKI Jakarta in urban renewal projects, a number of staff from DKI Jakarta should participate in the project management team to gain experience in urban renewal techniques.

Fig. 3-8 shows the organization recommended for implementing the proposed urban renewal projects in Kebon Melati and Manggarai.

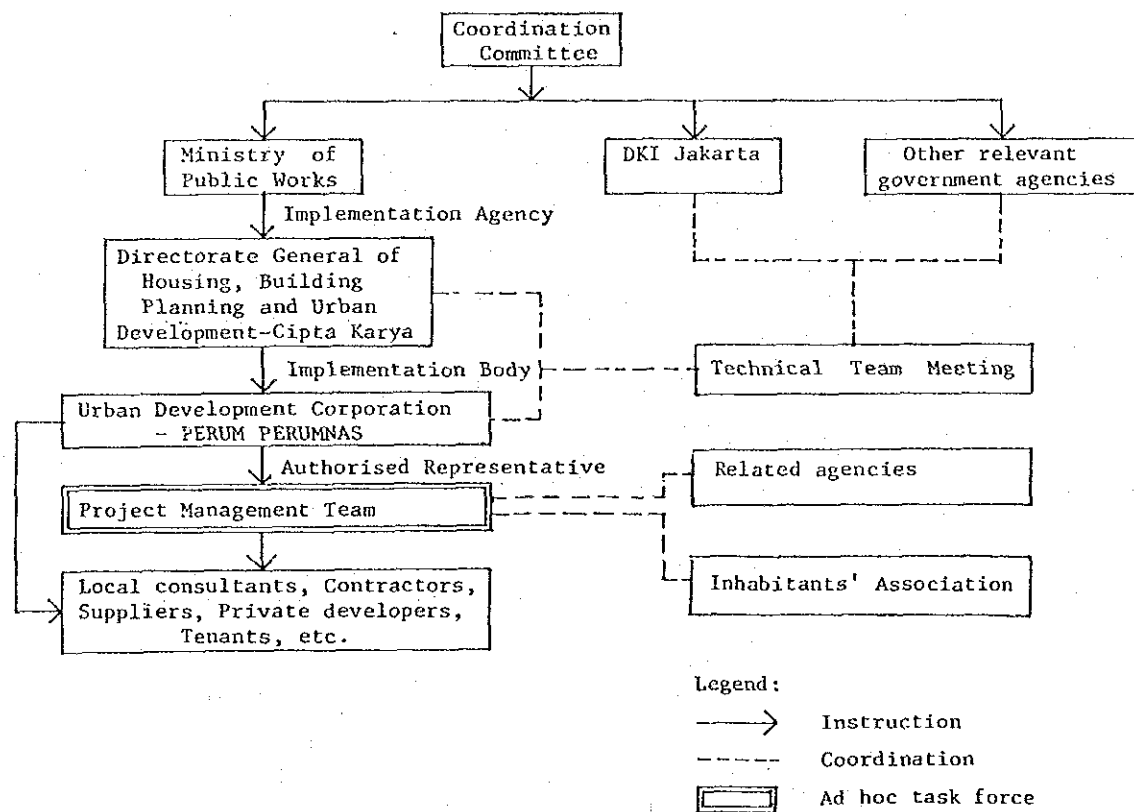


Fig. 3-8 ORGANIZATION FOR IMPLEMENTATION

So long as the urban renewal is a project that belongs to city planning projects, a variety of administrative arrangements necessary for the implementation of urban renewal have to be made by the local government responsible for the city planning. In this context, many important roles shall be taken by DKI Jakarta from the very beginning through to the end of the project. The involvements of DKI Jakarta will be made under the name of the Governor and shall cover amongst others the following items.

- The Governor shall examine and modify, if necessary, the proposed urban renewal plan in terms of its consistency with the city planning, and upon confirmation of adequacy, approve the plan as the one authorised by the Governor.
- Prior to the authorisation, the Governor shall consult with the Government Agency responsible for the national development planning (either BAPPENAS or Ministry of Public Works) as to the consistency with the national development policy related to the project.

- The draft final plan shall be disposed for public inspection for certain period to collect the opinions from the inhabitants or the persons or parties directly or indirectly involved, and the opinions collected shall be subjected to the consideration of an "urban renewal committee" organized by the Governor.
- After the decision by the committee, the draft final plan will also be approved by the Government Agency responsible for the national development planning.
- The Governor shall examine and modify, if necessary, the proposed right conversion plan and authorise it for implementation. The authorised right conversion plan will be put into execution by the implementation body in close coordination with the Directorate of Agrarian Affairs of DKI Jakarta, utilising the functions of the existing Land Acquisition Committee.
- The Governor shall examine and modify, if necessary, the planning and design of housing, commercial buildings, public buildings and facilities, etc. basically in accordance with the criteria and regulations of DKI Jakarta but directing special considerations to the characteristics of the project.

In the light of the responsibilities to be held by DKI Jakarta, it would be greatly advantageous that DKI Jakarta will directly involve in the implementation of the project. In this case, an alternative organization to support this concept will be recommended as shown in Fig. 3-9.

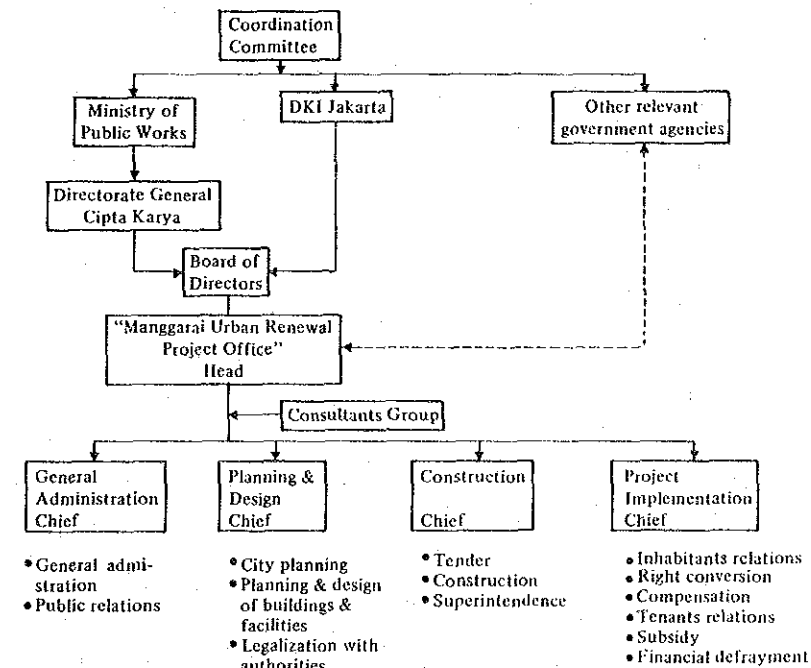


Fig. 3-9 ALTERNATIVE ORGANIZATION

In this connection, important points are to establish a quick decision-making mechanism impartially reflecting the various needs of both the local and central governments, and to effectively and efficiently share the responsibilities amongst the parties involved.

The above organization should be structured progressively as the project proceeds substantially. As to the organization required for maintenance, reference is made to 5.3.7 of this Volume.

3.6.2 Coordination with Relevant Agencies

To smoothly implement the urban renewal project, it is essential to keep close coordination between the relevant agencies so that the plans and programmes for development/improvement, operation and management of public facilities which have been established by the respective agencies, should be properly incorporated in the project.

For this coordination purpose, the Project Management Team should have frequent coordination meetings with the relevant agencies to determine intentions and opinions on the project and thus assure adequate adjustments of the implementation plan.

The following is the list of the relevant agencies which may require such coordination.

		Name of Agencies	
City Planning	Regulations on city planning	• Prevailing and future regulations on site	• DTK/Biro Pembangunan
	Improvement programmes on related public facilities	• Street/station-front plaza • River • Park	• DTK/Biro Pembangunan/DPU/Bina Marga PU • Pengairan PU/Kopro Banjir • DPKK
Traffic Planning	Improvement programmes on transportation facilities	• Railway	• Bina Marga, DPU • DTK • DLLAJR • Perhubungan Darat (PJKA)
	Transportation planning	• Passenger and cargo	
Industrial planning		• Existing shop and home industry in the site to be planned • Revenue-producing projects	• Dinas Perindustrian
Financial planning	Financial support from central and local governments	• Subsidy • Defrayment for improvement of public facilities	• BAPPENAS/Pemda DKI • Pemda DKI
	Loan conditions of banking organs	• Loan institution for public projects • Loan conditions of private banks • Loan institution for purchasing housing • Arrangement of loan from international lending agencies	• Departemen Keuangan/BAPPENAS • BTN/PT Papan Sejahtera • Departemen Keuangan/BAPPENAS
Compensation and Construction relations	Conditions for compensation	• Land price • Compensation standards	• Dit. Agraria/D. J. PUOD • Dit. Agraria (Pemda committee)
	Conditions for development of public housing	• Units, housing scale • Sales price • Implementation utility • Construction schedule	• Perumnas/Men. Neg. Perumahan/Dit. Perumahan do do do
Community facilities relations	On-going plans and programmes	• Overall adjustment • School • Mosque • Police • Post Office	• Pemda DKI • Pemda DKI/Dep. P&K • Pemda DKI • Pemda DKI • Pemda DKI/Dept. P.T.P.
	Adjustment of improvement grade and level	• Others	• Pemda DKI/Dep. concerned

BAPPENAS	: Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
B.T.N.	: Bank Tabungan Negara (National Saving Bank)
Dep. Keu.	: Department Keuangan (Ministry of Finance)
Dep. P.T.P.	: Department Pos Telekomunikasi & Pariwisata (Ministry of Posts, Telecommunications and Tourism)
Dep. P & K	: Department Pendidikan dan Kebudayaan (Ministry of Education and Culture)
D.J. PUOD	: Direktorat Jenderal Pemerintahan Umum dan Otonomi Daerah (Directorate General of Public Administration and Regional Autonomy – Ministry of Home Affairs)
DLLAJR	: Dinas Lalu Lintas & Angkutan Jalan Raya DKI (Transportation and Major Roads Traffic Dept. of DKI)
DPKK	: Dinas Pertamanan & Keindahan Kota DKI (Park and City Beautification Dept. of DKI)
DPU	: Dinas Pekerjaan Umum DKI (Public Works Dept. of DKI)
DTK	: Dinas Tata Kota DKI (City Planning Dept. of DKI)
Kopro Banjir	: Komando Proyek Pengendalian Banjir Jakarta Raya (Jakarta Flood Control Project)
PJKA	: Perusahaan Jawatan Kereta Api (State Railways Enterprise)
Biro Pembangunan	: Biro Bina Pembangunan Daerah (Bureau of Regional Development – DKI)
Bina Marga	: Direktorat Jenderal Bina Marga (Directorate General of Highways – Ministry of Public Works)
Pengairan	: Direktorat Jenderal Pengairan (Directorate General of Water Resources)
Perhubungan Darat	: Direktorat Jenderal Perhubungan Darat (Directorate General of Land Transport)
Dinas Perindustrian	: Dinas Perindustrian DKI (Industrial Dept. of DKI)
Pemda DKI	: Badan Perencanaan Pembangunan Daerah (Regional Development Planning Agency – DKI)
Dit. Agraria	: Direktorat Agraria DKI (Directorate of Agrarian Affairs of DKI)
Men. Neg. Perumahan	: Menteri Negeri Perumahan (Minister of State in charge of Housing)

3.7. LEGAL ADJUSTMENTS

3.7.1 General

In conjunction with the necessity of urban renewal in major cities in Indonesia, attempts have already been made by the Government to search for a comprehensive system to attain “land consolidation” in an urban area. Although resolving the land problem is always a difficult political subject in any country, and in line with the Government action, the present mechanism, such as land ownership pattern, related taxation system, land acquisition system for public works, land consolidation method, real estate market, relevant laws and institutions, etc., will be reviewed and updated.

Within the future framework of the land policy or development policy at both national and regional levels, urban renewal can be properly positioned with the necessary legal and institutional adjustments.

However, as far as the proposed urban renewal projects are concerned, the start-up of the projects cannot wait until everything becomes ready, and in this context, provisional legal and institutional adjustments that may be required, should be made. Importance lies in initiating and implementing an urban renewal project as a model project and experiencing real problems in the course of the project for legal, institutional and organizational adjustments for future project implementations.

The following are the items of such legal and institutional adjustments considered mandatory for the implementation of projects.

3.7.2 City Planning Law

Urban renewal is a city planning project and as such, it should be always examined for its consistency with the city plan. The city planning normally stipulates the land-use scheme by zones together with some restrictive regulations against development.

For example, in the case of Japan, the urban renewal law stipulates that the site of the projects to be implemented by the right conversion method, should meet the following criteria.

- The site must be located in the designated “effective-use” area (where max. and min. F.A.R., max. coverage ratio, and min. coverage area are regulated).
- The total coverage area of fireproof buildings of more than 3 storeys, is to be less than 1/3 of the total coverage area of all buildings in the site.
- The site should seriously lack public facilities and present inadequate land use due to piecemeal ownership of the land.

- Effective future use of the land must contribute towards an improvement of urban functions.

In order to selectively approve the urban renewal projects in line with the city planning, criteria for site conditions similar to those above should be established.

3.7.3 Urban Renewal Law

Apart from the comprehensive laws, the following items should be legally adjusted.

- Right conversion

Legalization of official registration of the rights, publication of the project proposals, establishment of civic association, right conversion process, collective ownership of land and buildings, liquidation of equity payment, etc.

- Use of the state land

Although there exists a valid law concerning the state land (Nr. 14, 1953. TANAH-TANAH NEGARA PENGUASAAN – Government's Regulation No. 8, year 1953, concerning domination of state land), it should be reviewed and updated to be responsive to the present requirements for the use of state land. When considering initiation of an urban renewal project, the effective use of the state land, if any, is of paramount importance for successful implementation.

3.7.4 Design and Building Codes

In consideration of the characteristics of urban renewal projects aimed at effective use of urban land, design and building codes will require regulations permitting exceptions, mainly to relax the regulations for the public purpose, such as limitation of building heights, floor area ratio, coverage ratio, etc.

3.7.5 Institutional Adjustments

Government Subsidies

As pointed out previously, the urban renewal projects in Jakarta should include the improvement of poor standard housing of the low-income group from the standpoint of social welfare. Because of this reason, Governmental support of the projects is essential, although the Government's financial burden may be mitigated by the cross-subsidization from revenue-producing projects. Conversely, Government subsidy is also essential to encourage or induce private investment to the revenue-producing projects, particularly in the case where private developers or housing co-operatives (civil associations) will implement urban renewal projects in future.

In Japan, the Governmental subsidy is granted for the following reasons (detailed explanations will be given in Chapter 4).

- Encouragement of urban renewal projects.
- Compensation for the loss or damage suffered by the people due to the projects (Suspension of trading, temporary housing, etc.)
- Compensation for extra costs needed to develop a built-up area (planning and design of the right conversion, land preparation, etc.)
- Financial share for the costs paid for the construction of the facilities for public use (open space, corridor, lift, stair-case, utilities, public hall, etc.).

Defrayments from the Management Agencies for Public Facilities

Firstly it should be systemized that once an urban renewal project is approved by the statutory authority (either the Governor or the Minister of Public Works, or both), respective management agencies should share the costs included by the implementation body in carrying out related projects for public facilities.

Secondly, criteria should be established to clarify which or what part of public facilities are to be regarded as the projects justifiable for such defrayments.

Thirdly, an institutional system should be provided to evaluate the costs to be shared by respective management agencies (determination of defrayments). In Japan, the maximum amount is estimated on the assumption that the project would be done as an independent project by the "Purchase-of-land" method, and the central Government pays 2/3 of the amount through the management agency and the management agency pays the remaining 1/3).

Taxation

Against the expenditures of the Government in the form of subsidy or defrayment, the Government has to search for financial sources. Although there is a taxation system on the estate development, such as IPEDA, overall balance between revenue and expenditure appears to be far from an acceptable level. More comprehensive municipal taxation system including a sort of "city planning tax" must be established to recover the costs for urban renewal projects in the long term.

Funding System by Public Banking Organs

As the urban renewal is a project of the city planning, it should be regarded as quasi-public work and as such, it should be justified that public banking organs (e.g. B.T.

N.) render a subsidized loan to the implementation body or the persons or the parties involved. Urban renewal projects can not be successfully implemented unless the appropriate financing institutions have been established.

3.7.6 Condominium Law

At the time of preparing this report, the Government is preparing a draft condominium law which must be subject to the Cabinet's approval before taking effect. The condominium law should stipulate the regulations on the maintenance of communal housing (flats), particularly equipment like water-pumping and elevator facilities. The law should also stipulate the conditions for reconstruction in future. (In Japan, recent amendment of the law permits reconstruction of flats provided that 3/4 of the residents agree to it).

3.8 CHOICE OF ALTERNATIVE CONCEPTS

3.8.1 General

An urban renewal project has the nature of improving the existing urban structure of the selected limited area in pursuance of an area redevelopment plan (structure plan). In planning the project, the choice of alternative concepts is normally narrowed down because of the limitations of existing demographic, geographic, socio-economic, planologic, methodologic features and constraints attached to the site.

However, although there might not be alternative concepts characteristically distinct from one another, the ultimate plan should be the result of the scrutiny of various alternatives. In the following Section, the flow of such choice of alternative concepts is explained.

3.8.2 Choice of Alternatives

Fig. 3-10 shows the flow chart of the choice of alternatives, linked to the flow of the Stage-II Study starting from inventory surveys through to the establishment of a preliminary urban renewal plan. Before arriving at the ultimate plan, plans are examined for desirability through the two processes as shown in the Figure, one is "macro-setting" for the concept plan and the other is "micro-setting" for the preliminary urban renewal plan.

Table 3-11 shows the alternatives on the major items chosen in the study process.

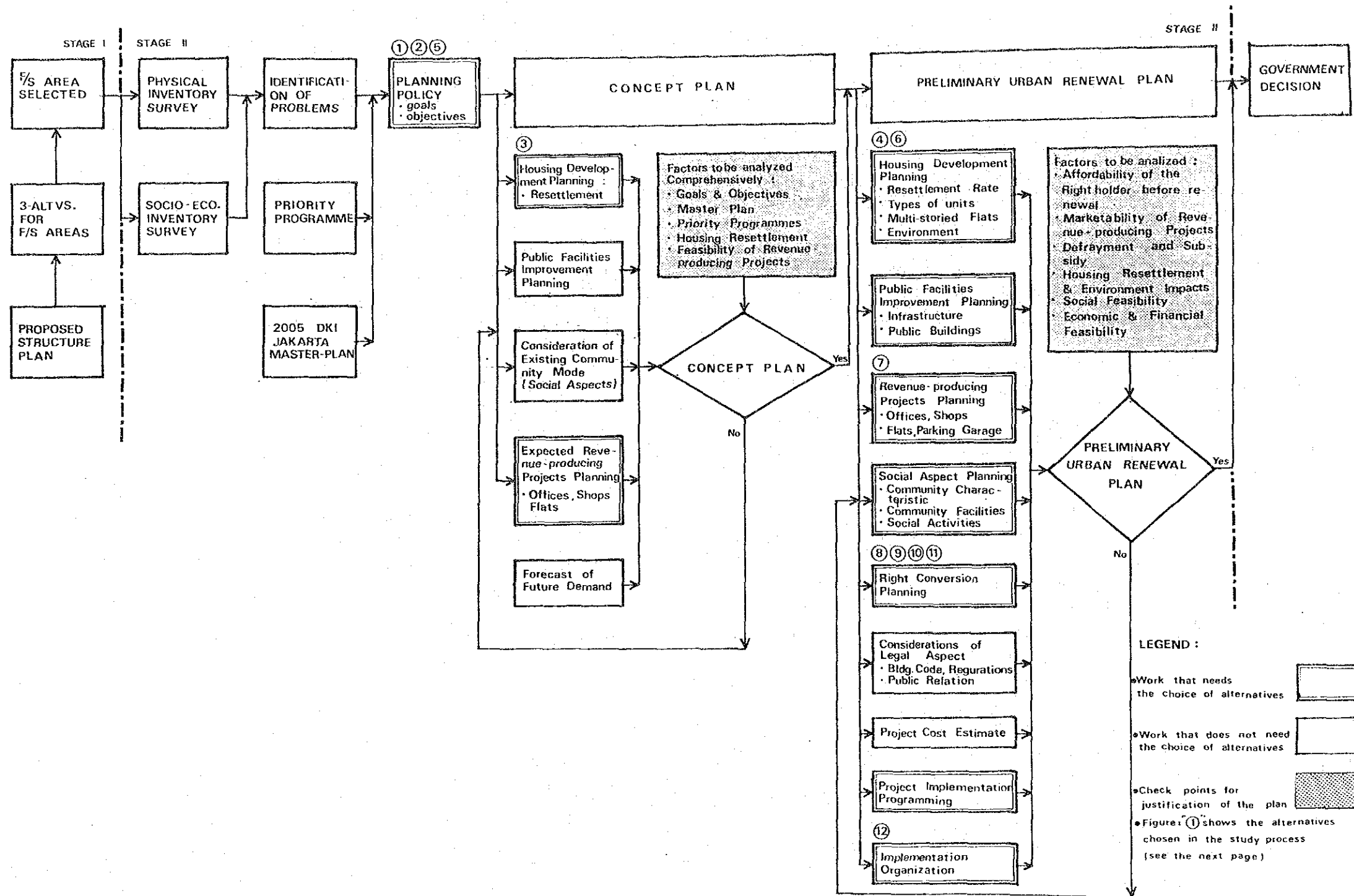


Fig. 3-10 FLOW CHART OF THE CHOICE OF ALTERNATIVES: PRELIMINARY URBAN RENEWAL PLAN (P.U.R.P.)

Table 3-11 ALTERNATIVES CHOSEN IN THE STUDY PROCESS

☐ : Chosen alternatives

1 REGIONAL SETTING	2 CHARACTERISTICS OF URBAN RENEWAL	3 HEIGHT OF BUILDING	4 HOUSING LOT PLANNING	5 IMPLEMENTATION METHOD	6 RESETTLEMENT RATE
a. City centre or sub-centre type b. District centre type c. Other functional assignments	a. Predominantly linked with infrastructure improvements b. Aimed at improving housing and building	a. High-rise bldg. b. Mid-rise bldg. c. Low-rise bldg.	a. Open-gallery type b. Single-corridor type c. Staircase type d. Twin-corridor type e. Inner corridor type f. Court type	a. Purchase-of-land b. Right conversion c. Reserved right conversion	a. 100% b. 75% c. 50%
Manggarai is characterized as a city sub-centre, whilst Kebon Melati as an urban residential area	Both project sites need incorporation of infrastructure improvements into the proposed urban renewal projects	To realise sound and effective land use, it is essential to employ high-rise buildings from economic and physical aspects	Open-gallery type is chosen in that it enables dense layout of buildings, preserving existing neighbourhood atmosphere	Right conversion method is chosen in that it lessens initial investment, raises resettlement rate and enables equitable distribution of development benefits	Referring to the socio-economic survey data, 75% is employed as a reasonable maximum rate that may likely happen
7 REVENUE-PRODUCING BUILDINGS	8 ECONOMIC FEASIBILITY	9 SUBSIDY SYSTEM	10 DEFRAYMENT	11 RIGHT CONVERSION	12 IMPLEMENTATION ORGANIZATION
a. No b. Yes Commercial Office Hotel Housing Others	Regarding tangible benefit a. Development benefits by effective land use b. Benefits from infra improvement c. Other benefits	a. Selective subsidy b. Lump sum c. Deficit-pay	a. Yes b. No	Regarding public land a. Converted as a right before renewal b. Not converted	a. PERUMNAS b. DKI Jakarta c. Quasi-public corporation d. Civil association
Project in Manggarai includes commercial, office and hotel facilities to satisfy sub-centre functions. Whilst, project in Kebon Melati includes neighbourhood shops and office buildings	The above two benefits are quantified in monetary terms and other benefits are dealt with as intangible benefits that defy quantification	Subsidy must be selectively applied to the items which are particularly required for urban renewal projects, taking into consideration the public benefits that may be accrued by the projects	One of the important aims of the urban renewal is to improve related infrastructure simultaneously. This may justify the financial defrayed costs of the respective agencies responsible for the public facility	The value on land before renewal are converted to the right on floor after renewal. The value on land is to be shared by the state against its right, thus the entitled floor after renewal is proportionally shared by the state	a. or b. is preferred in consideration of public purpose. Of a. and b., a. is recommended because of its experiences in housing development and accountability for urban development

3.9 ADVANCE ACTIVITIES TO BE TAKEN BY THE GOVERNMENT

As noted in Fig. 3-5 URBAN RENEWAL PROCESS, first of all, the important decisions concerning the following items should be made as early as possible.

Choice of Urban Renewal Technique

Principal methods of implementation such as right conversion method or purchase-of-land method, institutional system of government subsidy and financial defrayment from other agencies for improving public facilities, financing system to the project, real estate operation and management after completion, etc. shall be thoroughly discussed and decided to form a basic policy.

Choice of Implementation Body and Organization

It is a matter of primary importance to appoint the implementation body directly responsible for the project and to establish a cooperative and coordinative organization involving all the government agencies concerned.

Conveyance of the State Land to the Implementation Body

Whether the state land in the site can be utilised for the project; whether the empty lots in and around the site can be utilised for the construction of temporary housing; what sort of conditions shall be attached to the utilization of such land or lots; or how long they can be utilised; these are decisive issues that may influence the feasibility of the project. A consensus regarding these issues amongst the government agencies concerned, should be formed as soon as possible.

Legal Adjustment Related to Implementation

The adjustment which may be minimum required should be made as soon as possible by means of issuance of the decree or ordinance from the statutory authorities, in relation with the right conversion system, registration of collective land and building ownership, control of development activities and transactions of land in the site to prevent speculation, safeguard against the rights of the inhabitants, etc.

Before commencement of the substantial works for implementation, other than the items as above mentioned, the following activities can be taken by the Government or the implementation body appointed by the Government.

Motivation of the Inhabitants towards the urban renewal

- Education of and public relations with the inhabitants regarding the necessity and importance of the urban renewal. This will be effectively carried out with the assistance of the heads of the neighbourhood organizations, RW and RT.
- Organization of the inhabitants, choosing the heads of RW and RT as caretakers, attempting to form a consensus amongst the inhabitants on the urban renewal. Meetings to study the right conversion system or tours to observe the life style in the newly developed high-rise housing complex, may be helpful for promoting the consensus.
- Taking care of the inhabitants who wish to dislocate after the government's decision on the project, by introducing substitutional housing. The land and building of the inhabitants should be acquired by the implementation body and cleared to be empty lots for identification of the land for use of the project. Alternatively, it is also feasible that the land and buildings vacated in Section II as a result of such dislocation can be used for the temporary accommodation of the inhabitants affected by the implementation of Section I.

Motivation of the Government Side toward the urban renewal

- After establishment of the implementation body, assignment of staff and establishment of coordinative system amongst relevant agencies concerned should be substantiated.
- Meetings to study and discuss the right conversion method and others in search for the best suited and workable system applicable to the project should be encouraged to make the staff familiar to the urban renewal project.
- Control of the development activities and transactions of land and buildings in the site after the government's decision on the implementation of the project, to prevent the acts of speculation.
- Preliminary contact and approach to the prospective tenants for the intended residual floor to research their requirements and wishes.
- Carrying-out of the refined inventory survey of the pre-renewal rights on a house-by-house basis and recording the results in the form of cadastre books and maps.