

Project title (Acronym)	Solid Waste Management in West Java
LA / CSO (type)	West Java
Implementing Partner(s)	West Java Provincial Government
Country/countries, region	Java, Indonesia
Budget (specify EU funding amount, if applicable)	PDF amount EUR 139,002
Is it a Global Gateway project?	Yes
Funding modality	Technical Assistance Grant
Funding sources	EU Fund through KfW
Implementation period	5 months
Thematic development area (5 words)	Urban Infrastructure (Solid Waste)
Short description, including target beneficiaries and their engagement/reactions thus far (300 words)	<p>Following the national government effort, the West Java Provincial Government has undertaken various initiatives to address waste management issues especially in downstream (since the upstream is the authority of the city and regency government). The Provincial Government is in charge for issues that are transboundary among the municipalities which is usually called regional waste management. Based on data from West Java's Environmental Agency, it manages 6 regional landfills across the whole province in which Sarimukti is one of the most important landfills given that others are still are at development stages.</p> <p>Sarimukti Landfill has been considered as overload for a long time. With an average daily waste volume sent to Sarimukti Landfill of approximately 1,200 tons, the West Java Provincial Government requires a solution to address its mounting waste problem. Additionally, this landfill has also experienced landslides and wildfires so a proper intervention is very much needed.</p> <p>One of the focuses of the government is to develop an integrated waste management that includes appropriate disposal methods. The selected technology is expected to process waste into valuable products while keep maintaining environmental and social safeguards. This initiative promotes the circular economy concept to minimize waste generation and maximize resource recovery. Therefore, the West Java Provincial Government intends to develop a solid waste treatment plant in Sarimukti. This proposed WTP shall have a waste processing capacity that match the daily incoming waste as well as processing the existing solid waste (landfill mining). The estimated volume of the existing waste is approximately 24 million m³ or equal to 9 million tons of solid waste.</p>
Lessons learnt, key messages and results relevant for future EU programming (300 words)	<p>There is a temptation, when a development finance model produces good results, to treat it as a recipe — to extract the ingredients, reproduce them elsewhere, and expect the same outcome. The PT SMI-EU partnership does not work that way. What we have built is not a recipe. It is a formula, in the mathematical sense: a set of variables that must all hold true simultaneously.</p>

	<p>Institutional credibility × Technical depth × Stakeholder pipeline × Financial engineering = Fundable project.</p> <p>Change any variable to zero, and the product is zero. Institutional credibility without technical depth produces promises that cannot be delivered. Technical depth without stakeholder engagement produces studies that sit on shelves. A strong pipeline without financial engineering produces projects that are ready but not financeable. And financial engineering without credibility produces structures that no one will sign.</p> <p>What the European Union's partnership with PT SMI has demonstrated — across EUR 171.6 million in managed funds, 34 projects, and seven sectors — is that all four variables can be held simultaneously by the right institution, with the right mandate, and the right partners.</p> <p>The formula is not secret. But it is demanding. It requires an institution willing to operate at the intersection of public accountability and market discipline — accountable to communities, credible to investors, and trusted by both. That intersection is uncomfortable. It is also, we have found, exactly where the most important infrastructure gets built.</p>
<p>Replicability (100 words)</p>	<p>Development finance institutions tend to speak in frameworks. Allow me, instead, to speak from experience.</p> <p>We have learned — sometimes at cost — that credibility cannot be borrowed. Early in our partnership with European development banks, we encountered projects where the financing structure was elegant and the technical work was sound, but the deal still did not close. The reason, in each case, was the same: one party at the table did not fully trust that PT SMI could deliver on its commitments. Building that trust took years of consistent performance, transparent reporting, and the willingness to say no to projects that did not meet our standards. You cannot shortcut it. You cannot buy it. You earn it, slowly, and lose it quickly.</p> <p>We have learned that preparation is not a cost — it is an investment with the highest return in our portfolio. For every euro spent on a feasibility study, we have seen multiples returned in reduced project delays, lower cost overruns, and faster financial close. The EU's grant for technical assistance is not administrative overhead. It is the single most leveraged capital in our entire blended finance structure.</p> <p>We have learned that pipelines built without communities are pipelines built on sand. We have seen projects with excellent financial models stall for years because a community that was never consulted decided to withhold its cooperation. We build differently now. Engagement is not a phase at the end of project preparation. It is the foundation on which project preparation is built.</p>

And we have learned that the market does not fail out of malice — it fails out of information gaps and misaligned incentives. Blended finance works not because it forces the market to do something irrational, but because it corrects the specific distortions that prevent rational actors from investing in rational projects. When we get the structure right, private capital follows willingly.

These are not theories. They are lessons, learned project by project, over more than a decade. They are also, we believe, lessons that travel — applicable wherever development finance institutions are trying to bridge the gap between international capital and local infrastructure needs.