



DE-RISKING INFRASTRUCTURE PROJECTS: Challenges for attracting global financial resources, learning from Indonesia toll road development

Danang Parikesit

PROFESSOR, UNIVERSITAS GADJAH MADA, INDONESIA

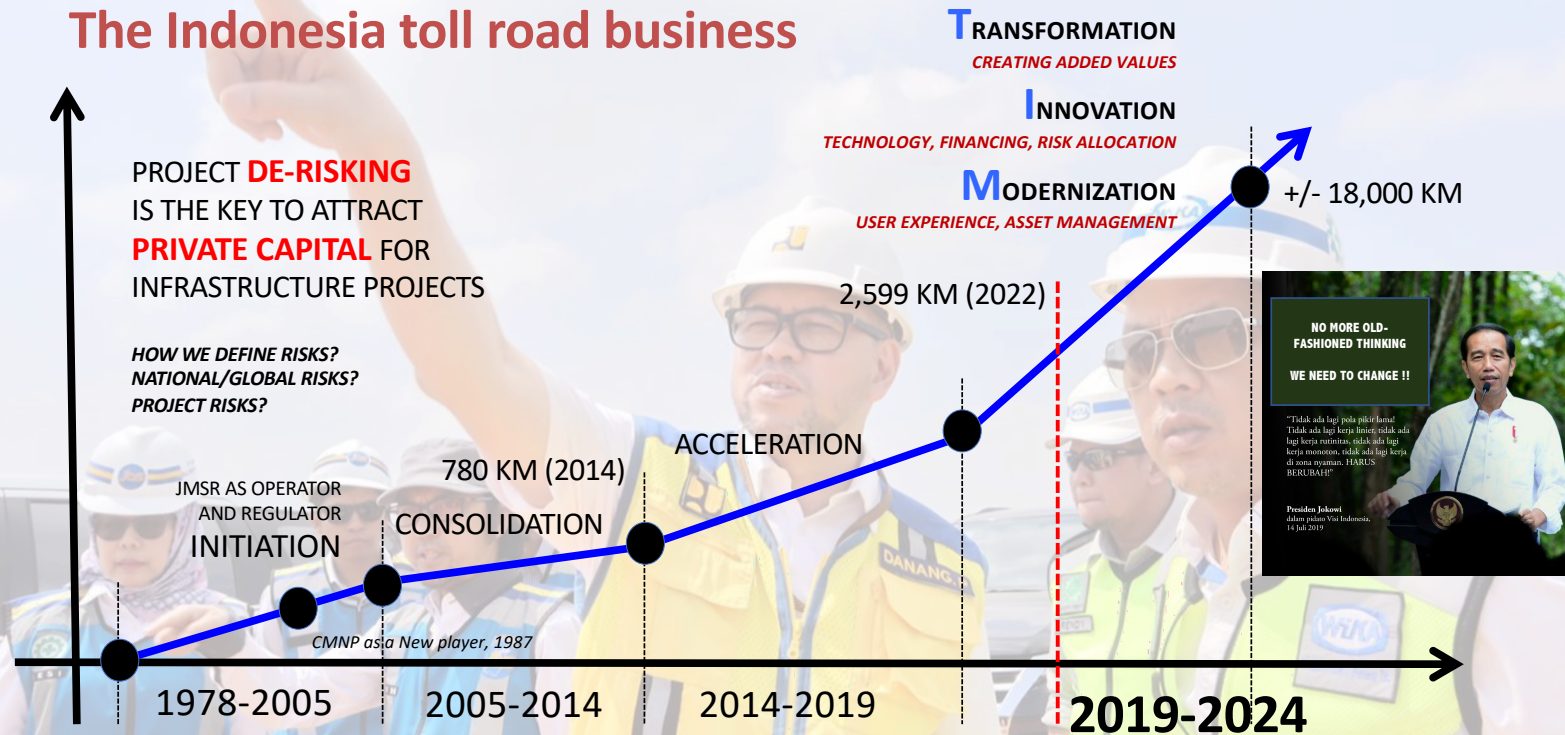
HEAD, THE INDONESIA NATIONAL TOLL ROAD AUTHORITY
MINISTRY OF PUBLIC WORKS AND HOUSING, INDONESIA

CO-CHAIR T20 INDIA, INFRASTRUCTURE FINANCE WORKSTREAM

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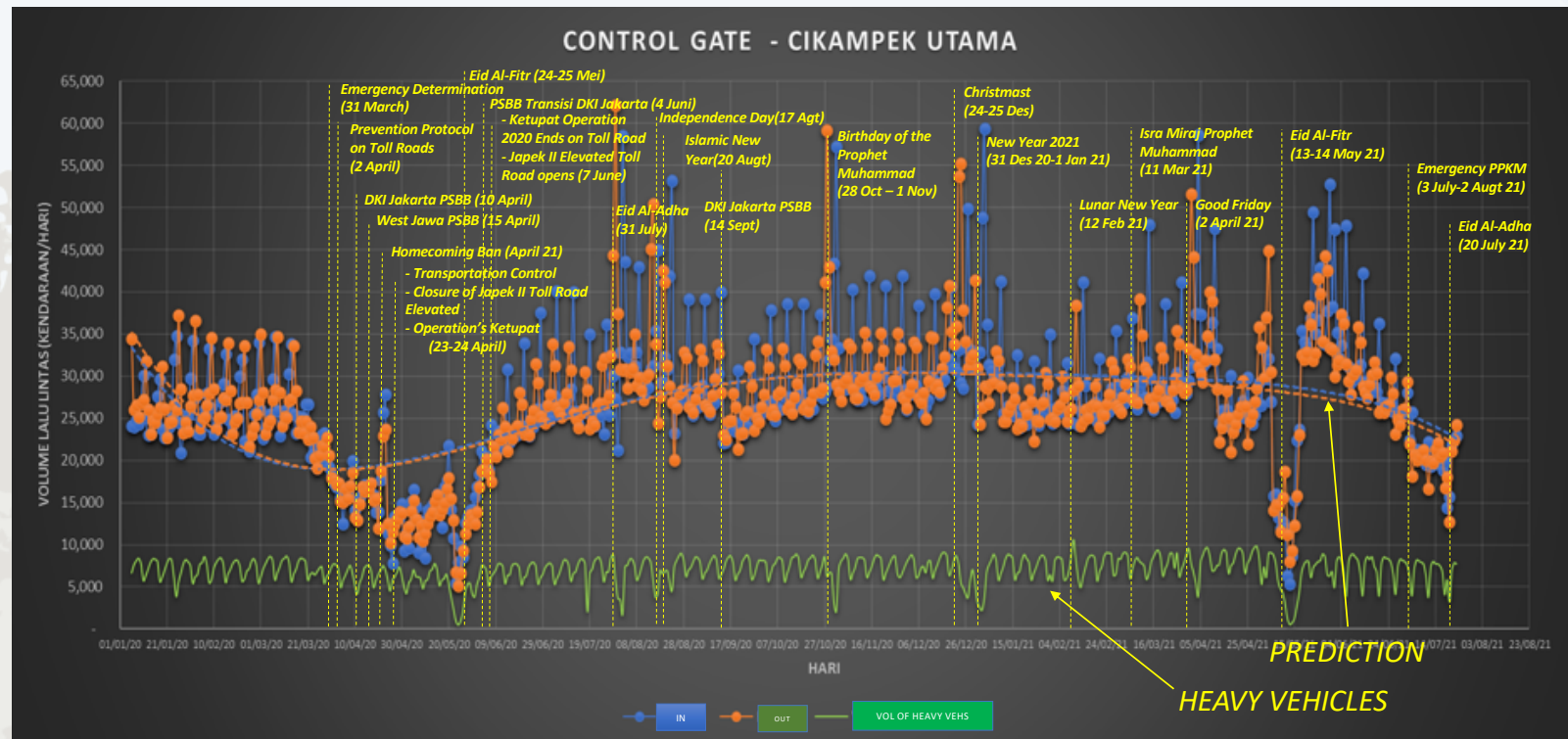


EVOLUTION IN The Indonesia toll road business



CIKAMPEK UTAMA TOLL GATE 2020-2021

(MONITORING AND ANALYTICS – IMPACTS OF PANDEMIC)



EXPOSURES OF NEW KNOWLEDGE



- ✓ *Teleworking, (very) flexible working hours, solidarity with society's social conditions*
- ✓ *Contactless Interaction: human-human, human-equipment, human-environment*
- ✓ Consideration of new risks, better more equitable risk allocation
- ✓ Importance of government policies to combine mitigation and adaptation
- ✓ Creative financing to better manage cashflows
- ✓ Utilization of mobile applications for a better driving experience



BUILDING BLOCK TOLL ROADS FINANCING INNOVATION

LAND FINANCING

AVAILABILITY OF LAND FINANCING FOR PSN

State Asset Management Agency
Financing cost of bailout fund

AVAILABILITY OF LAND FINANCING FROM GOVT

Budget Implementation List
Directorate General of Highway

INDEPENDENT LAND FINANCING FROM TRC

Part of investment cost

EQUITY FINANCING

CAPITAL AVAILABILITY IN THE TOLL ROAD SECTOR: (BROWNFIELD)

Asset Recycling
Exploration of Capital Market
Expansion of source of equity
(eg: Syariah Compliance)
Sovereign Wealth Fund
Corporate / Retail

CAPITAL IN PROJECT (GREENFIELD)

PMN and VGF/Construction Support
Support for JTTS
CPF/SCF/Strategic Alliance
Fund as majority of company holder in construction period
exit guarantee financing/VC/PE-Fund

LOAN FINANCING

JUNIOR LOAN /MEZZANINE/ SUBORDINATE DEBT

Cash Deficiency Support
Supply Chain Financing
Takeout loan financing (private bank/international)
Extended Turnkey + finance

SENIOR LOAN

Reprofiling Loan
Project Finance Loan

RISK FINANCING

RISK GUARANTEE SECTOR/RESIDUAL RISK

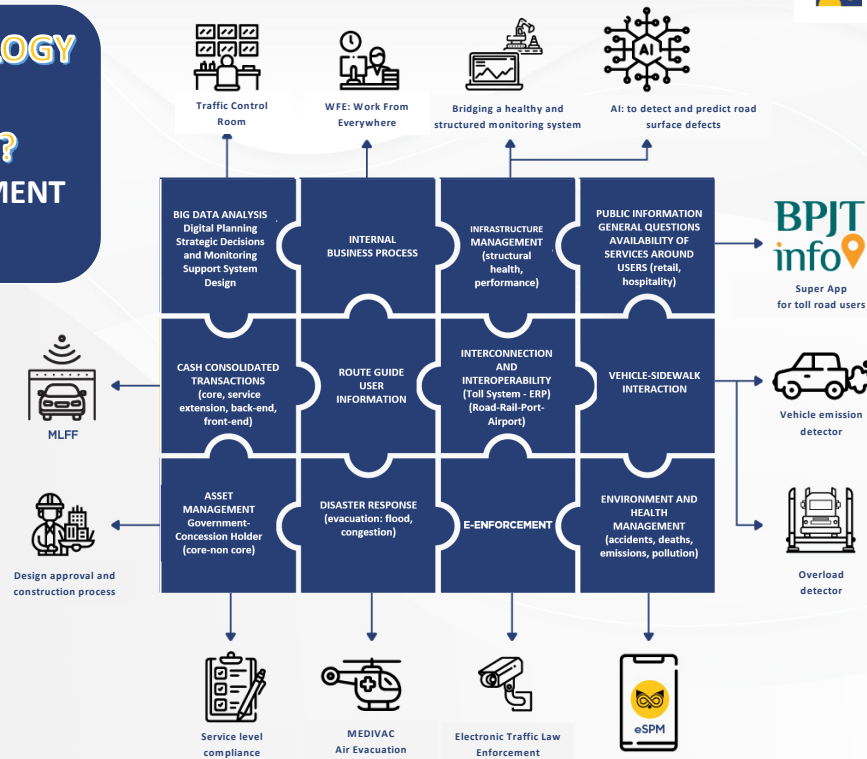
Network integration risk/tariff rebalancing
Toll Road revenue reconciliation
Growth Cost
Covid-19 Pandemic Compensation

PROJECT RISK GUARANTEE

Land Acquisition Guarantee
Tariff adjustment Risk



CURRENT TECHNOLOGY INITIATIVE: WHERE ARE WE? TOLL ROAD MANAGEMENT



CLOSING REMARKS

- Indonesia has gone through various stages in the toll road development, it is currently the champion of PPP projects for the country
- The Indonesian NTRA model has been successful in managing expectations of the public sector and private sector interests, and should continue to play such a role
- For toll roads, Covid-19 is not the cause of the declining demand and thus revenue; government policies are.
- Government needs to recognize “new risks” in toll road development at both macro level (global/national) and project level, and should develop an appropriate mitigation and adaptation strategy
- Innovation will be the keyword for sustainability in the toll road infrastructure business – learning is a part of the success
- Covid-19 pandemic should be seen as a momentum for accelerated innovation: finance, technology, value creation, and governance