



COORDINATING MINISTRY FOR ECONOMIC AFFAIRS  
REPUBLIC OF INDONESIA

# Foreword

Accelerating Priority Infrastructure through Cross-sector Coordination  
Deputy Minister for Regional Development and Spatial Planning,  
as Chairman of KPPIP

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Accelerating the provision of priority infrastructure plays a crucial and strategic role in achieving accelerated economic growth for the welfare of the people. Coordination amongst stakeholders is necessary to ensure the accuracy of the implementation of infrastructure priority projects. The government established the Committee for Acceleration of Priority Infrastructure Provision (Komite Percepatan Penyediaan Infrastruktur Prioritas, KPPIP) through Presidential Regulation Number 75 of 2014 in an effort to accelerate coordination and decision making to promote the provision of National Strategic Projects (PSN). Led by the Coordinating Minister for Economic Affairs as the Chairperson, the Committee consists of the Coordinating Minister for Maritime and Investment Affairs, the Minister of Finance, the Minister of National Development Planning/Head of the National Development Planning, the Minister of Agrarian Affairs and Spatial Planning, and the Minister of the Environment and Forestry.

The KPPIP serves as a cross-sectoral point of contact in implementing coordination for debottlenecking the PSN. Formed with the main purpose of being a coordination unit in decision making, the KPPIP acts as a driver for resolving coordination issues amongst various stakeholders across ministries and agencies and local governments.

As the population of Indonesia continues to grow, urbanisation and economic development have surged and the demand for infrastructure has escalated significantly. The government increasingly strives for significant economic growth through the acceleration of infrastructure development in Indonesia, especially the PSN. For the first time, the list of National Strategic Projects is determined in a Presidential Regulation regarding the acceleration of the implementation of National Strategic Projects as stipulated in Presidential Regulation Number 3 of 2016 concerning the Acceleration of the Implementation of National Strategic Projects, which consists of 225 projects and one programme.



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Priority projects that are considered as a PSN should have urgency and high priority to be realised in a certain period. These projects are selected based on their potential to catalyse economic growth, create jobs, improve connectivity, enhance public services, as well as having positive impacts on the gross domestic product, reduction of unemployment, socio-economic aspects, and the environment. The PSN list can be modified based on assessments conducted by the KPPIP. Changes to the list of National Strategic Projects are determined by the Coordinating Minister for Economic Affairs, who serves as the chair of the KPPIP, after obtaining the President's approval.

Starting from 2016, more than 300 projects have been granted the status of a National Strategic Project. Based on the latest list of PSNs stipulated in the Coordinating Minister of Economic Affairs Regulation Number 21 of 2022 concerning on National Strategic Projects List, the government has designated 210 projects and 12 programmes as a PSN, with a total investment value of Rp5,746.4 trillion (equivalent to about \$383.4 billion).

From 2016 to December 2022, a total of 153 National Strategic Projects have been completed and fully operational, with a total investment value of Rp Rp1,040 trillion<sup>1</sup>.

The PSNs under the assistance of the KPPIP strengthen Indonesia's commitment to sustainable and inclusive development. Through efficient project management, streamlined decision-making processes, and strong collaboration between government entities, the private sector, and communities, these approaches aim to accelerate infrastructure delivery and maximise socioeconomic benefits for society.

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<sup>1</sup> As of August 2023, the number of completed national strategic projects is at 161 National Strategic Projects have been completed and fully operational, with a total investment value of Rp1,134.7 trillion. Moreover, 31 projects have been partially operated, and 68 projects already started construction, amassing an estimated investment of around Rp1,946.5 trillion.



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The KPPIP plays an instrumental role in expediting National Strategic Projects, leveraging the experience to navigate the complexities of infrastructure development and tactfully addresses some primary obstacles such as the acquisition of land, meticulous project planning, financing and preparation, financial capabilities, and construction-related issues. To mitigate these challenges, the KPPIP synergises with all the member ministries, agencies, and local governments to devise comprehensive policies, which are then woven into regulations. The KPPIP also played a pivotal part in crafting Government Regulation No. 42 of 2021, designed to support National Strategic Projects, and Government Regulation No. 19 of 2021 about land acquisition, established to oversee land acquisition for public projects. Financing, another crucial facet, is also managed under the KPPIP's stewardship, ensuring projects receive the requisite funding to flourish. Thus, under the strategic guidance of the KPPIP, the acceleration of pivotal infrastructure development is made feasible and efficient.

The Indonesian government realises that infrastructure development not only contributes to strengthen the macroeconomy but also has significant impacts on various layers of government, businesses, and society in general in their daily lives.

This book is written as one of the efforts of the Government of Indonesia to gain an overview of the various significant impacts generated by PSN infrastructure development, both measurable and immeasurable, at all levels of government, businesses, and society, and to analyse strengths, weaknesses, opportunities, and threats (SWOT), opportunities, and challenges of each infrastructure project in pursuing infrastructure standards similar to those in developed countries. The book will additionally emphasise the insights gained from 20 PSN projects spread evenly across Indonesia, spanning from Sumatra to Papua. These projects encompass a wide range of infrastructure initiatives, such as connectivity improvements, regional development encompassing industrial areas and special economic zones, the construction of dams, cross-border facilities, and waste-to-energy projects.



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The KPPIP, together with the government, state-owned enterprises, regional-owned enterprises, the private sector, and other institutions, will continue to strive to accelerate the completion of infrastructure projects according to the targets, benefiting the community, contributing to national economic growth, and promoting job creation.

Deputy Minister for Regional Development  
and Spatial Planning as Chairman of KPPIP

A handwritten signature in black ink, appearing to be 'WU', written in a cursive style.

**Wahyu Utomo**