PALEMBANG CITY SEWERAGE PROJECT (PCSP)
INNOVATIVE USE OF GRANTS BY AUSTRALIA IN
JOINTLY FUNDING WITH GOVERNMENT OF INDONESIA

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NATIONAL POLICY ON GOVERNMENT AFFAIRS

Law No. 23 Year 2014

Government Affairs

Absolute (Central Government)

1. Defense
2. Security
3. Religion
4. Judicial
5. Foreign Politics
6. Monetary and Fiscal

Concurrent (Divided to Central Govt., Provincial Govt. and Local Govt.)

Obligatory

1. Basic Services

Optional

1. Non Basic Services

General Affairs

Pancasila, The Constitution of Republic Indonesia 1945, Bhineka Tunggal Ika, Democracy, Nation Unity, etc.

Minimum Service Standard (Including Wastewater Service)

PP No. 2 Year 2018
GOVERNMENT OF INDONESIA AUTHORITY ON WASTEWATER SERVICES

Wastewater Management

Central Government
- Formulate policy on Wastewater Treatment Plant
- Responsible to develop and manage wastewater system for inter-provinces

Provincial Government
- Responsible to develop and manage regional wastewater system inter-cities within one province border

City Government
- Responsible to develop and manage wastewater system serving a city or regency within the city border
WHERE IS PALEMBANG?

- Palembang city is the capital city of South Sumatera Province
- 1.8 million inhabitants with density of 4,800 person per km²
### PALEMBANG SEWERAGE TIMELINE

<table>
<thead>
<tr>
<th>No.</th>
<th>Activities</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Master plans 8 cities</td>
<td>2010 – 2011</td>
</tr>
<tr>
<td>2.</td>
<td>Grant concept Palembang</td>
<td>2013</td>
</tr>
<tr>
<td>3.</td>
<td>DED 3 cities</td>
<td>2014 – 2015</td>
</tr>
<tr>
<td>4.</td>
<td>Design adjustment</td>
<td>2016</td>
</tr>
<tr>
<td>5.</td>
<td>DFAT peer review</td>
<td>February 2017</td>
</tr>
<tr>
<td>6.</td>
<td>DFA and PAM</td>
<td>April 2017</td>
</tr>
<tr>
<td>7.</td>
<td>Implementation</td>
<td>May 2017</td>
</tr>
</tbody>
</table>
Palembang City Sewerage Project (PCSP) is the first project in Indonesia funded by three sources:

1. Grant - Government of Australia (DFAT), using result-based mechanism
3. Local Budget - Provincial Government/ Local Government

Strength

- Strengthen each stakeholder’s role
- Increase local government awareness
- Fund availability for the work packages increases

Challenges

- Need good construction management for each work packages to meet the project objectives and timeline
- Difficulties in dividing the package work for the contract
- Different procedures for disbursement of fund

Funding Mechanism of PCSP

DFAT
A$ 45,000,000

National Budget
A$ 32,800,000

Local Budget
A$ 31,050,000

(Pre-finance by local budget)
## INTEGRATION OF MANAGEMENT

<table>
<thead>
<tr>
<th>Components and Responsibilities</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DFAT</td>
</tr>
<tr>
<td><strong>Components of the PCSP</strong></td>
<td>WWTP, Pump station, site earthworks</td>
</tr>
<tr>
<td><strong>Executing Agency</strong></td>
<td>MoF DGFB*</td>
</tr>
<tr>
<td><strong>GoI Project Management</strong></td>
<td>CPMU</td>
</tr>
<tr>
<td><strong>Procurement of Works</strong></td>
<td>PWD Palembang</td>
</tr>
<tr>
<td><strong>Implementation of Works</strong></td>
<td>PWD Palembang</td>
</tr>
<tr>
<td><strong>Construction Management</strong></td>
<td>CMC (funded by DFAT)</td>
</tr>
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</table>
WHAT SHOULD BE PREPARED BY THE LOCAL GOVERNMENT?

Technical Aspect
- Readiness Criteria

Fiscal Capability

Institution

Procurement Resources

Technical Aspect – Readiness Criteria

Fiscal Capability

Institution

Procurement Resources
Strong Cooperation
Government and Donor

DED Documents 2016
Total Population Served = 110,000
Total Household Connections = 12,000
# PCSP CONTRACT PACKAGES

<table>
<thead>
<tr>
<th>Contract</th>
<th>Funding</th>
<th>Activities</th>
<th>Timeline</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>DFAT Grant</td>
<td>Phase 1 land acquisition</td>
<td>2017</td>
<td>A$ 45.000.000</td>
</tr>
<tr>
<td>A2</td>
<td>DFAT Grant</td>
<td>WWTP and Pump station A (include phase 2 earthwork)</td>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td>National Budget</td>
<td>Pressurized pipe A</td>
<td>2017-2019</td>
<td>A$ 32.800.000</td>
</tr>
<tr>
<td>B3</td>
<td>National Budget</td>
<td>1000 household connection (pilot)</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>C1 and C2</td>
<td>Local Budget</td>
<td>Pipe networks for catchment area 1 &amp; 3</td>
<td>2019</td>
<td>A$ 31.050.000</td>
</tr>
<tr>
<td>Others</td>
<td>Local Budget</td>
<td>- DED + pipe networks construction for estates and commercial &lt;br&gt; - DED + 11,000 household</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TECHNOLOGY USED FOR WWTP

- WWTP capacity: 20,000 $m^3$/day
- **Sewer Pipe**
  Dia. 100mm – 1050mm: ±125 km
- **Pressured Pipe**
  Dia. 710mm – 1200mm: ±8 km

WWTP will be designed using advanced technology sequences: Anaerobic Baffled Reactor (ABR), Biological Trickling Filter (BTF), Clarifier, and Disinfection
The on-going contract is the B1 contract which works on the pipeline from Pumping station A to the WWTP
- Pipe length: ±8 km
- Pipe type: Pressured pipe

The lateral pipe for the catchment area for contract B2 is still under design review
THANK YOU