

REGULATION OF THE MUNICIPALITY OF SURAKARTA
NUMBER 4 OF 2020
ON
PUBLIC PRIVATE PARTNERSHIP IN PROVISION OF PUBLIC STREET
LIGHTING SERVICES IN CITY OF SURAKARTA

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF SURAKARTA,

- Considering : a. that public street lighting is a part of the basic services needed in the context of safe, secure, orderly, and smooth traffic;
- b. that to improve public street lighting services in the City of Surakarta, it is necessary to utilize the expertise and financing of business entities through a public private partnership scheme;
- c. that to provide legal certainty and a sense of justice as well as the public welfare regarding Public Private Partnership in Provision of Public Street Lighting Services in City of Surakarta, regulations are necessary;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regional Regulation on Public Private Partnership in Provision of Public Street Lighting Services in City of Surakarta;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 16 of 1950 on Establishment of Large City Regions within the Province of East Java, Central Java, West Java, and the Special Region of Yogyakarta (State Bulletin of the Republic of Indonesia of 1950 Number 45);
3. Law Number 22 of 2009 on Road Traffic and Transportation (State Gazette of the Republic of Indonesia of 2009 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 5025);
4. Law Number 30 of 2009 on Electricity (State Gazette of the Republic of Indonesia of 2009 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5052);
5. Law Number 23 of 2014 on the Local Governments (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times and last by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
6. Government Regulation Number 79 of 2013 on Road Traffic and Transportation Networks (State Gazette of the Republic of Indonesia of 2013 Number 193, Supplement to the State Gazette of the Republic of Indonesia Number 5468);
7. Government Regulation Number 28 of 2018 on Regional Partnership (State Gazette of the Republic of Indonesia of 2018 Number 57, Supplement to the State Gazette of the Republic of Indonesia Number 6219);
8. Government Regulation Number 12 of 2019 on Regional Financial Management (State Gazette of the Republic of Indonesia of 2019 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 6322);
9. Presidential Regulation Number 78 of 2010 on Infrastructure Guarantee in Public Private Partnership Projects Conducted through the Infrastructure Guarantee Business Entity;

10. Presidential Regulation Number 38 of 2015 on Public Private Partnerships in Provision of Infrastructure (State Gazette of the Republic of Indonesia of 2015 Number 62);
11. Regulation of the Municipality of Surakarta Number 10 of 2018 on Regional Partnership (Regional Gazette of the Municipality of Surakarta of 2018 Number 10, Supplement to the Regional Gazette of the Municipality of Surakarta Number 88);

With the Joint Approval of
THE MUNICIPAL HOUSE OF REPRESENTATIVES
and
THE MAYOR OF SURAKARTA

HAS DECIDED:

To issue : REGIONAL REGULATION ON PUBLIC PRIVATE PARTNERSHIP
IN PROVISION OF PUBLIC STREET LIGHTING SERVICES IN
CITY OF SURAKARTA.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the City of Surakarta.
2. Mayor means the Mayor of Surakarta.
3. Local Government means the Mayor as the administering element of the Local Governance who leads the implementation of the government affairs which becomes the authority of the Autonomous Region.
4. Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*), hereinafter abbreviated as DPRD, means a regional people's representative institution functioning as an administering element of the Local Governance.
5. Local Budget (*Anggaran Pendapatan dan Belanja Daerah*), hereinafter abbreviated as APBD, means the regional government's annual financial plan which is jointly

discussed and approved by the Local Government and DPRD and stipulated by a Regional Regulation.

6. Government Contracting Agency, hereinafter abbreviated as GCA, means the Mayor as the provider or administrator of the infrastructure for the Public Private Partnership Project in Provision of Public Street Lighting Services for City of Surakarta under the provisions of legislation.
7. Business Entity means business entities in the form of limited liability companies, State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), and cooperatives.
8. Business Entity Executing Cooperation between Government and Business Entity, hereinafter abbreviated as BUP, means a Limited Liability Company established by a Business Entity winning the tender or directly appointed.
9. Infrastructure Guarantee Business Entity means a business entity established by the Government, particularly assigned to carry out Infrastructure Guarantee, and given capital based on Government Regulation Number 35 of 2009 on State Equity Participation of the Republic of Indonesia for the Establishment of a Limited Liability Company (*Persero*) in Infrastructure Guarantee.
10. Public Private Partnership, hereinafter abbreviated as PPP, means a partnership between Local Government and Business Entities in the Provision of Infrastructure for the public interest with reference to the predetermined specifications by the GCA, which partially or entirely use the resources of the Business Entity by taking into account the risks distribution among the parties.
11. Public Street Lighting (*Penerangan Jalan Umum*), hereinafter abbreviated as PJU, means the use of electricity either from the State Electricity Company network or a special source of electrical energy installed in open spaces or outside buildings to illuminate public roads.

12. Regional PJU PPP Project means a project with a PPP scheme for providing PJU services in the Region.
13. Availability Payment means a periodic payment by the Mayor as the GCA to the BUP for the availability of infrastructure services in accordance with the quality and/or criteria specified in the Partnership Agreement.
14. Regional PJU PPP Project Partnership Agreement, hereinafter referred to as the Partnership Agreement, means a written agreement between the GCA and BUP for the provision of infrastructure for the Regional PJU PPP Project.
15. PJU PPP team means a team formed by the GCA to assist the management of the Regional PJU PPP in the preparation and transaction stages of the Regional PJU PPP Project, especially after the establishment of the BUP until financial close is reached.
16. PJU Provision Committee means a team formed by the GCA, which has the role and responsibility of preparing and carrying out the BUP provision process in the transaction stage of the Regional PJU PPP Project.
17. PPP Agreement Implementation Control Team, hereinafter referred to as the Control Team, means a team formed or appointed by the GCA to assist the GCA in the implementation stage of the PPP agreement.
18. Infrastructure Guarantee means the provision of guarantees for financial obligations as stipulated in the provisions of legislation on Infrastructure Guarantee.
19. Regress means the right of the Infrastructure Guarantee Business Entity to charge the GCA for what it has paid to the BUP to fulfill the GCA's financial obligations by taking into account the time value of money paid.

CHAPTER II

SCOPE

Article 2

The scope of regulation in this Regional Regulation includes:

- a. planning;
- b. preparation; and
- c. transaction.

CHAPTER III PLANNING

Part One

PPP in the Provision of PJU Services

Article 3

For providing PJU services to the public, the Local Government cooperates in providing PJU services with Business Entities through the PPP scheme.

Article 4

The Local Government sets out plans for the provision of PJU services in the Local Government Planning Documents.

Part Two

Government Contracting Agency

Article 5

- (1) The Mayor acts as the GCA to implement the Regional PJU PPP Project.
- (2) The GCA can delegate some of the authority to the Head of the Local Apparatuses whose main function is to carry out PJU service affairs.
- (3) The delegation of some of the GCA's authority, as referred to in section (2), is stipulated by a Mayor's Decision.
- (4) The GCA and the recipient of the delegation as referred to in section (2) implement good governance by taking into account the principles of transparency, accountability, independence, and fairness.

CHAPTER IV PREPARATION STAGE

Part One General

Article 6

The GCA prepares the Regional PJU PPP Project following the provisions of legislation in the PPP sector.

Part Two Regional PJU PPP Project Organization

Article 7

- (1) In implementing the Surakarta PJU PPP project, the GCA has formed a Regional PJU PPP project organization.
- (2) The Regional PJU PPP project organization as referred to in section (1) consists of:
 - a. PJU PPP team;
 - b. PJU PPP Provision Committee; and
 - c. PJU PPP Agreement Implementation Control Team.
- (3) The establishment of the Regional PJU PPP project organization, as referred to in section (2), is stipulated by a Mayor's Decision as the GCA.

Part Three Local Government Support

Article 8

- (1) In realizing the Regional PJU PPP Project, the Local Government provides the necessary support in accordance with its authority.
- (2) The supports as referred to in section (1) include:
 - a. supports in issuing permits; and
 - b. supports in utilizing regional assets.

Part Four
Infrastructure Guarantee

Article 9

- (1) The GCA prepares the Regional PJU PPP Project to obtain an Infrastructure Guarantee from the Infrastructure Guarantee Business Entity.
- (2) The GCA submits a guarantee proposal to the Infrastructure Guarantee Business Entity following the provisions of legislation.

Article 10

If the Infrastructure Guarantee Business Entity approves the Infrastructure Guarantee proposal, the GCA signs a regress agreement with the Infrastructure Guarantee Business Entity at the same time as signing the guarantee agreement.

Article 11

- (1) If the Infrastructure Guarantee Business Entity has carried out the obligation to pay guarantees to the BUP based on the guarantee agreement, the GCA is obligated to fulfill the regress.
- (2) The GCA carries out the Regress payment obligations based on the procedures and mechanisms agreed upon in the regress agreement.

Article 12

The Local Government controls, manages, prevents, and reduces the impact of infrastructure risks as the responsibility of the Local Government according to the risk allocation as agreed in the Partnership Agreement.

CHAPTER V TRANSACTIONAL STAGE

Part One Signing of Partnership Agreement

Article 13

- (1) Signing of the Partnership Agreement along with the amendment is carried out by GCA and BUP.
- (2) Signing of the Partnership Agreement along with the amendment as referred to in section (1) meets with the approval of DPRD.
- (3) Partnership Agreement as referred to in section (1) contains the minimum provisions as stipulated in the provisions of legislation in the PPP sector.
- (4) Approval of DPRD as referred to in section (2) is granted with the following conditions:
 - a. The amendment to the availability payment in the Partnership Agreement signed by the GCA and BUP for the PJU PPP Project is not allowed; and
 - b. The Partnership Agreement regulates the obligation of the BUP for the PJU PPP Project to renew the luminaire in accordance with the technical age required based on the provisions of legislation.

Part Two Budgeting for Availability Payment and Electricity Usage

Article 14

- (1) The Local Government together with DPRD allocates APBD to make the availability payment to the BUP and electricity usage payment in accordance with the quality and/or criteria as stipulated in the agreement of PJU PPP.
- (2) Availability payment fund as referred to in section (1) is allocated in the APBD for availability payment to PPP in each fiscal year for a maximum of 15 (fifteen years) since the signing of the Partnership Agreement.

- (3) The budget allocation as referred to in section (2) takes into account to the regional financial capacity, fiscal sustainability, fiscal risk management, and usage target accuracy.
- (4) Availability payment and electricity usage payment as referred to in section (1) are executed in accordance with the provisions of legislation

Article 15

Availability Payment as referred to in Article 14 is in accordance with the partnership agreement between GCA and BUP.

CHAPTER VI TRANSITIONAL PROVISION

Article 16

The stages carried out by the Mayor as GCA which include Planning and Preparation are part of the PJU PPP Project insofar as they are determined under the authority and in accordance with the provisions of legislation.

CHAPTER VII CLOSING PROVISION

Article 17

This Regional Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of the Municipality of Surakarta.

Issued in Surakarta
on 31 August 2020

MAYOR OF SURAKARTA,

signed

FX. HADI RUDYATMO

Promulgated in Surakarta
on 31 August 2020
REGIONAL SECRETARY
OF THE MUNICIPALITY OF SURAKARTA,

signed

AHYANI

REGIONAL GAZETTE OF THE MUNICIPALITY OF SURAKARTA OF 2020
NUMBER 4

Jakarta, 15 June 2023

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF
REGULATION OF THE MUNICIPALITY OF SURAKARTA
NUMBER 4 OF 2020
ON
PUBLIC PRIVATE PARTNERSHIP IN PROVISION OF
PUBLIC STREET LIGHTING SERVICES IN CITY OF SURAKARTA

I. GENERAL

Law Number 23 of 2014 on Local Government as amended several times and last by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Government that mandates the Regions to establish cooperation by considering the efficiency and effectiveness of public services as well as the mutual benefits to improve public welfare.

PPP scheme is one of the partnership schemes between the government and business entities in the provision of infrastructure for the public interest with reference to the predetermined specifications, which partly or entirely use the resources of the business entity by taking into account risk distribution among the parties.

The Regional PJU PPP project is one of the programs as the realization of one of the missions in Regional Medium-Term Plan of the Municipality of Surakarta in 2016-2017 which targetis to increase the availability of livable housing and the quantity and quality of infrastructure facilities, in this case PJU services.

With respect to the current condition on the provision of PJU services that is not optimal, or efficient which leads to the high electricity cost paid to the Municipality of Surakarta, an effort is required to improve the standard and quality of street lighting equipment in the Regions that is by establishing partnership through a PPP scheme.

Through the PPP scheme, business entities are involved in financing, designing, building, operating, and maintaining PJU infrastructure in the Regions. The return on business entity investment originates from payments made by the government or are referred to as availability payments.

In connection with the aforementioned statement as regards the implementation of the Regional PJU PPP Project, Regional Regulations are demanded to regulate the aspects of the partnership of the Regional PJU PPP Project, including the support from the Local Government and budgeting for the availability payment for the continuation of the partnership and implementation of the PJU.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

The term Local Government Planning Document means Regional Long-Term Development Plan Document for a period of 20 (twenty) years, Regional Medium-Term Development Plan for a period of 5 (five) years, and Regional Government Work Plan, as well as Local Government Department Strategic Plan for the annual period.

Article 5

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term 'transparency' means the information disclosure in the implementation of the Regional PJU PPP projects.

The term 'accountability' means a form of responsibility for the implementation of the Regional PPP PJU projects.

The term 'independence' means the process conducted to fulfill the needs of the implementation of the Regional PPP PJU projects within its own capability.

The term 'fairness' means the implementation of the Regional PJU PPP project takes into account the values applied in the society related to both morals and customs, and is not arbitrary.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Section (1)

Support is given under the Local Government authority for the Regional PJU PPP Project in accordance with the provisions of legislation.

Section (2)

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Guarantee Agreement means a written agreement containing rights and obligations of Guarantee Business Entity as the surety and the Obligee, in this case BUP, for the Infrastructure Guarantee.

The Regress Agreement means a written agreement between the Infrastructure Guarantee Business Entity and the GCA which contains the terms and conditions for fulfilling the regress.

Article 11

Section (1)

Based on the Regress Agreement, the Infrastructure Guarantee Business Entity will first fulfill the GCA's financial obligations

that have been guaranteed by the Infrastructure Guarantee Agency to the BUP. For the payment of the GCA's financial obligations by the Infrastructure Guarantee Business Entity, the GCA is required to make regress payments to the Infrastructure Guarantee Business Entity in accordance with the mechanism stipulated in the Regress Agreement.

Section (2)

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Point a

Sufficiently clear.

Point b

The term Luminaires means electronic equipment that can produce, control, and distribute light or in accordance with the provisions of legislation.

Article 14

Availability Payment budgeting means executed by taking into account the maximum number of Availability Payment limits paid by the GCA to BUP based on the Partnership Agreement.

Article 15

Fulfillment of service performance indicators is in accordance with service performance indicators in the Partnership Agreement.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE MUNICIPALITY OF
SURAKARTA NUMBER 106