



Joint News Release

TEMASEK FOUNDATION AND SINGAPORE COOPERATION ENTERPRISE PARTNER THE WORLD BANK AND INDONESIA INFRASTRUCTURE GUARANTEE FUND TO SHARE SINGAPORE'S EXPERIENCE ON CORPORATE GOVERNANCE AND PUBLIC-PRIVATE PARTNERSHIPS TO SUPPORT INFRASTRUCTURE DEVELOPMENT IN INDONESIA

Jakarta, Indonesia, Tuesday, 11 May 2010

Temasek Foundation and Singapore Cooperation Enterprise (SCE) announced today that they will partner the World Bank and the Indonesia Infrastructure Guarantee Fund (IIGF), a newly set-up state-owned company under the Ministry of Finance of Republic of Indonesia, to share Singapore's experience in corporate governance and development of public-private partnerships (PPP) for infrastructure projects.

A Memorandum of Understanding (MOU) was signed today between the World Bank, IIGF and SCE to formalise the cooperation. It was witnessed by Indonesia's Minister for Finance, Mdm Sri Mulyani Indrawati. The programme is supported by Temasek Foundation with a grant amount of about SGD474,000 (IDR3.1 billion).

Infrastructure development is a priority for the Government of Indonesia in sustaining economic growth and improving people's standards of living. To attract greater private sector participation in the infrastructure sector, the Indonesia Ministry of Finance is working with the World Bank to operationalise the IIGF. The IIGF will attract private

financing into the infrastructure sector in Indonesia by improving the creditworthiness and quality of PPP infrastructure projects. The IIGF will provide guarantees cover to the private sector against risks arising from government actions, specifically those of Contracting Agencies such as line Ministries, State-Owned Enterprises and Regional Governments, including coverage against land acquisition delay/failure; permits delay/failure; change in law; breach of contract; failure to integrate with network; and termination.

The technical assistance from Singapore has been coordinated under the World Bank-Singapore Urban Hub, which represents the partnership between the Government of Singapore and the World Bank.

“Singapore is a key development partner for the World Bank, and the World Bank-Singapore Urban Hub allows us to leverage our global knowledge and Singapore’s recognised experience in corporate governance, urban management and infrastructure finance to provide solutions to our client countries. Through the SCE, we are able to secure the participation of public sector agencies in Singapore and also the private sector to extend joint assistance for priority initiatives in the region,” said Mr Kamran Khan, Head of the World Bank Singapore Office and Program Director for the World Bank-Singapore Urban Hub.

Under the MOU, SCE will put together a team of Singapore experts to assist in the development of IIGF’s corporate governance framework, management structure and operational functions. In addition, SCE will be organising a series of workshops for more than 50 Indonesian government officials, to share its experiences and best practices in managing and structuring PPPs in the infrastructure sector. These workshops will also provide a platform for IIGF to establish a dialogue with Singapore’s public sector agencies, project financiers and investors based in Singapore and the East Asia region.

Speaking at the signing ceremony, Mr. Alphonsus Chia, Chief Executive Officer of SCE said, “SCE is glad to have this opportunity to partner Indonesia’s Ministry of Finance and the World Bank in this important initiative to encourage infrastructure development in Indonesia. This programme reflects the growing partnership between Singapore and the World Bank, and our shared commitment to Asia’s development. We look forward to

working closely with officials from IIGF and other Indonesian agencies. We also hope that this will pave the way for other cooperation opportunities with Indonesia. Finally, as always, we are grateful to Temasek Foundation for their strong support.”

“Temasek Foundation is pleased to be part of this partnership as building capacities in developing governance frameworks is one of our key focus areas. We hope that our support will help build a well-structured framework to harness greater opportunities for infrastructure development in Indonesia, “said Mr Benedict Cheong, Chief Executive Officer of Temasek Foundation, Singapore.

Jointly Issued by Temasek Foundation, Singapore Cooperation Enterprise, World Bank and the Indonesia Infrastructure Guarantee Fund