MAGNETIC LATVIA

GREENTECH INDUSTRY IN LATVIA

Investment and Development Agency of Latvia

www.investinlatvia.org

2022

LIAA

Location at the heart of the Baltics

Territory: 64.6 ths.sq.km
Capital: Riga
Population: 1,9 million
Language: Latvian
Currency: euro (EUR)
S&P Credit Rating: A+

#1

as the most startup-friendly country in the world
(Index Ventures, 2021)

#30

in the world in Prosperity index
(The Legatum Prosperity Index, 2021)

Riga

#1

Drone-friendly city in the world

#2

Best ESG/sustainablity in the world

Source: FDI intelligence (2022)

A NATURAL PLAYGROUND TO EXECUTE IDEAS

MISSION 2030 – CLEAN BALTIC SEA

CONNECTED SOCIETY & LIFESTYLE

International Rankings and Infrastructure

Latvia provides world-class ICT infrastructure and secures high rankings in ICT

93%

is the broadband (NGA) coverage, and 71% are fibre connections (OECD & EC, 2020)

#3

in the world in mobile data usage (OECD, 2021) and fastest internet speed (Cable, 2021)

#10

in the European Union in Digital public services (DESI, 2021)

23%

Of ICT specialists are females, twice higher than in the EU (19%) (Eurostat, 2021)

90%

share of households with Internet access in Latvia in 2020 (CSP, 2020)

1st

5G military test site in Europe

GENDER BALANCE

#1

in the EU with the largest share of women in management – 45%
(Eurostat, 2020 Q3)

#2

highest share of women obaining Master's degrees (OECD, 2020)

The Ecosystem Approach

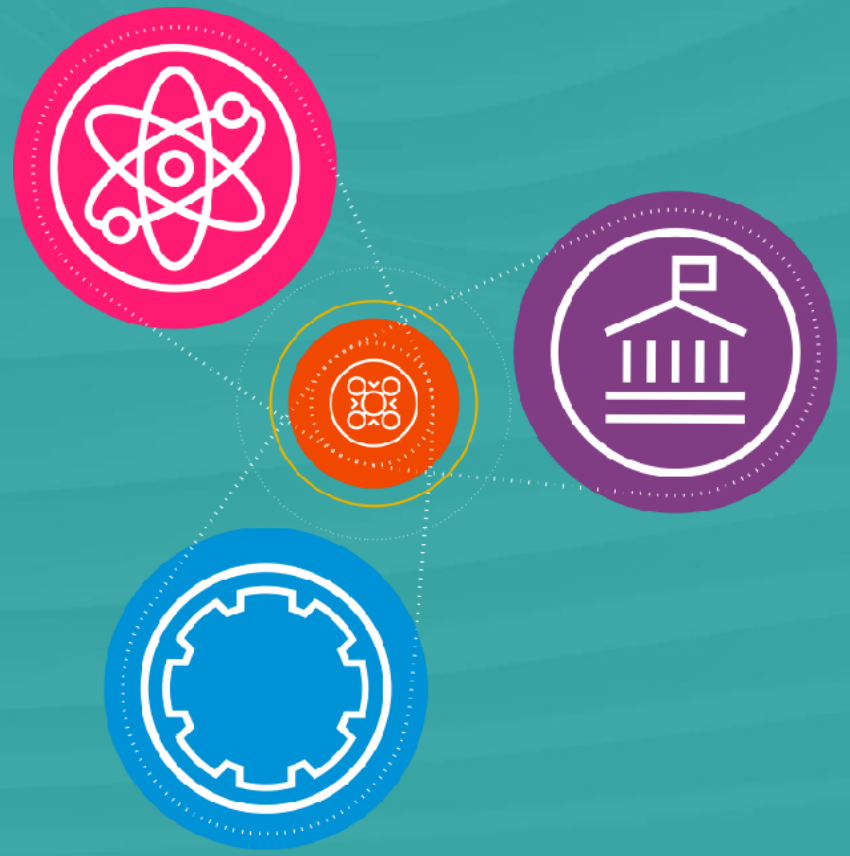
Development of industries and ecosystems with high value-added

Diverse ecosystems and strong collaboration:
INDUSTRY + ACADEMIA + POLICY MAKERS

Since 2014 **Smart Specialization Strategy (RIS3)** for Latvia is being developed – a strategy of economic transformation towards **higher added value** and **more efficient use of resources.**

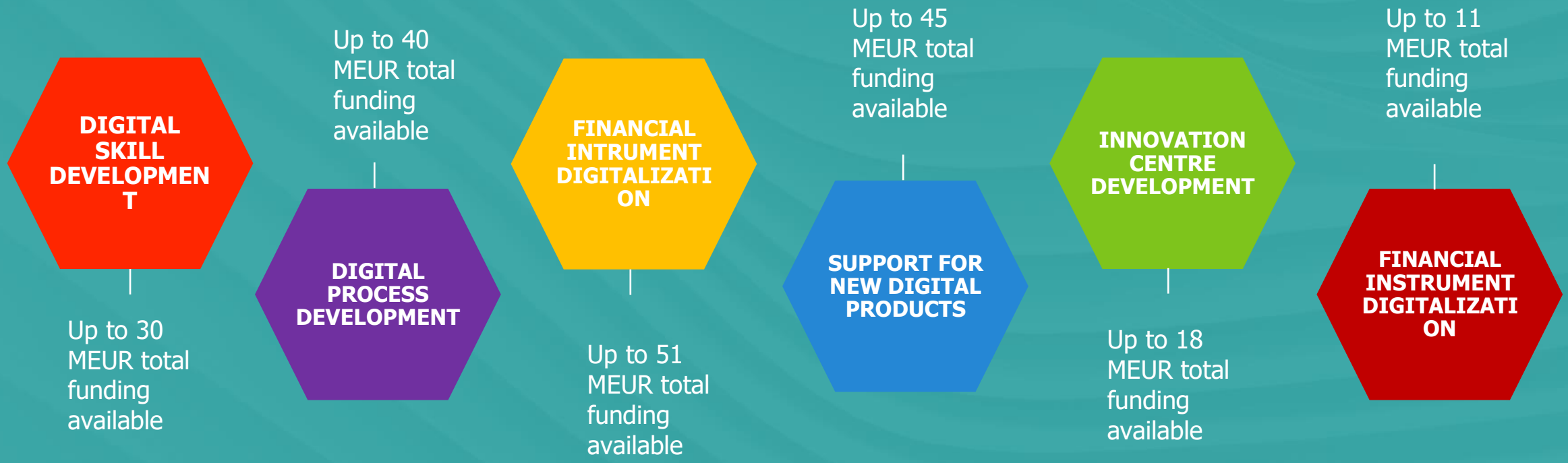
5 strategic RIS3 areas have been set and Green Tech and Energy is one of them, playing an important horizontal value:

1. knowledge intensive bioeconomy;
2. biomedicine, medical technologies, biopharmacy and biotechnologies;
3. smart materials, technologies and engineering systems;
4. smart Energy;
5. information and communication technologies.



Incentives and Support Mechanisms

Grants from RRF and ERAF funds for digital transformation



Green-tech

Probably the greenest country in Europe

#1

Lowest greenhouse gas emmisions in Europe in volume and per capita (decrease by 55% since 1990s)

#3

Share of Renewable energy (40.97%) in the EU. The EU average was 19.7% (2019) It marks an increase of 25% over last 10 years

#2

Share of RES for heating (57.8%) in the EU.

#1

Leading in wind farms between Baltic countries (29 farms with capacity of 15.5 GW)

#1

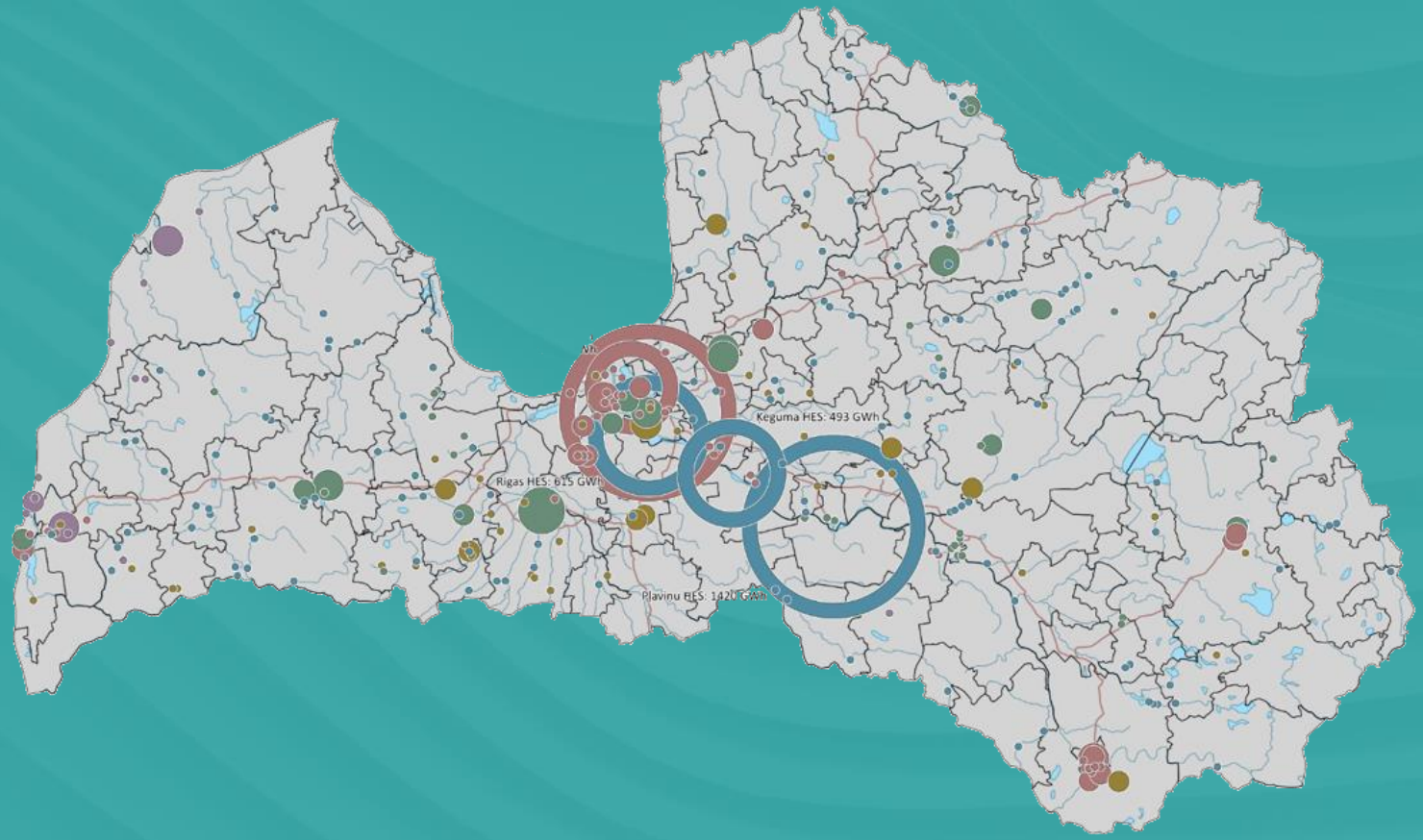
First hydrogen-powered trolley in the world

#2

Highest share of hydroelectric power in the EU (2020)

Production of Renewable energy in Latvia

- Wind parks
- Hydropower
- CHP plant with biogas
- Wood pellets energy
- CHP plant with natural gas



Energy and Climate policies: Latvia 2030

The regional consultations identified opportunities for regional co-operation in the field of RES and their technologies, in particular with regard to the possible joint development of offshore WPPs, taking into account maritime spatial planning considerations that allow the development of joint projects on the Latvian-Estonian border and the Latvian-Lithuanian border.

RES

Project in cooperation with Estonia planned building of joint offshore wind farm on both countries border lines. This project promises to further intertwine both countries energy networks as well shows the commitment to more sustainable future.

El Wind

Policies of Latvia 2020-2030

Main policies

1. Improving the energy efficiency of buildings
2. Promoting the use of RES technologies in heating and cooling
3. Promoting the use of non-emission technologies in electricity generation
4. Promotion of economically justified self-production and consumption of energy
5. Promoting the use of alternative fuels and RES technologies in transport
6. Energy security, reduction of energy dependency, integration of energy markets, modernization of infrastructure

Energy & climate

7. Improving the efficiency of waste and wastewater management, reducing GHG emissions
8. Resource efficiency and reduction of GHG emissions in agriculture
9. Sustainable use of resources and reduction of GHG emissions and increasing CO2 sequestration in the land use
10. Promoting the reduction of the use of fluorinated greenhouse gases
11. Improving the attractiveness of energy efficiency and RES technologies with «greener» tax system

Planning period 2021 – 2027 aims to address:

01 Increase productivity by production efficiency, innovations and greater investment in R&D

02 Innovative solutions in the field of RES technologies: 1) Use of biomethane, hydrogen, advanced biofuels 2) Use of solar energy in transport systems 3) Intelligent use of biomass before combustion

03 Solutions for energy storage, integration and smart transmission

04 Solutions in the field of energy efficiency and sustainability of buildings

To achieve the objectives, the state supports following areas:

- Renewable electricity and heat production
- Smart grids, energy storage and recovery and the integration
- Energy efficiency of buildings
- Smart mobility, such as alternative fuels and biofuels
- Development of new types of market models - direct trade (peer-to-peer), energy as a service

R&D Development

Demonstration projects of new tech

Solutions and user-centered products

Key Players in Renewables

Leader in generation of electricity and thermal energy in Latvia, providing approximately 80% of the total amount of electricity generated in the country.
www.elektrum.lv

The BOTC training courses are internationally certified in accordance with the Global Wind Organization (GWO) standards.
www.botctraining.com

Performs ensuring the operation, upgrading and planned development of distribution networks.
www.sadalestikls.lv

Latvian wind farm developer actively working on wind projects in Saldus, Broceni and Ventspils districts.
www.bureauveritas.lv

Eesti Energia energy group. Incorporating more than fifteen years of renewable energy experience.
www.enefitgreen.ee

Developing a full range of renewable energy projects – designing, construction and operation. Business's home markets are Estonia, Latvia, Lithuania and Poland.
www.sunly.ee

Specializes in site assessment, including wind measurement and modelling of wind resource and potential development.
www.ecowin.lv

The largest municipal solid waste landfill and waste recycling center in the Baltic States. Biodegradable waste is used for biogas production.
www.getlini.lv

Producing and constructing wind power in Norway, Sweden, Finland and Russia. Started biomass cogeneration plant in Jelgava, producing electricity and heat.
www.fortum.lv/

Designs, builds and repairs cable and overhead lines, transformer substations and distribution points, installs public and industrial wiring.
www.telms.lv/

Green-tech community

Strengthening and supporting the industry and existing key players

FUTURE HUB	Fosters the open innovation conversation by helping sustainability & impact start-up teams fill the gaps in knowledge, skills & network. Focuses on startups and and GreenTech community in the Baltic and Nordic regions.
GREEN TECH CLUSTER	Developed for cross-sectoral cooperation bringing together companies, educational and research institutions, as well as other organizations that partly or fully operate in the industries of green and smart technologies. Cluster includes mechanical engineering, ICT and space technology, energy-efficient buildings and production, environmentally friendly raw materials.
ClimAccelerator	Delivered by cleantech experts and tailored to support start-ups in the region. ClimAccelerator helps you scale your solution and take your venture globally, attracting potential investors and vastly expanding your reach. Sharing a vision of contributing to a green and sustainable future, Estonia, Latvia, Lithuania, and Slovakia are joining their efforts to boost the development and deal flow of cleantech start-ups.

Success stories in Greentech Sector

Companies that have gone green in Latvia

First car sharing app in Latvia, founded in 2017, offers green solutions to transportation.
www.carguru.lv

The largest municipal solid waste landfill in the Baltic and one of the most modern in Europe. Developed as a safe waste recycling centre, produces biogas from biodegradable waste.
www.getlini.lv

Promotes Energy Efficiency and green investment in the Baltics and eastern Europe, by bringing people, experts, developers and financing together to renovate old Soviet Era buildings.
www.ekubirojs.lv

Offers smart air biofilters that improves the indoor air quality by combining technology and the power of nature by purifying the indoor air from pollutants.
www.kotuelpo.lv

Developing new type of building materials that include hemp shives to be used as an healthier and more sustainable alternative to usual types of insulation.
www.hempecosystems.lv/

Education and Innovation in Greentech

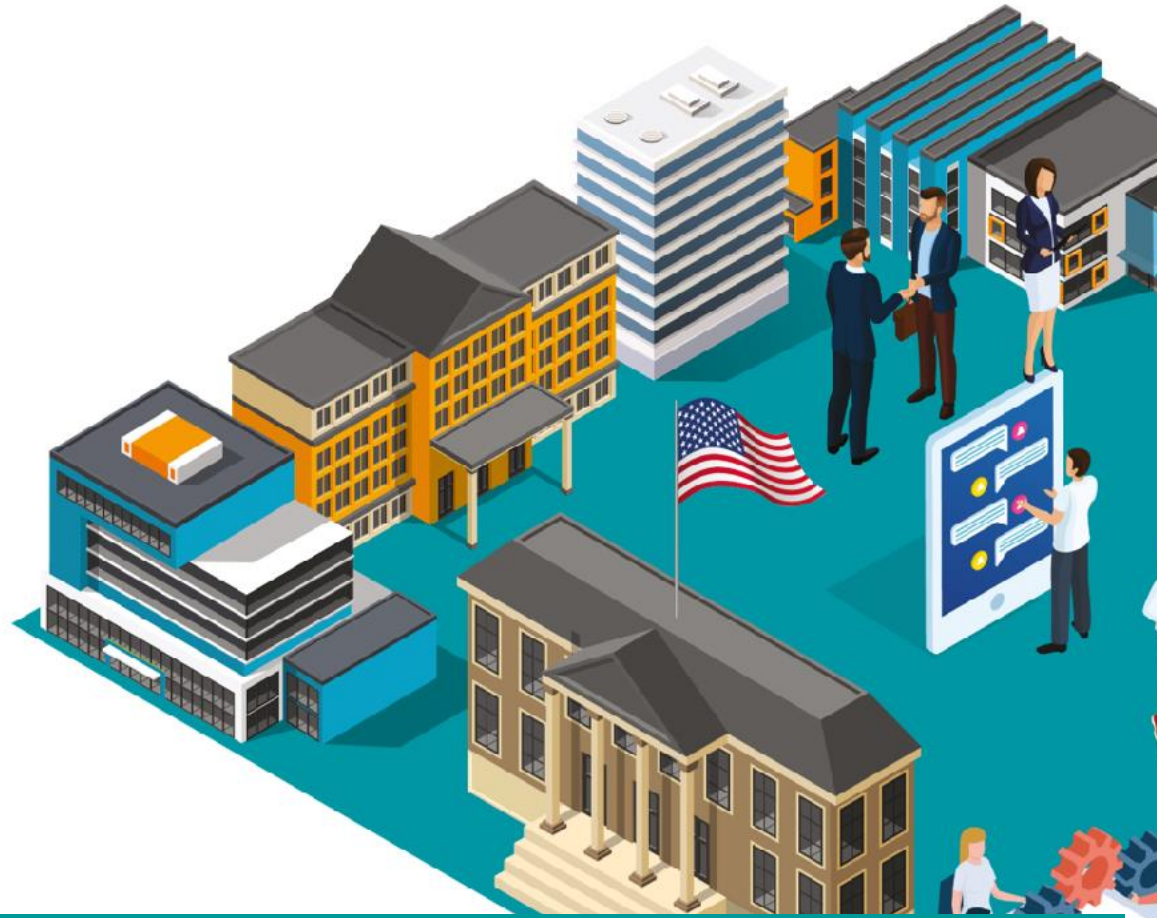
Greentech Education and Innovation

Internationally recognized education to match the demand of the industry

20 000 STEM students (25% of all)

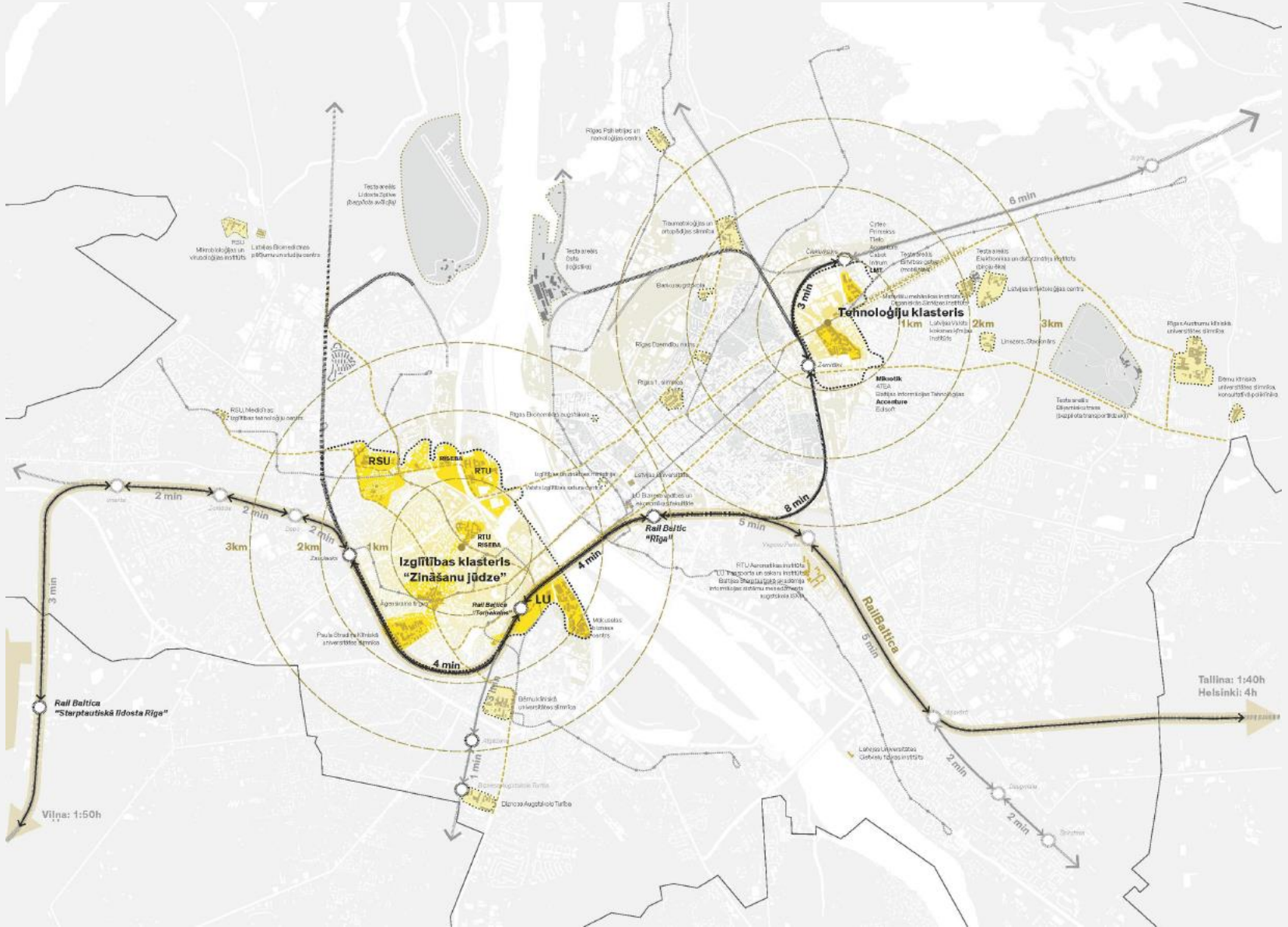
11 000 students in Engineering related programmes

1800 Engineering graduates with the goal of **3 000**



Source:
Ministry of Education of the Republic of Latvia;

Knowledge mile & Technology cluster in Riga



Evolving Engineering Academic Education

Internationally recognized programmes in higher education institutions

Riga Technical University
RTU trademark is high quality internationally competitive engineering education based on more than a century-and-a-half old academic tradition appropriate to meet new technological challenges.
https://www.rtu.lv/en

Latvia University of Life Sciences and Technologies
One of the leading universities of science and technologies in the Baltics, specializing in the sustainable use of natural resources. Studies in Sustainable Agriculture & Forestry, Biosystems, Sustainable Development, etc.
https://www.llu.lv/en

University of Latvia
The University of Latvia Faculty of Geography and Earth Sciences provides academic studies in geography, geology and environmental science. Faculty offers academic education in all levels.
https://www.lu.lv/en/

Liepaja University
Liepaja University is a symbol of education, science and culture of Liepaja and Kurzeme region that provides with competitive, internationally recognized varied education. Studies in renewable energy resources, Eco-tech and more.
https://www.liepu.lv/en

Transport and Telecommunication Institute
Provides academic studies in Electronics, Network and robotic fields. Knowledge and expertise gives it a strong competitive advantage for being the leaders in these fields.
https://tsi.lv/

Rezekne Academy of Technologies
Provides studies in disciplines such as electronics, telecommunications, energetics, recycling. Has its own research institute that concerns environmental engineering, smart materials, and more.
https://2021.rta.lv/en/

Ventspils University of Applied Sciences
Academic studies in Electrical Engineering and electrics as well as Centre for Technology transfer and Innovations and Research
https://www.venta.lv/en

Vidzeme University of Applied Sciences
ViA offers high-quality and flexible study programs that balance theory and practice, promoting the sustainable development of knowledge society on a regional and national level.
https://va.lv/en

Ongoing Green-Tech projects in RTU

An example of current research with Riga Technical University

Nordic Energy Research

Cooperation with Nordic Energy Research - Innovations related to the effective use of renewable energy sources

Gasification and pyrolysis based on the self-catalytic thermal conversation of bio-waste;
Pollutants emission reduction by biomass burning in gasification mode;
Energy storage systems and their integration into production processes.

Advancing Sustainable Circular Bioeconomy in Central and Eastern European countries

The project will contribute to the BIOEAST initiative to become a catalyst for research and innovation, rural development and other policies in the development of the bioeconomy in the CEE, creating a favorable cross-sectoral framework for the sustainable use of biomass potential.

EUROPEAN UNION
European Regional Development Fund

Development of a new concept for the construction of low-energy buildings from ecological building materials

Development of innovative thermal insulation materials from natural fibers, Development of a rational 3D model for a low-emission house built from renewable resources, Selection of the most efficient engineering network solutions for ecological buildings. Microclimate research for low energy buildings, Life cycle calculation energy-efficient lightweight wooden construction buildings.

Co-funded by the Erasmus+ Programme of the European Union

Knowledge triangle for a low carbon economy with National and Kapodistrian University of Athens

Development of a unified AI IT monitoring solution that will simultaneously be able to analyze various IT infrastructure systems, helping to quickly and efficiently detect anomalies and errors. Algorithms are also able to predict potential incidents in the future, which will significantly reduce downtime risks and facilitate investment planning.

Startup Law and Startup Ecosystem

Your best startup hub in the European Union

Latvia is ranked #1 as the most startup-friendly country in the world (Index Ventures, 2021)

Startup visa is a temporary residence permit for up to 5 founders and their family members (up to 3 years)

Startup law benefits 45% co-financing of highly qualified employees; or flat social tax + 0% personal income. Employee stock options.

Other benefits among 40+ incentives (business incubators, accelerators, innovation vouchers, support to promote foreign trade etc.)

www.startuplatvia.eu

Source: Startup Latvia

Startup Community Shapers

A broad range of contributors and stakeholders

GOVERNMENT	Ministry of Economics Republic of Latvia; LIAA Latvijas Investīciju un attīstības aģentūra Investment and Development Agency of Latvia; altum
ASSOCIATIONS	startin.lv Go Global.; LATBAN Latvian Business Angel Network; LVCA Latvian Private Equity and Venture Capital Association
FUNDS & ACCELERETORS	Overkill Ventures; Buildit Accelerator of Things; Commercialization Reactor; FLYCAP; Startup Wise Guys; Imprimatur Capital; ZGI Capital; Change Ventures Backing Ambitious Baltic Founders
HUBS & CLUSTERS	techhub; GreenTech HUB; Green Tech Cluster; RTU Design Factory; VHTP Ventspils High Technology Park

Source: Startup Latvia

Notable Startups and Success Stories

A number of promising and successful startups based in Latvia

castprint	Creatively designed 3D printed casts that currently are being piloted in hospitals. www.castprint.co	infogram	An intuitive visualization tool that empowers people and teams to create beautiful content. Acquired by Prezi www.infogram.com
cake	Cake HR is a cloud solution that simplifies and automates HR tasks, increases productivity and provides great experience. Acquired by Sage HR www.sage.hr	lokalise	Top-notch localization solution for translating websites, other software and apps in any language. www.lokalise.com
exonicus	A leading global provider of trauma training technologies for military and civilian organizations. www.exonicus.com	mintos	A fintech startup that operates a global P2P marketplace for investments in loans. www.mintos.com
Funderful	Uses AI to enable university students and alumni to trigger online conversations that increases enrolment or donations. Acquired by Ruffalo Noel Levitz www.ruffalonl.com	Nordigen	A fintech startup helping banks and lenders improve the speed and accuracy of their credit decisions to approve more creditworthy customers. www.nordigen.com
	Gamechanger Audio develops unique effects pedals for world class musicians. www.gamechangeraudio.com	PRINTFUL	World's leading print-on-demand and drop shipping company that enables online stores to prepare custom designs and sends them directly to their customers. www.printful.com
GIRAFFE 360	Provides market leading technology that captures space for virtual tours, floor plan and wide-angle photography. www.giraffe360.com	Sonarworks	Innovative sound calibration software that provides accurate listening experience for music creators and listeners. www.sonarworks.com

Events and Networking

A list of a must-visit ICT and startup events in Latvia

5G TECHRITORY

World's leading annual 5G conference that takes place in Riga, and brings together world's industry leaders and policymakers.
www.5gtechritory.com

Riga Dev Days

A conference for tech journalists and bloggers who participate in tech conversations within two days full of emerging content.
www.rigadevdays.lv

Deep Tech Atelier

A conference and a practical workshop dedicated to deep tech startup creation and further development.
www.deeptechatelier.com

Theory and Practice of Software Testing (TAPOST)

TAPOST is an annual international conference for testing professionals, researchers and students from all over Europe.
www.tapost.org

Digital Freedom Festival

An influential event with 1000+ participants discussing trends in digital technologies, startups, policymaking, and lifestyle.
www.digitalfreedomfestival.com

Tech Industry

The biggest international trade fair in the Baltics for automation, electronics, engineering, industrial supplies, and innovations.
www.techindustry.lv

COM360

conference for eCommerce practitioners from all around the world who share case studies, experience and recent trends.
www.ecom360.io

TechChill

Brings together 2000+ attendees, including startups, innovative corporations, regional investors and talented tech enthusiasts.
www.techchill.co

RIGA COMM

An annual IT and business event for entrepreneurs and professionals of service and manufacturing fields, executives of state institutions and organisations.
www.rigacomm.com

UX Riga

User experience conference that inspires and educates digital product developers, through keynotes, workshops and case studies.
www.uxriga.com

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See you soon!

OVERVIEW OF WATER SUPPLY IN INDONESIA AND CHALLENGE & OPPORTUNITY ON EXPANTION AND NRW REDUCTION

TIRTA DHARMA

PRESENTED BY **PERPAMSI**

(INDONESIAN WATER SUPPLY ASSOCIATION)

ABOUT PERPAMSI

- FOUNDED IN 1972
- THE MAIN DUTIES:
  - TO ADDRESS THE ISSUES ENCOUNTERED BY MEMBERS IN NATIONAL AND INTERNATIONAL LEVEL
  - TO HELP INCREASE THE PERFORMANCE OF THE PDAM
  - TO BRIDGE PARTNERSHIPS OR PROGRAMS OFFERED BY LOCAL OR FOREIGN AGENCY IN ALL LEVELS THAT BENEFIT MEMBERS

VISION & MISSION

Vision

To be a professional water works association by providing high quality services.

Mission

- **To provide excellent services for the members**
- **To encourage members achieving high performance**
- **To build mutual partnership networking**
- **To facilitate capacity building**
- **To give positive contributions for all stakeholders**
- **To implement accountable good corporate governance.**

INTRODUCTION

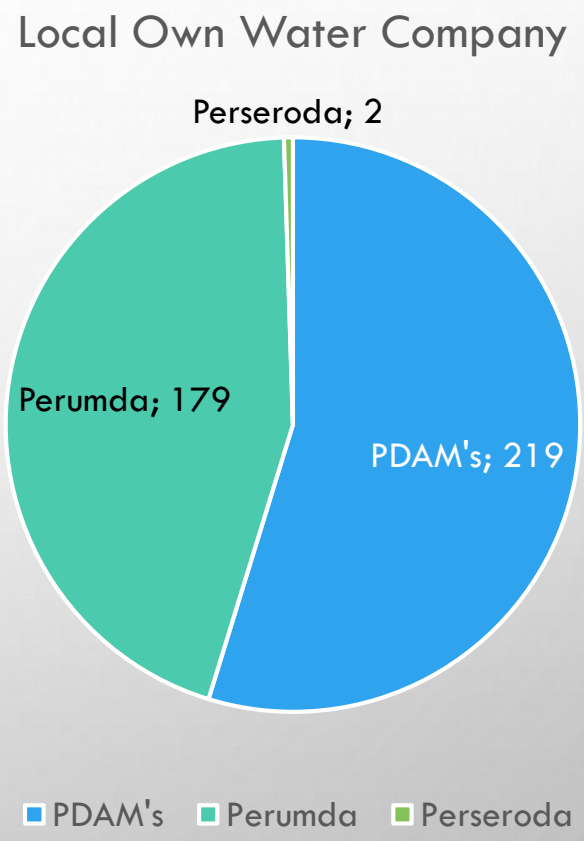
- INDONESIAN WATER SUPPLY ASSOCIATION (IWSA) OR PERPAMSI
- MOST OF INDONESIAN WATER UTILITIES ARE CALLED “PDAM” (MUNICIPAL OWN WATER SUPPLY COMPANY)
- THE PDAM’s ARE AUTOMATICALLY MEMBERS OF PERPAMSI.
- AS OF DEC 2021, PERPAMSI HAS 435 MEMBERS:
  - 219 PDAM
  - 179 (PERUMDA – LOCAL PUBLIC COMPANY)
  - 2 (PERSERODA - LOCAL LIMITED COMPANY)
  - 18 (UPTD: LOCAL IMPLEMENTATION UNIT – UNDER LG)
  - 17 (PRIVATE LIMITED COMPANY)

STATUTE OF PDAM

ACCORDING TO THE GOVERNMENT REGULATION 54/2017 ABOUT THE LOCAL OWN COMPANY, THE STATUTE OF PDAM's SHOULD CHANGE TO:

- **PERUMDA (LOCAL PUBLIC COMPANY)**
- **PERSERODA (LOCAL LIMITED COMPANY)**

FROM THE 400 MUNICIPAL WATER COMPANY THERE ARE 219 PDAM's HAVE NOT BEEN CHANGE TO PERUMDA OR PERSERODA



PERPAMSI's NATIONAL BOARD
(2021 – 2025)

Chairman

LALU AHMAD ZAINI

President Director

PT Air Minum Giri Menang (Perseroda)

Vice Chairman

KABIR BEDI

President Director

Perumda AM Tirta Nadi

General secretary

ARIEF WISNU

PDAM Kota Surabaya

Treasurer

AGUS SUBALI

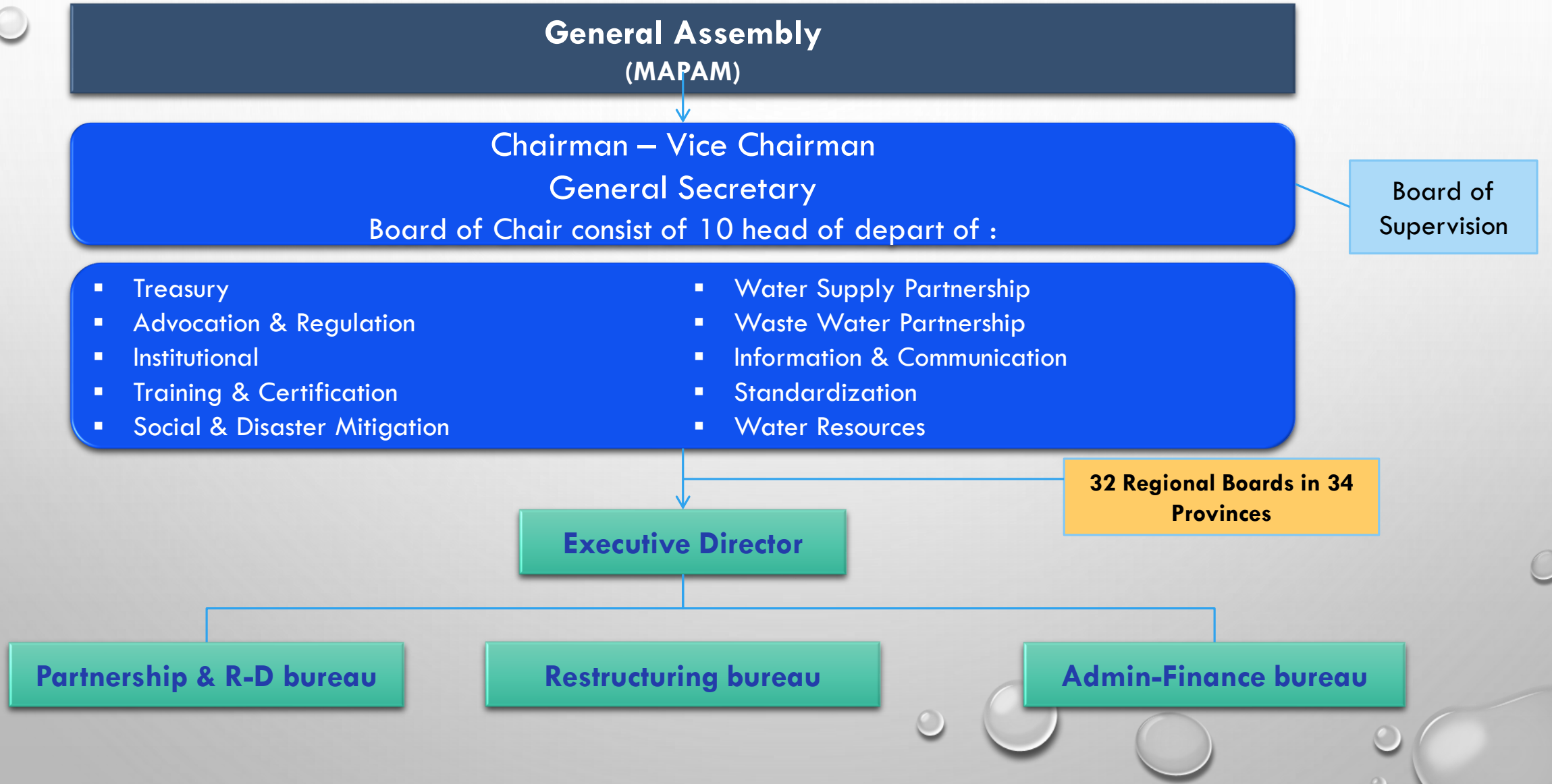
President Director

Perumda AM Banyumas

Act. Executive Director

AGUS SUNARA

PERPAMSI Organization Chart



NATIONAL OF WATER SUPPLY FIGURE

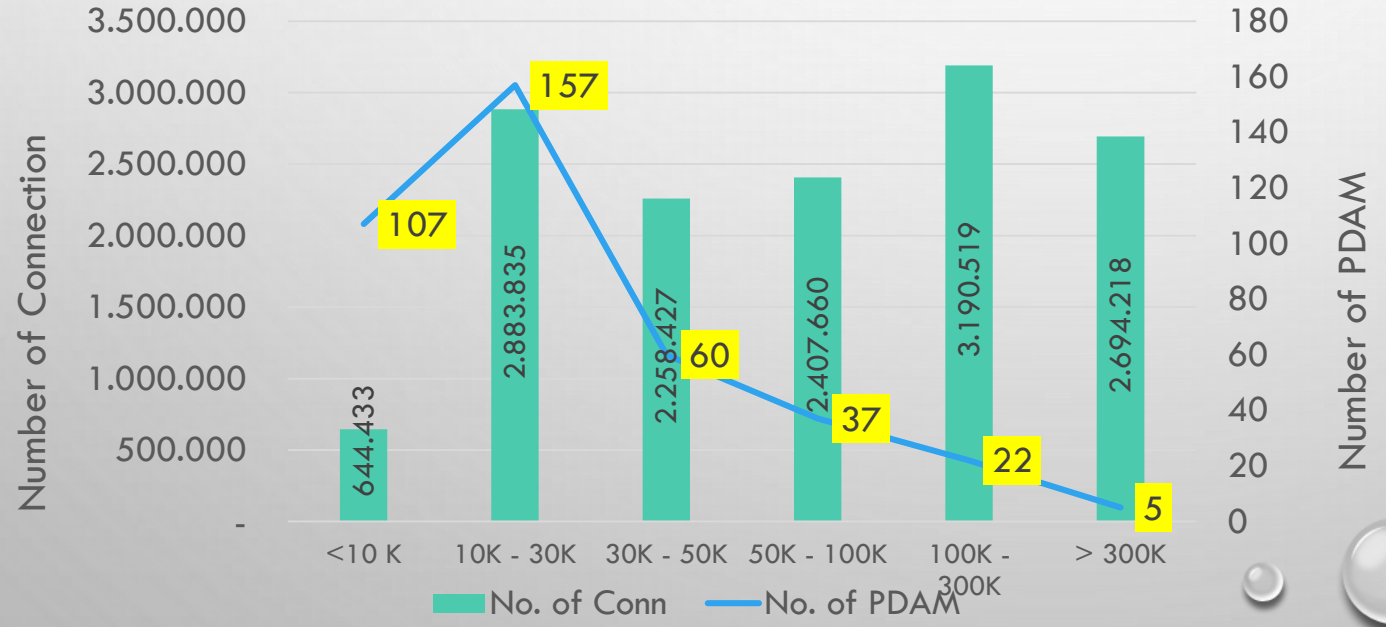
(MANAGED BY PDAM OR LOCAL OWN WATER COMPANY)

Description		Total		
Total Revenue	Rp. million	19,053,092	US$	1,360,935,143
Total Cost	Rp. million	17,595,542	US$	1,256,824,429
Profit/ (Loss)	Rp. million	1.457.550	US$	104,110,714
Number of Utility		435		(member of Perpamsi)
Total Vol. of Production (Net)	Cum/Year	4,914,252,572		
Total. Vol. of Sales	Cum/Year	3,280,915,131		
Number of Connection		14,079,092	connections	(388 Audited)
Services Coverage		28,8 %	Technical Coverage	
NRW (National Average)		33.2%		
Average Tariff	Rp./m^3	5,284	US$/cum	0.38
Average Cost of Prod	Rp./m^3	5,097	US$/cum	0.36

Source: Dit.of Water Supply, FY 2021

DISTRIBUTION OF THE NUMBER OF CONNECTIONS

No.of Con. Group		No. of PDAM	No. of Conn	No. of Non-FCR	% Non-FCR
<	10K	107	644,433	86	80.4 %
10K	30K	157	1,883,835	112	71.3 %
30K	50K	60	2,258,427	25	41.7 %
50K	100K	37	2,407,660	14	37.8 %
100K	300K	22	3,190,519	8	36.4 %
>	300K	5	2,694,218	0	0 %
		388	14,079,092	245	63.1 %



CHALLENGE AND OPPORTUNITY

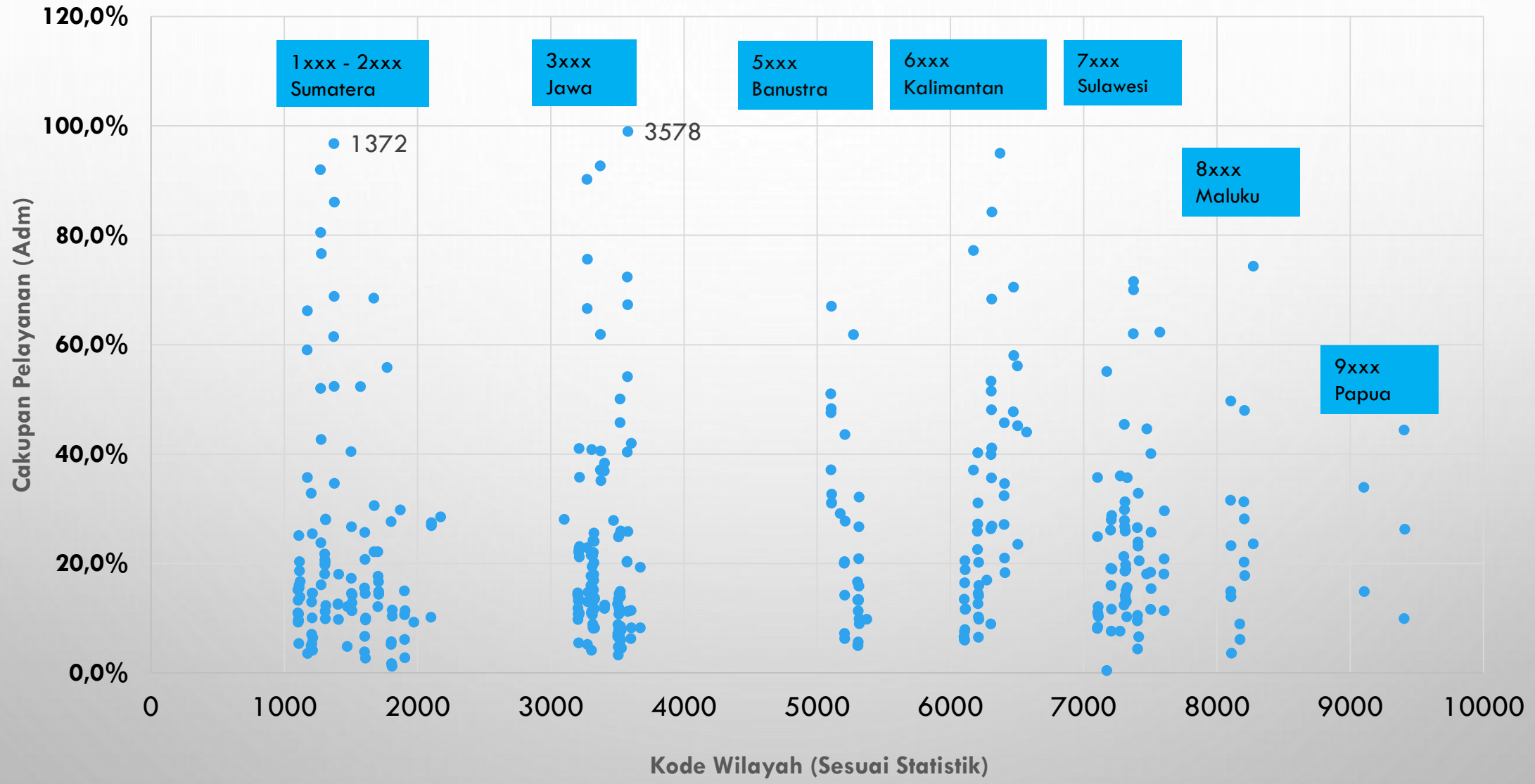
- NATIONAL MIDTERM DEVELOPMENT PLAN (NMDP) 2020 – 2024 TARGET TO ADD 10 MILLIONS CONNECTIONS ➔ GROWTH MIN 12 % PER YEAR (TO INCREASE ACCESS BY PIPES FROM 20.29 % TO 30.45 %)
- POPULATION GROWTH < > LIMITED WATER RESOURCES ➔ JAVA ISLAND
- CLIMATE CHANGE ➔ HYDRO-METEOROLOGICAL DISASTERS ➔ REQUIRES CCA-DRM (CLIMATE CHANGE ADAPTATION – DISASTER RISK MANAGEMENT)

➔ REQUIRES DEVELOPMENT AND REHABILITATION TO ENSURE RELIABLE AND RESILIENT SERVICES

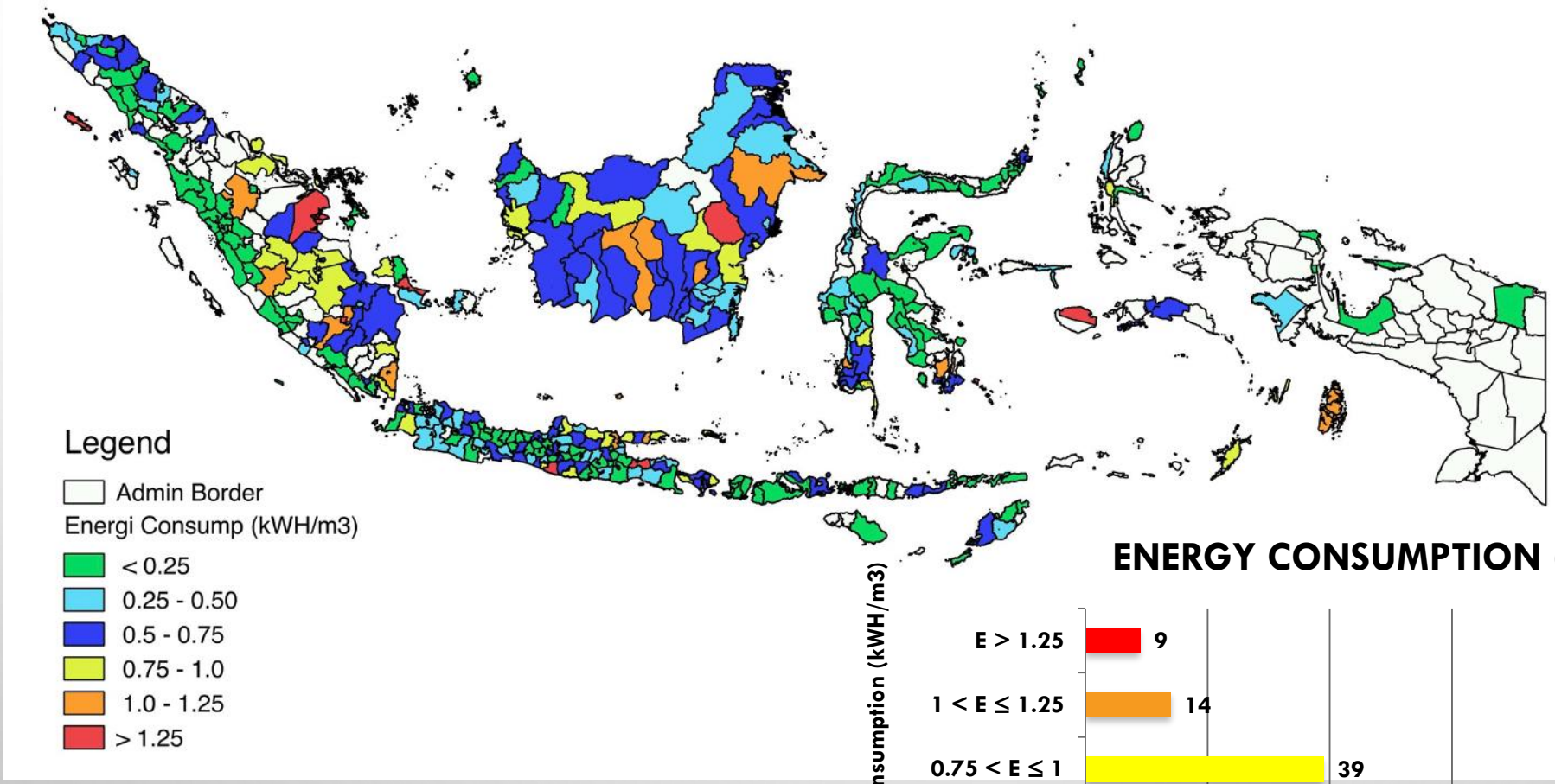
THREE BIGGEST WATER DEVELOPMENT ISSUES

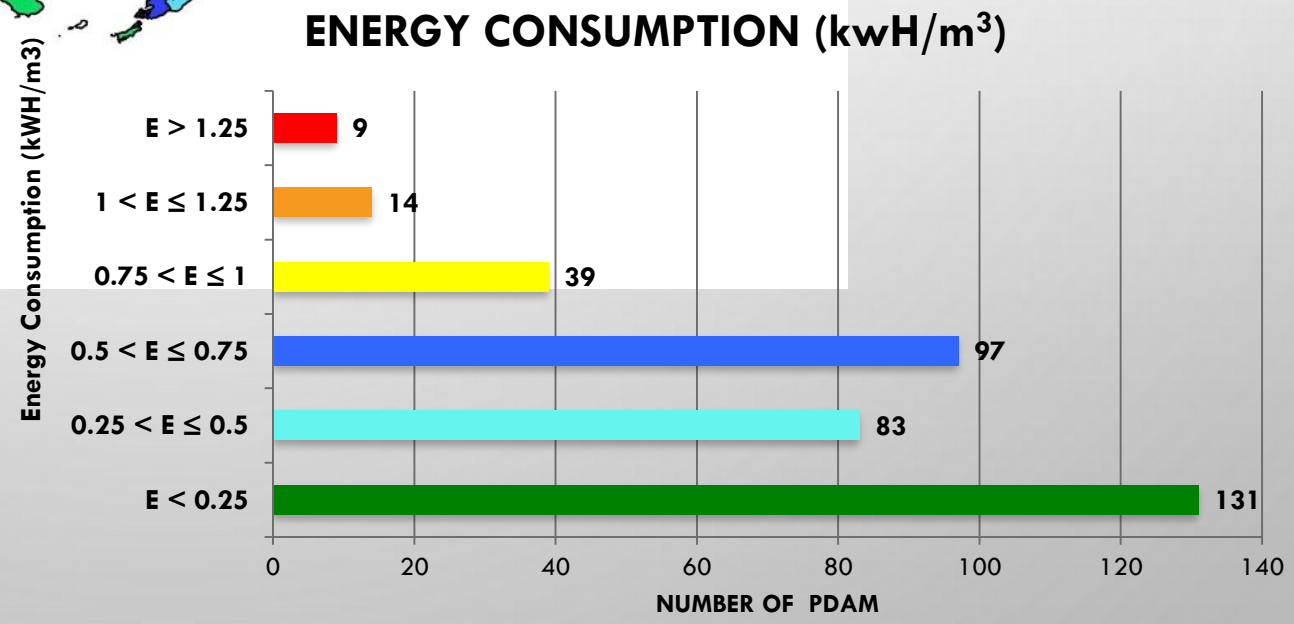
- 63.1 % OF PDAM's OPERATED WITH NON-FCR, AND ALMOST 80.4 % OF SMALL PDAM (< 10K CONNECTIONS) OPERATED NON-FCR
- LACK OF HUMAN RESOURCES (ALMOST 10 % OF 60.000 STAFF HAS GOT PROFESSIONAL CERTIFICATE)
- SHORTAGE OF RAW WATER (ESPECIAL IN JAVA ISLAND IN DRY SEASON) SOME RAW WATER SOURCE DECREASE UNTILL 50 % OF NORMAL FLOW. AND THE OTHER SIDE NATIONAL OF NRW AT 33.2 % (91 PDAM MORE THAN 40 %)

SERVICE COVERAGE OF PDAM 2019

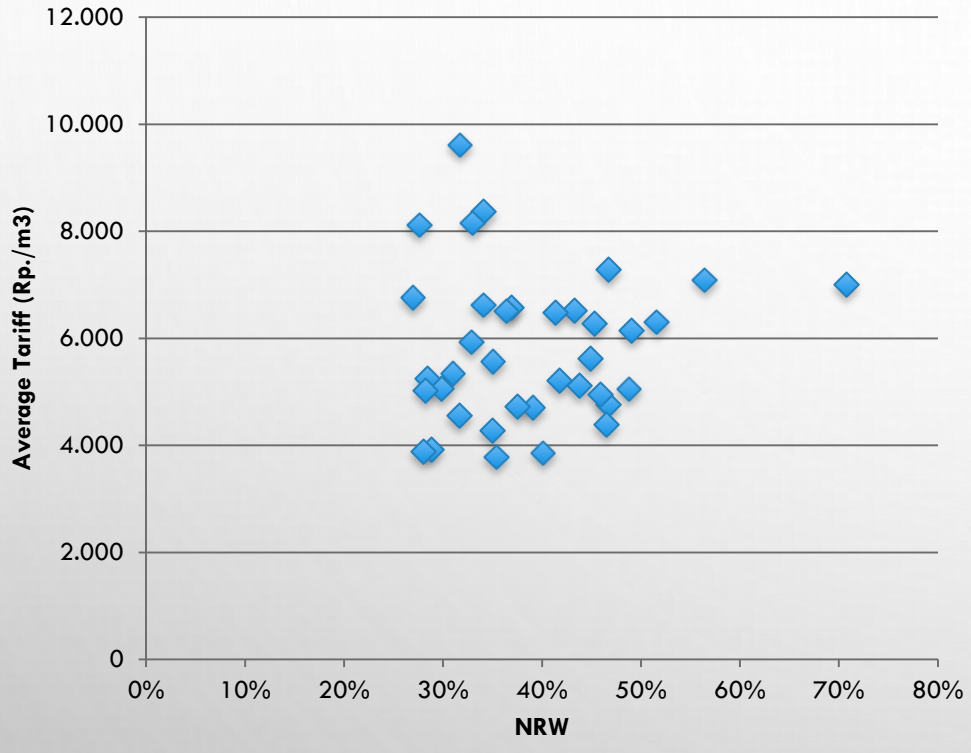


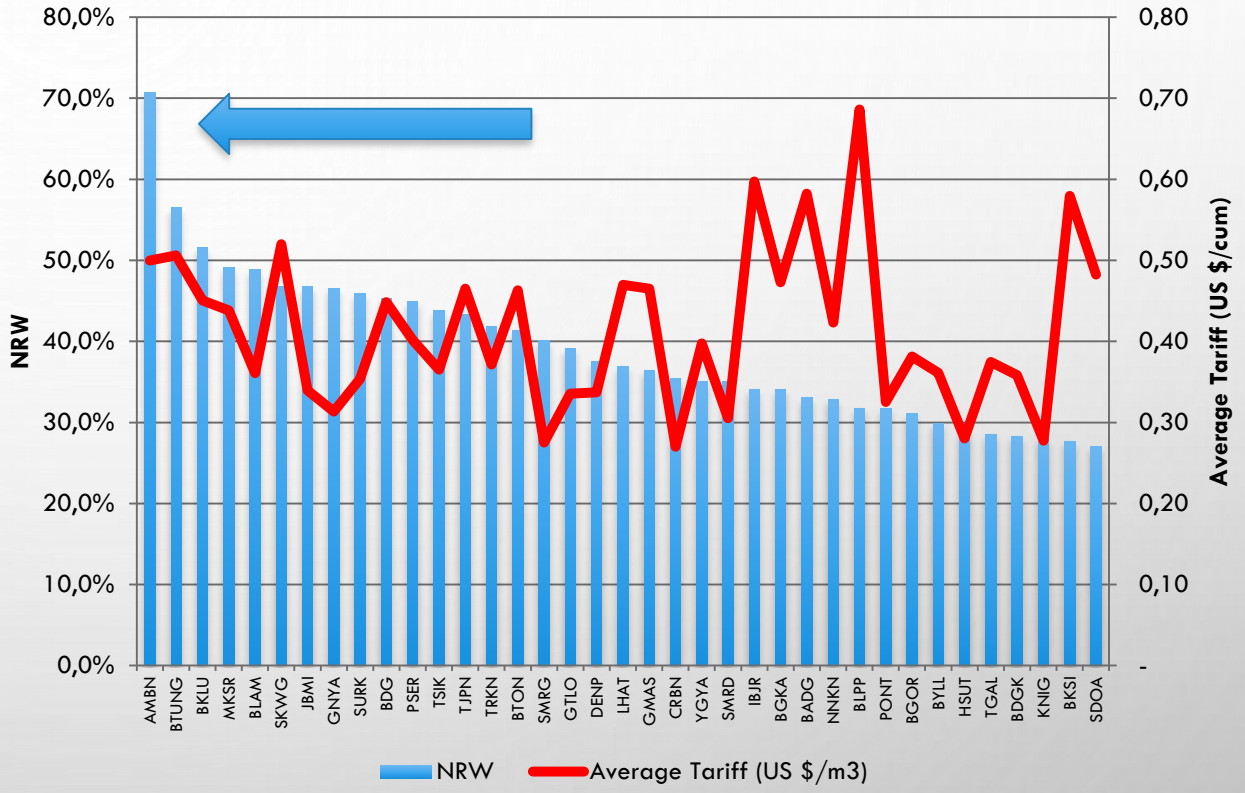
ENERGY CONSUMPTION TO PRODUCE AND DEVLIVER WATER (KWH/M^3) YEAR 2018





COMPARISON OF NRW VS TARIFF (2018)

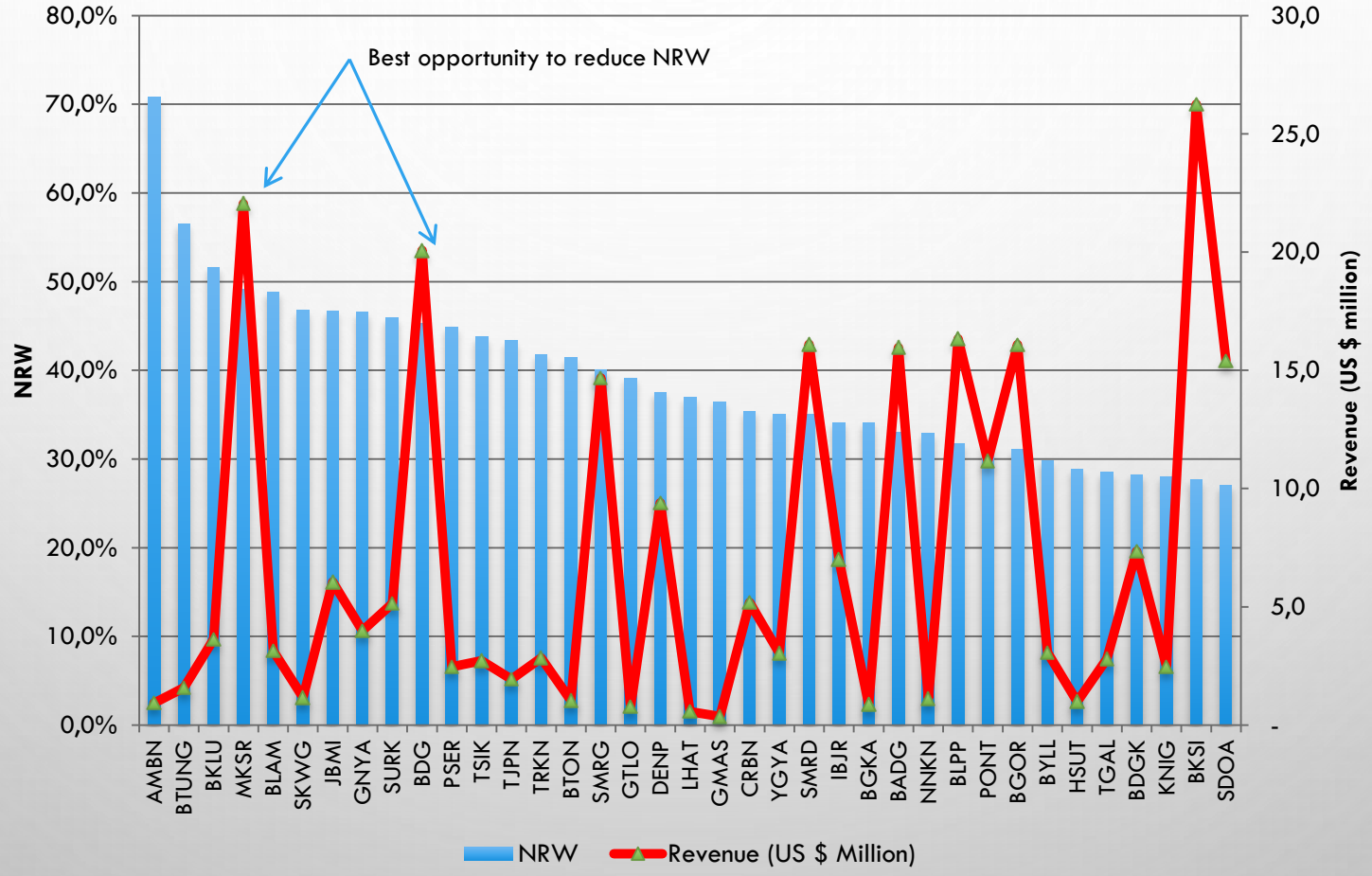




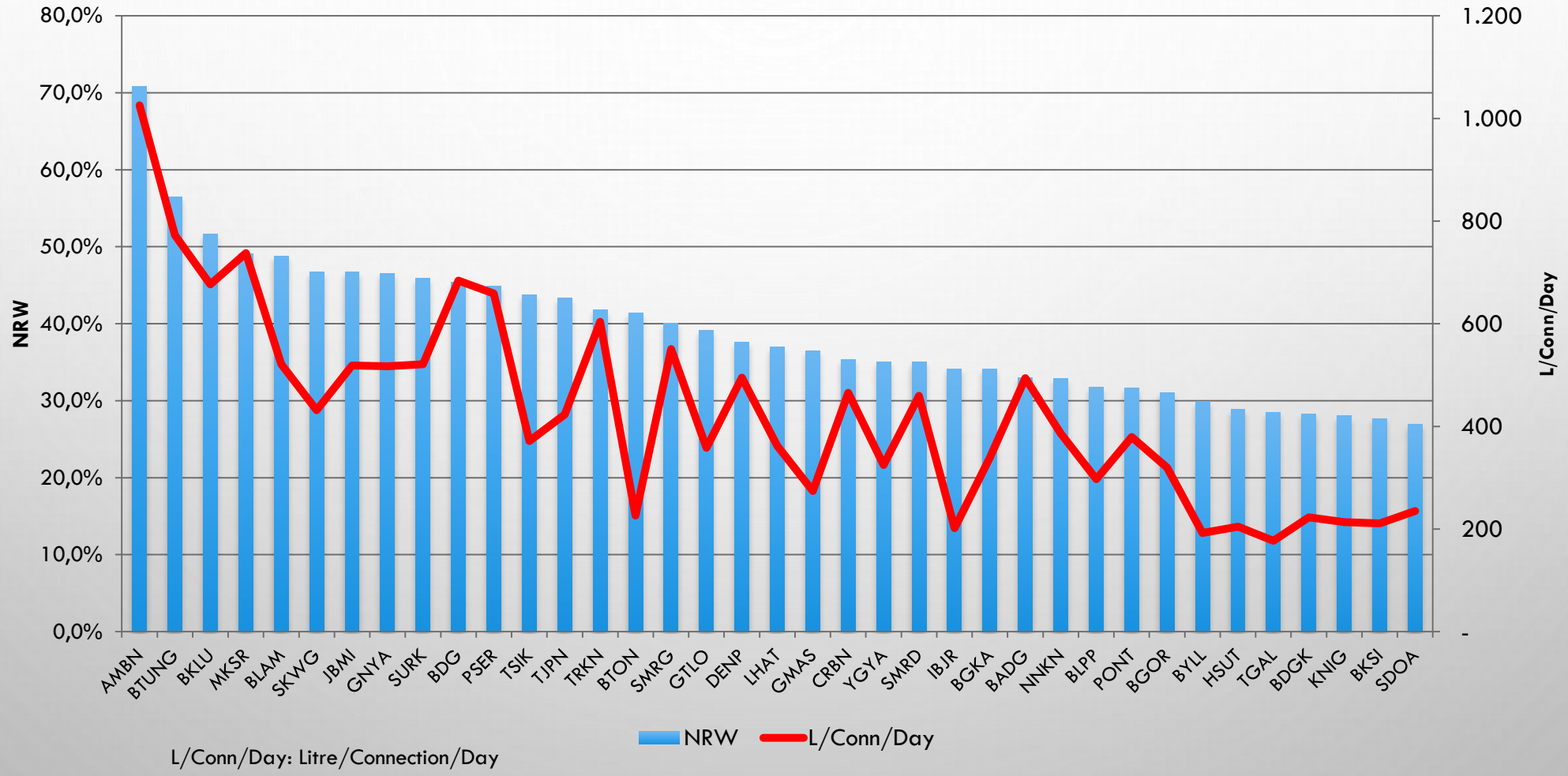
How to select the candidate:

- High NRW and high average tariff
- What about the revenue ?

NRW VS REVENUE



NRW VS LOSSES/CONNECTION/DAY



L/Conn/Day: Litre/Connection/Day

Contact

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SEKIAN DAN TERIMA KASIH

THANK YOU

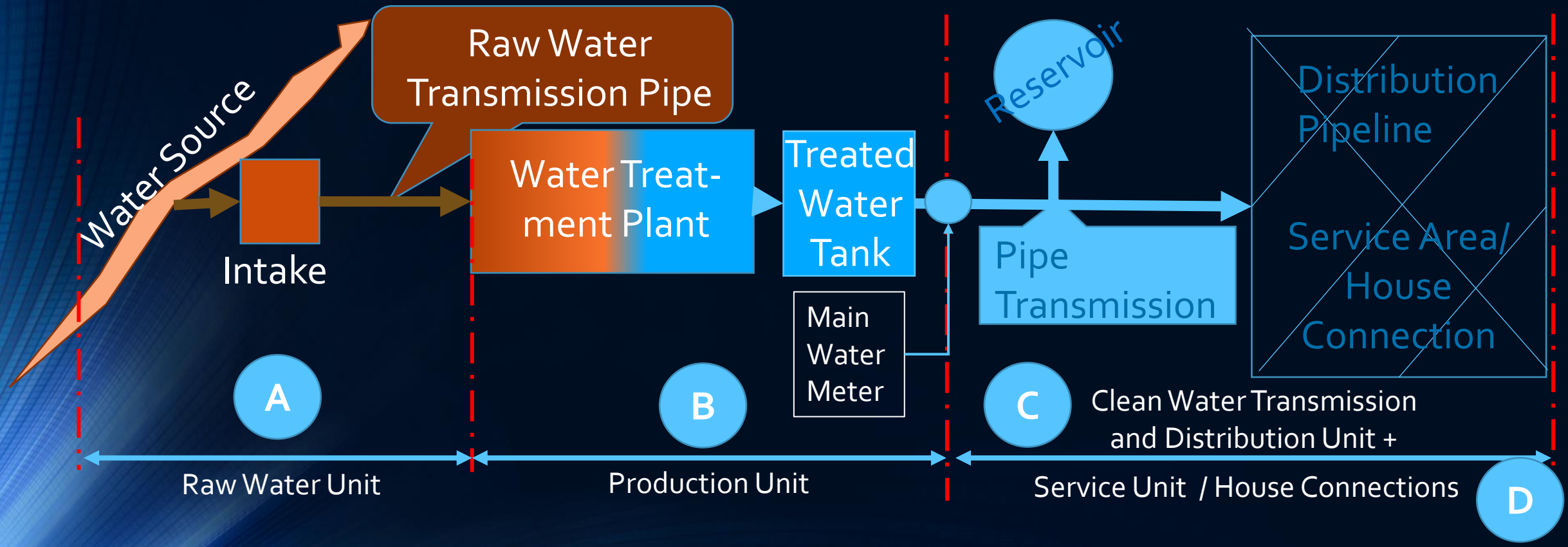
INVESTMENT COOPERATION IN THE PROVIDENCE OF CLEAN WATER SUPPLY SYSTEM (CWSS)

Presented by:
CECE SUTAPA
PT. CIPTA SANITA MANDIRI INDONESIA
TECHNICAL & MANEGEMENT WATER SUPPLY SYSTEM CONSULTANT

OUTLINE PRESENTATION:

1. UNDERSTANDING THE SYSTEM OF CLEAN WATER SUPPLY (FWSS) IN INDONESIA
2. INVESTMENT AND OPERATION COOPERATION FORMS IN THE PROVIDENCE OF CWSS
3. INVESTMENT COOPERATION PROCESS FOR THE PROVIDENCE OF CWSS
4. COOPERATION MECHANISM PPP/KPBU AND B TO B
5. UNSOLICITED PROCESS
6. REGULATIONS AND LAWS RELATED TO INVESTMENT COOPERATION IN THE PROVIDENCE OF CLEAN WATER SUPPLY SYSTEMS AS BIBLIOGRAPHY:
   - PUBLIC PRIVATE PARTNERSHIP (PPP/KPBU) MECHANISM
   - BUSSINESS TO BUSSINESS ENTITIES (B TO B) MECHANISM
   - OTHER LAWS RELATED TO PPP AND B TO B

UNDERSTANDING THE SYSTEM OF CLEAN WATER SUPPLY IN INDONESIA



FORMS OF CWSS INVESTMENT COOPERATION

Cooperation with private business entities in CWSS Infrastructure only in forms:

a) investment in CWSS Development and/or CWSS Management of Raw Water units and production units; (BOT; ROT and RUOT)

b) investment of distribution pipeline units and Services Unit (HC) that are further operated and managed by the state-owned enterprises or BUMD concerned (BTO); and/or

c) investment in operating and maintenance technology in order to strive for effective and efficient CWSS implementation with performance-based contract mechanisms.

INVESTMENT AND OPERATION COOPERATION FORMS IN THE PROVIDENCE OF CWSS

NO.	DESCRIPTION	WORKING AREA			
		A (Unit of Raw Water)	B (Unit of Prod.tion)	C (Unit of Pipeline)	D (Unit of User)
1.	Investment (by Investor)				
2.	Working Area of Operation and Maintenance				
3.	Cooperation/Partnership scheme:				
	• Build Operate and Transfer (BOT)				
	• Rehabilitation Operate and Transfer (ROT)				
	• Rehab. Uprate Operate & Transfer (RUOT)				
	• Build Transfer and Operate (BTO)				

Legend:		
		= Investor
		= The Clean Water Enterprise of Local Government

Person in Charge of Cooperation Project (PJPK) in CWSS Project

In General for all Infrastructure:

The person in charge of the Cooperation Project here in after abbreviated as PJPK is the Minister / Head of Institutions / Regional Heads, or National/Regionally Owned Enterprises as providers or operators of infrastructure based on laws and regulations.

Especially for Clean Water Supply Infrastructure:

The person in charge of the Cooperation Project here in after abbreviated as PJPK is The Directore of National/Regionally Owned Enterprises as providers or operators of Clean Water Supply Infrastructure

The Basic Provisions of PPP (KPBU) and B to B:

A. The CWSS Providence Cooperation Scheme consists of Public Private Partnership (PPP/KPBU) and Business to Business (B to B) transaction mechanisms. The cooperation through PPP scheme if it requires the Central / Local Government Support (Gov.S), while The B to B Cooperation scheme if it does not require Gov. S. and all forms of cooperation risk are not charged to other parties outside the cooperation.

B. The procurement process of business entities in the CWSS Providence cooperation mechanism through PPP and Business to Business (B to B) must still ensure the implementation of the principles of free competition, openness and fairness (conducted through open auctions).

STAGES OF COOPERATION PROJECT IMPLEMENTATION (1)

STAGES 1
COOPERATION PROJECT PLANNING

1. Preparation of PPP fund budget plan;
2. Identification and preparation of PPP proposals;
3. Planning stage fund fencing;
4. Take further decisions / do not continue the PPP plan;
5. Drafting a list of PPP plans; and
6. PPP categorization.

OUTPUT:

- **Preliminary Study (Outline Business Case)**
- **Project Priority List**

STAGES OF COOPERATION PROJECT IMPLEMENTATION (2)

STAGES 2:
COOPERATION PROJECT SETUP

1. Preparation of PPP Study;
2. Submission of Government Support;
3. Government Guarantee Application; and
4. Location Determination Submission

OUTPUT:
Pre- Feasibility study
(Final Business Case)

Application Process for Government Support Needs and/or Government Guarantees For Location Determination Application

Environmental Studies by PJPK
Land Acquisition Process

STAGES OF COOPERATION PROJECT IMPLEMENTATION (3)

STAGES 3
COOPERATION PROJECT TRANSACTIONS

1. Market Sounding);
2. Determination of PPP location;
3. Procurement of Business Entities of PPP Implementation;
4. Signing of PPP Agreement;
5. Financial Close.

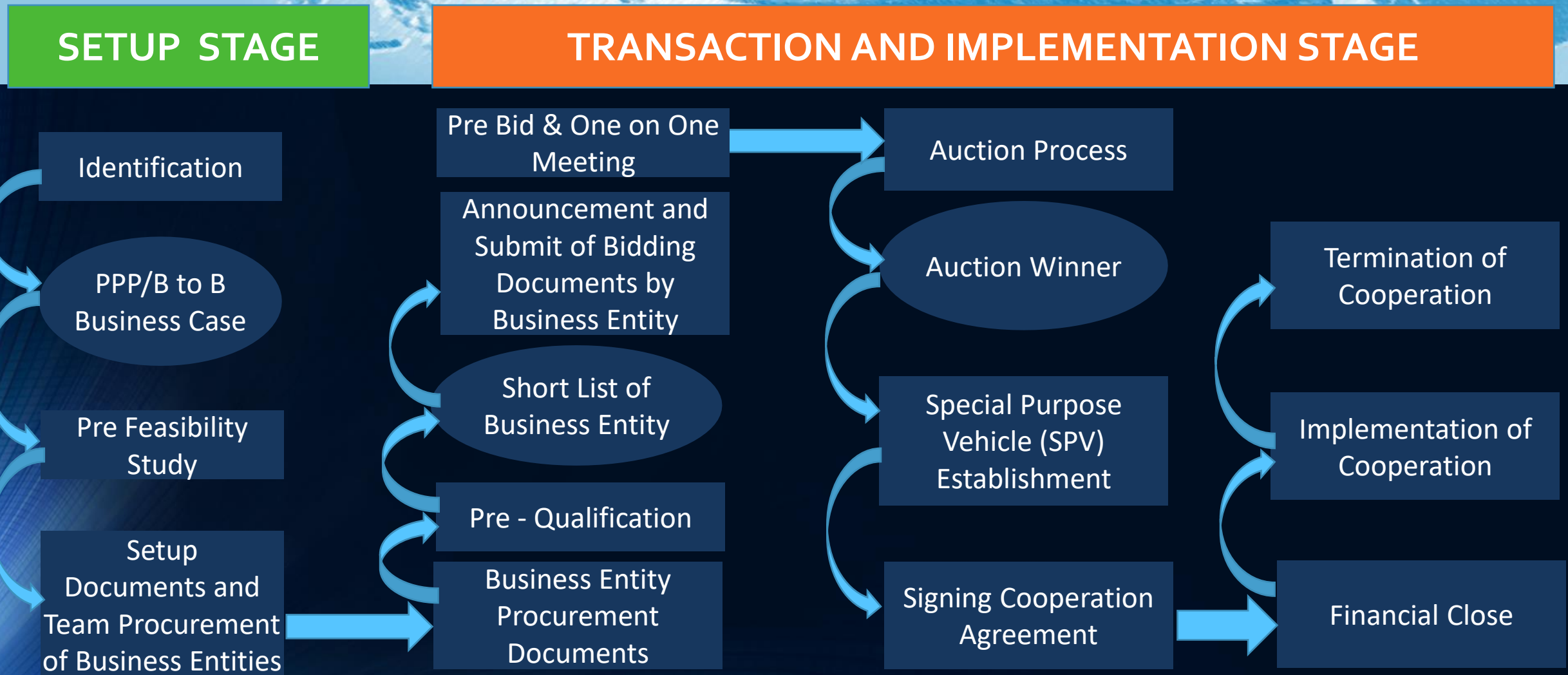
OUTPUT:

- PPP Agreement Document
- Principle Approval Document
- Guarantee Agreement
- Regres Agreement Document

- Confirmation/Approval of Government Support;
- Location Determination by the Governor;
- Allocation, Disbursement, Supervision & Monitoring Process;
- Providing Government Support and/or Monitoring & Evaluation of the Implementation of The Guarantee Agreement & Regres Agreement

Environmental Permit and Land Acquisition Process Done

In General, the Stages of the Investment Cooperation Process with Private Business Entities



COOPERATION MECHANISM:

1. PRIVATE PUBLIC PARTNERSHIP (PPP)/ KPBU MECHANISM
2. BUSINESS TO BUSINESS (B TO B) MECHANISM


REQUIREMENTS FOR PRIVATE PUBLIC PARTNERSHIP (PPP)/KPBU HAS TO BE MEET:

1
- Economically and financially feasible:
  - Financial without VGF
  - Marginal finance can be VGF and/or state budget support from the Ministry of Public Work and Public Housing

2
- Assignment of Regent/ Mayor to BUMD as PJPK

3
- Can Obtain Guarantee from Indonesia Infrastructure Guarantee Fund (IIGF)

4
- Can Obtain Project Development Facilities (PDF) from the Ministry of Finance

5
- Unsolicited
  - Without the Support of VGF and state budget of the Ministry of Ministry of Public Work and Public Housing
  - Can obtain IIGF Guarantee
  - Previllige: right to match; additional 10% value or feasibility study purchase

6
- Solicited:
  - Can obtain VGF (Viability Gap Fun)
  - Can obtain IIGF Guarantee
  - Can get support from the Ministry of Public Works and Public Housing

7
- Open auction

REQUIREMENTS FOR BUSINESS TO BUSINESS (B TO B) HAS TO BE MEET:

1. Economically and financially feasible:
2. The Project has been approved by the regent/mayor
3. Directors Regulations has been approved by the Board of Trustees
4. No government support:
   - Without the Support of VGF
   - Cannot obtain IIGF Guarantee
   - Without supporting from state budget of the Ministry of Public Work and Public Housing
5. It can be possible to be solicited and unsolicited and It must be approved by the Regent/ Mayor
6. Open auction

The Process of Investment Cooperation on the Initiative of Business Entities (Unsolicited)

PI

- Prospective Initiators prepare a Pre-Feasibility Study and
- submit a proposal for Compensation for the Initiating Business Entity

PJPK

The PJPK evaluates in depth the Pre- Study Feasibility Document, in Term of:

- Technically integrated with the Drinking Water Supply System Master Plan
- Economically and Financially Viable
- Prospective Initiators have adequate ability and authority to finance the implementation of this cooperation project

If the Pre-feasibility study is approved by the PJPK:

- PJPK publishes Letter to Proceed to Feasibility Study
- Prospective Initiators continue with the preparation of a feasibility study

PI

Completion of feasibility study documents and fulfillment of Pre-qualification Requirements carried out by prospective initiators, submitted to the PJPK

PJPK

The PJPK evaluates in depth in terms of:

- The Feasibility Study,
- Pre-Qualification Document,
- Plan form of cooperation;
- Project financing plans and sources of funds;
- Plan of The business entity's Procurement, includes the schedule, process and method of assessing bids for bidders

If the Feasibility Study Document is approved, then PJPK should Issued:

1. Letter of determination of PPP/ B to B proposal as an unsolicited business entity initiative project;
2. Letter of determination of the Prospective Initiator as the Initiating Business Entity; and
3. Letter of determination of the provision of compensation forms for Initiating Business Entities

PI= Prospective Initiators

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1. LAW OF THE REPUBLIC OF INDONESIA NUMBER 7 OF 2019 CONCERNING WATER RESOURCES
2. Government Regulation Number 121 of 2015 concerning Water Resource Entrepreneurship Article 2 Paragraph 1
3. Government Regulation No. 122 of 2015 concerning Clean Water Supply Systems (CWSS) Article 56
4. Presidential Regulation No. 38 of 2015 concerning Government Cooperation With Business Entities in Infrastructure Provision

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Laws and Regulations relating to Investment Cooperation in Providence of Clean Water Supply System (FWSS) by PPP/KPBU Mechanism (Part 2)

5. Regulation of the Minister of National Development Planning / Head of Bappenas Number 4 of 2015 concerning Governance How to Implement Government Cooperation with Business Entities in Infrastructure Provision

6. Regulation of the Head of LKPP Number 19 of 2015 concerning Procedures for Implementation Procurement of Government Cooperation Business Entities With Internal Business Entities Infrastructure Provision

7. Regulation of The Minister of Public Works and Public Housing Number 19 of 2016 concerning the Provision of Support by the Central Government and / or Local Government in Investmeent Cooperation in Providence of Clean Water Supply System

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1. LAW OF THE REPUBLIC OF INDONESIA NUMBER 7 OF 2019 CONCERNING WATER RESOURCES
2. Government Regulation Number 121 of 2015 concerning Water Resource Entrepreneurship Article 2 Paragraph 1
3. Government Regulation No. 122 of 2015 concerning Clean Water Supply Systems (FWSS) Article 56 Paragraph 1 to 4

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4. The Mechanism for Investment Cooperation in the Implementation of CWSS is regulated by the Regulation of the Director of Local Government Company of Clean Water which can refer to the Regulation of the Minister of VAT / Head of Bappenas Number 4 of 2015 concerning Procedures for the Implementation of Cooperation

5. Regulation of the Minister of Public Works and Public Housing Number 19 of 2016 concerning the Provision of Support by the Central Government and/ or Local Government in cooperation in the Implementation of the Clean Water Supply System Article 7 Paragraph 6 to 10

6. REGULATION OF THE MINISTER OF LOCAL GOVERNMENT NUMBER 118 OF 2018 CONCERNING BUSINESS PLANS, WORK PLANS AND BUDGETS, COOPERATION, REPORTING AND EVALUATION OF REGIONALLY OWNED ENTERPRISES, Article 26 Paragraph (1) and (2)

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The Other Laws and Regulations related to Investment Cooperation in Providence of Clean Water Supply System

1. Law No. 23 of 2014 concerning Local Government
2. Government Regulation No. 50 of 2007 concerning Procedures for the Implementation of Cooperation
3. Regulation of the Minister of Public Works and Public Housing Number 1 of 2016 concerning Procedures for Licensing water resources and the use of water resources

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The Other Laws and Regulations related to Investment Cooperation in Providence of Clean Water Supply System

4. Regulation of the Minister of Public Works and Public Housing Number 10 of 2016 concerning the Implementation of Indonesian National Work Competency Standards in the Field of CWSS Management

5. Regional Regulations related to Investment Cooperation and Licensing

   Regulations related to environmental licensing

6. Regulation of the Minister of Finance related to the provision of financial support and guarantees (if support / guarantee is needed)

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INVESTMENT COOPERATION IN THE PROVIDENCE OF CLEAN WATER SUPPLY SYSTEM (CWSS)