

# **International Seminar on Structuring PPP Railway Projects**

**24 February 2011, Nikko Hotel, Jakarta**

## **Closing Remarks**

**Mr. Hidetoshi Nishimura**

High profile government officials, distinguished guests and speakers, thank you for your attendance to this PPP Seminar.

It is ERIA's great honor to sponsor this seminar, and we are very happy with the outcome today. It is ERIA's belief that PPP should be a powerful tool to implement infrastructure projects, and I believe promotion of railway project in Indonesia particularly around Jakarta is important in consideration of recent congestion of highways and city roads.

However, since the things are not that simple and easy, and there should be certain core techniques and skills applied along the whole process of PPP undertakings, it is ERIA's strong will that we should encourage prevailing and penetration of such know-how in the infrastructure development society not only in Indonesia but also all across Asia.

Today's program was organized in line with this thinking but specifically focusing on Chenkareng-Manggarai railway project due to the proposal by ERIA and by JETRO. I believe the lectures were very informative and useful for all the attendants in a sense that we could hear about many cases all over the world touching upon various issues which accompanies significant risks as well as the measures to cope with those risks, and I hope what we learned today would be helpful to accelerate the Chenkareng-Manggarai railway project implementation.

One thing I was particularly impressed was PT IIG, who, as a government guarantee company, has clear ideas about where major risks underlie in PPP projects and how to deal with those, and based on this perception IIG is prepared to serve as one of the key institution to promote PPP projects in Indonesia.

Anyway, after listening to those successful cases in many countries now it is clear that the role of Public or government is very important, in other words, PPP projects cannot be successfully completed only with the initiative of Private.

Let me say at least following undertaking by Public seems to be needed.

1. Construction of reasonable and workable risk sharing framework between Central government, local government, and Private investors.
2. Listing up and sorting out of specific risks, and agreement on who will take which risk among the 3 parties.
3. At the same time the central government should take the leadership to determine the risks and it should be more aggressive to assume the risk if it is not clearly attributable.
4. Central government should arrange counter measures to mitigate all the risks as much as possible in reasonable sense. IIG as I mentioned earlier is an example of the measures for this purpose.

To conclude today's Seminar let me thank all the speakers for valuable lectures, JETRO and ERIA for co-sponsoring and strong support to organize various matters all of which together have brought about successful ending of this Seminar today. Once again I thank all of you for attendance and cooperation, terima kasih banyak.