



Project Development Support for Balikpapan City Government



Our Business Model

Sources of Funds

Capital Injection from GOI

Capital Market (Bonds, Notes, Securitization)

Conventional

Sharia

Loans and **Grants**

Sharia Capital Market

BPJS, Sharia Insurance

Haji & Syirkah **Funds**

Sovereign Wealth **Fund**

PT SMI Business Pillars

Business Pillar #1

FINANCING & INVESTMENT

Infrastructure **Financing**

- Senior loan (Working Capital, Investment Loan)
- Junior Loan
- Mezzanine
- Equity investment
- Shareholder's loan
- Arranger & Underwriter
- Standby Lender PPP

Municipal Financing (PIP/RIDF)

Sharia Financing

- IMBT/Lease with Option to Own
- Murabahah/Installment Sale with Deferred Pmt.
- MMQ/Diminishing Partnership
- Musharakah/Joint Partnership
- Indent ljarah*

Business Pillar #2

ADVISORY SERVICES

Public Sector Advisory

Training & Capacity Building

> Investment **Advisory**

Financial Advisory

Business Pillar #3

PROJECT DEVELOPMENT

Project Development Facility (PDF)

PPP Project

PDF & Donor Fund Management

Renewable Energy Project (Geothermal Exploration)

TA & Donor Funds Management

Municipal Projects

Technical Assistance

Donor Fund Management

Sectoral Focus

Electricity Transportation Telecommunication & Energy

Efficiency 4







Train Rolling Stock



Oil and











Irrigation



Correctional

Waste Water & Waste Management

Hospital

Regional

Infrastructure

Infrastructure



Market





Infrastructure

Education

Infrastructure



Social Infrastructure

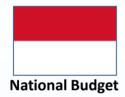


PT SMI's Project Development



Impelementing Agency

Beneficiaries















International Organizations











Project Development

Capacity Building















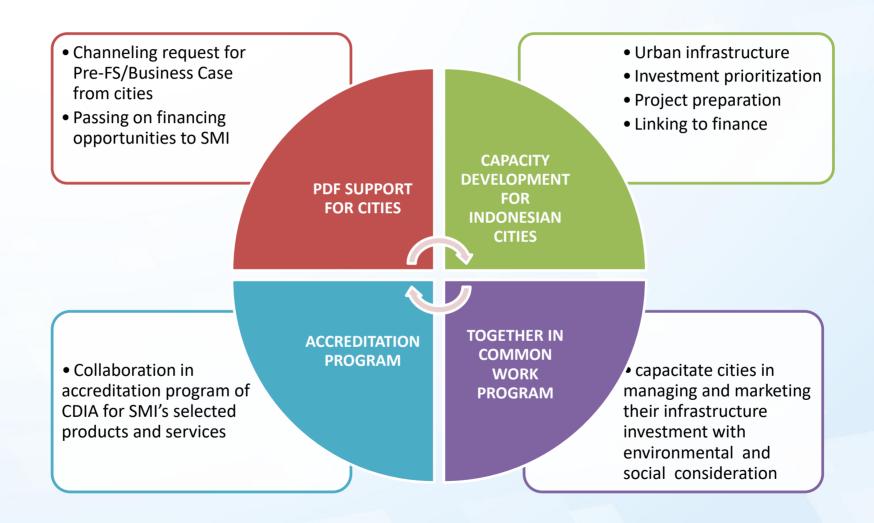
Local Government Institutions



Internal sources



PT SMI-CDIA Partnership





Project Development Support for Balikpapan City Government





Balikpapan City Government

Population 706,414

Area 503.3 km2

Local Economy • Oil

Coal

Natural Gas

Type of Intervention Pre-FS Update and Review

Duration of Assistance 4 months

Waste Water Treatment Plant (WWTP) Project

Project ComponentsUpgrading Current WWTP

Installing new WWTPs

Plants Capacity 5.500 m³/day

Plants Technology Upflow Anaerobic Sludge Blanket

Household connections 11.200

Project Cost USD45 Million

Financing Structure • Municipal Loan

Grants from National Governments

Equity of the local utility company

· City's own sources





Progress of Project



Mandate*



Municipal Lending



*) PMK 174/PMK.06/2016

Municipal Lending Benefits

- 1. Acceleration on public service delivery;
- **2. Acceleration** on target achievement of Local Development Plan:
- 3. Boosting local economic growth;
- **4. Financing Alternative** for local government.

Regulation

Law No. 33/2004

Fiscal Balance between National and Sub National Governments

Govt Regulation No. 30/2011

Municipal Lending

Medium Term

Long Term





Submitted Application for Municipal Lending at PT SMI

Status

- 1. **Project Readiness** as land is all cleared;;
- **2. Documentation** standard, such as Feasibility Study is of good standard and eligible for municipal loan proposal

Challenges

- Capacity of local government to take on project size;
- 2. Social acceptance in terms of social impact of project to surrounding area;
- 3. Budget cycle in order to make loan repayments



Continuation of Program: Proyek Pembangunan SPAM Sepaku

Proyek Pembangunan SPAM Sepaku Balikpapan

Counterpart

PDAM Tirta Manggar Kota Balikpapan

Project

Development of Water Supply System

Description

Project Component: water intake, transmission, IPA, and distribution

· Capacity: 500 liter/second

Targeted household networks: 40.000

Indicative Modality

PPP

Municipal Loan (through City Government or PDAM)

· State budget and local government budget

Indicative CAPEX

Rp. 500 Miliar / USD 3.7 million*

Project Location

Water Intake located at Penajam Paser Utara, IPA and distribution network located in Balikpapan, East Kalimantan

Current Status

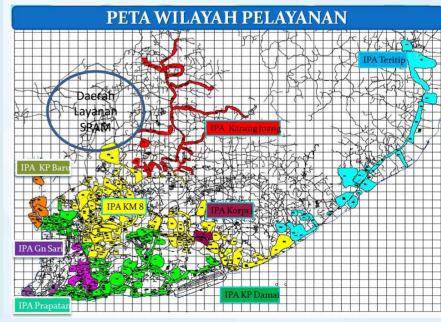
- Existing site visit report on the water intake location of North Penajam Paser
- MoU between City of Balikpapan Mayor and North Penajam Paser Regent on provision of clean water
- PDAM has verbally agreed to conduct a Pre-Feasibility Study

PT SMI Involvement

- Assistance in project preparation (pre-feasibility study) through technical assistance from CDIA.
- · Municipal loan to PDAM/local government.
- · Project preparation and PPP transaction advisory.

Ilustrasi









THANK YOU

Disclaimer

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Any complaint in the process of financing irregularities can be submitted to:

Corporate Secretary PT SMI Tel: +62 21 8082 5288

Fax: +62 21 8082 5258

Email: corporatesecretary@ptsmi.co.id

Public complaints on PT SMI service will be kept strictly confidential and handled by a special committee to ensure that complaints are addressed appropriately.