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# “IBU KOTA NUSANTARA” FOREST CITY PLANNING

## CONTEXT

In 2019, President Joko Widodo announced his intention to relocate the country’s capital from Jakarta to East Kalimantan and included the initiative in the 2020–2024 National Medium-Term Development Plan (RPJMN). The motivation for the decision is to support Indonesia’s economic target of achieving more inclusive and equitable economic growth through the accelerated development of eastern Indonesia by 2045, as a response to the increasing vulnerability of Jakarta due to population density, congestion, and growing risks of climate-related natural disasters.

Efforts to relocate the capital city are currently led by the *Ibu Kota Nusantara* (IKN) Authority, which has been charged with overseeing the planning, development, and relocation of the city and eventually its governance, with support from the Ministry of National Development Planning (BAPPENAS). In February 2022, the new capital was officially named “Nusantara.”

The Government of Indonesia has mandated that Nusantara have 75 percent green space in the city. In order to meet that target, IKN will be developed as a forest city, as mandated by Law Number 3 of

2022. In the existing IKN Master Plan, the green space target is met by allocating 65 percent of the city's area for a forest area and 10 percent for agriculture.

## **PROGRAM FOR LOCALLY-LED URBAN SUSTAINABILITY (PLUS)**

USAID's Program for Locally-led Urban Sustainability (PLUS) is assisting the efforts for the land allocated for forest area, as well as the land allocated as city area. The program will produce a forest city planning report encompassing management of green spaces, zoning for urban growth areas, and the optimization of ecosystem services. The forest city planning report will also summarize the IKN development's impact on the surrounding area. Finally, the program will produce a report on sustainable city financing that identifies suitable options for IKN and assesses the potential for public-private partnerships, among other options.

## **ANTICIPATED RESULTS**

- Support Bappenas in creating recommendations for the National Medium Term Development Plan 2025-2029.
- Prepare a forest city planning report for IKN identifying leading forest city management practices, conduct ecosystem analyses, and determine urban growth boundaries.
- Conduct a study tour to New York, Atlanta, and Washington, D.C. for GOI officials to identify environmental management, sustainable finance, and governance practices applicable to IKN.
- Prepare workshops and e-learning modules for GOI officials on sustainable urban planning and financing, ecosystem services modeling, and reforestation and conservation.
- Conduct consultations with indigenous people and local communities to make recommendations on social safeguards.
- Assess potential for public-private partnerships, innovative municipal financing, payment for ecosystem services, carbon markets, and green bonds to finance the development of IKN.
- Identify promising options for mobilizing finance and prepare a Sustainable Financing City Report.

## **CONTACT**

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