










PUBLIC PRIVATE PARTNERSHIP SCHEMES FOR INFRASTRUCTURE DEVELOPMENT

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Ministry Of National Development Planning

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Strategy on Infrastructure Development 2015 - 2019

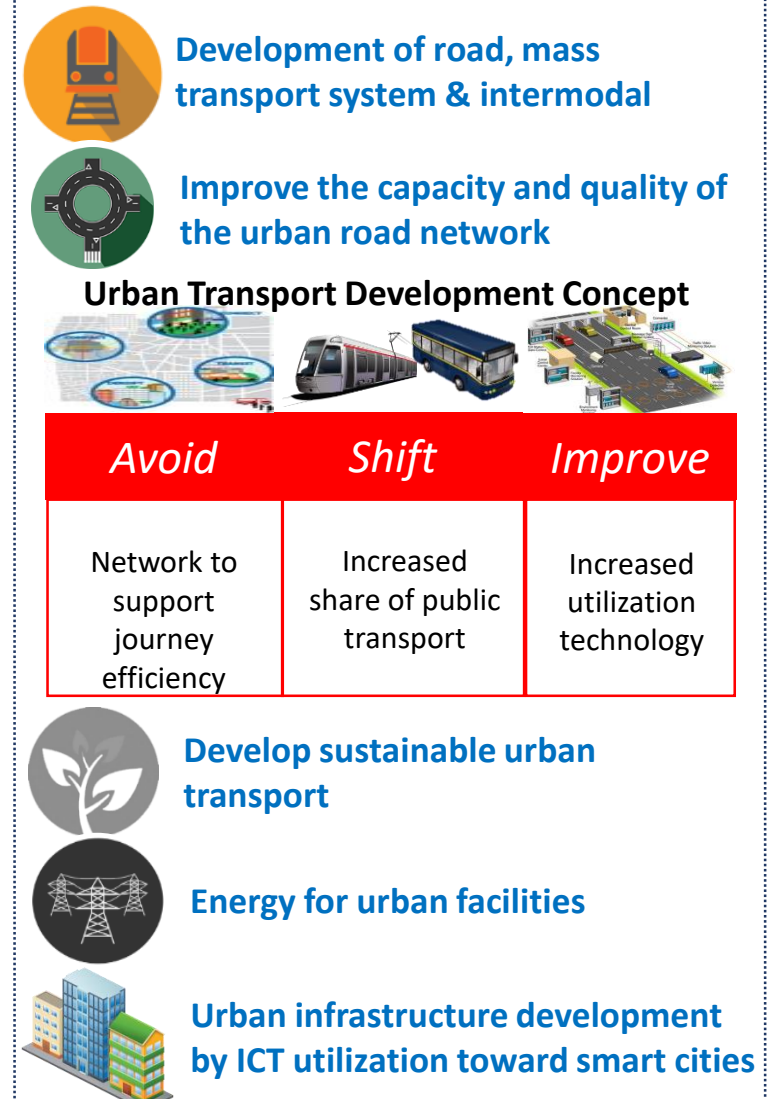
Fulfillment of Basic Needs

-  100% drinking water access
-  100% sanitation access
-  96.6% electrification ratio
-  Livable housing access
-  Border & underdeveloped regions accessibility
-  Transportation safety & security
-  Flood control

Infrastructure to Support Leading Sectors



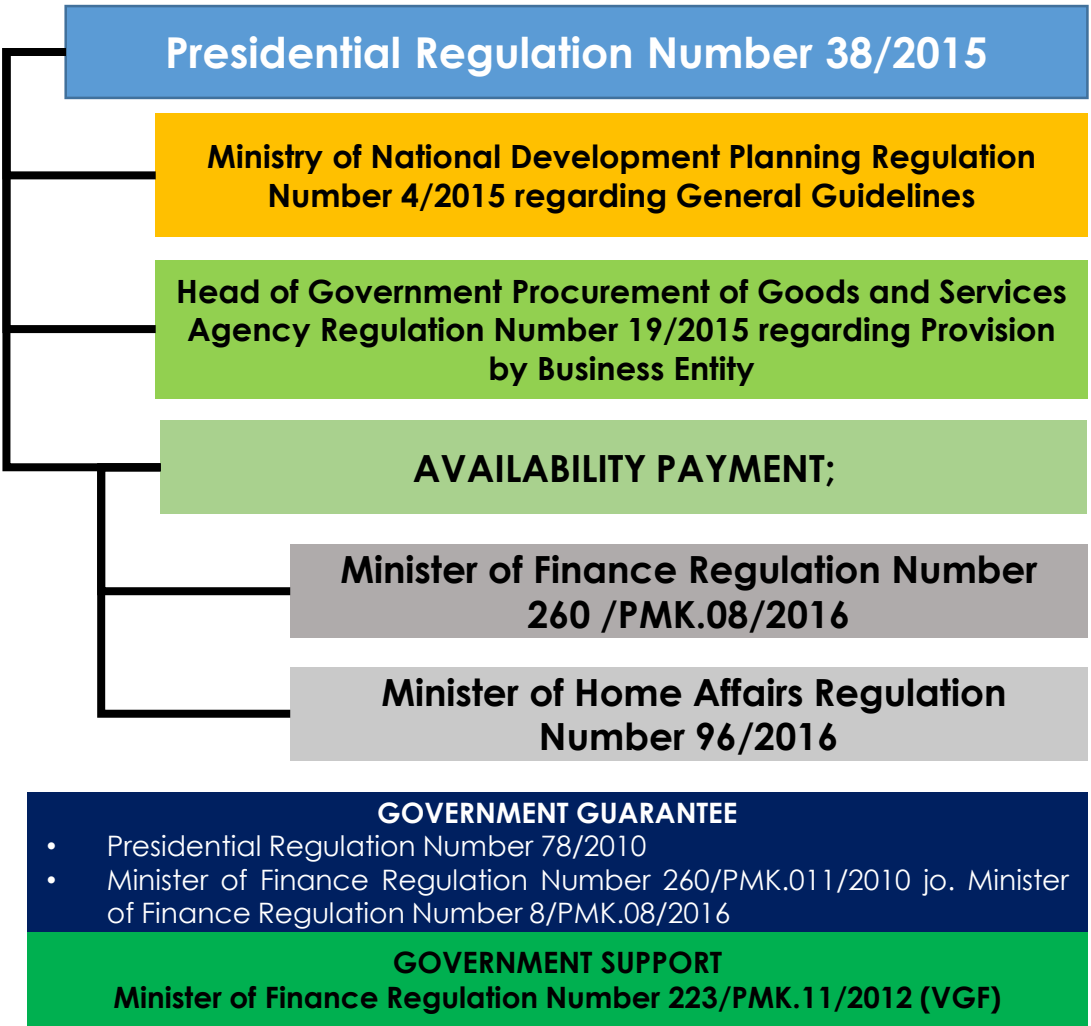
Urban Development



Public-Private Partnership Regulations in Infrastructure Provision

Subject matter of Presidential Regulation Number 38/2015

Aspects	Regulation	
Subject of partnership	<u>Government</u> <ol style="list-style-type: none">MinisterHead of InstitutionHead of RegionSOE/ROE (mandatory by sector regulation)	<u>Business Entity</u> <ol style="list-style-type: none">SOE/ROEForeign Business EntityLimited Liability CompanyCooperation
Object of Partnership	Economic and Social Infrastructures (19 sectors of infrastructure)	
Government Contribution	<ol style="list-style-type: none">Government in kindGovernment support {i.e. Viability Gap Fund}Government guarantee	
Investment Return for Business Entity	<ol style="list-style-type: none">User charge (payment by user in the form of tariff)Availability payment (payment of service availability)Other forms as long as it doesn't contravene with the law	
Phases	<ol style="list-style-type: none">Planning phasePreparation phaseTransaction phase	



19 Sectors Covered for PPP in Indonesia

CONNECTIVITY



Road

- Toll Roads
- Toll Bridges
- Roads



Transportation

- Seaports
- Airports
- Railways
- Road transportation



Electricity

- Power plants
- Transmission



Energy conservation

- Street lighting



Oil, Gas, and Renewable energy



Telecommunication & Informatics

- Fiber optics
- E-government
- Satellite

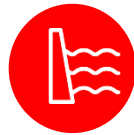
URBAN INFRASTRUCTURE



Water supply



Waste management system



Water resources & irrigation



Localized waste water management



Centralized waste water management



Public housing



Urban facility

- Traditional market

SOCIAL INFRASTRUCTURE



Tourism



Education facilities



Sports, art & culture facilities



Health

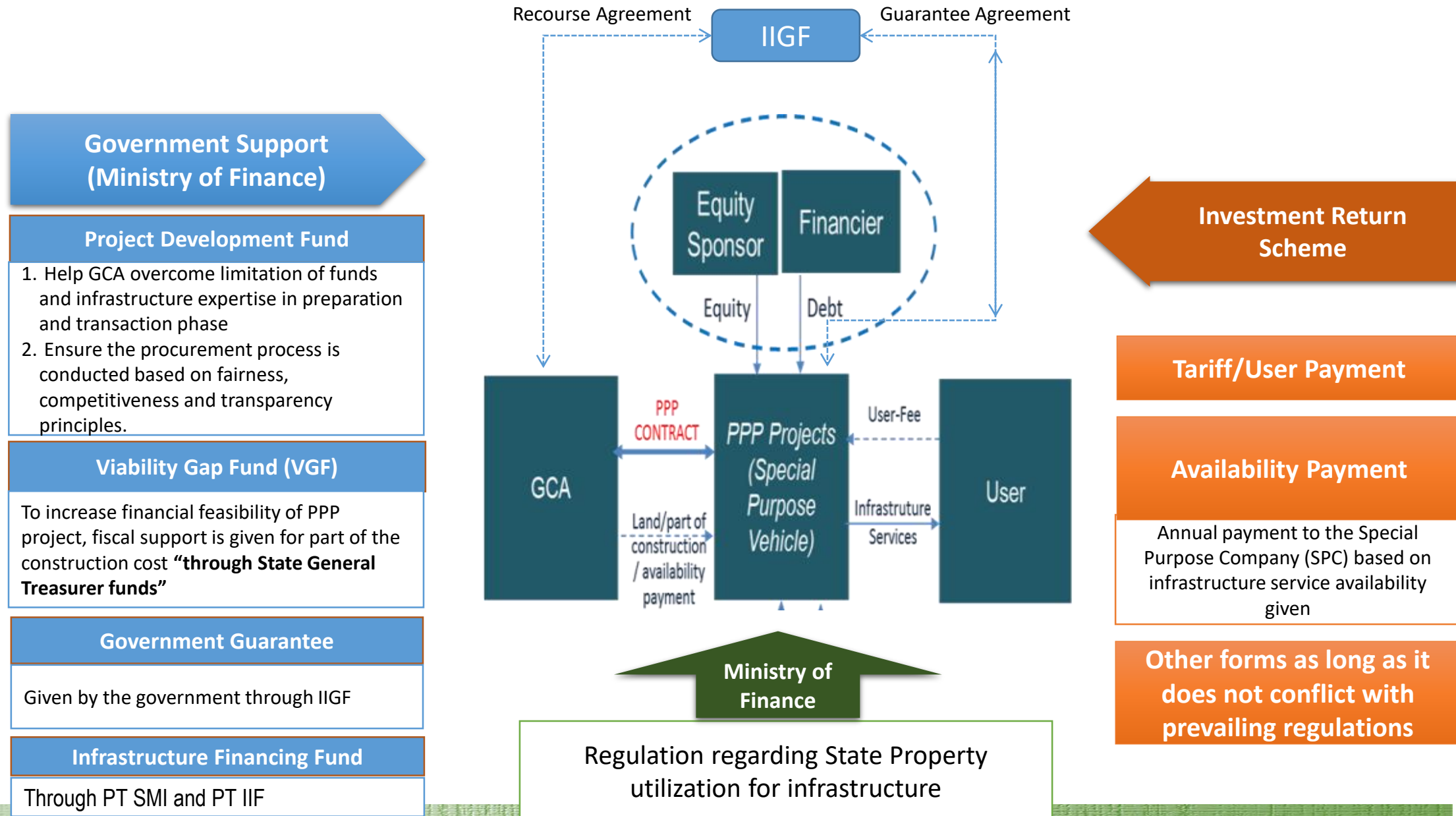


Zone/ Estates

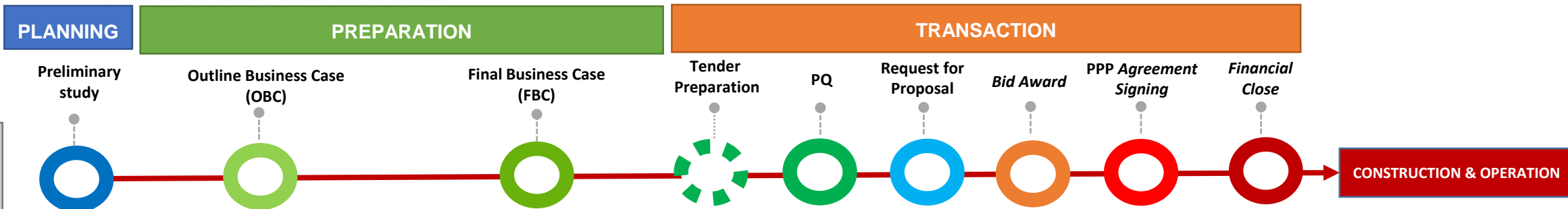


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General Structure of PPP Project

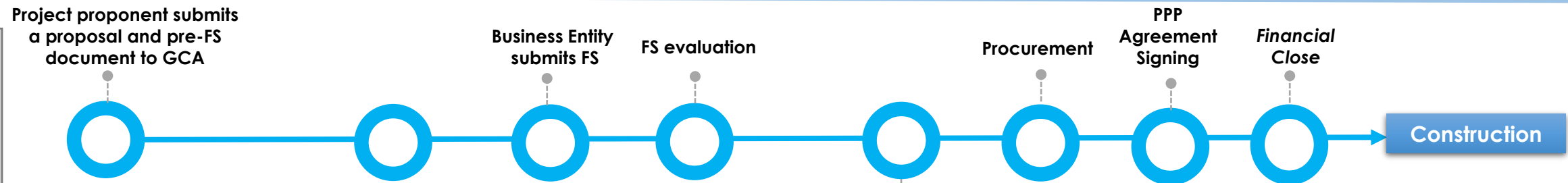


PPP Project Pipeline



The role of Private Sector

- Preparation Phase (Project Development Facility or Success Fee Mechanism)
 - Transaction Advisors (e.g: PT SMI, PT PII, PT Danareksa, PT Bahana, etc)
- Transaction Phase
 - Special Purpose Vehicle (Investment/SPV) - Equity
 - Financier (e.g State of Bank) – Debt
- Construction Phase
 - Engineering, Procurement, Construction (EPC)
 - Operation and Maintenance



- **Pre-FS document evaluation to get pre-FS approval;**
- GCA gives the rights to project proponent to prepare FS

Issuing approval letter:

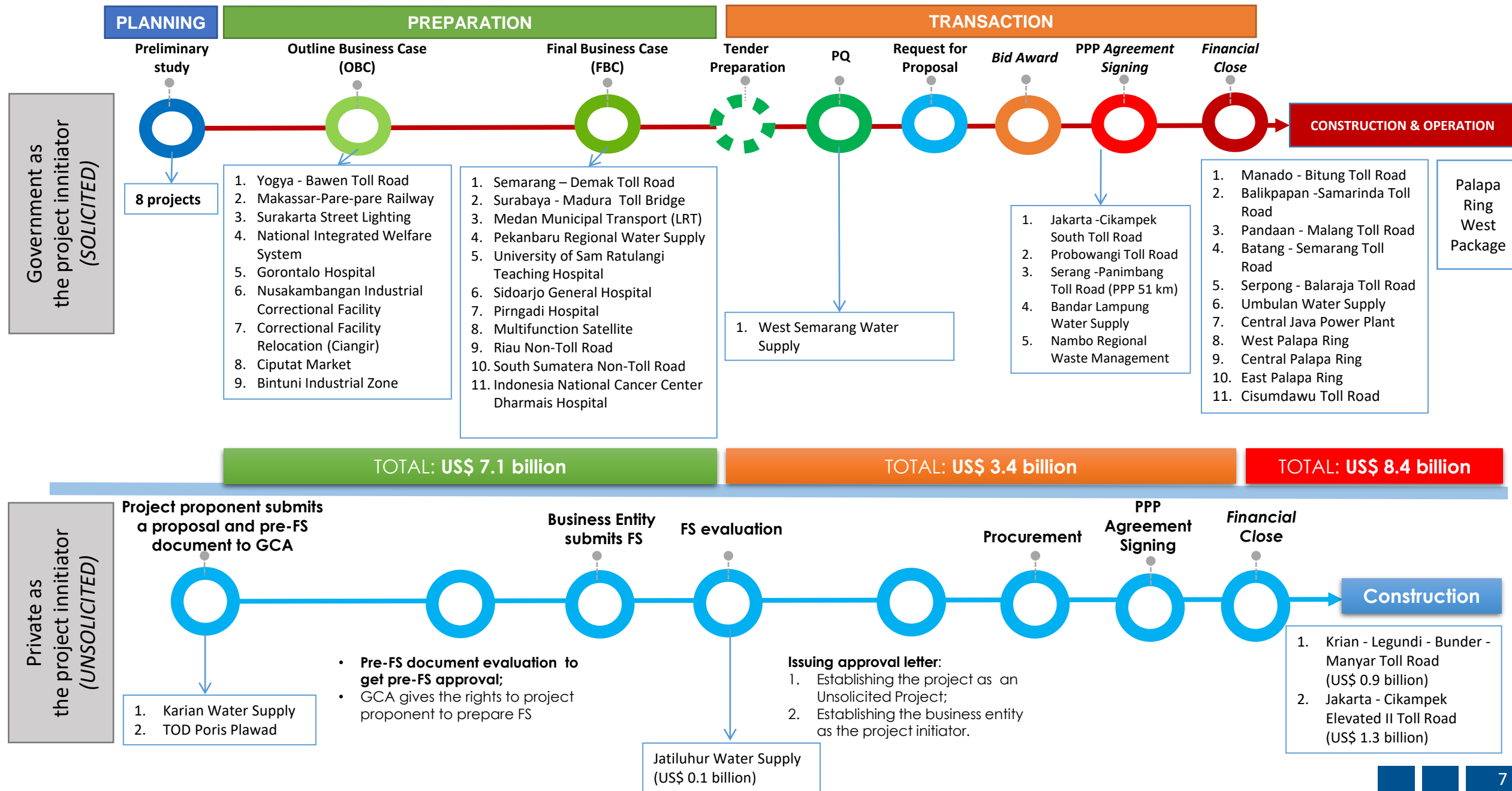
1. Establishing the project as an Unsolicited Project;
2. Establishing the business entity as the project initiator.

The role of Private Sector

- Example: Jasamarga in Toll Road Jakarta Cikampek Elevated Project
- Potential: Especially in priority projects that have been implemented with PPP scheme (Water Supply, Toll Road) – Project initiated by regions (9 projects of water supply, 12 projects of transportation , 3 projects tourism, and 7 projects of waste management)

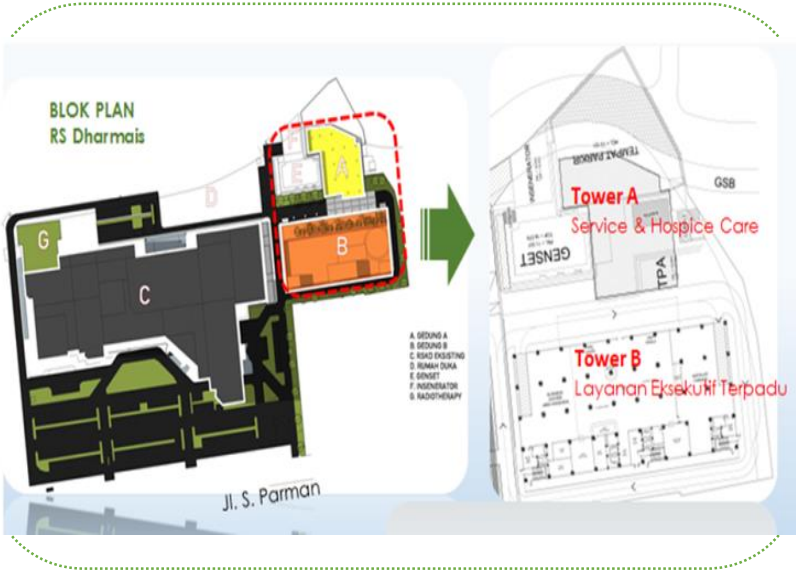
PPP Project Pipeline

Data per 05 April-2018



INDONESIA NATIONAL CANCER CENTER DHARMAIS HOSPITAL

LOCATION: DKI Jakarta



Description :
Ministry of Health will develop 2 tower buildings to support Dharmais Hospital as the National Cancer Center. Tower A will function as a service building and hospice palliative which is the main support for Tower B (12-floor building) to be built. Tower B will function as an Integrated Executive Service Building.

Business Opportunity:
Transaction adviser/bidder/financier
Project Status:
Project is currently on Outline Business Case phase

Sector: Health

Sub-Sector: Hospital

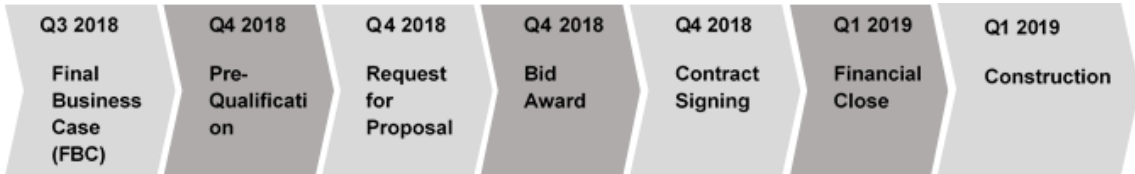
Government Contracting Agency : Minister of Health
Contact Person : dr. Ockti Palupi Rahyaningtyas, MPH (Secretary of PPP team Dharmais Cancer Hospital); +62-21- 5681570; e-mail: ocktipalupi_pds@dharmais.co.id
dr. Muhammad Firdaus, SpBS; email: mfirdaus_ppj@dharmais.co.id
Estimated Concession Period : 20 years

Estimated Project Cost : US\$ 48.6 million

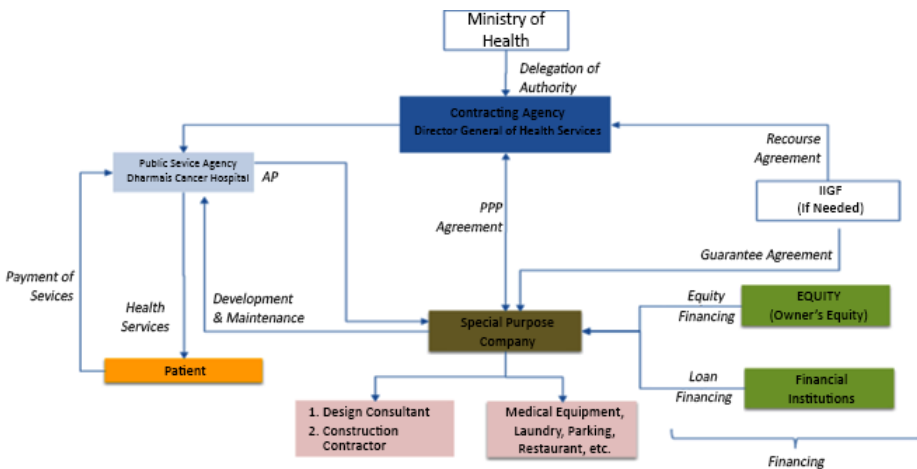
Financial Feasibility:
FIRR : 13.90%
NPV : US\$ 18.4 million

Indicative Government Support & Guarantee:
Government support and government guarantee will be determined in Final Business Case (FBC).

Project Timeline:



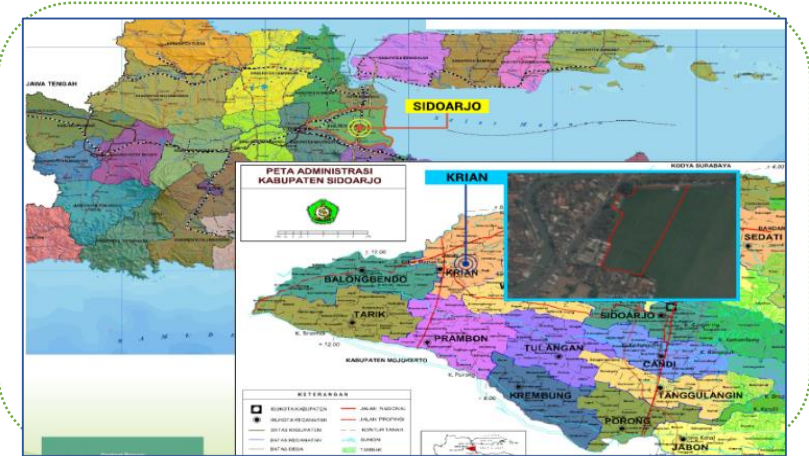
Indicative Project Structure



Data per 05/04/2018

SIDOARJO GENERAL HOSPITAL

LOCATION: East Java



Description :
Sidoarjo Central Hospital is the second hospital owned by the Government of Sidoarjo Regency which aims to provide health service facilities to the community in the western part of Sidoarjo Regency. Sidoarjo Central Hospital is planned as a type C hospital.

Business Opportunity:
Bidder/financier

Project Status:
Project is currently on Final Business Case phase

Sector: Health

Sub-Sector: Hospital

Government Contracting Agency : Regent of Sidoarjo
Preparation Agency : PT SMI through PDF from Ministry of Finance
Contact Person : Agoes Boedi Tjahjono (Head of Regional Planning Agency); (+62-31) 894 7383;
e-mail: kerjasama.sidoarjokab@gmail.com
Estimated Concession Period : 10 years

Estimated Project Cost : US\$ 18.7 million

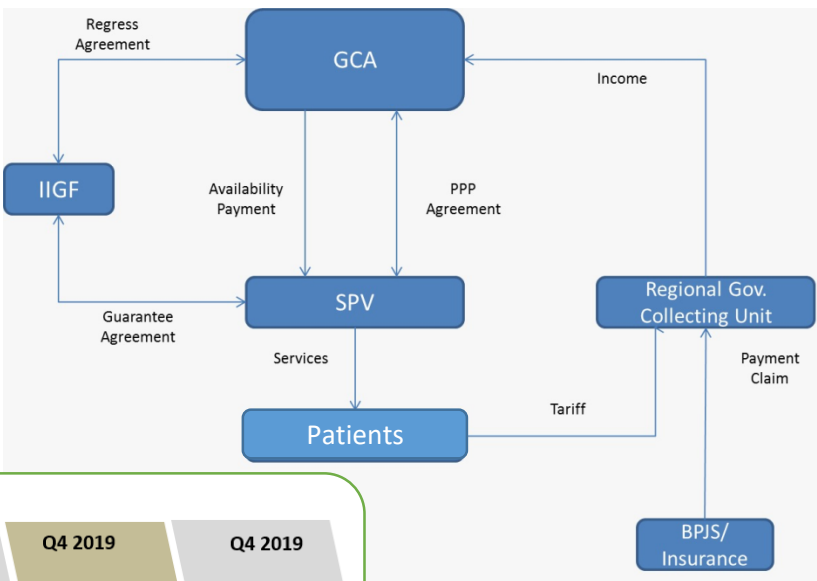
Financial Feasibility:
FIRR : 10.09%
NPV : US\$ 14.0 million

Indicative Government Support & Guarantee:
PDF from Ministry of Finance.

Project Timeline:



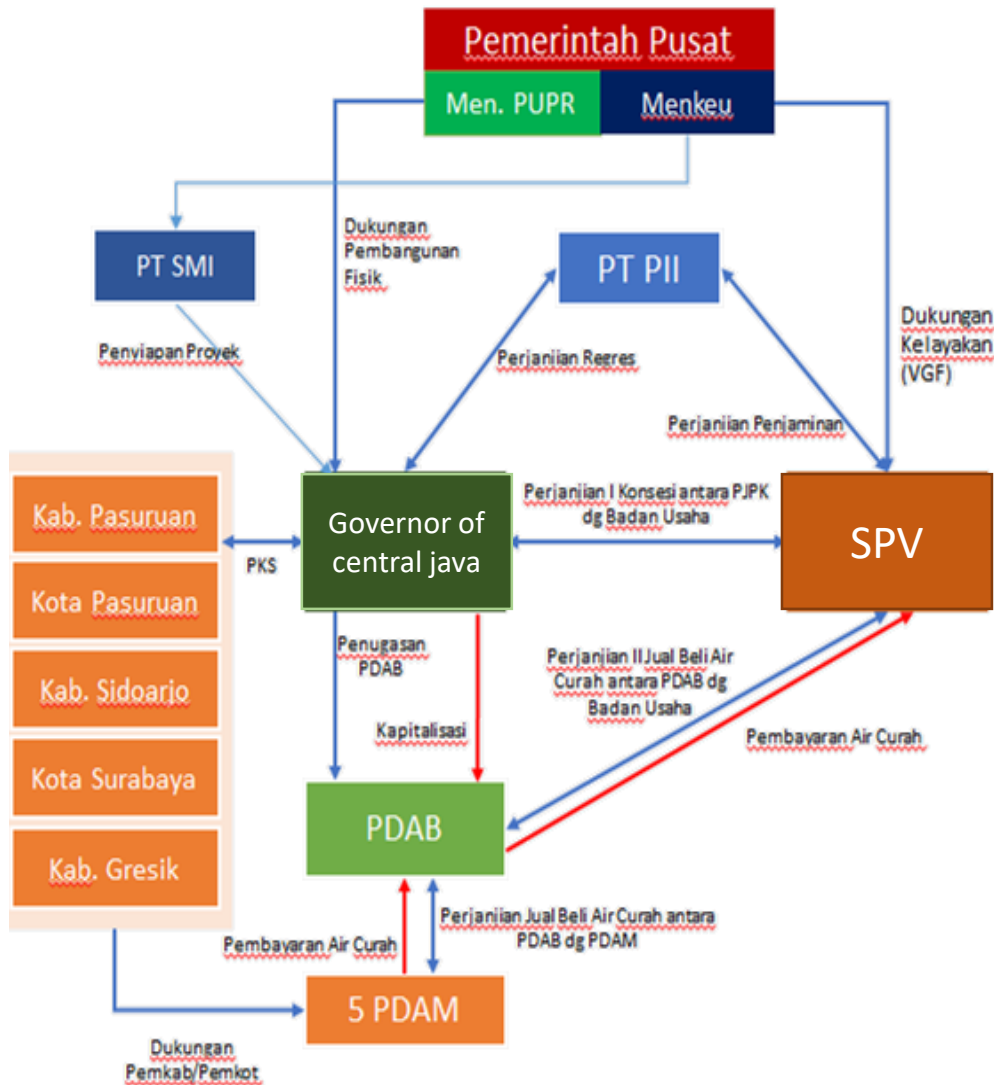
Indicative Project Structure



Data per 05/04/2018

PPP Scheme with Investment Return through User Charge and VGF

Example : Umbulan Water Supply Project



Information :

In the Structure of this project:

- The concession agreement governs the rights and obligations of GCA and SPV for Build Operate Transfers (BOT) Umbulan Water Supply does not include sale and purchase
- Liabilities for payment of rates shall be stipulated in a water purchase agreement between Regional Water Supply Company and SPV
- PPP Agreement also arranged GCA guarantee to SPV for payment of Regional Water Supply Company

- **VGF** : Available facilities in the form of fiscal costs for part of construction.
- VGF is **awarded** to the infrastructure projects which are built under **the PPP scheme** and aims to improve the project's financial feasibility.
- The **maximum** amount of VGF is **49%** of the investment value of the project
- **Rates** are set by Regional Water Supply Company based on a bulk water sale agreement with 5 Regional Water Companies (PDAM)

Regulation:

Minister of Finance Regulation (PMK) Number 223 / PMK.11/2012 concerning the Provision of Feasibility Support for Part of Construction Costs on Government Partnership Projects with Business Entities in the Provision of Infrastructure

Investment return scheme :

Availability Payment (AP)

Availability Payment (AP)

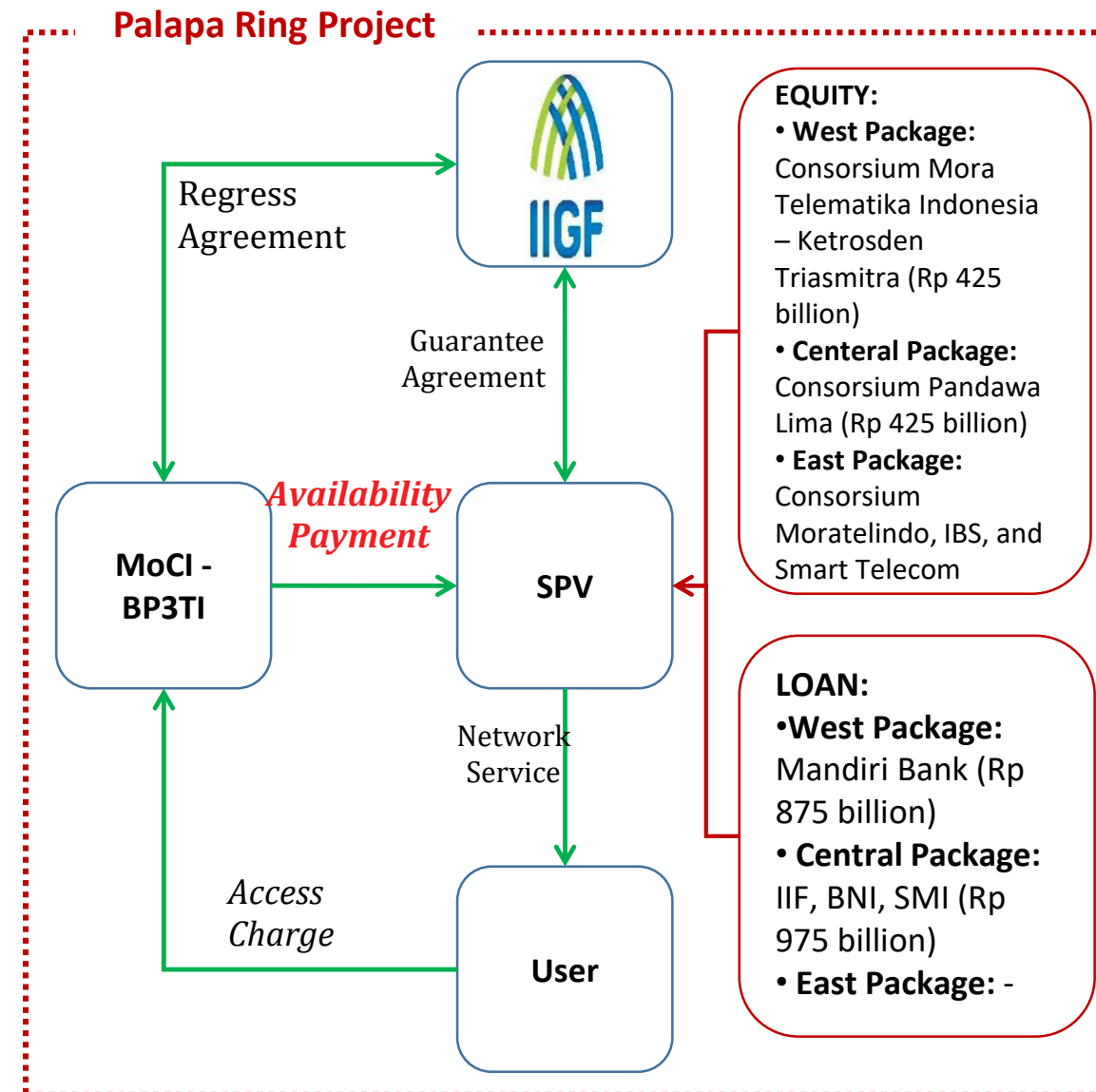
Periodic payments by the Minister / Head of Institution / Head of Region to the Special Purpose Company (SPC) for the availability of Infrastructure services in accordance with the quality and / or criteria as specified in the PPP Agreement

Regulations :

- President Regulations Number 38/2015 on PPPs for Infrastructure Provision.
- Minister of Finance Regulations (PMK) Number 260/PMK.08/2015 on Procedure for Payment of Service Availability at PPP Project in the Framework of Infrastructure Provision.

General Criteria of PPP Project with AP :

- Infrastructure project with marginal commercial feasibility
- Economic or social infrastructure with huge benefits for the society
- Project procurement process conducted through fair, open and transparent selection process and taking into account fair competition principles
- Investment return method to private sector does not originate from user tariff
- Tariff may also be applied to service users where the management is conducted by the GCA



Thank You

KANTOR BERSAMA KPBU REPUBLIK INDONESIA

PPP Office Government of Indonesia



Coordination



Facilitation



Capacity Building



**Accelerating PPP
Implementation
in Indonesia**



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