

Asia Pacific Infrastructure Partnership (APIP) Dialogue with the Government of Indonesia

2 December 2013 * 2:30 pm – 5:30 pm

Grand Ballroom, Four Seasons Hotel, Jakarta, Indonesia

CONFERENCE REPORT

BACKGROUND

On 7 November 2010, a forum on private infrastructure finance was convened in Yokohama by the APEC Business Advisory Council (ABAC), Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC), in collaboration with Japan's Ministry of Finance. The discussions confirmed that infrastructure is a central issue for the region. A key message of the forum was that structures enabling relevant parties from the public and private sectors to frankly and objectively discuss complex matters related to infrastructure can help in creating more conducive environments for private financing of infrastructure.

Following this conclusion, ABAC proposed to establish the Asia-Pacific Infrastructure Partnership (APIP) that will involve key officials, experts from multilateral development banks, and senior private sector infrastructure experts and practitioners. Upon the endorsement of participants at a meeting convened by ABAC and the World Bank in Honolulu in 2011,¹ the APEC Finance Ministers agreed on the inclusion of APIP among their policy initiatives and its management by ABAC.

Since the establishment of APIP, a number of dialogues have been held with various governments – the governments of Mexico and Peru on 24 August 2011 in Lima, the Philippine Government on 5 October 2011 and on 23 January 2013 in Manila, the Vietnamese Government on 20 July 2012 in Hanoi, the Government of Indonesia on 22 October 2012 in Jakarta and the Government of the Kingdom of Thailand on 22 February in Bangkok. The Government of Indonesia invited APIP to hold a second dialogue on 2 December 2013, which is the subject of this report.

Hosted by the Government of Indonesia on 2 December 2013 at the Grand Ballroom of the Four Seasons Hotel in Jakarta, the dialogue was preceded by a preparatory meeting of the APIP panel sponsored by ABAC Indonesia and hosted by ABAC Chair Wishnu Wardhana. The dialogue was attended by key representatives from the Indonesian Government led by Vice Minister of Finance Dr. Bambang Brodjonegoro, multilateral development institutions and the APIP private sector panel. The panel, led by APIP Chair Mark Johnson, included experts and practitioners from firms actively involved in infrastructure development.²

¹ This was the forum on *Promoting Private Financing for Infrastructure in APEC* held on 9 November 2011 at the Regency Ballroom of the Royal Hawaiian Hotel, Honolulu, USA.

² The program and participants' list are attached to this report as Annexes A and B.

INTRODUCTION

This second APIP dialogue with the Government of Indonesia focused on the progress and continuing challenges related to the various issues discussed during the first dialogue in October 2012. Key challenges discussed in this previous dialogue included the following:

- *Creating effective institutional arrangements.* Addressing the complexity of decision structures within government that could hamper expanded private sector engagement in PPP projects requires the creation of institutional arrangements that offer sufficient clarity, authority and predictability. An important element of such arrangements is a strong institutional home for the development of well-structured projects.
- *Strengthening the project preparation process.* Being vital to demonstrating bankability, robust project preparation prior to bringing each project to the market is important. This requires the provision of adequate budgetary resources for project preparation, management capacity within the government and ability to harness outside expertise whenever needed.
- *Developing local financing sources.* Although there is more than sufficient capital from investors and lenders that can be attracted to Indonesian infrastructure, local financing plays an important role, particularly in enabling local companies to participate effectively in infrastructure projects and to benefit from the growth of Indonesian infrastructure. Issues to be addressed include capacity of domestic banks and current regulations.
- *Ensuring availability of long-term local currency funding.* The relatively short lending tenors for infrastructure deals available from local banks cannot meet the requirements of private sector institutions that are exposed to interest rate fluctuations and need to hedge their cash flows over a longer period of time when financing infrastructure projects.
- *Improving capacity to mitigate non-commercial risks.* Indonesia can attract more private investment in infrastructure through measures that help address non-commercial risks. The capacity of the Indonesia Infrastructure Guarantee Fund (IIGF) to provide credit enhancement needs to be strengthened.
- *Developing robust PPP frameworks.* Determining which projects would be suitable for financing by state-owned enterprises, by government, by the private sector, or through PPP is a key challenge. The complexity of infrastructure projects requires that the structure of projects and the way to best involve the private sector and allocate risks be carefully adapted to the specific characteristics of each sector.

These challenges were discussed in the context of new developments and ongoing efforts by the Indonesian Government in addressing key issues. An important step taken has been the establishment of a PPP unit within the Ministry of Finance. Efforts are currently under way to help strengthen this unit through its designation as a Pilot PPP Center that can benefit from technical and advisory support from multilateral institutions, experts provided through finance ministries of other APEC member economies and the private sector, within the framework of a newly-established APEC PPP Experts Advisory Panel, as well as from other sources.

Complementing this effort are other domestic reform measures. One of these is the establishment of a new financial services authority to unify the supervision of various parts of the financial sector, which could help facilitate improvements in the environment for financing PPPs. The government is also working to expand financing sources for infrastructure through the establishment of a Viability Gap Fund (VGF), the issuance of Islamic financial instruments, the operations of the IIGF, PT Sarana Multi Infrastruktur (SMI), PT Indonesia Infrastructure Finance (IIF) and the Indonesia Investment Agency. To facilitate project preparation, the government established a Project Development Facility (PDF).

For purposes of providing private sector advice to the Government of Indonesia on the way forward, the agenda of the dialogue was structured around two major issues. The *first* is strengthening Indonesia's institutional arrangements for internal coordination and creating a pipeline of bankable projects. The *second* is expanding the options for financing Indonesian infrastructure, including how current efforts to develop sukuk and corporate bond markets and support financing through SMI, IIF and the Indonesia Investment Agency can be further strengthened and how these can be complemented by multilateral development banks, partnerships among foreign and local financial institutions and institutional investors, and related regulatory reform initiatives, among others.

ADDRESSING KEY CHALLENGES

1. Strengthening institutional arrangements for internal coordination and creating a pipeline of bankable projects

The establishment of the Pilot PPP Center in Indonesia is a major first step toward providing a favorable environment for PPPs. The next step is strengthening the capacity of the Center to address the key issues related to internal coordination and creating a robust pipeline of bankable projects. The dialogue highlighted some of the most important challenges.

a. The underlying economics of infrastructure in Indonesia

A comparison of Asian and Latin American emerging markets provides a good illustration of the challenges faced by PPPs in Indonesia. A significantly higher portion of GDP is invested in infrastructure in East Asia compared to Latin America (7% in the former compared to 2-3% in the latter). Nevertheless, while PPPs comprise around 60% of infrastructure investment in Latin America, they only contribute around 3% of the total in East Asia. Particularly in Indonesia, which has some of the lowest user tariffs in the world (see Annex C Figures 1 and 2), a major issue is the underlying economics of infrastructure projects, where cost recovery poses a significant challenge to the commercial viability of PPPs.

Linking the PPP Center closely to the Ministry of Finance is a step that can help facilitate possible solutions to this problem, given the scope of MOF's responsibilities. First, at a sectoral level, in addition to or as an alternative to higher user fees, guarantees and viability gap funding to compensate for lack of cost recovery in tariffs can help attract private investment in infrastructure. In the power sector, for example, where the adopted business model is such that costs of electricity generation exceed revenues, some form of additional government support is required by the market. Protracted negotiation for sufficiently favorable government guarantees/support letters is relatively common.

Establishing uniform terms of guarantees/support letters and improving the transparency of guarantees offered by the government, which will facilitate efficiency and transaction certainty, will attract more investors and lenders to Indonesian infrastructure projects. Experiences in other economies suggest that the public accounting system may also need to be reviewed in regard to its implications on the assessment of the suitability of PPPs for projects in the sector using quantitative value-for money methodology.³ Second, at a country level, an economy's sovereign risk rating is an important factor that foreign institutions take into consideration when looking at infrastructure investment involving public sector offtakers.

³ This discussion refers to the case in Japan, where it was suggested that there may be a need to review the public accounting system used as basis for the assessments of the suitability of PPP projects in the water and sanitation sector using the Public Sector Comparator, as this system has tended to make it difficult for private sector companies to participate in PPPs.

- *The challenge of decentralization*

A central structure to coordinate the development of PPPs has also become crucial as a result of the decentralization that has been adopted by Indonesia, particularly through the devolution of political and fiscal power to sub-provincial units in 1999 and the introduction in 2005 of direct elections for local executives, including district heads and mayors. A recent study described the issues confronting the implementation of policies and enforcement of judicial decisions in the face of the growing responsibilities of local government officials and communities and the need for greater coordination among multiple agencies.⁴

In addition to the involvement of many agencies at the central government level, decentralization has brought new challenges resulting from greater regulatory complexity that has significantly delayed the completion of key infrastructure projects. Examples include delays related to land acquisition and compensation⁵ as well as those related to the process of environmental assessments. Local governments have so far also shown limited capacity to manage increased infrastructure planning and spending as cited by a study indicating the under-maintenance of sub-national roads and local water supply in spite of higher rates of real growth in their revenues.⁶

- *The challenge of land acquisition*

As mentioned in the previous section, land acquisition is a key issue affecting many infrastructure projects that needs to be addressed in order to achieve faster financial close and completion of projects. This is illustrated by the case of the 116 km Cikampek-Palimanan Toll Highway project in West Java (a crucial part of a multi-highway network that is expected to form the Trans Java Highway) that experienced difficulties in the acquisition of a minor portion of land and delayed as the bank syndication waited to disburse the funds until all the land purchases had been finalized. The project was initially scheduled for completion in 2011; in January 2013, the Ministry of Public Works issued official documentation facilitating the start of construction.⁷

2. Expanding the options for financing Indonesian infrastructure

The insufficient availability of long-term local currency funding was identified in the previous dialogue as a key challenge to the expansion of PPPs in Indonesia. It will be difficult for local banks to finance most of Indonesia's vast infrastructure needs, as they are currently able to provide mostly balance sheet financing, even as legal lending limits are already being reached. Unlike other economies in the region, Indonesia does not have a development bank that can fill in long-term funding gaps.

The difficulty of obtaining local currency is a problem faced by foreign investors attracted to Indonesia's infrastructure market but needing to manage currency risk. Foreign banks with no local retail operations face a considerable challenge in raising funds that can meet the long lending terms (typically 10-15 years) required by infrastructure deals. There is therefore a great

⁴ International Crisis Group, *Indonesia: Defying the State* (Asia Briefing No. 138), 30 August 2012, p. 1.

⁵ Examples are the cases of the project to build one of Asia's biggest coal-fired power stations in central Java and the toll road linking Medan to a new airport in Kuala Namu, which have been delayed by slow land acquisition processes. See "Infrastructure failings clip the wings of Indonesian airport," *The Washington Post*, Asia & Pacific, 21 May 2013 (http://articles.washingtonpost.com/2013-05-21/world/39409195_1_toll-road-airport-users-existing-airport).

⁶ Geoff Dixon and Danya Hakim, "Making Indonesia's Budget Decentralization Work: The Challenge of Linking Planning and Budgeting at the Local Level," *International Public Management Review* · Volume 10 · Issue 1 · 2009 (electronic Journal at <http://www.ipmr.net>), p. 130.

⁷ "Govt Issues Order to Start Cikampek-Palimanan Toll Road Construction," *The Jakarta Globe*, 25 January 2013 (<http://www.thejakartaglobe.com/archive/govt-issues-order-to-start-cikampek-palimanan-toll-road-construction/>).

need to develop project finance, securitization and capital markets to expand the options for financing infrastructure projects.

Indonesia has been taking important steps to address these issues. The development of local currency bond markets has been on the agenda of the government for several years now, and recent reforms have focused on improving the financial regulatory framework and enhancing the capacity of regulators to strengthen confidence in financial markets. The private sector is taking the right direction in its current efforts to promote joint ventures with external partners and to seek longer-term funding possibilities. Given the importance of local currency financing for infrastructure, reforms that will accelerate the development of the insurance sector and pension systems will play an important role. The government is also considering the benefits of infrastructure bonds. Currently, government bond issuance is mainly undertaken for budget purposes, while corporate bonds are still focused on balance sheet financing.

Of particular importance to keep in mind with respect to the funding of PPPs through capital markets are the implications of a number of factors for ratings assigned to PPPs, which impact the size of the available pool of funding. First, ratings are dependent on the consistency and predictability of operating cash flows over concession terms, as well as the standardization and enforceability of concession arrangements under which they are constituted, in addition to a few other related factors.⁸ Second, refinancing risks may represent a key challenge for PPPs funded by loans that require refinancing during their project term, as illustrated by the case of Australian PPPs.⁹ Third, sovereign ratings generally affect credit ratings of PPPs, given their dependence on public sector offtakers for their revenues.

Successful infrastructure PPPs typically involve considerable public funding meeting the need of the private sector for greater clarity and certainty. The ongoing process of decentralization in Indonesia presents a challenge, as sector transfers become more complicated and there is less clarity as to where public money cascading into PPP projects is coming from. In addition to providing greater certainty about these cash flows, the government needs to find mechanisms to create a backstop structure that fits with current fiscal constraints and adequately balances the need to manage contingent liabilities. The creation of the IIGF is an important first step, but it remains small relative to the size and needs of the market.

RECOMMENDATIONS

To help meet the foregoing challenges, various participants offered the following recommendations in the course of the dialogue:

1. Establishing benchmark projects in various sectors

While Indonesia has succeeded in promoting PPPs in certain sectors such as power and

⁸ Further factors that affect the credit profile of PPPs in an economy are as follows: (a) whether PPP cash flows are paid by highly creditworthy government units and are subject to volume or usage risk; (b) whether as operating projects, they are subject to construction risk; (c) operating track records (operating capability is important as government counterparties in most cases can abate payments to a PPP for a failure to meet defined operational criteria); (d) default and recovery characteristics for availability-based PPPs when compared with project finance generally; and (e) predictability of legal regimes (as PPPs rely on effective transfer of risk by contracts that are enforceable), Arnon Musiker, *Rating Agency Perspective: Investment Grade PPPs in Australia* (Paper submitted to APIP).

⁹ Around a third of rated PPPs in Australia were funded by such loans, which were all arranged prior to the Global Financial Crisis when credit margins were substantially below present levels. As they refinance themselves, these PPPs are expected to face higher interest expenses that most probably cannot be fully funded from contractual revenue streams, and so are likely to face downward pressure on their ratings even if refinancing is still some years away. See Musiker, *Rating Agency Perspective*.

telecommunications, the government will need to consider how to attract more private investment in others where there is significant potential private sector interest, including railroads, toll roads, ports, airports and water and sanitation. One way to facilitate the development of these other sectors is to develop a benchmark project for each of them, providing strong government support (for example by assuming ridership risk, which is difficult for the private sector to deal with in markets at early stages of development where experience is still limited). These benchmark transactions could serve as the starting point for subsequent projects, where the private sector can become more comfortable in taking more risks and the government can obtain better terms.

- **Facilitating better understanding of the market by the private sector**

Better understanding of the market increases investor confidence, encourages private sector firms to expand their engagement and facilitates the development of projects where financial institutions and investors are more comfortable in assuming greater portions of risks. This process takes much longer wherever governments follow a policy of allocating the more complex projects to private bidders and the simpler and easier ones to state-owned enterprises (SOEs). By doing the reverse at the initial stage, i.e., letting the private sector undertake the easier projects, governments can accelerate greater private sector engagement in PPPs and promote better understanding of the market by investors and financial institutions at an earlier point in time.

- **Ensuring clear and consistent infrastructure procurement processes**

Clear and consistent policies and processes are very important in making the market attractive for the private sector. Past experience of investors, for example, of government deciding to reassign projects to the public sector after private financial institutions and investors have already spent significant time and resources for studies and bid preparation, discourages the private sector from further engagement in the market. The PPP Center can help address this issue by improving the infrastructure procurement process to avoid such changes and reduce uncertainties in the future.

- **Engaging local communities more closely in infrastructure planning**

In view of the ongoing decentralization of public services provision in Indonesia, it has become more important to engage local communities in the identification, prioritization and planning of infrastructure projects in their respective localities. In addition to facilitating political support for projects, this process can help in evaluating the affordability of projects and facilitate their prioritization based on a better understanding of the needs of local communities.

- **Supporting public officials in properly implementing PPP projects**

The development of more sustainable infrastructure policies and their proper implementation are likely to involve politically sensitive decisions. These may include decisions on tariffs required for the financial viability of public utilities, land acquisition or awarding of contracts. Related to this is the issue of clarifying responsibilities across agencies and levels of government for making decisions on such issues as land acquisition. These issues are particularly sensitive in the context of historically low user tariffs, the ongoing decentralization process and the long-established role of state-owned enterprises (SOEs) in providing public services.

Without political encouragement and support from the highest levels of government, public officials at the central, provincial and local levels are likely to be hesitant to make decisions that are necessary but can put them at risk. While political backing will need to come from elected officials at the highest levels and their political supporters, a system of continuous monitoring and information gathering at the central level, for example through the PPP Center, can facilitate this process.

- **Collaboration among domestic, foreign, public and multilateral lenders to finance large infrastructure projects**

Constraints faced by foreign financial institutions related to the difficulty of obtaining local currency, as well as regulatory and capacity constraints faced by domestic financial institutions pose a challenge to the financing of large infrastructure projects. One way by which this challenge may be addressed is to facilitate collaboration among various institutions that can provide the different portions needed to finance such projects (e.g., local currencies through a domestic bank, hard currencies through a foreign bank and long-term funding through a multilateral or public institution). One experiment currently under consideration is the effort by the World Bank in Uruguay to attract insurers and pension funds to invest in infrastructure projects indirectly without taking construction risks through the Bank's issuance of highly-rated bonds to these institutional investors.

- **Regulatory reforms to develop the domestic investor base**

Indonesia can learn from the experience of economies that faced challenges similar to what it faces today. An example is Korea, which until the early 2000s faced a limited supply of long-term local currency financing, short tenor of loans and limited availability of financial instruments for infrastructure finance. An important factor behind the accomplishments of private domestic infrastructure funds that were established to invest in PPP projects was the development of the domestic investor base, including pension funds, insurance firms and the retail investor base. This was facilitated by the reform of the regulatory framework for long-term infrastructure investments and of investment regulations, including rules pertaining to domestic pension funds and life insurance firms and a clearer process for exits through the transfer of shares.

To complement reforms, products that are attractive to long-term institutional investors need to be developed through securitization. It would also be useful to examine experiences in other economies with replacing separate laws and regulations governing projects with one overarching legal framework. An example is Mexico, which has recently approved a new PPP law that provides a single legal framework for PPPs, with the intention of facilitating speedy processing and implementation of projects, providing greater legal certainty and enabling appropriate risk allocation.

- **Developing a clear and robust process for unsolicited infrastructure proposals**

Users of infrastructure services are well-placed to help the government identify and prioritize the economy's infrastructure needs. Unsolicited infrastructure proposals can play an important role in the development of infrastructure projects that effectively facilitate the expansion of private sector activity in the economy. A transparent and robust process will be required to ensure the effectiveness and integrity of unsolicited projects. The APEC PPP Experts Advisory Panel can be a source of technical advice and best practice studies in developing the needed frameworks.

- **Special tax incentives to attract greater and more diverse investor participation at early stage of infrastructure development**

Various tax incentives, exemptions and holidays have already been put in place to attract private sector financing of infrastructure in Indonesia. Nevertheless, a study of experiences in other APEC economies may provide possible models for a wider application of stronger and more effective tax incentives to offset higher risks at the early stages of infrastructure development and promote the participation of a larger and more diverse set of local and foreign investors from many jurisdictions. These could include tax incentives for investors in infrastructure bonds and infrastructure-related funds, equity investors and corporates (as sponsors for infrastructure projects). As these incentives could be designed to promote investment at an early stage of development to cover higher risks, sunset provisions for such early stage investment may be introduced to distinguish different (and possibly lower) risk allocations for later stages of infrastructure development.

10. Undertaking a self-assessment of enabling environment for infrastructure investment

The challenges and issues discussed above point to the need for a tool to help identify critical gaps and set a clear focus, develop and implement key actions and monitor progress. The establishment of a Pilot PPP Center in tandem with an APEC PPP Experts Advisory Panel provides an opportunity to utilize the Enablers of Infrastructure Investment Checklist that ABAC developed in 2013.

This checklist is designed to serve as a self-evaluation tool to help governments assess and determine the extent to which existing policies promote or hinder private sector participation in infrastructure development. Measuring progress can be facilitated by identifying key performance indicators (KPIs) that are most relevant to the private sector. The checklist is structured under four overarching policy categories that also includes a set of KPIs for each: (1) augmenting government project planning and coordination mechanisms; (2) building a strong financial and financing environment; (3) developing robust PPP mechanisms and frameworks; and (4) creating and maintaining a strong investment environment to attract foreign direct investment.

In 2014 ABAC will seek opportunities to collaborate with member economies interested in undertaking the checklist's self-assessment process and subsequently sharing outcomes with the business community and officials at a relevant APEC forum.

THE WAY FORWARD

The Indonesian Government is aware that the private sector is closely watching developments with a keen interest in emerging infrastructure PPP opportunities. Officials also recognize the key problems that hinder the expansion of private sector engagement and are undertaking steps to address them. These steps include the following:

- enhancing capacity for project preparation (currently the main concern);
- efforts to improve regulation and coordination across levels of government and initiate legislation to address land acquisition and compensation issues, delays in environmental assessments and other key issues;
- promoting the implementation of international best practices for procurement processes of SOEs;
- the use of guarantees to inject discipline into the process through improved governance and ensure that projects are well structured and bankable;
- consideration of ways for government to provide more explicit support in strengthening guarantees;
- issuance of the first government sukuk;
- continuing focus of the Indonesian Investment Agency (Indonesia's government investment

unit) on basic infrastructure, including roads, hospitals, terminals, markets, renewable energy and small hydropower plants; and

- support for improvement of project preparation capacity (through SMI).

Indonesian monetary and financial regulators are conscious of the positive impact of accelerated infrastructure development on the economy, including the current account balance, and its potential contributions to the growth of the middle class and local enterprises, price stability and the effectiveness of monetary policy transmission. The close relationship between infrastructure development and deeper capital markets is also widely acknowledged. For these reasons, Bank Indonesia and the Financial Services Authority (OJK) will need to discuss regulatory reforms related to lending and capital markets to further facilitate the financing of infrastructure while promoting financial stability.

The Indonesian Government is hoping that improved coordination and capacity building support through the PPP Center will be crucial in attaining the ambitious goals that will be incorporated in its third Medium Term Development Plan for 2015-2019, such as the completion of the economy's electricity grid, among many others. The PPP Center is designed to play the central role in PPP project preparation, approval and monitoring. It is also intended to serve as the government's focal point for enhancing the development of PPP policy and of financial instruments to support PPPs, in synergy with key relevant government institutions.

In addition to this task of leading efforts to simultaneously develop and match the economy's project readiness and financing readiness, the PPP Center is also envisioned to be a window for the private sector to obtain reliable information on projects. As the pilot center that will benefit from the technical assistance and advice that will be provided by the APEC PPP Experts Advisory Panel, it will be the main channel for private sector advice that can help the government design policies, measures and projects that will result in the expansion of private sector engagement in Indonesian infrastructure.

The dialogue concluded with a deeper understanding on the part of participants from the private sector and multilateral institutions of the significant step that Indonesia has taken with the establishment of the PPP Center and the expectations about its key role in the further development of PPP. Participants expressed the hope that it will facilitate the discovery and implementation of innovative and responsible solutions to challenges discussed in the dialogue, including the economic and financial viability of infrastructure, the impact of decentralization, bottlenecks in areas such as land acquisition and the lack of long-term and local currency financing for PPP projects.

Indonesian government officials also gained further insights into the most important concerns of the private sector with respect to infrastructure, and appreciated the suggestions on a wide array of concrete measures offered by participants to help address key challenges. In his closing remarks, the Vice Minister of Finance expressed the government's desire to provide an environment that can effectively support expanded private sector financing of infrastructure, in line with Indonesia's development strategy, and to collaborate more closely with APIP in the future. The APIP Chair thanked the Government of Indonesia for hosting this second dialogue and expressed his appreciation for the opportunity given to APIP to be part of the tangible progress that Indonesia is now making to advance its infrastructure development agenda.

This report was compiled by Dr. Julius Caesar Parreñas, Co-Coordinator, Asia-Pacific Infrastructure Partnership (jc_parrenas@mufg.jp).

ANNEX A

Asia Pacific Infrastructure Partnership (APIP) Dialogue with the Government of Indonesia

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Indonesia

PROGRAM

- 13:00 – 14:30 **Participants' Registration**
- 14:30 – 14:40 **Welcome Remarks and Introductory Overview of Recent Developments in Indonesia's Infrastructure Development**
Prof. Dr. Bambang Brodjonegoro
Vice Minister of Finance, Indonesia
- 14:40 – 14:55 **Welcome Remarks and Perspectives from APIP**
- Mr. Wishnu Wardhana
ABAC Chair and President Director and Group CEO, Indika Energy
 - Mr. Mark Johnson
APIP Chair, ABAC Member and Senior Advisor, Gresham Partners Limited
- 14:55 – 17:10 **Discussions on Agenda Items**
Jointly moderated by Prof. Dr. Bambang Brodjonegoro and Mr. Mark Johnson
1. Strengthening Indonesia's institutional arrangements for internal coordination and creating a pipeline of bankable projects
 2. Expanding the options for financing Indonesian infrastructure
- 17:10 – 17:20 **Conclusions and Next Steps**
Mr. Mark Johnson
APIP Chair, ABAC Member and Senior Advisor, Gresham Partners Limited
- 17:20 – 17:25 **Closing Remarks**
Prof. Dr. Bambang Brodjonegoro
Vice Minister of Finance, Indonesia
- 17:25 – 17:35 **Photo Session and End**
- 19:00 – 21:00 **Dinner Reception**
at Four Seasons Hotel Jakarta