



# THE ROLE OF PT PENJAMINAN INFRASTRUCTURE INDONESIA (PERSERO)/PT PII AS SMV MINISTRY OF FINANCE IN SUPPORTING THE PROJECT TOLL ROAD PPPS IN INDONESIA

Jakarta, 11 September 2023

**PT Indonesian Infrastructure Guarantee (Persero)**



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# **AT A GLANCE ABOUT PT PII (PERSERO)**

# PROFILE OF PT PENJAMINAN INFRASTRUCTURE INDONESIA (PERSERO) / PT PII

## Mandate and Business Pillars to Support Sustainable Infrastructure Provision

### Background

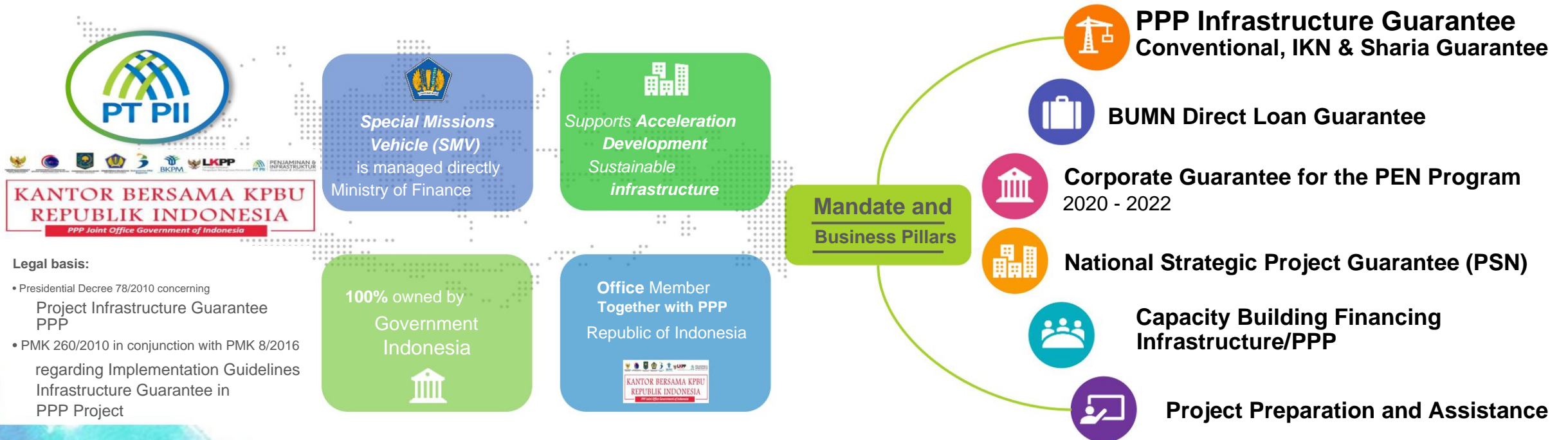
The need for equitable infrastructure development throughout Indonesia

Change in Government focus from provision to service to Public

*Fair risk allocation for increase private participation*



Sustainable Infrastructure Project Development



# PORTFOLIO OF PT PENJAMINAN INFRASTRUCTURE INDONESIA (PERSERO)

## Government Guarantee

Until **September 2023** PT PII has provided guarantees for:

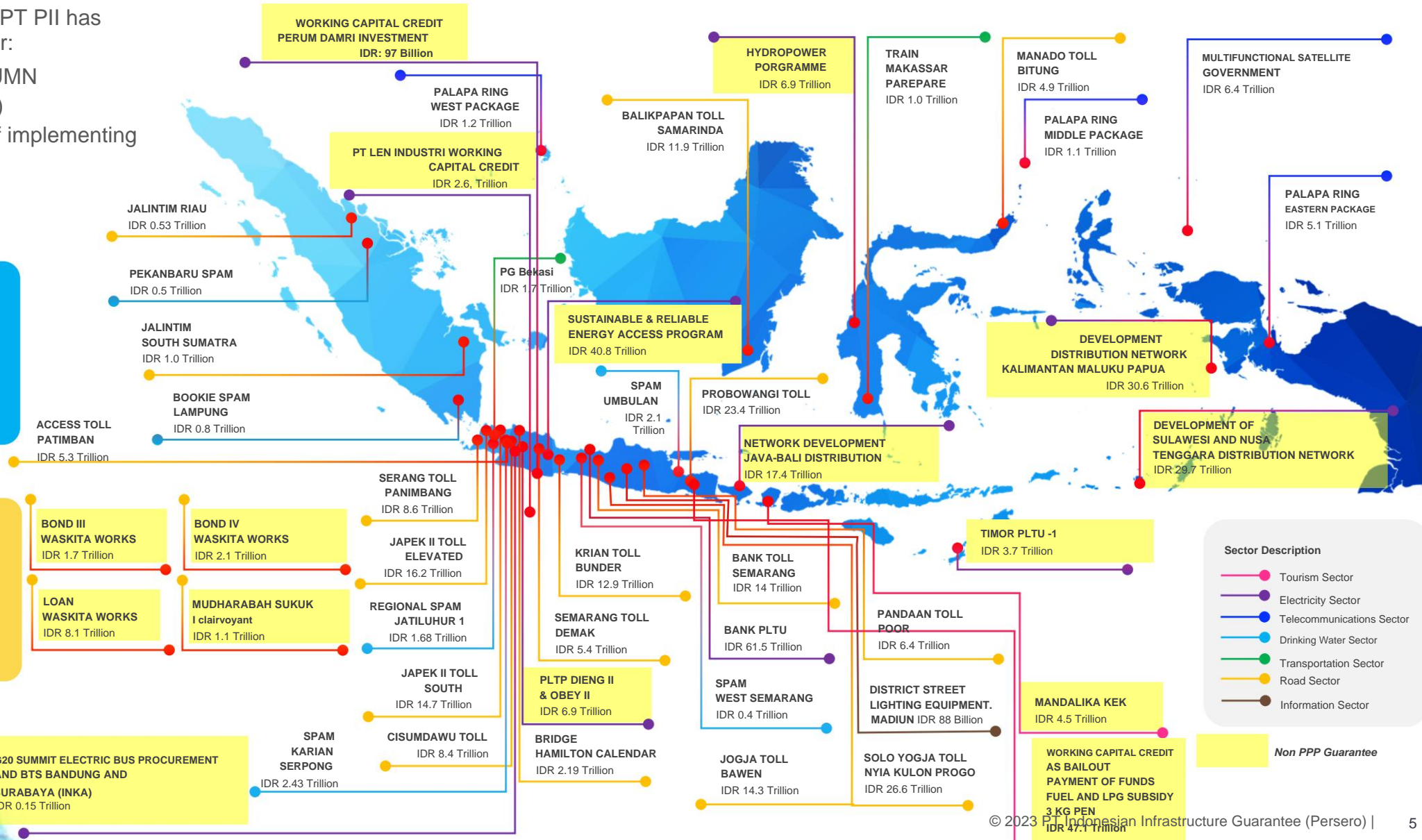
- (i) PPP Projects; (ii) BUMN Direct Loan Project; (iii) BUMN in the context of implementing PEN.

AMOUNT PROJECT  
**47**  
PROJECT

TOTAL VALUE PROJECT (IDR)  
**471**  
TRILLION

AMOUNT PROJECT  
**31**  
PPP PROJECTS

TOTAL VALUE PPP PROJECTS (IDR)  
**262**  
TRILLION



**Sector Description**

- Tourism Sector
- Electricity Sector
- Telecommunications Sector
- Drinking Water Sector
- Transportation Sector
- Road Sector
- Information Sector

Non PPP Guarantee

# PORTFOLIO OF PT PENJAMINAN INFRASTRUCTURE INDONESIA (PERSERO)

## For PPP Projects at the PUPR Ministry

Until **September 2023**  
PT PII has provided guarantees for:

Projects  
PPP

AMOUNT PROJECT

# 19

PPP PROJECTS

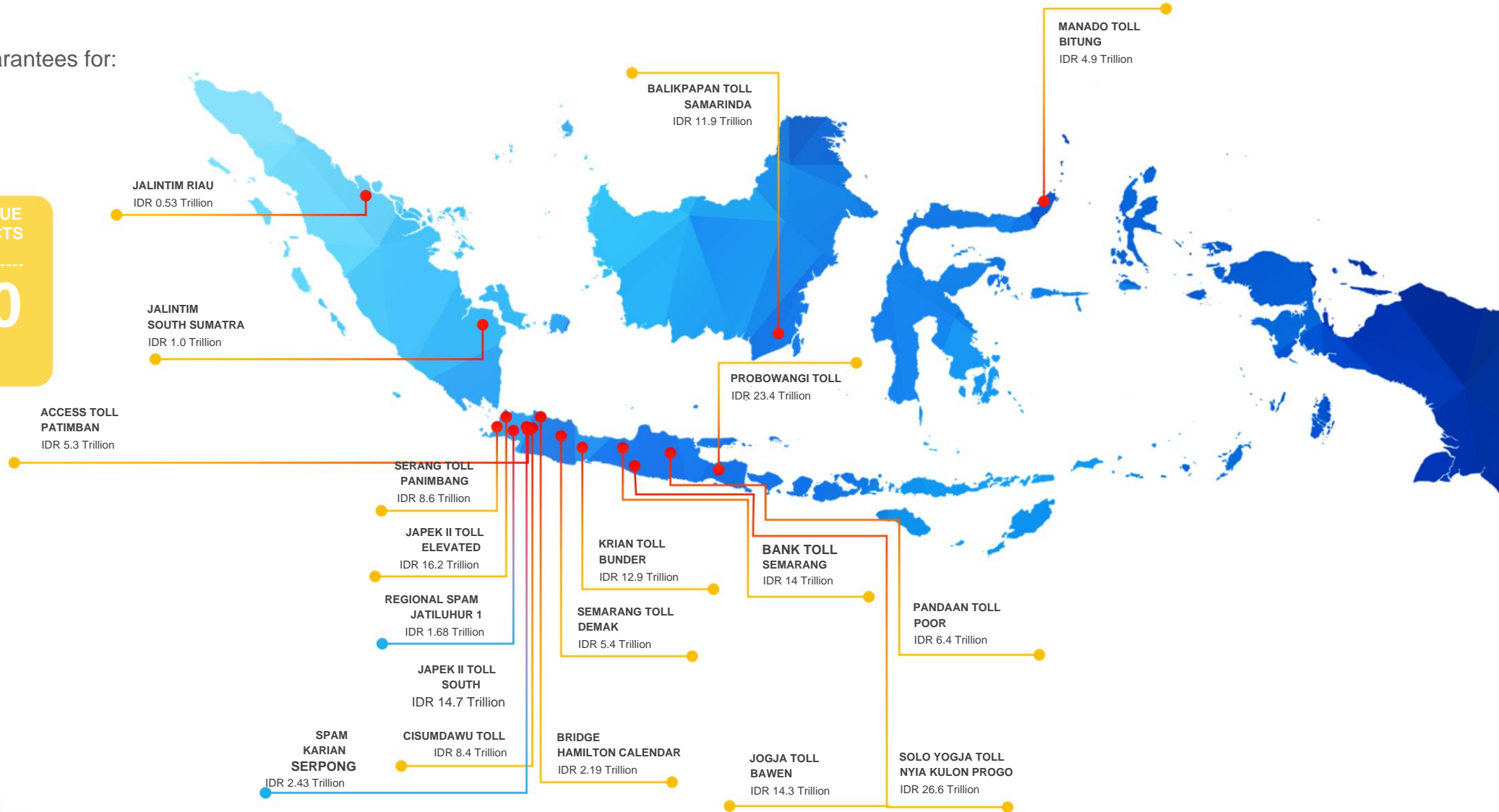
TOTAL VALUE PPP PROJECTS (IDR)

# 180

TRILLION

**Sector Description**

- Drinking Water Sector
- Road Sector



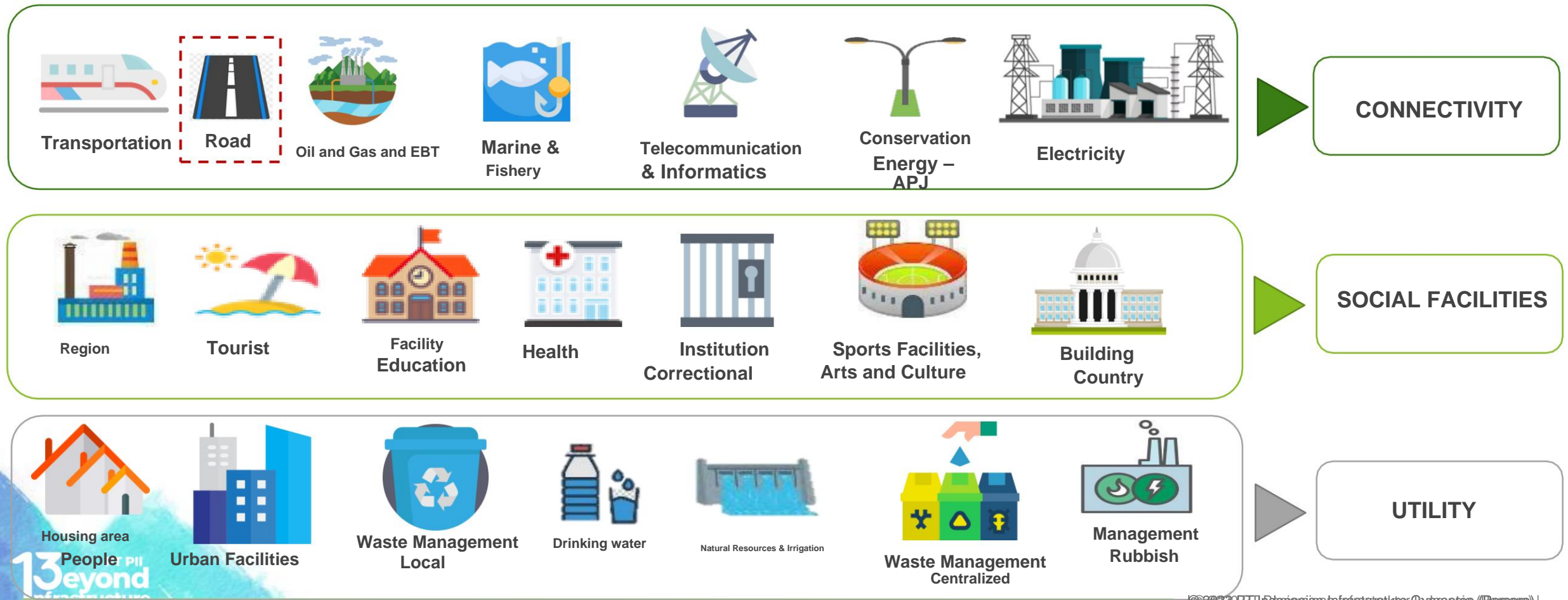


# THE ROLE OF PT PII (PERSERO) IN ENCOURAGE PPP PROJECTS

# INFRASTRUCTURE SECTOR FOR PPP SCHEMES

- Presidential Decree 38/2015 concerning Government and Business Entity Cooperation
- Bappenas Ministerial Regulation 2 of 2020 concerning Procedures for Implementing PPPs in Providing Infrastructure

*PTPII's support for the acceleration of national priority and strategic infrastructure:*  
 Sectors: Transportation, Roads, Energy, Drinking Water, ICT, Health, Education, Public Housing, Tourism, etc.



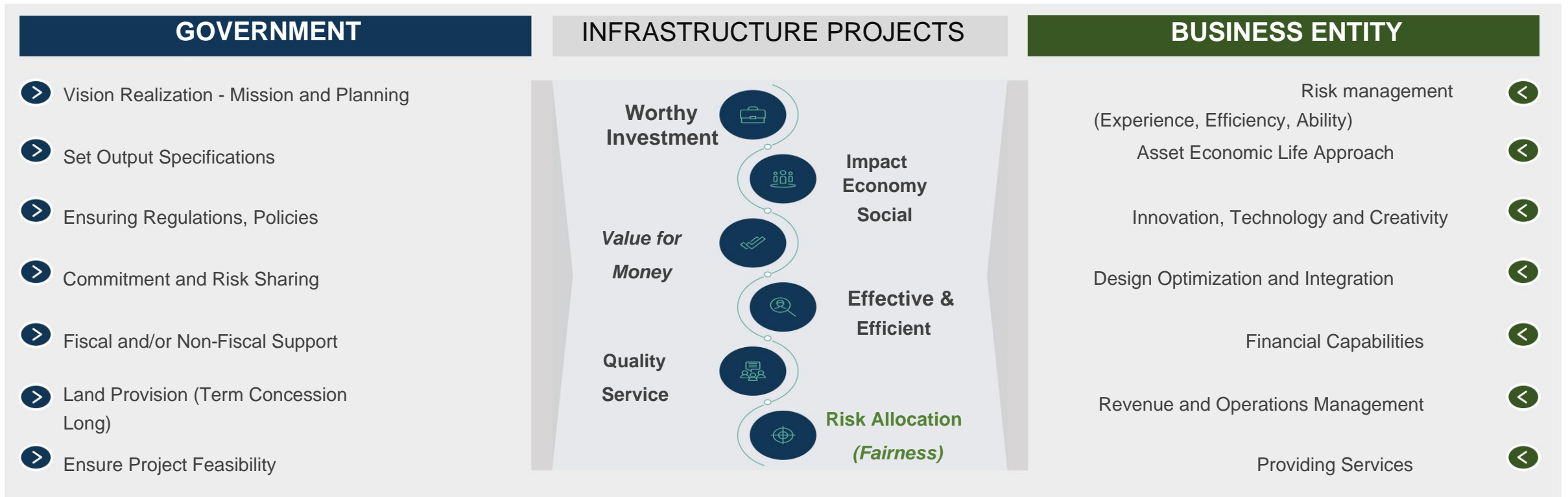




# PRINCIPLES AND BENEFITS OF PPP SCHEMES

## PPP Projects and *Sustainability* in Infrastructure Provision

Not only for GCA and investors, but for public users at large and with long-term orientation

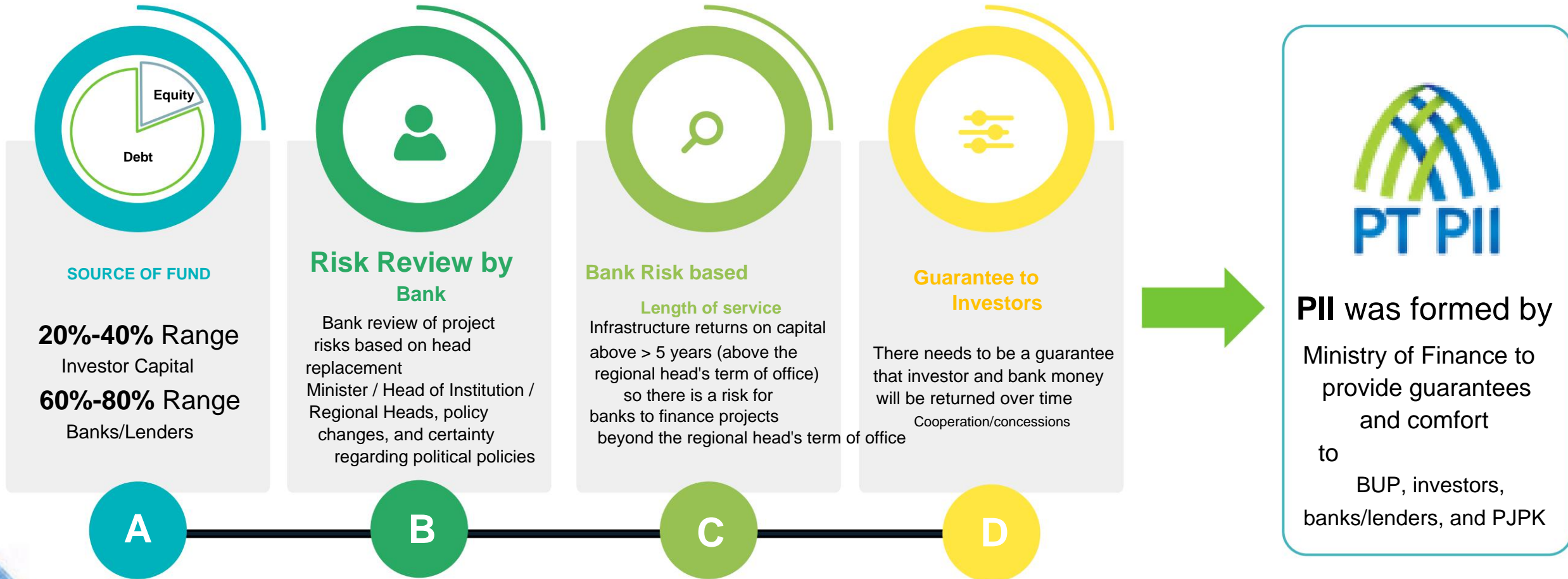


**"Optimal risk allocation in the Cooperation Agreement will determine the sustainability of infrastructure projects..."** proyek infrastruktur ..."

Marques & Berg: 2011. Excerpted.

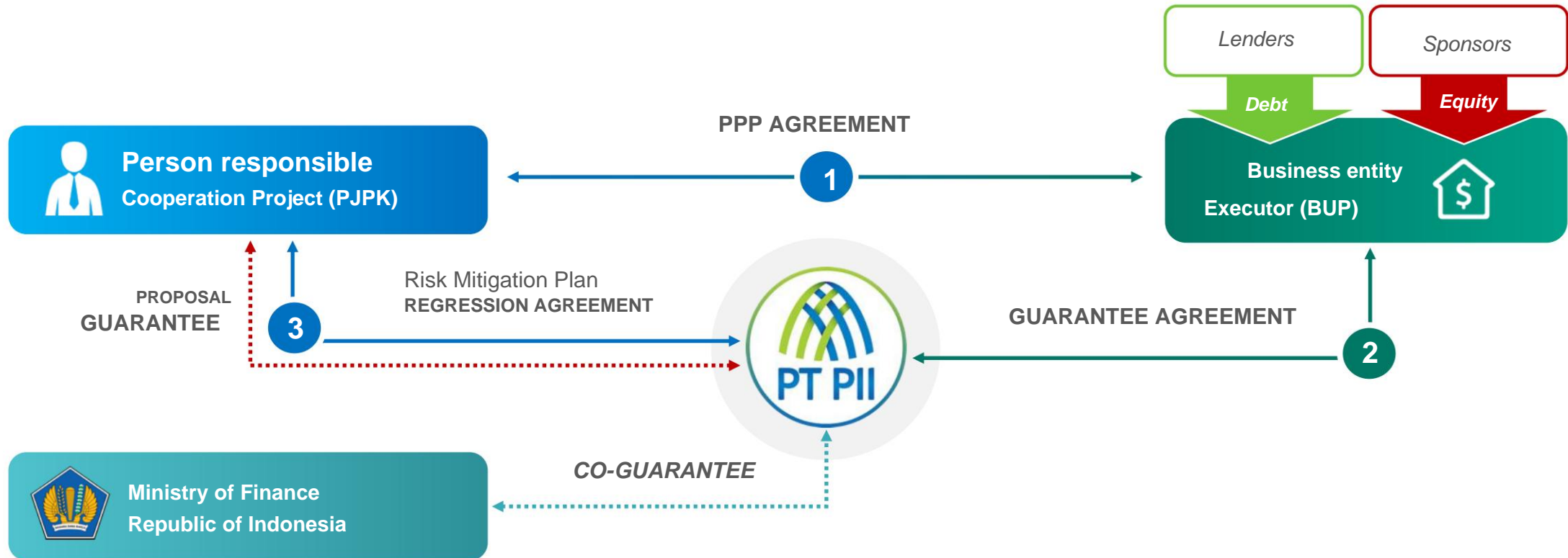


# WHY NEED A GOVERNMENT GUARANTEE



# PPP PROJECT STRUCTURE WITH PII GUARANTEE

General Scheme for PPP Projects with PT PII Guarantee



### GUARANTEED RISKS

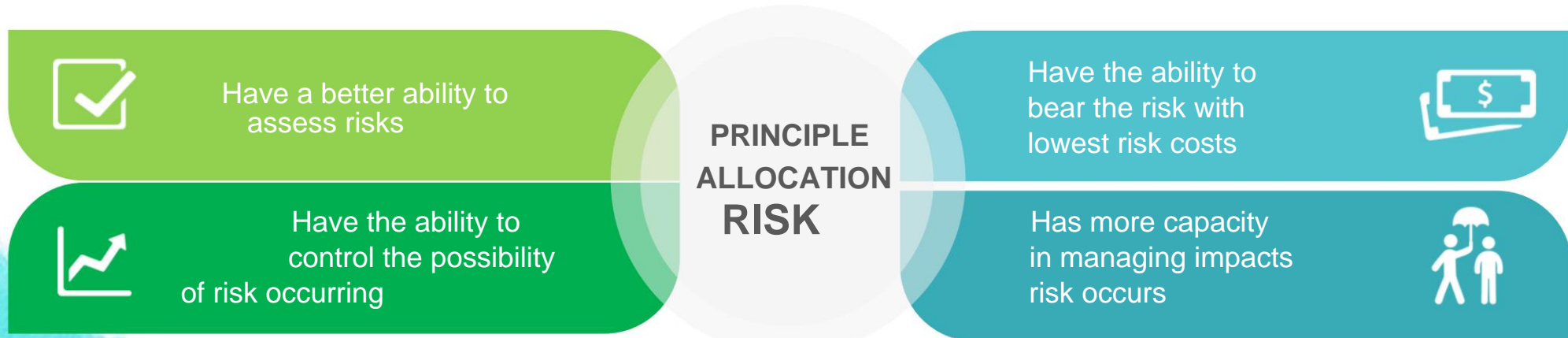
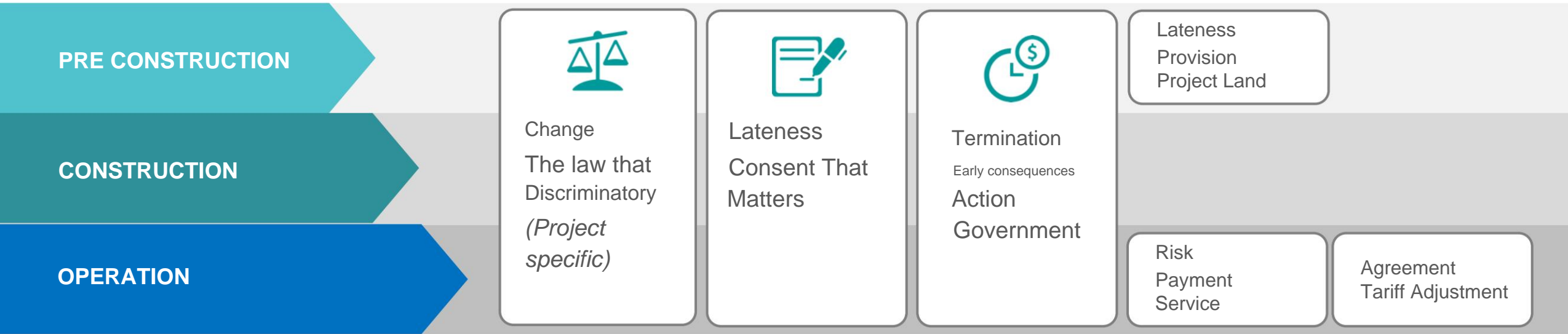
- Actions and/or inaction by the GCA
- Discriminatory government policies
- Unilateral decisions from the PJKP
- *Breach of Contract* or breach of contract by the PJKP

### INFRASTRUCTURE GUARANTEE THROUGH PT PII:

- To ensure that PJKP obligations are paid, but not yet transfer the responsibility of the GCA
- Provided for PJKP Financial Obligations originating from Infrastructure Risk

# PT PII ENSURES PPP PROJECT RISK MANAGEMENT

## Example of PT PII Risk and Risk Allocation Principles



# SYNCHRONIZATION OF THE PPP PROCESS WITH THE PT PII (Persero) GUARANTEE PROCESS

Facilitation/Support required by the Insurer  
Answer Project Cooperation (PJPK)

- Identification and Assessment Potential Project Start
- Preliminary studies
- Capacity Building
- Outline Business Case (OBC)



PT PII's assistance to PJPK in Implementation Mitigation Plan Risk

Capacity Building for Stages Setup and Transactions



Guarantee PT PII (Persero)

- Scanning and Screening Potential Projects
- Guarantee Consultation

- Underwriting
- Appraisal

Agreement Guarantee

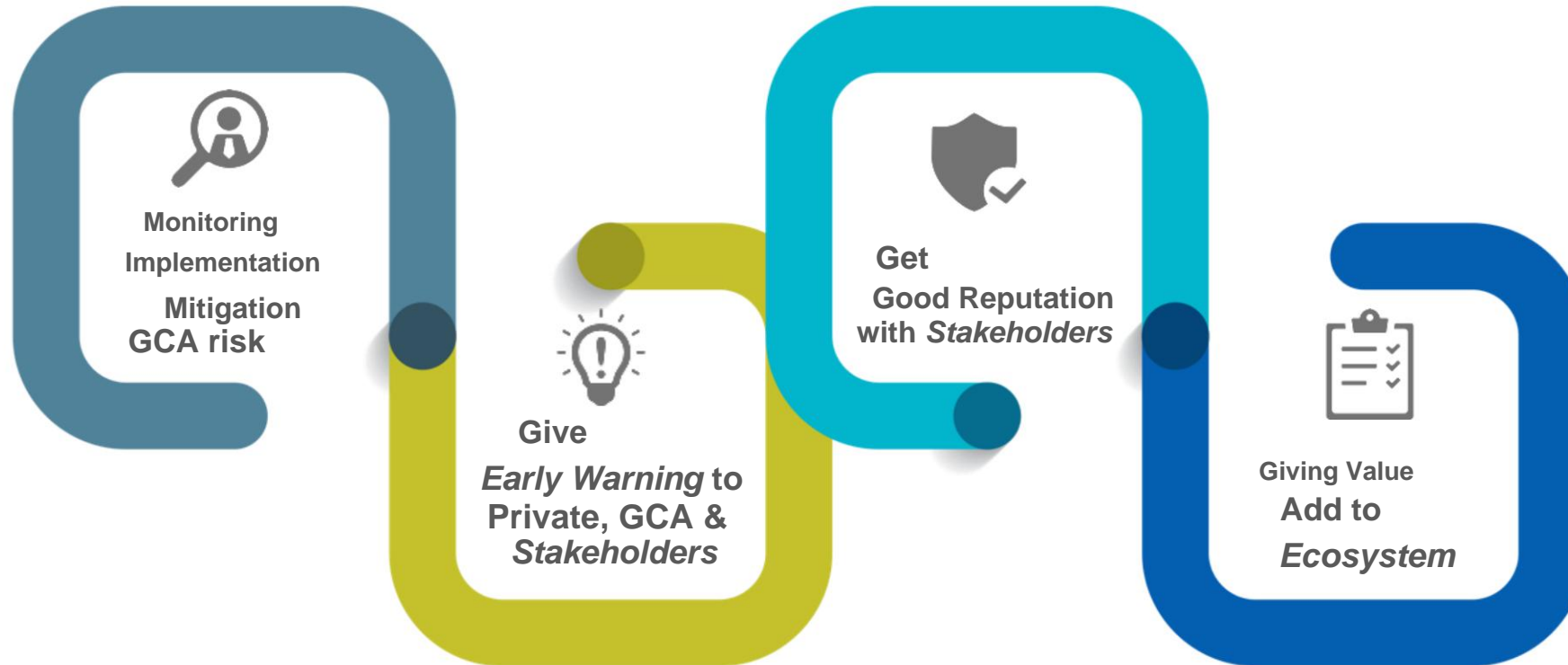
- Guarantee Monitoring
- Risk Mitigation

- 1. Screening Form
- 2. CTP
- 3. UP/GAP
- 4. Natural sciences



# PT PII ENSURES PROJECT RISK MITIGATION

*Joint Monitoring Committee*



In accordance with the Ministry of Finance Regulation (No. 260/2016), PPP Agreement and Regress Agreement, *Project Sustainability* of PPP Projects that are provided with Government Guarantee must be *monitored* by forming a **Joint Monitoring Team (JMC)**

# THE ROLE OF PT PII IN NATIONAL INFRASTRUCTURE DEVELOPMENT

PT PII initiative to support sustainable and beneficial infrastructure development for the community

## Strengthening Ecosystems and Deep Networks Infrastructure Provision



- Implementation of *Capacity Building, Policy research* and Publications;
- Synergy in the Development of Policy Advocacy and Strengthening Regulations;
- Initiator and Members of the Republic of Indonesia **PPP Joint Office** ;
- Synergy between SMV and the Indonesian Ministry of Finance through **PPP Corner** Development
- *Community of Practice* for Innovative Infrastructure Financing (**INFINITY**)

## Infrastructure Guarantee as *Project Enabler and Financing Enabler*



KEMENTERIAN KEUANGAN  
REPUBLIK INDONESIA



- Confirmation of Project Feasibility;
- Project Structure with Allocations and Optimal Risk Mitigation;
- *Joint Monitoring Committee*;
- Synergy between Ministry of Finance SMVs;
- Synchronization with Financing Project to achieve *Financial Close*;
- Development of *Guarantee* schemes  
Sharia PPP , support platform  
for **Small Scale PPP/ KPBU**

## Collaboration with Academics via IGF Institute



- As an **Accredited Training Organization/ ATO** for Certification  
**Global Standard PPP Professional (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

## Collaboration with Institutions International



- Synergy with Multilateral Agencies (MIGA, ICIEC) regarding potential cooperation in guaranteeing Infrastructure Projects for international investors
- Collaboration with Bilateral Agencies (KIAT, JICA), etc. regarding potential development of sectors such as waste, housing, etc



# POTENTIAL PROJECT GUARANTEE SCOPE TOLL ROAD PPP





# EXAMPLE OF PROJECT RISK ALLOCATION

## In Implementing the *User Charge* Scheme

Types of Risk	Exposure to Risk Occurrence					Risk Allocation	
	<i>Signing</i>	<i>Financial Close</i>	Construction	COD1	Operation	PJPK2	BU3
Location/Land						●	
Licensing						●	●
Technical Design							●
Project Financing							●
Construction							●
Operations and Maintenance							●
Action/ No Government Action						●	
Traffic volume							●
Tariff Adjustment						●	
Force Majeure						●	●
Early Termination						●	●

Can  
given  
Guarantee  
Government  
(started since  
effective  
guarantee)



# POTENTIAL WARRANTY COVERAGE

Toll Road Project



\*) Termination of PPJT is not included in the scope of guarantee in several projects, so the guarantee scope is adjusted based on the results of the guarantee *structuring*

# Terima Kasih



## PT Indonesian Infrastructure Guarantee (Persero)

Capital Place, 7-8 Floor Jl. Gatot Subroto No.Kav 18, RT.6/RW.1,  
Kuningan Barat., Kec. Mampang Prapatan, South Jakarta City 12710 Tel:  
021-59750550 | Fax: 021-57950040 | Mail : info@iigf.co.id  
www.ptpii.co.id