

Dili Airport PPP - Investor Conference Q&A

#	Question	Answer
1	Has the layout for the airport been fixed?	An Airport Master Plan is being prepared and is expected to form the framework against which bids will be invited. It is expected that design within the recommendations of the approved Master Plan would be up to the bidders.
2	Has the project taken in to account flooding, relocation of people and other E & S issues etc.?	The Master Plan has taken account of initial assessments in relation to environmental and social impacts, and IFC's Environmental and Social consultants are investigating these matters through an E&S Scoping Study, and the final project design will address these matters in accordance with international best practice like the Equator Principles.
3	What type of PPP model is being considered for Dili Airport? What other examples of this model is available?	The PPP structure options are in the process of being finalized before being presented to the Government. Based on the due diligence analysis to date, a PPP concession with viability gap funding from the Government is being considered. The specifics of the PPP model will be made available to interested bidders prior to official launch of an open, transparent tendering process.
4	The current runway allows for only landing and take off in one direction while it should be possible to do so in both directions?	The current runway operations are conducted in both directions, with either direction being used about 50% of the time. It is understood that the question might also have been referring to the present need for an arriving or departing aircraft to backtrack on the runway after landing or prior to takeoff. The Master Plan has identified as a minimum, two stub taxiways to the Apron, to allow simultaneous movements of arriving and departing aircraft. Consideration is also being given to longer taxiways, although the traffic forecasts indicate that runway congestion will not be an issue in the life of the Project.
5	How will other infrastructure services such as electricity and telecom be provided/support these projects?	Access to the airfield will be provided by public utilities. On-airfield infrastructure will need to be coordinated between the airport concession holder and the public utilities. The concession holder would be expected to make provisions for whatever infrastructure might be required to facilitate these services.
6	What will be the partnership between the international and local (Timorese) private sector?	Participation by the local private sector is strongly encouraged, and is expected to be one of the bid evaluation criteria. Government is still considering whether or not a minimum local content provision will be a mandatory criterion.
7	The traffic projects for the Project appears to be too optimistic given the present level of passenger traffic and runway limitations?	The traffic forecasts for Dili Airport have been prepared using established industry-accepted forecasting methodology, taking into account the various influences of demand from local residents, overseas visitors, official agencies, the resources industry, and freight operators. Bidders shall complete their own due diligence in order to take an informed view on the traffic forecasts.
8	With the implementation of the Master plan in the long term, what will be the dimensions of the buffer zone on landside and airside? What will be the implications on access etc.?	In the long term the aerodrome is planned to conform to international standards which require a 300m strip width (i.e. a clear area 150m either side of the runway centerline). At the edge of this area, the standards require that there be no obstacles within a designated obstacle limitation surface, which at the side of the runway from ground level at the edge of the runway strip, at an inclination of 1 in 7 (a separate 2.5% slope is required fanning out from the runway thresholds).
9	How does the Government / IFC think of subsidizing the project if it is not profitable in the short term?	The Government is currently considering methods of funding the Project so that it is commercially viable as a PPP.
10	How will the construction of the Suai airport impact the traffic projected for Dili Airport?	The Base Case traffic forecast have been prepared assuming that all international travelers arriving in Timor-Leste will disembark and embark at Dili Airport, and that domestic flights continue to Suai initially with helicopters, which is the current practice, and then after 2016 in fixed wing aircraft. However, the Low Case traffic forecast takes into account the possibility that the resources industry will fly direct international flights to Suai, bypassing Dili. Bidders will have an opportunity to review the traffic forecast assumptions and methodology during their due diligence.
11	Are there any incentives provided to the investors/operator involved in this project (i.e. tax exemption etc.)?	The Private Investment Law N.º 14/2011, which discusses the benefits and incentives of fiscal and customs nature for investments, would apply to the Project.
12	What is the schedule for finishing the project?	It is expected that the concession agreement will be signed in early 2014 with construction to commence by January 2015.

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13	What will be the likely duration of the concession?	A concession period of 25 years is being contemplated though this will be finalized after transaction structuring has been approved by the Government.
14	What are the ownership rights to the land? Govt. or private individuals?	This work is in process though the Government will be responsible for ensuring that land required for the Dili Airport upgrade and expansion is made available to the airport developer.
15	How will this project be dealt with under the recently promulgated Investment Law with the requirement that 75% of all businesses be nationally controlled?	This project will not fall under the Investment Law as it is a PPP project. It will however, have its own laws and regulations set out in a new PPP/Decree Law and these will be clearly set out in the concession agreement.