Yogyakarta – Bawen Toll Road (Road Sector)

BPJT / MOF
Project Overview

❖ The Yogyakarta - Bawen toll-road will connect existing Semarang - Solo toll road to Yogyakarta. It is planned to reduce congestion of arterial roads. The toll-road will also support industrial area in Ungaran - Bawen corridor and development of Joglosemar tourism area. Surrounding economic activities, mostly driven by said industry and tourism in Yogyakarta and Semarang, is expected to encourage the usage of Yogya - Bawen toll-road. The project is included in the Indonesia National Strategic Project (PSN).

❖ Government contracting agency: Indonesia Toll-Road Authority (“BPJT”)

❖ Project status: Outline Business Case phase (by KPPIP)

❖ Estimated concession period: 35 years
Proposed Structure

Financial Feasibility:
FIRR: 11.2%
NPV: US$1,044 million

Indicative Government Support & Guarantee:
1. Proposed Availability Payment/AP
2. Government Support and Government Guarantee to be determined

Project Timeline:
- Q3 2018: Final Business Case (FBC)
- Q4 2018: Pre-Qualification
- Q1 2019: Request for Proposal
- Q2 2019: Bid Award
- Q3 2019: Contract Signing
- Q4 2019: Financial Close
- Q4 2019: Construction
Key Risks and Proposed Risk Allocation

- **Land Acquisition Cost Risk**
- **Tariff Adjustment Risk**
- **Political Risk**
- **Ramp Up Period Risk**
- **Termination Risk**

**Exposure Risk**
Maximum Risk (equal to Project Value)

- **Risks Which Responsible by MPWH Should Be Minimize**
  - Budgeting Mechanism
  - Concession Agreement (PPJT)
  - Regress Agreement (For MPWH (Based on PMK 260/2010))

**Distribution of Risk**

- **Bank (Debt) (70%)**
- **Equity (30%)**

**Parties Involved**
- **Toll Road Company**
- **Toll Tariff**
- **Road User**
- **Minister of Finance**
- **IIGF**
- **PJPK (Through ITRA)**

- **Responsibility Of Government & TRC**
  - **Regress Agreement**
Key Risks and Proposed Risk Allocation

<table>
<thead>
<tr>
<th>TYPE OF RISK</th>
<th>ALLOCATION</th>
<th>TYPE OF RISK</th>
<th>ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Government</td>
<td>TRC</td>
<td>Government</td>
</tr>
<tr>
<td>1. Land Acquisition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Engineering</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. O&amp;M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Toll Tariff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Traffic Volume</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Change of Law</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Force Majeure</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Government Support**

**Risk Allocation**

**BEFORE 2004**
- Risks mainly taken by PT Jasa Marga (State Own Enterprise) and Private sector

**GEN 1 (2004 – 2012)**
- Risks were delivered to Toll Road Companies (SOE and Private Entities)
- Risks are shared between Government and Private
- Three parties agreement (ITRA, TRC, Lender)
- Cipali Toll Road
- Land acquisition is responsibility of Government
- Land Revolving Fund and Land Capping Fund

**GEN 2 (2012 – 2015)**
- Project guaranteed by government through IIGF
- Land acquisition policy is based on Law 2/2012
- Certainty of land acquisition on time frame, cost, and institution
- Bridging Finance for land acquisition by TRC, repaid by government through LMAN

**GEN 3 (2015 – Present)**
- Risks are shared between Government and Private
- Three parties agreement (ITRA, TRC, Lender)
- Project guaranteed by government through IIGF
- Land acquisition policy is based on Law 2/2012
- Certainty of land acquisition on time frame, cost, and institution
- Bridging Finance for land acquisition by TRC, repaid by government through LMAN

**GEN 4 (Future)**
- Optimization the guarantee structure
- Focus on regulation of Minimum Service Standards
Questions

1. What does the private sector expect from toll-road investment in Indonesia?
2. Is the facility provided by the Government sufficient enough to support investment in the toll-road sector in Indonesia?
3. Are there any feedback from foreign private sector to improve PPP implementation in the toll-road sector?
4. What hinders foreign private sector interest to invest in toll-road sector PPP project?
5. Currently land acquisition for toll-road project is executed by private sector party to be later reimbursed by government through land acquisitions fund scheme. Is there any concern on this?
Medan Municipal Transport (Municipal Level)

PT SMI / MOF
# Project Overview

<table>
<thead>
<tr>
<th><strong>Project Profile</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GCA</strong></td>
</tr>
</tbody>
</table>
| **Project Component** | • Bus Rapid Transit (BRT)  
• Light Rail Transit (LRT) |
| **Commercial Operation Date** | • 2022 for BRT  
• 2024 for LRT |
| **Concession Period** | • 32 years for BRT  
• 30 years for LRT |
| **Ridership projection (2024)** | With Interchange  
• 290,273 passengers/day (BRT & LRT) on *Weekday*  
• 267,645 passengers/day (BRT & LRT) on *Weekend*  
• 153,277 passengers/day (*Weekday*)  
• 141,323 passengers/day (*Weekend*) |
| **Current Status** | Finalisation of FBC |
|  **MoF Support** | Project Development Facility |
|  **Indicative Government Support** | 1. Fiscal/Non Fiscal Support from Local Government  
2. Support from Ministry of Transportation and other related Ministries  
3. Government Guarantee |
|  **Tariff Mechanism** | Single tariff for both corridor (No additional payment when changing between mode) |

## Consideration for Corridor Selection

- Medan Urban Plan conformity
- Growth center connectivity
- Road geometry
- Curve radii <50m
- Depot location
- Ridership (demand)
- Minimum land acquisition
- Intersection
- Traction and operational speed
Proposed Structure

**Estimated Project Cost**: US$ 950 million

**Financial Feasibility**:
- **FIRR**: 11.5%
- **NPV**: - (WACC constraint for Availability Payment)

**Indicative Government Support & Guarantee**:
1. Fiscal/Non Fiscal Support from Local Government
2. Support from Ministry of Transportation and other related Ministries
3. Government Guarantee

**Project Timeline**:
- **Q3 2018**: Final Business Case (FBC)
- **Q4 2018**: Pre-Qualification
- **Q1 2019**: Request for Proposal
- **Q2 2019**: Bid Award
- **Q3 2019**: Contract Signing
- **Q4 2019**: Financial Close
- **Q1 2020**: Construction
- **Q1 2022**:
# Indicative Scope of Project

<table>
<thead>
<tr>
<th>No</th>
<th>Scope of Works</th>
<th>Business Entity</th>
<th>GCA</th>
<th>MOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Land Procurement</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Land procurement and relocation of existing utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>LRT</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Construction of infrastructure (Prasarana) including railway, stations and operation facility (signaling, controls and communication system, etc)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction of maintenance facilities (Depot and Workshop/Balai Yasa)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Procurement of rolling stocks</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>System integration of signals and communication equipment</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Operation &amp; maintenance of infrastructure and maintenance facilities</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Operation, lifecycle &amp; maintenance of rolling stocks</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Tariff collection service</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>III</td>
<td>BRT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction of the segregated lane &amp; station facilities &amp; parking area</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Procurement, Operation &amp; Maintenance of BRT Busses</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Operation &amp; maintenance of segregated lane, station facilities, and parking area</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td></td>
<td>Tariff collection service</td>
<td></td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>
# Key Risks and Proposed Risk Allocation

<table>
<thead>
<tr>
<th>No.</th>
<th>Key Risks</th>
<th>Risk Allocation</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land Availability</td>
<td>Public</td>
<td>The GCA has to secure the land before tender process</td>
</tr>
<tr>
<td>2</td>
<td>Sponsor &amp; Financial Risk</td>
<td>Private</td>
<td>• Prudent PPP procurement process</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• The IBE shall be supported by reputable lender</td>
</tr>
<tr>
<td>3</td>
<td>Design &amp; Construction (excluding LRT Infrastructure)</td>
<td>Private</td>
<td>The IBE shall be supported by experience EPC contractor</td>
</tr>
<tr>
<td>4</td>
<td>Interface Risk (LRT infrastructure and LRT rolling stock)</td>
<td>Public and Private</td>
<td>The Parties shall be supported by experience system integrator consultant</td>
</tr>
<tr>
<td>5</td>
<td>Demand &amp; Revenue Risk (Fare Box &amp; Non Fare Box)</td>
<td>Public</td>
<td>• Availability Payment Scheme</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Moderate demand projection</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Ensure spatial planning to drive demand generation</td>
</tr>
<tr>
<td>6</td>
<td>Operational Risk – Service</td>
<td>Private</td>
<td>The IBE shall be supported by experience LRT and BRT O&amp;M operator</td>
</tr>
<tr>
<td>7</td>
<td>Operational Risk – Traffic Management, including exclusive BRT line</td>
<td>Public</td>
<td>Public education &amp; socialization about the system; Law enforcement; and Integrated BRT operation and Automatic Traffic Control System (ATCS)</td>
</tr>
<tr>
<td>8</td>
<td>Bus Transportation Reform Risk</td>
<td>Public</td>
<td>Public consultation and incentive for existing operator to transform</td>
</tr>
<tr>
<td>9</td>
<td>Tariff Collection System Performance</td>
<td>Private</td>
<td>The IBE shall be supported by experience IT company</td>
</tr>
<tr>
<td>10</td>
<td>Budget Risk for AP payment</td>
<td>Public</td>
<td>Evaluation and improvement on GCA fiscal capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Government Guarantee</td>
</tr>
</tbody>
</table>
Questions

1. The project is being proceed in bundling-contract scheme between BRT and LRT, is the project considered an attractive opportunity form your perspective? Are these any concerns / issues that would influence the market to participate in the proposed project?

2. Since this project consist of BRT and LRT Infrastructure, Can the market invite local BRT operator to establish consortium for this project?

3. Does the market perceive any constraints/limitations for participating as a contractor, investor, and lender during the implementation of BRT and LRT in Medan City? If so, how could these be addressed?

4. Based on the risk allocation table, Does the market have any comment about the standard risk allocation for the implementation BRT and LRT in Medan City?

5. In this Project the LRT infrastructure will be build by MoT, Does the market has proposed procedure to mitigate the interconnection risk between LRT infrastructure build by Mot and the LRT facilities/Rolling stock that will be provided by the IBE?

6. Does the market agree if the concept of Transit Oriented Development (TOD) is integrated during the implementation of BRT and LRT in Medan City?
National Cancer Center Dharmais Hospital
(Social Sector)

PT SMI / MOF
Project Overview

The Ministry of Health will develop new building to support Dharmais Hospital as the National Cancer Center. The building will consist of 13 floor and 3 basements floor. The new building will be equipped with 2 gantry of Proton Beam Facility (PBT) and 8 operating theatres.

New Building Detail
1. No. of Floors: 3 Basement + 11 Floors
2. No of Rooms: 140 Beds VVIP & VIP + 28 ICU + 29 Palliative
3. No of Parking Space: 125 Cars + 100 Motorbikes
4. Total Floor Area: 37,943.72 m²
5. Hospital Land Area: 4,400 m²
6. 8 Operating Theatres
7. Proton Beam Therapy (PBT) 2 gantry

❖ Government Contracting Agency: Ministry of Health/Secretary General
❖ Project Status: Final Business Case phase (PDF by MoF)
Estimated Concession Period: 20 years
Proposed Structure

**Estimated Project Capex**: ~ US$ 165 Million

**Project Scheme**: DBMFT with Availability Payment

**Project Scope**:
- Construction & Maintenance of the new hospital building
- Procurement & Maintenance of medical device for the new hospital building
- Non-medical services

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

**Indicative Project Timeline**:

- Q4 2018 FBC
- Q4 2018 PQ
- Q1 2019 RFP
- Q2 2019 Bid Award
- Q2 2019 Contract Signing
- Q3 2019 Financial Close
- Q4 2019 Construction

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**Indicative Project Structure**

[Diagram showing the flow of processes and key players, such as Minister of Health, Ministry of Finance, Secretary General Ministry of Health, IIGF, PPP Co, and various stakeholders involved in the project's timeline and financial structures.]
DCH Cancer Hospital – PPP Scope Summary

**Operations of Hospital**
- Medical
  - General Practice and Dental Clinic
  - Specialist Clinic
  - Sub-specialist Clinic
  - Patient Nutrition
- Clinical Support
  - Pharmacy
  - Laboratory
  - Radiology and Imaging
  - Medical Records
  - Equipment Sterilization

**Medical Assets**
- Procurement of Medical Equipment
- Maintenance of Medical Equipment

**Non-clinical Support Services**
- IT System (HIS)
- Kitchen and Cafe
- Equipment Procurement & Installation
- Medical Equipment Maintenance
- Parking Management
- Security
- Internal Logistics
- Housekeeping
- Knowledge Transfer

**Construction of Hospital & Non-clinical Support**
- Development of the new hospital buildings
- Maintenance of the new hospital buildings
- Customer Interface
- Project Site Management
- Office Equipment

**PPP Company Scope**
- Facility Utility Management
- JCI Certification
- Management of Nurses
- Palliative Care
- JCI Certification

**New Hospital Buildings Infrastructure**
- IT System (HIS)
- Kitchen and Cafe
- Equipment Procurement & Installation
- Medical Equipment Maintenance
- Parking Management
- Security
- Internal Logistics
- Housekeeping
- Knowledge Transfer

**Clinical Services**
- DCH Cancer Hospital

**Non-clinical Support Services**
- Facility Utility Management
- JCI Certification
- Management of Nurses
- Palliative Care
- JCI Certification
# Key Risks and Proposed Risk Allocation

<table>
<thead>
<tr>
<th>Category</th>
<th>Event</th>
<th>Main Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation Risk</td>
<td>Number of doctors and nurses are inadequate</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Medical service is not optimal</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Increase in O&amp;M costs</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Error estimating life cycle costs</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Failure in medical device maintenance including PBT Facility</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Failure in building maintenance</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Technology obsolescence risk</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Patient medical data is not recorded properly and leaked</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Non-medical labor strike</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Number of patients</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Force majeure</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Unable to obtain permission to adjust medical tariff</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Currency risk on availability payment</td>
<td>○</td>
</tr>
</tbody>
</table>
## Key Risks and Proposed Risk Allocation

<table>
<thead>
<tr>
<th>Category</th>
<th>Event</th>
<th>Main Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Responsibilities, including budget and funding</td>
</tr>
<tr>
<td><strong>Location Risk</strong></td>
<td>Demolishment of Existing Building</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The building height plan does not comply with the current regulation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limitations of work space</td>
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<tr>
<td></td>
<td>Environmental risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Managing the waste system for the existing facility during the construction</td>
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<tr>
<td></td>
<td>Disruption of the comfort of the community around the project area</td>
<td></td>
</tr>
<tr>
<td><strong>Design, Construction and Commissioning</strong></td>
<td>Changes in building design and requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safety risk during the construction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delay in construction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction cost overrun</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fail to pass the building the commissioning test</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fail to pass the medical device the commissioning test</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delay in medical device procurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor contractor/sub-contractor performance</td>
<td></td>
</tr>
</tbody>
</table>
Questions

1. Do you have any feedback regarding the inclusion of the Proton Beam Therapy equipment and facility within the PPP scope?

2. Do you have indicative minimum acceptable Equity IRR for the Project?

3. The concession period for the Project is envisaged to be maximum 20 years, any feedback on the matter?
Hang Nadim Airport
(Airport Sector)

PT SMI / MOF
As a solution for passengers over capacity problem, and part of long term strategic goals to develop Logistic Aerocity in Batam, BIFZA plans to expand Hang Nadim Airport in PPP scheme. In 2045, through staging development, the project is designed to serve until 30 million passengers, 237 Air Traffic Movement ("ATM"), volume of general cargo to reach 194,000 MT, while maintaining the targeted Level of Service (LoS) “Optimum”.

**Government contracting agency:** Batam Indonesia Free Zone Authority (“BIFZA”)

**Project status:** Preparation for FBC (transaction advisor procurement). The most aggressive target for PQ is in Dec 2018

**Estimated concession period:** 25 years

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<table>
<thead>
<tr>
<th>DATA</th>
<th>EXISTING CONDITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway</td>
<td>• Dimension: 4.025 x 45 m</td>
</tr>
<tr>
<td></td>
<td>• Air Traffic Movement (&quot;ATM&quot;) Existing: 25 ATM per hour</td>
</tr>
<tr>
<td>Apron</td>
<td>• Area: 146.541 m²</td>
</tr>
<tr>
<td></td>
<td>• Capacity: 21 narrow body aircraft and 5 medium aircraft</td>
</tr>
<tr>
<td>Aircraft</td>
<td>B-747 dan A-380</td>
</tr>
<tr>
<td>Terminal 1 (T1)</td>
<td>• Capacity: 5 million passengers / year</td>
</tr>
<tr>
<td></td>
<td>• Total Passengers (2017) : 6,3 million</td>
</tr>
<tr>
<td></td>
<td>• 5 boarding bridges and 4 jet bridges</td>
</tr>
<tr>
<td>General Cargo Terminal</td>
<td>• Cargo Volume 2016 = 43.170 MT</td>
</tr>
<tr>
<td></td>
<td>• Facility: bongkar muat (tanpa penyimpanan semalam)</td>
</tr>
<tr>
<td>Taxiway</td>
<td>1 parrarel Taxiway, 2 exit taxiway, and 2 rapid-exit taxiway</td>
</tr>
<tr>
<td>Flight Destination</td>
<td>23 domestic destinations and 1 international destination (chartered flight)</td>
</tr>
</tbody>
</table>
Proposed Structure

Estimated Project Cost: US$ 260 million

Financial Feasibility:
- FIRR: 16%
- NPV: US$ 17.8 million

Indicative Government Support & Guarantee:
- Government Guarantee
  - BIFZA
  - PPP Agreement
  - MoF
  - Equity
  - Debt
  - Winning Bidder
  - Tender Process
  - PDF

Green Area:
1. Refurbish & expand Existing Passenger Terminal 1 (T1)
2. Build New Passenger Terminal 2 (T2)
3. Relocate Cargo Terminal

Red Area:
4. Bidders to propose the concept of Hang Nadim Airport’s development masterplan in Logistics Aerocity concept, which include Commercial Area, Hotel, NRI, MRO, MICE, etc. (will be part of technical evaluation criteria)

Commercial Structure:
- IBE will collect all revenue
- IBE will pay to BIFZA: Upfront Payment & 5% Revenue Sharing with minimum amount
# Key Risks and Proposed Risk Allocation

<table>
<thead>
<tr>
<th>Key Risk</th>
<th>Risk Allocation</th>
<th>Risk Mitigation</th>
</tr>
</thead>
</table>
| Demand Risk                                   | Private         | • Moderate financial projection  
                                              |                               | • Generating revenue from commercial area (parking, tenant, advertising, etc) |
| Macroeconomics                                | Private         | • Financial activity in Rupiah dominated currency (currency risk)  
                                              |                               | • Securing long term financing (interest rate risk) |
| Tariff Escalation                             | Public          | • Closely coordinating with MoF to ensure tariff escalation on annual basis  
                                              |                               | • Financial mechanism and scheme to compensate failure in tariff escalation’s approval |
|                                               |                 | • IIGF to guarantee BIFZA commitment on tariff escalation                      |
| Finance, Design, Build, Construction, & Operation risk | Private         | • Credible & experienced sponsors  
                                              |                               | • Private must be supported by proven track record EPC contractor and conduct comprehensive DED |
| Political Risk                                | Public          | • IIGF to guarantee                                                            |
Questions

1. What are your thoughts/concerns on the proposed PPP scope?

2. What are your thoughts/concerns on indicative commercial structure (upfront payment and revenue sharing payment)?

3. What are your thoughts/concerns on indicative risk allocation?

4. Does the limitation of 49% maximum foreign ownership in ProjectCo equity affect your interest to the Project?

5. Any other comment and feedback?
Thank You