

Palembang, Indonesia

July 2018

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PROJECT OVERVIEW

PPS period	July 2010 – January 2011
Focus sectors	Urban transport
CDIA supported activities	(i) Comprehensive review of transport sector (ii) Infrastructure investment planning and programming including PFS of identified projects (iii) Linking of projects to financing
Linking to finance status	Funded by the National and Local Government



Background

Palembang is the capital city of Indonesia's South Sumatra Province with total land area of 400 square kilometers and an estimated population of 1.75 million (as of 2018). Once regarded by Dutch historians as the "Venice of the East", Palembang was built on the riverbanks of Musi River, an important channel in the life of the city both from an economic as well as cultural perspective. The Musi River divides the city into two major areas: the downstream bank in the north where the central business district can be found and the upstream bank in the south where the Jakabaring Sports Center, one of the venues of the 2018 Asian Games, and some government offices are located.

As in most Asian cities, Palembang is facing urban transport issues arising from rapid population growth, increasing use of private transport modes, limited capacity of existing bridges across the Musi River and lack of systematic transport planning. Recognizing these issues, the City of

Palembang requested for CDIA technical support for the review of its **Comprehensive Green Transportation Program** with the primary aim of identifying priority infrastructure investments that could enhance the urban transport system of the city.

In December 2009, CDIA approved the request of the City of Palembang for technical assistance for the comprehensive transport sector review, investment planning and programming, conducting project preparatory studies (PPS) of prioritized projects and linking these projects to downstream financing. After about six months of project preparation work, the consulting team dispatched by CDIA to Palembang submitted its final report in January 2011 with the following key recommendations: (i) city center transport and environmental improvements along Sudirman Street; (ii) construction of Musi Bridge IV; (iii) expansion of Trans Musi (BRT) network including pedestrian and public transport infrastructure improvements to

Trans Musi corridor 4 and park-and-ride facilities in existing bus terminals; and (iv) integration of Musi River transport to the Trans Musi network. Valued at IDR 1,571 billion (\$175 million), these transport infrastructure investments were recommended with the end view of promoting increased use of public transport, reducing traffic congestion particularly in the city center, and addressing the transport needs of the poor and the most disadvantaged residents of the city.

As part of its internal monitoring and evaluation processes, CDIA conducted the tracer study in Palembang in July 2018 to track progress, effectiveness and results of its completed interventions. Following are the main findings of the tracer study.

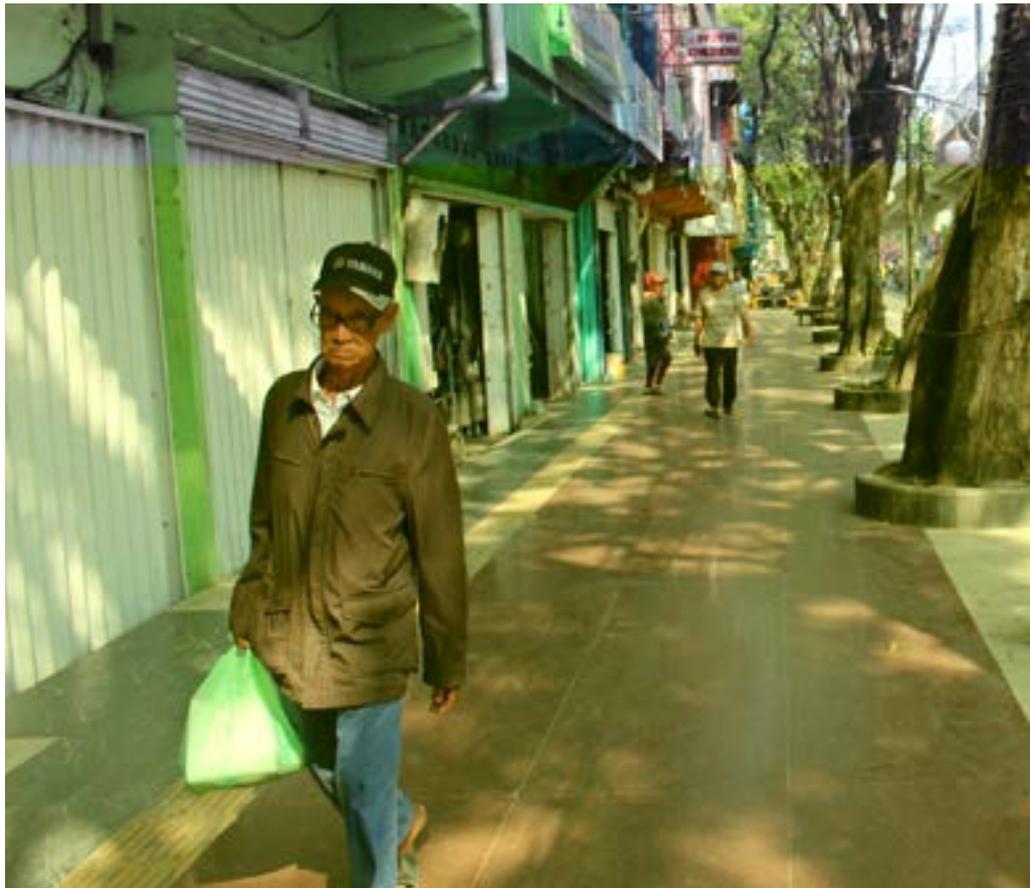
As of July 2018, four of the prioritized transport projects recommended by CDIA have been implemented.

Implementation Progress as of July 2018

Soon after the CDIA completed the PPS on the prioritized transport investments, the Palembang city government gradually implemented the PPS recommendations with funding support from the national government. As of July 2018, four of the prioritized transport projects are operational.

City center transport and environmental improvements.

In 2016, the City Public Works Department began the implementation of PPS recommendations along Jalan Sudirman, the busiest street located within the city's central business district (CBD). Projects implemented by the city in this area include: expansion, concreting and beautification of pedestrian sidewalks on both sides of the Jalan Sudirman, enforcement of off-street parking effective July 2018, installation of street lighting and provision of recreational facilities near the Ampera Bridge. Widening of the pedestrian walk was replicated in the vicinity of the Grand Mosque and this initiative will be scaled up in other major streets of the city. A national government-funded elevated light rail transit (LRT) project that runs in the middle of Sudirman Street has significantly altered the landscape of the city particularly in the CBD. This 24-km LRT connecting Palembang airport and the Jakabaring Sports Complex started operations last July 25 in time for the 18th Asian Games held in Palembang City and Jakarta in



Completed pedestrian sidewalk along Jalan Sudirman within the city center

August 2018. Implementation of the priority bus lane along Sudirman as recommended in the PPS will depend on the results of the off-street parking experiment that started in July and the effect of the LRT operation on public transport.

Construction of new Musi River bridge (Musi IV). Since 1965, only the Ampera Bridge connects the city center to the Jakabaring district at the southern side of Musi River. After several years of being in the project pipeline, construction of the Musi IV bridge project finally started in March 2016 with the government

allocating IDR 521 billion. The original plan was for this bridge to be completed in 30 months in time for the 2018 Asian Games. However, the project status as of August 2018 indicates that bridge construction will not be completed by end of 2018. When completed, this new bridge will decongest Ampera Bridge and reduce the vehicle traffic flowing into Jalan Sudirman.

Expansion of Trans-Musi (BRT) network. From two corridors in 2009, the Trans-Musi currently operates in nine corridors covering



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the entire city with total corridor length of about 120 km. With the network expansion, the total number of buses increased from 25 in 2009 to 239 at present consisting of 110 large buses and 129 medium buses. As a combined result of network expansion and increase in ridership, fare revenues increased from IDR682 million in 2010 to IDR21,438 million in 2017. Trans-Musi operations, however, remain dependent on government with total subsidy in 2017 amounting to IDR22,809 million. Apart from acquisition of 130 out of the 239 buses, the city government has

invested in bus shelters now totaling 251, pedestrian facilities and road maintenance along the bus corridors. Old bus fleets operated by private companies are currently being phased out in line with the PFS recommendation. Park-and-ride facilities at Alang-alang Lebar were likewise improved while plans for similar improvements in three other Trans Musi bus terminals have been formulated.

Integration of Musi River transport into the Trans Musi network. The Musi River provides a traditional means of

transport for communities along the riverbanks. Following the PPS recommendation, the city invested in seven additional ferryboats and integrated river transport operation into the Trans Musi network. The city also introduced improvements to the ferry terminals and bus interchange. These city-led initiatives have been recognized by the national government as a model for land and water transport integration.



Improved pedestrian walk along the Ampera Bridge.

Intervention Results

Overall, the CDIA PPS intervention in Palembang has generated positive results based on feedback from project stakeholders interviewed during the tracer study. While a number of the PPS-recommended priority infrastructure investments have yet to be fully implemented, city officials already recognize the important benefits that the completed projects have brought to Palembang in terms of improving transport

efficiency (e.g., reduced congestion and reduced travel time), enhancing environment along the bus corridors (e.g. better air quality and road safety) and providing better mobility and accessibility among the poor and disadvantaged sector.

Promoting increased use of public transport. Records obtained from the Trans Musi Operations Manager reveal that an increasing number of Palembang

city residents are patronizing Trans Musi bus services. From 230,000 in 2010, the total number of passengers increased to 4.1 million in 2017. Key officials from Trans Musi as well as the City Department of Public Transportation largely attribute this increase to the improved bus services and infrastructure for passengers, expansion of Trans Musi corridors and effective network of feeder services that includes angkots (traditional city buses) and becaks (non-motorized tricycles).

Reducing traffic congestion.

In major transport corridors where Trans Musi buses operate especially along Jalan Surdiman where the city implemented the CDIA-recommended interventions such as off-street parking and pedestrian lane improvement, city officials observe a significant improvement in traffic flow especially during peak hours. This was the same observation of majority of the motorists and bus commuters interviewed during the tracer study. According to the head of operations department of Trans Musi, the improved traffic flow will ultimately result in reduced vehicle operating cost, reduced travel time and more efficient bus network operations.

Addressing the transport needs of the poor and the

disadvantaged. Improvement to public transport facilities and pedestrian environment is widely perceived as advantageous to the poor sector estimated at about 25% of the city population in 2016. The expansion of Trans Musi network and improvement of pedestrian sidewalks in major streets will benefit the poor and disadvantaged sector in terms of enhancing their mobility and access to socio-economic services and employment opportunities.

Addressing issues on environment and climate change. A key objective of the urban transport strategy developed by CDIA was to minimize the impact of increased vehicle emissions by promoting greater use of public transport thereby reducing the rate of private vehicle use, limiting the growth in traffic volumes and ultimately reducing CO2 emissions. With the gradual realization of the various investment components of the urban transport strategy, Palembang residents will eventually reap the project's environmental benefits as envisaged in the PPS.



Conclusion and Lessons Learned

Findings from this tracer study show the clear link between the ongoing and completed urban transport-related initiatives in Palembang and the PPS on urban transport project supported by CDIA back in 2011. Key lessons learned from CDIA's intervention in Palembang include: (i) the importance of formulating a medium-term plan for urban transport to guide subsequent investment decisions; and (ii) the value of working with the proper stakeholders during PPS stage to ensure project ownership from project development until project implementation.

As envisioned in the PPS, the bulk of the project investments are borne by the national government. The hosting of the 2018 Asian Games by Palembang City was identified as the key factor that accelerated the implementation of the urban infrastructure projects in the city including the 24-km LRT which

began pilot operations last July 25, 2018. Although LRT was not identified as an immediate priority in the Medium-term Action Plan and Investment Program, city officials welcome the LRT as a key investment that will have far-reaching effects on the transport sector in Palembang especially in promoting use of public transport and reducing traffic congestion along the major roads in the city center. The Secretary of the City Transportation Department, however, pointed out the need to update the medium-term action plan prepared with CDIA assistance in 2011 taking into consideration all major developments that have emerged after 2011 including the operation of the LRT. With the wealth of experience gained from the CDIA intervention, the Secretary is optimistic that the city will find the appropriate solutions to new transport issues that may crop up in the future.

KEYS TO INTERVENTION RESULTS:



- **Formulation of a medium-term plan for urban transport**
- **Working with proper stakeholders to ensure project ownership**