MATERIAL INFORMATION
PROVIDING INTEGRATED URBAN INFRASTRUCTURES THROUGH PUBLIC PRIVATE PARTNERSHIP (PPP)

12 September 2019
INDONESIA THE BIGGEST ARCHIPELAGO COUNTRY

Total Area 5,020,606 km²
Land 1,904,443 km²
Coast Length 81,000 km
Sea Area 3,116,163 km²
GDP (2013) US$ 932 billion
GDP per capita (2016) US$ 3,570
Population 260 million
(4th biggest population in the world)

Number 1 construction market in Asean, number 4 in Asia
Focused on Infrastructure, housing, mining, & energy

MIDDLE CLASS POPULATION (% population)

- 2010 56.5%
- 2015 70%
- 2016 71.57%

Sumber : World Bank (2016)
### Indonesia Global Competitiveness Index

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RANK</th>
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<tbody>
<tr>
<td>2010 – 2011</td>
<td>44</td>
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<tr>
<td>2011 – 2012</td>
<td>46</td>
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<td>37</td>
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<td>2016 – 2017</td>
<td>41</td>
</tr>
<tr>
<td>2017 – 2018</td>
<td>36</td>
</tr>
</tbody>
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(Source: Global Competitiveness Index, WEF, 2017)

### EoDB Survey in 2017

*The Top Reformer Country* in terms of improving the ease of doing business. So far, Indonesia has altered 7 out of 10 EoDB indicators.

- Position roll from 91 to 72 (climb 19 position)
# NATIONAL STRATEGIC PROJECT

## PUBLIC WORKS AND HOUSING SECTOR

**PRESIDENTIAL REGULATION NO. 56 OF 2018**

<table>
<thead>
<tr>
<th>NATIONAL</th>
<th>STRATEGIC PROJECT</th>
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</thead>
<tbody>
<tr>
<td>137</td>
<td>OF 227</td>
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<table>
<thead>
<tr>
<th>2018 COMPLETED</th>
<th>2019 COMPLETE TARGET</th>
<th>TARGET &gt;2019</th>
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<tbody>
<tr>
<td>8 12 3</td>
<td>14 5 29 4 1 6 1</td>
<td>22 1 23 6 1</td>
</tr>
</tbody>
</table>

- 51 DAMS
- 6 IRRIGATION
- 1 SEA WALL
- 64 TOLL ROAD
- 4 NATIONAL ROAD
- 7 WATER SUPPLY
- 1 SANITATION
- 3 HOUSINGS

2018 COMPLETED

3

2019 COMPLETE TARGET

3

TARGET >2019

3
INDONESIA IS RAPIDLY URBANIZING
Since 2010, more than half of our population live in urban areas

PROBLEMS ASSOCIATED WITH URBANIZATION
Traffic Congestion, Flood, Growing Slum Areas, Air And Water Pollution, Lack of Infrastructure

SITUATED ON THE RING OF FIRE
Several active volcanoes, our cities are prone to disaster

NATIONAL POLICIES FOR DEVELOPING CITIES THAT ARE:
- LIVEABLE
- COMPETITIVE
- RESILIENT
- SMART
- SUSTAINABLE
CHALLENGES IN DEVELOPING INTEGRATED INFRASTRUCTURE

01 HIGH POPULATION GROWTH IN URBAN AREAS

02 INTEGRATED URBAN DEVELOPMENT PROGRAM AMONG STAKEHOLDERS

03 LAND, WATER, AND ENERGY SCARCITY

04 LIMITED ACCESS TO CREATIVE FINANCING
INFRASTRUCTURE FINANCING SCHEME

- Province Road
- Irrigation
- Dam
- Housing
- Sea Port (Depend on National Budget)

- Municipal Road
- Hospital
- Traditional Market
- Bus Station (Depend on Local Budget)

- Sumatra Toll Road
- Jabodebek LRT (Depend on SOEs & National Budget)

- Water Supply System Umbulan
- Toll Road
- Palapa Ring
- Sidoarjo Hospital
- Medan LRT (Minimizing Dependence on the National Budget)
MPWH PROJECTS UNDER PPP SCHEME 2015-2019

TOTAL
111 PROJECTS

PROPOSAL
40 PROJECTS

PLANNING STAGE
2 PROJECTS

PROJECT PREPARATION
22 PROJECTS

NEGOTIATION STAGE
11 PROJECTS

CONSTRUCTION STAGE
24 PROJECTS

OPERATION STAGE
12 PROJECTS

Source: Dashboard DJPI 2019 (exercise 3 September 2019)
ALTERNATIVE FINANCING
FOR ACCELERATION INFRASTRUCTURE DEVELOPMENT

**Feasibility**
- Feasible on Economically and financially
- Feasible on Economically and financial marginal
- Feasible on Economically but not on financially
- Feasible on Economically but not on financially

**Related Parties**
- Private
- Government
- SOEs
- Private
- Private
- Government

**Financing Model**
- PPP Reguler
- PPP with Government Support
- SOEs Assignment
- Availability Payment (AP)
- Hibrid Financing
ACCELERATING INVESTMENT ON INFRASTRUCTURE DEVELOPMENT

INTERNAL RATE OF RETURN (IRR)

LOW

INTERNAL RATE OF RETURN (IRR)

HIGH

WEIGHTED AVERAGE COST OF CAPITAL

SOURCE OF BUDGET:
1. National Budget
2. Commercial Budget

SOCIAL INVESTMENT

DOESN'T HAVE ANY DIRECT FEEDBACK INVESTMENT

PPP

FEEDBACK INVESTMENT UNDER THE FEASIBILITY STANDARD, AND NEED THE GOVERNMENT FINANCIAL SUPPORT

Social assurance
Education assurance
Health assurance

Raw Water
Public Transportation

PPP

GOVERNMENT NON-BUDGET INVESTMENT FINANCING (PINA)

SOURCE OF BUDGET:
Commercial Budget with government financial support

SPECIAL COMMERCIAL INVESTMENT

HIGH RISK FEEDBACK INVESTMENT AND NEED A GOVERNMENT FINANCIAL SUPPORT

High Way
Port

INTERESTING FEEDBACK INVESTMENT AND GOVERNMENT ONLY AS A REGULATOR AND PROMOTOR

Electrical
Airport
Gas Pipe

SOURCE OF BUDGET:
Commercial Budget

GENERAL COMMERCIAL INVESTMENT

SOURCE OF BUDGET:
1. National Budget
2. Commercial Budget

INTERNAL RATE OF RETURN (IRR)

HIGH

WEIGHTED AVERAGE COST OF CAPITAL

SOURCE OF BUDGET:
Commercial Budget with government financial support

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SOURCE OF BUDGET:
1. National Budget
2. Commercial Budget
5 PRESIDENT’S VISION
FOR INDONESIA 2019-2024

1. Accelerating and continuing infrastructure development
   Interconnecting infrastructure and regions: small industries, Special Economic Regions, tourism, agriculture, plantation, and fishery.

2. Human resource development
   Ensuring health of pregnant women and school children, and improving quality of education and talent management.

3. Opening investment opportunities to stimulate job opportunities
   Streamlining obstacles in investment.

4. Reformation in bureaucracy
   Readiness in service and giving permit (licensing); eliminating linier, monotone, and comfort zone way of thinking; adaptive, productive, innovative, and competitive.

5. Focused, efficient and effective-use of state budget
   Ascertaining that the state budget is stimulating economic benefits and improving prosperity.
Vision:
Catalyst toward New Civilization of Indonesia’s People

2 Assuring SUSTAINABILITY Social, Economy & Environment

1 Reflecting COUNTRY’S NEW IDENTITY

3 Establishing Smart, Modern and International Standard of Capital City

NCC Representing COUNTRY’S STATE-OF-THE-ART DEVELOPMENT

CAPITAL CITY IN THE FOREST
TIMELINE OF INFRASTRUCTURE & BUILDINGS DEVELOPMENT 2019-2024

**2019 – 2021**
**Design Phase**
- Urban Spatial Plan
- Urban Design
- Site Design Guideline
- Urban Development Control (zoning) Plan

**2020 – 2023**
**Special Building**
Presidential Palace, Parliament Buildings, Governments’ Building etc

**2020 – 2023**
**Infrastructure Development**
- Water
- Roads & Bridges
- Urban Settlements
- Housing

**2024**
**Relocation Phase – Moving to NCC**
(incremental)
INFRASTRUCTURE REQUIREMENTS FOR NCC

**Water demand:**
Population assumption of 2 million people
Water consumption of 300L/day/person
Water flow demand: 6.9 m³/s

**Flood Management:**
Infrastructure to contain runoff from planned flood for 100 year interval

**Drainage:**
Infrastructure to channel runoff from 3 to 4 hours of rain for 25 year interval without flood

**Toll National Road:**
57 km of Ring Road Toll circling INC area of 4,000 Ha

**Non-Toll National Road:**
71 km KIPP, 629 km K-IKN, 198 km KP-IKN

**Pedestrian Facility:**
86 km KIPP, 671 km K-IKN, 198 km KP-IKN

**Bicycle Road:**
70 km KIPP, 200 km K-IKN, 198 km KP-IKN

**Train Rail:**
22 km K-IKN, 50 km KP-IKN

**Number of housing units/households:**
307,879 housing units for 1,500,000 people

- New Capital City (K-IKN)
- Extension Area of New Capital City (KP-IKN)
COST ESTIMATION OF NCC DEVELOPMENT

TOTAL COST
Rp. 208,4 T

- WATER RESOURCE INFRASTRUCTURE
  Rp. 9,9 T
- ROAD, BRIDGES & TRANSPORT INFRASTRUCTURE
  Rp. 4,5 T
- WATER SUPPLY
  Rp. 3,8 T
- SOLID WASTE & SANITATION
  Rp. 12,6 T
- HOUSING
  Rp. 169,1 T
- URBAN PLANNING & DESIGN
  Rp. 101 M
- GOVERNMENTS’ BUILDINGS
  Rp. 8,3 T
- PREPARATION OF FS & PPP
  Rp. 20 M
- BASIC DESIGN FOR URBAN SETTLEMENTS
  Rp. 65 M

SHARE OF ESTIMATE COST:
• GOVERNMENT BUDGET (APBN) = 24 %
• PUBLIC-PRIVATE PARTNERSHIP = 76 %
INCREMENTAL DEVELOPMENT OF NCC

- **2020**: Rp 0,9 T
- **2021**: Rp 61,6 T
- **2022**: Rp 78,6 T
- **2023**: Rp 45,5 T
- **2024**: Rp 21,7 T
# Initial Budget Estimation of NCC Development 2020

<table>
<thead>
<tr>
<th>NO.</th>
<th>Sectoral Development</th>
<th>Description</th>
<th>Initial Budget Estimate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Roads and Bridges</td>
<td>Public roads and bridges (including non-toll highway network)</td>
<td>Rp 500 M (20%)</td>
</tr>
</tbody>
</table>
| 2.  | Water Resources     | • Bulk water supply  
• Dams and Small Dams  
• Flood control and drainage system | Rp 175 M (20%) |
| 3.  | Settlement          | • Water supply  
• Sanitation and sewerage,  
• Drainage  
• Other utilities (for initial stage of development 2.000 Ha)  
Consultancies: urban design 2.000 Ha, site design and guidelines 40,000 Ha dan zoning plan & design control 180,000 Ha, and basic design for ASN settlements | Rp 100 M (20%), Rp 90 M |

**Total** | Rp 865 M |