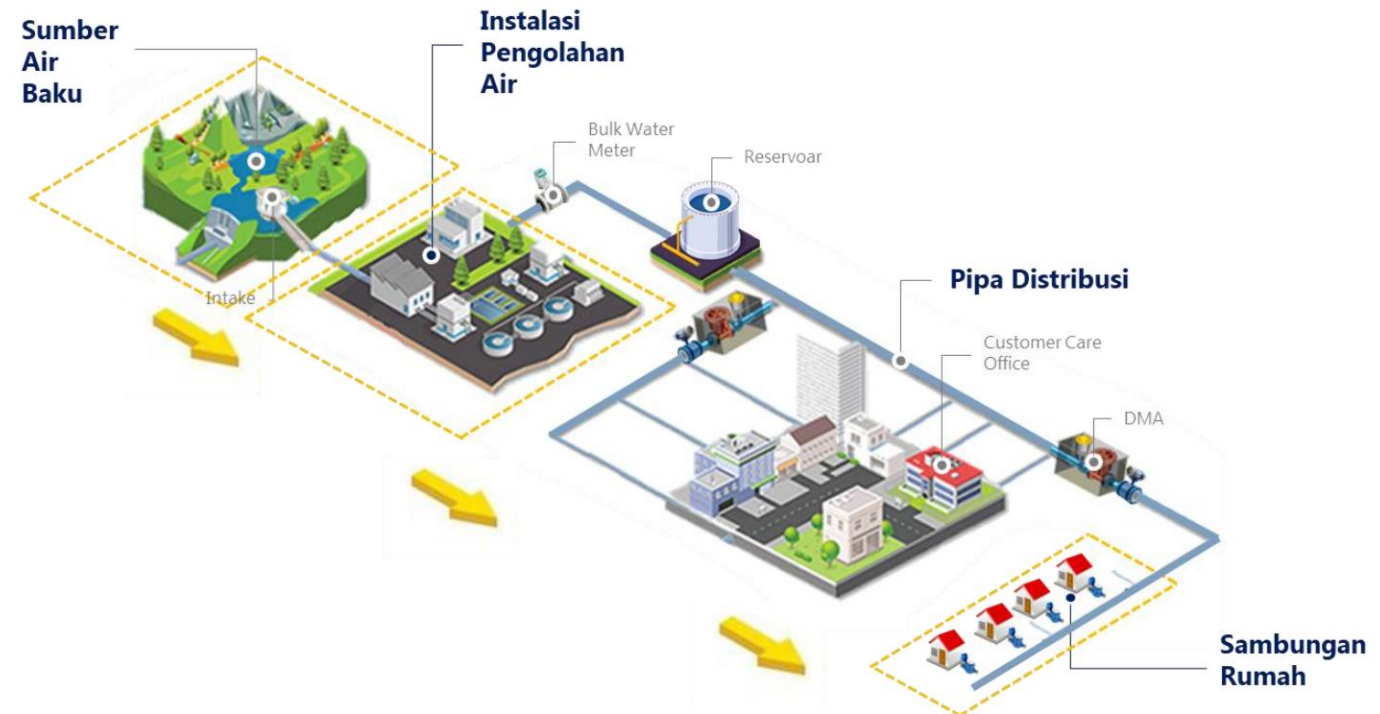
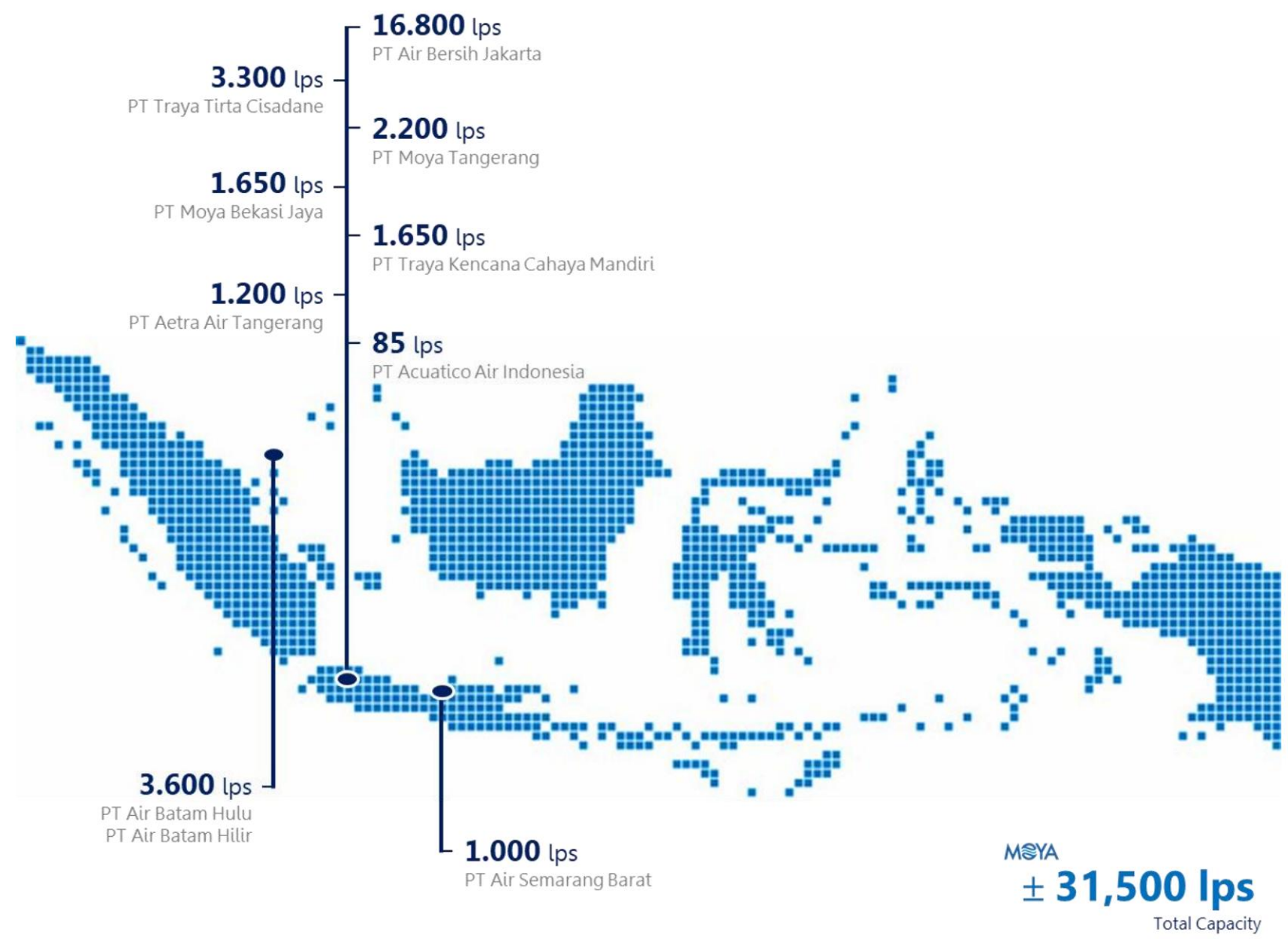


Creative Infrastructure Financing  
Ministry of PUPR 2023

# Infrastructure Drinking water



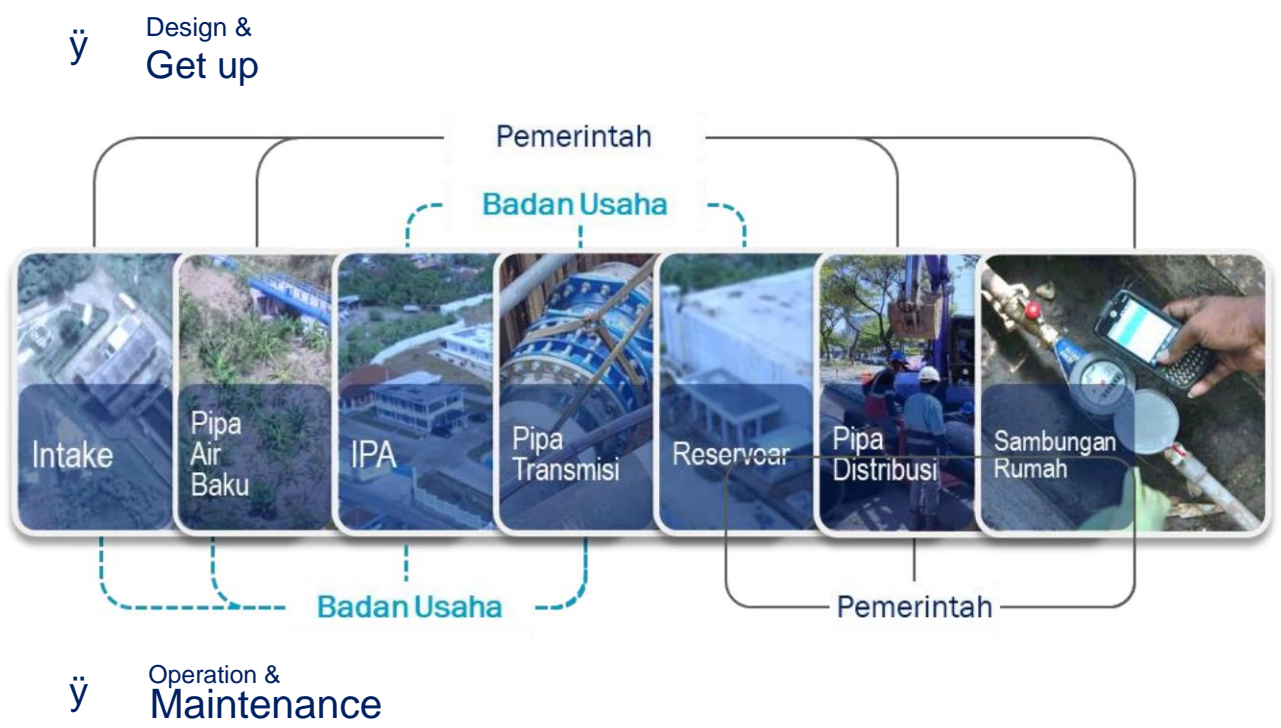


## Assets Portfolio

**Comprehensive Water Service**

# KPBU Water Infrastructure

## Solicited and Unsolicited PPP



## PPP Challenges Business Entity Perspective

There is a sharing of RISK between the Government and Business Entity that will be faced

- Design
- Start up
- Operations
- Funding
- Technology



- Licensing
- Raw Water
- Tariffs
- Absorption
- Default
- Regulation



Project IRR is Reasonable

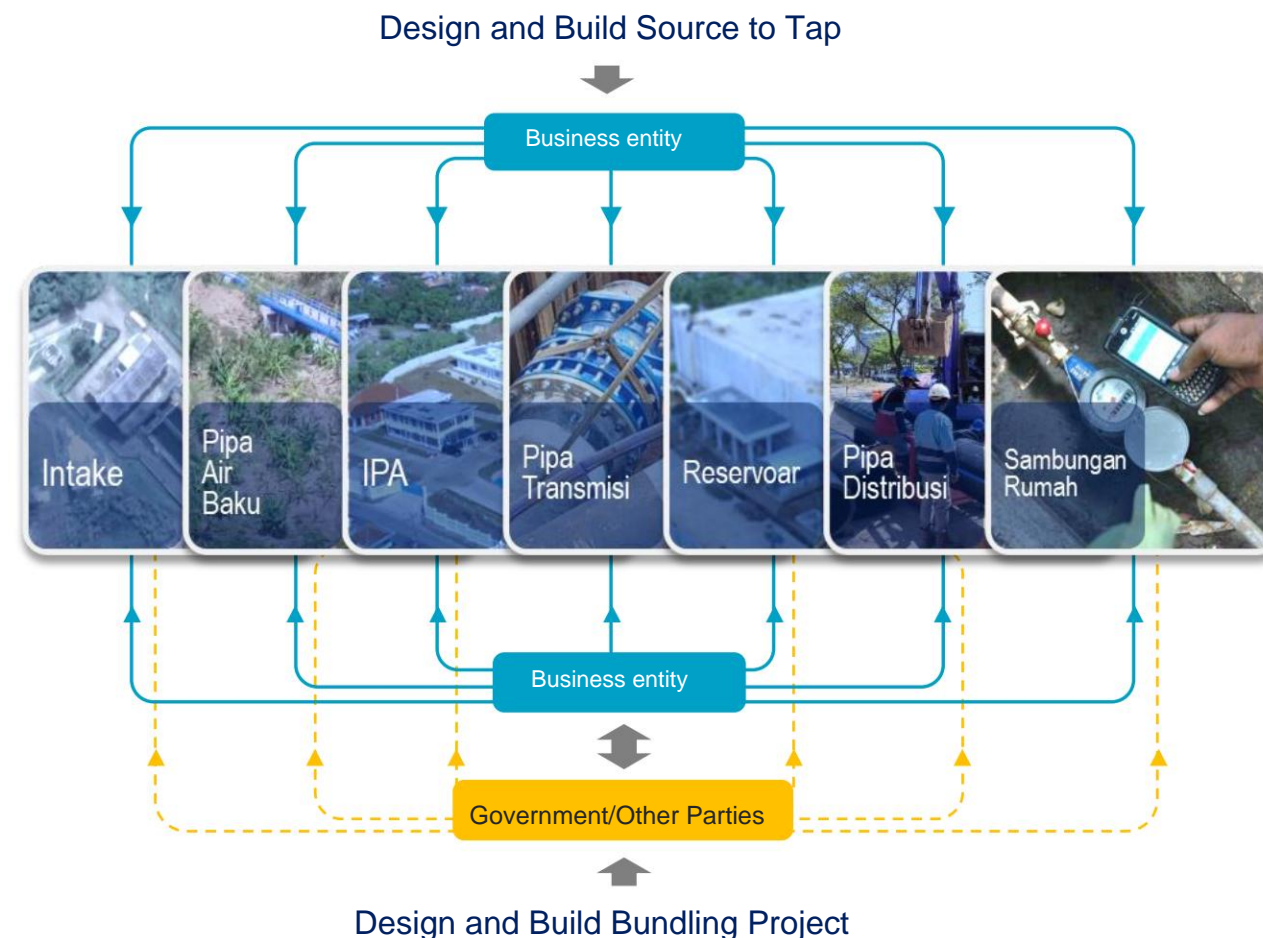
# Risiko Penerapan

## • Source to Tap

- Integrate starting from system planning from upstream to downstream, so that the timeline is more measurable between upstream development and downstream absorption.
- Minimize interface risks, more optimal development design and efficient and unified financing for unsolicited projects and optimizing the project structure for blended finance for solicited projects
- Provides greater investment certainty for business entities because from planning to implementation it will be integrated

## • Bundling Project

- The government/other parties participate in some of the development work SPAM and Operations in accordance with PP 122/2015



# Resiko

## Other Risks Drinking Water Infrastructure

### Regulatory Risk

Regarding the issuance of new regulations/regulations that will have an impact on investment returns

### Licensing Risks

- Ease of licensing in the form of a *Bundling Permit System*
- Acceleration of obtaining IMB, AMDAL, IPSDA permits

### Tariff Risk

- Including Government Investment  $\ddot{y}$  VGF
- Includes Global Funding Finance Grant from parties foreign government or SPAM Development Philanthropy funds in the form of sharing equity (*Blended Finance Equity*)
- Create local and automatic Tariff Adjustment Regulations which are based on 4% of local GDP.

### Risk of Default

- There is a Payment Guarantee from PERUMDA/PDAM  $\ddot{y}$  Escrow Account, CAMA System
- There is a guarantee from the Guarantor Entity which is cheap and more flexible
- Involve Private Guarantor from the private sector

### Raw Water Risks

- The quality and quantity of raw water is improving decrease.
- Law enforcement agencies and institutions need to be established managers with strong authority.
- It is necessary to open the supply and management faucets in private institutions so that they can compete more healthily

Thank You

