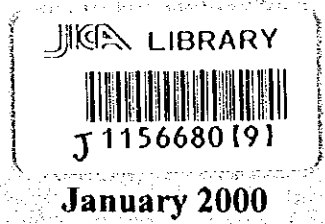


*JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
THE STATE MINISTRY OF HOUSING AND HUMAN SETTLEMENTS *)
THE STATE MINISTRY FOR AGRARIAN AFFAIRS *)
/NATIONAL LAND AGENCY
THE REPUBLIC OF INDONESIA*

**THE STUDY
ON
LAND PROVISION FOR HOUSING AND SETTLEMENTS
DEVELOPMENT THROUGH KASIBA AND LAND CONSOLIDATION
IN
JAKARTA METROPOLITAN AREA
IN
THE REPUBLIC OF INDONESIA**

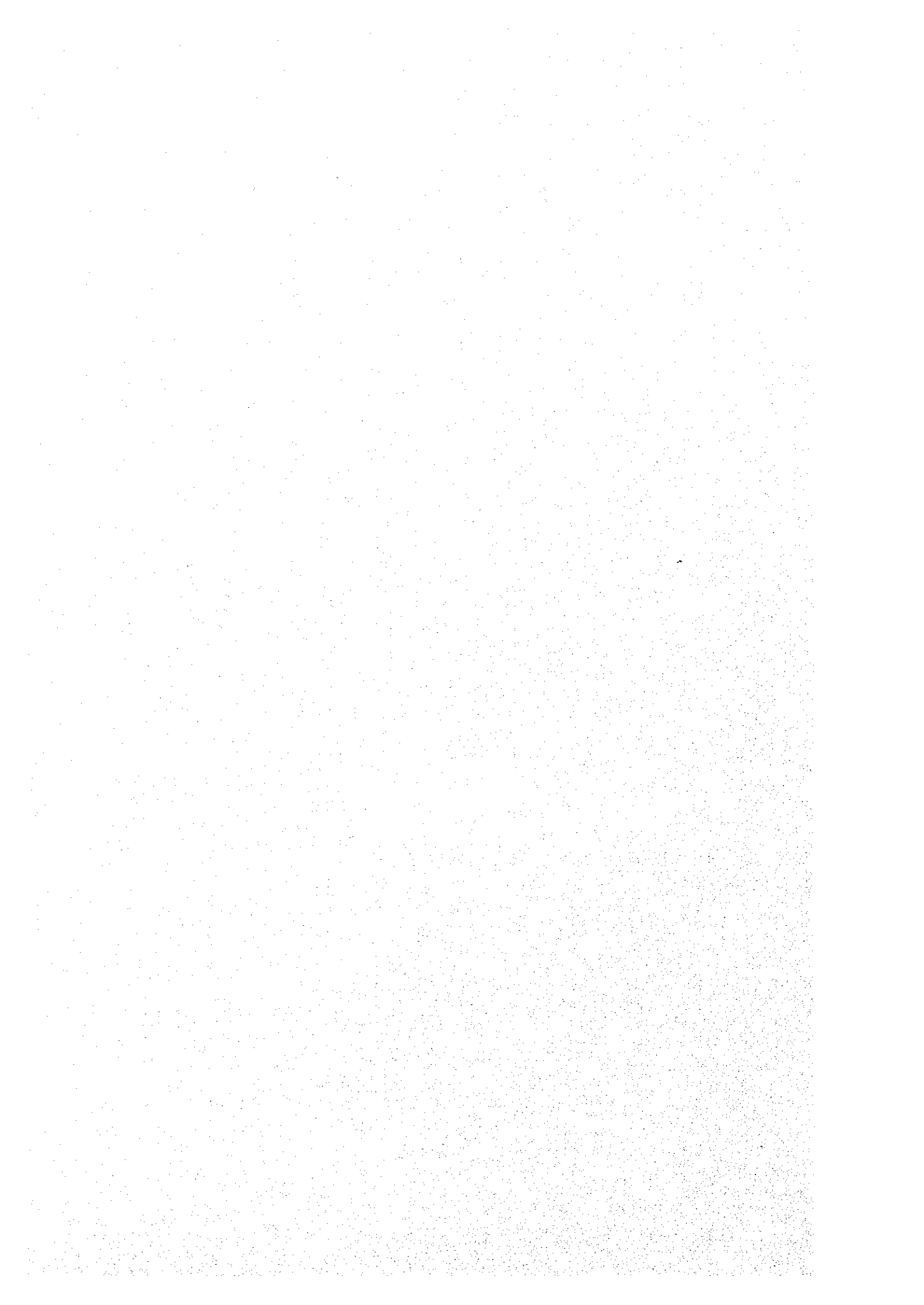
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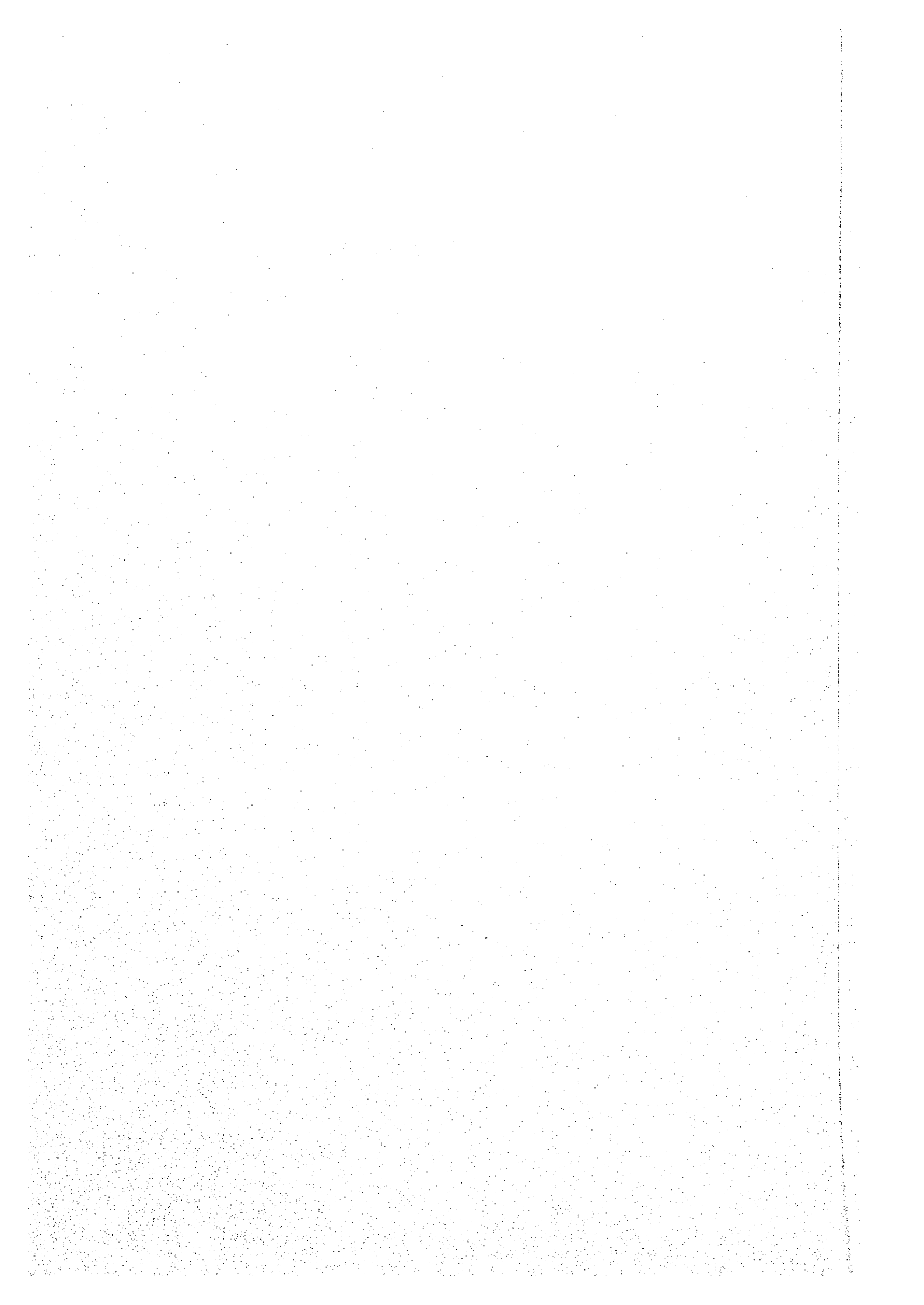


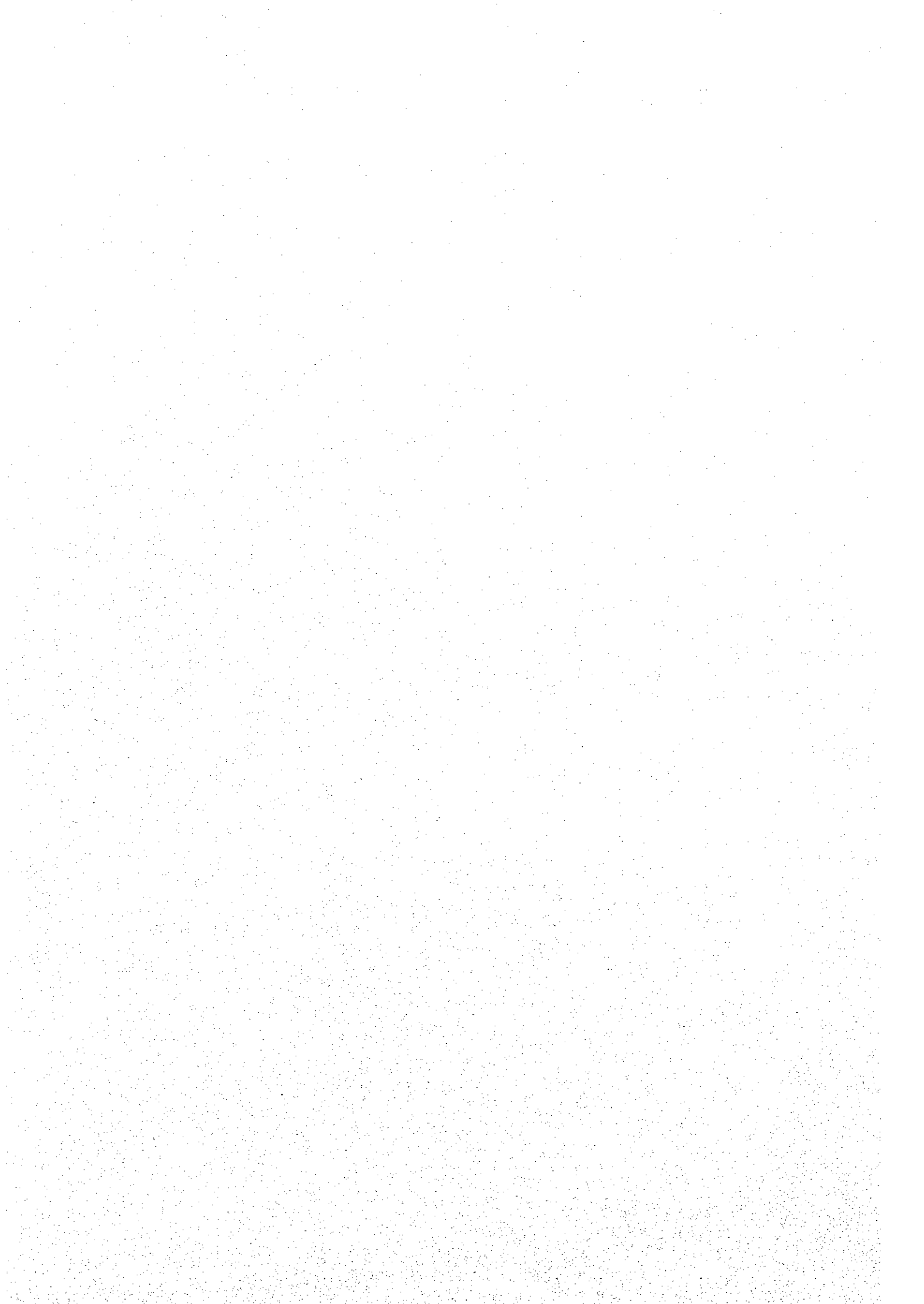
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*) Under the current Wahid cabinet, the State Ministry for Agrarian Affairs / National Land Agency was reorganized into a new National Land Agency, and the State Ministry of Housing and Human Settlements and the Ministry of Public Works were reorganized into a new Ministry of Human Settlements and Regional Development.

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January 2000

**YACHIYO ENGINEERING CO., LTD
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- *) In the current cabinet, the State Ministry for Agrarian Affairs / National Land Agency was reorganized into a new National Land Agency, and the State Ministry of Housing and Human Settlements merged with the Ministry of Public Works to become a new Ministry of Human Settlements and Regional Development.**

FINAL REPORT COMPOSITION

The Final Report is composed of the following reports:

1. SUMMARY REPORT
2. MAIN REPORT
3. KASIBA Project Guidelines & Manual for Practical Procedure
4. Basic L/C Guidelines & L/C Project Implementation Manual

This Report is the MAIN REPORT.

EXCHANGE RATE

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PREFACE

In response to a request from the Government of the Republic of Indonesia, the Government of Japan decided to conduct a development study on Land Provision for Housing and Settlements Development through KASIBA and Land Consolidation in Jakarta Metropolitan Area in the Republic of Indonesia and entrusted the study to the Japan International Cooperation Agency (JICA).

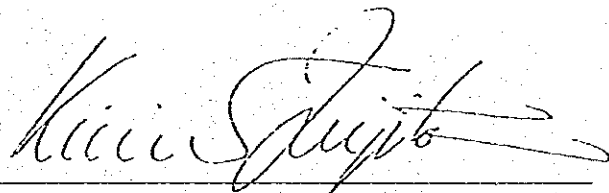
JICA selected and dispatched a study team headed by Mr. Kenji TANAKA of Yachiyo Engineering Co., Ltd. and consisting of members from Yachiyo Engineering Co., Ltd. and Pacific Consultants International Co., Ltd. to Indonesia, five times between January 1998 to December 1999. In addition, JICA set up an advisory committee headed by Dr. Takashi Onishi, Professor of Tokyo University between January 1998 to December 1999, which examined the study from specialist and technical points of view.

The team held discussions with the officials concerned of the Government of the Republic of Indonesia and conducted field surveys in the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute to the promotion of this project and to the enhancement of friendly relationship between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of the Republic of Indonesia for their close cooperation extended to the team.

January 2000



Mr. Kimio Fujita
President

Japan International Cooperation Agency

January, 2000

LETTER OF TRANSMITTAL

Mr. Kimio Fujita,
President
Japan International Cooperation Agency
Tokyo, Japan

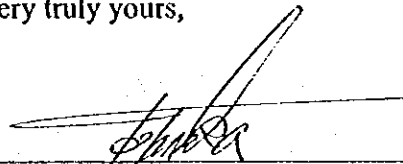
We are pleased to submit to you the study report on the Study on Land Provision for Housing and Settlements Development through KASIBA and Land Consolidation in Jakarta Metropolitan Area.

This Study was conducted by Yachiyo Engineering Co., Ltd., in association with Pacific Consultants International, under a contract to JICA, during the period from January 1998 to January 2000. During the course of the Study, we conducted studies on system development of KASIBA and Land Consolidation as well as case studies in Parung Panjan and Jatiasih in the Jakarta Metropolitan Area.

We would like to take this opportunity to express our sincere gratitude to your Agency, the Ministry of Foreign Affairs, the Ministry of Construction. We are also most grateful for the cooperation and assistance from the officials concerned in Indonesia, the JICA Jakarta office, and the Embassy of Japan in Indonesia.

We hope that this report will contribute to the development of the Republic of Indonesia.

Very truly yours,



Kenji Tanaka
Team Leader,
The Study on Land Provision for
Housing and Settlements through
KASIBA and Land Consolidation in
Jakarta Metropolitan Area

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Background and Purpose of the Study

The Indonesian government enacted the Law No. 4/1992 on housing and human settlement in 1992. This law set forth a new urban and housing development approach of "KASIBA" for controlling urban sprawl rampant in Jakarta Metropolitan area in the early 1990s. The State Ministry of Housing and Human Settlement (then The State Ministry of Housing) started drafting the government regulation for implementation, (which was finally issued by the government on September 30, 1999). On the other hand, the State Minister for Agrarian Affairs and the National Land Agency (BPN) have been executing Land Consolidation (L/C) projects through out the country, based on the basic agrarian Law/1960 and the related government regulations. Through past experiences, the BPN has found problems of the existing L/C system to be addressed. In these cases the study was executed for the development/improvement of KASIBA and L/C. KASIBA and land consolidation are understood in the scope of work of the study as follows:

KASIBA: KASIBA, or Kawasan Siap Bangun (RBA or Ready Build Area), is a piece of land, which is prepared for large scale housing and settlement developments, and consists of one or more LISIBA, or Lingkungan Siap Bangun (RBE or Ready Build Environment). Its implementation is done sequentially starting with support of primary and secondary network of environment infrastructure suitable for the local spatial plan determined by the second level of local government, and satisfying the requirements of housing and settlements standards for infrastructure and public utilities.

Land consolidation: Land consolidation, or land Consolidation in some countries, is one of the measures for land policy associated with the arrangement and rearrangement of land tenure and land use to provide land for infrastructure development in accordance with development plan through active participation of the community.

The Study has been carried out, from the start to the end, within a chaotic social situation of Indonesia for around two years between January 1998 and January 2000. The monetary crisis in early 1998, which coincided with the start of this Study, triggered the financial and economic crisis, followed by the political change with the fall of the long-lasting previous political regime of President Suharto in May 1998. The social unrest continued through the period of the provisional regime of B.J. Habibie until the final political settlement represented by the selection of a new president, Abdurrahman Wahid, and the formation of his new cabinet/government was reached in October 1999. Subsequently, the new government started restructuring and reforming the organizational and administrative system of the government in response to the tasks mandated to the new government, especially decentralization. It was just in the midst of the organizational restructuring of the government that this final report was compiled in January 2000.

2. Urban Development System Improvement Study

2.1 Urban and Land Management System in Indonesia

Historical context

The rapid urbanization featured with urban sprawl, which started in the Jabotabek area in the

late 1980s was the social background which urged the Indonesian government to take measures for effective urban and land management. The milestones were the legislation of the Housing and Settlement Law No. 4 1992 and the Spatial Planning Law No. 24, 1992. The former is the institutionalized KASIBA while the latter is mostly similar to city planning law in other countries, which controls land use, and urban/land development.

Land administration

The land administration system of Indonesia is quite unique as shown in the special definition of the land and special role of land management in the Indonesian. The Indonesian Constitution of 1945 provides that land shall be under the control of the state, and used for the maximum well-being of the people. The Basic Agrarian Law 1960 (BAL) states that the state has the inherent right to control all aspects of private land ownership and use to ensure that it is used for the benefits of the people. Land consolidation has been practiced on this legal basis.

Administrative stream of city planning

Indonesian urban management can be found in two streams of activities in the government organization structure from the central to the local. One is the ordinary stream, which is more or less common to many other countries in the world, of administrative activities for the regional and urban development between the central and local governments. The other is the stream of land management activities made by the National Land Agency, reflecting the special definition of land and special role of land management as stated above. On this legal basis the BPN participates in the city planning process of the local government. City planning and urban infrastructure development is more decentralized than land management. The latter is more centralized. The recent reformation movement of the government has been changing this situation in such a manner as to transferring the right of issuing location permit from the BPN to the local government.

Development permit system

Indonesia has a unique development permit system reflecting its land management system. The private real estate developers have to gradually clear four different permit regulations: principle permit, location permit, planning permit, and building permit. The principle permit is issued to projects, which are confirmed to be in compliance with the development plan and spatial plan in force by the local government (Level II). After the principle permit, the location permit is granted by the National Land Agency. This duly confirms the project acceptability from the viewpoint of land management and administration. The peculiarities of the Indonesian development permit system can be found in the system that the location permit includes the land purchase permit. It implies that the development areas are officially designated without land purchase or consents of landowners to release their land in advance. This is disputable because the land purchase permit may threaten to violate the property right and land use right and disregard the landowners. It is interpreted that taking into serious consideration this possible problem, the BPN revoked the land purchase right and transferred the location permit to the local government.

Financial system

Housing development in Indonesia is mostly dependent on private financing sources. Equity and commercial bank lending are the major financing sources for housing developers including the public housing corporation, Perum Perumnas. Although housing development is a medium-term investment, developers have to depend on commercial banks' short-term lending for the financing of their projects, or even issue short-term commercial papers to

construct middle- to high-priced homes. The increase in the interest rates and a drop of the housing demand due to the economic crisis caused a serious setback in housing development, highlighting the constraints of the conventional housing development financing.

Current Government Reformation

The reformation movements have been progressing in Indonesia since the political change in the middle of 1998. In fact many new laws and government regulations enhancing the government reformation have been enacted, covering almost all sectors of government, including democratization/human rights, decentralization, organizational, policy, financial, land, and Judiciary reformation. Among others, decentralization is most relevant to KASIBA and L/C because they are categorized into city planning, which is the responsibility of local governments by nature. Law No. 22/1999 on Regional Administration and Law No. 25/1999 on Financial Proportion between Central and Local Government aim at the decentralization policy of the Indonesian government.

How substantially and how soon the decentralization policy will be realized is difficult to answer. However, implication of functional and financial decentralization or autonomy of the local government on urban and housing development are supposed to lead to 1) ***functional change***: The local government is a leading actor with the central government as a supportive actor in urban and housing development. It means that local government shall be a first responsible organization of KASIBA and L/C. 2) ***Political/administrative decision-making process***: more participatory, democratic and transparent than ever. 3) ***Capacity building*** of the local government and local people: KASIBA and L/C cannot be implemented without the capacity building of the local government and empowering communities and people. 4) ***Higher priority*** on urban and housing development is more related to peoples' concerns and interests in their daily lives.

2.2 KASIBA System Improvement Plan

Diversified Application of urban development systems under KASIBA

KASIBA was broadly defined as "an urban control and management system with designation of development area where urban and housing development projects are promoted and implemented in a planned manner." Based on the broad definition, 7 variations of urban development systems in Indonesia were examined and classified into three (3) types of systems (1. Control by designation of KASIBA area, 2. Promotion by infrastructure construction, and 3. Promotion by provision of land), which should be diversely applied to KASIBA. The three proposed systems are not alternatives, but it was recommended that all be selectively used in response to different situations and purposes of urban and housing development projects in different localities in Indonesia. It was confirmed that any of the proposed KASIBA systems are not contradictory with Law No. 4/1992 on Housing and Human settlement.

Innovation of Urban and land development measures of Indonesia through KASIBA System

The study was executed for establishing the KASIBA system. The KASIBA system improvement plan was presented including the administrative system, land management, development permit, and financial and organizational systems. However, it must be stressed that it was aimed at innovation and improvement of Indonesian city planning and development system itself through the examination of the particular system of KASIBA. Finally it was recommended to keep on researching and examining the innovative measures as proposed in the KASIBA improvement plan for the progressive improvement of Indonesian

city planning and implementing system.

Transfer Technology to Local Government through KASIBA

Implementation system and procedure of the KASIBA system were prepared in the form of Guidelines for KASIBA project and Manuals for Practical procedures. In the process of the drastic change of the government administration systems toward the autonomy by the local governments, which has not yet shown a clear complete picture though, it is becoming subject to the local governments' responsibilities and rights to decide what urban development systems are applied and implemented. Guideline and manuals were designed to increase knowledge of the local government on city planning and development through the KASIBA project. In turn, it is considered the best way for the local government to effectively and efficiently utilize and implement the KASIBA project for meeting the local needs and demand.

Systematization of city planning & development in government reformation utilizing KASIBA

Several measures and programs for improving urban and land management systems of the local government have been proposed and set up in association with government reformations centering on the decentralization policy of the Indonesian government. It may be regrettable to say that they have not yet been well adjusted and coordinated. Major topics are on the "development permit system," location permit/spatial utilization permit/land use permit, and "urban area development system," KASIBA supported by the State Ministry of Housing and Urban Settlement and urban area development management system supported by the Ministry of Home Affairs.

Two alternatives were presented to integrate them into the city planning and development system of Indonesia: City planning-oriented KASIBA and Project-oriented KASIBA. Urban control power as well as project implementation power (e.g. land purchase permit) entitled to KASIBA shall be separately applied to "KASIBA urban promotion area" and "KASIBA urban project implementation area" respectively. This makes KASIBA more flexible so as to accommodate other types of development projects (e.g. real estate development by private sector, L/C) and avoiding the possible problems (e.g. land price hike and violation of property right by land purchase permit).

The other alternative is the integration of KASIBA into the global city planning and development system and framework focusing on "new urban development management area" sponsored by the Ministry of Home Affairs. KASIBA works as a project-oriented system in that global framework. The KASIBA implementation is applied in the KASIBA urban project implementation area. This may make it possible to avoid the possible problems as mentioned above.

Promotional action plan

The central government must launch the promotional activities for the KASIBA implementation to be done by the local government at the initial stage of KASIBA program, especially for the first pilot project on which the laws and government regulations are applied for the first time. The action plan was proposed, recommending the simultaneous undertakings both of "activities for pilot project implementation and for KASIBA project development/expansion". The latter included dissemination/training activities on KASIBA and urban development to local government and "Study on urban development through KASIBA in Jakarta Metropolitan Area" to find sites suitable for KASIBA development

throughout the Jakarta Metropolitan area.

2.3 L/C System Improvement Plan

System Improvement for Innovative L/C

It is quite significant to establish a L/C development mechanism: "cost recovery by development benefit". For this purpose it was recommended to establish the L/C association as an implementing agency, which could lawfully construct infrastructure, and replotting system based on the land value evaluation as cost recovery system by beneficiaries. The L/C system improvement plan, with Guidelines for L/C projects & Manuals for practical procedures, was presented for implementing L/C based on the development mechanism of L/C. This was done with the recommendation of players such as government approval and agreement of landowners, land management, financial system, organizational system and legal arrangement.

Legal arrangement for system improvement in association with government reformation

Legal arrangement is imperative for realizing the proposed L/C improvement plan. The legal arrangement should be pursued, with the emphasis on the importance of L/C in the government reformation, highlighting "land management" in respect of property rights in L/C and "Urban Area Administration and Management" based on Law No. 22/1999 on Regional Administration under the decentralization policy of the government, which necessitates the application of the L/C in terms of infrastructure construction, empowering community (Landowners' participation) and urban area-wise development approach in place of the past sectoral approach by the central government.

L/C System in Systematization of City Planning and development in Indonesia

L/C is instrumental and responsive to the goals and purposes targeted by the decentralization policies. L/C can be utilized to increase the implementation capability of city planning of the local government. To this end, it should be inter-linked with Spatial planning system, more strategically with the urban area administration and management system institutionalized by the Ministry of home affairs, and KASIBA development sponsored by the State Ministry of housing and urban settlement, which eventually leads to the systematization of city planning and development of the local government. The integration of L/C with systematization of city planning and development represented by the urban area administration and management in Indonesia was recommended.

Promotional Action Plan

A promotional action plan was recommended with the emphasis on activities for legal arrangement for innovative L/C and pilot project implementation. Regarding the legal arrangement some transitional system may be necessary to bridge between the traditional and innovative L/C. The pilot project implementation is also important in terms of system testing and showcase of innovative L/C. To develop and expand L/C across the country, dissemination/education on the innovative aspect of L/C must be continuously carried out.

3. Case Studies of KASIBA and L/C

3.1 KASIBA Case Study in Parung Panjang

Development plan

It was just at the beginning of the social unrest and economic crisis of 1998 when the master

plan covering 1,000 ha was formulated. To respond to this situation, some measures were taken in planning works (e.g. the development area was reduced to 300 ha, leaving the other 700 ha for future expansion area, and within the 300 ha area only middle-low class housing under the 1:3:6 housing policy of the government was allocated, excluding high class housing for future development in response to the declining housing demand especially in the upper class).

Financial analysis

As the result of these measures, the financial analysis indicated the IRR would be at 17% for the total housing project, and when it is divided into KASIBA (land and infrastructure) and LISIB (housing), the former around 6% and the latter 8% (Low class) - 13% (Middle class). It is apparent that if the former (KASIBA) is set at a lower level, the latter (LISIBA) increases, and if the upper class housing is included when the economy is normalized, the IRR tends to further go up. The financial analysis showed that: 1.) KASIBA is feasible when the real interest rate is 10% (the government has been taking measures for lowering interest rates for Indonesian economic recovery); 2.) With low-cost fund provided by the government (KMB), the infrastructure cost can be recovered through KASIBA; 3.) Cross-subsidy from middle class (13%) to low class (8%) becomes slightly possible; and 4.) Selling price of LISIBA should be determined, taking into consideration the reasonable profit to LISIBA developers in addition to the KASIBA cost recovery.

Pilot project

It may be concluded that KASIBA can be applicable in the outskirts of Jakarta. However, taking into consideration the unpredictable economic situation and the housing demand, it is recommended to start preparation of the pilot project in one small-scale community where Perum Perumnas has already acquired land in the planned KASIBA development area (300 ha). Expansion shall be examined in response to the socio-economic condition and housing demand in the future, because phased-development is one of the basic advantages of KASIBA. In the pilot project, KASIBA Law and government regulation will be applied for the first time in Indonesia for testing.

Metropolitan urban area and agency

Metropolitan urban area and agency covering several regencies and municipalities is due to be established based on Law No. 22/1999 and government regulations. It is recommended that the pilot project be handled by this agency, and not only by the Bogor regency, where the project is located, because housing demand to be met in the pilot project comes from DKI Jakarta and other surrounding areas. Therefore share of fund for the pilot project must be also coordinated through this agency. The real housing demand and the funding capacity of KMB should be scrutinized in the framework of the Metropolitan urban area. It must be considered in the pilot project that the housing demand relies on government financial measures, especially housing loans to the public, which will be established in the new government.

KASIBA in reviewing Jabotabek Master plan (1997)

The KASIBA case study showed that it is effective in leading urban and housing development along the railway so as to create a rail-oriented town aiming at the environment and transport improvement in the Jakarta area. It is desirable that the government will enhance this urban policy through the application of KASIBA. Especially KASIBA and the urban policy should be examined in reviewing Jabotabek Master plan (1997) in the changing economic trends, which will be done by the new government. This is related to the proposal on the study for

urban development through KASIBA in the Jakarta Metropolitan area.

3.2 L/C Case Study in Jatiasih

Effective self-financing urban and infrastructure development system in Jakarta Metropolitan area

The case study of the L/C in Jatiasih showed around 30% of land contribution, while that in Parung Panjang was as high as 63-73%. As 20-30 % are recognized to be practical level of L/C in past projects in Japan and other countries, it may be generalized that within a certain distance from Jakarta, L/C can be applied and utilized as an effective self-financing urban and infrastructure development system.

Case study	Distance from center of Jakarta	Land contribution ratio
Parung Panjang	35 km	63-73 %
Jatiasih (288 ha) (25.7 ha)	20 km	37.5 % 27.7 % (25.3%) (Arterial road by government)

Pilot project formation and implementation

An L/C project covering 25.7 ha was scrutinized, lowering land contribution ratio to 25.3% (Public land: 17.9%, reserve land: 9.8%). Based on the results of this case study, it is recommended that a pilot project be implemented in the study area. Project formation and promotional activities for the pilot project must be started in consultation and coordination with the community and the landowners.

4. Overall Conclusions of KASIBA and L/C Studies

This study has produced proposals for system improvement of KASIBA and L/C respectively. KASIBA is based on Law No. 4/1992 on Housing and Human Settlement, followed by the government regulation, which was finally issued on September 30, 1999. Subsequently the ministerial decree, stipulated in government regulations, shall be issued to start the actual implementation of KASIBA projects. On the other hand, in Indonesia, land consolidation projects have been executed based on the existing BPN government regulations. In response to the proposal for the improvement of the traditional L/C in these study activities, BPN has started drafting a new law of L/C. In parallel with these legal arrangements for KASIBA and L/C, this study was carried out with the overall conclusion on the following 3 points, combining the results of the KASIBA study and L/C study.

(1) Applicability of the urban development systems examined through the case studies

In the case studies of KASIBA and L/C, those two systems were technically and financially examined, resulting in the conclusion with the general applicability of KASIBA and L/C in the outskirts of Jakarta and the peripheral area of Jakarta built-up area respectively. Based on the study conclusion, it is recommended that KASIBA and L/C as urban control and development measures should be incorporated into the development master plan of the Jabotabek area, or the Jakarta Metropolitan area, which must be reviewed in the recent context of the changing socio-economic situation of Indonesia.

(2) Strengthening and improvement of city planning system

It is widely admitted that the Indonesian city planning or spatial planning, including the development permit system, and practices thereof are in need of improvement to great extent (its importance is increasing in accordance with the advancement of decentralization policy).

KASIBA and L/C shall be institutionalized and managed so as to improve the Indonesian city planning and development system. KASIBA and L/C are the concepts and systems of development benefit capturing for cost recovery, which will bring about innovation and progress in the existing urban and infrastructure development system. Furthermore they are featured with different urban and land management systems (land acquisition method vs. land replotting method), which should be selectively applied responsively to the different situations of the site and projects. This may thus lead to higher flexibility and implementability of the city planning of Indonesia.

(3) Coordination with the government reformation activities

After the political change in 1998, many new laws and government regulations under the government reformation policy have been enacted and the reformation schemes are also set forth in the urban and land management sector by the government agencies concerned (transfer of the authority to the local government in urban and housing development, review of the development permit system, establishment of "urban area management and administration system", review of the basic agrarian law, and so on). It may not be said that those schemes are well coordinated with each other, and even with KASIBA and L/C. They must be well coordinated with the other reformation schemes and play important roles in the reformation activities, especially decentralization programs. KASIBA and L/C are deeply related to the local society, economy and culture and are regarded as the essential tools for improving the lives and environment of local people, which is the ultimate goal of the social and government administration reformation movement.

The Study on Land Provision for Housing and Settlement Development Through KASIBA and Land Consolidation in Jakarta Metropolitan Area in the Republic of Indonesia

**FINAL REPORT
[Main Report]**

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Abbreviation/ Acronym

Abbreviation/ Acronym	Indonesian	English
ADB	Bank Pembangunan Asia	Asian Development Bank
AMDAL	Analisa Meganai Dampak Lingkungan	Environmental Impact Assessment
ANDAL	Analisis Dampak Lingkungan	Environmental Impact Statement
APBD	Anggaran Penerimaan dan Belanja Daerah	Annual Provincial/ Local Government Budget
APBN	Anggaran Penerimaan dan Belanja Negara	Annual Central Government Development Budget
BAPPEDA	Badan Perencana Pembanguna Daerah	Regional Development Planning Board
BAPPEDAL	Badan Pengendalian Dampak Lingkungan	Board for the Study of Environmental Impacts
BAPPENAS	Badan Perencana Pembangunan Nasional	National Development Planning Board
BHIN	Kebutuhan Dasar Manusia	Basic Human Needs
-	BINA MARGA	Directorate General of Highways
BKTRN	Badan Koordinasi Tata Ruang Nasional	National Spatial Coordination Board
BOD	Kebutuhan Biologis Terhadap Oksigen	Biological Oxygen Demand
BOT	Bangun-Operasi-Transfer	Build-Operate-Transfer
BPN	Badan Pertanahan Nasional	National Land Agency
BPPN	Badan Penyehatan Perbankan Nasional	Indonesian Bank Restructuring Agency
BPS	Biro Pusat Statistik	Central Statistic Bureau
BTN	Bank Tabungan Negara	National Saving Bank
BUMN	Badan Usaha Milik Negara	State Owned Public Enterprise
-	Bupati	Head of Municipal
CBD	-	Central Business District
-	CIPTA KARYA	Directorate General of Human Settlements, Ministry of Public Works
DEPKEU	Departement Keuangan	Department of Finance
-	Desa	Village
DKI Jakarta	Daerah Khusus Ibukota Jakarta	Jakarta Capital Metropolitan Area
EIA	Analisa Meganai Dampak Lingkungan	Environmental Impact Assessment
F/S	Study Kelayakan	Feasibility Study
GDP	Pendapatan Kotor Nasional	Gross Regional Product
GLD	Pembangunan Tanah Yang Terarah	Guided Land Development
GOI	Pemerintah Indonesia	Government of Indonesia

GRDP	Pendapatan Kotor Daerah	Gross Regional Domestic Product
-	Hak Milik Adat	Right Ownership but not certified by BPN
HGB	Hak Guna Bangunan	Right of Building
HGU	Hak Guna Usaha	Right of Exploitation
HM	Hak Milik	Right of Ownership
IIP	Hak Pakai	Right of Use
HPL	Hak Pengelolaan Lahan	Right of Management
IBRD	Bank Dunia	International Bank for Reconstruction and Development (World Bank)
IEE	Pengujian Awal Lingkungan	Initial Environmental Examination
IUIDP	Program Pembangunan Prasarana Kota Terpadu	Integrated Urban Infrastructure Development Program Scheme
JICA	Perusahaan Pemerintah Jepang	Japan International Cooperation Agency
JMDPR	Rencana Pembangunan JABOTABEK Metropolitan	JABOTABEK Metropolitan Development Plan Review
JUMTPP	Program Persiapan Angkutan Umum di Daerah Jakarta	Jakarta Urban Mass Transit Preparation Program
-	Kabupaten	Regency
KASIBA	Kawasan Siap Bangun	Ready Build Area
-	Kecamatan	District
-	Kelurahan	Sub-district
KIP	Program Perbaikan Kampung	Kampung Improvement Program
KLH	Menteri Negara Lingkungan Hidup	Minister of State for the Environment
KMB	Badan Pengelola KASIBA	KASIBA Management Body
KOMDA	Komisi Amdal Daerah	Regional AMDAL Commission
-	Kota	City
-	Kotamadya	Municipality
LIB	Badan Penyelenggara LISIBA	LISIBA Implementing Body
LISIBA	Lingkungan Siap Bangun	Ready Build Environment
L/C	Konsolidasi Tanah	Land Consolidation
L/P	Penggabungan Tanah	Land Pooling
L/R	-	Land Readjustment
LRT	Lampu Transit Kereta Api	Light Rail Transit
MCK	Mandi Cuci Kakus	Shower-Washing-Toilet
MENPERKIM	Menteri Permukiman dan Pengembangan Wilayah	The State Ministry of Housing and Human Settlements
M/P	Rencana Induk	Master Plan

MTA	Wewenang Pengangkutan Umum	Mass Transit Authority
OECF	Dana Kerjasama Ekonomi Luar Negeri, Jepang	The Overseas Economic Cooperation Fund, Japan
P3KT/ IUDP	Program Pembangunan Prasarana Kota Terpadu	Integrated Urban Development Program
-	Pancasila	Indonesian Five Principles
PBB	Pajak Bumi dan Bangunan	Land and Building Tax
PDAM	Perusahaan Dinas Air Minum	Local Government Water Supply Enterprise
-	PERSERO	Share Holder Company
PERUM PERUMNAS	Perusahaan Umum Pembangunan Perumahan National	National Urban Development Corporation
PLN	Perusahaan Umum Listrik Negara	State-owned Electricity Company
-	Propinsi	Province
PT. TELKOM	Perseroan Terbatas Telekomunikasi	National Telecommunication Company
PU	Departemen Pekerjaan Umum	The State Ministry of Public Works
REPELITA	Rencana Pembangunan Lima Tahun	Five Years Development Plan
RKL	Rencana Kerja Lingkungan	Environmental Management Plan
ROW	-	Right of Way
RPL	Rencana Pengelolaan Lingkungan	Environmental Monitoring Plan
RS	Rumah Sederhana	Simple House
RSS	Rumah Sangat Sederhana	Very Simple House
RT	Rukun Tenangga	Neighborhood Unit or Association
RW	Rukun Warga	Group of Neighborhood Units
SOE	Badan Usaha Milik Negara	State-owned Enterprise
SPPT	Surat Penetapan Pajak Terhutang	Notify of Tax Payment
STUP	Surat Tagihan Utang Pajak	Land Contribution
-	Swadaya	Self Finance
TAPERUM	Tabungan Perumahan Pegawai Negeri Sipil	Savings for Housing of Government Employees
UUPA	Undang-undang Pokok Agraria	Basic Agrarian Law
WID	-	Women in Development

PART I

URBAN DEVELOPMENT SYSTEM IMPROVEMENT STUDY

THE UNIVERSITY OF CHICAGO

Chapter 1 Introduction

1-1 Background

The Indonesian government enacted the Law No. 4/1992 on housing and human settlement in 1992. This law set forth a new urban and housing development approach of "KASIBA" for controlling urban sprawl rampant in Jakarta Metropolitan area in the early 1990s. The State Ministry of Housing and Human Settlement (then The State Ministry of Housing) started drafting the government regulation for implementation, (which was finally issued by the government on September 30, 1999). On the other hand, the State Minister for Agrarian Affairs and the National Land Agency (BPN) have been executing Land Consolidation (L/C) projects through out the country, based on the basic agrarian Law/1960 and the related government regulations. Through past experiences, the BPN has found problems of the existing L/C system to be addressed. In these cases the study was executed for the development/improvement of KASIBA and L/C. KASIBA and land consolidation are understood in the scope of work of the study as follows:

KASIBA: KASIBA, or Kawasan Siap Bangun (RBA or Ready Build Area), is a piece of land, which is prepared for large scale housing and settlement developments, and consists of one or more LISIBA, or Lingkungan Siap Bangun (RBE or Ready Build Environment). Its implementation is done sequentially starting with support of primary and secondary network of environment infrastructure suitable for the local spatial plan determined by the second level of local government, and satisfying the requirements of housing and settlements standards for infrastructure and public utilities.

Land consolidation: Land consolidation, or land Consolidation in some countries, is one of the measures for land policy associated with the arrangement and rearrangement of land tenure and land use to provide land for infrastructure development in accordance with development plan through active participation of the community.

1-2 Purposes

The purpose of the study is to promote housing and settlement development in the Jakarta Metropolitan area by proposing measures to enforce and improve KASIBA and the land consolidation schemes through conducting two case studies.

1-3 Study areas

The study area shall cover the Jakarta Metropolitan Area and the case studies shall be carried out in Parung Panjang for KASIBA and Jatiasih for land consolidation.

1-4 Study process

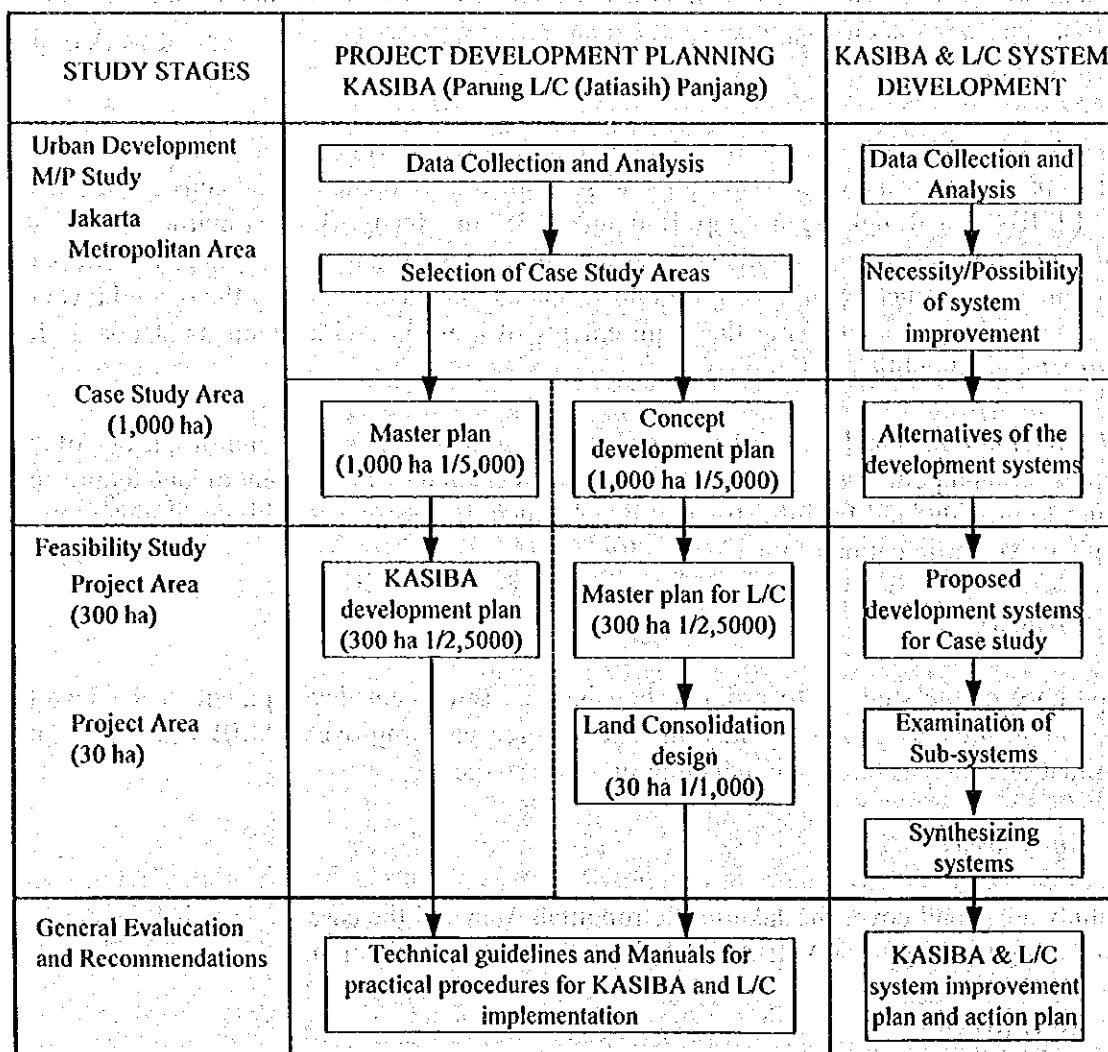
The study is divided into the following three (3) stages. First Stage: Urban development Master Plan study: 1,000 ha area-wise urban development Master Plan shall be formulated to provide development framework for KASIBA and L/C projects respectively; Second Stage: Feasibility study: KASIBA and L/C project development plans located in the master plan area shall be formulated for the feasibility study; Third Stage: General evaluation and recommendation. The two main streams of the study - development planning and system development as set forth

above are due to be closely interrelated and coordinated at each stage since they are dependent on each other.

1-5 Study organization

A steering committee was organized for the overall administration and coordination of the progress of the study. The study was jointly executed by a JICA study team and the counter part of the Ministry of Housing and National Land Agency.

Table 1-5-1 Process of Project development Planning and System Improvement



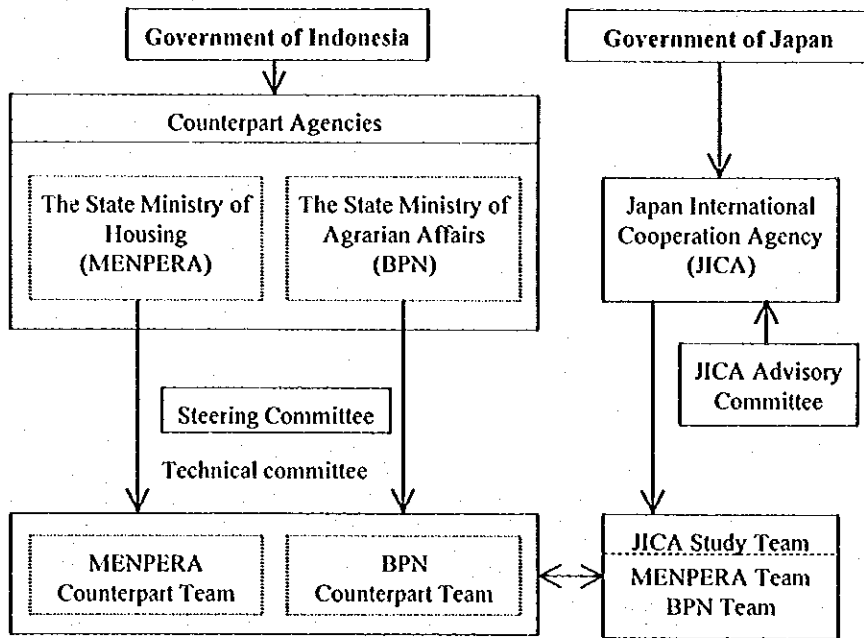


Figure 1-5-1 Organizational Structure of Study

THE HISTORY OF THE UNITED STATES

The history of the United States is a complex and multifaceted story. It begins with the early Native American civilizations, such as the Mayans, Aztecs, and Incas, who built great empires in Central and South America. In North America, the Iroquois and other tribes established sophisticated societies. The arrival of European explorers, including Christopher Columbus, opened the continent to colonial settlement. The British colonies grew in strength and independence, leading to the American Revolution and the birth of the United States as a nation. The 19th century was marked by westward expansion, the Civil War, and the rise of industrialization. The 20th century saw the United States emerge as a global superpower, leading the world in the Cold War and playing a central role in the development of the modern world.

THE AMERICAN WEST

The American West is a region of vast natural resources and a rich cultural heritage. It was the site of the great cattle drives, the gold rushes, and the settlement of the frontier. The West played a crucial role in the development of the United States, providing the raw materials and labor for the industrial revolution. The cowboy became a symbol of the West, representing the spirit of adventure and the pursuit of the American dream. The West also played a key role in the expansion of the United States, as settlers pushed westward in search of new opportunities. The West's history is a story of exploration, discovery, and the struggle for survival in a harsh and unforgiving environment.

THE AMERICAN SOUTH

The American South is a region with a unique history and culture. It was the heart of the plantation economy, where the wealthy elite lived in grand mansions and ruled over a large population of enslaved people. The South played a central role in the American Civil War, as it was the primary source of the cotton that fueled the industrial revolution in the North. The South's history is a story of power, privilege, and the struggle for equality. The South's culture is a blend of European, African, and Native American influences, creating a distinct and vibrant identity. The South's history is a complex and often controversial one, but it is an essential part of the American story.