Indonesian cities are facing severe challenges regarding public transport and urban mobility. The non-existence, degradation or under design of public transport systems have led to an increased usage of private vehicles (cars and motorcycles) over the last decades, contributing to traffic congestion, economic losses and high pollution by greenhouse gas emissions (GHG) and other pollutants. Projected emissions from private cars in Indonesian cities account for 140 million tCO₂ annually by 2030, whilst motorcycles contribute to a four to six times higher amount than cars.

To address these challenges, Indonesia’s national mid-term development planning 2020-2024 emphasizes the development of low-carbon urban transportation (road-based public transportation) in Batam Island as part of Batam and Bintan Special Economic Zone in Riau Islands Province. The development of proper road-based public transportation is perceived as one important component to contribute to the achievement of the Nationally Determined Contributions (NDCs), which stipulate emission reductions by 29% (purely with national means) respectively 41% (with international support) until 2030 (in comparison to 2010 baseline figures).

**Bus Rapid Transit (BRT) Development in Batam City**

Batam is a city covering a whole island that is located 20 km south of Singapore. The city’s strategic location holds an important role as a development hub to attract foreign direct investment. The planned development of the city envisages Batam Island as a special zone for industry, commerce and tourism. Batam City has around 1.4 million inhabitants.

**FELICITY in a nutshell**

"Financing Energy for Low-carbon Investment-Cities Advisory Facility" is an initiative of GIZ and the European Investment Bank (EIB) to support low-carbon infrastructure projects in cities that significantly contribute to sustainable development and climate change mitigation. As a project preparation facility, FELICITY offers technical assistance to cities in designing and structuring their infrastructure investment projects. FELICITY prioritizes the interest of cities and incorporates the perspective of international financiers.

Like most of cities in Indonesia, the absence of a capable, reliable and safe public transport system and the high motorized individual transport are causing manifold adverse impacts, such as traffic congestion, poor connectivity, a high rate of casualties and severe environmental pollution. This hinders a sustainable future development of the city.
Commencing at the end of 2018, Batam started to plan for a BRT system, supported by the GIZ programmes SUTRI NAMA and INDOBUS. The system currently foresees the planning and construction of corridors with segregated and mixed traffic lanes (around 25.3 km total length), multimodal stations, bus depots, ticketing system as well as the procurement of a bus fleet running on low-carbon propulsion technologies. As such, the development of BRT aims to contribute to an inclusive and climate optimized metropolitan development and a green post pandemic recovery.

**FELICITY’s support to Batam City**

FELICITY supports the project promoter, i.e. Batam City government, in preparing a bankable project in line with international financing requirements, capacitating the project promoter and facilitating the project’s financing. Hereby, FELICITY cooperates with SUTRI NAMA and INDOBUS to align forces, increase expertise and provide the most efficient technical assistance. Crucial challenges in early stage project preparation such as feasible and best fit technological options, net GHG emission reductions, environmental and social impact assessments, clear and sound funding and financing schemes as well as required institutional arrangements, are addressed by FELICITY’s and SUTRI NAMA and INDOBUS’s technical assistance.

On behalf of:

Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

of the Federal Republic of Germany

---

**Imprint**

Published by:
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Address:
Friedrich Ebert Allee 32
53113 Bonn / Germany
T +49 228 4460-0
E info@giz.de
I www.giz.de

Programme
Financing Energy for Low-Carbon Investment – Cities Advisory Facility (FELICITY)

Responsible
Nils Huhn, Bonn
Alin Pratidina, Jakarta

Contact GIZ Country Office Indonesia
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Menara BCA, 46th floor
Jl. M.H. Thamrin No. 1
Jakarta 10310
Indonesia

Layout:
creative republic, Frankfurt, Germany

Printed by:

On behalf of
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety

GIZ is responsible for the content of this publication.

This project is part of the International Climate Initiative (IKI). The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) supports this initiative on the basis of a decision adopted by the German Bundestag

Bonn & Jakarta, December 2020