



This document contains the summary of recommendations on institutional setup to enable integrated public transports management in Metropolitan Jakarta Area.

Public Transport Institutional Integration Roadmap in Metropolitan Jakarta - Executive Summary

Clean Mobility for Metropolitan Jakarta

21/10/2023

1. Introduction

Metropolitan Jakarta consists of 3 provincial governments and 8 city/regency governments, each led by their own publicly elected leaders. The national government is also involved, particularly for cross provincial matters. These three government levels, each with their own transportation agencies, have some degree of involvement regarding the region's transportation planning. Moreover, the applicable regulations in Indonesia currently differentiate road- and rail-based public transport administrations. These things have led to the establishment of various institutions to govern public transport matters in the Metropolitan Jakarta area, as shown by [Table 1](#).

Table 1 Current Landscape of Metropolitan Jakarta Public Transports Institutional Setup

Role	Transport Modes	Inter Provinces	Inter Cities	Intra City
Regulator (Government Agencies)	Road-Based	Greater Jakarta Transport Authority (BPTJ)	Provincial Transport Agency	City Transport Agency
	Rail-Based	Directorate General of Railways (DJKA)	Provincial Transport Agency	City Transport Agency
Implementer (Business Entity)	Road-Based	Private Operators	- Transjakarta* - Private Operators	Private Operators
	Rail-Based	State-Owned Enterprise	Provincial-Owned Enterprise	City-Owned Enterprise

Administered by the National Government
Administered by Provincial Government
Administered by City/Regency Government

**Only for DKI Jakarta Provincial area*

This governance of public transports that are based on administrative borders resulted in some issues on public transport development of the region due to the differences in financial capacities and priorities between different institutions. One of the issues that are being highlighted in this report is the uneven development of mass public transport in the Metropolitan Jakarta area, as could be seen in [Figure 1](#) below.

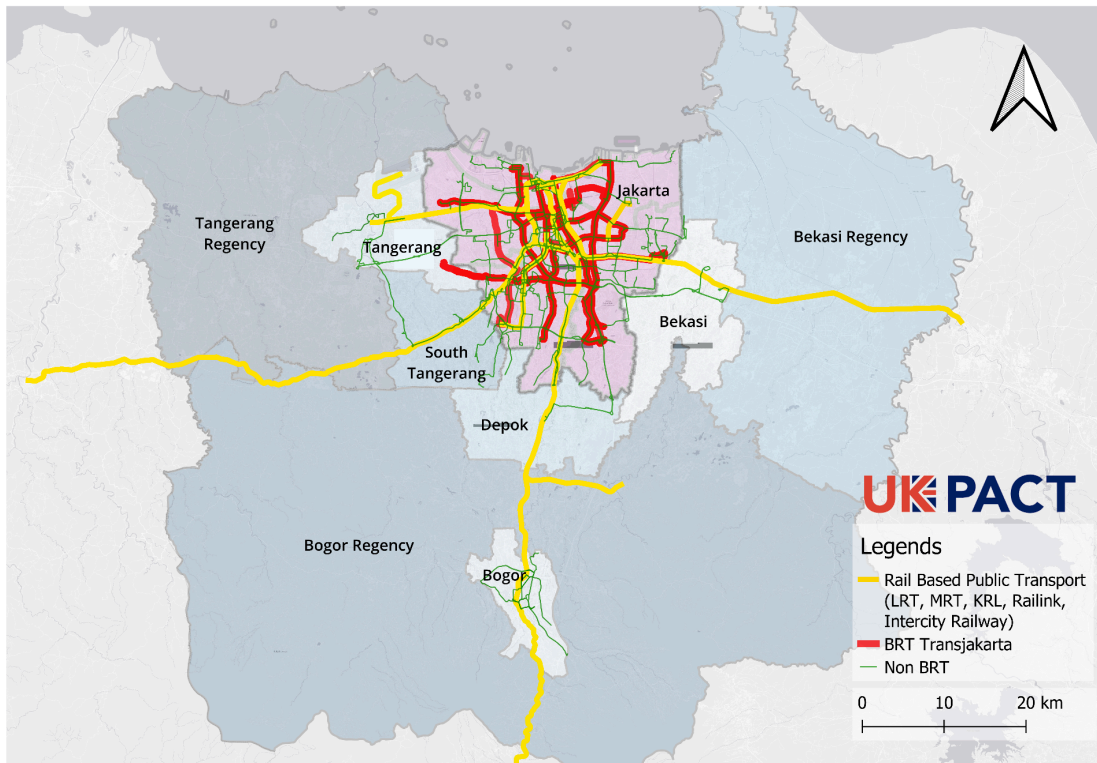


Figure 1 High Quality Mass Transit in Metropolitan Jakarta

Another issue that persists is that the existing public transport in Metropolitan Jakarta varies in the level of service provided. For example, a high-quality Jakarta Mass Rapid Transit operates only until Lebak Bulus, the most outer part of Jakarta adjacent with South Tangerang, forcing commuters to switch to lower-quality minibuses, known as “*Angkot*”, for travelling towards South Tangerang and beyond where more commuters actually lived in. The development of Jakarta MRT could not also be extended towards South Tangerang as the company who built and operates the system is a company owned by the Jakarta Provincial Government.

Although there are these Service Level Agreement (SLA) in place for every kind of public transport mode, the current governance for *Angkots* and regular buses, which are available in all regions inside Metropolitan Jakarta area, makes it hard to be enforced. This is due to the fact that the only penalties that could be given is permit revocation, whereas if it gets enforced, services for the public will be gone. This creates a dilemma, as strict SLA enforcements might eliminate public transport services altogether. Moreover, *Angkot* and regular bus operators often fight for passengers, resulting in reckless driving that compensates for passengers' safety.



Figure 2 Level of Service Disparity in Lebak Bulus: Public Transport in Jakarta (bottom) and South Tangerang (top)
(Source: Kompas; Shutterstock; MRT Jakarta; Tempo)

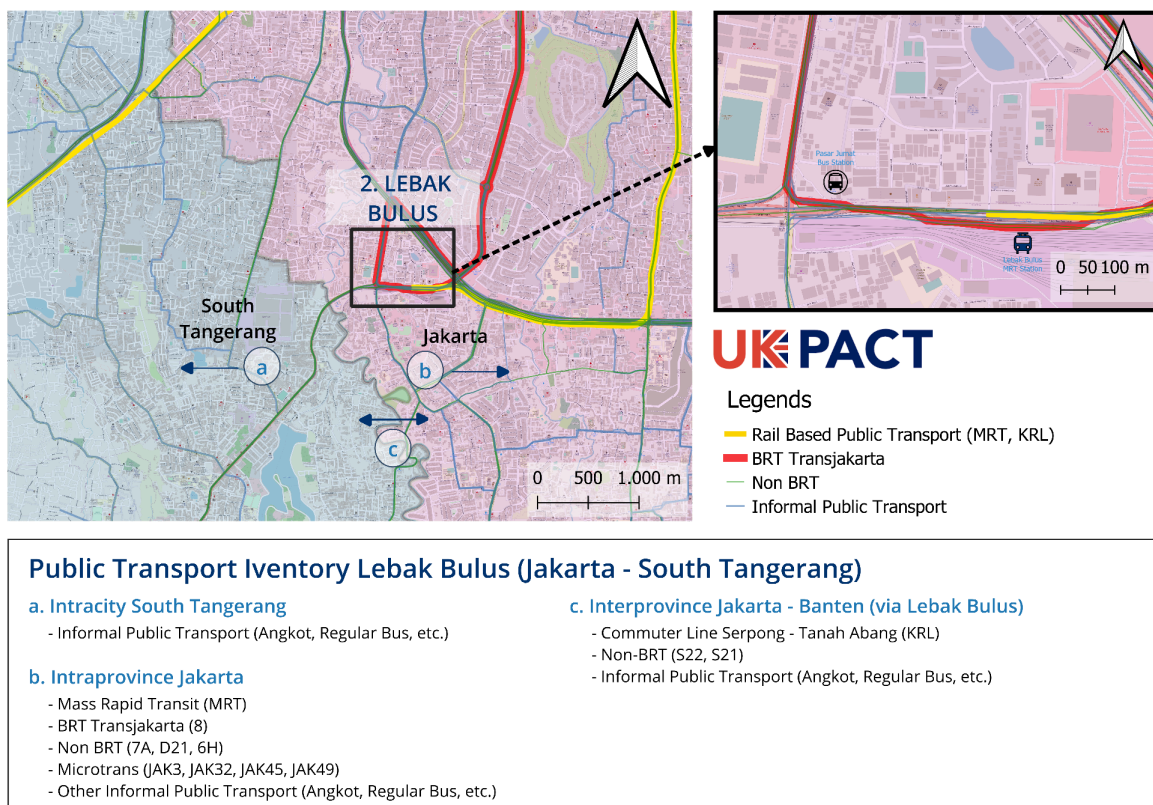


Figure 3 Public Transport Services on Border between Jakarta and South Tangerang

To address these issues, back in 2015, Greater Jakarta Transport Authority (BPTJ) was created under the Presidential Regulation No. 103 of 2015 to integrate transport planning of Metropolitan Jakarta. However, limited fundings from the national government currently affects BPTJ's involvement in the region, limiting their influence to align local governments' transportation

planning and management with the previously agreed Metropolitan Jakarta Transportation Master Plan stated in the Presidential Regulation No. 55 of 2018.

2. Recommendations

Distinction between regulators and implementers is still needed as they are different in nature. Implementer needs to be agile and adaptive to any technological advancement, thus a business entity is the suitable form for it. Meanwhile, a regulator needs to be under supervision of the general public, thus a government agency led by a public official is the most suitable form.

2.1. Integrated Regulator

To address the previously mentioned issues of public transport planning and operation in the Metropolitan Jakarta area, there should be an integrated regulator that is able to plan, monitor, and evaluate all public transport services inside the Metropolitan Jakarta area. The integrated regulator should also be able to provide subsidies for all public transport services inside the Metropolitan Jakarta area, regardless of administrative borders, to ensure the SLA compliance of all public transport services.

There will be three recommendations on the regulator side, which are the creation of a new ministerial level institution, strengthening the Ministry of Transportation role, and the creation of a Governors and Mayors council, each with their set of advantages and disadvantages, as explained below.

2.1.1. New Ministerial Level Institution

The first proposed setup is establishing a ministerial-level institution as the integrated regulator. This entity, reporting directly to the president, will have functions that currently are held by BPTJ, DJKA, Provincial Transportation Agency, and City Transportation Agencies in Metropolitan Jakarta. Therefore, institutions that only have responsibility inside Metropolitan Jakarta will not be there anymore, such as BPTJ, Jakarta Transportation Agency, and other City Transportation Agencies. However, those that have other responsibilities outside Metropolitan Jakarta will still be there, only without any involvement in Metropolitan Jakarta anymore. This includes the DJKA, West Java Transportation Agency, and Banten Transportation Agency.

2.1.2. Led by The National Government

The second proposed setup involves appointing the Minister of Transportation as the integrated regulator, directly reporting to the president. A new unit, the Directorate General of Metropolitan Jakarta Transports, could be created, mainly to administer inter-provincial services alongside the existing Provincial Transport Agency and City Transport Agency for inter-city and intra-city services respectively. The national government would have authority over these other institutions, enforced via Minister Regulations to be followed by provincial and city governments.

2.1.3. Led by Governors and Mayors Council

The third proposed integrated regulator suggests establishing a Local Government Cooperation Council comprising officials from all provincial and city-level governments in Metropolitan Jakarta. This council will report to a Board of Local Governments’ Chief Executive, represented by Governors and Mayors, acting as a communication platform for local government leaders. This setup resembles a public company shareholders’ general meeting, emphasizing agreement between shareholders as the institution's highest authority.

2.1.4. Summary Table

Table 2 Summary of Recommendations on Integrated Regulator

Option	Description	Opportunities	Challenges
1	Establishment of a new ministerial level institution with authority over all public transportation services in Metropolitan Jakarta	<ul style="list-style-type: none"> Enables comprehensive planning and evaluation Enables subsidy distribution for all services 	<ul style="list-style-type: none"> Potentially violating regional autonomy policy Reduction of authority for local governments Additional expenses for the national government on subsidies
2	Led by the Ministry of Transportation (Directorate General of Metropolitan Jakarta Transports)	<ul style="list-style-type: none"> Readiness of current regulation Subsidy could still be distributed for all 	<ul style="list-style-type: none"> Indirect authority Additional expenses for the national government Similar efforts in the past (establishment of BPTJ)
3	Led by Governors and Mayors Council	<ul style="list-style-type: none"> Direct authority Subsidies could be distributed for all Institutional readiness 	<ul style="list-style-type: none"> National government losing authority Different priorities and financial capabilities Similar efforts in the past (BKSP Jabodetabekjur) Unfamiliar institution’s governance

2.2. Integrated Implementer

To address the previously mentioned issues of public transport planning and operation in the Metropolitan Jakarta area, there should be an integrated implementer that is able to implement any public transport planning inside the Metropolitan Jakarta area. The integrated regulator should also be able to receive subsidies for any government levels inside the Metropolitan Jakarta area, regardless of administrative borders, to ensure the SLA compliance of all public transport services.

here will be four recommendations on the implementer side, which are the creation of a subsidiary of road- and rail-based state- and regional-owned companies, separate subsidiaries of state- and regional-owned companies for road- and rail-based services, and separate Jakarta regional-owned companies for road- and rail-based services, each with their set of advantages and disadvantages, as explained below.

2.2.1. Subsidiary of Road- and Rail-Based State- and Regional-Owned Companies

The first proposed integrated implementer setup suggests a company jointly-owned by national and local governments, represented by State-Owned Enterprises (SOE) and Regional-Owned Enterprises (ROE). This institution, overseeing all public transport in Metropolitan Jakarta, will appoint suitable operators to operate specific services, such as BRT or MRT system, under contracts. The head of this institution will report, directly or indirectly, to both the national and local governments.

2.2.2. Separate Subsidiaries of State- and Regional-Owned Companies for Road- and Rail-Based Services

The second proposed setup involves two separate institutions, each for road- and rail-based public transport in Metropolitan Jakarta respectively. Each institution, jointly owned by national and local governments or represented by State-Owned Enterprises (SOE) and Regional-Owned Enterprises (ROE), will contract operators for specific services. The heads of these institutions will report to both national and local governments.

2.2.3. Separate Jakarta Regional-Owned Companies for Road- and Rail-Based Services

The third proposed setup aims to empower existing Jakarta Regional-Owned Enterprises (ROEs) as integrated implementers for road- and rail-based public transport in Metropolitan Jakarta. Owned by the Jakarta Provincial Government or through its ROEs, these institutions will contract operators for specific services. The heads of these institutions will report to the Jakarta Provincial Government.

2.2.4. Combination of Jakarta Regional-Owned Companies for Road-Based and Subsidiary of State- and Regional-Owned Companies for Rail-Based Services

The final proposed setup combines the second and third setups. Jakarta's Regional-Owned Enterprises (ROE) would serve as the integrated road-based implementer, while a joint subsidiary between the national and local governments, or through State-Owned Enterprises (SOEs) and ROEs, would be the integrated rail-based implementer. Potential entities for these roles could be Transjakarta for road-based services and MITJ, a joint venture between state-owned KAI and Jakarta regional-owned MRT Jakarta, for rail-based services. Both institutions will contract operators for specific public transport systems in Metropolitan Jakarta, maintaining the current reporting structure to their respective owners.

2.2.5. Summary Table

Table 2 Summary of Recommendations on Integrated Implementer

Option	Description	Opportunities	Challenges
1	Implemented by 1 integrated company owned by central and local governments for road- and rail-based services	<ul style="list-style-type: none"> ● Full responsibility ● Unrestrained by administrative borders ● Receiving subsidies from all government levels 	<ul style="list-style-type: none"> ● Potentially violating transportation administration policy ● Potential conflict of interests ● Existing companies losing roles
2	Implemented by 2 integrated companies owned by central and local governments separately for each mode of transport	<ul style="list-style-type: none"> ● Clear responsibility ● Unrestrained by administrative borders ● Receiving subsidies from all government levels ● Replicable 	<ul style="list-style-type: none"> ● Potential conflict of interests ● Existing companies losing roles ● Unoptimised route between modes
3	Implemented by 2 integrated companies owned by local governments separately for each mode of transport	<ul style="list-style-type: none"> ● Clear responsibility ● Mimics the trip pattern ● Accommodate the existence of current companies 	<ul style="list-style-type: none"> ● Limited to Jakarta administrative area ● Limited source of subsidy ● Unavailability of suitable institution ● Unoptimised route between modes

4	<p>Strengthening the role of current existing companies (combination of option 2 and 3)</p>	<ul style="list-style-type: none"> ● Clear responsibility ● Accommodate the existence of current companies ● Utilising available resources 	<ul style="list-style-type: none"> ● Limited by administrative borders ● Limited source of subsidy ● Potential conflict of interests ● Unoptimised route between modes
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