



Market Interest Assessment PPP Project Housing Sector in the Archipelago Capital City

Archipelago Capital Authority

March 7-8, 2023



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Purpose of Exploring Market Interest

1. Convey an overview of the Government Collaboration Project with Indonesian Capital Business Entities in the Housing Sector on Business Entity Initiatives (“Projects”) to business actors, investors and financial institutions/creditors.
2. Obtain input and responses regarding Project implementation from business actors, investors and institutions finance/creditors.
3. Obtain an overview of interest from business actors, investors and financial institutions/creditors towards the Project.
4. Preparing market players before implementing the Project transaction phase.

Agenda

Time	Agenda	Information
Panel Forums		
09.00 – 09.05	Opening	
09.05 – 09.15	Welcome from the Archipelago Capital Authority	Deputy for Funding and Investment, Archipelago Capital Authority
09.15 – 09.25	Welcome from the Ministry of Finance	Directorate of Government Financing Support Management Infrastructure, Ministry of Finance
09.25 – 09.35	Greetings from Representatives of the Indonesian PPP Joint Office	Directorate of Development Funding Development, Bappenas
09.35 – 10.05	Project Exposure	Directorate of Financing, Nusantara Capital Authority
10.05 – 10.30	Presentation of Infrastructure Guarantee Facilities	Director, PT PII (Persero)
10.30 – 11.30	Question and answer session	Directorate of Financing, OIKN and IKN PPP Committee
11.30 – 11.45	Closing	GCA representative

Outline



- 1. Introduction to the capital of the archipelago**
- 2. Nusantara Capital Authority as PJKP**
- 3. PPP Overview and Project Structure**
- 4. Project Timeline Indication**
- 5. Indication of General Qualification Criteria for Business Entities**

Agenda

1. Introduction to the Archipelago Capital 2.

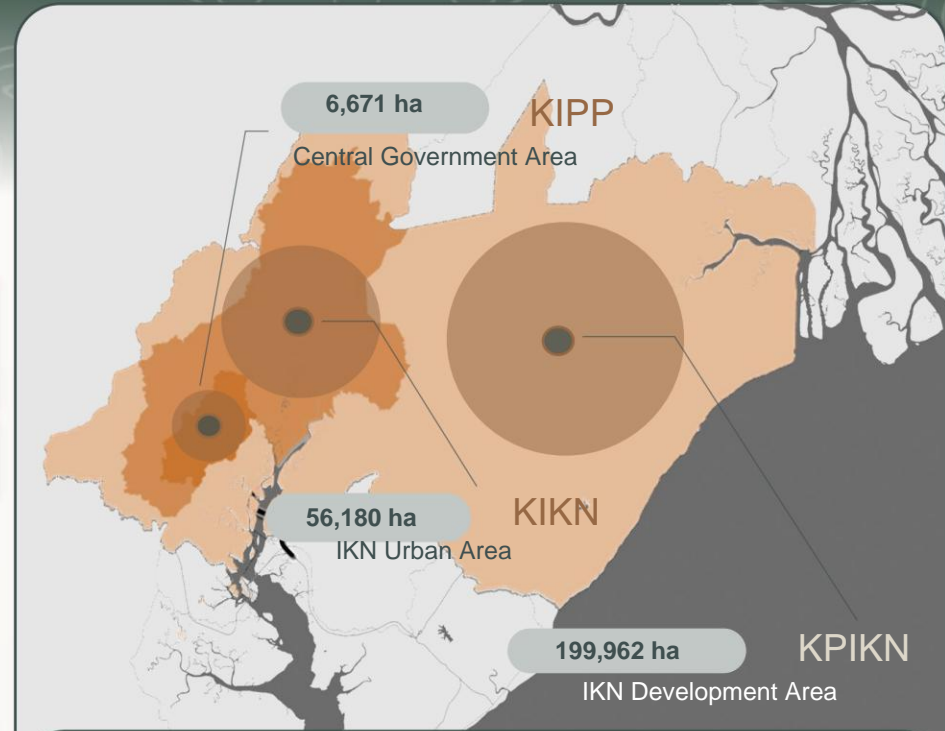
The Archipelago Capital Authority as GCA 3. Overview of
the PPP and Project Structure 4. Indication of the
Project Timeline 5. Indication of
General Criteria for Qualification of Business Entities

New National Capital: from Jakarta to East Kalimantan



“Kawasan ini adalah kawasan istana, Istana Kepresidenan yang saya optimistis tahun depan bulan Agustus insyallah sudah bisa upacara disini. Dari desain, pembuatan, pembangunan semuanya oleh kita sendiri. Bedanya itu, oleh putra-putri bangsa terbaik Indonesia.”

President Joko Widodo, 2023



TOTAL IKN AREA
322,429 Ha

Law no.21/2023

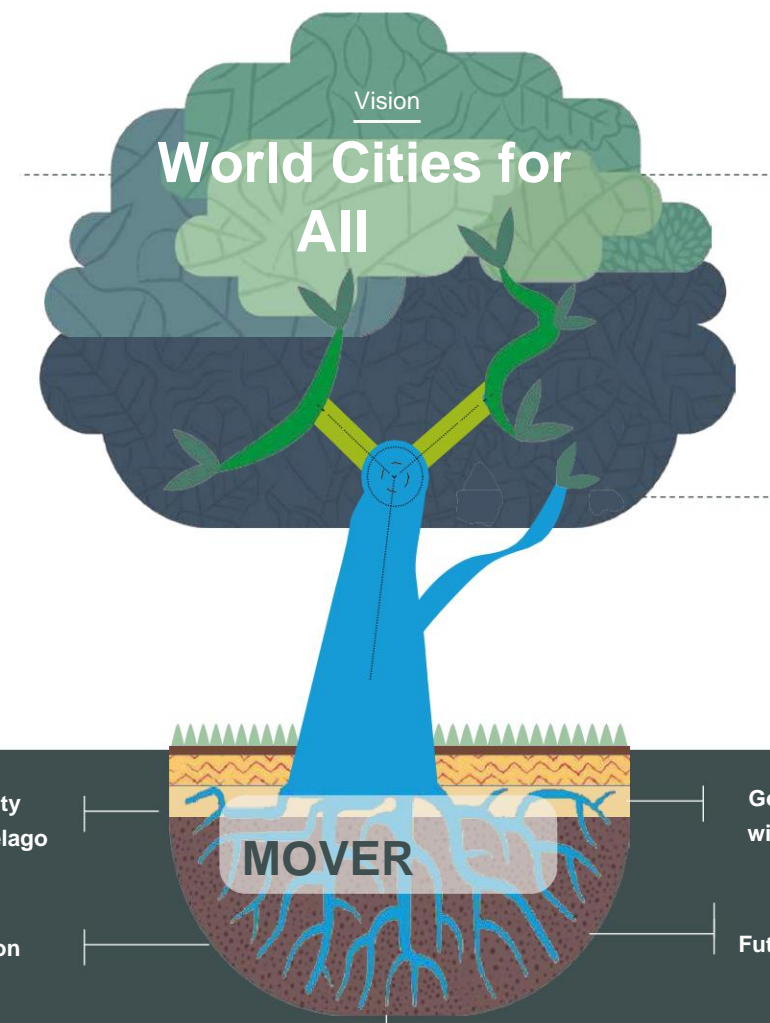
LAND TERRITORY
252,660 Ha

WATER AREA
69,769 Ha

IKN was built to be a World City – to be a city sustainable and the epicenter of economic growth in Indonesia

01 City Sustainable

- Be safe and accessible
- Aligned with natural
- Low carbon emissions
- Circular and tough
- Connected, active and easy to access



02 Economic Drivers Indonesia in the Future Front

- Economic opportunities strong for all
- Convenience and efficiency through technology & innovation

03 Identity Symbol National

- The Beauty of Indonesia – *Bhineka Tunggal Ika*

Capital Authority Archipelago

Government Cooperation with Business Entities

Tri-city Collaboration

Future priority sectors

Smart infrastructure and connectivity

Livable Cities

Effective and efficient government

12 investment sectors have been identified – with 6 main priorities for IKN development

Top priority sector (short term focus)



Renewable energy



Telecommunication



Transportation



Residential



Water Treatment



Processing
Rubbish

High priority sector (long term focus)



Region



Technology



Facility
Health



Infrastructure
Commercial



Education



Industrial area



500+ investment projects and contributions have been identified to date in KIPP IKN



Agenda

1. Introduction to the Archipelago Capital **2.**

The Archipelago Capital Authority as GCA 3. Overview of

the PPP and Project Structure 4. Indication of the

Project Timeline 5. Indication of

General Criteria for Qualification of Business Entities

Basic Regulations relating to the Capital of the Archipelago

- a. Law Number 3 of 2022 concerning National Capital as amended by Law Number 21 of 2022
2023 concerning Amendments to Law Number 3 of 2022 concerning National Capital
- b. Government Regulation Number 17 of 2022 concerning Funding and Budget Management in the Context of Preparation, Development, and Relocation of the National Capital and Implementation of Special Regional Government for the Archipelago Capital
- c. Government Regulation Number 12 of 2023 concerning Providing Business Licensing, Ease of Business and Planting Facilities
Capital for Business Actors in the Archipelago Capital d.
Government Regulation Number 27 of 2023 concerning Special Authorities of the Archipelago Capital City Authority e. Presidential
Regulation Number 62 of 2022 concerning the Archipelago Capital Authority f. Presidential Regulation
Number 63 of 2022 concerning Details of the Archipelago Capital Master Plan
- g. Presidential Regulation Number 64 of 2022 concerning Spatial Planning for the National Strategic Area of the Archipelago Capital for 2022-
2042
- h. Presidential Regulation Number 65 of 2022 concerning Land Acquisition and Land Management in the Archipelago Capital i. Regulation of the Head of the
Archipelago Capital Authority Number 1 of 2022 concerning the Organization and Work Procedures of the Archipelago Capital Authority j. Minister of Finance Regulation
Number 53 of 2023 concerning Management of State Property and Assets in Control in the Capital City
Archipelago
- k. Regulation of the Head of the Archipelago Capital City Authority Number 12 of 2023 concerning Procedures for Land Management in the Capital City
Archipelago

Duties and Functions of the Indonesian Capital City Authority



NUSANTARA

- **Nusantara Capital Authority (“OIKN”)** as the Ministry-level institution that organizes it Government of the Special Capital Region of the Archipelago
- OIKN is a ministry-level institution responsible for the preparation, construction and relocation of the National Capital, as well as the administration of the Special Regional Government for the Archipelago Capital. OIKN is led by the Head of OIKN and assisted by a Deputy Head of OIKN

OIKN tasks

The Archipelago Capital Authority has the task of carrying out activities for the preparation, construction and relocation of the National Capital, as well as administration Special Regional Government for the Archipelago Capital, and development of the Archipelago Capital and Partner Regions (*Article 3 (1) Presidential Decree 62/2022*)

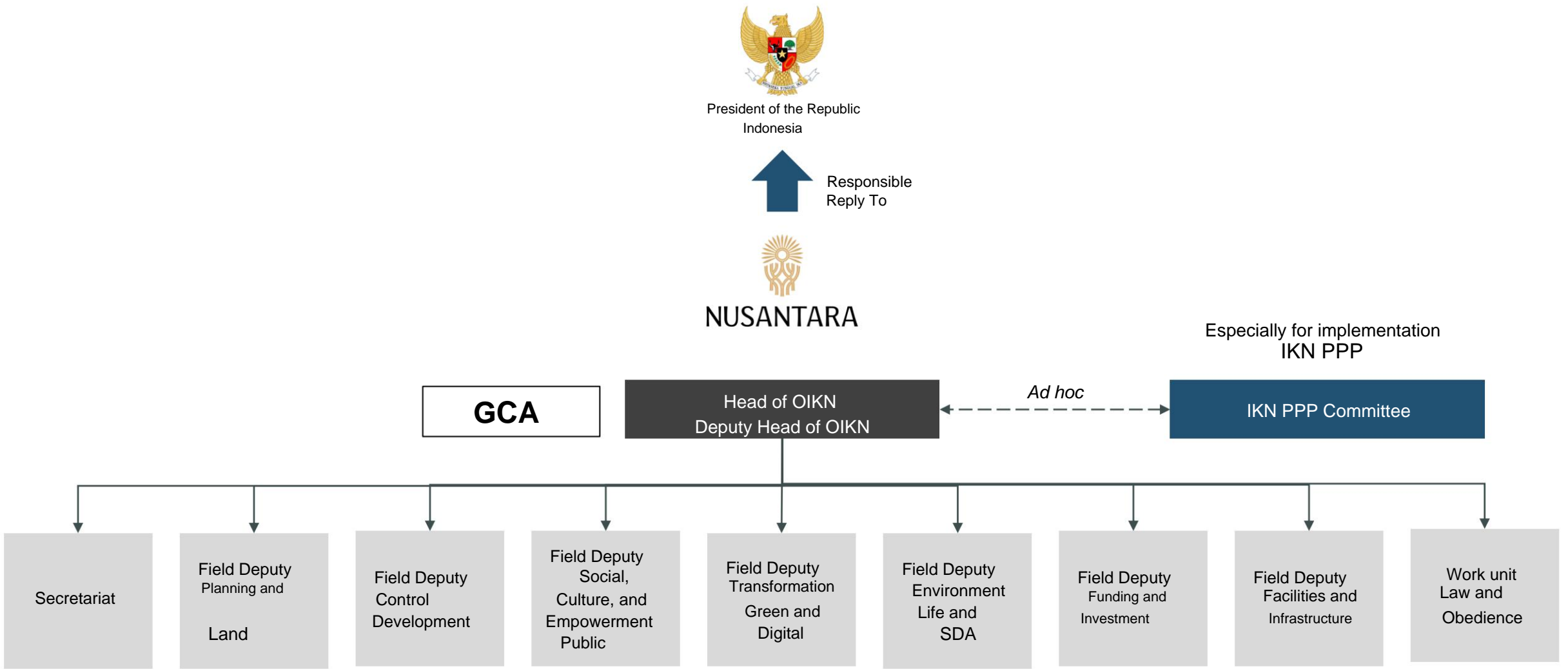
OIKN function

- 1 Implementation of preparation, construction and relocation activities for the National Capital, as well as implementation of the IKN Special Regional Government
- 2 Monitoring the implementation of the IKN Master Plan
- 3 Preparation of IKN income and expenditure budget plans
- 4 Preparation of detailed IKN spatial planning plans
- 5 IKN land management

In the IKN PPP, the Head of OIKN acts as PJPK in the context of preparation, development and relocation of the National Capital, as well as implementation of the IKN Special Regional Government. The minister/head of the relevant institution can act as PJPK if OIKN is not yet operational.

In the event that there is a government guarantee for the IKN PPP project, the authority to sign the regress agreement rests with the Head of OIKN

OIKN Structure



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General Criteria for Qualification of Business Entities

Legal Basis for Government Cooperation with Business Entities

- a. Law no. 3 of 2022 concerning National Capital b. Law no. 21 of 2023 concerning Amendments to Law no. 3 of 2022 concerning National Capital c. Government Regulation no. 17 of 2022 concerning Funding and Budget Management in the Context of Preparation, Development, and Relocation of the National Capital and Implementation of Special Regional Government for the Archipelago Capital d. Presidential Regulation no. 62 of 2022 concerning the Archipelago Capital Authority e. Presidential Regulation no. 63 of 2022 concerning Details of the Archipelago Capital Master Plan f. Regulation of the Minister of National Planning and Development/Head of the National Development Planning Agency No. 6 of 2022 concerning Procedures for Implementing Government and Business Entity Cooperation in the Archipelago Capital City
- g. **Minister of Finance Regulation No. 220/PMK.08/2022 concerning Government Support for Government Cooperation with Agencies Creative Business and Financing in the Context of Accelerating Infrastructure Provision in the Indonesian Capital City**
- h. Government Goods/Services Procurement Policy Agency Regulation No. 1 of 2023 concerning Procedures for Procurement of Business Entities Through Government Cooperation with Business Entities in the Archipelago Capital City
- i. OIKN Head Decree No. 4 of 2024 concerning the Establishment of a Government Cooperation Committee with Archipelago Capital Business Entities in the Context of Providing Housing Infrastructure in the Archipelago Capital City through the Government Cooperation Scheme and Archipelago Capital Business Entities

Government Cooperation with Business Entities

IKN PPP is a collaboration between the Government and Business Entities in providing infrastructure for the public interest in the context of funding the preparation, construction and relocation of the National Capital.

Principle

A Partnership

B Risk Control & Management

C Expediency

D Effective

E Compete

F Efficient

IKN PPP is divided into two, namely *Solicited IKN PPP* and *Unsolicited IKN PPP*.

1. *Solicited IKN PPP*

PPP projects initiated by the Government.

Implementation Stage:



2. *Unsolicited IKN PPP*

PPP projects initiated by Business Entities.

Implementation Stage:



Government Cooperation with *Unsolicited* Business Entities

The Housing Sector PPP Project in the Indonesian Capital City is a project proposed by a Business Entity (*Unsolicited*).

Unsolicited IKN PPP Criteria :

Included in the Master Plan
IKN and Master Plan Details
IKN

Economically and financially
feasible

Has added value in the form of
innovation and technology

The initiating business entity has
adequate financial capabilities

Note: The above criteria also takes into account the support of potential donors financing to finance the implementation of IKN infrastructure provision.

Form of Compensation:

1. Providing additional value of 10%.
2. *Right to Match*
3. Initiative Purchase

Business Entity Procurement Method:

1. Prequalification and One Stage Tender
2. Combination of Prequalification and Tender
3. *Swiss Challenge*
4. Direct Appointment

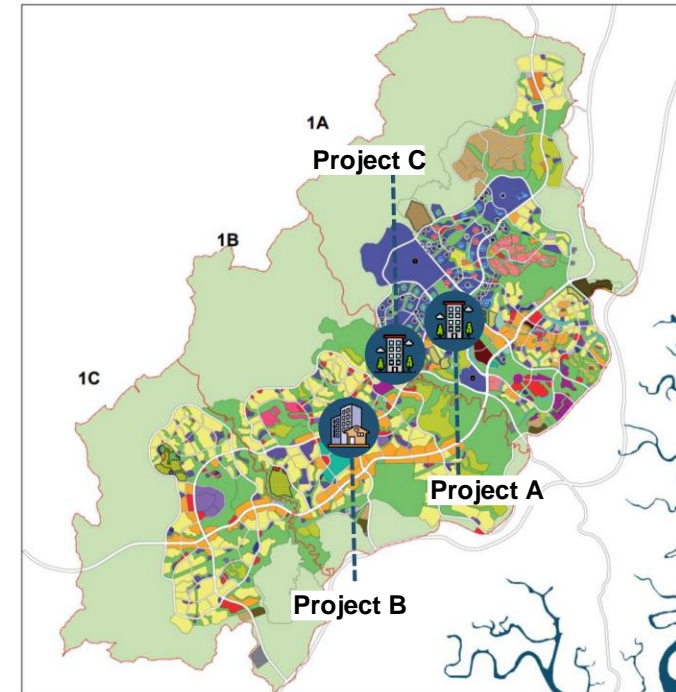
Unsolicited IKN PPP Stages



In the IKN PPP, OIKN acts as PJPK in the context of preparation, development and relocation of the National Capital, as well as the administration of the IKN Special Regional Government.

Housing Sector PPP Projects in the Archipelago Capital: Summary

Project	Project A	Project B	Project C
Description	8 Tower Flats (266 Units)	109 Landed House Units ("Landed")	8 Tower Flats (208 Units)
Objective	Providing housing for the transfer of ASN, TNI and Police to IKN		
Location	Planning Area ("WP") 1A	WP 1B	WP 1A
Concession Period	11 Years 3 Months	10 years	16 Years 6 Months
Construction Period	1 Year 3 Months	2 years	1 Year 6 Months
Operation Period	10 years	8 years	15 years
Capex Value	~ IDR 2.2 Trillion	~ IDR 2.3 Trillion	~ IDR 2.5 Trillion
Status	<i>Feasibility Study Update</i>		
Project PPP			
Project Responsible Cooperation ("PJK")	OIKN		
Scope	DBFOMT1		
Return Scheme Investment	AP2		


Legend


Landed Houses and Flats

1) *Design – Build – Finance – Operate – Maintain – Transfer* (DBFOMT) is a scheme where the Business Entity designs, builds, finances, provides operation and maintenance services under a long-term agreement, and then transfers the built assets to the Government at the end of the concession.

2) Service Availability Payment ("AP")

Note: The projects in the table above are projects proposed by Business Entities (*Unsolicited*).

Indication of Division of Scope of Responsibility

No.	Scope of work	BUP	GCA Notes	
A. Design				
1	Provision of Land/Location Access		yy	
2	Technical Planning (DED Final)	yy		
3	Obtaining Recommendations from the Building Safety Committee ("KKBG") and PUPR Minister's Recommendation (Buildings More Than Eight Floors)	yy	yy	PJPK submits a request for recommendations to stakeholders regarding the final DED prepared by BUP.
4	Development Permits (PBG, Environmental Approval Addendum, etc.)	yy	yy	Relevant stakeholders issue related permits to the GCA.
5	Obtaining the Main BGH Certificate – Planning	yy	yy	
6	Obtaining a Smart Building Certificate	yy	yy	Fulfillment of the Smart Building certificate in accordance with the provisions
B. Construction				
1	Land Preparation/Land Maturation	yy		
2	Construction Insurance (all risks)	yy		
3	Construction execution	yy		
4	<i>Testing and Commissioning</i>	yy		
5	SLF Earnings	yy		
6	Obtaining the Main BGH Certificate - Construction	yy	yy	
C. Operational				
1	Operation of Flat Building Facilities and Supporting Facilities	yy		Water utilities, electricity, waste, internet, security, and cleanliness and public facilities.
2	Routine Maintenance of Flat Buildings and Supporting Facilities	yy		
3	Small and Medium Maintenance of Flat Buildings and Supporting Facilities	yy		

Information:

yy : Main Responsible Person

yy : Providing Support to the Main Responsible Person



Indication of Standard Technical Specifications



Standard Unit Area

The standard area for landed house units and flats refers to on Specifications for Official Homes for State Officials, ASN, TNI and Polri in **Law 3/2022 concerning National Capital (IKN)**

Appendix II as follows:

Allocation No	House Type	Unit Area (m2)
1	Ministers / High State Officials Tapak House	580
2	State Officials Landed House	490
3	Intermediate JPT / Echelon 1 Landed House	390
4	JPT Pratama / Echelon 2 Flats	290
5	Administrator / Echelon 3 Flats	190
6	Functional Officers and other staff Flats	98

Source: Attachment II to Law 3/2022 concerning National Capital (IKN)

- The landed house to be built is intended for the Secretary General, Inspector General, Director General, Head of Agency, Deputies, and Officials whose positions are at Echelon I level or Civil Servants Class IV/e and IV/d, with unit area 390 m2 .
- The flats that will be built are intended for use for JPT Pratama/Echelon 2 with a unit area of 290 m2 , Administrator/Echelon 3 with a unit area of 190 m2 , and Officials Functional/Other staff with a unit area of 98 m2



State Building Standards

Technical requirements for landed houses and flats which are The State Building refers to **PUPR Ministerial Decree 22/2018 concerning Guidelines for the Construction of State Buildings**



Green Building Standards

- Green Building Standards for landed houses and flats referring to **PUPR Ministerial Decree 21/2021 concerning Assessment Green Building Performance (BGH)**.
- IKN as the national capital is **the main BGH**.



Smart Building Building Standards

IKN Smart Building Building Standards for landed houses and flat refers to **SE OIKN No.009/SE/Kepala-Otorita IKN/VIII/2023 concerning Building Construction Guidelines Smart in the Capital of the Archipelago**.

Indication of Performance Standards / Service Level Agreement (1/2)

Performance Standards – Flats

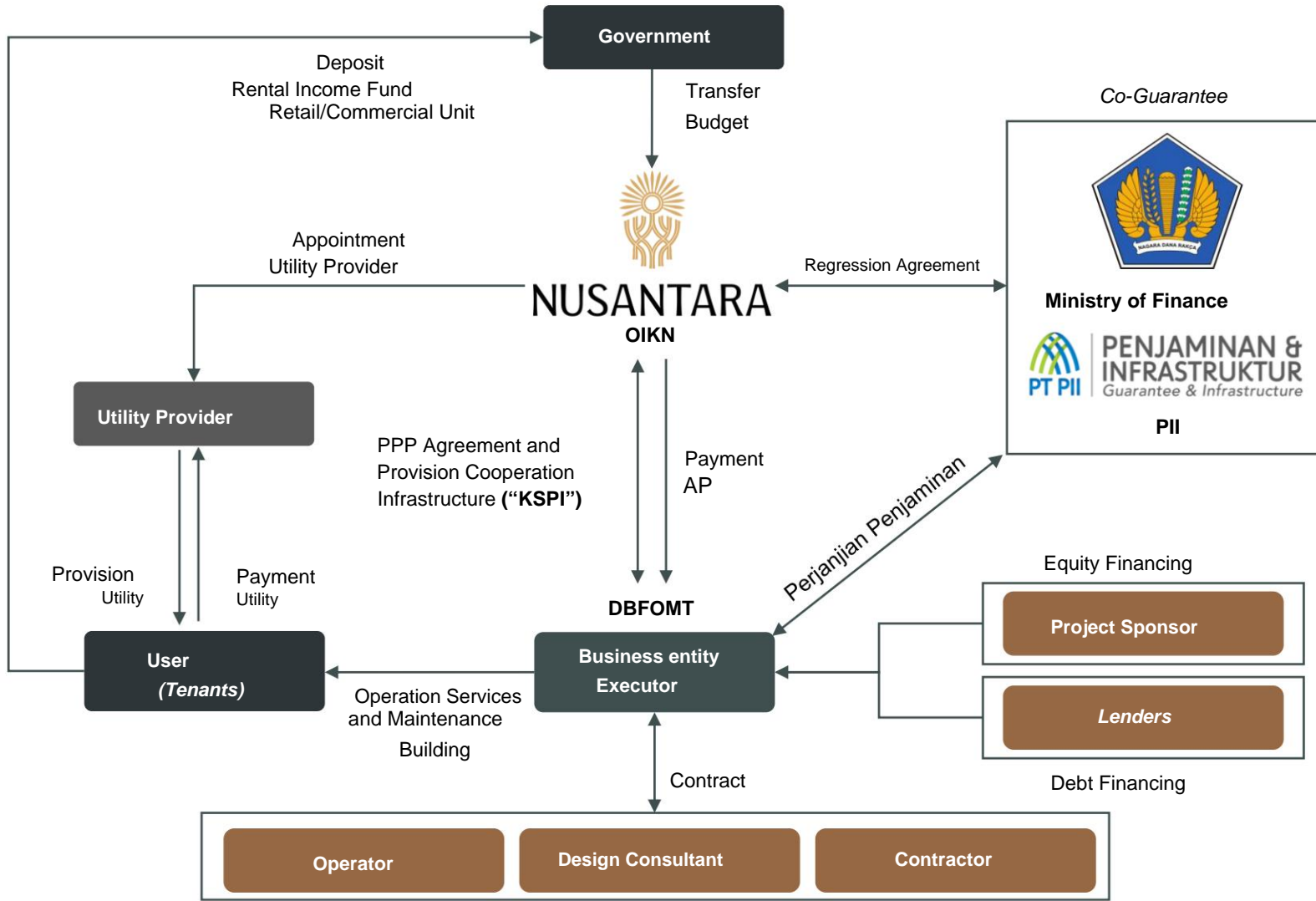
No.	Monitoring Parameters	Parameter Description
1	Availability of Residential Units	Availability of residential units that are ready and habitable according to planning and technical specifications.
2	Availability of Public Facilities and Social Facilities	Availability of public and social facilities that support residential buildings and are functionally appropriate according to planning and technical specifications.
3	Availability of Retail or Commercial Units	Availability of retail or commercial units that support residential buildings and are functionally appropriate according to planning and technical specifications.
4	Availability of Building Access Areas	Availability of circulation or building access areas that are functionally appropriate according to planning and technical specifications.
5	Availability of Waste Management Facilities	Availability of waste management facilities in residential buildings and areas that are functionally appropriate and connected to regional city-scale waste management facilities in accordance with planning and technical specifications.
6	Availability of Building Security Systems and Region	Availability of security systems for residential buildings and areas that are reliable and functionally appropriate according to planning and technical specifications.
7	Availability of Building Safety Systems and Region	Availability of a reliable safety system for residential buildings and areas in accordance with planning and technical specifications.
8	Availability of Building Management System Integrated	Availability of a reliable integrated building management system according to planning and technical specifications.
9	Availability of Complaint Management Services and Emergency response	Availability of reliable complaint management and emergency response services for residents and the public according to planning and technical specifications.
10	Availability of Reporting Services to GCA	Availability of a detailed and easily accessible residential housing management reporting monitoring system by the GCA.
11	Availability of Parking Facilities	Availability of parking facilities that are functionally appropriate according to planning and technical specifications.
12	Availability of Regional Accessibility Facilities	Availability of functional area accessibility facilities according to planning and technical specifications.
13	Availability of Building Vertical Transportation Systems	Availability of vertical transportation systems that are functionally appropriate according to planning and technical specifications.
14	Availability of Green Open Space	Availability of green open space according to planning and technical specifications.

Indication of Performance Standards / Service Level Agreement (2/2)

Performance Standards – Landed Houses

No.	Monitoring Parameters	Parameter Description
1	Availability of Residential Units	Availability of residential units that are ready and habitable according to planning and technical specifications.
2	Availability of Public Facilities Social Facilities	Availability of public and social facilities that support residential buildings and are functionally appropriate according to planning and technical specifications.
3	Availability of Road Access and Circulation	Availability of road access and circulation that is functionally appropriate according to planning.
4	Availability of Waste Facilities	Availability of functionally appropriate waste management facilities that are connected to regional waste facilities in accordance with statutory and planning standards.
5	Availability of Residential and Area Security Systems	Availability of a reliable security system that includes human resources (" HR "), equipment, and <i>Standard Operating Procedures</i> (" SOP ") according to planning.
6	Availability of Safety Systems	Availability and functioning of a reliable safety system that includes human resources, equipment and SOPs according to planning.
7	Availability of Building Management System Integrated	Availability and functioning of a reliable integrated building management system in residential homes.
8	Availability of Complaint Management and Response Occupant Emergency	Availability of a reliable complaint and emergency response service management system for residents.
9	Availability of Green Open Space	Availability of green open space according to planning and technical specifications.
10	Availability of Reporting to the GCA	Availability of a detailed and easily accessible residential housing management reporting <i>monitoring</i> system by the GCA.

Project Structure Indication



PPP Project Scope: DBFOMT (*Design – Build – Finance – Operate – Maintain – Transfer*).

DBFMOT is a scheme where the Business Entity designs, builds, finances, provides operation and maintenance services under a long-term agreement, and then

transfer the assets built to
The government at the end of the concession.

Government Responsibility and Support to the Project:

- Land Provision (PJPk)
- Financial Management of Rental Fee Payments
- Service Availability Payments
- Guarantee Facility (Guarantee Business Entity Infrastructure (“BUPI”))
- Related Licensing

No.	Risk	Risk Allocation
1	Land supply	GCA
2	PJPk User Demand	
3	Construction and Operation	Business entity Executor

Note: the project collaboration structure is an initial identification and requires further discussion and review.

Income Structure

Definition of Service Availability Payment ("AP")

AP is a periodic payment by the GCA, which comes from the Revenue Budget and State Expenditure ("APBN"), to the Implementing Business Entity ("BUP") for the provision of infrastructure services which is in accordance with the quality and/or criteria as specified in the IKN PPP Agreement.

1 BUP designs, carries out construction, finances, and provides operation and maintenance services.

2 AP payments **begin when services are provided**. BUP does not accept payments during construction period.

3 AP payments must be **adjusted to the achievement of the SLA** agreed upon in the IKN PPP Agreement.

4 Payments to BUP are made by OIKN.

AP

=

Investment Costs

+

Cost
Operational and
Maintenance

+

Cost of Capital
(Loans and
Equity)

Information:

- o Investment Costs = Costs to carry out construction.
- o Operational and Maintenance Costs = Costs to provide services in accordance with the IKN PPP Agreement.
- o Cost of Capital = Cost of obtaining funding in the form of loans and equity.
- o Penalties may be imposed on AP payments in the event of unavailability of services and/or performance the service does not meet the SLA.

¹⁾ etc. = and so on, Source: ²⁾ GDP = Gross Domestic Product.

VAT Ministerial Regulation No.6/2022, KMK No. 77/KMK.08/2023

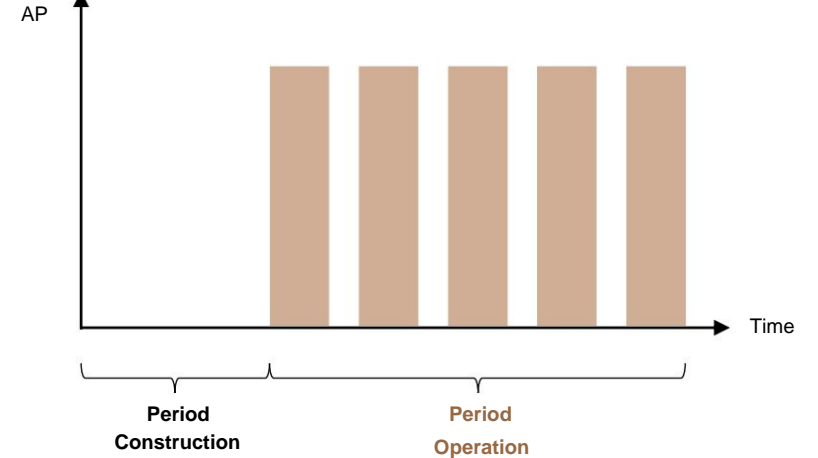
AP Payment Scheme

ILLUSTRATION

AP Payments

Annually, in IDR

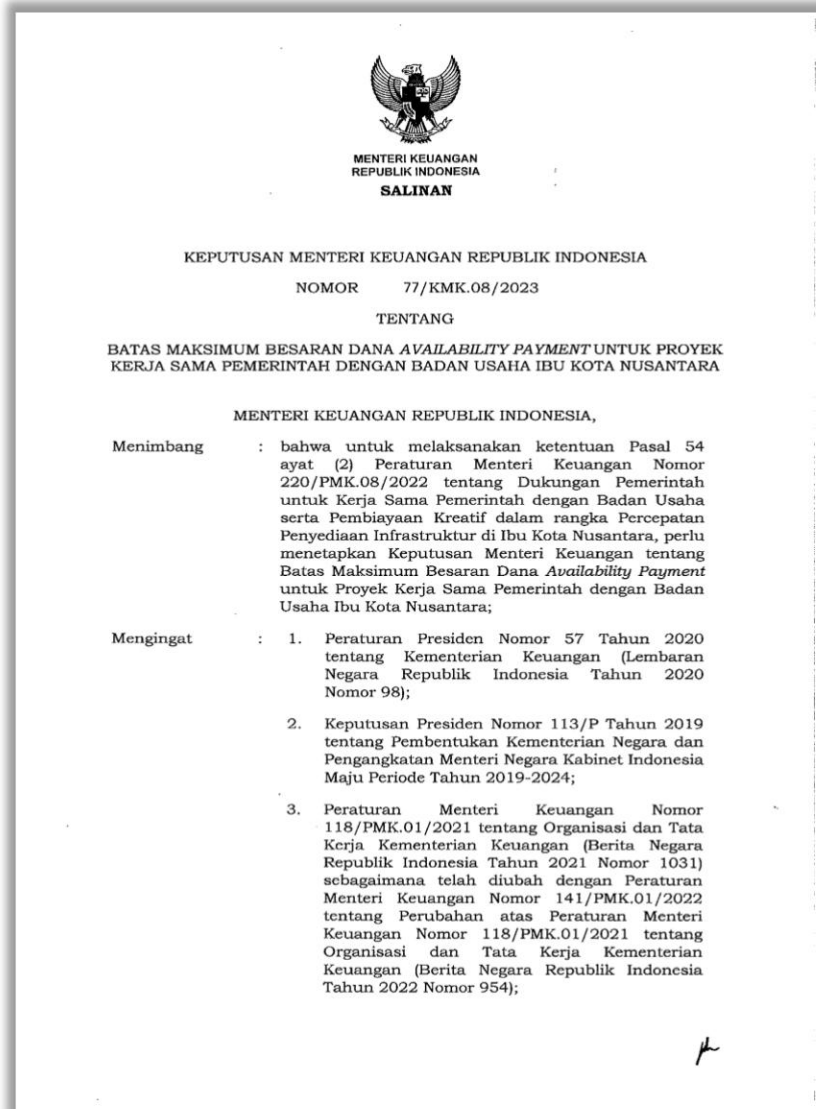
Payment



Advantages of the AP Scheme

1. Does not bear demand *risk*
2. Certainty of investment returns
3. Guaranteed financial feasibility

AP Fiscal Space Provisions



The Ministry of Finance is committed to ensuring availability *Availability Payment* budget in the early stages of IKN development through final AP confirmation as regulated in PMK 220/2022.

The Ministry of Finance has issued KMK 77/KMK.08/2023 concerning Limits Maximum Amount of Availability Payment Funds for IKN PPP Projects date February 28, 2023 as fiscal space for *Availability* payment budgeting *Payment*.

Year	Fiscal Space
2024 – 2029	0.10% of GDP for the current year
2030 – ...	0.15% of GDP for the current year

Indication of Project Risk Allocation (1/6)

No.	Risk Categories and Risk Events	GCA	BU	Together
Location Risk				
1	Land cannot be used after being cleared			yy
2	Difficulty in unexpected location conditions			yy
3	Limited construction <i>work space</i>		yy	
4	Damage to artifacts and ancient items at the location		yy	
5	Land status risks	yy		
6	Contamination of pollution to the location environment		yy	
7	Disturbing the comfort of different communities around the project area		yy	
Design, Construction and Operational Test Risks				
1	Unclear output specifications		yy	
2	Failing to maintain security and safety at the location		yy	
3	Increase in construction costs		yy	
4	Poor contractor/subcontractor performance		yy	
5	Contractor/subcontractor <i>default</i>		yy	
6	Design errors		yy	
7	Delay in completion of construction		yy	

Source: 2023 Risk Allocation Reference, PT Penjaminan Infrastruktur Indonesia

Indication of Project Risk Allocation (2/6)

No.	Risk Categories and Risk Events	GCA	BU	Together
8	Operational test risks (<i>testing & commissioning</i>)		yy	
9	Changes in the scope of work after signing the contract			yy
Sponsorship Risks				
1	<i>Default BU</i>		yy	
2	<i>Default project sponsor</i>		yy	
3	Failure/delay in establishing BUP		yy	
4	<i>Project lender default</i>		yy	
Financial Risk				
1	Failure to reach <i>financial close</i>		yy	
2	Risk of delays in government fiscal support (incentives, subsidies, etc.) and/or partial construction support	yy		
3	Currency exchange rate risk		yy	
4	Risk of inflation and interest rates		yy	
5	Insurance risks		yy	

Source: 2023 Risk Allocation Reference, PT Penjaminan Infrastruktur Indonesia

Indication of Project Risk Allocation (3/6)

No.	Risk Categories and Risk Events	GCA	BU	Together
Operational Risk				
1	Availability of internal facilities in the area/lot		yy	
2	Poor or unavailability of service		yy	
3	Project management failures		yy	
4	Failure of project control and <i>monitoring</i>			yy
5	Increase in O&M costs		yy	
6	<i>Life cycle</i> cost estimation errors		yy	
7	Increased energy costs due to unit inefficiencies		yy	
8	Irregular availability of utilities		yy	
9	Risk of technology failure		yy	
10	Risks of technological obsolescence (<i>technology obsolescence</i>)		yy	
11	Security and safety risks		yy	

Source: 2023 Risk Allocation Reference, PT Penjaminan Infrastruktur Indonesia

Indication of Project Risk Allocation (4/6)

No.	Risk Categories and Risk Events	GCA	BU	Together
Income Risk				
1	Change in projected demand volume	yy		
2	Estimation error from previous model	yy		
3	Leakage collects tariff payments	yy		
4	Failure to pay AP on time	yy		
5	Miscalculation of tariff estimates	yy		
Network Connectivity Risks				
1	Road, transportation and utility network connectivity risks	yy		
2	Risks to the smooth running of the transportation system	yy		
3	Risk of competitors' facilities	yy		

Source: 2023 Risk Allocation Reference, PT Penjaminan Infrastruktur Indonesia

Indication of Project Risk Allocation (5/6)

No.	Risk Categories and Risk Events	GCA	BU	Together
Interface Risk				
1	The risk of time imbalance from the quality of work			yy
2	Risk of differences in service standards/methods		yy	
3	Relationship risks			yy
Political Risk				
1	Foreign currency cannot be converted	yy		
2	Foreign currency cannot be repatriated	yy		
3	Risk of expropriation	yy		
4	Common regulatory (and tax) changes		yy	
5	Discriminatory and specific regulatory (and tax) changes	yy		
6	Delay in obtaining planning approval	yy		
7	Failure/delay in obtaining approvals & permits	yy		
8	Delay in gaining access to the project site	yy		
9	Parastatal risks	yy		

Source: 2023 Risk Allocation Reference, PT Penjaminan Infrastruktur Indonesia

Indication of Project Risk Allocation (6/6)

No.	Risk Categories and Risk Events	GCA	BU	Together
Force Majeure Risk				
1	Natural disaster			yy
2	Political <i>force majeure</i>			yy
3	Extreme weather			yy
4	Prolonged <i>force majeure</i>			yy
Asset Ownership Risk				
1	Risk of asset value falling		yy	
2	Transfer of assets after the PPP contract ends		yy	

Source: 2023 Risk Allocation Reference, PT Penjaminan Infrastruktur Indonesia

Conditions for Foreign Investor Participation

1. Considering the scope of the Project using the PPP scheme, it has been structured that BUP will use sub-contractors in carrying out construction.
2. Referring to the provisions in Presidential Decree 10/2021 and BPS Regulation 2/2020, the Standard Classification of Indonesian Business Fields ("**KBLI**") that are relevant to owning by BUP are as follows:

Business fields	KBLI Description	Condition
Owned Real Estate Own or Rented	68111	Open 100% (one hundred percent) for PMA



Thus, any foreign investor who wishes to participate in the Project can establish a Foreign Investment company in the form of Limited Liability Company in Indonesia.

Agenda

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the PPP and Project Structure **4. Indication of the**

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Project *Timeline* Indication

No. Activity	2024												2025				2026	2027	2028 etc.
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4					
Preparation Stage																			
1	Market Sounding	★																	
2	Transaction preparation																		
Transaction Stage*																			
3	Procurement Announcements																		
4	Prequalification and Auction Implementation																		
5	Announcement & Determination of Auction Winner																		
6	Establishment of BUP																		
7	Signing of the PPP Agreement and Other Agreements																		
8	Implementation of <i>Financial Close</i> – <i>4 months since the signing of the PPP Agreement</i>																		
Construction and Operation Phase																			
9	Ground Breaking																		
10	Pre-Construction Implementation (Final Design/Permit)																		
11	Construction Implementation																		
12	Implementation of Operations																		

***IKN PPP Transaction implementation refers to the provisions in LKPP Regulation Number 1 of 2023**

★ Current status

Agenda

1. Introduction to the Archipelago Capital
2. Archipelago Capital Authority as PJPK
3. Overview of the Property Industry
4. Overview of PPP and Project Structure
- 5. Indication of General Qualification Criteria for Business Entities**

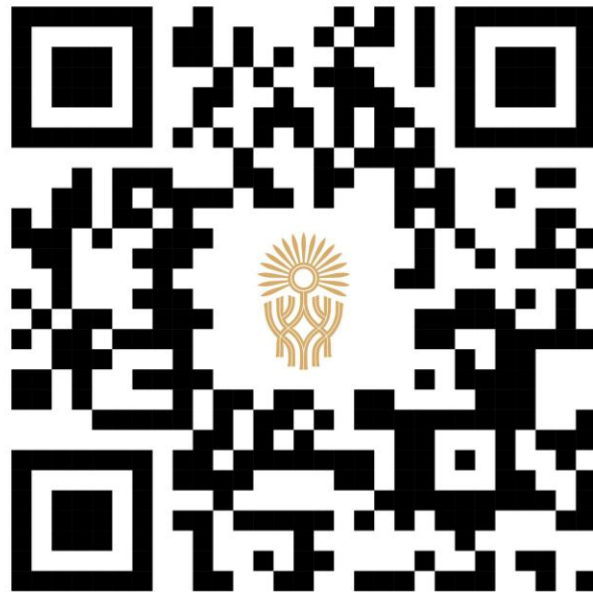
Qualification Fulfillment Indicators

Aspect	Definition
Condition Administration	<p>Integrity Pact a. Conflict of interest b. Prohibition of corrupt practices, collusion, and/or nepotism and fraud c. Prohibition of conspiracy, monopolistic practices and/or unfair business competition</p> <p>Qualification form a. General information b. Licensing in accordance with statutory regulations c. Deed of establishment and articles of association, including amendments thereto d. Authority to sign qualification documents e. Fulfillment of tax obligations in accordance with statutory regulations or a statement of willingness to comply with tax provisions f. Composition of shareholders, composition of directors and board of commissioners g. A statement letter that he is not in bankruptcy, his business activities are not being stopped, and/or he is not currently undergoing a criminal case has the potential to disrupt the implementation of the IKN PPP Project h. Information regarding material disputes <i>which</i> are in process and/or have been resolved i. Consortium agreement (in case of consortium)</p>
Technical Requirements	<p>Experience and ability in providing similar projects 1. Vertical residential building construction experience 2. Vertical residential building operational/management experience</p>
Condition Financial	<p>1. A track record of good financial performance includes: a. Current Ratio b. Operating Cash Flow c. Total Assets d. Net Worth e. Net Profit f. Other.</p> <p>2. Successful experience in financing and/or obtaining financing for similar projects</p>

**Need for Input and/or Response from
Market Players and Financial Institutions/Creditors**

Response/Input, MS Material and Letter of Interest Form

<https://linktr.ee/msiknhousing>



The completed *Letter of Interest* form in PDF format (*softcopy*) can be submitted via email: dbpi@ikn.go.id

List of *One-on-One Meeting Questions*

Business Actors/Investors

No	Description	Input and/or Response
1	Information on financing experience in implementing similar projects (property), both in Indonesia and outside Indonesia, including but not limited to: a. Project Name b. Fulfillment of Green Building (" BGH ") requirements and/or implementation of Smart Buildings (" BGC " or <i>Smart Building</i>)? c. Project Construction and Operation Period d. The role of market actors in the project (for example, contractors, investors, <i>developers</i> , <i>lenders</i> , etc.) e. Types of Project Financing	
2	Input/response regarding the Project scope? a. Scope of construction, operation and maintenance (including maintenance of interior/furniture/water furniture/textiles in residential units) b. Construction period c. Collaboration Period	
3	Input/response regarding fulfilling BGH requirements and implementing BGC/smart buildings?	
4	Input/response to potential construction implementation issues in the IKN area? including resource/vendor availability and increased construction and operating costs	
5	Input/response on Key Performance Standards and implementation of SLAs on Projects? including AP adjustments taking into account performance achievements	
6	Input/response to risk allocation?	
7	Input/response to estimates of debt interest rates on infrastructure projects or similar projects/property? <i>With the perspective that the investment return scheme is through payment of service/AP availability where BUP does not bear the risk of demand</i> <i>With the perspective that the project applies ESG, sustainability and green building principles.</i>	
8	Input/response to the estimated rate of return on equity <i>Equity Internal Rate of Return</i> (EIRR) on infrastructure projects or similar projects/property <i>With the perspective that the investment return scheme is through payment of service/AP availability where BUP does not bear the risk of demand</i>	
9	Input/response regarding guarantee facilities for infrastructure projects or similar projects/property? Including the need and scope of guarantees, as well as the amount of compensation for guarantee services	
10	Input/response on procurement methods and indicative schedule for transaction implementation projects?	

List of *One-on-One Meeting* Questions

Business Actors/Investors

No	Description	Input and/or Response
11	Input/response on the investment return scheme through payment for service availability/AP? Including scheduling of expected AP payments (monthly, 3 monthly, 6 monthly and annually)	
12	Input/response to the estimated amount of implementation guarantee as one of the requirements for the effectiveness of the IKN PPP Agreement? Considering the relatively large investment value of the project	
13	Input/response to the cooperation scheme if implementing a concession scheme where assets will be recorded first in the name of the Government?	
14	Input/response regarding the 4 month period for obtaining financing (<i>financial close</i>) for infrastructure projects or similar projects/property?	
15	Input/response on other aspects of the Project? a. Mitigate construction and other operational risks b. Mitigate other legal risks c. Expected investment facilities d. Key factors of involvement in implementing infrastructure project investment in IKN	

List of *One-on-One Meeting Questions*

Financial Institutions/Creditors

No	Description	Input and/or Response
1	Information on financing experience in implementing similar projects (property), both in Indonesia and outside Indonesia, including but not limited to: a. Project name b. Project Construction and Operation Period c. Project Financing Scheme	
2	Input/response to Project risk allocation?	
3	Input/response on the structure of debt and equity financing for infrastructure projects or similar projects/property?	
4	Input/response to estimates of debt interest rates on infrastructure projects or similar projects/property? <i>With the perspective that the investment return scheme is through payment of service/AP availability where BUP does not bear the risk of demand</i> <i>With the perspective that the project applies ESG, sustainability and green building principles.</i>	
5	Input/response on the investment return scheme through payment for service availability/AP? including scheduling of expected AP payments (monthly, 3 monthly, 6 monthly and annually)	
6	Input/response regarding guarantee facilities for infrastructure projects or similar projects/property?	
7	Input/response to the qualification criteria for a business entity's financial track record in obtaining debt financing for infrastructure projects or similar projects/property? Including financial ratio indicators used to assess the financial capability of business entities.	
8	Input/response to the arrangement that to maintain <i>the Bankability</i> of the Project, what can be guaranteed from the Project is the concession rights owned by BUP, where there is a <i>step-in rights</i> mechanism owned by the lender	
9	Input/response to the cooperation scheme if implementing a concession scheme where assets will be recorded first in the name of the Government?	
10	Input/response regarding willingness to make financing commitments to business entities participating in the procurement/initiator at the previous transaction stage determining the auction winner?	
11	Input/response regarding the 4 month <i>financial close</i> period for infrastructure projects or similar projects/property?	
12	Input/feedback on other commercial and financial aspects of the Project? a. Mitigate other legal risks b. Key factors for involvement in infrastructure project financing at IKN	



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