

Indonesia's National Slum Upgrading Program (KOTAKU)

Integrating Community-Led Settlement Upgrading with City Planning: Lessons from Indonesia's KOTAKU Programme

Indonesia's National Slum Upgrading Program (KOTAKU) addresses informal settlements across 150+ municipalities by combining infrastructure, housing and community-led planning. Through participatory settlement plans (RPLP), communities identify priorities, supported by national funding and technical assistance. The case highlights the importance of aligning participatory planning with financing, technical support and delivery systems in decentralised contexts.



Kotaku, World Bank Group (<https://www.thegpsc.org/sites/gpsc/files/indonesia.pdf>)

1. Overview and Challenge

Indonesia has experienced rapid urbanisation over recent decades, with urban population growth outpacing the capacity of planning and service delivery systems. This has resulted in the expansion of informal settlements across more than 150 municipalities, particularly in cities such as Surabaya, Makassar and Bandung.

These settlements are characterised by inadequate infrastructure, poor sanitation, limited access to clean water and insecure land tenure. A central challenge lies in the fragmentation of planning and governance systems. Responsibilities for housing, infrastructure, land management and environmental services are distributed across multiple institutions and levels of government, often resulting in uncoordinated and reactive interventions.

In many cases, urban development occurs informally and is only addressed after settlements are established. This reactive approach increases the cost of infrastructure provision and limits the effectiveness of planning systems.

This challenge is not unique to Indonesia. Many Commonwealth cities face similar pressures of rapid urbanisation, informality and constrained institutional capacity. There is therefore a clear need for approaches that can integrate planning and implementation while operating effectively within complex governance environments.

Indonesia's National Slum Upgrading Program (KOTAKU) was developed to respond to these systemic challenges by creating a coordinated framework that links community participation, municipal planning and national support.

2. Urban Context and Approach

KOTAKU adopts a multi-level, integrated and implementation-oriented approach, combining national coordination, municipal leadership and community participation.

At its core is the preparation of community-led settlement plans, particularly through the Rencana Penataan Lingkungan Permukiman (RPLP). These plans are developed through participatory processes involving residents, community organisations and community facilitators. Key steps include:

- Participatory mapping of settlement conditions
- Identification of infrastructure and service gaps
- Prioritisation of interventions based on local needs
- Development of spatial layouts and upgrading strategies

This ensures that planning is grounded in local knowledge while building community ownership and accountability.

At the municipal level, local governments coordinate implementation, supported by technical facilitation teams that provide expertise in planning, engineering and community engagement. These teams play a critical role in bridging capacity gaps and translating plans into deliverable projects and are mostly programme-funded technical facilitation teams, enabling the translation of plans into integrated, deliverable infrastructure investments at scale.

At the national level, the Ministry of Public Works and Housing provides policy direction, funding and programme oversight. This ensures alignment across cities while enabling large-scale implementation, including the standardisation of policy and regulatory requirements, technical design standards, planning methodologies and investment frameworks, ensuring that cities operate within a consistent approach to upgrading and infrastructure delivery. In parallel, structured funding mechanisms, coordinated rollout cycles and shared monitoring systems enable comparability, accountability and performance tracking across multiple urban contexts. This multi-layered alignment not only supports consistency in delivery but also enables scale, allowing integrated infrastructure investments to be implemented efficiently and simultaneously across cities.

A defining feature of KOTAKU is its emphasis on integrated investment packages. Rather than delivering isolated interventions, the programme combines improvements in roads, drainage, sanitation, water supply and housing within a single framework. This integrated approach improves efficiency and supports more sustainable outcomes.

The programme also uses structured rollout cycles, enabling multiple cities to undertake planning and implementation within defined timeframes, supporting both scale and consistency.

In practice, KOTAKU has delivered tangible improvements:

- In Bandung, water infrastructure upgrades improved water quality and reduced household costs
- In Makassar, integrated drainage and sanitation reduced flooding
- In Surabaya, participatory planning strengthened coordination between communities and local authorities

Despite these achievements, challenges remain, particularly around institutional coordination, uneven local capacity and sustaining long-term community engagement.

3. Insights and lessons

KOTAKU provides several important lessons for integrated and rapid planning:

1. Linking planning to implementation is essential: The programme ensures that plans are directly tied to funded infrastructure delivery, addressing the common disconnect between planning and execution.

2. Community participation strengthens outcomes: Participatory processes improve data accuracy, ensure relevance of priorities and build trust. However, meaningful participation requires skilled facilitation to ensure inclusivity.

3. Integration works best through practical entry points: Settlement upgrading provides a tangible and focused mechanism to align investments across sectors, making integration operational rather than conceptual.

4. Structured processes enable scalability: Standardised tools, defined cycles and national coordination allow replication across multiple cities while maintaining coherence.

5. Institutional coordination remains a key constraint: Fragmented governance structures require clear roles, strong leadership and effective coordination mechanisms.

6. Capacity building must be embedded in practice: KOTAKU demonstrates that “learning-by-doing” through technical facilitation is more effective than standalone training approaches.

4. Key Lessons and Transferable Insights

- Community-led planning improves accuracy, ownership and sustainability of interventions
- Integrated settlement upgrading provides a practical entry point for cross-sector coordination
- Structured rollout processes enable scalability across multiple cities
- Strong institutional coordination is essential in decentralised governance systems
- Embedded, practice-based capacity building is essential for long-term impact

5. Strategic Significance

This case study demonstrates that integrated urban planning is most effective when it is implementation-driven, participatory and institutionally aligned. KOTAKU provides a scalable model for addressing informality through coordinated planning and investment, while strengthening governance systems.

For Commonwealth countries, the case highlights the importance of:

- Aligning planning with financing and delivery mechanisms
- Embedding participation within structured processes
- Strengthening multi-level governance coordination
- Building capacity through applied, real-world engagement

6. Implications for Integrated and Rapid Planning Systems

The KOTAKU programme offers critical insights for advancing integrated and rapid planning approaches globally, particularly in rapidly urbanising and capacity-constrained contexts.

First, it demonstrates that speed in planning is not achieved by simplifying processes alone, but by aligning planning with implementation pathways. The ability to move from community-identified priorities to funded interventions within structured cycles is central to accelerating urban transformation.

Second, it reinforces that integration must be operationalised through delivery mechanisms. By anchoring integration in settlement upgrading, KOTAKU translates coordination across sectors into tangible outcomes, rather than remaining at the level of policy intent.

Third, the programme highlights the importance of multi-level governance alignment, where national frameworks enable consistency and scale, while local governments retain flexibility to respond to context-specific needs.

Fourth, it underscores that participation is not an add-on, but a core component of effective planning systems, improving legitimacy, data quality and long-term sustainability.

Finally, the case illustrates that capacity development is most effective when embedded within implementation processes, enabling continuous learning and institutional strengthening.

Taken together, KOTAKU provides a compelling model for how integrated planning systems can be designed to be faster, more inclusive and more directly linked to delivery, offering valuable lessons for the evolution of tools such as the Rapid Planning Toolkit and for broader Commonwealth urban policy agendas.

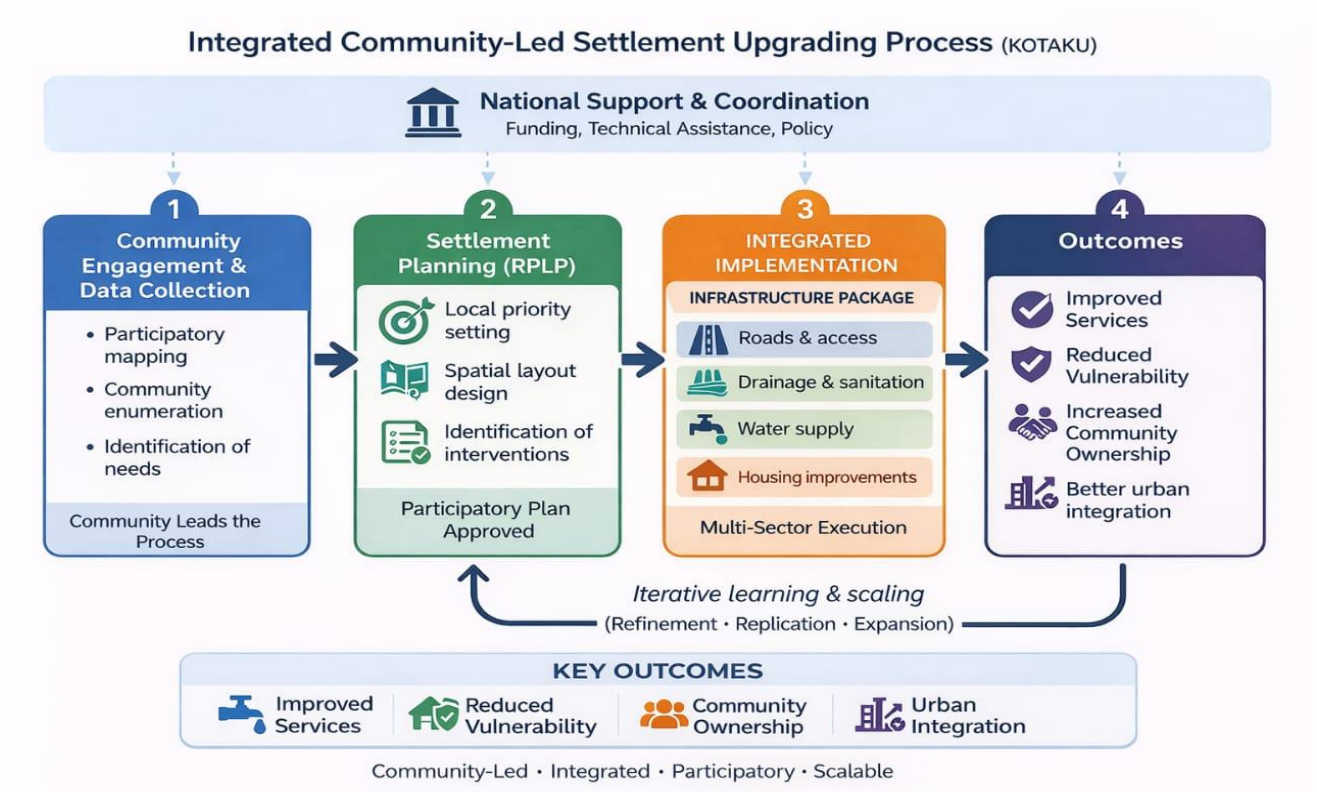


Figure 1: Integrated Community-Led Settlement Upgrading Process (KOTAKU - Indonesia). Urban integration highlights the coordinated alignment of infrastructure, services, governance and community processes, embedding upgraded settlements within the broader functioning of the city.

This Case Study was prepared by Prof. Jua Cilliers and Kudakwashe Intauno, University of Technology Sydney, by way of contributing to the work of the CSCC Integrated Planning Action Group, 27 March 2026.

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