



Accelerating Indonesia Infrastructure Development thru PPP Scheme: Street Lighting Projects

**2024 APN Conference
Advancing Sustainable and Resilient PPPs in
a Dynamic Landscape**

Nine Tree Premier ROKAUS Hotel Seoul Yongsan,
Oct. 22 – Oct. 23, 2024

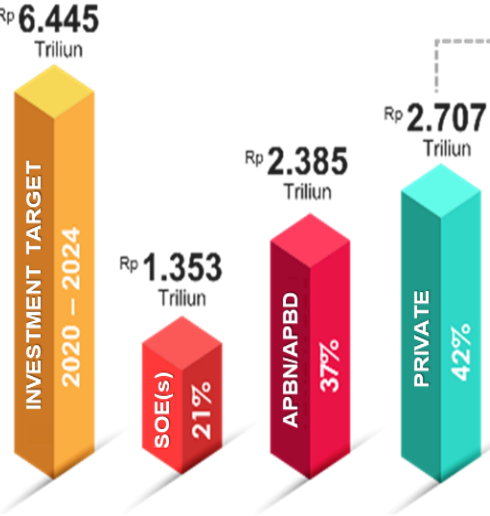
Facilitating Private Investment in Indonesia's Infrastructure

Government of Indonesia's Fiscal Policy and Supports Available for Private Participation



INFRASTRUCTURE FINANCING GAP 2020-2024

Source: RPJMN 2020-2024



Closing the GAP

Fiscal Tools for PPP Scheme

1. Project Development Facility (PDF)
2. Viability Gap Funding (VGF)
3. Availability Payment
4. Guarantee
5. Infrastructure Financing
6. Land Acquisition Support

22 ELIGIBLE SECTORS FOR PPP IN INDONESIA

Ministry National Development Planning Regulation No. 7/2023



KANTOR BERSAMA KPBU REPUBLIK INDONESIA

PPP Joint Office Government of Indonesia

PROJECT PREPARATION

MoF assign Special Mission Vehicle (SMV) to assist GCA in PPP project preparation & transaction as PDF

PROJECT DEVELOPMENT FACILITY

VIABILITY OF PROJECT

MoF can provide VGF fiscal support to ensure project viability. AP model can be structured in PPP, as needed.

VIABILITY GAP FUND & AVAILABILITY PAYMENT

BANKABILITY

MoF established SMVs to provide sovereign guarantee (IIGF) and long term financing support (SMI)

SOVEREIGN GUARANTEE & LONG TERM FINANCING

LAND ACQUISITION

MoF established dedicated unit to support land acquisition for strategic infrastructure project

LAND FUND FOR PROJECT





- **IIGF mandates from Ministry of Finance (MoF)** - to accelerate the development of sustainable infrastructure for improving the quality of life of our people

Project Development Facility

Provide **project preparation and transaction advisory services for PPP & State Assets Utilization**

MoF Regulation 180/2020
MoF Regulation 139/2022

Sovereign Guarantee

As a Single Window Institution to provide **Government guarantee for PPP infrastructure projects.**

Providing and Implementing **Credit Guarantees jointly with MoF by Ministerial Decree**

SOEs Financing for Infrastructure Sector (Direct Lending & Gol Assignment)

Special Assignment Guarantee (HSR, Food Security, National Economic Recovery/PEN)

Guarantee for PPP infrastructure at Nusantara Capital City

National Strategic Project - Political Risks Guarantee -

Project & Risk Monitoring

Requires **Risk Mitigation Plan and Join Monitoring Committee (Project Owner, Investor, Guarantor)** to be implemented



PT PENJAMINAN INFRASTRUKTUR INDONESIA (PERSERO) / PT PII

INDONESIA INFRASTRUCTURE GUARANTEE FUND (IIGF)

A State-Owned Enterprise (SOE) - 100% owned by Government of Indonesia (under direct supervision from Ministry of Finance) and active member of Indonesia PPP Joint Office

Ecosystem and Network Strengthening in Infrastructure Provision



- ❑ Implementation of **Capacity Building, Policy research and Publication**;
- ❑ Synergy Development of **Policy Advocacy and Strengthening Regulations**;
- ❑ Initiator and Member of the Republic of **Indonesia Joint PPP Office**;
- ❑ **SMV synergy** with the MoF Vertical Office through the **SMV/PPP Corner**
- ❑ *Community of Practice* on Infrastructure Innovative Financing (**INFINITY**)

Infrastructure Guarantee as a Project Enabler and Financing Enabler



KEMENTERIAN KEUANGAN
REPUBLIK INDONESIA



- ❑ Project Feasibility Confirmation;
- ❑ Project Structure with Optimal Risk Allocation and Mitigation;
- ❑ Joint Monitoring Committee;
- ❑ Synergy between Ministry of Finance SMV;
- ❑ Synchronization with Project Financing to achieve Financial Close;
- ❑ Develop of **Syariah PPP** Guarantee scheme,
- ❑ Support platform for **Small Scale PPP/PPP**;
- ❑ Enable Financing for PPP projects thru bankable guarantee structure

Collaboration with Academics through the IIGF Institute







- ❑ As an **Accredited Training Organization/ ATO** for Certified PPP Profesional with **Global standard (CP3P)** through APMG;
- ❑ Collaboration with 36 universities through the **University Network for Indonesia Infrastructure Development (UNIID)**;
- ❑ *Knowledge partner* **Think20 Indonesia 2022 (T20)** with FEB UGM & ERIA, **World Water Forum 2024** with PUPR and other stakeholders

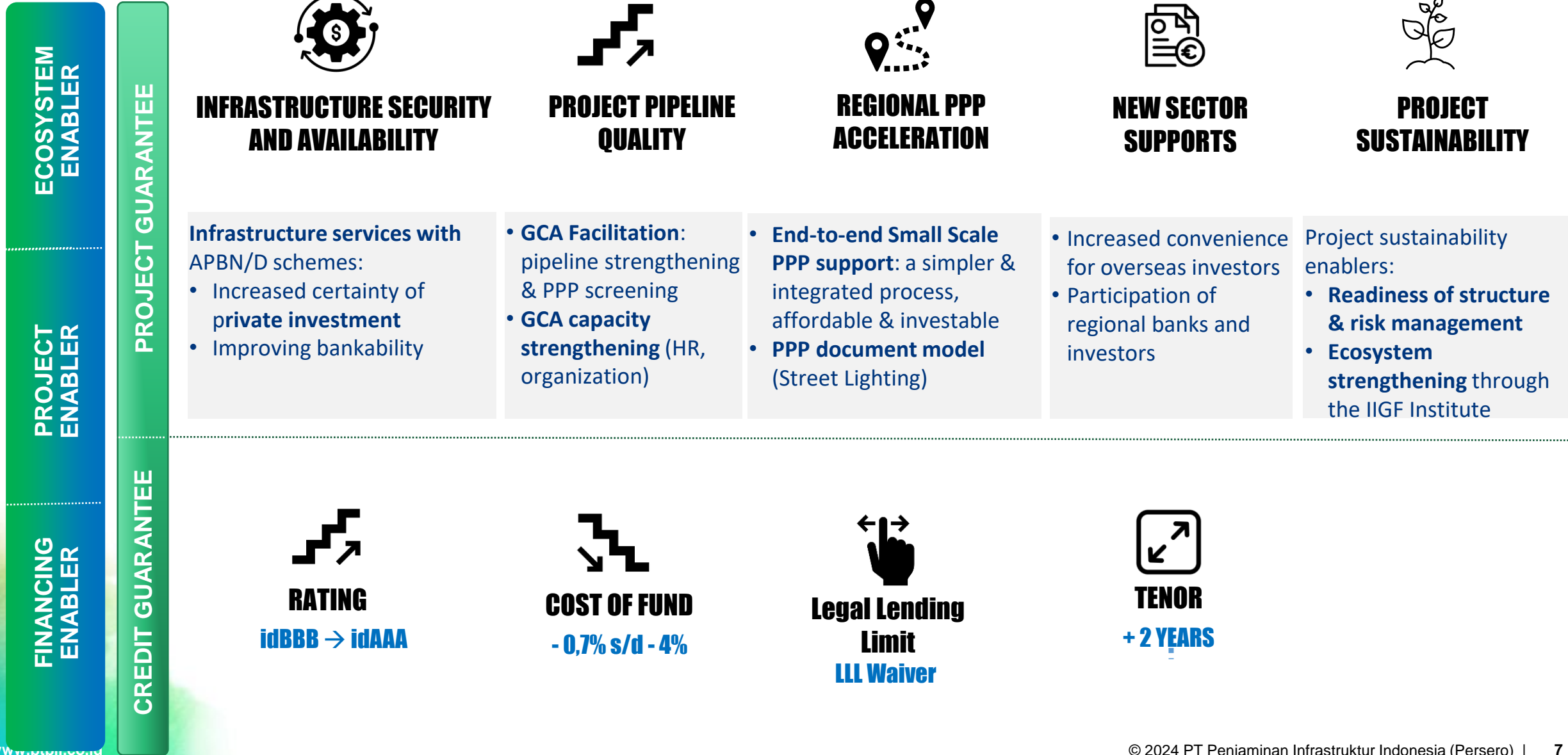
Collaboration with International Institutions



- ❑ Synergies with Multilateral Agencies (MIGA, ICIEC) regarding the potential for cooperation in Infrastructure Project guarantees for international investors
- ❑ Bilateral Agencies (KIAT, JICA, EDC, KOTRA), etc. regarding the potential for sector development such as solid waste, housing, etc.
- ❑ *Project Matchmaking* with International Investor & Financier
- ❑ ESG Potential implementation in PPP Government Guarantee

Challenges in Regional Govt	PT PII Role	
 <p>Limited Fiscal Capacity</p>	<p>G P</p>	<ul style="list-style-type: none"> ▶ Project Preparation and Transaction assistance through MoF's Project Development Facility (PDF) ▶ Facilitation and hearings with the PPP Joint Office Republic of Indonesia ▶ Collaboration with Bappenas in planning (SP) & preparation stage (OBC) also multilateral institution (KIAT, IsDB, ADB, etc).
 <p>Capacity & Capability Enhancement</p>	<p>I G</p>	<ul style="list-style-type: none"> ▶ Capacity building for Regional Government (CA) under IIGF Institute division ▶ Collaboration with MoF – DJKN Regional Office through PPP Corner for CA assistance across Indonesia (e.g.: Aceh, Lampung, dan Bengkulu) ▶ Collaboration with universities in terms of assisting CA with project planning
 <p>Quality and Readiness of Project Documents</p>	<p>G P</p>	<ul style="list-style-type: none"> ▶ Assistance in the initial screening of infrastructure projects for potential PPP ▶ Technical assistance for preparing project documents (or evaluation for unsolicited documents) ▶ Conducting project screening, appraisal, and structuring to ensure project feasibility and bankability, enhancing creditworthiness
 <p>Related Stakeholders Engagement</p>	<p>I P G</p>	<ul style="list-style-type: none"> ▶ Continuously Engage with DPRD ▶ Debottleneck critical issues by involving the PPP Joint Office to accelerate their completion ▶ Dissemination of infrastructure knowledge to improve the ecosystem competency to support innovative and creative financing for infrastructure project.

● PDF
 ● Guarantee
 ● IIGF Institute





CP3P
CERTIFIED PPP PROFESSIONAL
PUBLIC PRIVATE PARTNERSHIP (PPP) CERTIFICATION PROGRAM
AN INNOVATION OF



FUNDED BY **PPIAF**



EDUCATION



TRAINING PROVIDER



PPP CERTIFICATION



E-LEARNING



CURRICULUM

RESEARCH



POOL OF EXPERT



APPLIED & POLICY RESEARCH



SOCIAL & ECONOMIC IMPACT

ADVOCACY



DISEMINATION ACTIVITIES



CONFERENCE & SEMINAR

OUTREACH



COMMUNITY OF PRACTICE



PPP Small Scale Project Support Platform



ASEAN Risk Award 2023 Asean GRC Award



The Asset 2023 Asia Pacific PPP Agency of the Year



Innovative Financing Community of Practice



- Certified CP3P
- PPP Project Champion
- Academics
- MoF & SMV teams
- IIGF personnel

Key Stakeholder

Government Contracting Agencies, Regulator, Investor/Financiers, Lawyers, Law Enforcement Apparatus, Experts and Consultants, Related Ministries

Education Society

Academic & research institutions, think tanks, writer (researcher, lecturer), external editor (journal), students

Related Institutions

Training institutions, media society, bilateral and multilateral development financing institutions

Business & Community Association

Financing institutions, consultants, associations in the infrastructure sector

TARGET AUDIENCE

Platform PPP Small Scale Launching



Information distribution scheme for GCAs, investors, lenders, academics and stakeholders to facilitate involvement in PPP projects and implementation of guarantee screening in accordance with applicable regulations

Public Private Partnership (PPP) and IIGF Guarantee

Promoting Innovative Financing in Indonesia for
Street Lighting infrastructure development



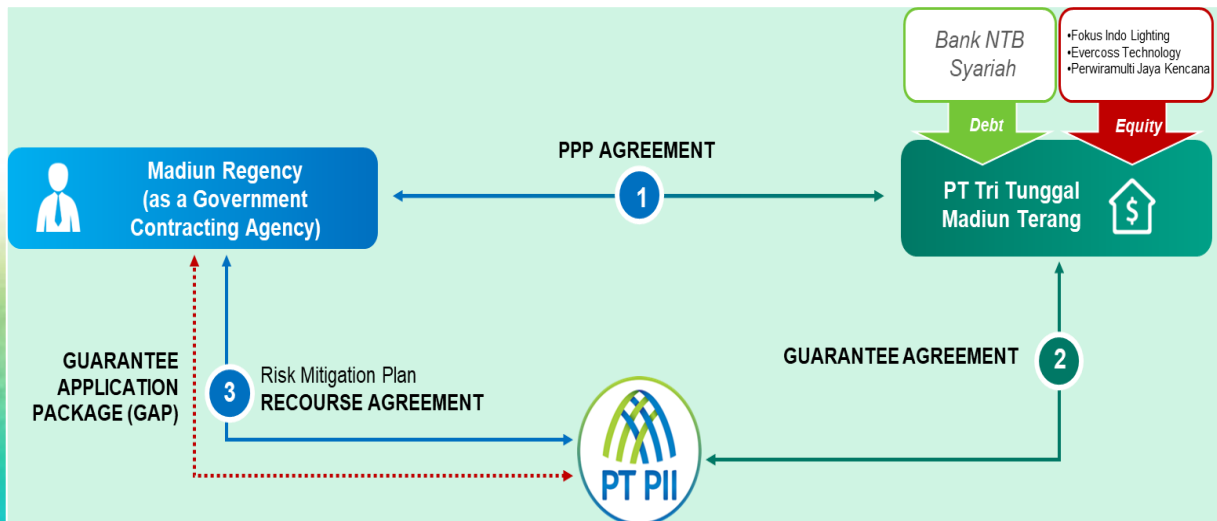
Project Showcase: Madiun Regency Street Lighting Project

Key Success Factors of Street Lighting Project

GCA	Madiun Regency
Project Scope	Build, Operate and Maintenance, installation of power metering, provide services for 7.459 light
Concession Period	10 years
Investment Value	Capex IDR 100 billion (US\$ 6,7 billion)
Scheme for Investment Return	Availability Payment (IDR 20,8 bio/year)
Govt Fiscal Support	Government Guarantee
SPV (Project Company)	PT Tri Tunggal Madiun Terang
Financiers	Bank NTB Syariah (regional bank)
Status	Operation (August 2023)



- Street lighting project become the first PPP program from Madiun Regency, East Java Province
- Since then, Madiun Regency are planning to do another PPP Project in Road & Waste Management in the future

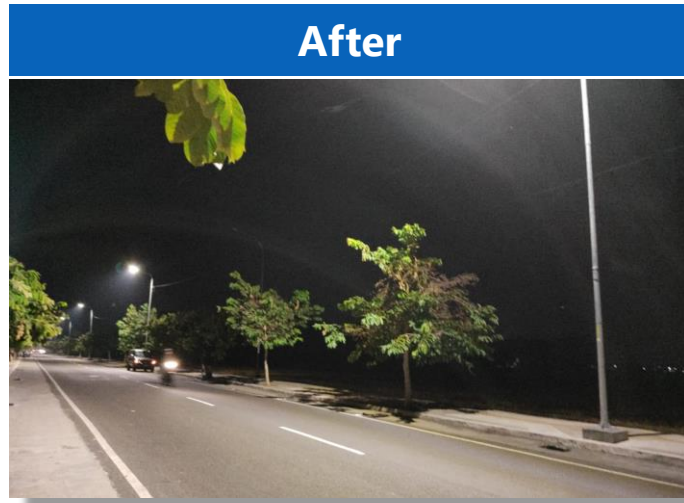
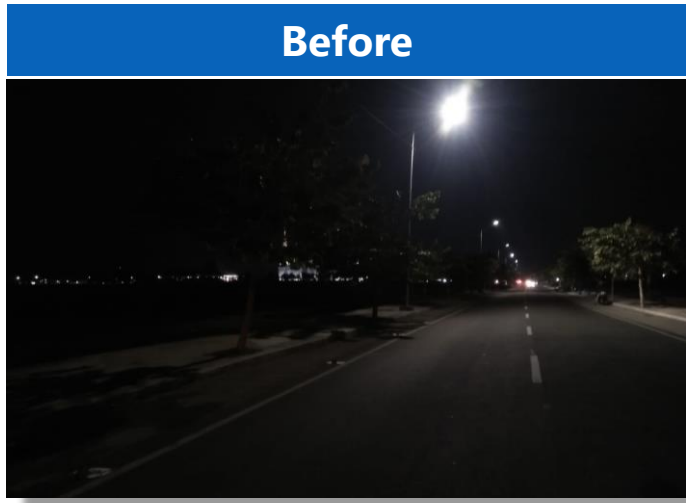


Services Level Agreement (Minister of Transportation Regulation 27/2010)

1. Operations Time for 12 hours (6 pm to 6 am)
2. Interlude of Lighting on (30 secs between the light)
3. Periodic and Incidental Maintenance

Key Success Factor:

1. Top Leaders Commitment
2. Support from Stakeholders (Executive & Legislative)
3. Collaboration from PPP Joint Office
4. Smart Solutions



Impact

- Decrease Electricity Bill
- Decrease Energy Consumption
- Decrease Criminality
- Increase Economic Activity
- Increase Road Safety

Madiun Regency – Smart Street Lighting Management Platform



KABUPATEN MADIUN | Smart APJ Control Management



Command Centre



Light Planner



Passport



Commissioning Export



 Hello, Irpan Bakri Go to personal settings	 14:33:04 Fri, Sep 15 2023	 Madiun Regency Your organisation
 2026 Devices	 0 Gateways	 2 Notifications
 1903 kWh Energy consumed last 6 months	 53% 2126 kWh Savings last 6 months	 1382 kg CO2 saved last 6 months

Terima Kasih



PT Penjaminan Infrastruktur Indonesia (Persero)

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