

ACCELERATED IMPLEMENTATION OF NATIONAL STRATEGIC PROJECTS

(Regulation of President of the Republic of Indonesia
Number 3 Year 2016, dated January 8, 2016)

WITH THE BLESSINGS OF THE ONE AND ONLY GOD
PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

- a. Whereas, in the context of accelerated implementation of strategic projects to fulfill the basic need and to improve welfare of the people, it is necessary to endeavor effort of Accelerated Implementation of National Strategic Projects;
- b. Whereas, based on the consideration referred to in letter a, it is necessary to stipulate Presidential Regulation on Accelerated Implementation of National Strategic Projects.

In view of:

Article 4 paragraph (1) of the 1945 Constitution of the Unitary State of the Republic of Indonesia.

D E C I D E S :

To stipulate:

PRESIDENTIAL REGULATION ON ACCELERATED IMPLEMENTATION OF NATIONAL STRATEGIC PROJECTS.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Presidential Regulation by:

1. National Strategic Projects shall be projects carried out by Central Government, Regional Government, and/or Business Entity with strategic nature for the purpose of improving equal growth and development in

Article 5

- (1) The Governor or Regent / Mayor as the Party responsible for National Strategic Projects in the region shall grant permits and non-permits required to start implementing National Strategic Projects based on their respective authority effective as the date of enactment of this Presidential Regulation.
- (2) The permits and non-permits required to start implementing National Strategic Projects as referred to in paragraph (1), namely:
 - a. specification of location;
 - b. environmental permit; and/or
 - c. permit to construct Building.
- (3) The permits and non-permits referred to in paragraph (1) will be issued by BPMPTSP of Province or BPMPT-SP of Regency/Municipality based on their respective authority.
- (4) Application for permits and non-permits constituting authority of the Central Government must be submitted by the Governor or Regent/Mayor to PTSP Center.

Article 6

- (1) Business Entity as the Party Responsible for National Strategic Projects shall submit application for provisional permit to carry out National Strategic Projects to the Head of Capital Investment Coordinating Board through PTSP Center.
- (2) The Head of Capital Investment Coordinating Body through PTSP Center shall issue provisional permit as referred to in paragraph (1), within one (1) working day effective as of the complete and correct application is received.
- (3) If the application for provisional permit as referred to in paragraph (2) is incomplete and incorrect, PTSP Center will return the application for provisional permit to the Business Entity within one (1) day as of the date it is received.

- (4) If provisional permit is issued, the Business Entity shall apply for permits and non-permits required to start implementing National Strategic Projects to PTSP Center, namely:
- a. Permit of Location;
 - b. Environmental Permit;
 - c. Permit for Loan and Use of Forest Zone;
 - d. Permit for Constructing Building; and/or
 - e. Fiscal and non-fiscal facilities.

Article 7

- (1) Capital Investment Coordinating Board through PTSP Center shall process the permit and non-permit as referred to in Article 4 paragraph (3), Article 5 paragraph (2) and paragraph (4), and Article 6 paragraph (4).
- (2) The Head of Capital Investment Coordinating Board shall issue permit and non-permit as referred to in paragraph (1) as delegated or assigned by the Minister or the Head of Institution to the Head of Capital Investment Coordinating Board within three (3) working days as of receipt of the complete and correct application unless provided otherwise in the Law or Regulation of the Government.
- (3) The permit and non-permit as referred to in paragraph (1) constituting the authority of the Minister or the Head of Institution and not delegated to the Head of Capital Investment Coordinating Board, PTSP Center shall process the permit and non-permit and pass it to the Minister or Head of Institution.
- (4) The permit and non-permit as referred to in paragraph (1) constituting authority of Regional Government, the Head of Capital Investment Coordinating Board through PTSP Center shall process the permit and non-permit and pass it to the Governor through BPMPTSP of Province or Regent / Mayor through BPMPTSP of Regency / Municipality.
- (5) The Minister, Head of Institution, Governor, and/or Regent or Mayor shall make recommendation required for the issue of permit and non-permit as referred to in paragraph (1) within five (5) working days as of receipt of the complete and correct application for permits.
- (6) PTSP Center shall process the complete and correct application for permit and non-permit as referred to in

Strategic Projects will submit the commitment in the application for permit and non-permit for compliance with the technical requirements as referred to in Article 8 paragraph (5).

- (2) If the technical consideration on land matters as referred to in Article 9 paragraph (3) is issued but no permit and non-permit in the form of checklist on compliance with the requirements yet as referred to in Article 8 paragraph (1) is recorded, the Minister, Head of Institution, Governor, and Regent / Mayor shall process stipulation of location or location permit simultaneously with processing issue of Environmental Permit, Permit for Building Construction using the data jointly or sharing the data.

Article 11

- (1) If the National Strategic Projects are located in several locations within one area of Regency / Municipality but constitutes one unit of a series of National Strategic Projects, one permit and non-permit will suffice for the entire locations of National Strategic Projects to be exercised by BPMPTSP of Regency / Municipality.
- (2) If the National Strategic Projects are located in several areas of Regency / Municipality and in one Provincial area, but constitutes one unit of a series of National Strategic Projects, one permit and non-permit will suffice for the entire locations of National Strategic Projects to be exercised by BPMPTSP of Province.
- (3) If the National Strategic Projects are located cross-Provinces, but constitutes one unit of a series of National Strategic Projects, one permit and non-permit will suffice for the entire National Strategic Projects to be exercised by PTSP Center.

Article 12

- (1) If no compliance with the requirements for permit and non-permit submitted to the Regent / Mayor fails to comply with the requirements for permit and non-permit within the stipulated period, the Head of Capital Investment Coordinating Board through PTSP Center must notify the Governor for charging of administrative penalty in accordance with provisions in the statutory regulation di biandg Governmentan daerah.
- (2) If administrative penalty has been charged but no permit is issued by the Regent / Mayor as referred to in paragraph (1), the Governor shall take over and issue the required permit.

Article 13

- (1) If the requirements for permit and non-permit submitted to the Governor comply with the requirements but no permit and non-permit is issued within the stipulated period, the Head of Capital Investment Coordinating Board through PTSP Center will notify the Minister of Home Affairs to charge administrative penalty in accordance with the provisions in the statutory regulation of the Region.
- (2) In the event that the administrative penalty is charged but still no permit and non-permit is issued by the Governor as referred to in paragraph (1), the Minister of Home Affairs shall take over and issue the required permit.

Article 14

- (1) Development of National Strategic Projects may commence as soon as obtaining permits of at least:
 - a. Location Stipulation or Location Permit;
 - b. Environmental Permit; and
 - c. Permit for Building Construction.
- (2) If National Strategic Projects are located within forest zone, other than obtaining permits as referred to in paragraph (1) it is also necessary to obtain Loan and Use of Forest.
- (3) PTSP Center shall issue Provisional Permit for Construction to Business Entity that has obtained permits as referred to in paragraph (1).

Article 15

- (1) If Accelerated Implementation of National Strategic Projects needs period extension for development, administration process of application for extension of permit and non-permit shall not affect the course of the development.
- (2) Application for extension of permit and non-permit as referred to in paragraph (1), must be submitted to PTSP Center, BPMPTSP of Province, or BPMPTSP of Regency / Municipality based on their respective authority.

- (3) PTSP Center, BPMPTSP of Province, or BPMPTSP of Regency / Municipality as referred to in paragraph (2) shall grant approval for extension to the permit and non-permit within five (5) working days as of the date the complete and correct application is received.
- (4) If PTSP Center, BPMPTSP of Province, or BPMPTSP of Regency / Municipality fails to issue permit and non-permit within the period referred to in paragraph (3), extension to the permit and non-permit will be considered granted.

Article 16

- (1) The Minister, Head of Institution shall be obliged to delegate or assign his/her respective authority to issue the permit and non-permit pertaining to the implementation of National Strategic Projects to PTSP Center through the Head of Capital Investment Coordinating Board.
- (2) Governor or Regent / Mayor shall be obliged to delegate his/her authority to issue permit and non-permit pertaining to Accelerated Implementation of National Strategic Projects to the Head of BPMPTSP of Province or Head of BPMPTSP of Regency / Municipality.
- (3) No delegation of authority may be made to the issue of permit and non-permit, and/or technical consideration as referred to in paragraph (1) and paragraph (2) based on the provisions in the statutory regulation.
- (4) The Head of Capital Investment Coordinating Board shall exercise the permit and non-permit as referred to in paragraph (1) according to the procedure, criteria, and period of completion of the permit and non-permit as stipulated by the Minister or Head of Institution.
- (5) The Head of BPMPTSP of Province or Head of BPMPTSP of Regency / Municipality shall implement the permit and non-permit as referred to in paragraph (2) according to the procedure, criteria, and period of completion of the permit and non-permit as stipulated by the Governor or Regent / Mayor.
- (6) The technical consideration referred to in paragraph (3) covers:
 - a. complexity;
 - b. particular expertise; and

c. efficiently and effectivity, in issuing permit and non-permit.

(7) For permit and non-permit that may not be delegated as referred to in paragraph (3), the Minister or Head of Institution and the Governor or Regent / Mayor:

a. shall stipulate procedure, criteria, and period of completion of the permit and non-permit; and

b. shall assign an Official of PTSP.

(8) In stipulating decision on procedure and criteria of permit and non-permit as referred to in paragraph (4), paragraph (5), and paragraph (7), the Minister, Head of Institution or the Governor, and Regent / Mayor shall consolidate the permits and minimize the procedure and/or requirements for permit and non-permit.

(9) Period for issue of permit and non-permit being delegated as referred to in paragraph (4) and paragraph (5) shall be three (3) working days as of the date the complete and correct application for permit and non-permit is received.

(10) Period of delegation of right for completion of permit and non-permit as referred to in paragraph (7) shall be 30 (thirty) working days as of the the complete and correct application for permit and non-permit is received. .

Article 17

(1) The permit issued prior to this Presidential Regulation is enacted, survives so long it is issued based on the permit granted.

(2) Supervision on the implementation of permit as referred to in paragraph (1) will be exercised in accordance with the provisions in the statutory regulation.

Article 18

The Head of Capital Investment Coordinating Board shall report the progress of development in the implementation of permit and non-permit in the context of Accelerated Implementation of National Strategic Projects to the Coordinating Minister on Economy once in three (3) months.

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b. Use of land belonging to Central Government or Regional Government, according to the provisions in the statutory regulation.

Article 23

(1) Financement of the land for National Strategic Projects provided by Central Government or Regional Government, may originate first of all from Business Entity that obtains the Power based on agreement, acting for the Central Government and/or Regional Government.

(2) Financement of the provision of land by Business Entity as referred to in paragraph (1) will be repaid by the Central Government and/or Regional Government from the State Revenue and Expenditure Budget and/or

CHAPTER III

SPACE LAYOUT

Article 19

- (1) National Strategic Projects shall be implemented according to Regional Space Layout Plan, Detail of Regional Space Layout Plan, or Zonation Plan of Coastal Region and Small Islands.
- (2) If the locations of National Strategic Projects are not in line with Regional Space Layout Plan, Detail of Regional Space Layout Plan, or Zonation Plan of Coastal Region and Small Island, which technically are not probable to move from the planned location, the space layout plan may be adjusted based on the provisions in the statutory regulation on space layout.

Regional Revenue and Expenditure Budget after process of land procurement has been completed based on joint calculation between the Central Government or Regional Government and the Business Entity in accordance with the provisions in the statutory regulation

- (3) The repayment referred to in paragraph (2) may be made based on the calculation of repayment of the amount of investment.

CHAPTER V

LOCAL COMPONENT

Article 24

Implementation of National Strategic Projects shall prioritize using local component.

CHAPTER VI

GOVERNMENT GUARANTEE

Article 25

- (1) Government may provide Guarantee by Central Government on the National Strategic Projects implemented by Business Entity or Regional Government cooperating with the Business Entity.
- (2) National Strategic Projects as referred to in paragraph (1) is project of infrastructure for public interest.
- (3) Guarantee of the Central Government as referred to in paragraph (1) will be provided so long it concerns policy that may be utilized or not utilized by the Central Government that may hamper National Strategic Projects and may result in financial impact to Business Entity implementing the National Strategic Projects.
- (4) Risk control and management over the Guarantee of the Central Government as referred to in paragraph (1), shall be exercised by the Minister of Finance.
- (5) In carrying out the duty and function as referred to in paragraph (4), the Minister of Finance has the authority to:

- c. direct appointment may made to the Provider of Consultancy Service that is experienced in exercising Contract of the same type with good performance for the Ministry, Institution, or region for procurement of routine consultancy service;
 - d. direct appointment may be made one time to the Provider of Goods / Services for Construction that has exercised Contract of the same type with good performance for the Ministry, Institution, or the region;
 - e. failure to complete the contract up to end of the Budget Year resulting from force majeure, the contract may continue to the next Budget Year by providing budget in the following Budget Year;
 - f. Failure to complete the contract up to the end of the Budget Year resulting from failure of the Provider of Service, the contract may continue to the next Budget Year by providing budget in the following Budget Year and the Provider of service is subject to penalty for delay as provided for in the provisions in the Contract;
 - g. if the work referred to in the contract is not completed up to the end of the Budget Year resulting from error on the part of the Ministry / Institution or Regional Government, such contract may continue to the following Budget Year by providing budget in the following Budget Year.
- (3) Provision of budget to continue the contract as referred to in paragraph (2) letter e, letter f, and letter g may be made by re-allocating the budget to the Ministry / Institution or Regional Government.

CHAPTER IX

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- b. stipulate the nature, method, and mechanism of Guarantee of Central Government granted to National Strategic Projects as proposed in the Guarantee of Central Government.
- (6) Regional Government in joint operation with Business Entity requesting Guarantee of Central Government shall first of all grant Guarantee for National Strategic Projects.
- (7) Further provision on the nature, procedure, and mechanism for providing Guarantee of Central Government will be governed in Regulation of Minister of Finance.

CHAPTER VII

ASSIGNMENT OF STATE-OWNED BUSINESS ENTITY

Article 26

- (1) In exercising National Strategic Projects, the Minister or Head of Institution as the Party in-Charge of National Strategic Projects may assign State-owned Enterprise based on the provisions in the statutory regulation.
- (2) State-owned Business Entity yang ditugaskan as referred to in paragraph (1) may cooperate with other Business Entity subject to compliance with the norms of good governance.

CHAPTER VIII

PROCUREMENT OF GOODS AND SERVICES FOR GOVERNMENT

Article 27

- (1) The Minister / Head of Institution, Governor, and Regent / Mayor shall accelerate procurement of goods and services for exercising National Strategic Projects.
- (2) Accelerated procurement of goods and services for National Strategic Projects will be exercised by the Minister / Head Institution, Governor, and the Regent / Mayor based on the provisions below:
- a. direct procurement may be exercised of Consultancy Service with maximum value of Rp.500.000.000,00 (five hundred million Rupiah);
 - b. direct appointment may be made to international financial institution exercising cooperation with the Ministry, Institution, in preparation for National Strategic Projects;

c. efficiency and effectivity, in issuing permit and non-permit.

(7) For permit and non-permit that may not be delegated as referred to in paragraph (3), the Minister or Head of Institution and the Governor or Regent / Mayor:

a. shall stipulate procedure, criteria, and period of completion of the permit and non-permit; and

b. shall assign an Official of PTSP.

(8) In stipulating decision on procedure and criteria of permit and non-permit as referred to in paragraph (4), paragraph (5), and paragraph (7), the Minister, Head of Institution or the Governor, and Regent / Mayor shall consolidate the permits and minimize the procedure and/or requirements for permit and non-permit.

(9) Period for issue of permit and non-permit being delegated as referred to in paragraph (4) and paragraph (5) shall be three (3) working days as of the date the complete and correct application for permit and non-permit is received.

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Article 20

- (1) Regional Government shall determine Regional Space Layout Plan of Province, space layout of Regency / Municipality regions, and/or Zonation Plan of Coastal Region and Small Islands.
- (2) Failure to stipulate Regional Space Layout Plan as referred to in paragraph (1), due to not obtaining approval for amendment to the allocation and function of forest zone from the Minister of Living Environment and Forestry, this case must be settled through Zonal Application which allocation of Zonal Region is not yet amendment. (Holding Zone).
- (3) National Strategic Projects which originally located not in forest zone, but later the location thereof is changed to forest zone, implementation of National Strategic Projects may proceed by granting Permit of Loan and Use of Forest Zone.
- (4) National Strategic Projects in the form of energy, hot water, and wind, may be utilized in Natural Forest Zone and Natural Preserved Zone in accordance with the provisions in the statutory regulation.

CHAPTER IV

PROVISION OF LAND

Article 21

- (1) Land for implementation of National Strategic Projects will be provided by the Central Government, Regional

Government, and/or Business Entity according to the provisions in the statutory regulation.

- (2) National Strategic Projects implemented by the Central Government, Regional Government, or State-owned Business Entity assigned by the Central Government, the land thereof shall be provided based on the provisions in the statutory regulation on Land Procurement for building construction for public interest for minimum time limit.
- (3) National Strategic Projects implemented by State-owned Business Entity but not assigned by the Central Government or private Business Entity, the land thereof shall be provided based on agreement with the land owner.
- (4) The right to land for National Strategic Projects which location has been stipulated by the Governor, may not be transferred by the owner of right to other party other than to the National Land Agency

Article 22

- (1) The Central Government and/or Regional Government may give support to Business Entity in processing provision of land according to the provisions in the statutory regulation.
- (2) The support referred to in paragraph (1) may be in the form of:
 - a. Provision with priority for provision of land; and/or
 - b. Use of land belonging to Central Government or Regional Government, according to the provisions in the statutory regulation.

Article 23

- (1) Financement of the land for National Strategic Projects provided by Central Government or Regional Government, may originate first of all from Business Entity that obtains the Power based on agreement, acting for the Central Government and/or Regional Government.
- (2) Financement of the provision of land by Business Entity as referred to in paragraph (1) will be repaid by the Central Government and/or Regional Government from the State Revenue and Expenditure Budget and/or

Regional Revenue and Expenditure Budget after process of land procurement has been completed based on joint calculation between the Central Government or Regional Government and the Business Entity in accordance with the provisions in the statutory regulation

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- (3) Guarantee of the Central Government as referred to in paragraph (1) will be provided so long it concerns policy that may be utilized or not utilized by the Central Government that may hamper National Strategic Projects and may result in financial impact to Business Entity implementing the National Strategic Projects.
- (4) Risk control and management over the Guarantee of the Central Government as referred to in paragraph (1), shall be exercised by the Minister of Finance.
- (5) In carrying out the duty and function as referred to in paragraph (4), the Minister of Finance has the authority to:
- ask for and obtain the required data and information from the parties that are relevant to National Strategic Projects as proposed to grant Guarantee of Central Government; and

- b. stipulate the nature, method, and mechanism of Guarantee of Central Government granted to National Strategic Projects as proposed in the Guarantee of Central Government.
- (6) Regional Government in joint operation with Business Entity requesting Guarantee of Central Government shall first of all grant Guarantee for National Strategic Projects.
- (7) Further provision on the nature, procedure, and mechanism for providing Guarantee of Central Government will be governed in Regulation of Minister of Finance.

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 - b. direct appointment may be made to international financial institution exercising cooperation with the Ministry, Institution, in preparation for National Strategic Projects;

- c. direct appointment may made to the Provider of Consultancy Service that is experienced in exercising Contract of the same type with good performance for the Ministry, Institution, or region for procurement of routine consultancy service;
 - d. direct appointment may be made one time to the Provider of Goods / Services for Construction that has exercised Contract of the same type with good performance for the Ministry, Institution, or the region;
 - e. failure to complete the contract up to end of the Budget Year resulting from forece majeure, the contract may continue to the next Budget Year by providing budget in the following Budget Year;
 - f. Failure to complete the contract up to the end of the Budget Year resulting from failure of the Provider of Service, the contract may continue to the next Budget Year by providing budget in the following Budget Year and the Provider of service is subject to penalty for delay as provided for in the provisions in the Contract;
 - g. if the work referred to in the contract is not completed up to the end of the Budget Year resulting from error on the part of the Ministry / Institution or Regional Government, such contract may continue to the following Budget Year by providing budget in the following Budget Year.
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