

**AP4-1 Detailed comparison of Revisions (draft) of BAPPENAS and
Recommendations of PPP Study Team**

Detailed comparison of Revisions (draft) of BAPPENAS and Recommendation of PPP Study Team

Item	Current PR No.67	Latest revision of BAPPENAS	Recommendation of PPP Study Team
<p>1. General Provision</p>	<p>Article 1 (8) Government support is the support provided by the minister/head of Agency/Head of Region to Private Sector in frame of implementation of Cooperation Project based on Cooperation Agreement.</p> <p>Article 2 (1) Minister/Head of Agency/head of Region can cooperate with Private Sector (2) Minister/Head of Agency/Head of Region shall act as the responsible person. (3) Not exist</p>	<p>Article 1 (8) Government support is a fiscal or non-fiscal (Direct or In-direct) contribution that given by the Ministry/Head of Department/ Regent to Private Sector in form of implementation of Cooperation Agreement. *</p> <p>(9) Government Guarantee is financial compensation and/or compensation in other shape that given by Government/ Local Government to corporate body trough the risks share scheme in form of to fill Cooperation Agreement. *</p> <p>(10) State Ministry of National Development Planning /National Development Planning Agency, hereinafter mentioned as Planned Ministry, is the Ministry that has responsibility in part of National Planned Development.</p> <p>Article 2 (3) In case of related sector law that giving the authority to BUMN, BUMN can be conducted as responsible for the joint project.</p>	<p>Article 1 (following to be added)</p> <ul style="list-style-type: none"> • Contracting Agency is the Institution/State Owned Enterprise/region Owned Enterprise • The Head of the Contracting Agency is the Minister/Head of an Institution/Region/Board of Directors of a State Owned Enterprise/Region Owned Enterprise • Contracting Agency and/or the functionary of contracting agency shall be clearly separated with the partner of Executive Entity.

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP study team
<p>2-1 Government Support and Risk Management</p>	<p>Article 1 As stated in Item (8) in Item 1.</p> <p>Article 16 Risk will be managed based on allocation stated in Cooperation Agreement between public body and private sector</p> <p>Article 17 (1) Government support will be made by National Budget (APBN) & Regional Budget (APBD) (2) Risk control/management of (1) will be executed by MOF or Head of RFMW (3) Authority of MOF/RFMW a. to get data/information from parties concerned b. to approve and /or disapprove by MOF and RFMW c. to determine reimbursement of</p>	<p>Article 1 As stated in Item (8), (9) and (10) in Item 1.</p> <p>Article 16 Same as current</p> <p>Article 17 A 1. Ministry/ Head of Department/ Head of Local Government can give government support to Joint Project based on the Scope of Joint Project. 2. Government Support given by paying the attention to the financial feasibility on National Budget and/ or Regional Budget (APBN and APBD). 3. Government support as mentioned on article (1) in form of land acquisition and permit or the other shape that stipulated by Ministry/ Head of Department/Head of Region. 4. Besides the Government Support as mentioned on point (3), Government and/or Local Government can give a Government Guarantee to Joint Project.</p>	<p>1) Government support is a form of contribution by the government and /or Regional government in the cooperation project to reach Cooperation Projects Goals. 2) Direct government Contribution is fiscal or non fiscal contribution given to business entity 3) Government Guarantee is a financial compensation and/or other form of compensation given by the Government.</p> <p>4) The contracting agency to conduct assessment of risk identification, risk allocation, risk mitigation and way for overcoming the risk.</p> <p>5) Allocation, mitigation and overcoming of risk that have been identified by the contracting agency shall be included in the draft of the Cooperation Agreement.</p> <p>6) Government Obligation Covers: a. Provisions of permits; b. Acquisition land should be completed prior to the public tender process; c. Provision of access facilities; d. Provision of basic infrastructure which shall be the obligation of the government as the regulated in the laws and regulations; e. Other form in accordance to the valid laws and regulations.</p>

Detailed comparison of possible revisions of Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
<p>2-2 Government Support and Risk Management</p>		<p>Article 17 B</p> <p>1. Government Guarantee given by paying the attention maintenance principle and Financial Risk Control on National Budget (APBN) and/or regional Budget (APBD).</p> <p>2. Controlling and maintenance risk on Government Guarantee as mentioned on point (1), conducted by the Ministry of Finance and/or Head of Region.</p> <p>3. In conducting the job and function as mentioned on point (2), Ministry of Finance and/or Head of Region, be competent to:</p> <p>a. Stipulated the criteria on giving Government Guarantee;</p> <p>b. Collect data and information that necessary from the party's that related with Joint Project that need Government Guarantee;</p> <p>c. Agreed or refuse suggestion given of Government Guarantee to Corporate Body in form of Infrastructure.</p> <p>4. The detail determination about given and shape of Government Guarantee to Joint Project on central or local Government arranged by the regulation of Ministry of Finance.</p>	<p>7) Government Support as Direct contribution consist of:</p> <p>a. A part of investment cost borne by the Government/Regional Government;</p> <p>b. Subsidy in the Operation;</p> <p>c. Rights of income from other sources in connection with the cooperation project;</p> <p>d. Other forms according to the valid laws and regulations.</p> <p>8) Government guarantee to the Cooperation Project that fulfills the viable economics and financial requirement.</p> <ul style="list-style-type: none"> • Government direct Contribution by the government to the Regional Cooperation Project. • Government /Regional Government Investment in Cooperation Project in the form of regional Government owned enterprise stocks in the executing Company.

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
<p>3. Financial Closure</p>	<p>Article 24</p> <p>1. Within maximum 12 months after sign of Cooperation Agreement, Private sector should have obtained finance.</p> <p>2. In case of (1) is not fulfilled in time, CA will be terminated with liquidation of bond</p>	<p>Article 24</p> <p>1. No more than 12 (twelve) months after the Business Entity signs the Cooperation Agreement, the Business Entity must have already obtained the financing for the Cooperation Project.</p> <p>2. Funding achievement as mentioned on point (1) mentioned already carried out if its:</p> <p>a. Loan Agreement for financially the whole Joint Project has been signed; and</p> <p>b. Part of Loan that mentioned on alphabet a can be cash out to start the construction job.*</p> <p>3. In form of regulation as mentioned on point (1) can not be filled by Corporate Body, Cooperation agreement was end and implementation guarantee can be cash out by the Ministry/ head of Department/Head of Region.*</p>	<p>9) Financial closure shall be made within 12 months after Cooperation Agreement was signed between Contracting Agency and Private Sector. Financial Closure mean the time when the loan agreement to financing the whole project has been signed between Executing Entity as borrower and Financial Syndication/Institutions as lender.</p> <p>10) Not with standing above, in case of environmental impact assessment can not be completed in specified time limit, i.e., 12 months, then financial closure can be extended until lender satisfy it.</p> <p>11) In the Case Article 24 can not be fulfilled in time the cooperation Agreement shall be deemed terminated and the guarantee for the execution shall be liquidated by the contracting agency.</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
4-1 Transfer of Share	<p>Article 23 (1) CA (Cooperation Agreement) at least contain regarding: g. prohibition to transfer the CA or transfer share to the Business Entity holding the CA before the provision of Infrastructure commences commercial operation</p>	<p>Article 23 CA (Cooperation Agreement) comprise of: g. The change of ownership before the project commercially operate can be carried out subject to the permit from the Minister/head of Agency/Head of Region.</p>	<p>12) The change of share ownership before the project commercially operate can be made after the permit from Minister and responsible Agency/Head of Region. 13) provided that such permit shall not be withheld unreasonably, and provided that proposed transfer of share owner shall not jeopardize the obligation of Executing</p>
4-2 Land acquisition and Ownership of Asset	<p>Article 23 (2) In case Infrastructure provision include land acquisition by private, an amount of performance bond will be considered (3) CA shall specify procured asset ownership during concession project Article 25 Stipulation of handing over asset</p>	<p>Article 17A (3) Government support as mentioned on Article 17A (1) in form of land acquisition and permit or the other shape that stipulated by Minister/Head of Agency/Head of Region.</p>	<p>14) Rights of Way which means the land necessary to carry out the infrastructure project under Perpres No. 67 shall be acquired and delivered by contracting agency / Ministry / Government in whole and on time as stipulated in description of the Project. 15) Rights of Way shall be acquired completely before tender call for PPP project. 16) Perpres 36,65 & Regulation No.3 of President of National Land Authority shall be correlated to Perpres 67.</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
<p>5. Identification and Priority Project under Cooperation Agreement</p>	<p>Article 9</p> <p>(1) Based on project identification result as Article 7 and public consultation result as referred Article 8, the Minister/Head of Agency/Head of Region shall decide the project priorities.</p> <p>(2) List of project priorities as referred to (1) shall be opened to public and distributed to the community.</p>	<p>Article 9</p> <p>(1) Same as current clause</p> <p>(2) Priority Projects that will be cooperate as mentioned on point (1) arranged on list of Government Joint Project with Corporate Body on Infrastructure;*</p> <p>(3) List of Joint Project (PPP) as mentioned on point (2) stipulated by Ministry of Planned; *</p> <p>(4) List of Joint Project (PPP) as mentioned on point (2) mentioning as open for public and delivered to community; *</p> <p>(5) Next determination considering way of arranging plan of Joint Project as mentioned on point (2) arranged by the Regulation of Ministry of Planning. *</p>	<p>17) PPP Book which contain the candidate for PPP Project of Ministry/Agency/Contracting Agency with the Priority specified by BAPPENAS.</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
<p>6. Method of Procurement of Private Sector under Cooperation Agreement</p>	<p>Article 20 Procurement method cover: a. Procurement preparation b. Procurement implementation c. Selection of tender d. Preparation of cooperation agreement</p>	<p>Article 20 Procurement method cover: a. Procurement plan b. Procurement implementation</p> <p>Article 20-A* In the term of procurement implementation as mentioned on Article 20 alphabet b, pre-qualification implementation based on these regulations: a.If the provisioning participant that passed pre-qualification less than three , so the committee will re-announce and pre-qualification process will be repeated by invite new participant; b.If after the announcement of repeated pre-qualification there is no additional new participate or the whole participate still less then three, so the committee continue the procurement process;</p> <p>Article 20-B* In step of provisioning implementation as mentioned Article 20 alphabet b, in a form of offering that filled the regulation is only one, provisioning committee could: a.Repeated procurement process; or b.Execute negotiation with the bidders after get permit from The Ministry/ Head of Department/Head of Region.</p>	<p>18) Procurement of Private Sector shall be as follows: a. Announcement of EOI (Expression of Interest) will be made Internationally for judgment of participants. b. Prequalification will be announced internationally. c. Invitation to tender will be sent to the participants who passed PQ. d. If the number of participants for tender is less than 3, committee repeat the invitation to tender, or enter into negotiation with submitted tenderer subject to the permit from Minister.</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
7. Cooperation Agreement	<p>Article 1 (6) Cooperation Agreement is a written agreement for provision infrastructure between the Minister/Head of Agency/ Head of Region to Private sector as decided by Public Tender</p> <p>Part II Article 5 (1) Cooperation between Minister and Private Sector can be realized by Cooperation Agreement and Operation Permit.</p> <p>Article 6 Infrastructure Provision Cooperation shall be made based on following principles a to h (detail omitted)</p> <p>Article 23 (1)Cooperation Agreement at least shall contain provision regarding: item a. to o. (detail omitted)</p>	<p>Article 23 (1)Cooperation Agreement shall at least comprise of the provisions concerning: Item a. to o. (detail omitted) p. The language that valid for this regulation is Indonesian Language, in form of Cooperation Agreement it made by two version.</p>	<p>19) Contracting agency provide the format of Cooperation Agreement. And the guide to the form of Cooperation Agreement is included which is an inseparable part of this Presidential Regulation.</p> <p>Article 23 20) The Cooperation Agreement shall at least contain the stipulation of a. to o. is same as current PR No.67. (detail omitted): (item p. to w. are suggested to add.) p. Independent Engineer q. Land acquisition and land Compensation r. Ownership of the assets s. Intellectual property t. Insurance u. Condition precedent v. Environment Impact Analysis w. Exceptional Event (Risk Share)</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
<p>8.-1 Method for Procurement of Private Sector under Attachment of Cooperation Agreement</p>	<p>Article 22 Attachment to Perpres No.67 is inseparable part</p> <p>Attachment contain following:</p> <p>A. Procurement Plan</p> <ul style="list-style-type: none"> • Establishment of procurement committee • Contents of public tender documents including technical, fund, evaluation criteria/system, CA format, BOQ, spec./drawing, bond, etc. <p>B. Implementation of procurement</p> <p>4.List of Participants and collection of tender</p> <p>a. PQ invitation & method</p> <p>b. If the tender participants that passed PQ is less than 3, repeat announcement for new tender participants..</p> <p>c. If after the repeat tender/PQ is announced there is no additional new tender participants remain less than 3, the procurement committee will continue the public tender process</p>	<p>Article 20A and 20B to be referred:</p> <p>Contents of BAPPENAS revision allow to enter the negotiation with the tenderer in case of less than 3 participants after one time repeat of announcement.</p>	<p>21) General Principle evaluation criteria for tender shall be established taking into account of the outstanding characteristics of PPP Project.</p> <p>22) Attachment of Cooperation Agreement</p> <p>A 1&2 item,</p> <ul style="list-style-type: none"> •Steering committee to be established under Procurement Committee for independent evaluation of tender <p>A 4 item,</p> <ul style="list-style-type: none"> •Owner Cost Estimate (HPS) will be approximately prepared <p>A 5 item,</p> <ul style="list-style-type: none"> •“Public Tender Document at least shall contain ” to be amended as follows; <p>b. Instruction to tender participants which at least shall contain: in addition to item 1) to 5), typical TOR (terms of Reference) shall be prepared.</p> <p>d. Listed of major activities as reference</p> <p>e. Technical specification (minimum requirement) and envisaged final feature and function.</p> <p>23) Participants to PQ and/or tender to refer recommendation 18) of item 6.</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
<p>8-2 Method for Procurement under Attachment of Cooperation Agreement</p>	<p>B. Implementation of procurement</p> <p>6.Submission and opening of tender document</p> <p>g. Opening of bid document</p> <p>3)Opening of tender document for each system will be made as follows:</p> <p>a) The Procurement Committee will open the cover I in front of tender participants.</p> <p>b) Cover I which is containing administrative and technical data is opened and will be made as attachment of minutes of opening of tender document Cover I.</p> <p>c) Cover II which is containing cost data will be further submitted by tender participants after the technical and administrative conditions have passed the requirement.</p>		<p>24) Opening of tender document</p> <p>a). Closed tender method shall be applied.</p> <p>b). Proposal which contain the administrative, technical, operation and maintenance and finance including government support shall be evaluated with synthetic methodology.</p> <p>Namely 2 envelop method shall be eliminated.</p>

Detailed comparison of possible revisions to Presidential Regulation No.67

Item	Current PR No.67	Latest Revision of BAPPENAS	Recommendation of PPP Study Team
9. Environmental Impact Study	No concrete statement		25) Preliminary Analysis of Environmental Impacts Assessment shall be conducted and initiated by Contracting Agency prior to the invitation to tender in accordance to the prevailing laws and regulations.
10. Operational Guidelines Manual for Perpres 67	Not stated	Article 29-A The detail regulation considering implementation Guideline on Government cooperation with Corporate Body in Infrastructure procurement will be arranged by the Regulation of Ministry of Plan.	26) Operational Guideline Manual shall be regulated as implementation rule book for PPP Project.

AP4-2 Cross-Sectoral legal frame work“Objectives and Key Content”

Cross-Sectoral legal Frame-work: Key Content of Presidential Regulation No. 36/2005 & 65/2006 (1)

Objectives

- Land Procurement for implementation of development for public interest is considering with the increase in development for public interest which requires land, the procurement needs to be carried out speedily and transparently by the principles of respect toward legal rights on land and legal certainty in the procurement of land to determine Presidential regulation.
 - General Provision the following definition apply procurement of land means each activity to acquire land by way of providing indemnification to those releasing or handing over land, building, plantation and matters relating to land releasing or assigning rights on land constitutes and a right on land is a right on plot of land as regulated in law number 5 Years 1960 .
 - The land procurement committee is a committee formed to assist in the land procurement.
 - Indemnification is indemnification to loose of both physical or non-physical nature caused by land procurement.
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Key Content:

- Presidential regulation assigning rights on land constitutes a rights on land is a rights on a plot of land as regulated in Law Number 5 Years 1960 concerning Basic Principles Regulation on agrarian Matter.
 - Land procurement shall be carried out by method or released or assignment of rights on land.
 - Land procurement for public interest can only be carried out if based on the Regional Spatial Layout Plan.
 - Development for public interest carried out by the government or Regional Government as outline in article 2, which further will be own or shall be owned by the government or regional Government, covers:
 - a. Public roads and toll road , railway tracks;
 - b. Reservoirs, dams, irrigation dams,;
 - c. Sea ports, air ports;
 - d. Public safety facilities;
 - e. Waste land fill,
 - f. Natural reserves and cultural reserves
 - g. Power generator, transmitters, distribution of electricity power.
 - Land procurement Committee is the composition of membership of committee consist of elements from related regional apparatus and elements from the National Land agency.
 - The duties of the committee for procurement land:
 - a. To conduct research and inventory on land rights of which are to be released or assigned
 - b. To conduct research considering legal status of the land.
 - c. To hold deliberation
 - d. To witness the implementation of handling over
 - e. To prepare minutes
 - f. To administer and document.
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Cross-Sectoral legal Frame-work: Key Content of Presidential Regulation No. 36/2005 & 65/2006 (2)

Objectives

Key Content:

- Indemnification in the context of land procurements provided for :
 - a. Rights of land
 - b. Buildings
 - c. Plantation
 - d. Other matter pertaining to land.
 - The form of indemnification can be in a shape of Money
 - If the party who have the rights of land or matters on the land and such rights is being revoked, is not willing to accept the indemnification as determine in Presidential Decision because the amount is considered as unreasonable, then respected party can request for appeal to the high court of determination of indemnification in accordance with law number 20 Years 1981 concerning Revoking of Rights on Land and Matter Thereon and Government Regulation Number 39 Year 1973 concerning Judicial Procedure and Determination Indemnification by the High Court in in relation to Revoking of Rights on Land and Matters Thereon.
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Cross-Sectoral legal Frame-work: Key Content of Presidential Regulation No. 67/2005

Objectives

- Cooperation Project promoted by Private Sector (unsolicited)
- Unsolicited Project should be supported by :
 - a. Feasibility study
 - b. Cooperation format
 - c. Project financing plan and the related fund sources; and
 - d. Cooperation proposal plan covering schedule, process and evaluation method.
- Public sector shall evaluate the project and will be proceed to public tender.
- Private sector will given the compensation of additional sources of purchase of the promoted cooperation.
- Initial tariff and periodical adjustment shall be decide to cover the payment of capital cost or the tariff will be decided according to financial capacity of the user in case on financial capacity of the user public sector shall give compensation to private sector.
- Risk Management and government support will be provided in the Cooperation Agreement.
- Government support to the private sector will be made by the management and financial risk control principle in the APBN and APBD. Risk control and management will be executed by MOF and RMU which has the authority to:
 - a. Approve or disapprove; or
 - b. Determinate to determinate the payment
 - c. Method in procurement of private sector in frame of cooperation agreement shall be made by public tender and public sector shall establish the procurement committee.
- Procurement method will be further stipulated in attachment of this presidential regulation which is as inseparable part of this Presidential Regulation.
- Cooperation agreement at least shall contain provision regarding **a-o** associated cost for land and ownership of assets.
- Within the maximum period of 12 months after the private sector signed the cooperation agreement, the private sector should have obtained the cost to finance which can not be fulfilled by the private sector, the Cooperation Agreement shall be no longer valid and performance bond

Key Content:

- Adequate and sustainable infrastructure is needed to strengthen the competitive power of Indonesia in global society.
- To accelerate the infrastructure development comprehensive steps to create investment, to motivated the participation of private sector.
- To intensify the cooperation between government and private sector in infrastructure an agreement is necessary.
- Public sector can cooperate with Private sector shall act as the responsible person for the corporation agency.
- Sustainable of adequacy of financial by mobilization of private funds;
- Upgrading the quantity ,quality and efficiency of services by sound competition
- Enhancement of management and maintenance quality
- Motivation in principle where the user pays the accepted services or to consider the financial capacity for the user.
- Infrastructure Types which can be cooperated with the private sector are:
 - a. Transportation infrastructure covering sea port, rivers or lakes, airport, railway and railway station.
 - b. Road infrastructure, toll bridge
 - c. Water resources
 - d. Sewage infrastructure
 - e. Telecommunication
 - f. Electricity infrastructure
 - g. Oil and gas infrastructure
- The cooperatives between public sector and private sector shall be made based on the following principles:
 - a. Fair
 - b. Open
 - c. Transparent
 - d. Competitive
 - e. Accountable
 - f. Mutually Beneficially
 - g. Independence
 - h. Mutually supportive

Cross-Sectoral legal Frame-work:

Key Content of Law No. 17 / 2003 (Ministry of Finance)

Objectives

- Central Government and central Bank coordinate the determination and implementation of fiscal and Monetary Policy and Central Government allocate balance fund to Local Government and Central Government can Give a Loan and/or Grant to local Government after get the permit from DPR and Local Government can give the Loan to accept the loan from the other region by the agreement of DPRD.
 - Financing Coordination between Government and state enterprise, regional enterprise, private sector, and community fund management agency, Government can give a loan/grant/capital participation and accept loan/grant from state enterprise/local. In certain condition, to save the National Economy, Central Government can give a loan and/or conducted capital participation to private enterprise after get permit from DPR.
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Key Content:

- The implementation of APBN and APBD
 - Central Government arranged APBN First Semester Realization Report and prognosis for the next six months which submitted to DPR at least at the end of July on that yearly estimate to be discussed between DPR and Central Government.
 - The adaption of APBN with the development and/or the changes of condition when occurs:
 - a. Development of economically macro that not suitable with the assumption that used on ABPN;
 - b. Main changes of Fiscal Policy;
 - c. The condition that caused displacement;
 - d. The conditions that caused estimated balance more than a year before.
 - In emergency condition Government can implement the expending that the estimated not prepared.
 - Central Government arranged APBD First Semester Realization Report and Prognosis for the next six months and submitted to DPR at least at the end of July and the condition that caused displacement estimated and in emergency condition Government can implement the expending if the estimate not prepared.
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Line Ministry Legal Frame-Work: Key Content of Government Regulation No. 1/2008

Objectives

- Government Investment considering that in order to extend of direct investment of infrastructure and other business, along with the to open opportunities of cooperation in investment decides “Government regulation regarding Government Investment”
- Government Investment is Placement amount of fund and/or goods in term investment of purchasing securities and Direct Investment to obtain economy gain, social and / or other social benefits such as, security; Direct Investment of capital and/or loan extension by Government Investment Board; Capital participation of Government Investment in Corporate Company; Loan Assistance of Government Investment on Corporate company, public Services Board (BLU), Regional Government of Provinces/Regency/Municipality, and Regional Public Services Board (BLUD)
- Government Investment intended to obtain economy benefit, social, and other benefit and to have purposes to enhance economy growth in the framework of improve to public welfare.
- Government Investment is implemented in the form of:
 - a. Securities investment, involving investment in a way of buying shares and debenture;
 - b. Direct Investment, involving participation of Capital and Loan assistances.
- Direct Investment as it meant able to be implemented by means of :
 - a. Investment cooperation between the Government Investment Board and Corporate Company and/or BLU by means of corporate patterns of government and Private (PPP), and/or
 - b. Investment cooperation between the government Investment Board and corporate company, BLU, Regional Government, of Provinces/Regency/City, BLUD and /or foreign corporate company by means of other cooperation pattern of government and Private (Non PPP)

Key Content

- Management of government investment, covers:
 - a. Planning
 - b. Implementation of investment
 - c. Administration and responsibility of investment;
 - d. Supervision and divesting.
- The management authority of Government Investment is performed by Ministry of Finance as in the Capacity of the state General Treasury
- The Minister of Finance responsible to:
 - a. To perform feasibility study
 - b. To monitor implementation
 - c. To evaluate in sustained with regard to financing and Profit
 - d. To perform coordination.
- The Ministry of Finance is ad hoc committee of Government Investment.
- Planning of Government Investment to covers:
 - a. Planning of Government Investment
 - b. Planning of necessity fund for government Investment which is composed in every budgeting year and stipulated by Ministry of Finance.
- Purchasing shares able to be implemented on shares and purchasing debenture able to be implemented on debenture that based on the expediency assessment of marketable securities price that can be implemented by the investment.
- Implementation of Direct investment through participation of capital and/or larges of loan are implemented by government Investment Board to corporate company, BLU, regional Government of Province/Regency/City, BLUD and/or Foreign corporate company which is implemented in period more than 12 months by refer to finance accountancy standard that issued by Indonesian accountant profession association.

Cross-Sectoral legal Framework: Key Content of Ministry of Finance Regulation No. 38/2006 (1)

Objectives

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- The acceleration of infrastructure development needs a government support to drive the participation of business entities.
 - The government support for infrastructure investment is in compliance with the principles of management and control of the financial risk in the state budget (APBN)
 - To determinate regulation of the Ministry of Finance Concerning the implementation instruction for the control and management of infrastructure provision risk.
 - Aspect of infrastructure provision risk management and control include:
 - a.Legal aspect
 - b.Institutional aspect;
 - c.Policy aspect
 - d.Political Risk;
 - e.Project Performance Risk; and
 - f.Demand Risk.
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Key Content:

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- Type of Risk and form of government support that needed to be regulated through a risk sharing scheme between Government and business Enterprise are:
 - a.Political Risk;
 - b.Project performances; and
 - c.Demand Risk.
 - Risk sharing scheme for Political Risk may be agreed to provide compensation to an asset owner / business enterprise.
 - Risk sharing scheme for Project Performance Risk may be agreed for:
 - a.location risk, in the even that delays in land acquisition and increase in land price.
 - b.Operational Risk, in the even that delays in declaring commencement of commercial operation, delay in tariff adjustment and changes in specification of outputs.
 - Risk sharing scheme for demand risk maybe agreed in the event:
 - a.Actual revenues re lower than the minimum total revenues guaranteed by government.; and
 - b.Actual revenue are higher than the minimum total revenues guaranteed by Government
 - Criteria for providing Government support in risk management meets the following criteria:
 - a.Prevailling Indonesia criteria laws and regulation (principle of legality)
 - b.Technical and financial feasibility criteria (project quality);
 - c. Not exceed the capacity limits of the APBN budget to beard them;
 - Procedure of providing Government support, pubic sector submits a proposal requesting Government support to the Ministry of Finance through KKPPI:
 - a.pre-feasibility study report;
 - b.Plan for the cooperation form;
 - c. Plan for project financing and sources of funds;
 - d.Plan for the offering of cooperation project, including schedule, process and evaluation method
 - e.Documentation of the result of the of the public consultation bear
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Cross-Sectoral legal Frame-work: Key Content of Ministry of Finance Regulation No. 38/2006 (2)

Objectives

Key Content:

- The proposal is evaluated by KKPPI then the proposal is delivered by KKPPI to the to MOF to for the attention of RMU, the RMU submits the recommendation to the Minister.
 - Government Support shall as minimum involve terms and condition with respect to:
 - a. maximum time period government support should be effective;
 - b. The scheme of sharing risk and other financial institution;
 - c. Other alternatives for controlling risk
 - In the event MOF gives in Principles approval on APBN budget to obtain the approval of the house of representatives (DPR)
 - Technical Department/institution carries out the bidding or tender process in accordance with applicable regulations for the attention of Risk Management Unit ducted.
 - Having regard to the recommendation of the Risk Management Unit, Minister of Finance gives final agreement or refuse the giving of Government Support.
 - Signs the cooperation agreement after the Minister of Finance gives final Agreement.
 - Procedure for allocating and managing risk of infrastructure provisions are Minister of Finance in principal agreement and applicable mechanism of amortization and state budget execution and the management of risk reverse fund by the directorate general of Treasury in form of Guarantee Fund and the event fund for the purpose are not giving in one budget year, these funds shall remain I the guarantee fund account.
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Cross-Sectoral legal Frame-work: Key Content of Menko Ministerial Regulation No. Kep-01/2006

Objectives

- The Coordinating Minister for Economic Affairs as a head of the National committee for the acceleration of infrastructure provision has decided to determine of the KKPPI.
- Considering the duties of KKPPI is deemed necessary to determine the organization and Working Procedures of KKPPI.
- The KKPPI is the Committee that established by Presidential Regulation Number. 42 Years 2005. The Committee is headed by CMEA.
- The composition of the Committee consist of the committee head, Chief Daily Executives, Secretary I, Secretary II, and Members as determine in Presidential Regulation Number 42 Years 2005.
- The Committee has the duty to formulate strategies in acceleration of provision of infrastructure to coordinate and monitoring implementation of Policy by related Minister and Public Services Obligation/PSO to determine endeavors for solution of various issue.
- The committee holds the function of:
 - a.Coordinating formula strategies;
 - b.Synchronizing implementation of Policy;
 - c.Controlling the carrying out of Policy;
 - d.Coordinating the formula of policy;
 - e.Managing state property/asset;
 - f.Supervise the implementation of duties
 - g.Implement certain duties;
 - h.Submits report.
- Coordinating Ministry for the Economic coordinates:
 - a. The related Departments;
 - b. Regional government;
 - c. The related Business enterprise communication;
 - d. A daily executives ;
 - e. Committee Secretariat;
 - f. Work Group;
 - g. Unit for development;
 - h. Central Unit;
 - i. Unit for communication;
 - j. Unit for development;
 - k. National Infrastructure
 - l. Accompanying Team.

Key Content:

- Daily executives
 - Committee Secretary
 - Work Groups
 - Unit for development of public services obligation
 - Central unit for development of Public Private Partnership/ PPP
 - Development Units for Communication
 - Development Units for capacity of institution and Human Resources
 - National Infrastructure Forum
 - Accompanying Team
 - Work Procedures
-

Cross-Sectoral legal Frame-work:

Key Content of Menko Ministerial Regulation No. Per-03/2006

Objectives

- The coordinating minister for the economic affair as ahead of the KKPPi has decided to determination the decision of KKPPi concerning procedures and criteria or compilation of list priorities for Public Private Partnership Infrastructure.
- The provision of KKPPi needs to be carried out in order to carried out in directed, planned and harmonize manner, right on utilization and rights on target.
- The determination on project for provision in infrastructure projects need to be conducted based on certain procedures and criteria.
- The regulation of CMEA has the purpose of being guidelines for the public submitting Partnership Project or the committee list of Partnership Project Priorities and guidelines for the committee evaluation towards on Partnership Projects to be included in the list of Partnership Projects Priorities.
- This regulation of the CMEA has the objectives to create coordination in the provision of Infrastructure.
- This regulation of CMEA regulates procedure for submitting Partnership Project by public to the committee in the list of Partnership Project Priorities and Criteria on evaluation of Partnership Projects to be included in the List of Partnership Project Priorities.

Key Content:

- The Public submits the proposed PPP projects to the Committee with the following documents:
 - a.Pre-feasibility Study;
 - b.Bid document that at least content:
 - 1.Plan form for partnership;
 - 2.Plan of financing and it sources of fund;
 - 3.Plan for schedule, process and method of assessment;
 - 4.Risk analysis.
 - c.Document for government support;
 - d.Documents of public consultancy.
- Evaluation on Feasibility on Partnership projects the Committee examines the completeness of document within 7days, the committee shall forward to the Central Unit of PPP Development for proper evaluation. The central unit may request for other necessary documents to the public.
- Criteria Evaluation on feasibility of Partnership Projects on the following criteria:
 - a.Preparedness in legal aspect ;
 - b.In accordance with the National medium term development plan and the sector strategic plan;
 - c.Competitive;
 - d.Availability of land;
 - e.Preparedness of project concept;
 - f.Accordance with the regional spatial plan
 - g.Preparedness of environmental impact control;
 - h.Classification of form of partnership;
 - i.Completion of bid documents;
 - j.The benefits and feasibility of economic and social costs,
 - k.Classification of overcoming risk
 - l.Level of project feasibility.
- Evaluation on Priorities of Partnership projects under consideration of analysis on benefits, economic and social cost; and harmonization and/or integration among sector.
- The list of priorities of Partnership Projects contains the following:
 - a.Partnership projects with priority and estimated schedule of implementation of tender for each respective Partnership Projects;
 - b.The proposed partnership projects as unfeasible are inform by the committee to the public.

Cross-Sectoral legal Frame-work: Key Content of Menko Ministerial Regulation No. Per-04/2006

Objectives

- Procedures for evaluation of Public Private Projects in the Provision of Infrastructure which require government support for the acceleration of infrastructure provision the Government can be support to PPP and for effectively and rights on target, the principles of prudent and good Governance to determine the procedures of evaluation PPP. And KKPPi to determine for policy on provision infrastructure of procedure for evaluation of PPP or Government support.
 - This regulation of CMEA has the purposed as :
 - a. Guideline for the public in submitting proposal for PPP that require government support; and
 - b. Guideline for the organization in conducting evaluation of PPP proposal that require government support .
 - The regulation of the CMEA intended to support the acceleration of infrastructure to enhance the Growth of National Economic.
 - Government support of Financial Compensation by the Government to Business Enterprises through a risk sharing scheme and types of risk and the form of government support.
-

Key Content:

- Government Support is provided based on the economically and financially feasible, and to be limited as follow as possible and to be transparently.
- Criteria on evaluation for government support are:
 - a. Preparedness in legal aspect;
 - b. In accordance in with the national medium term development plan and the sector strategic plan;
 - c. Competitive;
 - d. The supply of land;
 - e. The preparedness of project concept;
 - f. In accordance with Regional Spatial Layout Plan;
 - g. The preparedness of control over environment impact;
 - h. Clarification on form of cooperation
 - i. Completeness of bid documents;
 - j. The economic and social benefits and reasonable cost;
 - k. Clarification on risk overcoming;
 - l. Clarification concerning requested Government Support;
 - m. Project feasibility.
- Procedures for evaluation of Partnership projects which require Government support is carried out through the following stages:
 - Submission by public and evaluation on feasibility and determination of priorities , and submission of recommendation by the committee to the Ministry of Finance.
- **First Part**, submission of Proposal of Partnership Project should be complete with the following documents:
 - a. Feasibility study;
 - b. Bid documents that at least contain
 1. Plan form for partnership;
 2. Plan of financing and it sources of fund;
 3. Plan for schedule, process and method of assessment;
 4. Risk analysis
 - c. Document for government support and result of public consultancy.
- **Second Part**, evaluation of Partnership Project and committee will examine the completeness of document, and in the event incomplete, the committee can request for the additional documents to Public. And in the event document complete the committee will forward to Central Unit of PPP for evaluation

Line Ministry Legal Frame-Work: Key Content of Government Regulation No. 16/2006 (1) of MPW

Objectives

- Water Supply System hereinafter abbreviated into WSS (SPAM) provider to WSS development, provider, entrepreneurial body of National or Local Government, cooperatives, private entrepreneurial body. Entrepreneurial Body of Local Government, hereinafter called EBLG (BUMD) as an entrepreneurial body establish initiated by local Government posited equity and particularly formed into a provider to a corporate body of private ownership to regulatory stipulation.
 - WSS Development be on the principles of environment conservation, social benefits, integration and harmony sustainability, fairness, transparency and accountability.
 - Regulation of WSS development aims that:
 - a.Creating water management and services of quality and affordability;
 - b. Achieving balance interest;
 - c.Achieving improved efficiency;
 - WSS may be arrange through pipe or non-pipe network; pipe network include units on raw water, production, distribution, services and management; and for non-pipe network including shallow well, hand-pumped well, rain water reservoir, water terminal, mobile water tank, installation of packaged water, etc.
 - Raw water unit shall represent facilities of water intake and provisions.
-

Key Content:

- Protection on Raw water be done through regulatory integration for development of WSS and sanitary facilities which shall consider:
 - a.Favor for poor community and water deficit area;
 - b.Improvement of community's health;
 - c.Compliance with services standard;
 - d.Social impact.
- Waste management facility comprise placement process, collection, transportation, processing and final disposal, which is done I integrated manners.
- Organization shall be done integrated into development of sanitary facilities to protect raw water from contamination of sewage and waste which shall be done to each stage of the development organization.
- Politics strategies include:
 - a.Development objectives and target;
 - b.Policy basis;
 - c.Approach;
 - d.Development priority;
 - e.Conception of operational policy; and
 - f.Strategic plan and program of WSS development.
- Master plan of WSS development as include master plan, feasibility studies and detail technical Planning shall be prepared by the provider of WSS development:
 - a.Plan of water resources management;
 - b.Regional spatial planning;
 - c.WSS development strategic and policy;
 - d.Environmental, social, economic and cultural conditions of the community living in the surrounding area.
- Monitoring and evaluation shall be one by Government
- WSS provider shall obligatorily conduct maintenance and refurbishment.

Line Ministry Legal Frame-Work: Key Content of Government Regulation No. 16/2006 (2) of MPW

Objectives

- Water unit consist of the facilities used to process raw water into drinking water processing structure and its equipment operational devices.
 - Distribution unit consist of pumping system, distribution network, reservoir, and measuring and monitoring devices to ensure quantity, quality and continuity of supply with obligatorily be guaranteed for 24 hours a day.
 - Services Unit consist for domestic connection, public hydrant and fir hydrant, domestic connection and water meter shall be installed
 - Management unit comprise technical and non-technical management operational activities, maintenance and monitoring of raw water unit, production unit and distribution unit.
 - Technical stipulation on raw water. Production unit, distribution unit, services unit and management unit shall be arrange further by Ministerial Regulation.
-

Key Content

- Activities to prepare master plan feasibility study and technical planning as defined :
 - Master Plan of WSS development shall at least include:
 - a. General plan;
 - b. Network plan;
 - c. Development program and activity;
 - d. Services criteria and standard;
 - e. Plan of raw water allocation;
 - f. Integration into sanitary facilities;
 - g. Costing indication and investment patterns; and
 - h. Plan of institutional development.
 - Feasibility study result on technical and technological, environmental, socio-cultural, economic, institutional and financial reviews and review of funding sources.
 - Technical planning of WSS development:
 - a. Master plan of WSS development already determined;
 - b. Result on feasibility study;
 - c. Schedule of construction implementation; and
 - d. Certainty of funding sources.Shall be one by the provider himself or an appointed services provider of constructing planning.
- WSS development shall be the responsibility of Government and Regional Government to guarantee the right of every citizen to get drinking water for minimum daily need to be healthy, clean and productive.
- Authority and responsibility of Government include:
 - a. Deciding National Policies and strategies;
 - b. Deciding norms;
 - c. Forming the state owned company organizing WSS
 - d. Facilitating settlements of inter-provincial dispute
 - e. Providing technical assistance
 - f. Providing organization permit
 - g. Deciding allocation of raw water
 - h. Facilitating fulfillment of raw water.

Line Ministry Legal Frame-Work: Key Content of Government Regulation No. 16/2006 (3) of MPW

Objectives

Key Content

- Authority and responsibility of provincial government include:
 - a. Preparing policies and strategies for WSS development and it is territory in accordance with National policies and strategies;
 - b. Facilitating inter-district/city WSS development;
 - c. Forming (if necessary) a company of provincial government for organization of WSS Development.
 - d. Facilitating settlement of dispute and issue of inter-district/city nature;
 - e. Conducting monitoring and evaluation of inter-district/city nature;
 - f. Submitting a monitoring and evaluation report to the government and the supporting body of WSS Development;
 - g. Providing the permit for inter-district/city nature;
 - h. Facilitating fulfillment of raw water needed to develop WSS in accordance with its authority;

- Authority and responsibility of district/city Government include:
 - a. Preparing policy strategy for WSS development in accordance with national and provincial policies and strategies;
 - b. Forming (if its necessary) a company of district/city government for organization of WSS development.

- Supporting body for WSS development is formed and hereinafter called BPP SPAM and it is a non-structural body formed by and held responsible to a Minister.

- BPP SPAM work to support and provide assistances with in the frame work of the objectives of WSS development and BPP SPAM shall function to:
 - a. Provide the policies and strategies;
 - b. Assist enforcement of norms, standard, guideline and manual;
 - c. Conduct evaluation of quantity and services standard;
 - d. Provide recommendation of action against deviation
 - e. Support and provide recommendation to Government by cooperative and private firm;
 - f. Provide recommendation to maintain balanced interest between the provider and community.

Line Ministry Legal Framework: Key Content of Government Regulation No. 15 / 2006 (1) of MPW

Objectives:

- Objectives purposes and scope Toll road operation is to achieve equal distribution and the products and balance in the regional development with principles of fairness, which can be achieved by maintaining a road network of which fund organization from the road users.
- Toll road operation is to improve the efficiency of distribution services to encourage the economic in the area where the growth rate are already high.
- The scope of this regulatory comprised on the management of Toll Road, BPJT, the rights and obligation of the enterprise and toll road users
- Authority to manage toll road line with the Government and comprise efforts to regulate, foster, and supervise, and part of the authority of the government shall be carried out by BPJT.
- General terms specify the connection with alternatives route from existing public road services.
- Land procurement process fund originating from the Government and/or enterprise.
- Exceeded difference thereof shall be finance by enterprise shall be deposited to State Treasury and recorded as PNBPN.
- BPJT shall take over and provide a recommendation for the subsequent operation to the Minister a non Public toll road.
- Tender for the management of Toll Road principles of the opens and transparency, BPJT shall establish a tender committee, the prequalification phase, the Indonesian and/or foreign companies having the financial capability, tender committee, the financial skill aspect and technical skill tender committee.

Key Content:

- Technical requirement specify the limit of speed maximum load, members of loans, structural features, etc.
- Minimum standard of services comprise Toll road condition, average velocity, accessibility, mobility, and safety.
- Toll road maintenance technical Guidance and Standard, services, empowerment and research and Development
- Form of management comprise of financing technical planning construction, operating and/or maintenance activities and the management of Toll Road shall be carried out by the government and/or enterprise who are deemed qualified.
- The management of Toll road by Government are economically feasible, but are not yet financially feasible and the government comprise of financing, technical planning, Toll Road Construction activities, of which subsequent operation and maintenance shall be carried out by the enterprise.
- Financing by the Government as referred are economically feasible, but are not yet financially feasible.
- Management preparation shall comprise the implementation of the pre-feasibility financial study, feasibility study, and environmental analysis of the social economics analysis, traffic projection analysis, analysis on the estimated construction cost, analysis on financial feasibility activity.
- The technical plans as contain the toll road technical terms are:
 - a. Toll road utilization space;
 - b. Toll road property space;
 - c. Toll road supervision space;
 - d. The proposed load, traffic volume, and capacity
 - e. Toll road geometrics requirement
 - f. Minimum distance between the exist from/entrance
 - g. Toll road construction requirements
- Land procurement construction shall commerce after the land procurement process has been concluded and shall be carried out by referring to legalization in the agrarian sector.

Line Ministry Legal Framework: Key Content of Government Regulation No. 15 / 2006 (2)of MPW

Key Content:

Objectives:

- For the initial toll tariff, toll road users ability to pay amount of the profit generated from the operational cost of the vehicles and investment feasibility the operational cost of the vehicles time value.
- Every (two) years BPJT adjusted new tariff with the formula: New tariff = old tariff (1 + inflation).
- Toll Road Supervision shall be carried out properly regulated, forested, and managed and shall be consist of general supervision and supervision of Toll road management.
- Toll road regulatory body is a non structural body, effect that of the regulation, management and supervision of:
 - a. Take over temporarily the rights of management;
 - b. To prepare for the management of Toll Road;
 - c. To carryout procurement activities;
 - d. To assist the implementation of the land;
 - e. To monitor the planning and construction;
 - f. To supervise the enterprise.
- The BPJT shall have the maximum 5members that physically and mentally healthy and has high level of integrity dedication.
- The rights and obligation of the Toll Road users and enterprise engaging in the toll road business still be effective on March 2005 and signed by the President of Indonesia .

- The land procurement funds exceed the stipulated fund as difference thereof shall be finance by enterprise and the difference shall be deposited to State Treasury and recorded as PNBP.
- The Toll road construction shall be carried out in accordance to the Toll Road technical Plan and ensure the safety, security, comfortable of toll road users and the smoothness of traffic flow on the existing road.
- The operation of Toll road shall comprise of Toll collection activities, utilization, temporary closure, acquisition and operation after the concession period.
- Toll road users utilizing four wheels vehicles or more and it stipulation shall be stipulated by the Minister.
- Post concession Period Acquisition and Operation is the event that Toll Road has been conducted, BPJT shall take over and provide a recommendation for the subsequent operation to the Minister. The toll road shall serve a non toll public road that may continued to be functioned as a Toll Road by the Minister.
- Tender for the Management of Toll Road principles of the opens and transparency, BPJT shall establish a tender committee, the prequalification phase, tender committee, the financial skill aspect. And technical skill tender Committee.
- Tender Evaluation Criteria shall be stated in the tender document, in the event there is only 1 (one) bid may repeated the tender process that engaged in a negotiation.
- Agreement on the Management of The Toll Road concerning following matters:
 - a. Scope of Management
 - b. Concession period or he management of toll road ;
 - c. Initial tariff and a formula for the tariff adjustment;
 - d. Rights and obligation, including the risk allocation shall be based on the principle of efficient and balanced risk allocation.
 - e. Changes to the concession period;
 - f. Standard services performances as well as the procedure on handling of community complains;
 - g. Sanction in the event that the parties are unable to fulfill the terms of management agreement;
 - h. Settlement of disputes';
 - i. Termination or conclusion of the management agreement;
 - j. Asset supporting the toll road functions;
 - k. The management agreement shall be governed by Indonesian Law; and
 - l. Force majeure beyond the control of parties.

Line Ministry Legal Frame-Work: Key Content of Government Regulation No. 1/2008

Objectives

- Security Investment is intended to gain of economy benefits and Direct Investment is intended to gain economy benefit social and/or other benefits
 - Fund Sources of Government Investment able to drive from:
 - a.State Budget
 - b.Preceding investment profits
 - c.Fund /mandate goods of other party
 - d.Legitimate other sources
 - The fund Sources of state budget is placed on treasury Single Account of Investment fund, and the sources of it fund is placed on Government investment board and manage in distinctive by the Government Investment Board and further provision concerning procedure of fund supplying, liquefaction is regulated by Regulation of The Ministry of Finance
-

Key Content

- Technical Minister/Institution Leadership perform supervision on implementation of Cooperation Agreement and Head Director of the Government Investment Board performs supervision on implementation of Investment agreement, and supervisory is cover monitoring, evaluation and controlling.
 - Miscellaneous provision, head director and employee of the Government Investment Board are prohibited from affiliated with Cooperate Company that become receiver of Government Investment.
 - Provision this Government Regulation is prevailing mutatis mutandis against management of regional Government investment.
 - Further provision that needed I the framework of implementation management of Regional Government Investment regulated by Regulation of the minister of Domestic Affairs after coordination with The Ministry of Finance.
-

AP4-3 SAMPLE TOR FOR PROPOSAL

Government of Republic of Indonesia

Province Government

Transportation System

Terms of Reference

For

Submission of Investment Proposal

Province Government

Address

Table of Contents

1. Introduction
2. Definitions
3. Objectives
4. Qualifications for Proposer
5. Scope, Conditions and Requirements of the Investment Proposal
 - 5.1 Scope of the Investment Project
 - 5.2 Conditions and Requirements of the Concession
6. Scope of the Investment Proposal
 - 6.1 Proposer(s) and Intention to Submit the Investment Proposal
 - 6.2 General Proposal on the Management of the Investment Project
 - 6.3 Project Financial Proposal
 - 6.4 Technical Proposal
 - 6.5 Independent Engineer
 - 6.6 Feasibility Study on Economic, Social and Engineering
 - 6.7 Proposals of the concept of Study Methodology and Approach on Environmental Impact Assessment Study and Engineering Detailed design
 - 6.8 Draft Cooperation Agreement
7. Purchase, Preparation and Submission of the Investment Proposal
 - 7.1 Purchase of the TOR
 - 7.2 Preparation of the Proposal Documents
 - 7.3 Time Schedule of Submission
 - 7.4 Address for Submission of Documents and Correspondences
 - 7.5 Time schedule of Selection
 - 7.6 Status of the Proposal Documents
 - 7.7 Proposal Expense
 - 7.8 Interpretation of Requirements
 - 7.9 Additional Information to the TOR
 - 7.10 Conditions of Investment Proposal Submission
8. Selection of the Concessionaire
9. Evaluation Criteria of Investment Proposal
10. Others

Annex. 1 List of Documents

Annex. 2 Letter and Forms

Annex. 3 TOR for Feasibility Study and Preliminary Design and Cost Estimation

Annex. 4 TOR for Environmental Impact Assessment

Annex. 5 TOR for Engineering Detailed Design

Annex. 6 Information to be provided by CONTRACTING AGENCY

Annex. 7 Administration of the Project

Annex. 8 Time schedule for Transportation System Project

Annex. 9 Terms of Reference and Scope of Work for the Independent Engineer

Table & Figure to be attached, other information to be referred to Annex hereafter;

Fig. 1- Envisaged Alignment as appropriate but not guaranteed

Fig. 2- Profile on envisaged Alignment

Fig. 3- Typical sectional drawing on at grade including transportation facility

Fig. 4- Typical sectional drawing on at bridge including transportation facility

Fig. 5- Typical plan and section at any building facilities

Fig. 6-Typical plan for electrical and mechanical facilities

Terms of Reference
For
Submission of the Investment Proposal
For
Transportation System (TRANSPORTATION SYSTEM)

1. Introduction

Province Government (hereinafter called CONTRACTING AGENCY) of Republic of Indonesia Government intends to invite interested international firms to submit the Investment Proposal to be selected as qualified firm(s) to invest in the Transportation System (hereinafter called TRANSPORTATION SYSTEM) Project under the Modality of Public Private Partnership (PPP). Conditions and requirements for the investment of the Project are detailed in Section 5 of this Terms of Reference (TOR).

All firms interested in investing in the said Project by PPP shall completely fill out all forms attached to the TOR and Project, Project financial proposal, technical proposal and draft Cooperation Agreement as described in Section 6 of the TOR. The CONTRACTING AGENCY shall select only the firm(s) with the best proposal and will invite the selected firm(s) for further negotiations. After the negotiation the CONTRACTING AGENCY will become Co-partner of Special Purpose Company (SPC) together with the selected firm(s).

2. Definitions

In this TOR for the Submission of Investment Proposal for TRANSPORTATION SYSTEM Project, the following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requirement:

- 1) "Government" means the government of Republic of Indonesia
- 2) "CONTRACTING AGENCY" means Province Government of Republic of Indonesia
- 3) "Project" means TRANSPORTATION SYSTEM (Transportation System)
- 4) "Investment Project" means the investment in construction of civil work, transportation systems, equipments including ancillary facilities and procurement, supply and installation of electro-mechanical work and tariff rate charge equipment for the Project including the operation of the Project on a concession basis, tariff charge establishment and collection and maintenance of the Project.

- 5) "Investment Proposal" means the proposal for the investment on Project
- 6) "Proposal" means submit or submission of the Investment Proposal
- 7) "Proposer" means the firm who purchases proposal documents and submits or forms a consortium and submits the Investment Proposal
- 8) "Acceptable Proposal" means selected Proposer whose Investment Proposal is acceptable to the Investment Project.
- 9) "Concessionaire" means successful acceptable Proposer
- 10) "TOR" means Terms of Reference for Submission of the Investment proposal
- 11) "CA" means Cooperation Agreement for PPP Project Execution for TRANSPORTATION SYSTEM Project under Presidential Decree No.67.
- 12) "SPC" means Special Purpose Company established to execute the Project which has been signed CA between CONTRACTING AGENCY and the Concessionaire.
- 13) "Independent Engineer" means as described in clause 6.5 of TOR

3. Objectives

The objectives of letting private sector to invest in the Project are to alleviate the investment burden of the Government/CONTRACTING AGENCY and to have private sector to participate in the development of the Province's Transportation System, as well as to establish the foundation of the transportation net work. To achieve these objectives, the following activities are pursued.

- 1) To have private sector to invest in the construction of civil work and procurement, supply and installation of equipments, electro-mechanical work, any system equipment, and transportation traffic management, control system of the Project in accordance with the regulation of CONTRACTING AGENCY and Sector Ministry (SECTOR MINISTRY) or equivalent.
- 2) To have private sector operate and maintain the TRANSPORTATION SYSTEM in accordance with the SECTOR MINISTRY's standards or modified standards with more advanced than SECTOR MINISTRY.
- 3) To let private sector establish and collect tariff charge from the Production Concessionaires who may intend to utilize the TRANSPORTATION SYSTEM and other revenues realized from the operation of the Project and related functions within the concession period.

4. Qualifications of Proposer

- 1) Being juridical person or joint juridical person
- 2) Being juridical person with stable financial status and have ability to successfully execute the Project and attain the project's objectives.
- 3) Being juridical person with successful and reliable working experience.
- 4) Being juridical person having experienced and proficient personnel. In case those personnel are an alien, he/she must be legally allowed to work in the Republic of Indonesia in accordance with Employment of Alien Law.

5. Scope Conditions and Requirements of the Investment Project

5.1 Scope of the Project

1) Scope of the Project

The Transportation System in Province (TRANSPORTATION SYSTEM) is planned by CONTRACTING AGENCY in the areas between northern Goods Production and the down Stream of the River. TRANSPORTATION SYSTEM consist with Main Facility including civil works, transportation facility, at least but not limited to, two stations of departing and arriving and Loading/Unloading facility at both end of Main Facility. The Project include design, build, procurement, commissioning all necessary facilities including supply of equipments and procurement for all finance to the project. The Project further includes the operation and maintenance for the TRANSPORTATION SYSTEM Project.

2) Modality of the Project

TRANSPORTATION SYSTEM Project has been selected as Public Private Partnership (PPP) Project by the CONTRACTING AGENCY/Government. Rationale of PPP is described in Presidential Decree Number 67, 2005, Republic of Indonesia Government and several relevant laws and Presidential Decree.

5.2 (Not used)

5.3 Condition and requirements of Concession

5.3.1 Conditions and Requirements that concern the CONTRACTING AGENCY

- 1) The CONTRACTING AGENCY has paid for the costs relating to the study on the Project and shall invest for the total cost for land acquisition required for the construction and operation of the Project.
- 2) The Government may make any support to the Concessionaire in case of the proposed condition to be accepted by the Ministry/Department/Agency of the Government.
- 3) The CONTRACTING AGENCY will acquire all land as be required for the Project in accordance with proposed alignment and area of right of way (ROW) in the Investment Proposal. The ROW may include working area during construction.
- 4) The CONTRACTING AGENCY shall make the investment to SPC by the means of the combination with cash and financial securities which it shall be convertible into cash on demand. The CONTRACTING AGENCY also appoint person(s) to the board of management of SPC. The amount of investment by CONTRACTING AGENCY will be deterproductiond upon receipt of Proposal, but in no case, it will exceed 30% of total investment amount.
- 5) The Government/CONTRACTING AGENCY may provide the concessionaire with rights and benefits to the maximum extent permissible under Government law of Investment Promotion, (The concessionaire shall also act in accordance with the rules and regulations concerned)
- 6) If there should be any obstacles against the operation of the Project, the Government/CONTRACTING AGENCY shall consider rectifications of the said problems to enable uninterrupted operation.
- 7) The Government/CONTRACTING AGENCY shall provide assistance to the Concessionaire regarding electricity, water-supply, communications and telecommunications facilities by charging service fees at fair rates as may be necessary.
- 8) Construction sites shall be located within the area covered by drawings provided by CONTRACTING AGENCY as shown fig.1 to 2.
- 9) The CONTRACTING AGENCY shall provide utmost assistance and convenience to the construction.
- 10) Goods Transportation Information shown in Annex 6 of TOR, including the current situation of Production Concession. However CONTRACTING AGENCY shall not guarantee any quantitative production nor volume to be transported by tariff train of the Project.
- 11) The CONTRACTING AGENCY shall grant the Concessionaire the following rights and powers;

- (1) Rights (but not obligations) in using land and in procuring materials, equipments and various vehicles, and in mobilizing people in case of emergency, and for the purpose of preventing public disasters.
- (2) Rights (but not obligations) in closing the whole or part of the TRANSPORTATION SYSTEM system for construction for repairs , improvements, and maintenance of the transportation system, subject to prior notification to the CONTRACTING AGENCY and Users of such closing to traffic.

5.3.2 Conditions and Requirements that concern the Concessionaire

- 1) The Concessionaire shall be responsible for procuring funds for the construction, procurement including equipments, installation of equipment and commissioning, for operation and maintenance of the TRANSPORTATION SYSTEM.
- 2) Not used
- 3) The Concessionaire shall present evidence of its registered capital under the Government Law of US\$** or more.
- 4) Quality and capability of service of the Project shall be in accordance with the scope of the Project and detailed design/drawing provided by Concessionaire.
- 5) The construction process shall comprise all adequate facilities and shall be efficient to enable the construction to proceed in accordance with detailed design drawing provided by the Concessionaire with the least impact on environmental aspects.
- 6) All performances shall employ environmental control in accordance with EIA made by SPC.
- 7) The SPC shall have to repair and maintain the TRANSPORTATION SYSTEM system in good condition in accordance with the agreed standards in CA throughout the concession period.
- 8) The SPC shall have the rights to set up the tariff rates at suitable level.
- 9) The SPC have the rights to extend the service line at approximately location for short connection to/in from river near-by. The SPC also have the sole rights to extend the TRANSPORTATION SYSTEM at both end of the project subject to the limit within the Province.
- 10) The SPC have sole rights to collect tariff rate charges and other revenues realized from the operation of the Project and related functions.
- 11) All operations to be carried out by the SPC on the land within the ROW of the TRANSPORTATION SYSTEM System under the concession require the prior

approval of CONTRACTING AGENCY, and the CONTRACTING AGENCY has the authority to stipulate the compensation of land utilization and any other conditions deemed appropriate.

- 12) All operations executed by the SPC on the properties within the ROW of the TRANSPORTATION SYSTEM system require prior approval from the CONTRACTING AGENCY.
- 13) The SPC shall be considered the first priority to be granted the preferential right to undertake the concession for the extensions of the transportation System.
- 14) The SPC shall be granted the right to collect tariff rate charges and other revenues realized from the operation of the Project and related functions.
- 15) SPC may offer the transaction of the part or whole of share of SPC to 3rd parties subject to prior approval of CONTRACTING AGENCY.

6. Scope of the Investment Proposal

The Proposer(s) shall study the scope of the Project mentioned in Section 5.1 from the Report on the Feasibility Study on Economic and Engineering Evaluation of the Project and others documents as listed in Annex. 1 of TOR which shall be provided by the CONTRACTING AGENCY on the date of purchasing proposal documents. After the Proposer(s) obtains all documents prepared by CONTRACTING AGENCY, the Proposer(s) shall be responsible for reviewing the any rectifications and alternatives, then the Proposer(s) shall have to inform to the CONTRACTING AGENCY of the said rectifications for its consideration prior to signing the CA.

The Proposer(s) shall prepare the Investment Proposal in accordance with conditions and requirements in Section 5.3 which include 5 important aspects as follows:

6.1 Proposer(s) and intention to submit the Investment Proposal

- a) Intention to submit the Investment Proposal
- b) Detailed and status of the Proposer(s), evidence of registration and registered capital
- c) Propose(s)'s working experiences with similar nature to the TRANSPORTATION SYSTEM or the like business

6.2 General Proposal on the Management and Business Plan of the Investment Project

6.2.1 Policy, targets and ownership

- 1) Policy and principles of the management of the Investment Project
- 2) Targets of the management of the Investment Project
- 3) Ownership of the asset and properties
 - Land
 - Asset of TRANSPORTATION SYSTEM
 - Concession Right

6.2.2 Organization and administration plan

- 1) Organization chart
- 2) Administration plan
 - Construction and installation of tariff rate charge equipment and transportation management system
 - Maintenance of the Project
 - Operation of the Tariff Train transportation
 - Transferring procedure of the Project to the CONTRACTING AGENCY and/or Substitute, Investors

6.2.3 Administrations and personal plan

- 1) Job description of administrators and key personal
- 2) Recruitment plan and numbers of operating personals

6.3 Project Financial Proposal

The financial proposal of the Investment Project shall at least contain important aspects as follows:

6.3.1 Financial Feasibility Study

The Proposer(s) is required to study a financial feasibility of the Project which shall concern at least the following aspects and clearly state the calculation and study method.

- 1) Estimation of Project investment cost and also the break down of the cost of main items, construction of transportation alignments, lighting, any equipment system, transportation traffic management and control system, equipments, loading/unloading facilities, maintenance equipment, energy consumption for both during construction and operation,
- 2) Analysis of Project Investment for following decision making in the investment shall describe:
 - a) The selection method for the decision on alternatives of the investment including factors and elements of each alternative
 - b) Break-even point analysis and the calculations for setting suitable and equitable tariff rate including the detailed method of said calculation
 - c) Method of financial analysis based on the value of the money fluctuated in time series, projected cash flow showing financial internal rate of return, payback period, operating cash flow, revenue/cost analysis, and net present value
 - d) Risk analysis and quantitative techniques for decision making under various circumstances together with its method
- 3) Summary of the analysis and proposals of the investment plan, calculation on structure of tariff rate and other revenues realized from business concerned as well as other financial proposal, e.g. benefits to be given to the CONTRACTING AGENCY/Government
- 4) Financial statement showing estimated revenues and expenditure during the proposed implementation period of the Project.
- 5) Pro forma financial statement which includes profit/loss statement, accumulated income statement and balance sheet annually throughout the concession period.

6.3.2 Investment Planning

The proposer(s) shall give the following information:

- 1) The investment proportion of fund in foreign and local currencies together with plans for the transaction of shares, loans and expenditures
- 2) The arrangement of providing incomes in local currency for the amortization of the foreign loan

Sources of Fund

The Proposer(s) shall give the following information:

- 1) Sources of fund financing the project investment throughout the investment period naming all sources providing local and foreign currencies in detail.
- 2) In case of loans, showing names of sources of loans and the conditions of loans in details together with references of loans issued by those sources indicating interest rate, fees and other expenses to be paid for the process of loans, grace period, amortization period with its continuous and other regulations as applicable.
- 3) Financial statements of the said sources of funds together with the reports of auditor for the past 5 years or similar documents which can demonstrate the reliability of funds.

6.4 Technical Proposal

The Proposer(s) shall give the following details:

6.4.1 Civil work

Showing plan and process in civil work operation, construction methods, mechanical equipments employed during construction, maintenance plan, service life, bill of quantities and cost estimation sheets.

6.4.2 Electrical and Mechanical work

The designed capacity, function, life time and periodical maintenance requirement supported by internationally qualified certification.

6.4.3 Equipments and Energy

The designed capacity, function, facility record and periodical maintenance requirement supported by international qualified certification, as well as nature of energy to be used.

6.4.4 Lighting system, transportation traffic management and control system work.

6.4.5 In addition to the basic design, alternative design of similar detail for Section 6.4.1 and 6.4.2 shall be proposed by the Proposer.

6.4.6 Social and Environmental Mitigation Plan

The Proposal shall contain the methodology of the social and environmental mitigation plan.

6.4.7 Project Cost

The Proposal shall contain the Project Cost which shall remain valid and binding upon proposal for a period of 180 days from the date set for submission of the proposal, describing plan and process in operation of each work, methods of construction and installation the transportation control center of the Project, maintenance plan, service life, and etc.

6.5 Independent Engineer(IE)

6.5.1 Scope of service

During the period of the Project's construction, the CONTRACTING AGENCY/SPC shall assign its engineering consultant(s) to inspect the quality of the work and give comments to the CONTRACTING AGENCY/SPC to ensure the compliance with the standards of the CONTRACTING AGENCY/SPC. The scope of IE will be, but not limited to, periodical survey on the production, variation orders, and issue the completion certificate for part or whole of the Project. IE also issue the certificate for the function of Equipments, Signal, E&M, etc including the inspection regarding to the function at factory.

6.5.2 Selection of IE

SPC shall procure the IE through international bid. After selection of a candidate, SPC may conduct the opinion of the Main Contractor for the Project.

6.5.3 Cost share of IE

The cost of such consultant shall be borne between SPC, Contracting agency and /or the Contractors who shall be appointed by SPC to undertake the construction of the Project.

6.6 Feasibility Study on Economic, Social and Engineering

The Proposer(s) shall have to prepare the Feasibility Study Report on Economic, Social and Engineering of the Project (Details are shown in Annex 3) and submit with the other proposals on the Date of Investment Proposal submission.

6.7 Proposal of the concept of Study Methodology and Approach on Environmental Impact Assessment Study

The Proposer(s) shall propose the concept of study methodology and approach on Environmental Impact Assessment Study as described in Annex 4.

6.8 Draft Cooperation Agreement

The Proposer(s) shall draft investment contract which been called “Cooperation Agreement” in compliance with Indonesian/CONTRACTING AGENCY Law and the TOR.

7. Preparation and Submission of the Investment Proposal

7.1 Purchase of the TOR

The CONTRACTING AGENCY shall distribute the TOR in the amount of US\$ ** or equivalent local currency for 2 month during date month~date month 2009, at

CONTRACTING AGENCY.

7.2 Preparation of the Proposal Documents

The proposal documents shall be securely bound. The Proposer(s) is required to submit 10 copies of the Proposal documents and clearly mark “Original”, “First Copy”, “Second copy”, and etc. In case of discrepancies between the “Original” and any copies, the “Original” shall prevail.

The documents shall be completed in ink or typescript and any changes or mistakes shall be clearly corrected and initialed by the signatory. All documents shall be in English.

7.3 Time Schedule of Submission

Proposal documents shall arrive at the CONTRACTING AGENCY not later than ***p.m.(local time) on date month 20**.

7.4 Address for Submission of Documents and Correspondences

All proposal documents and accompanying documents shall be to:

(Address, name, Telephone Number, etc)
of CONTRACTING AGENCY

7.5 Time Schedule of Selection and Procurement Committee/Steering Committee

The CONTRACTING AGENCY will inform the Proposer(s) the conclusion of the selection 2 months from last closing date of tender, stipulated in Presidential decree No. 67.

7.6 Status of the Proposal Documents

All proposal documents will be treated as strictly confidential. Original documents will be returned to the Proposer(s) upon request after the selection process is completed.

7.7 Proposal Expense

The Proposer(s) shall be responsible for all expenses incurred.

7.8 Interpretation of Requirement

Should the Proposer(s) require any explanation on the meanings of any wording prescribed in this TOR or accompanying documents, the said Proposer(s) may submit in writing queries to the CONTRACTING AGENCY as soon as possible but not later than **month **date 20**.

The CONTRACTING AGENCY will hold a conference with the Proposer(s) for discussing and explaining the said queries on *date *month 20** and ***. All queries and explanations discussed in the conference shall be circulated to all Proposer(s). The CONTRACTING AGENCY shall not be responsible for any other interpretation other than those given by the CONTRACTING AGENCY. The Proposer(s) is required to acknowledge the receipt of all circulated letters.

7.9 Additional Information to the TOR

The CONTRACTING AGENCY may at its discretion have the right to add details or information to this TOR until **date **month 20**. The said additional details or information shall be circulated to all Proposer(s).

7.10 Conditions of Investment Proposal Submission

7.10.1 Proposal Guarantee

The Proposer(s) is required to submit guarantee in the amount of ** billion Ruphia (**Ruphia) or equivalent amount of US\$. Such guarantee may be in any one of the following forms:

- 1) Cash
- 2) Certified cheque payable to the CONTRACTING AGENCY, issued and

payable on the date of submission of the proposal

- 3) Bank guarantee issued by ****bank or a local bank completed on the prescribed form of CONTRACTING AGENCY
- 4) Indonesian Government bond or the CONTRACTING AGENCY bond

7.10.2 Withdrawal of Proposal

The Proposer(s) shall have the right to withdraw his proposal provided always that the said withdrawal is made in writing and submitted to the Governor of the CONTRACTING AGENCY prior to the submission date as stipulated in section 7.2.

Any withdrawal made after the submission date under Section 7.2 shall not be permitted and shall empower the CONTRACTING AGENCY to forfeit and retain the Guarantee mentioned in Section 7.10.1

7.10.3 Return of the Proposal Guarantee

All proposal guarantee except those of the Acceptable Proposer(s) will be returned to the Proposer(s) in due time after the announcement of the result of the evaluation.

The Acceptable Proposer(s)'s guarantee will be returned after the selection of the Investor by the CONTRACTING AGENCY and the establishment of the Investment Company and the Investment contract is signed with Investor.

8. Selection of the Concessionaire

8.1 The CONTRACTING AGENCY shall consider the Proposer(s) with the best Investment Proposal and proposed maximum benefits to the CONTRACTING AGENCY and Republic of Indonesia by comparing all of the Investment Proposals and then select the Proposer(s) whose proposal(s) is the best and meets the conditions and requirements of the concession. Acceptable Proposer(s), shall be invited for negotiations on the Project investment. The Acceptable Proposer(s) who receive official notification for negotiations shall be present to negotiate details within 30days from the date of the receipt of the said notification. If the selected Proposer fails to appear for the negotiation within the said period, the proposal guarantee as mentioned

in Section 7.9.1 shall be forfeited and retained by the CONTRACTING AGENCY and other Acceptable Proposer(s) shall be invited to negotiation the same principle as aforesaid.

After the negotiation has been final and agreed upon and approved by the Cabinet, the CONTRACTING AGENCY shall invite the Successful Proposer to sign the Cooperation Agreement with the CONTRACTING AGENCY within (14)days from the date of receiving the official notification. Should the said Proposer fail to sign the Agreement with CONTRACTING AGENCY within the said period, the CONTRACTING AGENCY shall forfeit and retain the guarantee submitted to the CONTRACTING AGENCY as mentioned Section 7.9.1 and proceed with the other Acceptable Proposer(s) on the same principle as aforesaid.

8.2 The CONTRACTING AGENCY reserves the right to select and negotiate with the Proposer(s) by any means, to accept any proposal or none at all, to accept some items or part of an item or to cancel totally, the selection of the investor as may be deemed appropriate and for the benefit of the province without any liability whatsoever to the CONTRACTING AGENCY nor to the Government. The CONTRACTING AGENCY's decision shall be final and conclusive.

9. Evaluation Criteria of Investment Proposal

Factors to be considered for ranking of Proposers will include but not limited to the following:

9.1 Compliance with TOR

- 1) The Investment Proposal shall be entirely complied with the stipulation of TOR, and the non-compliance Proposal to TOR shall be immediately disqualified.
- 2) The level of statement in F/S, EIA, draft of CA and so on shall be reasonably in depth.

9.2 Minimum support by the Government and maximum benefit to the CONTRACTING AGENCY over 30 years and more.

9.3 Source and application of financing that best reflects both the requirement of the CONTRACTING AGENCY and relevant PPP law and effectively takes into account expectation of the Investment Project and fully understands the risk to equity share holders and lending agencies/syndications.

Financial considerations shall include but not be limited to:

- Level of equity proposed and the terms attached;
- Aid or subsidized funds included;
- Commercial fund committed;
- Investment price;
- Proposed tariff rate structure;
- Estimated revenue and expenditure;
- CONTRACTING AGENCY/Government support required (via existing law and/or proposed new ones);
- proposed other sources of revenue, such as development of sites, advertising, etc;
- Level of financing not formally committed and how/when it is proposed to obtain the necessary funds;
- Proposed business plan of the project company
- Financial strength of contractors and other involved parties;
- Performance Bond proposed;
- The risk being accepted by the contractor;
- The overall economics and viability of the Project based on the bids received;
- Proportion of foreign and local currencies; and
- Provision of income in local currency and amortization of foreign loan.

Evaluation of the investors feasibility study shall be based on items like:

- Depth and quality of technical study
- Project investment costs and breakdowns
- Value and basis of shareholders equity
- Multi Criteria Analysis

- Project investment analysis including:
 - Selection methods of alternatives;
 - Break even point analysis;
 - Financial analysis of fluctuation and cash flows;
 - Environmental impact assessment
 - Risk analysis of investments.

9.4 Technical and other considerations

Items to be considered shall include but not limited to:

- Depth and quality of design
- Implementation Plan
- Construction period and start-up time table
- Approach to the operation and maintenance of the system
- Technology Transfer
- Hand over the Project

Annex to Terms of Reference

Annex 1 ; List of Documents

Annex 2 ; Letter and Forms

Annex 3 ; TOR for Feasibility Study on Economic, Social and Engineering

Annex 4 ; TOR for Environmental Impact Assessment

Annex 5 ; TOR for Engineering Detailed design and Cost Estimation

Annex 6 ; Informations to be provided by CONTRACTING AGENCY

Annex 7 ; Administration of the Project

Annex 8 ; Time Schedule for TRANSPORTATION SYSTEM

Annex 9 ; Management and Business Plan

Annex10; TOR for Scope of Service for Independent Engineer

Annex 1. List of Documents

(To be inserted at the time of Tender)

Annex 2. Letter and Forms

Letters and Forms to be filled and submitted by the Proposer(s)

Letter of Intent to submit the Investment Proposal

Form 1 ; Statement of Participants/member

Form 2 ; Curriculum Vitae of Participant's Key Personal to be fully assigned to the Project

Form 3 ; Reference List

Form 4 ; Main Works performed by Participant/Member

Form 5 ; Main Works under Management, Administration and Operation by Participant/Member

Form 6 ; Alteration to the conditions and requirements of the Investment

Form 7 ; List of Investment Proposal Form filled

Form 8 ; List of Investment Proposal Enclosure

Form 9 ; Described form of Proposal Guarantee

Report of Feasibility Study and Preliminary Engineering Design and Cost Estimation on the TRANSPORTATION SYSTEM Project in CONTRACTING AGENCY

Annex 3. TOR for Feasibility Study on Economic, Social and Engineering Study

(To be inserted at the time of Tender Invitation)

Annex 4. TOR for Environmental Impact Assessment

1. Introduction
2. Objective
3. Scope of Work
 - 3.1 Identification and description of existing environmental conditions in the area.
 - 3.2 Prediction of future level
 - 3.3 Assess the environmental impacts
 - 3.4 Mitigation of negative environment impacts
 - 3.5 Impact during construction
 - 3.6 Monitoring system for environmental impact
 - 3.7 Others

Annex 5. TOR for Engineering Detailed Design and Cost Estimation

1. Introduction
2. Objective
3. Scope of Work
4. Investor Engineer Responsibility
5. Project Cost Estimation
6. Time Schedule for Study and reports

Annex 6. Information to be provided by CONTRACTING AGENCY

1. All relevant reports and documents of the Project
2. Maps, Plans, aerial photographs, etc.
3. Typical soil conditions in area
4. Certain information on the environmental information
5. certain information and report on the pre- feasibility study
6. Regulations and requirements MOT & MOF
7. Presidential Decree No. 67, relevant law and/or Presidential Decree concerning PPP modality project.
8. Others

Annex 7. Administration of the Project

(To be followed by the Proposal, the Contents, however, shall at least comprise with clause 6. of TOR.)

Annex 8. Time Schedule for TRANSPORTATION

SYSTEM

(Implementation Schedule together with the start-up time will be determined by the Proposer(s). However the Business Operation of TRANSPORTATION SYSTEM shall be commenced not later than 1st of (**month), 201?.)

Annex 9. TOR for and Scope of Work for Independent Engineer

(TOR for IE will be issued at the time of Tender)

AP4-4 SAMPLE COOPERATION AGREEMENT

Government of Republic of Indonesia
Government of Province

Public Private Partnership
The Transportation System

Month 2***

Cooperation Agreement

SAMPLE (Draft)

Between
Contracting agency(Public)
And
Concessionaire

INDEX TO CONTENTS

Clause Number	Heading	page
1.	Definition	4
2.	Contract Rights and Obligations	5
3.	Condition Precedent	5
4.	Acquisition and Delivery of Site	7
5.	Financial, Government Support and Listing	8
6.	Independent Engineer	9
7.	Design	10
8.	Works	10
9.	Construction	11
10.	Inspection and Commissioning	12
11.	Toll rate	12
12.	Operation	12
13.	Interruption of Construction or Operation	13
14.	Ancillary Facilities and Uses of Area within Rights of Way	13
15.	Enhancements and Extensions	14
16.	Competing Facilities	15
17.	Liability with respect to Users and Third Parties	15
18.	The Panel	15
19.	Force Majeure and Exceptional Events	16
20.	Termination	18
21.	Extension of Contract Period	22
22.	General	22
23.	Assignment and Substituted Entity	23
24.	Intellectual Property and Protection of Confidentiality	24
25.	Miscellaneous	25
26.	Notice	26
27.	Settlement of Disputes	26
28.	Applicable Laws and Language	27

Annexes	Heading	Page
Annex 1	General Characteristics of the PROJECT	
Annex 2	Design Procedure	
Annex 3	Letters from Department of Public Prosecution to CONTRACTING AGENCY Concerning Cooperation Agreement	
Annex 4	Site Package	
Annex 5	Land Use Payment Schedule	
Annex 6	Toll rate	
Annex 7	Independent Engineer	
Annex 8	Financing Plan and Government Support	
Annex 9	Forecast Transportation Revenue and Cost	
Annex 10	Certificate of Vacant Possession	
Annex 11	Works of Construction	
Annex 12	Board of Investment	
Annex 13	Form of Warranty and Agreement	
Annex 14	Approval and Reporting Procedure-Diagrams	
Annex 15	CONTRACTING AGENCY's Engineer	
Annex 16	Collections of Toll rate	
Annex 17	Environmental Impact Assessment Report	

This Agreement is made the XX day of YY month 2011 between

(1) Contracting agency (PUBLIC)

(2) Transportation co. ltd (CONCESSIONAIRE),

Whereas

(A) To refer Presidential Regulation No.67/2005 and Law No.....for transportation project, and

(B)

(C)

NOW IT IS AGREED AS FOLLOWS :

Clause 1: Definition

Description to word and sentence of frequent use sentence shall be as detail as possible to avoid misunderstand/toleration..

“Agreement” means Cooperation Agreement for PROJECT

“Public” means Contracting Agency of Indonesian Government or Provincial Government and/or Indonesia Government in the case maybe;

“Concessionaire” means Private Company Ltd. which undertake the concession for the Project under Cooperation Agreement.

“Project” means Transportation Project.

“Site” means the land, spaces, waterways, road any surfaces acquired or to be acquired by Public and delivered to Concessionaire for the purpose of the

Works.

“Work(s)” means preparatory, construction and/or commissioning work for the Project

“Contract Rights” means all the rights conferred and obligations imposed on Concessionaire pursuant to this Agreement including the design, financing, construction, completion, maintenance and operation of the Project, the receipt of toll rate and such other rights as may be agreed pursuant to the Clause **.

“Contract Period” means the period of concession which may be determined by the parties pursuant to this Agreement otherwise Concessionaire has the right to hold concession right without limitation.

“Party (ies) means

-
-
-
-

(to be continued as necessary)

Clause 2: Contract Right and Obligations

2.1 Subject to the provisions of this Agreement, Concessionaire agrees to carry out the Works and to operate and maintain the Project in the capacity as a person authorized by Public, throughout the business life at Concessionaire’s own cost and risk together with agreed support of Public and Government of Indonesia.

2.2 Public agrees, on and subject to the provisions of this Agreement that Concessionaire will have and enjoy the Contract Rights.

2.3 Subject to the provisions of this Agreement, Concessionaire acknowledges and agrees that Concessionaire has no title to the land without prejudice to Concessionaire’s rights under this Agreement

Clause 3: Condition Precedent

3.1 Conditions to Concessionaire’s Obligations under this Agreement shall commence only when CONCESSIONAIRE shall have received the following:

- (1) Investment Promotion Act confirming the grant to CONCESSIONAIRE of the maximum rights and benefits
- (2) Necessary licenses from the Ministry of Commerce for CONCESSIONAIRE ----- ;
- (3) written confirmation from PUBLIC that it has informed

(4) an evidence showing that the Public Prosecution Department has reviewed the draft of this PROJECT;

(5) delivery of Site Packages -----as specified in Annex I.

3.2 Conditions to PUBLIC's Obligations

PUBLIC's obligations under this Agreement shall commence only when CONCESSIONAIRE has provided PUBLIC with written evidence to show that:-

(1) (a) binding commitments have been entered into for the provision of credit facilities;

(b) Head of Agreement have been signed for the subscription of share capital in CONCESSIONAIRE by existing and future shareholders; and

(2) binding agreements have been entered into for the provision of the said credit facilities and subscription of share capital by existing and future shareholders during the Contract Period in an aggregate amount of registered capital of up to xx per cent of the value of the PROJECT but not less than *****trillion rupiah and/or ***US\$ in accordance with the terms outlined in the Financing Plan

3.3 CONCESSIONAIRE Conditions Relating to Works

CONCESSIONAIRE shall have no obligation to commence or continue the Works on any part of the Site unless PUBLIC has successfully effected or caused to effect the following conditions:-

(1) PUBLIC has delivered relevant parts and such other part(s) of the Site as may be necessary to enable CONCESSIONAIRE to carry out its obligations with all or any Rights of Way relating thereto;

(2) The relevant Authorities have made satisfactory arrangements for the provision of utilities timely and sufficiently

(3) All permissions, licenses, and exemptions from the Government shall have been granted;

(4) The detailed design(s) in relation to the relevant parts of the Works have been approved pursuant to the procedure specified

3.4 fulfillment of Conditions Precedent

(a) PUBLIC shall be responsible for ensuring that all the conditions precedent specified in Clause 3.1(1), (3), (4), (5) and 3.3 (1)-(4) will be fulfilled.

(b) CONCESSIONAIRE shall be responsible for ensuring that all the conditions precedent specified in Clause 3.2 will be fulfilled within

the specified period.

(c) If the conditions specified in Clause 3.1 (1), (3), and (4) are not fulfilled before **day **month 2***, CONCESSIONAIRE may extend the time for performance and terminate this Agreement. If this Agreement is so terminated by CONCESSIONAIRE, PUBLIC shall reimburse to CONCESSIONAIRE all Pre-Cancellation Costs

(d) If the conditions specified in Clause 3.2 (1) are not fulfilled before **day of **month, 20** and, if the conditions specified in Clause 3.2 (2), are not fulfilled before **day of **month 20**, PUBLIC may then terminate this Agreement provided that CONCESSIONAIRE shall not be entitled to any expenses or compensations from PUBLIC.

Clause 4: Acquisition and Delivery of Site

4.1 Site Acquisition

(a) PUBLIC warrants that it will, on delivery of the Site to CONCESSIONAIRE, have, and will retain throughout the Contract Period, full unencumbered ownership of the Site

(b) provide always that PUBLIC shall not be required to own any public land, waterways or public roads. Notwithstanding the foregoing, PUBLIC shall arrange for CONCESSIONAIRE to enjoy the same rights of occupation, access, egress, and use of the said land for the purposes of the Works, and the operation and maintenance of the PROJECT.

4.2 Delivery date and Site Packages

PUBLIC shall be responsible within its authority to deliver Vacant Possession of complete Site to CONCESSIONAIRE as defined in Annex I, Site Packages Nos. **** by **day of **month 20** year.

4.3 Clearance of Site

PUBLIC shall at its own cost, and to the satisfaction of the Independent Engineer, procure removal of all structures, buildings and other impedimenta hindering construction, on the relevant part(s) of the Site and any land provided by PUBLIC to CONCESSIONAIRE in respect of which Rights of Way are to be granted.

4.4 PUBLIC to Certify Vacant Possession

Subject to the provision of this Agreement, PUBLIC shall confirm the delivery to CONCESSIONAIRE with Vacant Possession of the Site, together with the necessary Rights of Way, and shall indemnify and hold

CONCESSIONAIRE harmless against all claims, costs.

4.5 Partial delivery

CONCESSIONAIRE may agree to take delivery of the Site in parts, and may accept delivery of the Site or any part thereof without Vacant. PUBLIC shall, however, be obliged to deliver the parts of the Site according to this Agreement.

4.6 Acquisition Costs

The costs of acquiring and achieving Vacant of the Site, and of granting the Rights of Way, shall be paid by PUBLIC. (By way of reimbursement of such costs, CONCESSIONAIRE shall pay PUBLIC the said costs, according to the amount, in the manner and within the time specified in)

4.7 Areas Adjacent to Site

PUBLIC shall use its best endeavors in assisting CONCESSIONAIRE to acquire such area(s) adjacent to the Site as may be required for any purpose connected with the Works.

Clause 5: Financial Government Support and Listing

5.1 Payments

(a) PUBLIC shall not require any payment by CONCESSIONAIRE for or in respect of the Contract Rights or in connection with the PROJECT, and any payments that may be agreed to be made by CONCESSIONAIRE to PUBLIC in respect of the Ancillary Facilities under Clause 14.

(b) PUBLIC shall be responsible for any and all stamp duties, registration fees and for any land tax which may be or become payable in respect of the Site, the Rights of Way.

(c) If the Government shall require any payment by CONCESSIONAIRE for or in connection with the PROJECT, PUBLIC shall accept liability for such payment and shall discharge the same for and in the place of CONCESSIONAIRE or, if already paid by CONCESSIONAIRE, PUBLIC shall forthwith reimburse CONCESSIONAIRE therefor.

5.2 Listing on the Securities Exchange of Indonesia

CONCESSIONAIRE and PUBLIC acknowledge that at an appropriate time it will be beneficial for CONCESSIONAIRE to make an application to be listed on the Securities Exchange of Indonesia. PUBLIC agrees to give such assistance as CONCESSIONAIRE may reasonably request in obtaining such a listing.

5.3 Financial statements

CONCESSIONAIRE shall forthwith after the end of each of their respective

accounting periods supply the balance sheets if required by PUBLIC.s

5.4 Government Support

Government (and/or Public in case may be) provide the financial support to Concessionaire as outlined in Annex 8.

Clause 6: Independent Engineer

6.1 Appointment of Independent Engineer

The Independent Engineer shall be appointed during the period of the Works in accordance with the procedure outlined in Annex . A summary of the scope of services of the Independent Engineer (Certification) is set out in Annex VII. The powers and responsibilities of the Independent Engineer (Design) is set out in Annex II. The costs and expenses relating to the work of the Independent Engineer shall be borne entirely by CONCESSIONAIRE although the Independent Engineer will be reporting directory to PUBLIC and to the Lenders' representative(s).

6.2 Performance of Independent Engineer

PUBLIC shall be entitled to consult with the Independent Engineer alone or in conjunction with the Lenders' Representative(s) on any matter relating to the Works. CONCESSIONAIRE shall be entitled to have sight of and to comment on all reports and information to be supplied by the Independent Engineer before such reports and information are sent to PUBLIC but, after having made such comment, CONCESSIONAIRE shall not be entitled to prohibit the Independent Engineer from submitting such reports and information to PUBLIC. CONCESSIONAIRE shall have the right only to submit to PUBLIC by the Independent Engineer.

6.3 Co-ordination Committee

PUBLIC and CONCESSIONAIRE shall established a Coordination Committee under the chairmanship of PUBLIC's representative and vice-chairman of Concessionaire's representative, and comprising a senior representative from each of the Relevant Authorities as a committee member to attend any committee meeting. PUBLIC shall request the Minister of ****to inform the Relevant Authorities to give co-operation to the Co-ordination Committee. The appointment of the Co-ordination Committee shall not relieve CONCESSIONAIRE or PUBLIC from any of its obligations hereunder.

Clause 7: Design

Design Approval

CONCESSIONAIRE shall carry out the design of the PROJECT and shall comply with the design approval procedures for the outline and detailed designs respectively specified in Annex II

Clause 8: Works

8.1 Commencement

CONCESSIONAIRE shall commence the Works by **day of **month 20**year on the condition that PUBLIC has delivered to CONCESSIONAIRE Vacant Possession of Site Packages Nos.*** wholly or partially in accordance with the conditions specified in Clause 3.3 in relation to the relevant part(s) of the Site.

8.2 Start-up Phase Works

(a) Notwithstanding Clause 8.1, CONCESSIONAIRE may, at its election, commence the Start-up Phase Works in relation to the any Component at any time after the date of this Agreement.

(b) The fact that the parties undertake certain actions in preparation for or to facilities the timely commencement of the Works, prior to fulfillment of the conditions precedent referred to in Clause 3, shall not relieve any party hereto from complying with the conditions referred to in Clause 3.

8.3 Priority Component

(a) Notwithstanding Clause 8.1, CONCESSIONAIRE may, at its election, commence Construction Phase Works on any part of the Site of which it has taken delivery (with or without Vacant Possession) before ** day **month 20**year.

(b) CONCESSIONAIRE shall effect Construction Completion in respect of the Priority Component by within xx years.

8.4 Pollution

In the performance of the Works in accordance with this Agreement, CONCESSIONAIRE shall take all reasonable steps to ensure that appropriate pollution control measures taken in accordance with the currently applicable regulations having the force of law established by the national Environmental Board and an other applicable laws in force during the Works, provided that the standard of such measures shall not be less stringent than the standard and procedures specified in the Environmental Impact Assessment Report for the PROJECT which PUBLIC has already sent

to CONCESSIONAIRE, as shown in Annex XVII.

Clause 9: Construction

9.1 Agreements

(a) CONCESSIONAIRE shall take such action and enter into such contracts as it deems necessary so as to ensure the timely and proper completion of the construction of the PROJECT in accordance with the Approved design, the provisions hereof, the relevant specifications, relevant construction standards and other relevant rules, regulations and standards that become applicable thereto hereafter.

(b) (1) CONCESSIONAIRE will procure a warranty (the “Materials and Workmanship Warranty”) issued by the contractor and /or supplier in the form of the draft in Annex XIII;

(2) CONCESSIONAIRE shall promptly upon its receipt of said Warranty from the contractor and/or supplier the same to PUBLIC under condition that the same shall become enforceable immediately upon termination of this Agreement by PUBLIC (without fault on PUBLIC’s part) in accordance with Clause 20.2 hereof.

9.2 PUBLIC may Enter Site

PUBLIC and/or PUBLIC’s representative may from time to time (subject and without prejudice to Clause 13 and 22) enter any part of the Site where the Construction Phase Works are being carried out

(a) To ascertain whether the same are or are liable to become unsafe or dangerous

(b) To observe tests of materials, equipment or plant carried out under the supervision of the Independent Engineer.

9.3 Information Relating to Works

(a) CONCESSIONAIRE shall furnish to PUBLIC such reports and other such information (but excluding Privileged Information) as PUBLIC may reasonably request from time to time for the purpose of ensuring that the construction of the PROJECT by CONCESSIONAIRE is in compliance with Concessionaire’s obligations hereunder including copies of (i) standards, rules and regulations and (ii) the key technical specifications used in connection with the Construction Phase Works.

(b) Upon Construction Completion, CONCESSIONAIRE shall supply PUBLIC with copies of all as-built drawings and such other technical and design

information relating to the finished Works as PUBLIC's Engineer may reasonably request.

Clause 10: Inspection and Commissioning

When CONCESSIONAIRE consider all or any part(s) of the PROJECT to be suitable for use as a railway, CONCESSIONAIRE shall give notice thereof in writing to the Independent Engineer and PUBLIC shall take all necessary measures to open the same for use, unless the Independent Engineer, in consultation with PUBLIC, shall, within 14 days from the date of receipt of the said Concessionaire's notice, state in writing that the same is not ready for use as railway on the ground of safety.

Clause 11: Toll rate

11.1 Toll rate on Opening Date

Toll rate on Opening Date is US xx \$/ton as stipulated in Annex 6.

11.2 Revision to System Toll rate

Toll rate to coal transportation shall be determined by the negotiation between CONCESSIONAIRE, Coal Mine and Shipping Co. at the appropriate intervals and determined toll rate shall be reported to PUBLIC for their acknowledge. In case of extraordinarily change of economical situation occur in relation to coal business (for example, demand and toll rate down due to sudden weakened market, etc.), CONCESSIONAIRE and PUBLIC shall review financial situation of CONCESSIONAIRE based on Government Guarantee already placed.

Clause 12: Operation

12.1 Operation and Maintenance

(a) The parties hereby agree and acknowledge that all construction work performed by CONCESSIONAIRE including the PROJECT and all permanent structures related to or made use of in connection with the PROJECT shall be owned by CONCESSIONAIRE forthwith. When the PROJECT has been opened for use, CONCESSIONAIRE shall be entitled to use the PROJECT and shall be obliged to maintain the PROJECT or any part thereof including the Rights of Way throughout. However, in case of operation period were agreed, at the end hereof, CONCESSIONAIRE shall deliver the PROJECT to PUBLIC in a good state of repair subject to normal wear and tear. PUBLIC and CONCESSIONAIRE shall jointly appoint the Independent Engineer or any other entity to inspect the PROJECT as PUBLIC may from

time to time reasonably request to ensure that Concessionaire's obligations in respect of such operation and maintenance are being discharged in accordance with the terms of this Agreement.

12.2. Regulations

PUBLIC shall have in force and shall publish general regulations governing the operation of the System, in accordance with applicable laws and in the terms of the official regulations currently in force

12.3 Expenses of Traffic Management, Rescue Operations , etc.

CONCESSIONAIRE shall be responsible at its own cost for railway management and rescue operations on the PROJECT

12.5 PUBLIC Representative (This is case of BOT)

As from the Opening Date, PUBLIC shall have the right to appoint one representative to the board of directors of CONCESSIONAIRE.

Clause 13: Interruption of Construction or Operation

13.1 No interruption by PUBLIC

Subject always to the provisions of this Agreement, PUBLIC undertakes not to do and shall refrain from doing anything which may prevent or affect with the Works

13.2 Works by Government or Relevant Authorities

PUBLIC shall use its best endeavors to ensure that neither the Government, nor the Relevant Authorities nor any other person shall carry out any operations or take any action which may prevent or interfere with the Works. If any such operation or action is to be carried out or taken, PUBLIC shall use best endeavors to ensure that written notice thereof is first given to CONCESSIONAIRE (except in the case of an emergency) a reasonable period of time in advance thereof so that such person shall discuss with PUBLIC and CONCESSIONAIRE the method of carrying out such operations or taking such action to ensure the least possible disturbance to the Works.

Clause 14: Ancillary Facilities and Users of Area within Rights of Way

(Article 25-(1)a-e_ In the event of any delegation of asset management owned or controlled by the Minister/Chairman of the Institution/Head of region to the Business entity with respect to the implementation of the Cooperation Project, the Cooperation Agreement shall regulate from a. to e. below.

Upon receipt of PUBLIC'S prior written approval, CONCESSIONAIRE may by itself or through any other company nominated by it (subject to applicable

laws) install, develop, construct, possess, and/or sub-license or sub-let any Ancillary Facilities, e.g., shops, premises, buildings, petrol stations, restaurants, car parks, advertising displays, recreational parks and other facilities on, under, over or attaching to the PROJECT, the Site, the Rights of Way or any part(s) thereof. PUBLIC may attach such conditions to its approval as it may reasonably deem appropriate.

Clause 15: Enhancements and Extensions

15.1 Construction of Additional Stations

CONCESSIONAIRE has the right at its own cost from time to time to construct additional stations or passing facilities to and from up and down and to procure the land necessary thereof, but shall take care that the construction thereof causes the least practicable interference with the flow of traffic on the PROJECT and complies with the scope and procedures provided in relevant laws and regulations.

15.2 Enhancements to PROJECT

(a) Both parties agree that in the event that any part of the PROJECT may need to be enhanced from time to time, for instance, the expansion of any part or parts to a dual track and CONCESSIONAIRE wishes to implement any such enhancements thereto, CONCESSIONAIRE shall have the right to carry out the same, subject to PUBLIC's approval (which PUBLIC shall not unreasonably withhold).

(b) As soon as the whole of PROJECT is commenced for operation, PUBLIC shall carry out study for future coal production survey with coal Mines in order to make cooperation atmosphere with CONCESSIONAIRE.

15.3 Extension of PROJECT

At any time following completion of the PROJECT, CONCESSIONAIRE may plan the extension and/or installation of appendix line for intermediate on/off station. PUBLIC shall cooperate such proposal including necessary cross-governmental procedure, if any.

15.4 First Consideration

CONCESSIONAIRE shall, if its terms for so doing are no less favorable to PUBLIC than those of any other interested party, be given preferential consideration in relation to the construction and/or

operation of any extensions to the PROJECT.

Clause 16: Competing Facilities

If, during the Contract Period or such time stipulated in the Agreement, PUBLIC or the Government puts into effect any arrangements for the construction or substantial improvement of any railway within the primary catchment area of the PROJECT and the construction or improvement of any such railway has the effect of materially reducing the actual volume of traffic using the PROJECT or the System or the revenues arising therefrom, PUBLIC shall agree with CONCESSIONAIRE a suitable means of compensating CONCESSIONAIRE for the loss of revenues to CONCESSIONAIRE over the unexpired term of the Contract Period if any, as a result thereof and if such revenues subsequently return to the previous or better level, the parties shall consider making an appropriate adjustment.

Clause 17: Liability with respect to Users and Third Parties

17.1 Except as otherwise provided in this Agreement, CONCESSIONAIRE shall be solely responsible for any damage suffered by users of the PROJECT or by third parties arising out of the design or the use thereof or the construction or operation of the PROJECT and any action or inaction relating to the construction, operation and maintenance of the PROJECT, or the performance hereof.

17.2 The provisions of Clause 17.1 shall not extend to any damage to the extent that it does not arise out of the construction or operation of the PROJECT or is caused or contributed to by any action or inaction of PUBLIC itself.

17.3 PUBLIC and CONCESSIONAIRE shall promptly inform each other of any claim or proceedings or anticipated claim or proceedings against them, and in respect of which they are entitled to be indemnified under this Clause, as soon as practicable after they become aware of the same, and shall give reasonable assistance to one another in the defense of such claim or proceedings. Neither party shall permit any such claim or proceedings to be settled without the prior written consent of the other party.

Clause 18: The Panel

The Panel shall be selected and appointed by the parties as soon as reasonably practicable after satisfaction of the conditions precedent referred to in Clause 3.1 and 3.2 (and in any event before **day**month20**year). Each party shall notify the other of the name and relevant qualifications of the Panel-member it has selected and the persons so selected shall, within 30

days of the selection of the second member, appoint a third member as a chairman of the Panel.

Clause 19: Force Majeure and Exceptional Events

Definitions

“Force Majeure” means any event the happening or pernicious results of which could not be prevented even though a person against whom it happened or threatened to happen were to take such appropriate care as might be expected from him in his situation.

“Exceptional Event” means any event which causes serious damage to the interests of either or both parties as follows:

- (1) Material economic fluctuation in Indonesia causing high rate of inflation, or high rates of interest for a substantial period for which CONCESSIONAIRE shall be obliged to pay interest to the Lenders at a higher rate than the average prime rate of ABC Bank plus one for a substantial period being not less than 12 consecutive months during Concessionaire’s PROJECT construction period under this Agreement, provided, however, that the said average prime rate shall not be less than @ percent and that CONCESSIONAIRE shall faithfully use its best efforts in negotiating with the Landers so as to be obliged to pay the lowest possible rate of interest;
- (2) Any action or inaction of PUBLIC, as follows:-
 - (a) Not delivering Vacant Possession of any Site in accordance with Clause 4.2, or
 - (b) A modification or variation to any of the outline or detailed designs approved pursuant to Annex II or the General Characteristics of the PROJECT, or
 - (c) Not being able to implement the revision of tariff under Clause 11.3 effectively in accordance with the provisions of such Clause;
- (3) Any failure to fulfill or delay in fulfillment of any of the conditions precedent in Clause 3 or any change in conditions which have been already fulfilled;
- (4) Any action or inaction including without limitation the imposition of, or any change in, any tax, surcharge, levy, duty, law or regulation of PUBLIC, the Government or any Relevant Authorities intentionally and directly affecting this Agreement, Concessionaire’s rights or obligations hereunder, the Works, Concessionaire’s anticipated tariff revenues under

the Contract Rights and the CKRO, or the design or route of any part(s) of the PROJECT;

- (5) Geological conditions unexpectedly and adversely affecting the Works, and/or any significant disruption, or shortage of construction materials, in the construction industry or delay in the provision of any relevant utility.

19.2 Certification and Notification of Force Majeure or Exceptional Event

The occurrence and effect of Force Majeure or Exceptional Event shall be certified by the Independent Engineer in accordance with the provisions of its terms of engagement.

If any party hereto is affected by any event specified in Clause 19.1, it shall notify the other party within xx days from the first practicable date. Failure to do so shall bar the affected party thereafter from claiming its rights under Clause 19.3 and 19.4 in respect of any such alleged event.

19.3 Delay caused by Force Majeure or Exceptional Event

CONCESSIONAIRE shall not be liable for any delay by it in performing the Works in accordance with the conditions of this Agreement to the extent that such delay has been caused by one or more acts of Force Majeure or Exceptional Event. In this event, the Independent Engineer shall grant such extension of time for completing the Works as it think fit.

19.4 Financial Consequences of Force Majeure or Exceptional Event

(a) In addition to any extension of time for completing the Works under Clause 19.3, if CONCESSIONAIRE suffers any serious adverse effect on its financial position as a result of one or more acts of Force Majeure and/or Exceptional Event, CONCESSIONAIRE shall be entitled to be compensated therefor by any of the following methods in the following order of priority:-

- (1) if any extension of time for completing the Works on any part lasts for more than five years, new terms and conditions in respect of the Works shall be agreed upon; or
- (2) a change in the Relevant Proportions; or
- (3) with the approval from PUBLIC , an increase in toll rates throughout the System which shall be implemented immediately.
- (4) an extension of the duration of the then current Relevant Proportions; or
- (5) an extension of the Contract Period at any time, if any.

(b) If CONCESSIONAIRE has suffered any serious adverse financial effects

and requires compensation thereof under Clause 19.4(a), CONCESSIONAIRE will give PUBLIC notice thereof in writing (a “Notice”) with a proposal of an appropriate method of compensation.

- (c) The parties shall, within 7 days of receipt of the Notice by PUBLIC, meet to discuss the consequences of the Force Majeure or Exceptional Event in order to agree the appropriate method of compensation.
- (d) If the parties are unable to agree a mutually acceptable method of compensation pursuant to (c) above within xx days, then parties entitled to refer the matter to the Panel. The decision of the Panel under this paragraph (d), if unanimously made, shall be binding on both parties and shall not be subject to appeal or arbitration. The costs and expenses of the Panel shall be borne by the parties equally.
- (e) If no notice of objection is given by PUBLIC under (d) above within xx days, PUBLIC shall be deemed to have accepted the Notice and the proposed method of compensation.
- (f) In assessing the financial effects on CONCESSIONAIRE of an event of Force Majeure, the amount of compensation received by CONCESSIONAIRE or beneficiary by way of insurance in respect of the Works shall be set off against the compensation otherwise payable to CONCESSIONAIRE hereunder, provided that CONCESSIONAIRE shall use its best endeavors to effect such insurance and shall provide PUBLIC with a copy of the relevant insurance policy.

Clause 20: Termination

20.1 By reason of Force Majeure or Exceptional Event

(a) If Force Majeure or Exceptional Event (other than those dealt with under Clause 20.3) causes the performance of this Agreement to be impossible for such a consecutive period of time that either party is unable any longer to perform its fundamental obligations hereunder, then the party so affected may make a proposal in writing to the other for the early termination of this Agreement.

(b) if this Agreement is terminated pursuant to (a) above, or if the result of the arbitral tribunal’s decision pursuant to (a) above is substantially to deprive CONCESSIONAIRE of the benefits of this Agreement and/or the Contract Rights, PUBLIC shall pay the agreed compensation to CONCESSIONAIRE

If such termination is directory caused or contributed to by any action or

inaction of PUBLIC or the Government, CONCESSIONAIRE shall be compensated against the loss of its tariff revenue over the unexpected term of the Contract Period after the termination in addition to the compensation to which it is entitled. The amount of compensation, expenses and the book value of the PROJECT shall be determined by the Independent Engineer (acting as expert and not as arbitrator) in the light of an audit to be carried out forthwith as of the date of termination by a firm of auditors of international repute appointed by the Independent Engineer for the purpose.

20.2 Termination by PUBLIC

(a) Rights of the Termination

PUBLIC shall have the right to terminate this Agreement in the following circumstances:-

- (1) The registration of the dissolution and liquidation of Concessionaire except for the purposes of amalgamation or reconstruction on terms approved in advance by PUBLIC in writing; or
- (2) CONCESSIONAIRE receive the Court's order to be under absolute receivership; or
- (3) CONCESSIONAIRE has intentionally been committing a material breach in respect of performance of its obligations hereunder; or
- (4) Failure of CONCESSIONAIRE to make payment under Clause 4.6 (in case Concessionaire's reimbursement) within xx days of a written notice from PUBLIC; or
- (5) CONCESSIONAIRE deliberately or with gross negligence and without good cause ceasing to construct or operate the PROJECT.

In addition to the events specified in (1) to (5) above, PUBLIC shall have the right to terminate the Agreement pursuant to the provisions of Clause 3.4 (d)

(b) Notice

PUBLIC shall, prior to exercising its rights to terminate the Agreement under Clause 20.2 (a) (3), (4) or (5), send a written notice to CONCESSIONAIRE requesting it to remedy the values of any such termination within a period prescribed by PUBLIC, which shall be not less than 6 months.

If the said circumstances are not remedied by CONCESSIONAIRE by the expiry of the said period, PUBLIC shall have the right to terminate this

Agreement forthwith by notice in writing to CONCESSIONAIRE (which CONCESSIONAIRE shall promptly copy to the Lenders' Representative(s)).

(c) compensation

Upon any termination pursuant to (a) above, PUBLIC shall pay CONCESSIONAIRE the following compensation: (1) if termination is effected before the Opening Date, PUBLIC shall pay CONCESSIONAIRE the expenses in connection with the Works legally recordable in the books, or (2) if termination is effected on or after the Opening Date, PUBLIC shall compensate CONCESSIONAIRE in an amount equivalent to the book value of the part or parts of the PROJECT and the Works completed at the date of termination.

However, CONCESSIONAIRE shall not be entitled to any expenses or compensation from PUBLIC in the case of a termination by PUBLIC under Clause 3.4(d). In the case of a termination under Clause 20.2(a) (1) to (5), CONCESSIONAIRE shall be entitled to compensation amounting to the book value of the PROJECT.

20.3 Termination by CONCESSIONAIRE

(a) Right of Termination

CONCESSIONAIRE shall have the right to terminate this Agreement in the following circumstances:- (1) PUBLIC intentionally commits a material breach in complying with its obligations under this Agreement, (2) any governmental compulsory acquisition or expropriation of any part(s) of the Site, the Rights of Way and/or the PROJECT from PUBLIC or CONCESSIONAIRE, or (3) PUBLIC being ceased to have the powers or authority to perform its obligations under this Agreement without any other agency or authority taking over its rights and obligations in accordance with applicable laws.

(b) Termination

CONCESSIONAIRE shall, before exercising its rights to terminate this Agreement pursuant to Clause 20.3(a), give written notice to PUBLIC requiring PUBLIC to remedy the default and other circumstances. PUBLIC shall use its best endeavors to remedy the same within a period of time to be prescribed by CONCESSIONAIRE . If the said circumstances are not remedied before the expiry of the specified period, CONCESSIONAIRE may thereupon terminate this Agreement.

(d) Compensation

Upon any termination pursuant to (b) above, PUBLIC shall pay to CONCESSIONAIRE the costs and expenses incurred directly in or in connection with the Works legally recordable in the books and financing costs together with the costs, losses and expenses incurred or sustained by CONCESSIONAIRE and the loss of toll rate revenue to CONCESSIONAIRE over the unexpired term of the Contract Period as a result of the early termination. The amount of compensation shall be determined by the Independent Engineer.

20.4 Effect of Termination

On the expiry or termination of this Agreement and/or the Contract Period for whatever reason and without prejudice to any rights of the parties hereto (subject as herein provided):

- (a) This Agreement (other than Clause 20 and 23 to 28 inclusive) shall cease to have effect, subject to all rights and obligations of the parties existing prior to such termination; and
- (b) The Contract Rights shall terminate; and
- (c) The rights of CONCESSIONAIRE over the Site and all other immovable property thereon shall terminate, save in respect of the Ancillary Facilities (subject to Clause 14); and
- (d) PUBLIC shall purchase from CONCESSIONAIRE at their value in the books and free of any security interest all assets, materials, plant, machinery, equipment, vehicles, spare parts and other movable property owned by CONCESSIONAIRE in connection with the Works or the operation of the PROJECT; and
- (e) Any compensation payable by PUBLIC to CONCESSIONAIRE pursuant to Clause 20 shall be paid directly into a designated bank account in the name of CONCESSIONAIRE and/or the Lenders' representative(s) to be notified to PUBLIC by CONCESSIONAIRE hereunder;
- (f) PUBLIC shall have the right to refuse to pay any compensation, including the expenses and the loss of tariff revenues, to CONCESSIONAIRE until PUBLIC has taken over all the relevant areas and the PROJECT and received from CONCESSIONAIRE all operation-and accounting-documents, including construction and design documents necessary for the continuing operation and

maintenance of the PROJECT.

Clause 21: Extension of Contract Period

CONCESSIONAIRE will continue to operate and maintain PROJECT without limit of time unless agreed between PUBLIC and Concessionaire except as stated in clause 20 (termination).

Clause 22: General

PUBLIC shall, (except as otherwise provided in this Agreement);

- (1) Ensure that CONCESSIONAIRE is free to carry out the Works and to enjoy fully the benefit of the Contract Rights and provide assistance and convenience in relation thereto;
- (2) Not intervene in the conduct or operation of the Works or the PROJECT, save as may be necessary on grounds of public safety and in the discharge and performance of its statutory duties and obligations and subject (except in the case of an emergency) to Concessionaire's approval (not to be unreasonably withheld);
- (3) In order to deliver Vacant Possession of the Site in accordance with Clause 4.2, exercise whatever authority it may have to compulsorily acquire and clear land necessary for the purpose;
- (4) Use its best endeavors to ensure the reasonable provision of all utilities, and the provision of access to all relevant part(s) of the Site, necessary for the Works and the operation and maintenance of the PROJECT;
- (5) Use its best endeavors (and will at Concessionaire's request seek the assistance of the Minister of Transport for the purpose) to ensure that the Government and each of the relevant Authorities shall, where appropriate, assist CONCESSIONAIRE in the carrying out of the Works and the operation of the PROJECT;
- (6) Provide all such reasonable assistance as CONCESSIONAIRE may request to support the obtaining of immigration and employment permits for foreign personnel of CONCESSIONAIRE, the Contractor, suppliers, Manufacture and other consultants in relation to the Works;
- (7) Use its best endeavors to co-operate so as to obtain the licences from Ministry of Commerce referred to in Clause 3.1(2);
- (8) Use its best endeavors to ensure the provision and maintenance in good order (and free from interference), of the connecting railways

and the other infrastructure necessary for the convenient and safe flow of traffic to and from PROJECT.

Clause 23: Assignment and Substituted Entity

23.1 Assignment of Toll rate Revenues

For the purpose of financing the construction and operation of the PROJECT, CONCESSIONAIRE may assign its rights granted by PUBLIC to receive freight revenues under this Agreement to other person(s) but any such assignment shall not affect Concessionaire's obligations and duties hereunder. CONCESSIONAIRE shall inform PUBLIC of such assignment in writing.

23.2 Conditional Assignments

CONCESSIONAIRE may grants a conditional assignment of the Contract Rights to the Lenders' Representative(s) or to a company owned by the Lenders' Representative(s). The said assignment(s) shall become unconditional and be enforceable upon the Lenders' Representative(s)' giving written notice to CONCESSIONAIRE and PUBLIC that an event of default has occurred.

23.3 Substituted Entity

Subject to relevant laws, the rights and obligations of CONCESSIONAIRE may be assigned in accordance with the following conditions:

(a) The parties to

(1) Following the declaration of the occurrence of an event of default of CONCESSIONAIRE under any Credit Agreement(s) relating to the PROJECT, the lenders under which PUBLIC hereby agrees shall have the benefit of this Clause, or if PUBLIC gives written notice pursuant to Clause 20.2 of its intention to terminate this Agreement, the Lenders' Representative(s) shall have the right to nominate a legal entity (the "Substituted Entity") to PUBLIC (subject to the following terms) to be thenceforth substituted for CONCESSIONAIRE; and

(2) The Substituted Entity shall be required to provide reasonably satisfactory evidence to PUBLIC that it has, at the time of substitution, a financial and technical capability reasonably sufficient to perform and assume the obligation of CONCESSIONAIRE under this Agreement and to pay any damages which PUBLIC is entitled to receive from CONCESSIONAIRE.

(b) The Lenders' representative(s)

The Landers' representative(s) shall be entitled within a reasonable time

to effect such substitution. To effect the substitution, the Lenders' representative(s) or the Substituted Entity shall notify its intention to PUBLIC and shall, at the same time, give all necessary information to PUBLIC, verifying that the conditions set in Clause 23.3 (a) (2) above are met,.

(c) As from the actual

As from the actual or damaged confirmation of the substitution by PUBLIC, the Substituted Entity will benefit from all the rights and will assume all the obligations to PUBLIC.

(d) Subject to compliance

Subject to compliance by the Substituted Entity with the obligations of CONCESSIONAIRE hereunder, the Lenders' Representative(s) shall have the right to resubstitute CONCESSIONAIRE for the Substituted Entity at any time upon the terms and conditions specified in sub clauses (a) (2), (b) and (c) above (mutatis mutandis).

PUBLIC shall, in all circumstances, give full effect to any substitution properly made and accepted by it in accordance with this Clause.

Clause 24: Intellectual Property and Protection of Confidentiality

(Article 26_ In relation to the use of the Intellectual Property Rights, the Cooperation Agreement must set forth the guarantee from Business Entity that a to c. below.

24.1 CONCESSIONAIRE to Make Documents Available to PUBLIC

CONCESSIONAIRE shall, without charge and upon request by PUBLIC, make available to PUBLIC, or to any Government authority designated by PUBLIC, for their use in relation to the construction of the PROJECT all documents which are or were acquired or brought into existence in any manner whatsoever by CONCESSIONAIRE for the purpose of the construction of the PROJECT (but excluding Privileged Information). CONCESSIONAIRE shall use its best endeavors to make available to PUBLIC all documents provided or given by any third party for such purpose.

24.2 Use of PUBLIC's Documents

CONCESSIONAIRE may use, and PUBLIC shall, without charge and upon request by CONCESSIONAIRE, make available to CONCESSIONAIRE, all documents.

24.3 Confidentiality

Both parties shall keep in confidence all documents and information

whether technical or commercial supplied it by or on behalf of the other party relating to the Works or the PROJECT and shall not disclose the same in any manner otherwise or as it may necessary be required to disclose pursuant to the laws or orders of appropriate regulatory authorities.

Clause 25: Miscellaneous

25.1 Variations in Writing

All additions, amendments and variations to this Agreement shall be binding only if in writing and signed by duly authorized representatives of each of the parties.

25.2 Entire Agreement

This Agreement supersedes any previous agreements or arrangements, whether oral or written, between the parties in respect of the PROJECT and the Contract Rights or the other contents of this Agreement.

25.3 Time and Indulgence

Any time or other indulgence allowed by one party to the other in which to perform its duties and obligations hereunder or remedy any breach hereof shall not be, and shall not be construed as, a waiver by the party hereunder.

25.4 Exclusivity

All the rights, powers and duties of CONCESSIONAIRE under or pursuant to this Agreement shall be exclusive to CONCESSIONAIRE and PUBLIC agrees not to give any of such rights or obligations of CONCESSIONAIRE hereunder to any other person.

25.5 Figures, Dates and Periods

Any reference in this Agreement to a figure, date or a period of time shall be deemed to be correct and shall be construed pursuant to this Agreement in a manner or to be agreed upon by the parties.

25.6 Interest

Any party in default of payment of any amount due hereunder shall pay interest thereof at a rate of xx percent (which shall increase to 4 percent if any such amount remains unpaid for more than 30 days from such due date) above the fixed deposit rate for deposits in Jakarta in excess of Rupiah ** million then quoted by *** Bank. Such interest shall be completed on a daily basis from the due date of payment until the relevant amount together with accrued interest is fully paid by the defaulting party.

25.7 Annexes

The following Annexes shall be deemed a part hereof and shall have the

same binding effect as this Agreement:-

Annex I

Annex II

Annex III

Annex IV

Annex V

Annex VI

Annex VII

Annex VIII

Annex IX

Annex X

If the contents of any of the Annexes are in conflict with those of this Agreement, the contents hereof shall prevail.

Clause 26: Notices

26.1 Address for Notices

Any notice or correspondence to be given hereunder shall either be delivered personally or sent by registered mail. The addresses for service of the parties hereto shall be those provided herein or such other address as either party may notify in writing to the other party for this purpose.

26.2 Deemed Service

A notice shall be deemed to have been duly served as follows:-

- (a) if personally delivered, at the time of receiving;
- (b) if sent by registered mail, on the third business day following the date of posting.

In providing such service it shall be sufficient to prove that personal delivery was made or that the letter was properly addressed and dispatched.

26.3 Language of Notice

All notices, correspondence or other communications particularly connected with the Works or the PROJECT between PUBLIC, CONCESSIONAIRE, the Independent Engineer shall be in English.

Clause 27: Settlement of Disputes

27.1 Reference to Arbitration

Unless otherwise stated in this Agreement, any dispute, controversy or claim arising out of or in connection with this Agreement shall first be

submitted to the Panel in order to ascertain whether an amicable settlement can be achieved, and in the event that no such resolution can be achieved within xx days or such other period as may be agreed between the parties, either party may settle such dispute or controversy by submitting it to arbitration in accordance with the Arbitration Act of ***** country.

27.2 Waiver of Immunity

Each of the parties hereby agrees not to claim and agrees to waive any immunity from suit or from judicial enforcement on grounds of sovereignty or otherwise to which the party hereto or the subsequent assignee may be entitled.

Clause 28: Applicable Laws and Language

28.1 This Agreement shall be governed by and construed in accordance with the laws of the *****country.

28.2 This Agreement is made in the English (with an Indonesian translation.??)

In WITNESS WHEREOF this Agreement has been executed by duly authorized representatives of the parties hereto on the day, month and year first above written.

This Agreement is made in two copies having the same contents, and both parties have read and thoroughly understand the contents hereof and hereby affixed their respective signatures and seals (if any) before witnesses and each retains one copy.

Contracting Agency

Concessionaire.

By:

By:

Witness

Witness

AP4-5 Questionnaire to Contracting Agency

Issues of PPP Project Process on Contracting Agency Point of View -I

	Items	General International Aspects	Aspects in Indonesia Contracting Agency point of view
a. Procurement Stage (PQ to CA)	Informational matter	<ul style="list-style-type: none"> • Lack of project information • unclear TOR for bidding • Lack of capacity building of the contracting agency • Risks may be posed to the private entity • Some contracting agencies regard PPP project entities as conventional contractors • Some private entities do not take responsibility to serve the public infrastructure 	<ul style="list-style-type: none"> • Not really, has no synchronize between BM and BPJT • Clear enough • Yes, there are still limited expert on BPJT • Yes, but there is also government support for risk allocation • Not yet, because still used the BOT scheme • Include on land acquisition that conducted by Bina Marga
	Financial aspect	<ul style="list-style-type: none"> • Request for financing commitment by banks • Huge amount of deposit for bidding • Great risks accompanied with TOR for bidding • Large barrier for gaining governmental support • Investors result in accepting risks or renouncing their investment in case risks go over TOR 	<ul style="list-style-type: none"> • Bank ask for the land delivery has been done • In around <1% from project equity • if there is a sign from BPJT that could be affected to financial aspect • Based on APBN • Within TOR there is no risk for the investor

Issues of PPP Project Process on Contracting Agency Point of View -II

	Items	General International Aspects	Aspects in Indonesia Contracting Agency point of view
a. Procurement Stage (PQ to CA) <i>continued</i>	Duration aspect	<ul style="list-style-type: none"> • Inappropriate bidding duration • Unclear duration from bidding to award 	•Arrange based on Per Men PU No. 27/2006
	Evaluation criteria	<ul style="list-style-type: none"> • Unclear bidding evaluation criteria • No guarantee for fair bidding evaluation • Unclear process for getting into shortlists • TOR may change in the confirmation of tender conditions by evaluators • PPP project tender may be evaluated in the same way as conventional tender 	•Explain briefly about tendering process on Per Men PU NO 27/2006
	Obstruction to participation	<ul style="list-style-type: none"> • Lack of capacity building of the contracting agency • Some contracting agencies regard PPP project entities as conventional contractors • PPP project tender may be evaluated in the same way as conventional tender 	•Same answer on the latest page

Issues of PPP Project Process on Contracting Agency Point of View -III

	Items	General International Aspects	Aspects in Indonesia Contracting Agency point of view
b. Land Issue		ROW should be delivered by the contracting agency and related administrative bodies. Administrative agencies have all the property rights, and PPP project entities can use it during the project duration.	•ROW stipulated by Bina Marga and property right amended to SP2LP can not be used by private entities.
c. Financial Closure	Financial market	<ul style="list-style-type: none"> • International financial market becomes tight or surplus repeatedly in the short term • Financial market has been tight since the financial crisis in the fall of 2008 	
	Financial industry	<ul style="list-style-type: none"> • Difficult finance composition at the project finance level • Loan interests of the private banks in Indonesia is 15-16% as of March, 2009 • Governmental support is necessary to minimize financiers' intervention into PPP projects • Unclear potential amount of financial closure at the project finance level 	

Issues of PPP Project Process on Contracting Agency Point of View -IV

	Items	General International Aspects	Aspects in Indonesia Contracting Agency point of view
c. Financial Closure <i>continued</i>	Government support	<ul style="list-style-type: none"> • Governmental support policies should be announced when project finance is in a difficult situation • The support policies are as follows: assistance to lacking capital fund, compensation for interest balance, exchange profits or losses, lacking revenues, and inflation balance • PPP project entities are to be arranged to return the profits which exceed the estimation. 	<ul style="list-style-type: none"> •Government will make market sounding to get information of market needs •Private sector will asked BPJT to evaluate business plan •Return as sunk cost (land Capping case)
d. Unstable Revenue	Benefit principle	<ul style="list-style-type: none"> • The beneficiaries' sustainable affordability is an issue since investments are to be recouped by their payment • The beneficiaries are in charge of payment even if political consideration is given to tolls or tariffs 	<ul style="list-style-type: none"> •Benefit are conducting by private
	Market fluctuation	<ul style="list-style-type: none"> • Market fluctuation is a huge barrier to PPP project participation • Shadow toll could be a solution in comparison to social advantage • PPP project entities cannot take this unlimited risk 	<ul style="list-style-type: none"> •Private •Social advantage can be done because of toll development •By PPP scheme risk will be sharing between GOI and Private entities.

Issues of PPP Project Process on Contracting Agency Point of View -V

	Items	General International Aspects	Aspects in Indonesia
d. Unstable Revenue <i>continued</i>	Government support or policies	<ul style="list-style-type: none"> • The contracting agency should convince the public that accountability is ensured for helping PPP project entities avoid risks mentioned above • National or local governments should promote policies which enhance PPP project entities 	<ul style="list-style-type: none"> •Yes
e. Delays	Delays caused by PPP project entities	<ul style="list-style-type: none"> • PPP project entities are in charge of technical or managerial delays • Any delays except for ones caused by exceptional event/ force majeure lead PPP projects to failure 	<ul style="list-style-type: none"> •Become both side responsibility •Based n the side that made the delay
	Delays caused by third parties	<ul style="list-style-type: none"> • Unclear and unpredictable delays caused by administrative action/inaction • PPP project entities hesitate over risks mentioned above • PPP project entities cannot manage delays caused by related administrative agencies • Huge risks in project finance may lead default • Delays may lead cost overrun directly 	<ul style="list-style-type: none"> • yes, mostly in administrative issue •Not PPP entities responsibility Land Acquisition team •Can not •Yes project can not be implemented •Yes

Issues of PPP Project Process on Contracting Agency Point of View -VI

	Items	General International Aspects	Aspects in Indonesia
f. Exceptional Event/ Force Majeure		<ul style="list-style-type: none"> • This item could be an obstruction to PPP project participation • If there exists a mechanism to decide an appropriate solution quickly, PPP project participation could be encouraged • Third-party evaluators should be arranged • International PPP project participation is promoted when the language, place, and reference law for arbitration are international 	<ul style="list-style-type: none"> •Force Majeure affecting to project participation •Government can implemented some policy if there is force majeure case •Not issued •Yes

AP4-6 Issue of PPP Project process on Private sector Point of View

Issues of PPP Project Process on Private Point of View -I

	Items	General International Aspects	Aspects in Indonesia Private & Financier point of view
a. Procurement Stage (PQ to CA)	Informational matter	<ul style="list-style-type: none"> • Lack of project information • unclear TOR for bidding • Lack of capacity building of the contracting agency • Risks may be posed to the private entity • Some contracting agencies regard PPP project entities as conventional contractors • Some private entities do not take responsibility to serve the public infrastructure 	<ul style="list-style-type: none"> ➤ yes, project implementation is lack. • In Indonesia there are still lack of knowledge from project staff • yes because lack of the information (F) ➤ yes; BPJT can not Guarantee the land delay ➤ not enough ➤ Not really; they seen by the infestation point of view ➤ Replacement the land with facilities (e.g. if the road crossing the street they make toll road as fly over) • Yes (F)
	Financial aspect	<ul style="list-style-type: none"> • Request for financing commitment by banks • Huge amount of deposit for bidding • Great risks accompanied with TOR for bidding • Large barrier for gaining governmental support • Investors result in accepting risks or renouncing their investment in case risks go over TOR 	<ul style="list-style-type: none"> ➤ Loan: 70% and Equity: 30% ➤ 1% - 2% ➤ Yes; replace on Concession ➤ Yes; Private entities responsibilities outside the MPW ➤ If delay from TOR private sector take the risks. ➤ These issues are relevance to Private Sector/Point of View

Issues of PPP Project Process on Private Point of View -II

	Items	General International Aspects	Aspects in Indonesia Private & Financier point of view
a. Procurement Stage (PQ to CA) <i>continued</i>	Duration aspect	<ul style="list-style-type: none"> • Inappropriate bidding duration • Unclear duration from bidding to award 	<ul style="list-style-type: none"> ➤ Enough not to long ➤ Enough not to long
	Evaluation criteria	<ul style="list-style-type: none"> • Unclear bidding evaluation criteria • No guarantee for fair bidding evaluation • Unclear process for getting into shortlists • TOR may change in the confirmation of tender conditions by evaluators • PPP project tender may be evaluated in the same way as conventional tender 	<ul style="list-style-type: none"> ➤ For Toll Tariff is Clear enough ➤ Fair enough with the guarantee ➤ Clear based on the equity issued ➤ Certain and can no be changes ➤ Same with the general infrastructure project
	Obstruction to participation	<ul style="list-style-type: none"> • Lack of capacity building of the contracting agency • Some contracting agencies regard PPP project entities as conventional contractors • PPP project tender may be evaluated in the same way as conventional tender 	

Issues of PPP Project Process on Private Point of View -III

	Items	General International Aspects	Aspects in Indonesia (Private & Financier point of view)
b. Land Issue		ROW should be delivered by the contracting agency and related administrative bodies. Administrative agencies have all the property rights, and PPP project entities can use it during the project duration.	<ul style="list-style-type: none"> ➤ ROW conducted by Bina Marga (through TPT) the rights it self handled by community as the land owner. • ROW is inaplicable. Concessionaires has to pay back land acquisition (F)
c. Financial Closure	Financial market	<ul style="list-style-type: none"> • International financial market becomes tight or surplus repeatedly in the short term • Financial market has been tight since the financial crisis in the fall of 2008 	<ul style="list-style-type: none"> ➤ There is no funding from foreign investor. • No bond available for project finance. Corporate bond is for corporate finance. • The appetite has been shifting toward higher grade rating company and Govt bond . More stringent investment requirement stipulated under new Pension Fund investment. (F) • Bank has started to provide Financing to project backed by good corporates (F) ➤ Not really many chance on it
	Financial industry	<ul style="list-style-type: none"> • Difficult finance composition at the project finance level • Loan interests of the private banks in Indonesia is 15-16% as of March, 2009 • Governmental support is necessary to minimize financiers' intervention into PPP projects • Unclear potential amount of financial closure at the project finance level 	<ul style="list-style-type: none"> ➤ Clear enough with 70% loan and 30% equity scheme. ➤ Private operator use BI rate+2.5% ➤ Gov. support is needed but administration is complicated ➤ The amount is stipulated clearly • Common practise debt to equity is 70 : 30. The portion of paid up capital usually lower than that due to diffult access to equity and long term fund (F) • Banks committment is conditional to : 1) delivery in stages of development 2) satisfactory in the fullfillment of equity/ guarantee from the operator.(F)

Issues of PPP Project Process on Private Point of View -IV

	Items	General International Aspects	Aspects in Indonesia (Private & Financier point of view)
c. Financial Closure <i>continued</i>	Government support	<ul style="list-style-type: none"> • Governmental support policies should be announced when project finance is in a difficult situation • The support policies are as follows: assistance to lacking capital fund, compensation for interest balance, exchange profits or losses, lacking revenues, and inflation balance • PPP project entities are to be arranged to return the profits which exceed the estimation. 	<ul style="list-style-type: none"> ➤ Government did not announce this issue Not mentioned on CA (F) CA not mentioned this issue detailed (F) ➤ It should be exist on government regulation but not conducted by Government ➤ Not exist
d. Unstable Revenue	Benefit principle	<ul style="list-style-type: none"> • The beneficiaries' sustainable affordability is an issue since investments are to be recouped by their payment • The beneficiaries are in charge of payment even if political consideration is given to tolls or tariffs 	<p>PT X Co. has no experience yet about the unstable revenue (F) (e.g. See Surabaya case of PT)</p> <ul style="list-style-type: none"> ➤ Exists but not stipulated on Agreement
	Market fluctuation	<ul style="list-style-type: none"> • Market fluctuation is a huge barrier to PPP project participation • Shadow toll could be a solution in comparison to social advantage • PPP project entities cannot take this unlimited risk 	<ul style="list-style-type: none"> ➤ For stock exchange can not be go public before get the interest. ➤ Not exists in Indonesia • PT X Co. has no experience yet about the unstable revenue (F) ➤ Yes (F)

Issues of PPP Project Process on Private Point of View -V

	Items	General International Aspects	Aspects in Indonesia
d. Unstable Revenue <i>continued</i>	Government support or policies	<ul style="list-style-type: none"> • The contracting agency should convince the public that accountability is ensured for helping PPP project entities avoid risks mentioned above • National or local governments should promote policies which enhance PPP project entities 	<p>➤ Yes should be clearly Default by bank Bank asked some guarantees from the guarantor (F)</p> <p>➤ yes it should be exists</p>
e. Delays	Delays caused by PPP project entities	<ul style="list-style-type: none"> • PPP project entities are in charge of technical or managerial delays • Any delays except for ones caused by exceptional event/ force majeure lead PPP projects to failure 	<p>➤ Yes; the delay of its project I charge by PPP project entities.</p> <p>➤ Yes, if the delay by private sector. But if the delay cause by government it will be negotiated.</p> <p>There is no case in PPP but for the resolution conducted the B2B between operator and Bank /private investor (F)</p>
	Delays caused by third parties	<ul style="list-style-type: none"> • Unclear and unpredictable delays caused by administrative action/inaction • PPP project entities hesitate over risks mentioned above • PPP project entities cannot manage delays caused by related administrative agencies • Huge risks in project finance may lead default • Delays may lead cost overrun directly 	<p>➤ Yes</p> <p>There is no case in PPP but for the resolution conducted the B2B between operator and Bank /private investor</p> <p>(As long there is a risk mitigation Bank will tighten the procedure) (F)</p> <p>➤ Can not be handled directly</p> <p>➤ Yes</p> <p>➤ Yes</p> <p>➤ Yes</p>

Issues of PPP Project Process on Private Point of View -VI

	Items	General International Aspects	Aspects in Indonesia
f. Exceptional Event/ Force Majeure		<ul style="list-style-type: none"> • This item could be an obstruction to PPP project participation • If there exists a mechanism to decide an appropriate solution quickly, PPP project participation could be encouraged • Third-party evaluators should be arranged • International PPP project participation is promoted when the language, place, and reference law for arbitration are international 	<ul style="list-style-type: none"> ➤ Not yet because the money lend by private Bank ➤ Not yet Issued <p>In Indonesia there is not yet issued in detail (F)</p> <ul style="list-style-type: none"> ➤ Not yet Issued ➤ Not yet Issued

AP5-1 MINUTES OF DISCUSSION on 8th May 2009

MINUTES OF DISCUSSION

Date of Meeting: 8th May 2009 (10.30 – 11.15 a.m.)

Venue of Meeting: BAPPENAS, 4th fl.

Attendants:

- Mr. Dedy S. Priatna (Deputy Minister of Infrastructure Affairs)
 - Mr. Makoto Ozawa (Team Leader of JICA Study Team)
 - Mr. Miko Oriksa, (JICA Study Team)
 - Mr. Mitsuhiro Doya (JICA Study Team)
 - Mr. Shigemasa Tsuboi (JICA Study Team)
 - Mr. M. Saifullah, (JICA Study Team)
-

- Mr. Makoto Ozawa explained about the objective of the PPP Infrastructure Development Projects, toll road and water supply preliminary list.
- Cileunyi-Sumedang-Dawuan (Cisumdawu) will be financed by China, but we will know they drop or not on July or August 2009. And Mr. Dedy suggest us to consider other toll road like Medan-Binjai and Kuala Namu-Tebing Tinggi (Medan-Kuala Namu already financed by China), Palembang-Indralaya, Tegineneng-Babatan or Manado-Bitung
- Lesson from Solo-Kertosono toll road, if we build the toll road using 2 companies, we have to make 2 operators in that toll road, based on construction section. Now, Thiess doesn't want to sign the contract because they want to supervised and involved in section A of Solo-Kertosono, their reason is because they will be the operators for all sections, so they have to guarantee quality control.
- Related to the schedule, we can prepare all documents and everything for tender before LA sign. When LA signed, tender will be started. We can save 2-3 months.
- There will be a new presidential decree on water supply. This presidential decree about central government guarantees and rate subsidy to PDAM to accelerate 10 million housing connection water program.
- Minister of Internal Affairs letter to all local governments about acceleration 10 millions housing connection of water supply 2009-2013 said all local government have to free PDAM from responsibility to give the dividend if the coverage of water supply not yet 80% in that area.
- For water supply project, please consider from Banjarmasin (Kalimantan) and Makassar (Sulawesi). Don't choose the project in Java only.
- You have to see the capacity of Jatiluhur DAM and demand because there will be 2 companies using that dam. Please consider the Karian dam as alternative.

AP5-2 First Stage Screening Detailed Results

No.	Items	Unit	Data Source	Trans Jawa Toll Road (Main and Branch Road)								Jakarta-Bandung Toll Road		Area Toll Road		
				1	2	3	4	5	6	7	8	9	10	11		
				F-14	D-5	F-10	F-11	F-12	D-4	D-8	B-21	F-6	D-7	F-13		
				TJ-20	TJ-4-4	TJ-10-2	TJ-12-2	TJ-12-3	TJ-18-3	JB-4	JB-5	M-1	B-4	S-4		
Year of FS	Jan-06	Feb-03	Mar-05	Jan-06	Jan-06	2007	Dec-05	Mar-06	Jan-06	Sep-02	Mar-06					
		Probolinggo - Banyuwangi	Cileunyi - Sumedang (Phase-1)	Sumedang - Dawuan (Phase-2)	Semarang - Demak	Jogja - Solo	Jogja - Bawen	Pandaan - Malang	Sukabumi - Ciranjang	Ciranjang - Padalarang	Cilegon - Bojonegara	Pasirkoja - Soreang	Bandara Juanda - Tanjung Perak			
1	Length	(Km)	FS	170.36	23.50	35.10	23.99	40.49	104.00	37.62	27.92	15.69	9.80	23.70		
			Doc. A	3.00	58.5		23.99	40.49	104.00	37.00	31.00	15.69	8.30	23.00		
2	Land Area	M2	FS	11,271,989	1,380,000	4,970,000	1,897,735	2,562,031			2,685,938	1,101,363	1,077,650	908,514		
	Land Acquisition Cost	Billion Rp.	FS	683.50	103.50	65.16	278.40	508.00		446.87	129.16	390.00	139.00	107.77		
		/km	Doc. A	4.01	4.40	1.86	11.60	12.55		11.88	4.63	11.82	8.86	11.00		
		Billion Rp.	FS	683.50	504.84		278.40	508.00	1,129.00	293.20	158.89	390.00	139.00	244.90		
		/km	Doc. A	227.83	8.63		11.60	12.56	10.86	7.92	5.13	11.82	8.86	29.51		
4	Construction Cost	Billion Rp.	FS	5,273.42	754.60	815.97	1,934.93	1,392.04		1,544.32	902.41	1,755.24	555.58	392.59		
		/km	Doc. A	30.95	32.11	23.25	80.66	34.38		41.05	32.32	53.19	35.41	40.06		
		Billion Rp.	FS		2107.11					1,375.00	1053.00	1,755.24		455.60		
		/km	Doc. A		36.02					37.16	33.97	53.19		54.89		
5	Investment Cost	Billion Rp.	FS							2,743.68		3,247.50		505.86		
		/km	Doc. A							72.93		98.41		51.62		
		Billion Rp.	FS	8,000.00	3945.65		2,960.00	2,330.00	6,085.00	2,529.75	1,855.79	3,247.50	920.00	1,021.51		
		/km	Doc. A	2,666.67	67.45		123.38	57.55	58.51	68.37	59.86	98.41	58.64	123.07		
Screen 1: Basic conditions on PPP project for Japanese ODA loan																
6	FIRR on Equity	%	FS													
			Doc. A													
			Evaluation													
7	FIRR on Project	%	FS	12.39%		15.84%								13.43%		
			Team rev.		16.40%	15.84%			15.13%	15.20%	11.28%			15.66%		
			Doc. A	10.63%	14.12%		10.99%	16.73%		16.09%	13.08%		12.05%	11.88%		
			Doc. B		15.90%							17.40%		15.70%		
			Evaluation	Gov.	PPP	PPP	Gov.	Private	PPP	PPP	PPP	PPP	PPP	PPP		
			Evaluation of Screen 1	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		
Screen 2: Sector Priority																
8	Consistent with the Sector Plan	Blue Book			Listed											
		Score			*											
		PPP Book	Potential		Ready for Offer	Potential	Potential	Potential	Priority	Priority	Potential	Priority	Potential			
		Score		*	***	*	*	*	**	**	*	**	*	*		
9	EIRR	%	FS		25.60%		19.07%	31.98%		15.20%	35.82%		19.03%			
			Team rev.		25.60%						35.82%			46.55%		
			Doc. A		23.32%					25.93%	19.65%			21.12%		
			Score													
10	Beneficiary Population	Person	FS	4,290,379	5,676,360	2,181,510	2,375,319	3,484,947	4,474,650	4,447,873	4,246,856	2,166,386	4,377,686	6,330,150		
		Score		***	***	**	**	***	***	***	***	**	***	***		
11	Traffic Estimation	V / day	FS	10,754	29,639	26,431	21,883	29,542	11,146	41,803	13,154	5,759	84,364			
		10 year		41,997	41,727	29,678	47,079	64,098	16,483	52,760	45,625	18,556	130,139			
		20 year		99,376	-	32,048	88,121	120,428	21,400	-	-	44,171	184,783			
		Score	Doc. A		13010				22,220	9,512		15,413	17,528			
12	Traffic Increasing Rate	% / year	FS	15%	3%	1%	8%	8%	4%	2%	13%	12%	4%			
		0-10year		9%		1%	6%	7%	3%			9%	4%			
		10-20year		***	*		**	**	*	**	**	**	**	***		
13	Toll Road Network Generation	Master plan		extension section	missing link	missing link	extension section	extension section	extension section	extension section	missing link	missing link	extension section	extension section		
		Score		**	***	**	**	**	**	**	***	**	**	***		
14	Connectivity to the Important Facilities						airport					seaport (plan)		airport and seaport		
		Score					*					*		**		
15	Composition of the Trans Toll Road			Trans Jawa	Trans Jawa											
		Score		*												
		Score of Screen 2		10	14	9	10	8	11	12	10	11	15			
Screen 3: Route Characteristics																
16	Technical Highlight	Drawings of FS		Flat	Mountain Bridge & Tunnel	Hill	Flat	Flat	Flat	Hill	Hill	Mountain Bridge & Tunnel	Flat	Hill		
		Score			*							*				
17	Implementability of Project / O & M	FS / Other Information											Project Length <20km	Project Length <20km		
		Score											*	*		
18	Impact to the local industry	FS		industry and agriculture	agriculture	agriculture	industry and fishery	trade	agriculture	tourism	agriculture and preparation industry	preparation industry	development industry city	convection and craftman		
		Score											*	*		
		Score of Screen 3			1							1	±0	-1		
Result of First Screening																
		Total Score		10	15	9	10	8	11	13	10	10	15			
		Evaluation		Gov.	Candidate	Gov.	Gov.	Candidate	Candidate	Candidate	Candidate	Candidate	Candidate	Candidate		

				Jakarta Area Toll Road							
No.	Items	Unit	Data Source	12	—	—	—	—	—	—	
				F-7	G-1	G-2	G-3	G-4	G-5	G-6	
				JORR1-1	JF-5	JF-6	JF-7	JF-8	JF-9	JF-10	
				Kamal - Teluk Naga - Batu Ceper	Kemayoran - Kampung Melayu	Duri Pulo - Kampung Melayu	Sunter - Rawa Buaya - Batu Ceper	Sunter - Pulo Gebang - Tambelang	Pasar Minggu - Casablanca	Ulujami - Tanah Abang	
				Year of FS	Dec-05						
1	Length	(Km)	FS	32.00	9.65	11.38	22.92	25.73	9.56	8.27	
			Doc. A	32.00							
2	Land Area	M2	FS								
3	Land Acquisiton Cost	Billion Rp.	FS								
		/km									
		Billion Rp.	Doc. A	1,314.00							
		/km		41.06							
4	Construction Cost	Billion Rp	FS								
		/km									
		Billion Rp	Doc. A								
		/km									
5	Investment Cost	Billion Rp	FS	2,836.00	6,953.56	5,960.05	9,760.67	7,377.98	5,719.87	4,255.27	
		/km		88.63	720.58	523.73	425.86	286.75	598.31	514.54	
		Billion Rp	Doc. A	3,590.15							
		/km		112.19							
Screen 1: Basic conditions on PPP project for Japanese ODA loan											
6	FIRR on Equity	%	FS		18.52%	18.65%	18.62%	19.39%	18.70%	18.50%	
			Doc. A								
		Evauation									
7	FIRR on Project	%	FS	12.89%	19.07%	19.02%	19.05%	19.06%	19.02%	19.08%	
			Team rev.								
			Doc. A								
			Doc. B								
		Evauation			PPP						
Evaluation of Screen 1				OK							
Screen 2: Sector Priority											
8	Consistent with the Sector Plan	Blue Book									
		Score									
		PPP Book			Potential						
		Score			★						
9	EIRR	%	FS								
			Team rev.	28.09%							
			Doc. A								
		Score									
10	Beneficiary Population	Person	FS	6,248,656							
		Score			★★★						
11	Traffic Estimation	0 year	V / day	FS	44,066						
		10 year			129,197						
		20 year									
			Doc. A								
		Score			★★★						
12	Traffic Increasing Rate	0-10year	% / year	FS	11%						
		10-20year									
		Score			★★★						
13	Toll Road Network Generation	Toll Road Master Plan			extension section						
		Score			★★						
14	Connectivity to the Important Facilities				airport						
		Score			★						
15	Composition of the Trans Toll Road										
		Score									
Score of Screen 2				13							
Screen 3: Route Characteristics											
16	Technical Highlight	Drawings of FS			Flat						
		Score									
17	Implementability of Project / O & M	FS / Other Information			Dificulty of Land Acquisition						
		Score			★						
18	Impact to the local industry	FS			fishery, motor generator						
		Score									
Score of Screen 3				-1							
Result of First Screening		Total Score		12							
		Evaluation		Candidate							

No.		Items		Unit		Trans Sumatra Toll Road (Main and Branch Road)															
						13		14		15		16		17		18		19		20	
						D-3		F-4		F-3		D-2		D-10		F-1		D-6		D-1	
						TS-1		TS-2		TS-4		TS-8		TS-11		TS-12		TS-13		TS-8-3	
						Bakauheni - Terbanggi Besar(Tegine neg-Babatan)		Bakauheni - Terbanggi Besar		Terbanggi Besar - Menggala - Pmtg Panggang		Palembang - Indralaya		Pekanbaru - Kandis - Dumai		Kisaran - Tebing Tinggi		Medan - Kualanamu - Tebing Tinggi		Medan - Binjai	
Year of FS		2007		2007		2005/2006		Jun-04		2004		2005		Jan-06		1997		2006			
1	Length	(Km)	FS	134.47		101.82		22.00		135.20		69.92		60.00		15.80					
			Doc. A	50.00		100.00		22.00		135.00		60.00		60.00		15.80		55.00			
2	Land Area	M2	FS					1,340,000		8,296,400		4,821,829		1,359,750							
3	Land Acquisition Cost	Billion Rp.	FS	511.00		247.41		25.85		82.96		169.91		656.73		49.54		170.00			
		/km	FS	3.80		2.43		1.18		0.61		2.43		10.95		3.14		3.09			
		Billion Rp.	Doc. A	268.49		247.00		64.06		474.56		170.00		750.00		256.00		170.00			
		/km	Doc. A	5.37		2.47		2.91		3.52		2.83		12.50		16.20		3.09			
4	Construction Cost	Billion Rp	FS	5092.96		3,345.85		449.55		3,848.60		2,391.08		2,552.69		156.06					
		/km	FS	37.87		32.86		20.43		28.47		34.20		42.54		9.88					
		Billion Rp	Doc. A	1512.00				618.00		4,992.00				2,197		492.12					
		/km	Doc. A	30.24				28.09		36.98				36.62		31.15					
5	Investment Cost	Billion Rp	FS	8200.00												218.08					
		/km	FS	60.98												13.80					
		Billion Rp	Doc. A	2,726.77		5,780.00		1,052.90		8,446.13		5,280.00		4,391.83		1,093.05		1,023.00			
		/km	Doc. A	54.54		57.80		47.86		62.56		88.00		73.20		69.18		18.60			
Screen 1: Basic conditions on PPP project for Japanese ODA loan																					
6	FIRR on Equity	%	FS																		
			Doc. A																		
			Evaluation																		
7	FIRR on Project	%	FS			5.91%		16.70%		15.48%		5.08%				14.95%					
			Team rev.	13.32%		0.73%		16.70%		15.00%		2.34%									
			Doc. A	15.48%				15.57%		9.01%				11.26%		15.98%					
			Doc. B																		
			Evaluation	PPP		Gov.		PPP		PPP		Gov.		PPP		PPP		Gov.			
			Evaluation of Screen 1	OK				OK		OK				OK		OK					
Screen 2: Sector Priority																					
8	Consistent with the Sector Plan	Blue Book												Listed							
		Score												★							
		PPP Book		Priority	Potential	Potential	Priority	Priority	Potential	Ready for Offer	Ready for Offer	Potential									
		Score		★★	★	★	★★	★★	★	★★★	★★★	★★★	★								
9	EIRR	%	FS	36.40%		18.64%		26.62%		17.70%		29.60%		31.59%				11.84%			
			Team rev.	30.20%				26.62%		16.97%											
			Doc. A	22.59%				33.04%		21.53%		22.02%		27.97%							
			Score																		
10	Beneficiary Population	Person	FS	3,313,612		2,791,313		2,522,549		2,582,797		1,963,159		4,084,926		4,959,508		1,380,637			
		Score		★★★		★★★		★★★		★★★		★★★		★★★		★★★		★★★			
11	Traffic Estimation	V / day	FS	9,716		11,327		18,887		8,837		3,082		20,290		12,867		7,043			
		0 year		15,044		20,677		16,795		48,590		14,976		4,952		39,500		9,760			
		10 year																			
		20 year																			
			Doc. A	12,281				13,180		6,653		12,568		12,568		14,092		13,116			
			Score	★		★		★		★		★		★★		★★		★			
12	Traffic Increasing Rate	% / year	FS	4%		8%		4%		10%		5%		5%		7%		9%			
		0-10year																			
		10-20year																			
			Score	★		★★		★		★★		★		★★		★★		★★			
13	Toll Road Network Generation	Toll Road Master Plan		independent section	independent section	independent section	independent section	independent section	independent section	extension section	extension section	extension section	independent route								
		Score		★	★	★	★	★	★	★★	★★	★★	★								
14	Connectivity to the Important Facilities			seaport						seaport		airport									
		Score		★						★		★									
15	Composition of the Trans Toll Road			Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra	Trans Sumatra		
		Score		★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★		
			Score of Screen 2	8		10		7		9		9		7		15		12			
Screen 3: Route Characteristics																					
16	Technical Highlight	Drawings of FS		Hill	Hill	River Area	Hill	Hill-Swamp	Hill	Flat	Flat	Hill									
		Score																			
17	Implementability of Project / O & M	FS / Other Information								Expectation of the local government support				Project Length <20km							
		Score								★				★							
18	Impact to the local industry	FS		plantation	industry city	plantation and fishery	development industry city	plantation, oil mill	plantation	industry city	industry city	industry city	tourism and trade								
		Score								★											
			Score of Screen 3							2											
Result of First Screening				Total Score		8		10		7		9		11		7		15			
				Evaluation				Gov.		Candidate		Gov.				Gov.		Gov.			

No.	Items	Unit	Data Source	Island Toll Road					
				21	22	23			
				F-5	D-11	D-9			
				Batam-1	Bali-1	Sla-1			
				Batu Ampar - Mk Kuning - Bandara Hang Nadim	Serangan - Tanjung Benoa	Manado - Bitung			
Year of FS	2005	2005	Nov-06						
1	Length	(Km)	FS	29.00	9.00	48.80			
			Doc. A	25.00	9.10	53.80			
2	Land Area	M2	FS		360,000				
3	Land Acquisiton Cost	Billion Rp.	FS		118.00	765.00			
		/km			13.11	15.68			
		Billion Rp.		Doc. A	Complete	58.08	765.00		
/km	0.00	6.38	14.22						
4	Construction Cost	Billion Rp	FS		620.71	2,949.66			
		/km			68.97	60.44			
		Billion Rp		Doc. A		900.00	2960.00		
/km		98.90	55.02						
5	Investment Cost	Billion Rp	FS	931.00					
		/km			32.10				
		Billion Rp		Doc. A	2,200.00	1,489.38	5,612.06		
/km		88.00	163.67		104.31				
Screen 1: Basic conditions on PPP project for Japanese ODA loan									
6	FIRR on Equity	%	FS						
			Doc. A						
Evaluation									
7	FIRR on Project	%	FS	15.03%					
			Team rev.						
			Doc. A	7.78%	6.93%	9.66%			
			Doc. B						
Evaluation			PPP	Gov.	Gov.				
Evaluation of Screen 1									
Screen 2: Sector Priority									
8	Consistent with the Sector Plan	Blue Book			Listed				
		Score			★				
		PPP Book		Potential	Priority	Priority			
		Score		★	★★	★★★			
9	EIRR	%	FS		27.34%	9.66%			
			Team rev.		22.48%	12.56%			
			Doc. A		19.16%	—			
			Score						
10	Beneficiary Population	Person	FS	1,000,000	237,199	733,712			
		Score		★	★	★			
11	Traffic Estimation	0 year	V / day	FS	32,195	9,226	5,557		
					10 year	57,897	16,271	13,437	
					20 year	143,077	-	21,887	
					Doc. A			12,119	16,577
					Score		★★★	★	★
12	Traffic Increasing Rate	0-10year	% / year	FS	6%	6%	9%		
					10-20year	6%	-	5%	
					Score		★★	★★	★★
13	Toll Road Network Generation	Toll Road Master Plan		independent route	independent route	independent route			
		Score		★	★	★			
14	Connectivity to the Important Facilities			port, airport		hub port			
		Score		★★		★			
15	Composition of the Trans Toll Road								
		Score							
Score of Screen 2				10	8	8			
Screen 3: Route Characteristics									
16	Technical Highlight	Drawings of FS		Hill	Flat Bridges	Hill			
		Score			★				
17	Implementability of Project / O & M	FS / Other Information		Completion of Land Acquisition	Project Length <20km				
		Score		★	★				
18	Impact to the local industry	FS		industry city	tourism	tourism			
		Score		★	★	★			
Score of Screen 3				2	1	1			
Result of First Screening			Total Score	12	9	9			
			Evaluation	Candidate	Gov.	Gov.			

AP5-3 Cost Comparison

Appendix-3 Cost Comparison

			B-12	B-1	B-13	B-14	B-15	B-8	C2-1	C2-1	C2-2	B-7	B-2	B-9	B-20	1
			TJ-4	TJ-6	TJ-7	TJ-8	TJ-9	TJ-11	TJ-12	TJ-13	TJ-14	TJ-15	TJ-16	TJ-18	TJ-19	TJ-20
			Cikopo (Cikampek) - Pallmanan	Kanci - Pejagan	Pejagan - Pemalang	Pemalang - Batang	Batang - Semarang	Semarang - Solo	Solo-Mantingan	Mantingan-Nagawi	Ngawi - Caruban - Kertosono	Kertosono - Mojokerto	Mojokerto - Surabaya	Gempol - Pasuruan	Pasuruan - Probolinggo	Probolinggo - Banyuwangi
		Year of Pre FS / FS														Jan-06
Terrain			Flat	Flat	Flat	Flat	Hill	Hill				Hill	Flat and Hill	Flat and Hill	Flat and Hill	Flat
1 Length	(Km)	FS	116.00	35.00	57.50	39.00	75.00	75.67				41.00	34.50	32.00	45.32	170.36
		Revis. FS														
2 Land Area	M2	FS														11,271,989
3 Land Acquisition Cost	Billion Rp.	FS	500.00	122.00	189.03	134.1	225.00	800.00				191.31	400.00	220.00	150.00	683.50
	/km		4.31	3.49	3.29	3.44	3.00	10.57				4.67	11.59	6.88	3.31	4.01
	Billion Rp.	Revis. FS														683.50
4 Construction Cost	Billion Rp	FS	3,793.20	1,190.00	1,794.26	1275.92	2,250.00	2419.00				1,300.00	1,601.83	864.00	1,765.82	4,367.53
	/km		32.70	34.00	31.20	32.72	30.00	31.97				31.71	46.43	27.00	38.96	25.64
	Billion Rp	Revis. FS														
5 Investment Cost	Billion Rp	FS	5,906.27	2,094.95	3,235.81	2,292.90	3,634.64	6,135.00				2,211.72	2,952.51	1,800.00	3,314.54	7,989.85
	/km		50.92	59.86	56.27	58.79	48.46	81.08				53.94	85.58	56.25	73.14	46.90
	Billion Rp	Revis. FS														8,000.00
	/km														46.96	

			2		3	4	5	6	
			D-5	F-10	F-11	F-12	B-3	D-4	
			TJ-4-4	TJ-10-2	TJ-12-2	TJ-12-3	TJ-18-2	TJ-18-3	
			Cileunyi - Sumedang (Phase- 1)	Sumedang - Dawuan (Phase-2)	Semarang - Demak	Jogja - Solo	Jogja - Bawen	Gempol - Pandaan	Pandaan - Malang
		Year of Pre FS / FS	Feb-03	Mar-05	Jan-06	Jan-06	2007	Dec-05	
Terrain			Hill/Mountain	Hill/Mountain	Urban	Flat	Flat	Flat and Hill	Hill
1 Length	(Km)	FS	23.50	32.20	23.99	40.49	34.40	13.61	37.62
		Revis. FS	58.5		23.99	40.49	104.00		37.00
2 Land Area	M2	FS	1,380,000	4,970,000	1,897,735	2,562,031			
3 Land Acquisition Cost	Billion Rp.	FS	103.50	64.02	278.40	508.00		166.00	446.87
	/km		4.40	1.99	11.60	12.55		12.20	11.88
	Billion Rp.	Revis. FS	504.84		278.40	508.50	1,129.00		293.20
4 Construction Cost	Billion Rp	FS	754.60	777.11	1,597.13	1,039.51	2557.37	435.81	1,544.32
	/km		32.11	24.13	66.57	25.67	24.59	32.02	41.05
	Billion Rp	Revis. FS	2107.11						1,375.00
5 Investment Cost	Billion Rp	FS		879.98	2,957.06	2,957.06	3,339.69	826.09	2,743.68
	/km			27.33	123.26	73.03	97.08	60.70	72.93
	Billion Rp	Revis. FS	3945.65		2,960.00	2,330.21	6,085.00		2,529.75
	/km		67.45		123.38	57.55	58.51		68.37

			7	8
			D-8	B-21
			JB-4	JB-5
			Sukabumi - Ciranjang	Ciranjang - Padalarang
		Year of Pre FS / FS	Mar-06	
Terrain			Urban	Mountain
1 Length	(Km)	FS	11.00	54.00
		Revis. FS		
2 Land Area	M2	FS		
3 Land Acquisition Cost	Billion Rp.	FS	80.00	725.61
	/km		7.27	13.44
	Billion Rp.	Revis. FS		
4 Construction Cost	Billion Rp	FS	698.00	2,300.00
	/km		63.45	42.59
	Billion Rp	Revis. FS		
5 Investment Cost	Billion Rp	FS	1,576.00	4,923.69
	/km		143.27	91.18
	Billion Rp	Revis. FS		
	/km			

			10
			D-7
			B-4
			Pasirkoja - Soreang
		Year of Pre FS / FS	Sep-02
Terrain			Hill
1 Length	(Km)	FS	9.80
		Revis. FS	
2 Land Area	M2	FS	1,077,650
3 Land Acquisition Cost	Billion Rp.	FS	107.77
	/km		11.00
	Billion Rp.	Revis. FS	
4 Construction Cost	Billion Rp	FS	244.90
	/km		29.51
	Billion Rp	Revis. FS	
5 Investment Cost	Billion Rp	FS	392.59
	/km		40.06
	Billion Rp	Revis. FS	
	/km		

			9
			F-6
			M-1
			Cilegon - Bojonegara
		Year of Pre FS / FS	Jan-06
Terrain			Flat
1 Length	(Km)	FS	15.69
		Revis. FS	
2 Land Area	M2	FS	1,101,363
3 Land Acquisition Cost	Billion Rp.	FS	139.00
	/km		8.86
	Billion Rp.	Revis. FS	
4 Construction Cost	Billion Rp	FS	244.90
	/km		29.51
	Billion Rp	Revis. FS	
5 Investment Cost	Billion Rp	FS	392.59
	/km		40.06
	Billion Rp	Revis. FS	
	/km		

				B-4	B-16	E-2	12	C1-2	B-22	C1-3	B-6	C1-1	B-17	B-10	B-11
				JORR-W1	JORR-W2	JORR-N	F-7	JORR-II-2	JORR-II-3	JORR-II-4	JORR-II-5	JORR-II-6	JORR-II-7	JF-3	4JF-
				JORR (W1) Kebon Jeruk - Penjaringan	JORR (W2) Utara Kd. Jeruk - Ulujami	Tanjung Priok Access	Kamal-Teluk Naga-Batu Cepar	Cengkareng-Batu Ceper-Kunciran	Kunciran-Serpong	Serpong - Cinere	Cinere - Cimanggis (Jagorawi)	Cimanggis - Cibitung	Cikarang (Cibitung) - Tanjung Priok	Antasari - Depok	Kp. Melayu - Cawang - Bekasi
Year of Pre FS / FS				Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Urban	
Terrain	(Km)	FS		9.70							14.64				21.04
		Revis. FS						15.22	11.20						
2 Land Area	M2	FS													
3 Land Acquisition Cost	Billion Rp.	FS						1,108.60	899.00		845.33		699.19		449.00
	/km	FS						72.84	80.27		57.74		30.64		21.34
4 Construction Cost	Billion Rp.	FS		1,168.81							629.67			1,124.18	3,423.64
	/km	FS		120.50							43.01			49.26	162.72
	Revis. FS														
5 Investment Cost	Billion Rp.	FS		1627.96				2,363.00	1,847.00		1,856.14			2,247.58	6,184.66
	/km	FS		167.83				155.26	164.91		126.79			98.49	293.95
	Revis. FS														

			11
			F-13
			S-4
			Mar-05
Urban	Urban	Urban	Urban
18.60	12.80		23.70
			23.00
			908.514
1,295.00	300.00		728.63
69.62	23.44		30.74
			728.63
			31.68
3,510.14	722.73		2,932.94
188.72	56.46		123.75
6,491.33	1,288.26		5,028.82
349.00	100.65		212.19
			5,030.00
			218.70

				13	14	15	16	17	18	19	20	
				D-3	F-4	F-3	D-2	D-10	F-1	D-6	D-1	F-2
				TS-1	TS-2	TS-4	TS-8	TS-11	TS-12	TS-13	TS-8-3	
				Bakauheni - Terbanggi Besar (Tegineg- Babatan)	Bakauheni - Terbanggi Besar	Terbanggi Besar - Menggala - Pmtg Panggang	Palembang - Indralaya	Pekanbaru - Kandis - Dumai	Kisaran - Tebing Tinggi	Medan - Kualanamu - Tebing Tinggi	Medan - Binjai	Bkt Tinggi - Pdj Panjang - Lbk Alung - Padang
Year of Pre FS / FS				2007	2005/2006	Jun-04	2004	2005	Jan-06	1997	2006	
Terrain	(Km)	FS		Flat/Hill	Flat	Flat	Hill/Swamp	Flat/Hill	Flat	Flat	Hill	
1 Length		FS		134.47	101.82	22.00	135.20	69.92	60.00	15.80	48.80	
		Revis. FS		50.00	100.00	22.00	135.00	60.00	60.00	15.80	55.00	
2 Land Area	M2	FS			1,340,000	8,296,400			4,821,829	1,359,750		
3 Land Acquisition Cost	Billion Rp.	FS		511.00	247.41	25.85	82.96	169.91	656.73	49.54	170.00	
	/km	FS		3.80	2.43	1.18	0.61	2.43	10.95	3.14	3.09	
4 Construction Cost	Billion Rp.	FS		268.49	247.00	64.06	474.56	170.00	750.00	256.00	170.00	
	/km	FS		5.37	2.47	2.91	3.52	2.83	12.50	16.20	3.09	
5 Investment Cost	Billion Rp.	FS		5092.86	3,345.85	449.55	3,848.60	2,391.08	2,552.69	156.06		
	/km	FS		37.87	32.86	20.43	28.47	34.20	42.54	9.88	60.44	
	Revis. FS			1512.00		618.00	4,992.00		2,197	492.12	900.00	
6 Investment Cost	Billion Rp.	FS		8200.00		28.09	36.98		36.62		218.08	
	/km	FS		60.98							13.80	
	Revis. FS			2,726.77	5,780.00	1,052.90	8,446.13	5,280.00	4,391.83	1,093.05	1,023.00	
	/km	FS		54.54	57.80	47.86	62.56	88.00	73.20	69.18	18.60	

21	22	23
F-5	D-11	D-9
Batam-1	Bali-1	Sia-1
Batu Ampar - Mk. Kuning - Bandara Hang Nadim	Serangan - Tanjung Benoa	Manado - Bitung
2005	Nov-06	
	Flat/Bridges	Hill/Mountain
25.00	9.00	48.80
	9.10	53.80
0	360.000	
0	118.00	765.00
0	13.11	15.68
0	58.08	765.00
0	6.38	14.22
2,200.00	620.71	2,949.66
88.00	68.97	60.44
	900.00	2960.00
	98.80	55.92
2,200.00	1,489.98	5,612.06
88.00	163.67	104.31

Flat	average of 21 projects	28.08 about 50	Billion Rp/km
Hill	average of 3 projects	42.15 about 40	Billion Rp/km
Mountain	average of 3 projects	50.27 about 50	Billion Rp/km
Urban	average of 10 projects	93.76 about 100	Billion Rp/km

AP5-4 Comparison of Future Traffic Volume Estimation

Appendix-4 Comparison of Future Traffic Volume Estimation

					F-14	D-5		F-10	F-11	F-12	D-4	D-8	B-21	F-6	D-7	F-13
					TJ-20	TJ-4-4		TJ-10-2	TJ-12-2	TJ-12-3	TJ-18-3	JB-4	JB-5	M-1	B-4	S-4
					Probolinggo - Banyuwangi	Cileunyi - Sumedang (Phase-1)	Sumedang - Dawuan (Phase-2)	Semarang - Demak	Jogja - Solo	Jogja - Bawen	Pandaan - Malang	Sukabumi - Citarang	Ciranjang - Padalarang	Cilegon - Bojonegara	Pasirkoja - Soreang	Bandara Juanda - Tanjung Perak
Year of FS					Jan-06	Feb-03	Mar-05	Jan-06	Jan-06	2007	Dec-05	Mar-06	Jan-06	Sep-02	Mar-06	
Toll Road	No. of Lanes				Bajul Mati - Ketapang				Jogya - Prambanan	Yogya - Borobudur	Pakis - Malang	Sukabumi Timur - Cianjur				
	Traffic Estimation	V / day	FS	0 year	5,510		26,431	21,883	26,262	5,004	16,949	4,434		5,759	84,364	
				10 year	17,069		29,679	47,079	29,542	7,553	27,987	19,624	18,556	130,139		
				20 year	35,175		32,048	88,121	43,872	9,918			44,171	184,783		
			Doc. A								22,220	9,512		15,413	17,528	
Increasing Rate	% / year	FS	0-10year	12%		1%	8%	1%	4%	5%	16%		12%	4%	4%	
			10-20year	7%		1%	6%	4%	3%				9%	4%		
Ordinary Road Future Traffic Volume Estimation																
Ordinary Road	Ordinary Road Name/No.				Bajul Mati - Ketapang	Cileunyi - Jatinangor	Cijelag - Kadipaten	Semarang - Demak	Yogya - Prambanan	Tempel - Sleman	Karanglo - Malang	Cianjur - Gekbrong	Padalarang - Citarum	Jln Raya Cilegon (Serang)		Jln A. Yani (Surabaya)
	Section															
	Survey Point				280242	220201	22022	24081	26003	24014	28030	220451	2201711	2100214		2001511
	No. of Lanes				2x1	2x1	2x1	2x2	2x2	2x2	2x2	2x1	2x1	2x2		3x3
	Current Traffic Volume	V / day		2003	8871	-	16517	9553	28726	18963	53334	-	-	-	-	21646
			2004	9209	-	17146	9917	24389	19722	55467	-	-	-	-	22470	
			2005	9463	33550	17618	10188	25061	20289	67221	10918	31189	12466	23089		
			2006	9463	33550	17618	10188	32811	19370	57067	10918	31189	12888	23089		
			2007	8449	40617	15323	9096	26777	18558	53334	11618	18864	17990	20615		
			2008	8449	40617	15323	9096	25798	19248	53334	11618	18864	15083	20615 - (65867)		
	Current Traffic Increasing Rate	% / year			3.81%	-	3.81%	3.81%	-15.10%	4.00%	-	-	-	-	3.81%	
					2.76%	-	2.75%	2.73%	2.76%	2.87%	21.19%	-	-	-	2.75%	
					0.00%	0.00%	0.00%	0.00%	30.92%	-4.53%	-15.11%	0.00%	0.00%	3.39%	0.00%	
				-10.72%	21.06%	-13.03%	-10.72%	-18.39%	-4.19%	-6.54%	6.41%	-39.52%	39.59%	-10.72%		
				0.00%	0.00%	0.00%	0.00%	-3.66%	3.72%	0.00%	0.00%	0.00%	-16.16%			
Future Traffic Volume Estimate	V / day		0 year													
		10 year														
		20 year														
Future Traffic Volume Increasing Rate	% / year		0-10year													
		10-20year														
Comparison between 0 year and Current traffic (2008)					65%		172%	241%	102%	26%	32%	38%	0%	38%		

					F-7	D-3	F-4	F-3	D-2	D-10	F-1	D-6	D-1	F-2	
					JORRII-1	TS-1		TS-2	TS-4	TS-8	TS-11	TS-12	TS-13	TS-8-3	
					Kamal - Teluk Naga - Batu Ceper	Bakauheni - Terbanggi Besar (Teglineheng - Babatan)	Bakauheni - Terbanggi Besar	Terbanggi Besar - Menggala - Pmtg Panggang	Palembang - Indralaya	Pekanbaru - Kandis - Dumai	Kisaran - Tebing Tinggi	Medan - Kualanamu - Tebing Tinggi	Medan - Binjai	Bkt Tinggi - Pdg Panjang - Lbk Alung - Padang	
Year of FS					Dec-05	2007	2007	2005/2006	Jun-04	2004	2005	Jan-06	1997	2006	
Toll Road	No. of Lanes														
	Traffic Estimation	V / day	FS	0 year	44,066	9,716	9,563	11,327	18,887	8,837	3,082	20,290	12,867	7,043	
				10 year	129,197	15,044	20,677	16,795	48,590	14,976	39,500	29,808	9,760		
				20 year	-	-	-	22,831	86,187	-	7,959	-	13,116		
		Doc. A			12,281		13,180	6,653	12,568	12,568	14,092				
Increasing Rate	% / year	FS	0-10year	11%	4%	8%	4%	10%	5%	5%	7%	9%	3%		
			10-20year		-	-	3%	6%	-	5%	-	-	3%		
Ordinary Road Future Traffic Volume Estimation															
Ordinary Road	Ordinary Road Name/No.				Sukamaju - Sp. Kalianda Sugih - Terbanggi Besar Suk Tenuk - Sp Pemata Palembang - Sp. Indra Duri - Dumai Indrapura - Lima Puluh Medan - Lbk. Pakam Medan - Binjai Padang - Lbk. Alung										
	Section														
	Survey Point				170223 17003 170621 15001 09007 03047 03005 03004 06001										
	No. of Lanes				2x1 2x2 2x2										
	Current Traffic Volume	V / day			2003	16516	16049	4060	11373	9188	15027	19435	19669	13459	
					2004	17177	16691	4222	11185	9544	15610	20190	20433	13982	
					2005	17837	17333	4385	12258	9901	16193	20945	21165	14504	
					2006	17837	17333	4385	12258	9901	16193	20696	21165	14504	
					2007	16516	14397	5363	11043	10231	14588	18869	19096	11375	
					2008	8866	15853	5363	11043	10231	14588	18869	19096	16648	
Current Traffic Increasing Rate	% / year				4.00%	4.00%	3.99%	-1.65%	3.87%	3.88%	3.88%	3.88%	3.89%		
					3.84%	3.85%	3.86%	9.59%	3.74%	3.73%	3.74%	3.58%	3.73%		
					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-1.19%	0.00%	0.00%		
					-7.41%	-16.94%	22.30%	-9.91%	3.33%	-9.91%	-8.83%	-9.78%	-21.57%		
					-46.32%	10.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	46.36%		
Future Traffic Volume Estimate	V / day			0 year											
				10 year											
				20 year											
				Future Traffic Volume Increasing Rate	% / year										
		0-10year													
		10-20year													
Comparison between 0 year and Current traffic (2008)					110%	60%	211%	171%	86%	21%	108%	67%	42%		

					F-5		D-11	D-9
					Batam-1		Bali-1	Sla-1
					Batu Ampar - Mk Kuning - Bandara Hang Nadim		Serangan - Tanjung Benoa	Manado - Bitung
		Year of FS			2005	2005	Nov-06	
Toll Road	No. of Lanes							
	Traffic Estimation	V / day	FS	0 year	32,195	9,226	5,557	
				10 year	57,897	16,271	13,437	
				20 year	143,077	-	21,887	
			Doc. A			12,119	16,577	
Increasing Rate	% / year	FS	0-10year	6%	6%	9%		
			10-20year	6%	-	5%		
Ordinary Road Future Traffic Volume Estimation								
Ordinary Road	Ordinary Road Name/No.			Batu ampar - Sp. Kabil	Sp. Kabil - Sp. Pattimura		Airmadidi - Kairagi	
	Secton							
	Survey Point						50015	
	No. of Lanes			2x2	2x2			
	Current Traffic Volume	V / day		2003	-	-	9233	
				2004	-	-	9677	
				2005	41452	22197	16317	
				2006	-	-	16317	
				2007	-	-	15380	
				2008	53288	26133	22777	
	Current Traffic Increasing Rate	% / year			8.73%	5.59%	4.81%	
							68.62%	
							0.00%	
						-5.74%		
						48.09%		
Future Traffic Volume Estimate	V / day		0 year					
			10 year					
			20 year					
Future Traffic Volume Increasing Rate	% / year		0-10year					
			10-20year					
Comparison between 0 year and Current traffic (2008)					123%	24%		

AP5-5 Site Photos

(1) Sukabumi-Ciranjang-Padalarang



Ordinary Road goes side by side (Skabumi-Ciranjang)



Ordinary Road goes side by side (Ciranjang-Padalarang)



Location of Sukabumi IC (beginning project)



Location of Citarum Bridged



Location of Ciranjang IC



Pass through hilly area



Pass through mountainous area



End of mountainous area (possible tunnel)

(2) Cileunyi-Sumedang-Dawuan



Ordinary Road goes side by side (Cileunyi IC: beginning project)



Ordinary Road goes side by side (Cileunyi –Sumedang)



Location of Ranca Kalong IC



Pass through mountainous area (possible , tunnel)



Pass through mountainous area (need, long span bridges)



Pass through mountainous area (need, long span bridges)



Location of Legok IC



Pass through hilly area (need to improve the alignment)

(3) Bandara Juanda-Tanjung Perak



Bandara Juanda (Beginning project)



Pass through swamp area (Eastern section)



Pass through the amusement park (Eastern



Pass through densely populated area (Northern



Pass through existing road (Northern section)



Tj. Perak (Ending project)



Newly opened Suramad Bridge



Access road of Suramad Bridge

(4) Pandaan-Malang



Ordinary Road goes side by side (vicinity Pandaan)



Ordinary Road goes side by side (vicinity Malang)



Location of Pandaan IC (Beginning project)



Location of Lawang IC



Location of Sawojajar IC



Location of Malang IC (Ending project)



Location of Sidoarjo (Muddy water gush)



Location of Sidoarjo (Muddy water gush)

(5) Kamal-Teluk Naga-Batu Cepar



Ordinary Road goes side by side (vicinity Kamal)



Ordinary Road goes side by side (vicinity Batu Cepar)



Pass through densely populated area (vicinity



Pass through swamp area (Northern section)



Pass through paddy field (Western section)



Location of Batu Cepar IC (Ending project)



Planned reclamation area



Around Soekarno-Hatta Airport

(6) Pekanbaru-Kandis-Dumai



Location of Pekanbaru IC (Beginning project)



Location of Minas IC



Location of Kandis IC



Location of Duri South IC



Location of Kandis IC



Location of Dumai IC



Chevron oil field along ordinary road



Dumai port (oil tank trucks' terminal)

(7) Batu Ampar-Muka Kuning-HangNadim



Ordinary Road (vicinity of Batu Ampar: beginning)



Location of Jam IC



Traffic condition of ordinary road (heading to air port)



Traffic condition of ordinary road (heading to port)



Wide median strip for planned toll road



Ordinary Road (vicinity of Hang Nadim: Ending



Batu Ampar port (close to Singapore)



Batamindo industrial estate

(8) Jogja-Solo



Location of Kartosuro IC (connecting national road)



Location of Kartosuro IC (direction of beginning project)



Location of Delanggu IC



Location of Pranbanan IC



Location of Yogyakarta IC



Pass through near the famous ruins at Pranbanan



Ordinary road goes side by side (near beginning project)



Ordinary road goes side by side (Delanggu IC- Klanten IC)

AP5-6 Financial Calculation in Second Stage Screening

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project	: Pandaan - Malang	
Length	: 36.6 km	Land Acquisition Work Portion
		First year : 50%
		Second year : 50%
	Start Period	Construction Work Portion
Land Acquisition	: 2011 2 years	First year construction : 20%
Design (DED)	: 2011 1 years	Second year construction : 50%
Construction	: 2013 3 years	Third year construction : 30%
Operation	: 2016 30 years	
Concession agreement	: 2011 35 years	
Basic Financial Assumption		
Construction (mid. 2008 price, Billion Rp)		
Land Acquisition Cost	: 532.2	Design & Construction
Construction cost per km	: 40.0 per km	Design (DED) : 2.00% of construction cost
Construction Cost	: 1,464.0	Overhead cost : 1.00% of construction cost
		Physical contingency cost : 10.00% of construction cost
		Price escalation : 6.00% of construction cost
Foreign exchange rate	: ¥ 1.00 Rp 104	Supervision & management : 3.00% of construction cost
Discount Rate	: 15%	Financial administration : 1.25% of loan percentage of construction cost
Depreciation		
Asset depreciation method	: Linier	Operation and Maintenance
Infrastructure depreciation	: 30 years	Routine OM cost : 1.5 Billion Rp per km
		Periodical Maintenance Cost
		- every 3 years : 0 per km
		- every 5 years : 0 per km
		- every 10 years : 0 per km
Inflation		
During pre-operation	: 6%	
During operation	: 6%	
Taxation		
VAT	: 10%	Initial Fare
Corporate tax	: 25%	Type I = 650 Rp per km
Tax exemption after 1st profit year	: 0 years	Type II = 1.5 x Type I
		Type III = 2 x Type I
		Type IV = 2.5 x Type I
		Type V = 3 x Type I
Non toll road revenue	: 1% of toll revenue	
Operation days	: 365 days	

PPP Scheme	
Government-Private Portion	: 1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government	: 38%
Private	: 62%
2 - Section part	
Government	
- Pandaan-Lawang	: 22.5 km
Private	
- Lawang-Malang	: 14.1 km
Revenue share :	
- Gov't	0%
- Private	100%
Government Side	
	Loan Gov't Budget
Loan Gov't Budget Ratio	: 59% 41% (0<L≤67%)
JBIC loan scheme	: 1
	1 = Ordinary loan
	2 = STEP loan
1 - Ordinary loan	
Interest rate	: 1.4%
Grace period	: 10 years
Principal payment period	: 20 years
2 - STEP loan	
Interest rate	: 0.2%
Grace period	: 10 years
Principal payment period	: 30 years
Private side	
Infrastructure leasing fee	: 1.0% of govt const cost
Debt Equity Ratio :	Debt 70% (0<D<86%)
	Equity 30%
Private loan scheme	
Interest rate	: 16%
Grace period	: 2 years
Principal payment period	: 10 years

SUMMARY

Investment cost (Billion Rp)		
	3,478	
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	634	6
DED	38	0
Construction Cost*	2,588	25
Financial Administration	21	0
Total IDC	196	2
Total	3,478	33
*estimated in 2013		
Fund source	Billion Rp	Billion Yen
Private	1,827	18
ODA loan	974	9
GoI	677	7
Total	3,478	33
	Nominal	Real
Project FIRR	13.8%	7.4%
SPC Indicator		
FIRR (before tax)	19.3%	
FIRR (after tax)	18.0%	
Equity IRR (after tax)	20.9%	
DSCR (Average)	1.34	
DSCR (Minimum)	0.92	
GOI Indicator		
FIRR	8.1%	
Equity IRR	10.7%	
DSCR (Average)	7.03	
DSCR (Minimum)	0.72	
NPV (billion Rp)	(134.51)	
Proficiency Index (PI)	0.82	

Note: NPV = Net Present Value

(Source: JICA PPP Study Team)

Pandaan-Malang Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	532	634		634	
2	Detail Engineering Design (DED)					
	- DED	29	35		13	22
	- VAT	3	3		1	2
	Total DED cost	32	38		15	24
3	Construction cost					
	- Main Construction cost	1464		1959	744	1215
	- Physical contingency	146		196	74	121
	- Price escalation	88		118	45	73
	- Supervision and Management	44		59	22	36
	- VAT	177		237	90	147
	- Overhead cost	15		20	7	12
	Total construction cost	1934		2588	983	1605
4	Financial administration cost	16	21		7	14
	Total project cost	2514	694	2588	1639	1642
			3282		3282	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	317	317				634
	- Government	317	317				634
	- Private	0	0				0
2	Detail Engineering Design (DED)	38					38
	- Government	15					15
	- Private	24					24
3	Construction cost			518	1294	776	2588
	- Government			197	492	295	983
	- Private			321	802	481	1605
4	Financial administration cost	21					21
	- Government	7					7
	- Private	14					14
	Total project cost	377	317	518	1294	776	3282

Pandaan-Malang_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						257	268	313	326	381	396	463	486	573	601	708	743	875	918	1082
Non toll revenue						3	3	3	3	4	4	5	5	6	6	7	7	9	9	11
Total cash inflow						260	270	316	329	385	400	468	491	579	607	715	750	884	927	1093
2. Cash outflow																				
Investment cost	377	317	518	1294	776															
Land acquisition	317	317																		
DED	38																			
Construction project cost			518	1294	776															
Financial administration cost	21																			
Operation and maintenance (OM)						55	58	62	65	69	73	78	83	88	93	98	104	110	117	124
Routine OM cost						55	58	62	65	69	73	78	83	88	93	98	104	110	117	124
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years									0						0					0
- every 10 years															0					0
Total cash outflow	377	317	518	1294	776	55	58	62	65	69	73	78	83	88	93	98	104	110	117	124
3. Net cashflow	(377)	(317)	(518)	(1294)	(776)	205	212	254	264	315	327	390	408	491	514	617	646	774	810	969
Accumulated Net Cashflow	(377)	(694)	(1211)	(2505)	(3282)	(3077)	(2864)	(2610)	(2346)	(2031)	(1704)	(1314)	(905)	(414)	100	717	1363	2137	2947	3916

FIRR (nominal terms)	13.8%
FIRR (real terms)	7.4%

Pandaan-Malang_Financial Feasibilit

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	1135	1338	1403	1654	1735	2044	2144	2527	2651	3125	3278	3863	4052	4776	5010	49128
Non toll revenue	11	13	14	17	17	20	21	25	27	31	33	39	41	48	50	491
Total cash inflow	1146	1351	1417	1670	1752	2065	2166	2553	2678	3156	3311	3902	4093	4824	5061	49619
2. Cash outflow																
Investment cost																3282
Land acquisition																634
DED																38
Construction project cost																2588
Financial administration cost																21
Operation and maintenance (OM)	132	139	148	157	166	176	187	198	210	222	236	250	265	281	297	4340
Routine OM cost	132	139	148	157	166	176	187	198	210	222	236	250	265	281	297	4340
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0				0
- every 5 years					0					0						0
- every 10 years					0										0	0
Total cash outflow	132	139	148	157	166	176	187	198	210	222	236	250	265	281	297	7622
3. Net cashflow	1015	1212	1269	1514	1586	1889	1979	2355	2468	2934	3075	3652	3828	4544	4763	41997
Accumulated Net Cashflow	4930	6142	7411	8925	10511	12400	14379	16734	19202	22135	25210	28862	32691	37234	41997	

FIRR (nominal terms)	13.8%
FIRR (real terms)	7.4%

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project : Sukabumi-Ciranjang-Padalarang	
Length :	61 km
	Land Acquisition Work Portion
	First year : 50%
	Second year : 50%
	Construction Work Portion
	First year construction : 20%
	Second year construction : 50%
	Third year construction : 30%
Start Period	
Land Acquisition :	2011 2 years
Design (DED) :	2011 1 years
Construction :	2013 3 years
Operation :	2016 30 years
Concession agreement :	2011 35 years
Basic Financial Assumption	
Construction (mid. 2008 price, Billion Rp)	
Land Acquisition Cost :	487.9
Construction cost per km :	45.0 per km
Construction Cost :	2,745.0
Foreign exchange rate :	¥ 1.00 Rp 104
Discount Rate :	15%
Depreciation	
Asset depreciation method :	Linier
Infrastructure depreciation :	30 years
Inflation	
During pre-operation :	6%
During operation :	6%
Taxation	
VAT :	10%
Corporate tax :	25%
Tax exemption after 1st profit year :	0 years
Non toll road revenue :	1% of toll revenue
Operation days :	365 days
	Design & Construction
	Design (DED) : 2.00% of construction cost
	Overhead cost : 1.00% of construction cost
	Physical contingency cost : 10.00% of construction cost
	Price escalation : 6.00% of construction cost
	Supervision & management : 3.00% of construction cost
	Financial administration : 1.25% of loan percentage of construction cost
	Operation and Maintenance
	Routine OM cost : 1.5 Billion Rp per km
	Periodical Maintenance Cost
	- every 3 years : 0 per km
	- every 5 years : 0 per km
	- every 10 years : 0 per km
	Initial Fare
	Type I = 650 Rp per km
	Type II = 1.5 x Type I
	Type III = 2 x Type I
	Type IV = 2.5 x Type I
	Type V = 3 x Type I

PPP Scheme	
Government-Private Portion :	1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government :	66%
Private :	35%
2 - Section part	
Government	
- Ciranjang-Padalarang :	33 km
Private	
- Sukabumi-Ciranjang :	28 km
Revenue share :	- Gov't 0%
	- Private 100%
Government Side	
	Loan Gov't Budget
Loan Gov't Budget Ratio :	82% 18% (0<L≤82%)
JBIC loan scheme :	1
	1 = Ordinary loan
	2 = STEP loan
1 - Ordinary loan	
Interest rate :	1.4%
Grace period :	10 years
Principal payment period :	20 years
2 - STEP loan	
Interest rate :	0.2%
Grace period :	10 years
Principal payment period :	30 years
Private side	
Infrastructure leasing fee :	1.0% of govt const cost
Debt Equity Ratio :	Debt 70% (0<D<80%)
	Equity 30%
Private loan scheme	
Interest rate :	16%
Grace period :	2 years
Principal payment period :	10 years

SUMMARY

Investment cost (Billion Rp)		
	5,785	
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	581	6
DED	72	1
Construction Cost*	4,853	47
Financial Administration	47	0
Total IDC	232	2
Total	5,785	56
*estimated in 2013		
Fund source	Billion Rp	Billion Yen
Private	1,906	18
ODA loan	3,177	31
GoI	702	7
Total	5,785	56
	Nominal	Real
Project FIRR	12.0%	5.6%
SPC Indicator		
FIRR (before tax)	19.3%	
FIRR (after tax)	18.0%	
Equity IRR (after tax)	22.0%	
DSCR (Average)	1.22	
DSCR (Minimum)	0.54	
GOI Indicator		
FIRR	6.5%	
Equity IRR	11.4%	
DSCR (Average)	3.51	
DSCR (Minimum)	0.71	
NPV (billion Rp)	(386.21)	
Proficiency Index (PI)	0.71	
Note: NPV = Net Present Value		
(Source: JICA PPP Study Team)		

Sukabumi-Ciranjang-Padalarang_Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	488	581		581	
2	Detail Engineering Design (DED)					
	- DED	55	65		43	23
	- VAT	5	7		4	2
	Total DED cost	60	72		47	25
3	Construction cost					
	- Main Construction cost	2745		3673	2406	1267
	- Physical contingency	275		367	241	127
	- Price escalation	165		220	144	76
	- Supervision and Management	82		110	72	38
	- VAT	332		444	291	153
	- Overhead cost	27		37	24	13
	Total construction cost	3626		4853	3178	1674
4	Financial administration cost	35	47		33	15
	Total project cost	4210	700	4853	3839	1714
			5553		5553	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	291	291				581
	- Government	291	291				581
	- Private	0	0				0
2	Detail Engineering Design (DED)	72					72
	- Government	47					47
	- Private	25					25
3	Construction cost			971	2426	1456	4853
	- Government			636	1589	954	3178
	- Private			335	837	502	1674
4	Financial administration cost	47					47
	- Government	33					33
	- Private	15					15
	Total project cost	410	291	971	2426	1456	5553

Sukabumi-Ciranjang-Padalarang_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						237	255	308	332	401	432	523	563	681	734	878	935	1119	1192	1427
Non toll revenue						2	3	3	3	4	4	5	6	7	7	9	9	11	12	14
Total cash inflow						239	257	311	335	405	436	528	569	688	741	887	944	1130	1204	1441
2. Cash outflow																				
Investment cost	410	291	971	2426	1456															
Land acquisition	291	291																		
DED	72																			
Construction project cost			971	2426	1456															
Financial administration cost	47																			
Operation and maintenance (OM)						92	97	103	109	116	122	130	138	146	155	164	174	184	195	207
Routine OM cost						92	97	103	109	116	122	130	138	146	155	164	174	184	195	207
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years									0						0					0
- every 10 years															0					0
Total cash outflow	410	291	971	2426	1456	92	97	103	109	116	122	130	138	146	155	164	174	184	195	207
3. Net cashflow	(410)	(291)	(971)	(2426)	(1456)	148	160	208	226	290	314	398	431	542	587	723	771	946	1009	1234
Accumulated Net Cashflow	(410)	(700)	(1671)	(4097)	(5553)	(5405)	(5245)	(5037)	(4810)	(4521)	(4207)	(3808)	(3377)	(2835)	(2248)	(1525)	(755)	191	1200	2434

FIRR (nominal terms)	12.0%
FIRR (real terms)	5.6%

Sukabumi-Ciranjang-Padalarang_Fi

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	1520	1821	1941	2325	2479	2971	3169	3800	4055	4862	5190	6226	6649	7979	8522	73526
Non toll revenue	15	18	19	23	25	30	32	38	41	49	52	62	66	80	85	735
Total cash inflow	1536	1839	1960	2348	2504	3001	3201	3838	4095	4911	5242	6289	6715	8058	8608	74261
2. Cash outflow																
Investment cost																5553
Land acquisition																581
DED																72
Construction project cost																4853
Financial administration cost																47
Operation and maintenance (OM)	219	232	246	261	277	293	311	330	350	370	393	416	441	468	496	7234
Routine OM cost	219	232	246	261	277	293	311	330	350	370	393	416	441	468	496	7234
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0				0
- every 5 years					0				0							0
- every 10 years					0											0
Total cash outflow	219	232	246	261	277	293	311	330	350	370	393	416	441	468	496	12787
3. Net cashflow	1316	1606	1714	2087	2227	2707	2890	3508	3746	4540	4850	5872	6274	7591	8112	61475
Accumulated Net Cashflow	3750	5357	7070	9158	11385	14092	16982	20490	24236	28776	33626	39498	45772	53363	61475	

FIRR (nominal terms)	12.0%
FIRR (real terms)	5.6%

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project : Djuanda Airport - Tanjung Perak	
Length :	23.7 km
Start :	Period
Land Acquisition :	2011 2 years
Design (DED) :	2011 1 years
Construction :	2013 3 years
Operation :	2016 30 years
Concession agreement :	2011 35 years
Basic Financial Assumption	
<i>Construction (mid. 2008 price, Billion Rp)</i>	
Land Acquisition Cost :	867.8
Construction cost per km :	100.0 per km
Construction Cost :	2,370.0
Foreign exchange rate :	¥ 1.00 Rp 104
Discount Rate :	15%
Depreciation	
Asset depreciation method :	Linier
Infrastructure depreciation :	30 years
Inflation	
During pre-operation :	6%
During operation :	6%
Taxation	
VAT :	10%
Corporate tax :	25%
Tax exemption after 1st profit year :	0 years
Non toll road revenue :	1% of toll revenue
Operation days :	365 days
Land Acquisition Work Portion	
First year :	50%
Second year :	50%
Construction Work Portion	
First year construction :	20%
Second year construction :	50%
Third year construction :	30%
Design & Construction	
Design (DED) :	2.00% of construction cost
Overhead cost :	1.00% of construction cost
Physical contingency cost :	10.00% of construction cost
Price escalation :	6.00% of construction cost
Supervision & management :	3.00% of construction cost
Financial administration :	1.25% of loan percentage of construction cost
Operation and Maintenance	
Routine OM cost :	1.5 Billion Rp per km
Periodical Maintenance Cost	
- every 3 years :	0 per km
- every 5 years :	0 per km
- every 10 years :	0 per km
Initial Fare	
Type I =	1,100 Rp per km
Type II =	1.5 x Type I
Type III =	2 x Type I
Type IV =	2.5 x Type I
Type V =	3 x Type I

PPP Scheme	
Government-Private Portion :	1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government :	72%
Private :	28%
2 - Section part	
Government	
- Tj. Perak - Kenjeran :	12.2 km
Private	
- Kenjeran - Tambak Oso :	11.5 km
Revenue share :	
- Gov't	0%
- Private	100%
Government Side	
Loan Gov't Budget Ratio :	72% 28% (0<L≤72%)
JBIC loan scheme :	1
	1 = Ordinary loan
	2 = STEP loan
1 - Ordinary loan	
Interest rate :	1.4%
Grace period :	10 years
Principal payment period :	20 years
2 - STEP loan	
Interest rate :	0.2%
Grace period :	10 years
Principal payment period :	30 years
Private side	
Infrastructure leasing fee :	2.3% of govt const cost
Debt Equity Ratio :	Debt 70% (0<D<86%)
	Equity 30%
Private loan scheme	
Interest rate :	16%
Grace period :	2 years
Principal payment period :	10 years

SUMMARY

Investment cost (Billion Rp)		
5,495		
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	1,034	10
DED	62	1
Construction Cost*	4,190	40
Financial Administration	37	0
Total IDC	172	2
Total	5,495	53
*estimated in 2013		
Fund source	Billion Rp	Billion Yen
Private	1,335	13
ODA loan	2,993	29
GoI	1,166	11
Total	5,495	53
	Nominal	Real
Project FIRR	10.5%	4.3%
SPC Indicator		
FIRR (before tax)	19.5%	
FIRR (after tax)	18.0%	
Equity IRR (after tax)	21.5%	
DSCR (Average)	1.25	
DSCR (Minimum)	0.71	
GOI Indicator		
FIRR	6.0%	
Equity IRR	9.7%	
DSCR (Average)	3.68	
DSCR (Minimum)	1.16	
NPV (billion Rp)	(359.56)	
Proficiency Index (PI)	0.77	

Note: NPV = Net Present Value

(Source: JICA PPP Study Team)

Djuanda Airport - Tanjung Perak_Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	868	1034		1034	
2	Detail Engineering Design (DED)					
	- DED	47	56		41	16
	- VAT	5	6		4	2
	Total DED cost	52	62		45	17
3	Construction cost					
	- Main Construction cost	2370		3172	2284	888
	- Physical contingency	237		317	228	89
	- Price escalation	142		190	137	53
	- Supervision and Management	71		95	69	27
	- VAT	287		384	276	107
	- Overhead cost	24		32	23	9
	Total construction cost	3131		4190	3017	1173
4	Financial administration cost	28	37		27	10
	Total project cost	4079	1133	4190	4122	1201
			5323		5323	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	517	517				1034
	- Government	517	517				1034
	- Private	0	0				0
2	Detail Engineering Design (DED)	62					62
	- Government	45					45
	- Private	17					17
3	Construction cost			838	2095	1257	4190
	- Government			603	1508	905	3017
	- Private			235	587	352	1173
4	Financial administration cost	37					37
	- Government	27					27
	- Private	10					10
	Total project cost	616	517	838	2095	1257	5323

Djuanda Airport - Tanjung Perak_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						209	219	258	271	320	340	406	432	517	549	652	689	818	864	1026
Non toll revenue						2	2	3	3	3	3	4	4	5	5	7	7	8	9	10
Total cash inflow						211	221	261	274	323	343	410	437	522	555	659	696	826	873	1036
2. Cash outflow																				
Investment cost	616	517	838	2095	1257															
Land acquisition	517	517																		
DED	62																			
Construction project cost			838	2095	1257															
Financial administration cost	37																			
Operation and maintenance (OM)						36	38	40	42	45	48	50	53	57	60	64	67	72	76	80
Routine OM cost						36	38	40	42	45	48	50	53	57	60	64	67	72	76	80
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years										0					0					0
- every 10 years															0					0
Total cash outflow	616	517	838	2095	1257	36	38	40	42	45	48	50	53	57	60	64	67	72	76	80
3. Net cashflow	(616)	(517)	(838)	(2095)	(1257)	175	184	221	231	278	296	360	383	465	495	595	628	755	797	956
Accumulated Net Cashflow	(616)	(1133)	(1971)	(4066)	(5323)	(5147)	(4964)	(4743)	(4512)	(4234)	(3938)	(3578)	(3195)	(2730)	(2235)	(1640)	(1011)	(257)	540	1496

FIRR (nominal terms)	10.5%
FIRR (real terms)	4.3%

Djuanda Airport - Tanjung Perak_Fi

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	1084	1287	1359	1614	1705	2024	2138	2538	2681	3183	3363	3992	4218	5007	5290	49052
Non toll revenue	11	13	14	16	17	20	21	25	27	32	34	40	42	50	53	491
Total cash inflow	1095	1299	1373	1630	1722	2044	2159	2563	2708	3215	3397	4032	4260	5057	5343	49543
2. Cash outflow																
Investment cost																5323
Land acquisition																1034
DED																62
Construction project cost																4190
Financial administration cost																37
Operation and maintenance (OM)	85	90	96	101	108	114	121	128	136	144	153	162	171	182	193	2811
Routine OM cost	85	90	96	101	108	114	121	128	136	144	153	162	171	182	193	2811
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0				0
- every 5 years					0					0						0
- every 10 years					0											0
Total cash outflow	85	90	96	101	108	114	121	128	136	144	153	162	171	182	193	8133
3. Net cashflow	1009	1209	1277	1528	1614	1930	2039	2435	2572	3071	3244	3870	4088	4875	5150	41410
Accumulated Net Cashflow	2506	3715	4992	6520	8134	10064	12103	14538	17111	20182	23426	27296	31385	36260	41410	

FIRR (nominal terms)	10.5%
FIRR (real terms)	4.3%

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project : Pekanbaru-Dumai (Pekan-Dumai)

Length	: 135 km	Land Acquisition Work Portion
		First year : 50%
		Second year : 50%
	Start Period	
Land Acquisition	: 2011 2 years	
Design (DED)	: 2011 1 years	Construction Work Portion
Construction	: 2013 3 years	First year construction : 20%
Operation	: 2016 30 years	Second year construction : 50%
Concession agreement	: 2011 35 years	Third year construction : 30%

Basic Financial Assumption

Construction (mid. 2008 price, Billion Rp)		Design & Construction
Land Acquisition Cost	: 474.6	Design (DED) : 2.00% of construction cost
Construction cost per km	: 40.0 per km	Overhead cost : 1.00% of construction cost
Construction Cost	: 5,400.0	Physical contingency cost : 10.00% of construction cost
		Price escalation : 6.00% of construction cost
Foreign exchange rate	: ¥ 1.00 Rp 104	Supervision & management : 3.00% of construction cost
Discount Rate	: 15%	Financial administration : 1.25% of loan percentage of construction cost

Depreciation		Operation and Maintenance
Asset depreciation method	: Linier	Routine OM cost : 1 Billion Rp per km
Infrastructure depreciation	: 30 years	

Inflation		Periodical Maintenance Cost
During pre-operation	: 6%	- every 3 years : 0 per km
During operation	: 6%	- every 5 years : 0 per km
		- every 10 years : 0 per km

Taxation		Initial Fare
VAT	: 10%	Type I = 900 Rp per km
Corporate tax	: 25%	Type II = 1.5 x Type I
Tax exemption after 1st profit year	: 0 years	Type III = 2 x Type I
		Type IV = 2.5 x Type I
		Type V = 3 x Type I
Non toll road revenue	: 1% of toll revenue	
Operation days	: 365 days	

PPP Scheme

Government-Private Portion	: 1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government	: 95%
Private	: 5%
2 - Section part	
Government	
- Pekanbaru-Duri Selatan	: 81 km
Private	
- Duri Selatan-Dumai	: 54 km

Revenue share :	- Gov't 0%
	- Private 100%

Government Side

	Loan Gov't Budget
Loan Gov't Budget Ratio	: 91% 9% (0<L≤91%)
JBIC loan scheme	: 1
	1 = Ordinary loan
	2 = STEP loan
1 - Ordinary loan	
Interest rate	: 1.4%
Grace period	: 10 years
Principal payment period	: 20 years
2 - STEP loan	
Interest rate	: 0.2%
Grace period	: 10 years
Principal payment period	: 30 years

Private side

Infrastructure leasing fee	: 2.9% of govt const cost
Debt Equity Ratio :	Debt 70% (0<D<80%)
	Equity 30%
Private loan scheme	
Interest rate	: 16%
Grace period	: 2 years
Principal payment period	: 10 years

SUMMARY

Investment cost (Billion Rp)

10,529		
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	565	5
DED	141	1
Construction Cost*	9,546	92
Financial Administration	107	1
Total IDC	169	2
Total	10,529	101

*estimated in 2013

Fund source	Billion Rp	Billion Yen
Private	543	5
ODA loan	9,071	87
GoI	915	9
Total	10,529	101

	Nominal	Real
Project FIRR	9.3%	3.1%

SPC Indicator	
FIRR (before tax)	20.2%
FIRR (after tax)	18.0%
Equity IRR (after tax)	26.7%
DSCR (Average)	0.13
DSCR (Minimum)	-2.05

GOI Indicator	
FIRR	6.5%
Equity IRR	16.9%
DSCR (Average)	3.16
DSCR (Minimum)	1.07
NPV (billion Rp)	521.96
Proficiency Index (PI)	1.19

Note: NPV = Net Present Value

(Source: JICA PPP Study Team)

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Pekanbaru-Dumai_Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	475	565		565	
2	Detail Engineering Design (DED)					
	- DED	108	129		122	6
	- VAT	11	13		12	1
	Total DED cost	119	141		134	7
3	Construction cost					
	- Main Construction cost	5400		7226	6865	361
	- Physical contingency	540		723	687	36
	- Price escalation	324		434	412	22
	- Supervision and Management	162		217	206	11
	- VAT	653		874	831	44
	- Overhead cost	54		72	69	4
	Total construction cost	7133		9546	9069	477
4	Financial administration cost	80	107		103	4
	Total project cost	7807	814	9546	9872	489
			10360		10360	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	283	283				565
	- Government	283	283				565
	- Private	0	0				0
2	Detail Engineering Design (DED)	141					141
	- Government	134					134
	- Private	7					7
3	Construction cost			1909	4773	2864	9546
	- Government			1814	4534	2721	9069
	- Private			95	239	143	477
4	Financial administration cost	107					107
	- Government	103					103
	- Private	4					4
	Total project cost	531	283	1909	4773	2864	10360

Pekanbaru-Dumai_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						270	289	348	374	451	485	586	632	766	830	994	1060	1274	1364	1642
Non toll revenue						3	3	3	4	5	5	6	6	8	8	10	11	13	14	16
Total cash inflow						273	292	352	377	455	489	592	638	774	838	1003	1071	1287	1377	1658
2. Cash outflow																				
Investment cost	531	283	1909	4773	2864															
Land acquisition	283	283																		
DED	141																			
Construction project cost			1909	4773	2864															
Financial administration cost	107																			
Operation and maintenance (OM)						135	143	152	161	170	181	192	203	215	228	242	256	272	288	305
Routine OM cost						135	143	152	161	170	181	192	203	215	228	242	256	272	288	305
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years									0						0					0
- every 10 years															0					0
Total cash outflow	531	283	1909	4773	2864	135	143	152	161	170	181	192	203	215	228	242	256	272	288	305
3. Net cashflow	(531)	(283)	(1909)	(4773)	(2864)	138	149	200	217	285	309	400	435	559	610	762	815	1015	1089	1353
Accumulated Net Cashflow	(531)	(814)	(2723)	(7496)	(10360)	(10222)	(10073)	(9873)	(9657)	(9372)	(9063)	(8663)	(8228)	(7669)	(7059)	(6297)	(5482)	(4467)	(3378)	(2025)

FIRR (nominal terms)	9.3%
FIRR (real terms)	3.1%

Pekanbaru-Dumai_Financial Feasibil

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	1762	2126	2284	2760	2969	3591	3868	4681	5045	6110	6588	7982	8610	10436	11260	91436
Non toll revenue	18	21	23	28	30	36	39	47	50	61	66	80	86	104	113	914
Total cash inflow	1779	2147	2307	2787	2999	3627	3906	4728	5095	6171	6654	8062	8696	10541	11373	92351
2. Cash outflow																
Investment cost																10360
Land acquisition																565
DED																141
Construction project cost																9546
Financial administration cost																107
Operation and maintenance (OM)	324	343	364	385	408	433	459	486	516	547	579	614	651	690	731	10673
Routine OM cost	324	343	364	385	408	433	459	486	516	547	579	614	651	690	731	10673
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0				0
- every 5 years					0					0						0
- every 10 years					0											0
Total cash outflow	324	343	364	385	408	433	459	486	516	547	579	614	651	690	731	21033
3. Net cashflow	1456	1804	1943	2402	2591	3194	3447	4242	4580	5625	6074	7448	8045	9851	10641	71318
Accumulated Net Cashflow	(569)	1235	3178	5580	8171	11365	14813	19054	23634	29258	35333	42781	50826	60676	71318	

FIRR (nominal terms)	9.3%
FIRR (real terms)	3.1%

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project : Hang Nadim-Muka Kuning-Batu Ampar	
Length :	28.5 km
Start :	2011 2 years
Period :	2011 1 years
Land Acquisition :	2013 3 years
Design (DED) :	2016 30 years
Construction :	2011 35 years
Operation :	
Concession agreement :	
First Year Demand :	50% of FS demand projection
Basic Financial Assumption	
Construction (mid. 2008 price, Billion Rp)	
Land Acquisition Cost :	0.0
Construction cost per km :	30.0 per km
Construction Cost :	855.0
Construction non tol road :	227.1
Foreign exchange rate : ¥ 1.00 Rp 104	
Discount Rate : 15%	
Depreciation	
Asset depreciation method :	Linier
Infrastructure depreciation :	30 years
Inflation	
During pre-operation :	6%
During operation :	6%
Taxation	
VAT :	10%
Corporate tax :	25%
Tax exemption after 1st profit year :	0 years
Land Acquisition Work Portion	
First year :	50%
Second year :	50%
Construction Work Portion	
First year construction :	20%
Second year construction :	50%
Third year construction :	30%
Design & Construction	
Design (DED) :	2.00% of construction cost
Overhead cost :	1.00% of construction cost
Physical contingency cost :	10.00% of construction cost
Price escalation :	6.00% of construction cost
Supervision & management :	3.00% of construction cost
Financial administration :	1.25% of loan percentage of
Operation and Maintenance	
Routine OM cost :	1 Billion Rp per km
Periodical Maintenance Cost :	
- every 3 years :	0 per km
- every 5 years :	0 per km
- every 10 years :	0 per km
Initial Fare	
Type I =	650 Rp per km
Type II =	1.5 x Type I
Type III =	2 x Type I
Type IV =	2.5 x Type I
Type V =	3 x Type I
Non toll road revenue :	1% of toll revenue
Operation days :	365 days

PPP Scheme	
Government-Private Portion :	1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government :	93%
Private :	7%
2 - Section part	
Government :	
- Bt. Ampar - Mk. Kuning :	15.4 km
Private :	
- Sp.Kabil - Sp. Bandara :	13.1 km
Revenue share :	
- Gov't :	0%
- Private :	100%
Government Side	
Loan Gov't Budget Ratio :	96% 4% (0<L≤96%)
JBIC loan scheme :	1
	1 = Ordinary loan
	2 = STEP loan
Interest rate :	1.4%
Grace period :	10 years
Principal payment period :	20 years
2 - STEP loan	
Interest rate :	0.2%
Grace period :	10 years
Principal payment period :	30 years
Private side	
Infrastructure leasing fee :	3.0% of gov't const cost
Debt Equity Ratio :	Debt 70% (0<D<80%)
	Equity 30%
Private loan scheme	
Interest rate :	16%
Grace period :	2 years
Principal payment period :	10 years

SUMMARY

Investment cost (Billion Rp)		
1,992		
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	-	0
DED	22	0
Construction Cost*	1,910	18
Financial Administration	22	0
Total IDC	38	0
Total	1,992	19
*estimated in 2013		
Fund source	Billion Rp	Billion Yen
Private	152	1
ODA loan	1,763	17
GoI	78	1
Total	1,992	19
	Nominal	Real
Project FIRR	9.2%	3.0%
SPC Indicator		
FIRR (before tax)	19.9%	
FIRR (after tax)	18.0%	
Equity IRR (after tax)	25.1%	
DSCR (Average)	0.67	
DSCR (Minimum)	-0.84	
GOI Indicator		
FIRR	6.0%	
Equity IRR	22.4%	
DSCR (Average)	2.69	
DSCR (Minimum)	0.89	
NPV (billion Rp)	108.40	
Proficiency Index (PI)	1.25	
Note: NPV = Net Present Value		
(Source: JICA PPP Study Team)		

Hang Nadim-Muka Kuning-Batu Ampar_Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	0	0		0	
2	Detail Engineering Design (DED)					
	- DED	17	20		19	1
	- VAT	2	2		2	0
	Total DED cost	19	22		21	2
3	Construction cost					
	- Main Construction cost	855		1144	1064	80
	- Construction non toll road cost	227		304	283	21
	- Physical contingency	108		145	135	10
	- Price escalation	65		87	81	6
	- Supervision and Management	32		43	40	3
	- VAT	129		172	160	12
	- Overhead cost	11		14	13	1
	Total construction cost	1427		1910	1776	134
4	Financial administration cost	17	22		21	1
	Total project cost	1463	45	1910	1818	136
			1955		1955	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	0	0				0
	- Government	0	0				0
	- Private	0	0				0
2	Detail Engineering Design (DED)	22					22
	- Government	21					21
	- Private	2					2
3	Construction cost			382	955	573	1910
	- Government			355	888	533	1776
	- Private			27	67	40	134
4	Financial administration cost	22					22
	- Government	21					21
	- Private	1					1
	Total project cost	45	0	382	955	573	1955

Hang Nadim-Muka Kuning-Batu Ampar_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						56	59	71	76	92	98	117	125	150	161	193	206	247	264	317
Non toll revenue						1	1	1	1	1	1	1	1	2	2	2	2	2	3	3
Total cash inflow						56	60	72	77	92	99	119	127	152	162	195	208	250	267	320
2. Cash outflow																				
Investment cost	45	0	382	955	573															
Land acquisition	0	0																		
DED	22																			
Construction project cost			382	955	573															
Financial administration cost	22																			
Operation and maintenance (OM)						29	30	32	34	36	38	40	43	45	48	51	54	57	61	64
Routine OM cost						29	30	32	34	36	38	40	43	45	48	51	54	57	61	64
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years										0					0					0
- every 10 years															0					0
Total cash outflow	45	0	382	955	573	29	30	32	34	36	38	40	43	45	48	51	54	57	61	64
3. Net cashflow	(45)	0	(382)	(955)	(573)	28	30	40	43	56	61	78	84	107	114	144	154	192	206	256
Accumulated Net Cashflow	(45)	(45)	(427)	(1382)	(1955)	(1927)	(1897)	(1857)	(1814)	(1758)	(1697)	(1619)	(1535)	(1429)	(1314)	(1170)	(1016)	(824)	(618)	(362)

FIRR (nominal terms)	9.2%
FIRR (real terms)	3.0%

Hang Nadim-Muka Kuning-Batu Am

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	339	407	434	521	557	668	714	857	915	1099	1173	1408	1505	1806	1929	16566
Non toll revenue	3	4	4	5	6	7	7	9	9	11	12	14	15	18	19	166
Total cash inflow	342	411	439	526	562	675	721	865	924	1110	1185	1423	1520	1824	1948	16731
2. Cash outflow																
Investment cost																1955
Land acquisition																0
DED																22
Construction project cost																1910
Financial administration cost																22
Operation and maintenance (OM)	68	72	77	81	86	91	97	103	109	115	122	130	137	146	154	2253
Routine OM cost	68	72	77	81	86	91	97	103	109	115	122	130	137	146	154	2253
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0			0	0
- every 5 years					0					0					0	0
- every 10 years					0										0	0
Total cash outflow	68	72	77	81	86	91	97	103	109	115	122	130	137	146	154	4208
3. Net cashflow	274	338	362	445	476	584	624	763	816	994	1063	1293	1382	1678	1794	12523
Accumulated Net Cashflow	(88)	250	612	1057	1533	2117	2741	3504	4319	5314	6376	7669	9051	10730	12523	

FIRR (nominal terms)	9.2%
FIRR (real terms)	3.0%

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project : Cileunyi-Sumedang-Dawuan (Cisumdawu)	
Length :	58.5 km
Start :	2011 2 years
Period :	2011 1 years
Land Acquisition :	2013 3 years
Design (DED) :	2016 30 years
Construction :	2011 35 years
Operation :	
Concession agreement :	
Basic Financial Assumption	
<i>Construction (mid. 2008 price, Billion Rp)</i>	
Land Acquisition Cost :	504.8
Construction cost per km :	50.0 per km
Construction Cost :	2,925.0
Foreign exchange rate :	¥ 1.00 Rp 104
Discount Rate :	15%
Depreciation	
Asset depreciation method :	Linier
Infrastructure depreciation :	30 years
Inflation	
During pre-operation :	6%
During operation :	6%
Taxation	
VAT :	10%
Corporate tax :	25%
Tax exemption after 1st profit year :	0 years
Non toll road revenue :	1% of toll revenue
Operation days :	365 days
Land Acquisition Work Portion	
First year :	50%
Second year :	50%
Construction Work Portion	
First year construction :	20%
Second year construction :	50%
Third year construction :	30%
Design & Construction	
Design (DED) :	2.00% of construction cost
Overhead cost :	1.00% of construction cost
Physical contingency cost :	10.00% of construction cost
Price escalation :	6.00% of construction cost
Supervision & management :	3.00% of construction cost
Financial administration :	1.25% of loan percentage of construction cost
Operation and Maintenance	
Routine OM cost :	1.5 Billion Rp per km
Periodical Maintenance Cost	
- every 3 years :	0 per km
- every 5 years :	0 per km
- every 10 years :	0 per km
Initial Fare	
Type I =	650 Rp per km
Type II =	1.5 x Type I
Type III =	2 x Type I
Type IV =	2.5 x Type I
Type V =	3 x Type I

PPP Scheme	
Government-Private Portion :	1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government :	69%
Private :	32%
2 - Section part	
Government	
- Sumedang-Dawuan :	35 km
Private	
- Cileunyi-Sumedang :	23.5 km
Revenue share :	
- Gov't	0%
- Private	100%
Government Side	
Loan Gov't Budget Ratio :	82% 18% (0<L≤82%)
JBIC loan scheme :	1
	1 = Ordinary loan
	2 = STEP loan
1 - Ordinary loan	
Interest rate :	1.4%
Grace period :	10 years
Principal payment period :	20 years
2 - STEP loan	
Interest rate :	0.2%
Grace period :	10 years
Principal payment period :	30 years
Private side	
Infrastructure leasing fee :	1% of govt const cost
Debt Equity Ratio :	Debt 70% (0<D≤86%)
	Equity 30%
Private loan scheme	
Interest rate :	16%
Grace period :	2 years
Principal payment period :	10 years

SUMMARY

Investment cost (Billion Rp)		
6,130		
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	601	6
DED	77	1
Construction Cost*	5,171	50
Financial Administration	51	0
Total IDC	231	2
Total	6,130	59
*estimated in 2013		
Fund source	Billion Rp	Billion Yen
Private	1,854	18
ODA loan	3,502	34
GoI	774	7
Total	6,130	59
	Nominal	Real
Project FIRR	11.7%	5.3%
SPC Indicator		
FIRR (before tax)	19.1%	
FIRR (after tax)	18.0%	
Equity IRR (after tax)	22.2%	
DSCR (Average)	1.16	
DSCR (Minimum)	0.44	
GOI Indicator		
FIRR	6.1%	
Equity IRR	10.9%	
DSCR (Average)	3.27	
DSCR (Minimum)	0.62	
NPV (billion Rp)	(565.89)	
Proficiency Index (PI)	0.63	

Note: NPV = Net Present Value

(Source: JICA PPP Study Team)

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Cileunyi-Sumedang-Dawuan_Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	505	601		601	
2	Detail Engineering Design (DED)					
	- DED	59	70		48	22
	- VAT	6	7		5	2
	Total DED cost	64	77		52	24
3	Construction cost					
	- Main Construction cost	2925		3914	2681	1233
	- Physical contingency	293		391	268	123
	- Price escalation	176		235	161	74
	- Supervision and Management	88		117	80	37
	- VAT	354		474	324	149
	- Overhead cost	29		39	27	12
	Total construction cost	3864		5171	3542	1629
4	Financial administration cost	38	51		36	14
	Total project cost	4471	728	5171	4232	1667
			5899		5899	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	301	301				601
	- Government	301	301				601
	- Private	0	0				0
2	Detail Engineering Design (DED)	77					77
	- Government	52					52
	- Private	24					24
3	Construction cost			1034	2585	1551	5171
	- Government			708	1771	1063	3542
	- Private			326	814	489	1629
4	Financial administration cost	51					51
	- Government	36					36
	- Private	14					14
	Total project cost	428	301	1034	2585	1551	5899

Cileunyi-Sumedang-Dawuan_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						213	230	280	303	369	400	486	526	640	693	837	899	1085	1165	1406
Non toll revenue						2	2	3	3	4	4	5	5	6	7	8	9	11	12	14
Total cash inflow						215	233	283	306	373	404	491	531	646	700	845	908	1096	1177	1421
2. Cash outflow																				
Investment cost	428	301	1034	2585	1551															
Land acquisition	301	301																		
DED	77																			
Construction project cost			1034	2585	1551															
Financial administration cost	51																			
Operation and maintenance (OM)						88	93	99	105	111	117	124	132	140	148	157	167	177	187	198
Routine OM cost						88	93	99	105	111	117	124	132	140	148	157	167	177	187	198
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years										0					0					0
- every 10 years															0					0
Total cash outflow	428	301	1034	2585	1551	88	93	99	105	111	117	124	132	140	148	157	167	177	187	198
3. Net cashflow	(428)	(301)	(1034)	(2585)	(1551)	127	140	184	202	262	286	366	399	507	552	688	741	919	990	1222
Accumulated Net Cashflow	(428)	(728)	(1763)	(4348)	(5899)	(5772)	(5632)	(5448)	(5246)	(4984)	(4698)	(4332)	(3932)	(3426)	(2873)	(2185)	(1444)	(525)	465	1687

FIRR (nominal terms)	11.7%
FIRR (real terms)	5.3%

Cileunyi-Sumedang-Dawuan_Financi

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	1511	1823	1959	2364	2539	3065	3292	3973	4268	5151	5534	6679	7174	8659	9302	76827
Non toll revenue	15	18	20	24	25	31	33	40	43	52	55	67	72	87	93	768
Total cash inflow	1526	1842	1978	2388	2565	3095	3325	4013	4311	5203	5589	6746	7246	8746	9395	77596
2. Cash outflow																
Investment cost																5899
Land acquisition																601
DED																77
Construction project cost																5171
Financial administration cost																51
Operation and maintenance (OM)	210	223	236	250	265	281	298	316	335	355	377	399	423	449	475	6937
Routine OM cost	210	223	236	250	265	281	298	316	335	355	377	399	423	449	475	6937
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0				0
- every 5 years					0					0						0
- every 10 years					0										0	0
Total cash outflow	210	223	236	250	265	281	298	316	335	355	377	399	423	449	475	12837
3. Net cashflow	1316	1619	1742	2137	2299	2814	3027	3697	3976	4848	5212	6346	6823	8297	8919	64759
Accumulated Net Cashflow	3003	4621	6363	8500	10799	13613	16640	20337	24313	29160	34373	40719	47542	55840	64759	

FIRR (nominal terms)	11.7%
FIRR (real terms)	5.3%

ASSUMPTION & RESULT SUMMARY

ASSUMPTION

Toll road project : Jogja-Solo	
Length :	40.495 km
	Land Acquisition Work Portion
	First year : 50%
	Second year : 50%
	Construction Work Portion
	First year construction : 20%
	Second year construction : 50%
	Third year construction : 30%
Start Period	
Land Acquisition :	2011 2 years
Design (DED) :	2011 1 years
Construction :	2013 3 years
Operation :	2016 30 years
Concession agreement :	2011 35 years
Basic Financial Assumption	
<i>Construction (mid. 2008 price, Billion Rp)</i>	
Land Acquisition Cost :	508.0
Construction cost per km :	30.0 per km
Construction Cost :	1,214.9
Foreign exchange rate :	¥ 1.00 Rp 104
Discount Rate :	15%
Design & Construction	
Design (DED) :	2.00% of construction cost
Overhead cost :	1.00% of construction cost
Physical contingency cost :	10.00% of construction cost
Price escalation :	6.00% of construction cost
Supervision & management :	3.00% of construction cost
Financial administration :	1.25% of loan percentage of construction cost
Operation and Maintenance	
Routine OM cost :	1.5 Billion Rp per km
Periodical Maintenance Cost	
- every 3 years :	0 per km
- every 5 years :	0 per km
- every 10 years :	0 per km
Initial Fare	
Type I =	300 Rp per km
Type II =	1.5 x Type I
Type III =	2 x Type I
Type IV =	2.5 x Type I
Type V =	3 x Type I
Taxation	
VAT :	10%
Corporate tax :	25%
Tax exemption after 1st profit year :	0 years
Non toll road revenue :	1% of toll revenue
Operation days :	365 days

PPP Scheme	
Government-Private Portion :	1
	1 = % of total project cost
	2 = section part
1 - Percentage of total main construction cost	
Government :	55%
Private :	45%
2 - Section part	
Government	
- Klaten-Kertasura :	20.7 km
Private	
- Jogja-Klaten :	19.8 km
Revenue share :	
- Gov't	0%
- Private	100%
Government Side	
Loan Gov't Budget Ratio :	64% 36% (0<L≤43%)
JBIC loan scheme :	1
	1 = Ordinary loan
	2 = STEP loan
1 - Ordinary loan	
Interest rate :	1.4%
Grace period :	10 years
Principal payment period :	20 years
2 - STEP loan	
Interest rate :	0.2%
Grace period :	10 years
Principal payment period :	30 years
Private side	
Infrastructure leasing fee :	1.0% of govt const cost
Debt Equity Ratio :	Debt 70% (0<D<80%)
	Equity 30%
Private loan scheme	
Interest rate :	16%
Grace period :	2 years
Principal payment period :	10 years

SUMMARY

Investment cost (Billion Rp)		
2,928		
Estimated in 2011	Billion Rp	Billion Yen
Land Acquisition	605	6
DED	32	0
Construction Cost*	2,148	21
Financial Administration	18	0
Total IDC	126	1
Total	2,928	28
*estimated in 2013		
Fund source	Billion Rp	Billion Yen
Private	1,100	11
ODA loan	1,170	11
GoI	658	6
Total	2,928	28
	Nominal	Real
Project FIRR	12.7%	6.4%
SPC Indicator		
FIRR (before tax)	19.2%	
FIRR (after tax)	18.0%	
Equity IRR (after tax)	21.4%	
DSCR (Average)	1.03	
DSCR (Minimum)	0.67	
GOI Indicator		
FIRR	7.5%	
Equity IRR	10.3%	
DSCR (Average)	6.18	
DSCR (Minimum)	0.65	
NPV (billion Rp)	(352.61)	
Proficiency Index (PI)	0.59	
Note: NPV = Net Present Value		
(Source: JICA PPP Study Team)		

Jogja-Solo_Project Cost (Billion Rp)

No	Activities	Base Cost	Implementation		Portion	
		2008	2011	2013	Gov't	Private
1	Land acquisition	508	605		605	
2	Detail Engineering Design (DED)					
	- DED	24	29		16	13
	- VAT	2	3		2	1
	Total DED cost	27	32		18	14
3	Construction cost					
	- Main Construction cost	1215		1626	894	732
	- Physical contingency	121		163	89	73
	- Price escalation	73		98	54	44
	- Supervision and Management	36		49	27	22
	- VAT	147		197	108	89
	- Overhead cost	12		16	9	7
	Total construction cost	1605		2148	1181	966
4	Financial administration cost	13	18		9	8
	Total project cost	2153	655	2148	1813	989
			2802		2802	

Cost Allocation (Billion Rp)

No	Activities	2011	2012	2013	2014	2015	Total
1	Land acquisition	303	303				605
	- Government	303	303				605
	- Private	0	0				0
2	Detail Engineering Design (DED)	32					32
	- Government	18					18
	- Private	14					14
3	Construction cost			430	1074	644	2148
	- Government			236	591	354	1181
	- Private			193	483	290	966
4	Financial administration cost	18					18
	- Government	9					9
	- Private	8					8
	Total project cost	352	303	430	1074	644	2802

Jogja-Solo_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1. Cash inflow																				
Toll revenue						155	161	187	193	224	232	270	279	324	336	390	430	532	587	727
Non toll revenue						2	2	2	2	2	2	3	3	3	3	4	4	5	6	7
Total cash inflow						157	162	189	195	227	234	272	282	328	339	394	434	538	593	734
2. Cash outflow																				
Investment cost	352	303	430	1074	644															
Land acquisition	303	303																		
DED	32																			
Construction project cost			430	1074	644															
Financial administration cost	18																			
Operation and maintenance (OM)						61	64	68	72	77	81	86	91	97	103	109	115	122	130	137
Routine OM cost						61	64	68	72	77	81	86	91	97	103	109	115	122	130	137
Periodical maintenance cost						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years								0			0			0			0			0
- every 5 years									0						0					0
- every 10 years															0					0
Total cash outflow	352	303	430	1074	644	61	64	68	72	77	81	86	91	97	103	109	115	122	130	137
3. Net cashflow	(352)	(303)	(430)	(1074)	(644)	96	98	120	123	150	153	186	191	231	236	285	319	415	463	597
Accumulated Net Cashflow	(352)	(655)	(1084)	(2158)	(2802)	(2706)	(2608)	(2488)	(2365)	(2215)	(2062)	(1875)	(1685)	(1454)	(1218)	(933)	(614)	(199)	264	861

FIRR (nominal terms)	12.7%
FIRR (real terms)	6.4%

Jogja-Solo_Financial Feasibility

Project Cashflow (Billion Rp)

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
1. Cash inflow																
Toll revenue	802	994	1096	1360	1501	1862	2057	2553	2821	3504	3874	4815	5327	6623	7332	5027
Non toll revenue	8	10	11	14	15	19	21	26	28	35	39	48	53	66	73	50
Total cash inflow	810	1004	1107	1373	1516	1881	2077	2579	2850	3539	3913	4863	5380	6690	7405	5077
2. Cash outflow																
Investment cost																2802
Land acquisition																605
DED																32
Construction project cost																2148
Financial administration cost																18
Operation and maintenance (OM)	146	154	164	173	184	195	206	219	232	246	261	276	293	310	329	1414
Routine OM cost	146	154	164	173	184	195	206	219	232	246	261	276	293	310	329	1414
Periodical maintenance cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- every 3 years			0			0			0			0				0
- every 5 years					0					0						0
- every 10 years					0										0	0
Total cash outflow	146	154	164	173	184	195	206	219	232	246	261	276	293	310	329	4216
3. Net cashflow	664	849	944	1200	1332	1686	1871	2360	2618	3293	3652	4587	5087	6379	7076	861
Accumulated Net Cashflow	1525	2374	3318	4518	5850	7536	9407	11767	14384	17677	21330	25916	31003	37382	44459	

FIRR (nominal terms)	12.7%
FIRR (real terms)	6.4%

AP6-1 MINUTES OF DISCUSSION for pre-screening on 15th April 2009

Ministry of Public Works Letter Head

Official Memo No. 110/md-cp/2009

To : Director of Directorate General of Cipta Karya (DGCK)
From : Director of Program of DGCK
C.C. : 1. Director of Drinking Water Development, DGCK
2. Head of BPP-SPAM
Subject : Discussion on JICA Preparatory Survey for PPP Infrastructure Project
Date : April 15, 2009

Pursuing discussion on April 3, 2009 about JICA Preparatory Survey for PPP Infrastructure Project, we inform the Minutes of Discussion (MOD) between DGCK and JICA as follows:

1. The meeting was leaded by Director of Drinking Water Development (DWD) of DGCK which was attended by representatives from Sub-Directorate of Drinking Water Investment, BPP-SPAM, Directorate of Program, Representative JICA Jakarta and Nippon Koei Consultant.
2. The purpose of discussion was to discuss Draft of Minutes of Discussion (MOD) and proposed project list for Technical Assistance (TA) and PPP study, which is planned to be conducted into two (2) phases started from April 2009 till September 2010.
3. The following is result of draft of MOD.
 - a. PPP study is planned to be implemented for road infrastructure and drinking water (water supply), for these purpose the MOD will be signed separately by Director of DGCK and Director of Directorate of Bina Marga.
 - b. Target project written in MOD is Municipalities level that is defined for City, Regency and Regional scales.
 - c. The study will be implemented into two (2) phases as below.
 - Phase 1: screen project location from 20 proposed location becomes 10 location and then it will obtain 2-3 projects which are planned to analyze deeply by DGCK and the Consultant, finally one candidate PPP project is proposed for Feasibility Study (F/S).
 - Phase 2 : the consultant conducts pre F/S for determined one potential project for PPP.
 - d. In term of phase 1, the consultant carries out review and analyzes the regulation condition (current regulation) on PPP at Indonesia including PPP on going projects.
 - e. Commitment of local government on PPP project is a prerequisite which has been mentioned in the MOD for the successful PPP projects.
 - f. The leader of this discussion proposed that the report should be in English and Bahasa.
4. Regards to proposed project locations for JICA study team, in this meeting DWD of DGCK, BPP-SPAM and JICA Study Team have been decided 13 potential proposed project location out of total 53 projects list from Consultant that the consultant got from various sources such as Infrastructure Summit 2005, Infrastructure Conference 2006, BPP-SPAM leaflet 2008 and other sources 2009. the potential 13 proposed project locations as follow:

No.	Project	Province	Source
1	Cikarang Water Supply	West Java	Infrastructure Summit 2005
2	Pondok Gede Water Supply	West Java	Infrastructure Summit 2005, infrastructure Conference 2006, BPP-SPAM 2008
3	Ciparens Tangerang Water Supply	Banten	Infrastructure Summit 2005, infrastructure Conference 2006
4	Umbulan Bulk Water Supply	East Java	Infrastructure Summit 2005
5	West Semarang New Water Supply	Central Java	Infrastructure Summit 2005
6	Gresik Water Supply (Region)	East Java	BPP-SPAM Leaflet 2008
7	Bogor Water Supply (Regency)	West Java	BPP-SPAM Leaflet 2008
8	DKI Jakarta-Bekasi-Karawang	Jabodetabek	Other latest sources (2009)
9	West Cikarang and Cibitung Bekasi Regency	West Java	Other latest sources (2009)
10	Bandung Regency	West Java	BPP-SPAM Leaflet 2008, Other latest sources (2009)
11	West Bandung Alt. II Water Convenyance	West Java	Other latest sources (2009)
12	East Bandung Alt. II Water Convenyance	West Java	Other latest sources (2009)
13	City of Bandar Lampung	Lampung	BPP-SPAM Leaflet 2008, Other latest sources (2009)

5. Directorate of Drinking Water has propose counterpart staff (Suli Meilani, ST), while from BPP-SPAM will be proposed later.
6. Conclusion and follow up actions:
Workshop is planned to be conducted by inviting the determined local government for socialization about PPP and to know the willingness of the local government.

Thank you very much for your attention

Director of Directorate of Program

Signed by

Ir. Antonius Budionen, MCM

AP6-2 Site Photos

(1) Umbulan



Umbulan spring



Umbulan spring



Existing Intake for Irrigation



Existing Intake for Irrigation



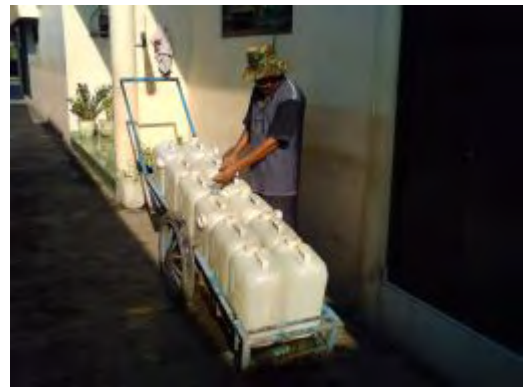
Existing Intake for Irrigation (Pump station)



Irrigation canal



Proposed site for Pump Station



Water seller at Surabaya

(2) Semarang



Existing reservoir



Proposed site for Intake



Existing west water treatment plant



Proposed site for reservoir



Proposed site for reservoir



Distribution area



Existing waste disposal area



Proposed sit for water treatment plant

(3) Jakarta-Bukasi-Karawang



Water resources (Jatiluhur Dam)



Water resources (Jatiluhur Dam)



Water resources (Jatiluhur Dam)



Water resources (Jatiluhur Dam)



Citarum River



Gate on Citarum River



Proposed site for water treatment plant



Proposed sit for water treatment plant

(4) Bandung



Existing sedimentation basin



Existing raw water canal



Existing water treatment plant



Existing water treatment plant



Existing water treatment plant



Proposed site for water treatment plant



Proposed pipe line route



Proposed pipe line route

(5) Lampung



Existing deep well



Existing irrigation weir on Garang River



Proposed site for Intake facility



Proposed site for Intake facility



Distribution area



Proposed site1 for water treatment plant



Proposed site2 for water treatment plant



Water truck