



Public Private Partnership for The New Capital City of Indonesia

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Investment Needs for The New Capital City Projects

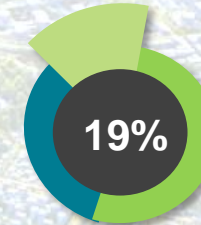
Investment Needs (\pm US \$ 334,56 billion)

Private Investment



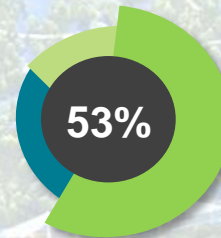
US \$ 93.09
billion

Government Budget



US \$ 63.66
billion

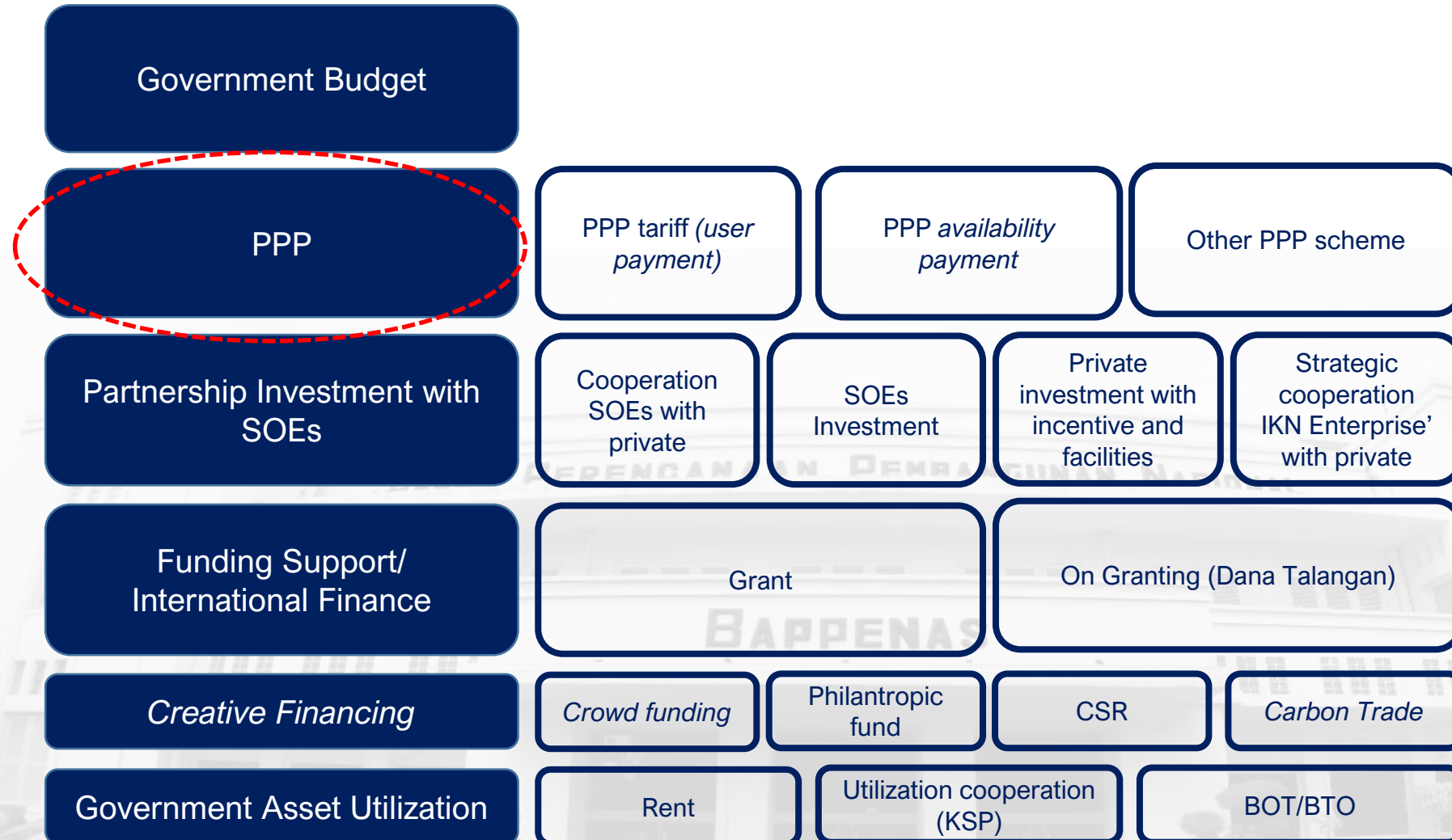
Public-Private Partnership



US \$ 177.81
billion



Various Innovative Funding Scheme for IKN





PPP Scheme Option for IKN ...Regular PPP or Special PPP for IKN...



Regular PPP* (President Reg 38/2015)

GCA:

- Minister
- Head of Agency
- Director of SOE's

Project:

- **Not** included in Masterplan of IKN (Law 3/2022 & President Reg. 63/2022)



Special PPP for IKN (Government Regulation 17/2022)

GCA:

- Minister
- Head of Agency
- Director of SOE's
- **Head of IKN Authority**

Project:

- Included in Masterplan of IKN (Law 3/2022 & President Reg. 63/2022)



Simplification for Special PPP IKN Regulation



The PPP IKN plays an important role in supporting infrastructure development in the IKN area, increasing infrastructure financing and attracting large investments, especially to attract the involvement of the private sector.

Currently, the process of drafting the Second Amendment to Bappenas Minister Reg No.4/2015 (Regular PPP) is also underway.

Simplification of Preliminary Studies into Identification Documents

Simplification of the content of the Pre-FS document

Timeline setting for the PPP stages

Procurement Working Group

GCA can be assisted by probity advisors

One phase feasibility study

Pengadaan BUP dapat dilakukan dengan swiss challenge

VGF for AP project

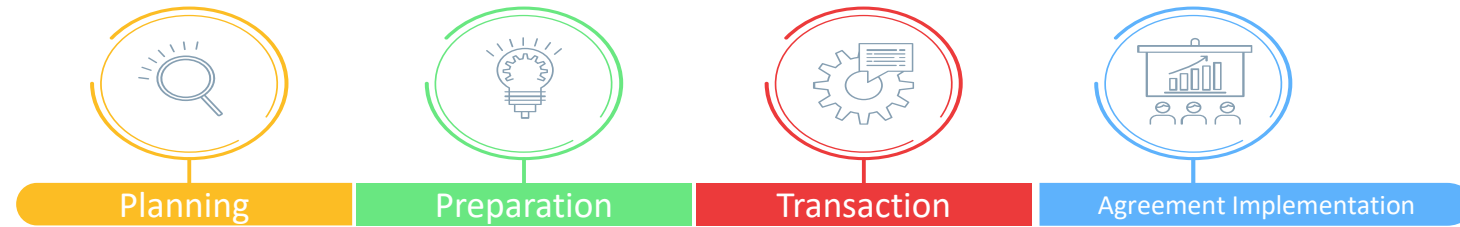
Involvement of standby financier

Changes to the agreement after signing can be done without being able to change the project feasibility, risk allocation and IRR, so that post bidding does not occur

Addition of collateral value to the extension of Financial Close



Stages of Special PPP for IKN ...faster, easier, prosper...



Planning:

- Project Identification
- Project Determination
- Project Budgeting

Preparation:

- Pre-FS*
- Government support and government guarantee plan
- Determine the procedure of ROI for business unit (AP, Tariff, Others)
- Land availability

Transaction:

- Procurement of business unit
- Agreement signing
- Financial close (max 4 month after agreement signing)

Agreement Implementation:

- Construction
- Operation and Maintenance
- Asset Transfer

*) for Unsolicited must be FS



Technical Regulation Will Completed in October ...derivative of Gov Reg 17/2022...



Bappenas Minister Regulation (Permen PPN)

- PPP planning and project determination mechanism
- PPP preparation mechanism
- PPP transaction and financial close mechanism
- Agreement implementation mechanism

Head of Procurement Agency Regulation (Perka LKPP)

- Procedure for procurement of project preparation institution
- Procedure for procurement of PPP business unit

MoF Regulation (PMK)

- Government support (VGF, PDF, feasibility, tax incentive, Gov Asset)
- Government Guarantee

Potential New Capital City Urban Facility Projects (Quick Win/ Phase 1*)



Water Supply

- Drinking Water Treatment Plant of 2x300 lps near Sepaku River Intake (around 9 ha)
- Drinking Water Distribution Network



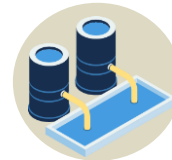
Solid and Hazardous Waste Management

- Composting Facilities of min. 1.5ha
- Household Waste and The Like Recycling Facilities of min. 1.5ha
- Waste to Energy and Derived Product of min. 1.5 ha
- Sanitary Landfill of around 10ha
- Pneumatic Waste Collection System (PWCS)
- PWCS Collection Station
- Waste Collection and Transport Facilities
- Hazardous Waste Treatment Facility
- Secure Landfill of around 1.25ha
- Medical Hazardous Waste Treatment Facility of around 0.3ha



Water Resource & Irrigation

- Water Conservation Application of the Sponge City Principle with the Application of Zero Delta Q (Harvesting and Rainwater Infiltration Facilities)



Wastewater Management

- Construction of Domestic Wastewater Management System (incl. Urban Scale Piping Network) in the Government Core Area
- Domestic Wastewater Piping Network



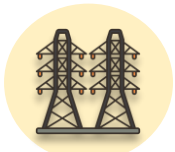
Operational Target in 2024

Potential New Capital City Connectivity and Social Facility Projects (Quick Win/ Phase 1*)



Road

- Some Toll Roads of Balikpapan - Government Core Area Corridor
- Operation of Some Main Access Roads in the Government Core Area (National West Side Axis)
- Operation of Some Secondary Local Roads
- Operation of Some Access Roads to the Government Core Area



Electricity

- A Gas Insulated Substation of 150kV in the Gov. Core Area
- 2 units of 150 kV Main Substation
- 360 units of 20kV Distribution Substation
- Underground Cables of Transmission and Distribution Networks
- On Land Transmission and Distribution Networks from the Kalimantan Electricity Systems



Oil, Gas, Renewable Energy

- Rooftop PV Systems in the Government Core Area
- Solar Farm with potential area of 3,632.7 ha
- City Gas Network



Energy Conservation

- Energy Reserve and Storage with 15% – 20% of the total electricity supply capacity in the solar farm area



Health

- International Standard Hospitals in the Government Core Area
- Hospitals
- Health Laboratories with Bio Safety Level 3 or 4
- Health Service Facilities Improvement



Infrastructure Area

- Infrastructure in the IE of Buluminung(PPU), Kariangau (Balikpapan), and Maloy/SEZ MBTK (East Kutai)
- Connectivity Outside the IE of Buluminung(PPU), Kariangau (Balikpapan), and Maloy/SEZ MBTK (East Kutai)
- Supporting Infrastructure Outside the IE of Buluminung(PPU), Kariangau (Balikpapan), and Maloy/SEZ MBTK (East Kutai)



Government Building

- Construction of government offices for transferred M/I in the form of a shared office
- Construction of Official Housings



Operational Target in 2024
Red Font: Brownfield Projects



Accelerating PPP Implementation through the PPP Joint Office



KANTOR BERSAMA KPBU REPUBLIK INDONESIA

PPP Joint Office Government of Indonesia



Coordination



Facilitation



Capacity Building

Accelerating PPP Implementation in Indonesia



Kantor Bersama KPBU Republik Indonesia
PT Penjaminan Infrastruktur Indonesia (Persero)
Capital Place, 7th & 8th Floor
Jl. Jenderal Gatot Subroto Kav. 18,
Jakarta 12710



Terima Kasih
고맙습니다
Thank you





Attachment: Regular PPP as an Alternative Scheme for Infrastructure Provision



Legal Overview on Public-Private Partnership for Infrastructure in Indonesia

Presidential Regulation Number 38/2015

Subject Matter

01 Subject of Partnership

- Government
Minister, Head of Institution, Head of Region, SOE/ROE (mandated by sector regulation)
- Business Entity
SOE/ROE, Foreign Business Entity, Limited Liability Company, Cooperation

02 Object of Partnership

- Economic and Social Infrastructures
- 21 sectors of infrastructure

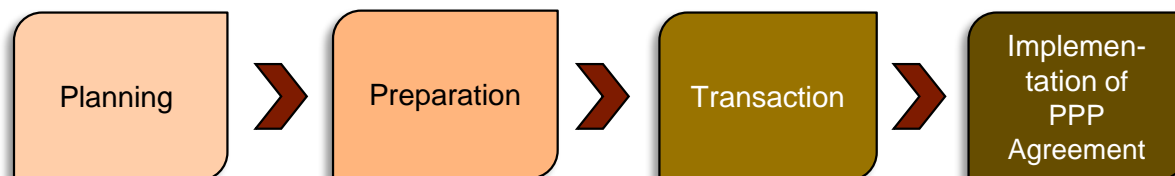
03 Government Contribution

- Government in kind
- Government support (e.g., VGF)
- Government guarantee

04 Investment Return for Business Entity

- User Charge
- Availability Payment
- Other forms that does not contravene with the law

05 Phases



Implementing Regulations



Guidelines

- Bappenas Regulation No. 4/2015 jo. Bappenas Regulation No. 2/2020



Tender Process

- LKPP Regulation No. 19/2015
- LKPP Regulation No. 29/2018



Government Guarantee

- President Regulation No. 78/2010
- MoF Regulation No. 260/2010 jo. MoF Regulation No. 8/2016



Availability Payment

- MoF Regulation No. 260/2016
- MoHA Regulation No. 96/2016



Government Support

- MoF Regulation No. 223/2012 jo. MoF Regulation No. 170/2018
- MoF Regulation No. 143/2013 jo. MoF Regulation No. 170/2015



Project Development Fund

- MoF Regulation No. 73/2018
- MoF Regulation No. 180/2020



Besides the above regulations, sectoral regulations need also to be considered¹³

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PPP SECTORS OF INFRASTRUCTURE

Urban Facilities



Public
Housing



Urban
Facilities



Water Resource
and Irrigation



Water
Supply



Waste
Management



Hazardous Waste
Management



Centralized Waste
Management



Sports, Arts
and Culture
Facilities



Tourism



Area



Health



Educational
Facilities



Penitentiary



State Buildings, including
Office Buildings, State Houses,
and Supporting Facilities



Other sector can
submit to the
Minister of Bappenas

Connectivity



Road



Transportation



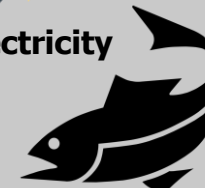
Electricity



Oil, Gas,
Renewable
Energy



Energy
Conservation



Fisheries

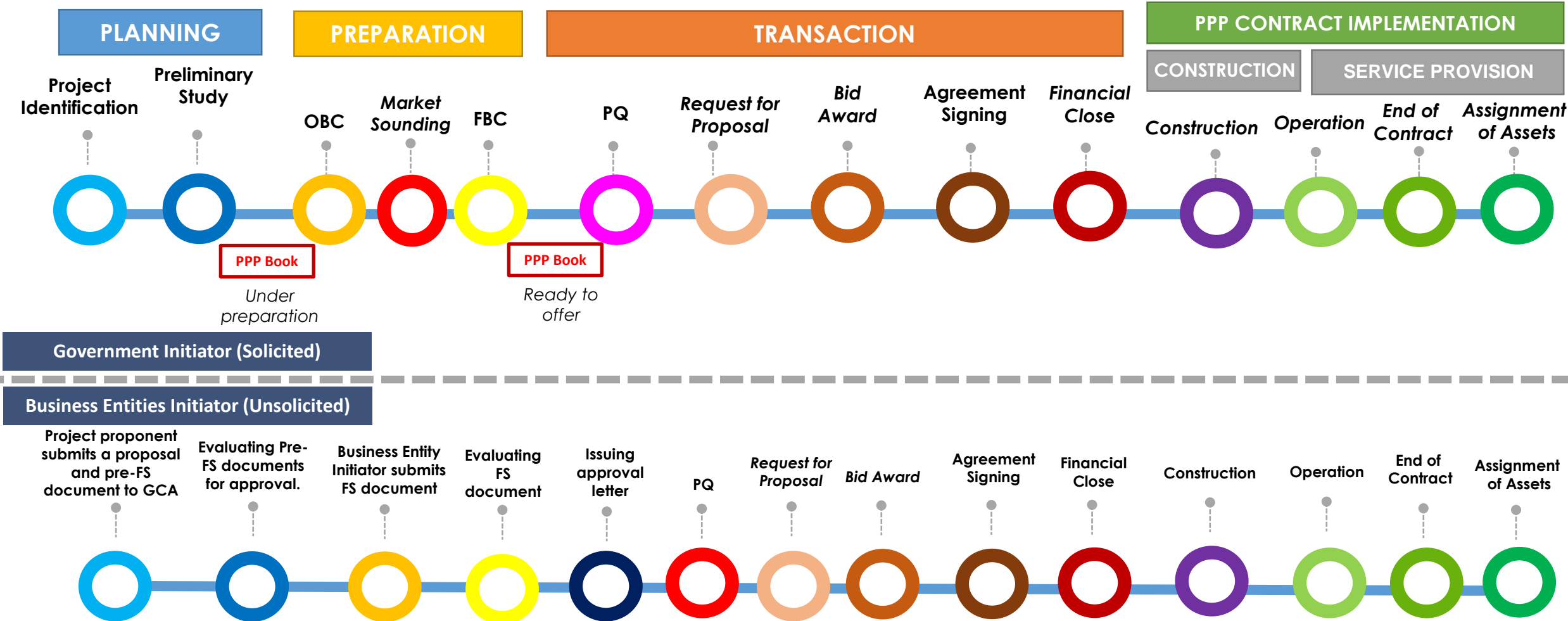


Telecommunication
and Informatics

Source: Presidential Regulation No. 38 of 2015

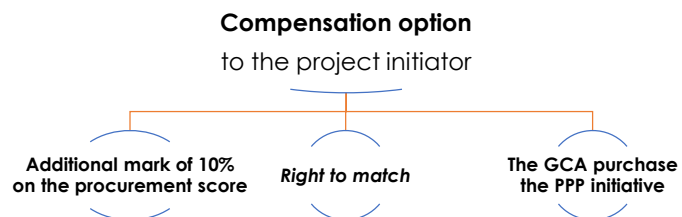


PPP Process



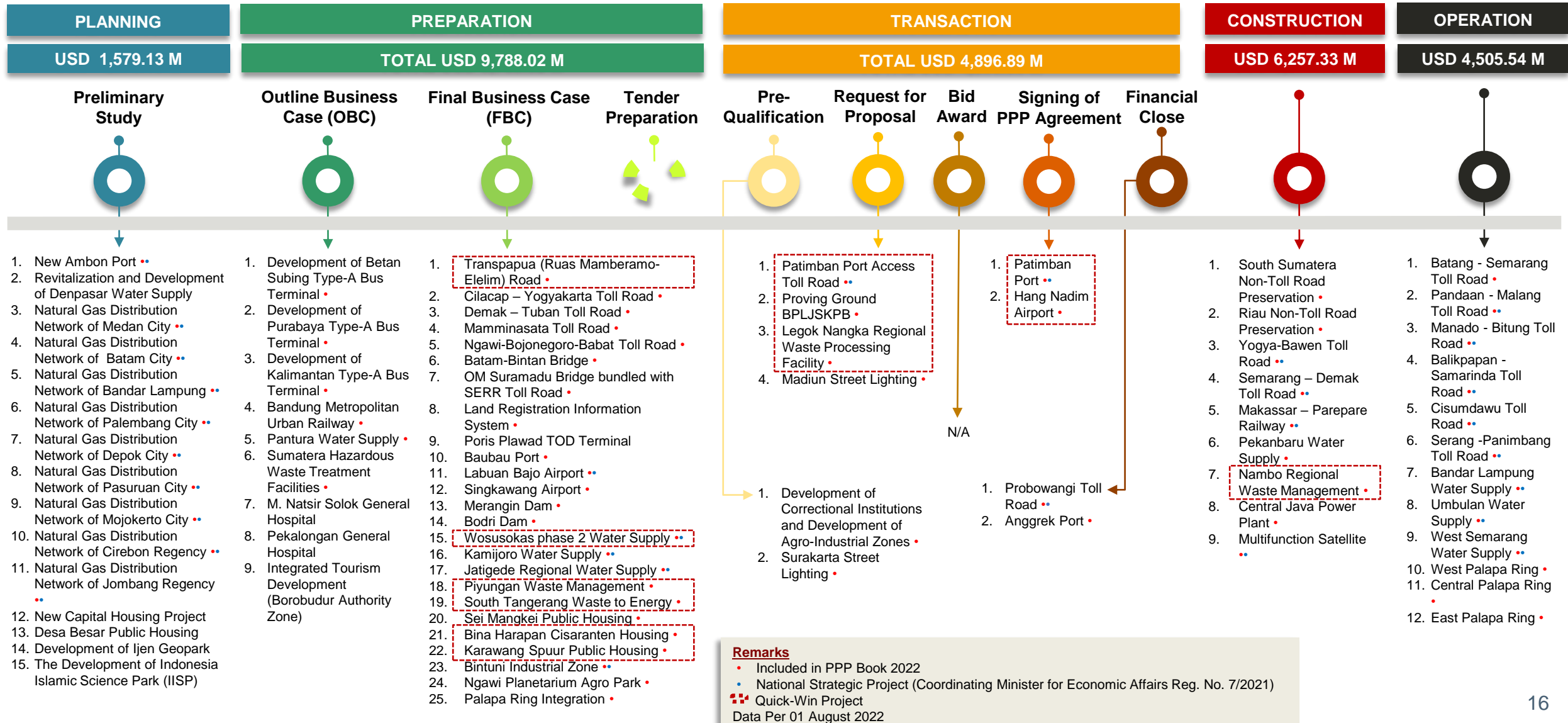
Requirements for *Unsolicited* PPP:

- Technically integrated with the master plan of the related sector;
- Economically and financially feasible;
- The Business Entities that initiates the project has the adequate financial capability to finance the implementation of infrastructure provision.



Solicited PPP Project Pipeline

21 Success Story Projects
59 On-Progress Projects



Unsolicited PPP Project Pipeline

7 Success Story Projects
26 On-Progress Projects

Submission of
Proposal and Pre-FS
Document to GCA by
Project Proponent

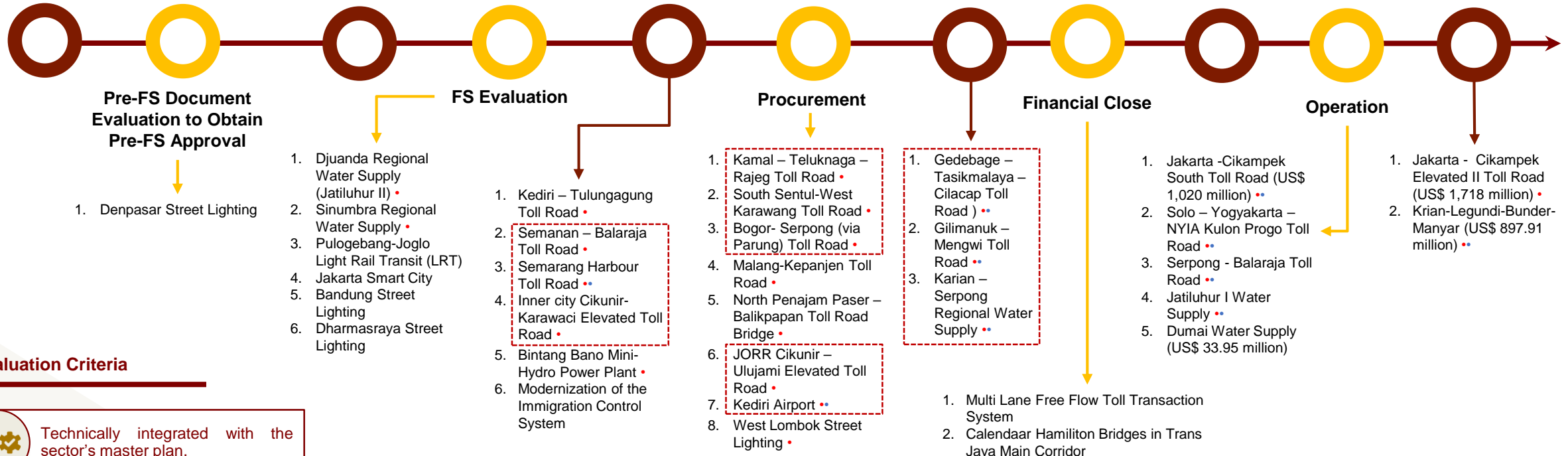
FS Submission by
Business Entity

Issuance of
Approval Letter

Signing of
Contract

Construction

End of Contract
and Handover of
Assets



Evaluation Criteria



Technically integrated with the sector's master plan.



Economically and financially viable.



The business entity that proposes the initiative has adequate financial capability to finance the project.

Remarks




- Included in PPP Book 2022
 - National Strategic Project (Coordinating Minister for Economic Affairs Reg. No. 7/2021)
 - Quick-Win Project
- Data Per 01 August 2022



Participation Way for the Investors

-  Take Part in the consortium
-  Become the initiator for an unsolicited project
-  The project owners inclined to review an innovative technology option that investors submitted in the procurement process
-  The project owners prefer to select the investor who has experience in managing a similar project
-  The project owners inclined to consider the project cost proposed by the investor: whether the project needs a government support, whether it meets their fiscal capacity
-  Quantify the capacity and the capability to manage a PPP project, especially to comply with the project owner's requirements that has been set in the minimum service standards

In order to boost investment, the Government of Indonesia provides multiple instruments for the investors:

-  Simplification of regulations through an omnibus law (Law No. 11 of 2020 on Job Creation)
-  A risk-based online single submission system for business licensing
-  Tax incentives i.a. tax holiday facilities, income deduction, Value Added Tax (PPN) allowances, Import Duties