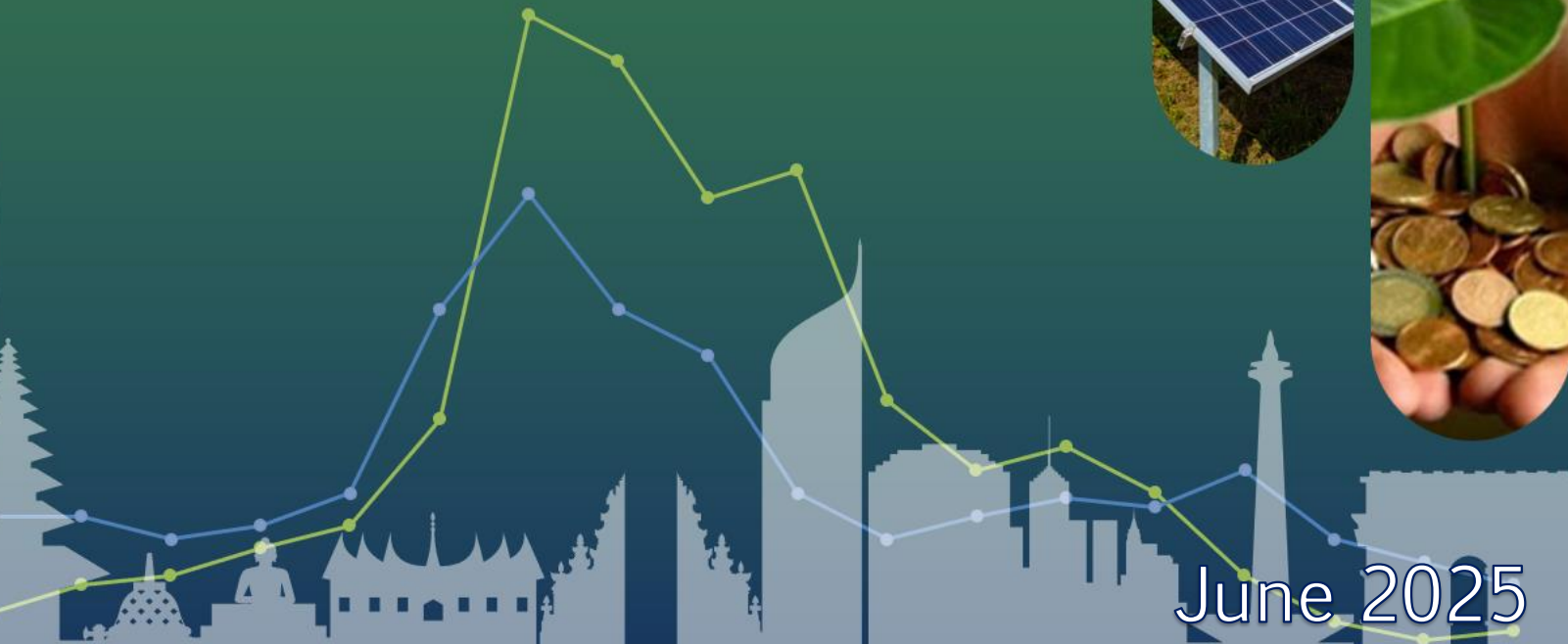


Presentation Book

Investor Relation Unit ★ Republic of Indonesia

*“Navigating Global Dynamics through Policy Synergy to
Maintain Stability and Strengthen Economic Growth”*



June 2025

About Investor Relations Unit of the Republic of Indonesia



Investor Relations Unit (IRU) of the Republic of Indonesia has been established through a collaborative effort between the Coordinating Ministry of Economic Affairs, the Ministry of Finance and Bank Indonesia since 2005. The primary objective of IRU is to actively communicate Indonesian economic policies and to address the concerns of investors, particularly those in financial markets.

As an important part of its communication strategy, IRU maintains a website hosted under Bank Indonesia website, which is administered by the International Department of Bank Indonesia. However, day-to-day activities of IRU are supported by all relevant government agencies, among others: Bank Indonesia, Ministry of Finance, Coordinating Ministry for Economic Affairs, Ministry of Investment, Financial Services Authority, Ministry of State-Owned Enterprises, and The Committee for Acceleration of Priority Infrastructure Delivery.

IRU also actively engages with investors by organizing a monthly Investor Conference Call. Additionally, it promptly addresses inquiries through email and telephone channels. Furthermore, IRU may also facilitates direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices. This multifaceted approach underscores the commitment of the IRU to foster transparent communication and address the needs of the investors.

Published by Investor Relations Unit – Republic of Indonesia

Website: <http://www.bi.go.id/en/iru/default.aspx>

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This Presentation Book is also available for download at: <https://www.bi.go.id/en/iru/presentation/default.aspx>

Green Policy

***“Indonesia's Climate Resilience: Strong
Commitment, Bright Future”***



Inclusive Growth, Sustainable Future: Indonesia's Commitment to Green and Sustainable Finance

Amid unprecedented global challenges, Indonesia remains resolute in its efforts to promote inclusive and resilient economic growth. Classical risks such as inflation, trade tensions, social unrest, and geopolitical conflicts persist, alongside emerging challenges such as high debt levels, sluggish growth, evolving technology, and urgent climate concerns, shaping an uncertain decade ahead. Indonesia pledges to expand and fortify initiatives for a sustainable, inclusive economy and to bolster financial frameworks supporting long-term economic health. The government will enhance policy coordination across sectors to foster a stable, inclusive, and environmentally conscious financial system. Addressing climate change and environmental preservation requires collaborative efforts, leveraging the potential of all stakeholders to maximize impact.

Indonesia Commitment Towards Climate Change Agenda



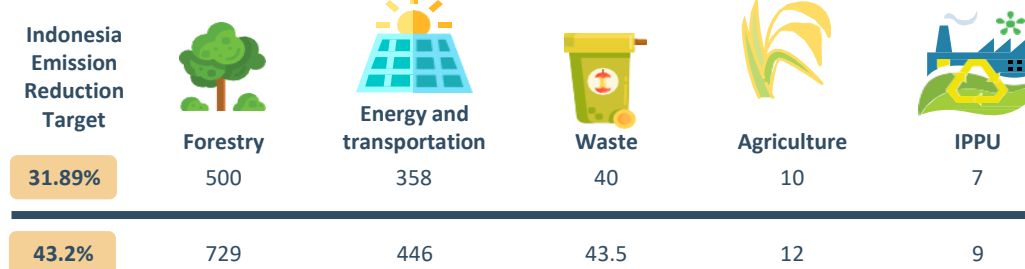
Paris Agreement and Enhanced Nationally Determined Contribution (NDC) 2030

Target:
31.89% with current financial capacity
43.2% with International Support

Mention on:

- First NDC (2016)
- Updated NDC (2021)
- Enhanced NDC (2022)

Emission Reduction Targets based on Sector according to NDC (M Ton CO₂e)



Policy Strengthening and Implementation

Carbon Pricing	Carbon trading	Climate Change Financing	Technology Development and Transfer	Capacity Building
	Carbon Tax (Tarif minimum: Rp30/Kg CO ₂ e)			

1 Economic Resilience **2 Social Resilience** **3 Environment Resilience**

ADAPTATION

Long-Term Strategy for Low Carbon and Climate Resilience 2050

Mandate from:

- Paris Agreement Article. 4.19
- Dec.1/CP.21 Para 35

LCCP Scenario:

- Emission Peak on 5 sector on 2030 = 540 M ton CO₂e
- Net-Sink FOLU in 2030
- Net Zero Emission in 2060

Climate Change Mitigation Financing Needs

Reference	Scope	Cost/Impact estimation
Second Biennial Update Report, KLHK (2021)	Climate Change Mitigation Cost to achieve NDC	Accumulative Mitigation Cost until 2030= USD 281 Billion
Roadmap NDC Mitigation Indonesia, KLHK (2020)	Climate Change Mitigation Cost to achieve NDC(using the mitigation action cost approach)	Accumulative Mitigation Cost until 2030 = USD 263.5 Billion (USD 23.96 Billion/year)

• The current financing capacity to achieve the NDC target is still insufficient.

Long Term Vision and Commitment

Rencana Pembangunan Jangka Menengah Nasional (RPJMN) 2020-2024

Enhanced Nationally Determined Contribution (ENDC)

Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR) 2050

Sustainable and Green Economy






Visi Jangka Panjang

"A Just, Prosperous, and Developed Country in 2045"

"A Low Carbon and Climate Resilient Nation"






"Net Zero Emission by 2060 or sooner"

Enhanced NDC Target & financial needs (Mton CO₂e)

							
		FOLU	Energy	IPPU	Waste	Agriculture	Total
CM 1	31,89%	500	358	7	40	10	915
CM 2	43,20%	729	446	9	43,5	12	1.239,5

In 2022, the Indonesian Government submitted its Enhanced Nationally Determined Contribution (ENDC) to the UNFCCC with a more ambitious emission reduction target by 2030. The financial requirements for the Enhanced NDC are still being estimated. The estimated financial need to achieve the previous target in Indonesia's updated NDC (29% in 2030) is around USD 281.23 billion (IDR 4,002 trillion).

Mitigation Financing Needed

					TOTAL	
Land & Forestry	Energy & Transportation	IPPU	Waste	Agriculture		
309,01	3.500,00	0,93	185,27	7,23	4.002,44	IDR Triliun
21,86	245,99	0,07	12,99	0,50	281,23	USD Milyar

Source: Indonesia 3rd BUR






For adaptation, Indonesia focuses on three areas of resilience: economic resilience, social and livelihood resilience, and ecosystem and landscape resilience. These three areas of resilience have been outlined in the NDC Adaptation Roadmap which mainly covers several areas, namely food, water, energy, health and ecosystems.

The financial need to implement adaptation actions is estimated at around USD 2.3 – 12.14 billion to build resilience and adaptive capacity to reduce the risk of losses of up to 2.87% of GDP.

The Consequences of Funding for Climate Change Mitigation



Funding Needs for Mitigation

 Forestry	 Energy & Transportation	 IPPU	 Waste	 Agriculture	TOTAL	Unit
309,01	3.500,00	0,93	185,27	7,23	4.002,44	IDR Trillion

Funding Needs for Adaptation

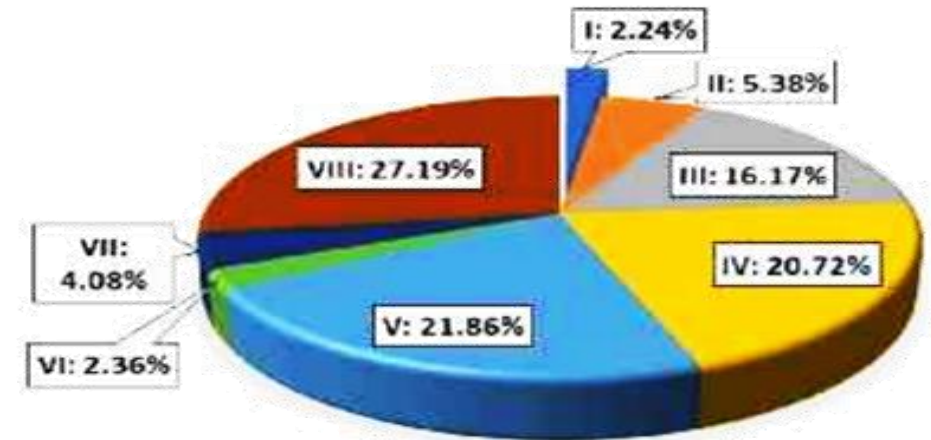
Based on Third BUR

Financial requirement to implement adaptation action is estimated at about USD 2.3 – 12.14 billion to build resiliency and adaptive capacity to reduce the risk of loss to 2.87% of GDP.

Within the Adaptation NDC Roadmap

Assuming an investment ratio of 30% of the estimated economic losses of 0.66% to 3.45% of GDP (Rp110.38 trillion to Rp577.01 trillion; 2020 Rupiah value), the estimated cost of adaptation is around Rp33.12 trillion to Rp173.19 trillion.

Funding for roadmap governance (5% - 10%) and implementation of adaptation (90% - 95%).



- I. Policy Instrument
- II. Integration of development planning and finance
- III. Increasing climate literacy
- IV. Spatial-based approach

- V. Strengthening local capacity in best practices
- VI. Improvement of knowledge management
- VII. Stakeholder Participation
- VIII. Adaptive Technology Adaptation

Climate Finance Strategy



FINANCING RESOURCES

DOMESTIC

APBN

- Tax incentive
- Central Gov. Expenditure
- Provincial Gov. Expenditure (APBD dan Dana Desa)
- Other Financing (Green Sukuk, SDGs Bond, Blue Bond, Disaster Pooling Fund)

Non-APBN

- Carbon Trading
- Private Sector Investment and CSR
- Financial Sector Services (Bank and Non-Bank)
- Capital Market
- Philantropies
- SMV*

INTERNATIONAL

Bilateral

- Sovereign
- Private

Multilateral

- Green Climate Fund
- Global Environment Facility
- Adaptation Fund
- MDBs
- IFIs
- Carbon Trading

National Trust Fund



Indonesia Climate
Change Trust Fund
(ICCTF)

National Public Service Agency



Indonesia Environemt Fund
(BPD LH)

*MOF Special Mission Vehicle



PT. SMI as Country Platform of:



ENERGY TRANSITION
MECHANISM (ETM)

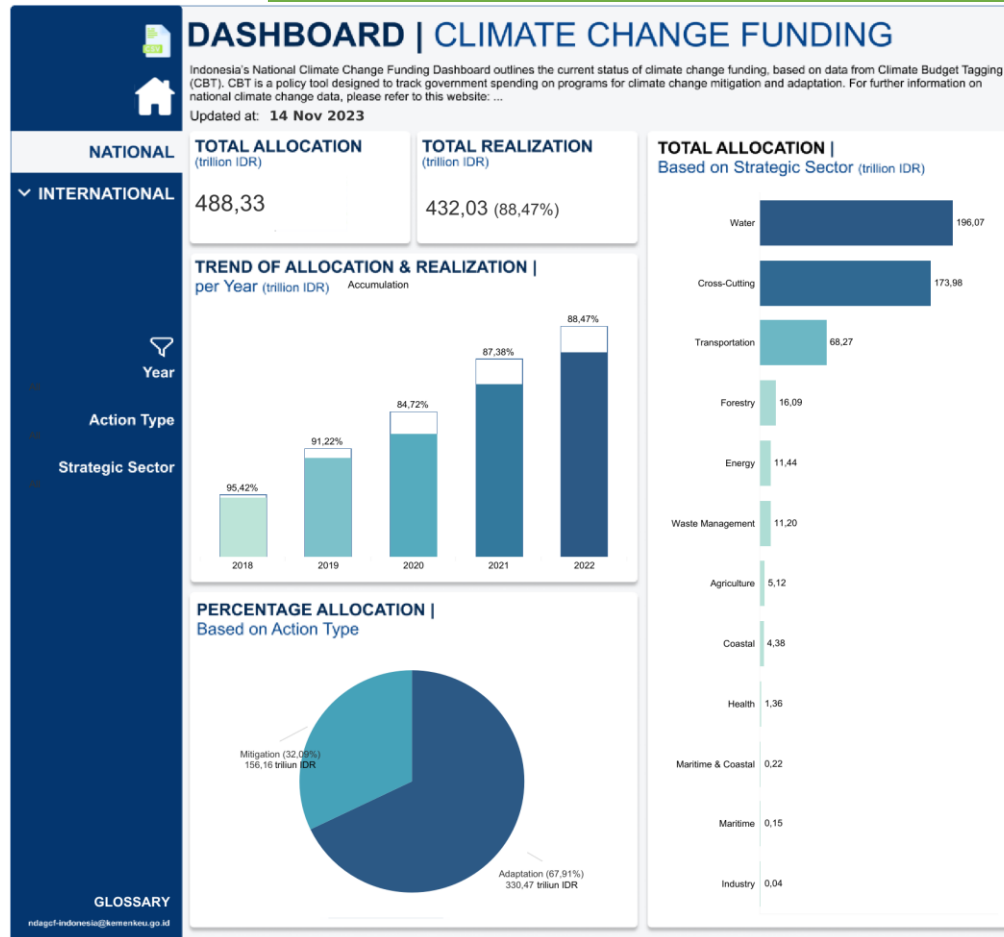
Climate Change Funding Dashboard



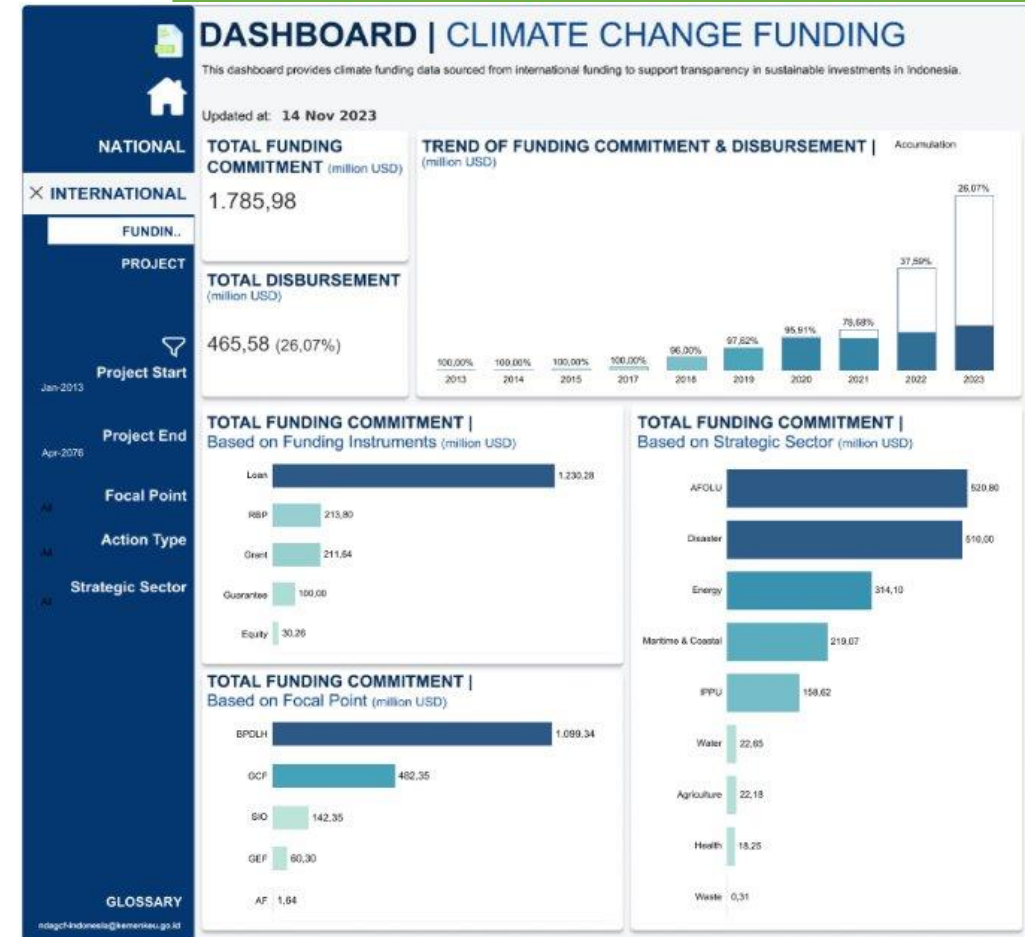
Showing the status of climate change funding in Indonesia, sourced from the national budget (APBN) and international funds.

This serves as a form of climate finance transparency to the public to support sustainable investment.

Climate change funding from the State Budget



Climate change funding from international resources



AKSES: <https://fiskal.kemenkeu.go.id/cffp/en/dashboard/>

STATE REVENUE



State revenue policies are directed towards maintaining the **sustainability of natural resources and environmental management**, stimulating **investment in renewable energy and clean technology**, and ensuring a **just and affordable transition**.

- Tax facilities to stimulate renewable energy, EV, and clean technology investment (VAT cut, property tax cut, tax allowance, tax holiday, luxury tax cut for EV)
- Import duty exemption on renewable energy and/or clean technology machines and equipment.
- Non-tax revenue from forestry, fishery, and geothermal management.
- Preparation of imposing carbon tax to Coal-Fired Power Plant

STATE EXPENDITURE



State expenditure policies also supporting a **low-carbon and climate-resilient development**, strengthening the capacity of regional expenditure through **ecological fiscal transfer**, providing fiscal buffers for **disaster financing**, and developing **green infrastructures**.

- Line Ministries mitigation and adaptation budget/spending
- Ecological Fiscal Transfer, indirect climate-related fiscal transfer such as Physical Special Allocation Fund (DAK Fisik), regional incentive fund (DID), profit sharing fund from sustainable natural resources management (DBH-DR, DBH Panas Bumi).
- Disaster Risk Financing

BUDGET FINANCING



The financing policy is aimed to **greening the financing** through ESG framework and promote more sustainable innovative financing instruments through the implementation of **Green Bond/Sukuk Framework** and **SDG Government Securities Framework**.

- The issuance of Global Green Sukuk and Retail Green Sukuk
- The issuance of SDG Bond that consist of Social Focus, Green Focus, and Blue Focus.

Fiscal Incentives for Renewable Energy Sources and Green and Blue Economy



Tax Holiday

PMK 130/2020

100% corporate income tax reduction for up to 20 years for pioneer industries: motor vehicle manufacturing, including electric vehicles, and upstream basic metal industry, including nickel smelters for battery production.



Tax Allowance

PP 78/2019

Income tax facilities for specific industries in certain areas, including nickel mining, battery stone industry, and motor vehicle manufacturing.



Super Deduction for Vocational Education Income Tax

PMK 128/2019

Income tax facilities up to 200% for vocational activities in the industry, focusing on competencies that drive the electric vehicle ecosystem.



Super Deduction for R&D Income Tax

PMK 153/2020

Income tax facilities up to 300% for R&D activities in Indonesia, including R&D related to electric vehicles and their components.



Tax Facilities For Special Economic Zones

PP 40/2021 – PMK 33/2021

Tax incentives in Special Economic Zones include: Tax Holiday for SEZs, exemption of customs duties on capital goods imports, and exemption of VAT on imports/delivery of capital goods.



Exemption from Customs Duties

PMK 176 Th 2009 jo PMK 188 Th 2015
PMK 66 Tahun 2016
PMK 26/ 2022

Customs duty exemption for investment in and development of electric power generation industry. 0% import duty for incompletely knocked down (IKD) electric vehicles and 0% import duty for completely knocked down (CKD) electric vehicles under various FTA/CEPA agreements including with Korea and China.



Government-borne VAT and exemption

PP 49/2022
PMK 38/2023

VAT exemption for mining goods including nickel ore used as raw material for electric vehicle batteries, and for imported machinery and factory equipment (including motor vehicle industry). Government covers VAT for electric cars and buses, at rates of 11%/10%/5% based on domestic component value.



Luxury Goods Sales Tax 0%

PP 74/2021

0% PPNBM (Luxury Goods Sales Tax) for electric vehicles using battery electric vehicle or fuel cell electric vehicle technology.



Local Tax Incentives (PKB)

Permendagri 6 tahun 2023

Local tax incentives include a 0% reduction in vehicle registration fees (BBN-KB) and motor vehicle tax (PKB).

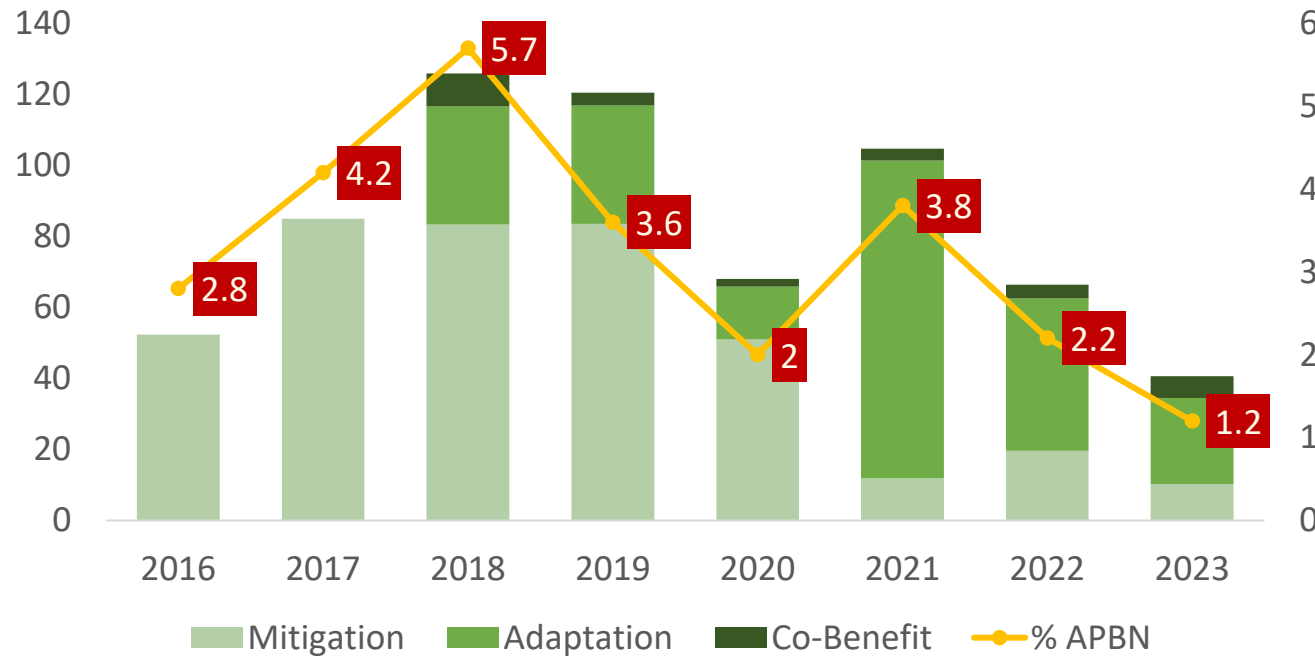


Subsidy for the Purchase of Electric Motorcycles

Permen Perindustrian 21/ 2023

Subsidy of Rp7 million for the purchase of electric motorcycles per person.

Climate-Related Central Government Expenditure 2016 - 2023



CUMULATIVE ACTION PROPORTION (2016-2023)



CUMULATIVE

Rp610,1 trillion or USD 36,2 billion*

Rp343 trillion for mitigation

Rp244,4 trillion for adaptation

Rp22,6 trillion for Co-Benefit

AVERAGE PER YEAR

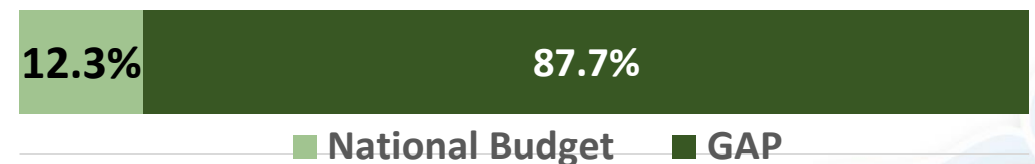
3,2% of the National Budget

Rp76,3 trillion or USD 4,5 billion*

*1 USD = 16.859,2 IDR

ANNUAL RESOURCES PROPORTION

(for mitigation only 2018-2023 compare to mitigation financing needs on 3rd BUR)

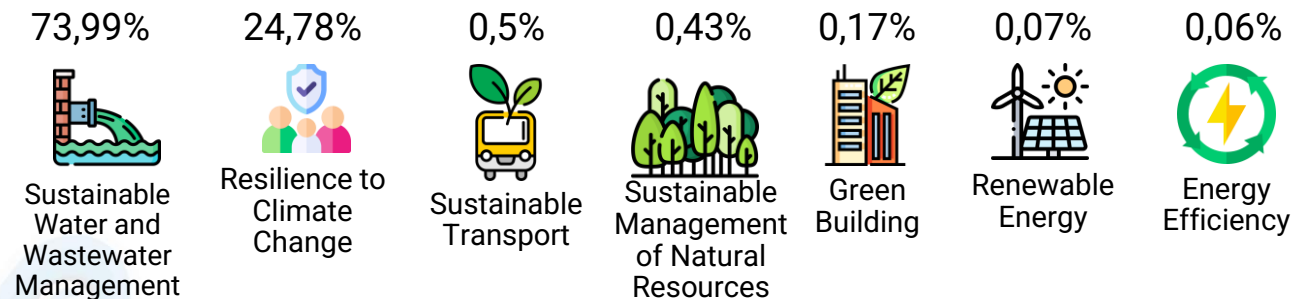


Green Sukuk, Blue Bond, and SDG Bond Issuance



Global Green Sukuk	Domestic-Retail Green Sukuk	Project-Based Green Sukuk
USD 6 billion	IDR 30,68 trillion (USD 2,09 billion)	IDR 22,22 Trillion (USD 1,5 billion)
2018: USD 1,25 bio Yield: 3,75% Tenor: 5 yr 2019: USD 750 m Yield: 3,90% Tenor: 5,5 yr 2020: USD 750 m Yield: 2,30% Tenor: 5 yr 2021: USD 750 m Yield: 3,55% Tenor: 30 yr 2022: USD 1,5 bio Yield: 4,70% Tenor: 10 yr 2023: USD 1 bio Yield: 5,6% Tenor: 10 yr	2019: IDR 1,4 trillion Yield: 6,75% Tenor: 2 yr Investors: 7.735 2020: IDR 5,4 trillion Yield: 5,50% Tenor: 2 yr Investors: 16.992 2021: IDR 5,0 trillion Yield: 4,80% Tenor: 2 yr Investors: 14.337 2022: IDR 10 trillion Yield: 6,15% Tenor: 2 yr Investors: 35.397 2023: IDR 3,3 trillion Yield: 6,4% Tenor: 4 yr Investors: 8.027 2023: IDR 5,5 trillion Yield: 6,5% Tenor: 4 yr Investors: 11.497	2022: IDR 6,73 trillion Yield: 6,625% Tenor: 7 yr 2023: IDR 15,49 trillion Yield: 6,625% Tenor: 6 yr

Distribusi Kumulatif Green Sukuk per Sektor (2018-2023)



Source: Green Sukuk Allocation and Impact Report 2024

Source: Green Sukuk Allocation and Impact Report 2023

SDGs Bond Global
USD 1,26 bio
2021: EUR 500 m Yield: 1,35% Tenor: 12 yr 2022: IDR 2,26 trillion Yield: 7,48% Tenor: 8 yr 2022: IDR 1 trillion Yield: 7,2% Tenor: 8 yr 2023: IDR 4,55 trillion Yield: 6,5% Tenor: 7 yr 2023: IDR 1,05 trillion Yield: 6,3% Tenor: 7 yr 2023: IDR 1,65 trillion Yield: 7,1% Tenor: 7 yr

Blue Bond
JPY 20,7 bio
2023: JPY 14,7 bio Yield: 1,2% Tenor: 7 yr 2023: JPY 6 bio Yield: 1,43% Tenor: 10 yr

Contribution to Indonesia's SDGs



Blue Bond Focus:
Marine and coastal area development and blue carbon activities

Source: SDG Bond & Blue Bond Allocation and Impact Report 2024

The Framework of Sovereign Green Sukuk and SDG Bond



Republic of Indonesia Green Bond/Sukuk Framework *)

An Islamic sovereign green bond that aligned with green bond principle and sharia financing rules

Used of proceeds 100% for new financing and refinancing of green projects. The green eligible sectors consist of:

- Renewable energy
- Use of clean technology for power generation
- Energy and waste management
- Sustainable natural resources management
- Sustainable agriculture
- Sustainable transportation
- Green tourism
- Green building
- Resilience to climate change for disaster risk areas

Using Climate Budget Tagging mechanism in **project evaluation and selection** process and **manage the proceeds** by ensuring the fund flows to selected green projects

Reporting the allocation and impact in reducing GHG emissions and other economic and social additional benefits.

*) Green Sukuk issued in 2018-2021 followed the RoI Green Bond and Green Sukuk Framework. Starting 2022 onwards, Green and SDGs Securities follow the SDGs Framework.

Aligned with International Standards & Principles

All Green and SDGs Securities issued under The Republic of Indonesia ("RoI") SDGs Government Securities Framework will align with international standards and principles



Pillar 1
Use of Proceeds

Pillar 2
Project Evaluation and Selection

Pillar 3
Management of Proceeds

Pillar 4
Reporting

Republic of Indonesia SDGs Government Securities Framework

A budget financing instrument that aligned with sustainable bond principle to finance SDGs-related programs

Used of proceeds 100% for new financing and refinancing of eligible SDGs-related expenditures (green and social expenditures):

Green Focus
Climate mitigation and adaptation activities



Social Focus
Positive social outcome activities
(health, education, zero-hunger, stunting, etc)



Blue Focus
Marine and coastal development and
blue carbon activities



Using Climate Budget Tagging (Green & Blue) and Dynamic Tagging (Social) mechanism in **project evaluation and selection** process and **manage the proceeds** by ensuring the fund flows to selected SDGs projects

Reporting the allocation and impact in several SDGs related indicators in respective expenditure focus

Government Support for New and Renewable Energy

PISP Fund & Government Guarantee for Electricity Projects



- To promote new and renewable energy development, the Government provides fiscal support in the form of **government guarantee for electricity projects (credit guarantee and business viability guarantee)**, **guarantee for SOEs direct lending from international financial institutions**, and **Geothermal Fund Facility (PISP Fund)**.
- Several guarantees has been provided to renewable energy power plant construction and Power Purchase Agreement (PPA), i.e hydropower, geothermal, and solar PV.
- PISP funds (and its co-finance), can be used for geothermal development in the exploration stage and eligible for *Government Drilling, SOE Drilling/Public Window, and Private Drilling/Private Window*.

PISP Fund Exploration Financing Facilities

(MOF Regulation 80/2022)

Objective	Unlocking geothermal market by providing support and financing for geothermal exploration
Fund Manager	PT Sarana Multi Infrastruktur (SMI)
Total Funds	IDR 3,1 Trillion (revolving fund)
Fund Distribution	Loans and data provisions
Main feature	De-risking facility for exploration stage
PISP Co-Financing	<ul style="list-style-type: none">Geothermal Energy Upstream Development Project (GEUDP) - World Bank; CTF grant (USD49million) and GEF grant (USD6,25million).Geothermal Resource Risk Mitigation (GREM). Total USD655 million (loan, grant, and PISP co-finance)

Source: Ministry of Finance

Direct Lending with Government Guarantee

(MOF Regulation 189/2015)



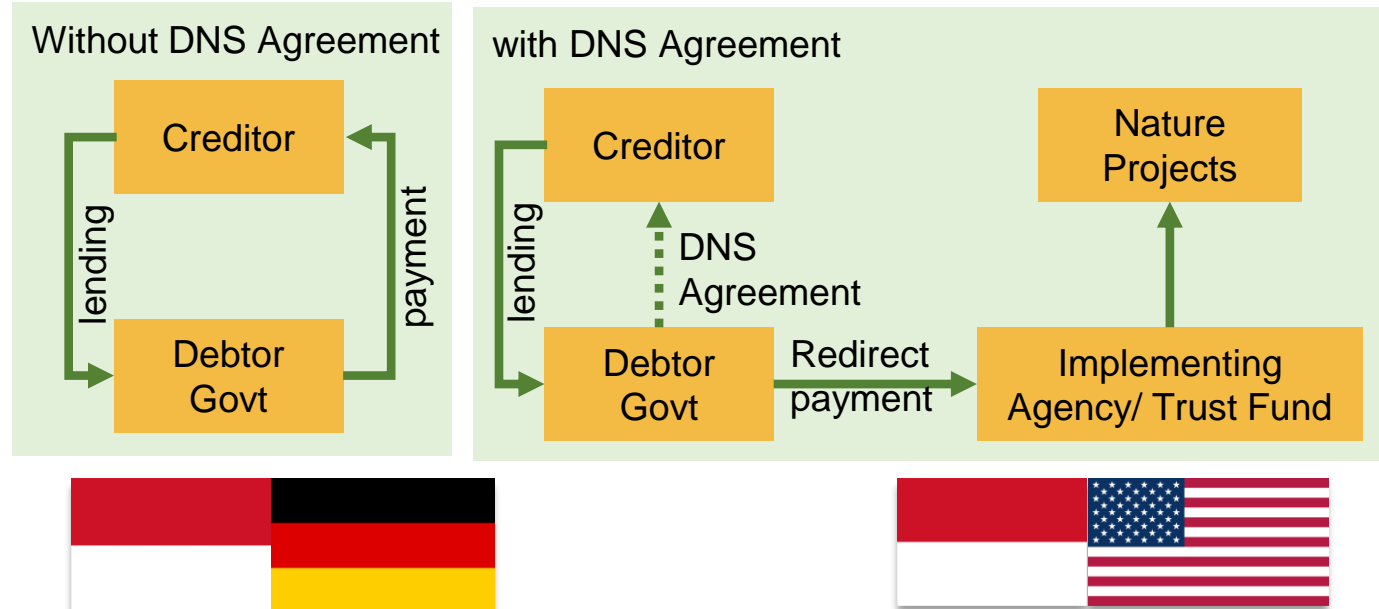
Started in 2015, by Presidential Decree No. 82 / 2015 on Gov't support to SOE to raise financing from MDBs with **Government Guarantee**

Gov't provides guarantee to SOEs to utilize facilities from *Development Banks* without relying on Gov't budget circle.

The purpose is to give access to **concessional loan with longer tenor** (equal to *sovereign debt*) for SOEs to develop national infrastructure project as *credit enhancement* specially for priority and strategic infrastructure projects.

Gov't guarantee provide financial benefits to SOEs, but it will be risks for Gov't when SOE's default on its liability. That is the reason for Gov't to set up the criteria and managing the risk from this guarantee scheme.

General Framework of DNS



- Signed in 2002 and 2004
- Debt swapped EUR 25 million
- the Indonesian government should contribute EUR 12.5 million (50% of debt swapped) in rupiah to fund nature project.
- Projects: Financial Assistance for Environmental Investment for Micro and Small Enterprises Project (2006 – 2011) and Strengthening the Development of National Parks in Fragile Ecosystems Project (2007-2013)

- Signed in 2009-2021 and 2024
- Debt swapped USD 106.2 million
- the Indonesian government should contribute USD 106.2 million to fund nature project.
- Projects: Tropical Forest Conservation Act (Sumatera and Borneo Forest) and Tropical Forest and Coral-Reef Conservation Act (Sunda-Banda Kecil and Kepala Burung area)

Opportunities:

Indonesia is the home of tropical forest and biodiversity. Nature project is highly relevant for Indonesia

DNS shows commitment of developed countries to support climate and nature action in developing countries.

DNS relief debt burden for project host/debtor countries and shows their commitment on nature reservations.

Strengthen triple helix between gov, NGO's, and society.

Challenges:

Limitation on Technical capacity

Complexity of regulation

Coordination and institutional arrangement

Transparency and accountability

Carbon Market Exchange



Carbon Market Exchange Commencement



"The inauguration of the carbon market exchange marks a significant milestone in Indonesia's commitment to addressing climate change and promoting sustainable environmental practices. I am optimistic that Indonesia will be the world's carbon center and remain consistent in building and maintaining the country's carbon ecosystem."
President Joko Widodo.



The potential for Carbon Exchange trading is expected to continue to expand as more industries set net zero emission commitments.

OJK is committed to continue to encourage the financial services sector to take part in carbon exchange trading and other sustainable financing schemes.



Indonesia Carbon Exchange Development



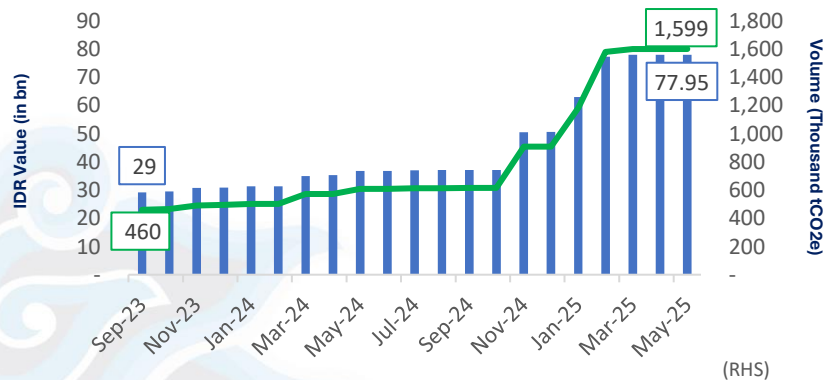
IDR77.95 Billion
total transaction value



1,599,314 tCO₂e
total transaction volume



112 registered users
of the carbon exchange



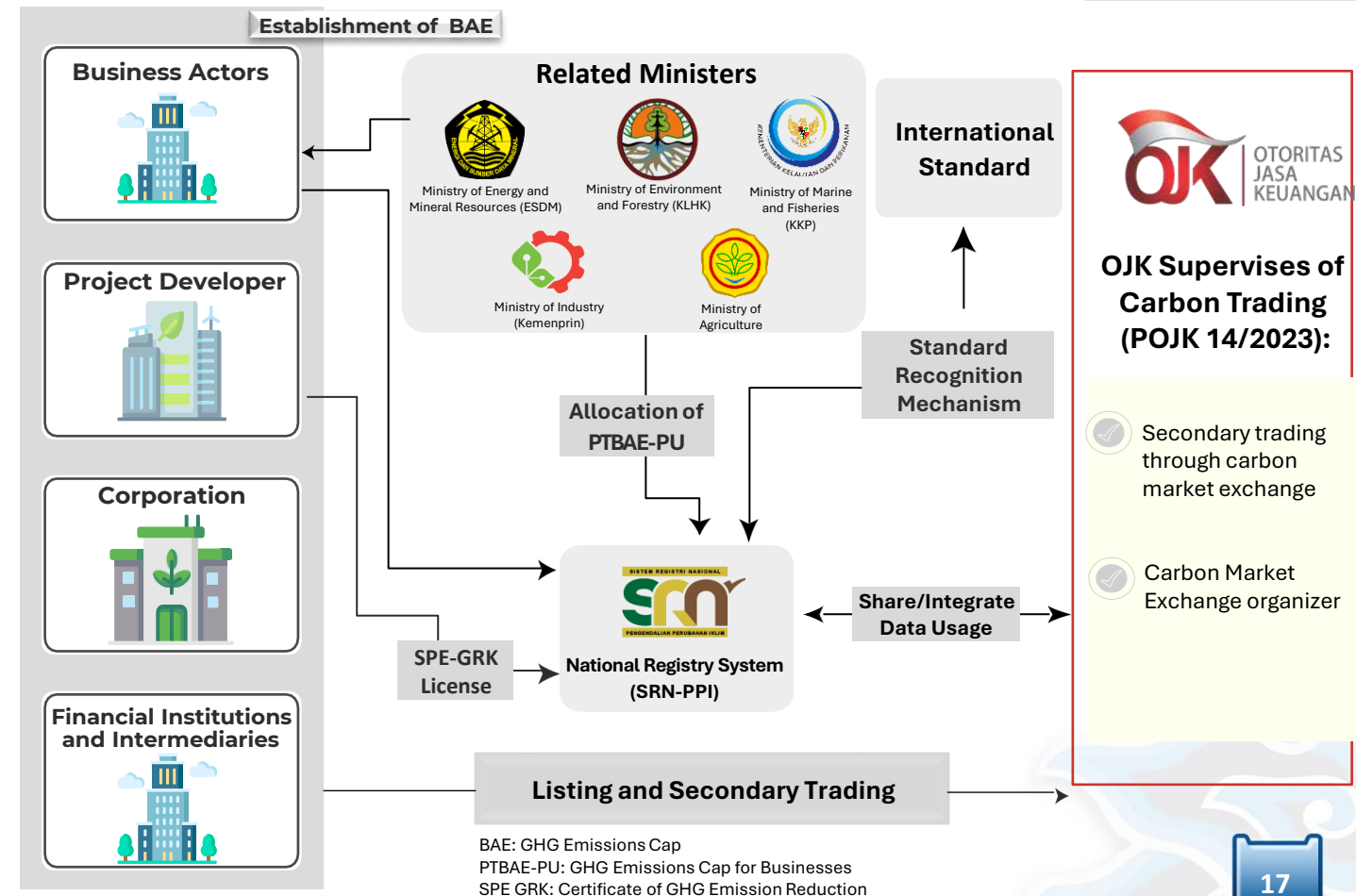
(RHS)

Carbon Trading Ecosystem

Individuals/ Legal Entity

Primary Market

Secondary Market



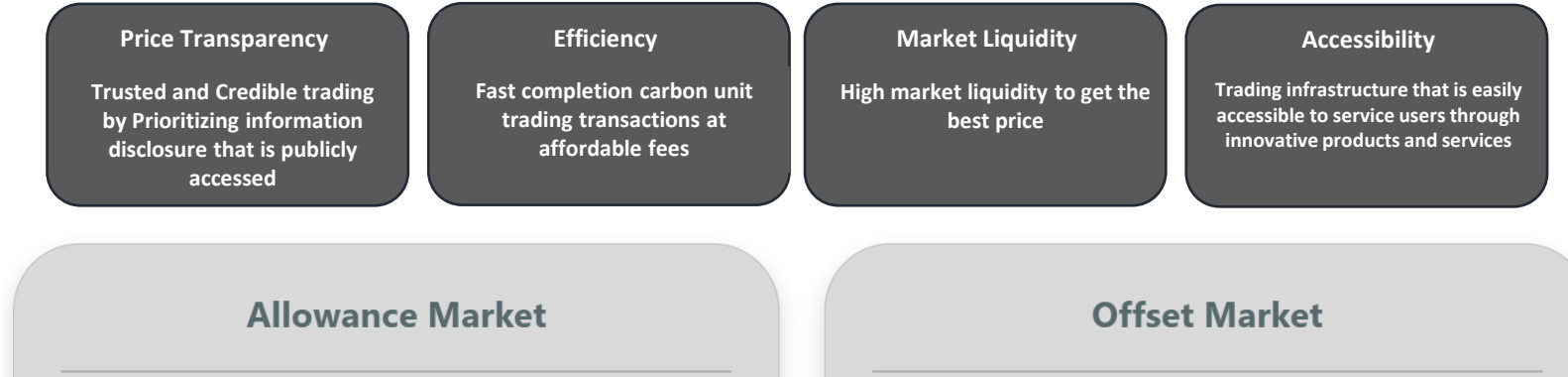
Carbon Market Has Been Officially Established



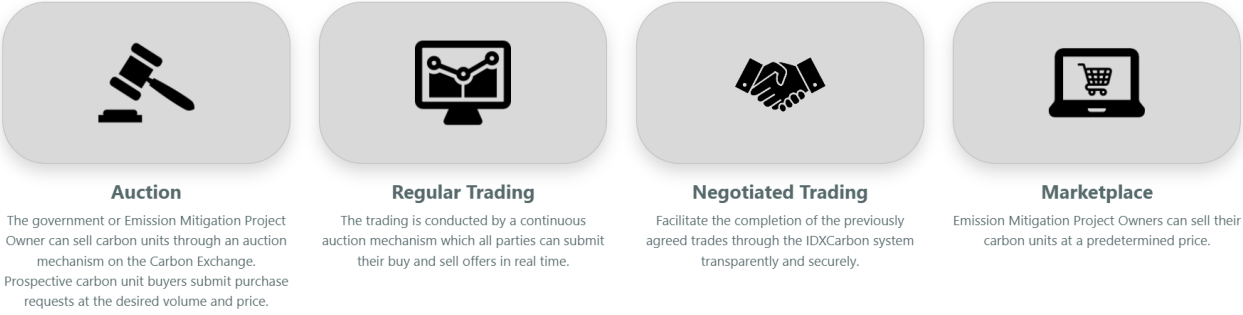
- ❑ As a form of support in achieving Indonesia's NDC, the Indonesia Stock Exchange (IDX) has developed an "IDXC**arbon**" which accommodates the needs of carbon trading in Indonesia.
- ❑ **The President of the Republic of Indonesia launched the Indonesian Carbon Exchange (IDXC**arbon**) on 26th September 2023**



Value Propositions



Trading Methods





ETM To Address The Energy Transition Challenges



Photo: Grand Launching ETM Country Platform, Bali (2022)

INDONESIA Energy Transition Mechanism

ETM Main Objectives:



Optimizing energy mix progression based on National Energy Policy



Accelerate early retirement of Coal-Fired Power Plant (CFPP)

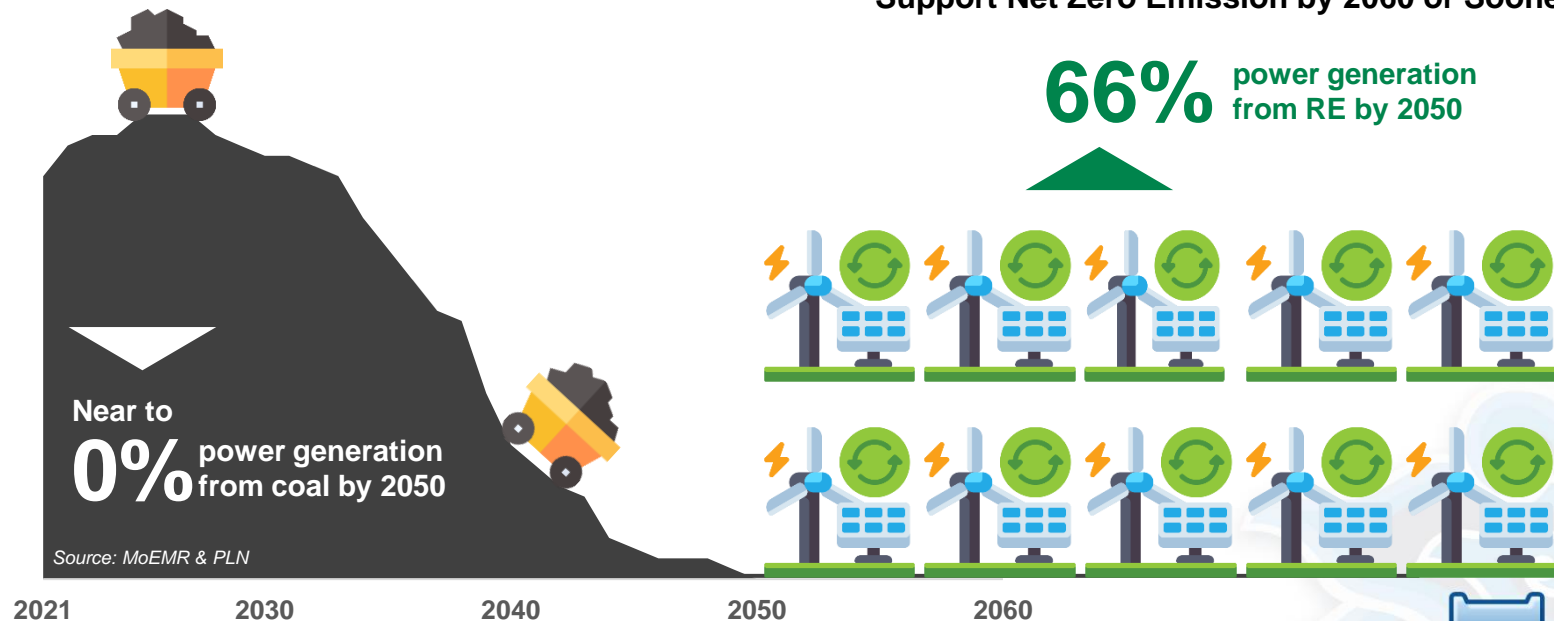


Enhancing emission reduction in electricity subsector to achieve NDC and NZE targets



Boost renewable energy power generation investment

ETM Aligned with Electricity Power Generation Roadmap to Support Net Zero Emission by 2060 or Sooner



JETP Works to Enhance Indonesia's Green Economy

by Constructing Eco-friendly Infrastructure and Refining Financial Support for Sustainable projects



Photo: G20 Leaders Summit, Bali (2022)

On November 15 2022, President Joko Widodo and leaders of International Partners Group (IPG) of likeminded countries, co-led by the United States and Japan, and including Canada, Denmark, EU, France, Germany, Italy, Norway, and UK, **launched a Just and Energy Transition Partnership (JETP)** developed with Indonesia during its G20 Presidency. The landmark partnership supports an ambitious and just power sector transition in Indonesia, consistent with keeping 1.5 °C global warming limit within reach.

Just Energy Transition Partnership

A just and affordable transition is our principle to balancing the recovery and transition agenda.

JETP Main Objectives:



Capping power sector emissions at **290 megatons of CO₂e** in 2030, down from baseline value of 357 megatons of CO₂e.



Accelerate the deployment of **renewable energy power plant** to reach 34% of all power generation by 2030



Support **early retirement** and restrict the development of CFPPs



Supporting **affected communities** to adapt with the transition

USD 20 B = IDR 330 T

50% Public: G7 countries, Norway, and Denmark

50% Private: Glasgow Financial Alliance for Net Zero (GFANZ) consist of Bank of America, HSBC, Citibank, Standard Chartered, MUFG, and Macquarie

Financing Scheme



JETP Indonesia Stands As The Largest Individual Energy Transition Financing Effort In The World To Date

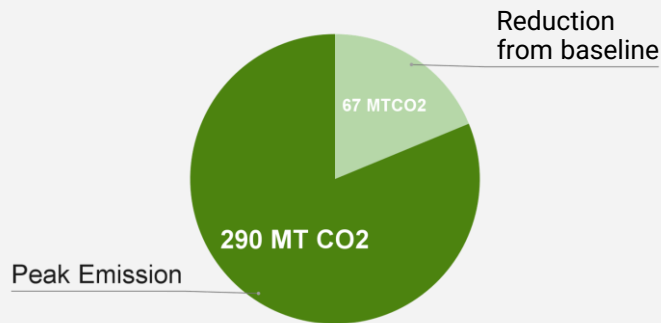


On 16 November 2022, the Government of Indonesia (GoI) and the International Partners Group (IPG) launched the Just Energy Transition Partnership for Indonesia (JETP Indonesia). The announcement generated significant attention from global stakeholders, including the press, civil society organizations, and international climate advocates, highlighting widespread support for Indonesia's energy transition efforts.



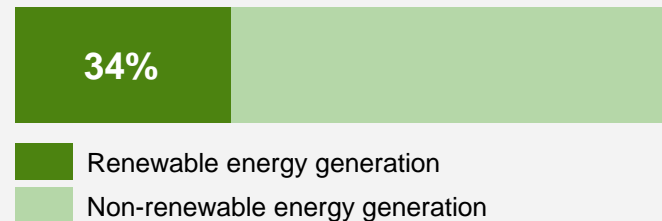
Joint-targets for the power sector as written in the Joint-Statement

Total Power Sector Emissions



Achieve total electricity sector emissions peak at an absolute value of no more than 290 MTCO₂ in 2030 (down from the 2030 baseline of 357 MTCO₂) and **immediate decline** as it shifts the projected emissions peak into the future.

Power Generation by 2030



Accelerating the deployment of renewable energy so that renewable energy generation comprises at least 34% of all power generation by 2030, roughly doubling total renewables deployment over this decade compared to current plans.

Funding Mobilization (USD)



Mobilizing **USD 20 billion in public and private financing** in order to decarbonize Indonesia's energy sector, of which USD 10 billion will be mobilized by the IPG members and the other USD 10 billion will be facilitated by GFANZ for private finance. The financing was later increased to \$21.6 bn in total in 2023

Comprehensive Investment And Policy Plan 2023 As A Strategic Recommendation For Indonesia's Energy Transition



The JETP Secretariat collaborated with the Working Group in developing the CIPP based on technical modeling and public consultation. This scenario uses the draft version of the RUKN as a reference.

Main Results



Targets in JETP Scenario

Technical

- An ambitious yet achievable on-grid power sector roadmap.
- A list of priority projects in 5 investment areas, compiled from the Government and PLN.

Financing

- Funding needs to meet the electricity sector roadmap and priority projects.
- Clarification of general terms and conditions of IPG funding provisions.

Policy

- Policy reform recommendations for 7 key topics.

Just Transition

- A just transition framework for managing social, economic and environmental impacts.
- Opportunities for government stakeholders to advance just transition principles.

**Target in 2030: CO2 emissions 250 MT (on-grid)
44% share of renewable energy**

USD 97.3 billion needed for just transition by 2030

400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030

Positive socio-economic impacts during the energy transition process

Key assumptions for achieving JETP targets



Policies supporting the energy transition are in place and implemented (refer to policy recommendations in CIPP 2023 Chapter 8)



Accessible financing available

- ☐ Concessional financing for low return projects is easily accessible
- ☐ Commercial financing for commercially viable projects
- ☐ Grants/TA to support studies, including feasibility studies that will lead to project implementation



There are no obstacles in implementing the project such as land acquisition and licensing.



Procurement is carried out periodically for renewable energy and transmission projects by PLN with bankable PPAs & fair risk sharing between PLN and IPPs.

Source: Coordinating Ministry for Economic Affairs

JETP Supported by 5 Working Groups



The JETP Secretariat is supported by five working groups: the Technical, Policy, Financing and Just Transition Working Groups were established in 2023. The Energy Efficiency and Electrification Working Group was launched in 2024 to complement the other working groups in JETP implementation.



Technical



Policy



Financing



Just transition



Electrification & energy efficiency

Working group leader



Working group members



Resources & Partner (Non-Exhaustive)



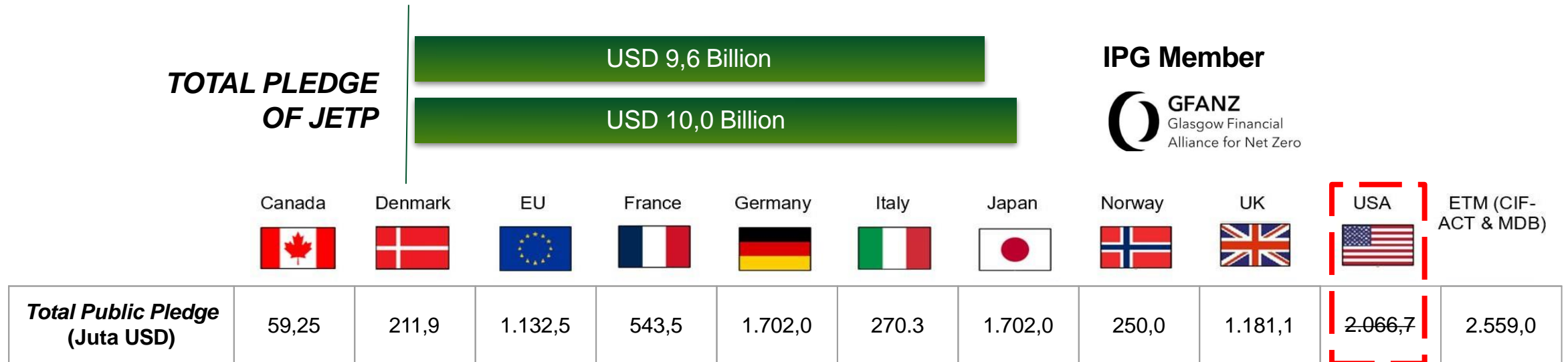
Civil Society & Think Tanks

Source: Coordinating Ministry for Economic Affairs

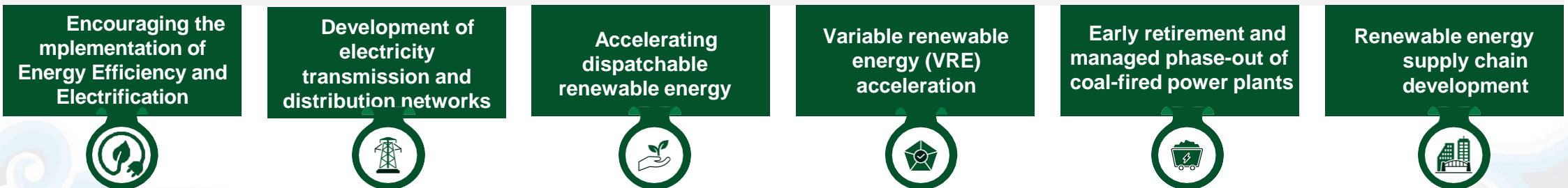
Usd 19.6 Billion Has Been Pledged To JETP Indonesia With Various Terms And Conditions



With the US leaving the IPG, JETP funding currently includes USD 0.32 billion in equity, USD 10 billion in commercial financing, USD 0.64 billion in non-concessional loans, USD 4.1 billion in concessional loans, USD 1.1 billion in guarantees, USD 0.3 billion in grants/technical assistance, and USD 3.2 billion in undefined amounts.



Pledge ini diharapkan dapat mendanai 6 Fokus Area Investasi (IFA)



The JETP is a Tool to Accelerate Economic Growth



JETP investment scenario engender significant job creation potential

- Per dollar of investment, renewable energy creates **three times more jobs** than fossil fuels.
- Under the JETP investment plan, **roughly 383,000 additional jobs** for Indonesians would be created between 2023 and 2030.



CIPP presents investors with strategic investment opportunities

- Green transition in Indonesia is **aligned with *Indonesia Emas (Golden Vision) 2045*** based on Indonesia National Long-Term Development Plan (UU 59/2024) and also OECD accession goals - 8 % Economic Growth
- The CIPP sets out **priority projects (6 IFAs)** that presents **strategic investment opportunities** to investors seeking to develop renewable and green supply chain projects in Indonesia.
- **Strengthening domestic supply chains for renewable energy technologies** can foster domestic power production capabilities.



JETP projects support GDP growth by attracting foreign direct investment (FDI)

- Globally more than 325 asset managers, **managing USD 57 trillion in assets**, have committed to achieve net-zero alignment by 2050 or sooner
- To attract these investments, **Indonesia needs to grow its industrial capacity in a sustainable and decarbonized way**
- JETP can support the **financing of green energy for industrial park**



Just energy transition leads to health and prosperity benefits

- **Increasing share of renewable energy and EV, including coal phase out/down** will lead to reduction of air pollution and improves public health
- **This will also lead to the reduction of dependency on imported oil** to minimize trade account deficit.

PROGRESS OF BEV ECOSYSTEM DEVELOPMENT IN INDONESIA

Smelting Industry (30-40x value added)

5+ smelters that have/will operate until 2024



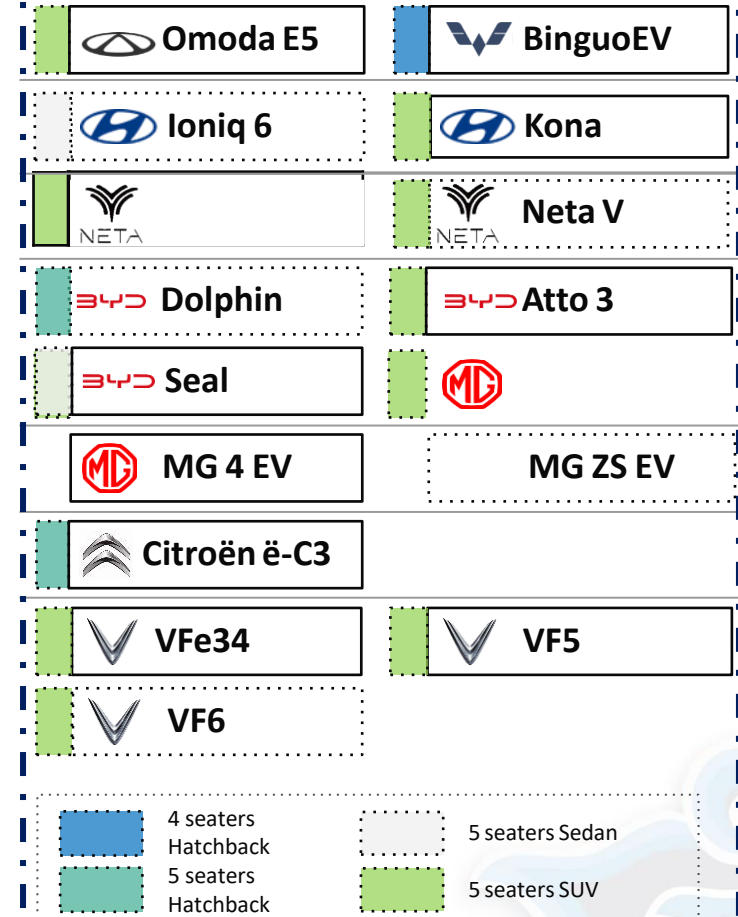
EV Battery Industry (90-150x value added)

2+ consortium industries that have/will enter until 2024



EV Industry (470-780x value added)

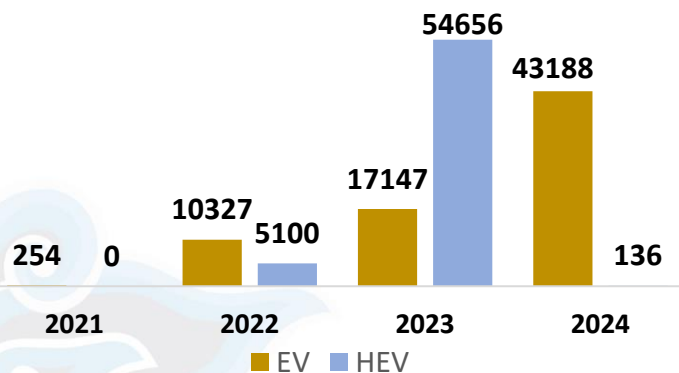
16+ announced models that have/will enter until 2024



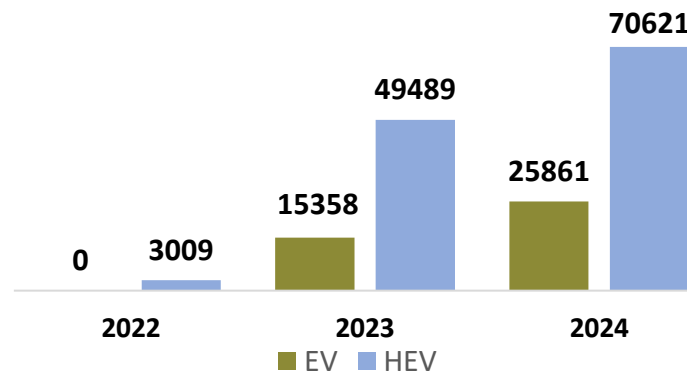
BATTERY ELECTRIC VEHICLES SALES (EV)

Throughout Jan-Des 2024, total BEV sales reached 43,188 units, dominated by BYD with 15,429 units and Wuling with 13,117 units. Meanwhile, the total production of EV cars will reach 25,821 units and HEV 70,621 units throughout 2024

EV Wholesales



EV Production



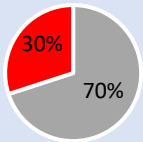
Source: Gaikindo

Investment Plan of ExxonMobil in Carbon Capture and Storage (CCS) Facilities and Green Industry



The carbon storage capacity reaching 600 Gigatons (Gt) is prioritized for domestic carbon producers with an initial allocation of 70% and 30% for carbon sources from abroad (regulated under Regulation No. 14 of 2024 on the Implementation of Carbon Capture and Storage Activities). The allocation implementation is carried out by a Task Force coordinated by the Coordinating Ministry for Economic Affairs through a Ministerial Decree.

POTENTIAL OF STORAGE CO₂



70%
Domestic

30%
Abroad

ExxonMobil

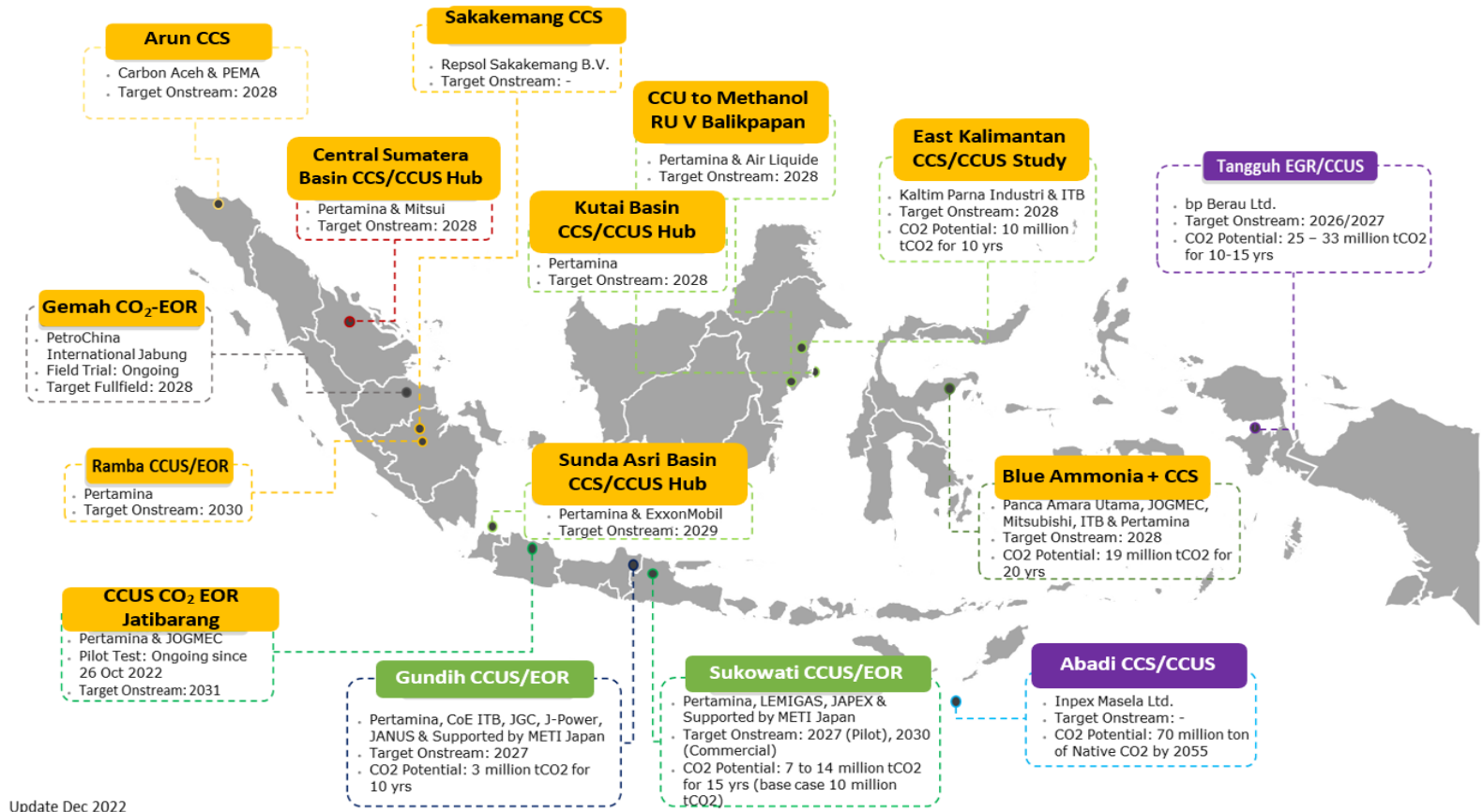
>80 GtCO₂

Rystad Energy

>400 Gt CO₂

Prospective Storage Resources
Ditjen Migas

577 GtCO₂



Update Dec 2022

Source:

LEMIGAS 2009 Study; LEMIGAS-ADB 2012 Study; LEMIGAS-World Bank 2015 Study; Ditjen Migas SKK Migas 2023 Study

Indonesia Continues To Open Opportunities For Ccs Cross-border Collaboration With Other Countries To Establish A Ccs Hub In The Asia-pacific Region.



S-Hub Consortium (Singapura)

- A consortium between ExxonMobil, Shell, and the Singapore Government developing a CCS Cross-Border project by 2030.
- Plans to safely capture and store CO2 emissions from Singapore at a regional CO2 storage hub.
- A Letter of Intent has been signed between Singapore and Indonesia regarding CCS Cross-Border collaboration.



China Petrochemical Corporation (Taiwan) Collaboration

- Inpex Block Masela plans to collaborate with CPC Taiwan for a CCS Cross-Border project at the Abadi Field, Masela.
- In addition to CCS Cross-Border development, a blue ammonia project will also be developed.



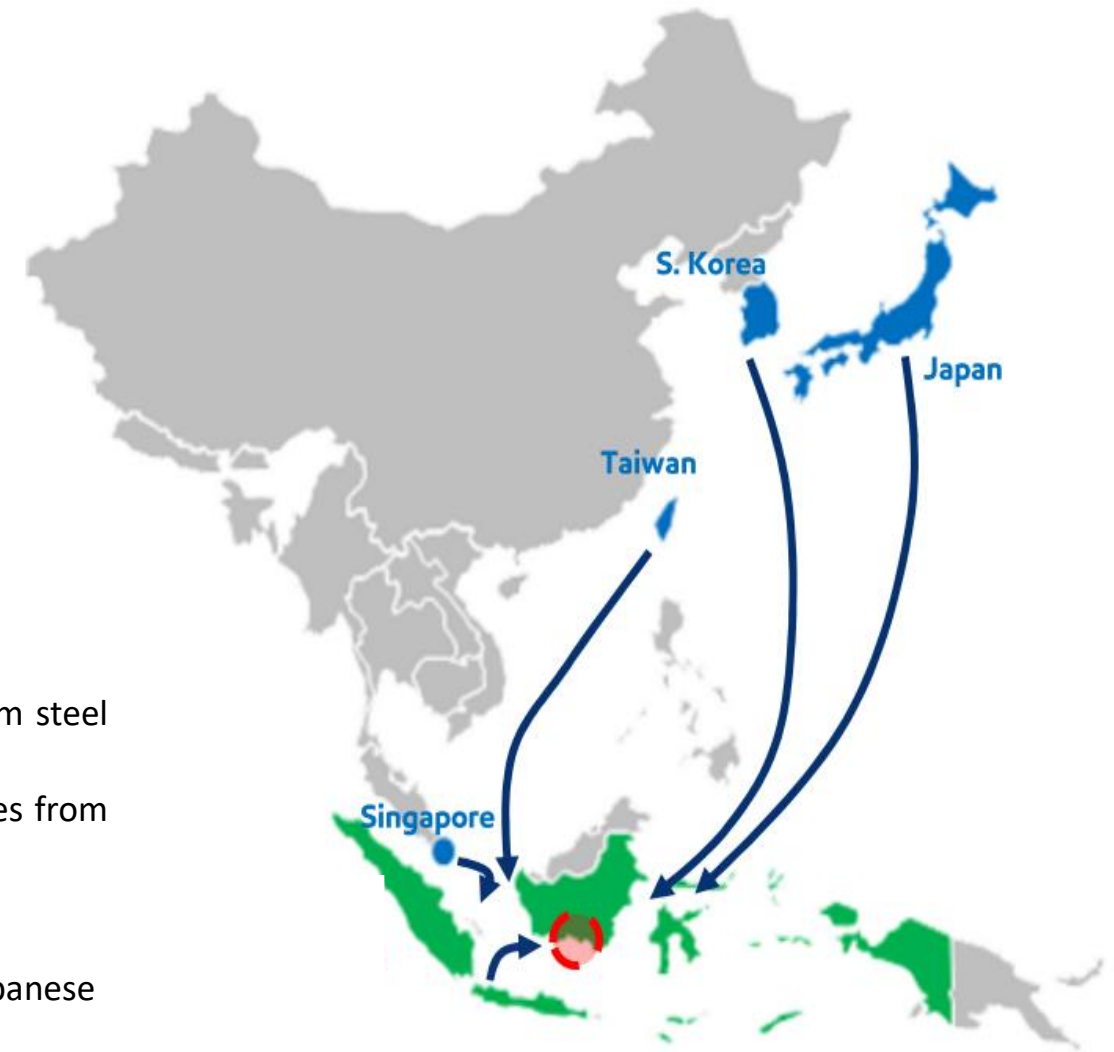
Posco International & Carbon Korea (South Korea) Collaboration

- Posco International plans to cooperate in domestic carbon sources from steel industry emissions and power plants.
- Carbon Korea plans to collaborate with PLN for domestic carbon sources from coal-fired power plant emissions.



BP Tangguh & Japanese Industry Collaboration

- BP Tangguh is planning a CCS Cross-Border collaboration with Japanese industries for carbon injection in Indonesia.





Power Plant Addition Plan 2025-2034

5 Years First Stage

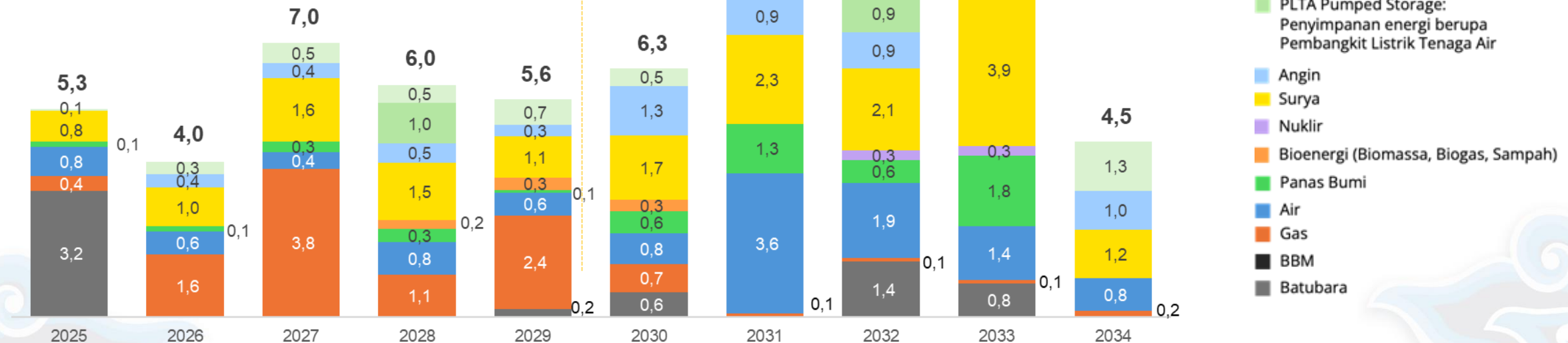
27,9 GW

5 Years 2nd Stage

41,6 GW

Fosil : 12,7 GW (45%)
New Energy : 12,2 GW (44%)
Storage : 3,0 GW (11%)

Fosil : 3,9 GW (10%)
New Energy : 30,4 GW (73%)
Storage : 7,3 GW (17%)



Investment Opportunities In The Electricity Sector 2025-2034



Power Plant

2.133,7

Triliun Rupiah

Distribution

565,3

Trilion Rupiah

Others*

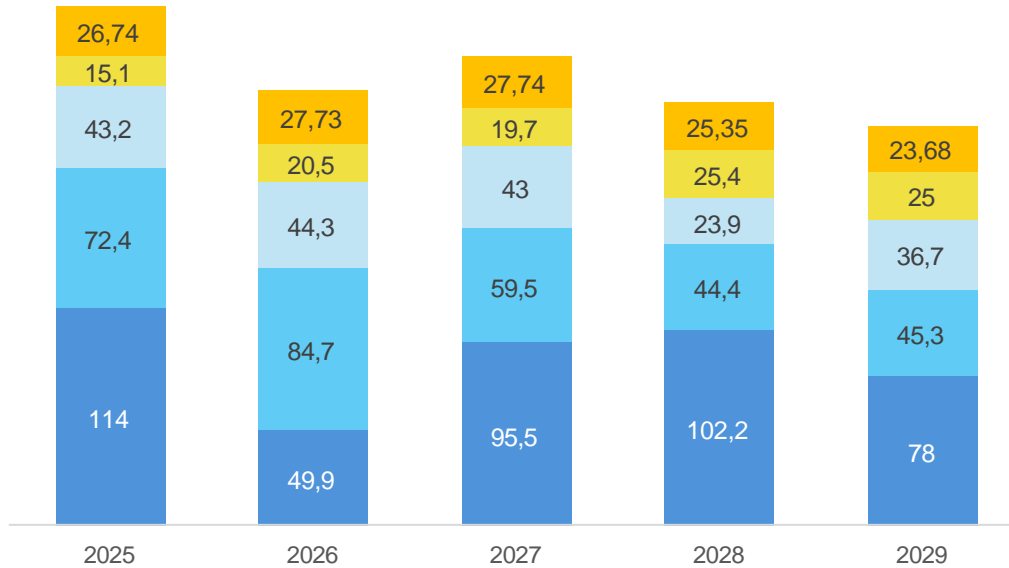
268,4

Trilion Rupiah

Total Investment Opportunities

2.967,4

Trillion Rupiah



IPP Power Plant



Transmission & Substation



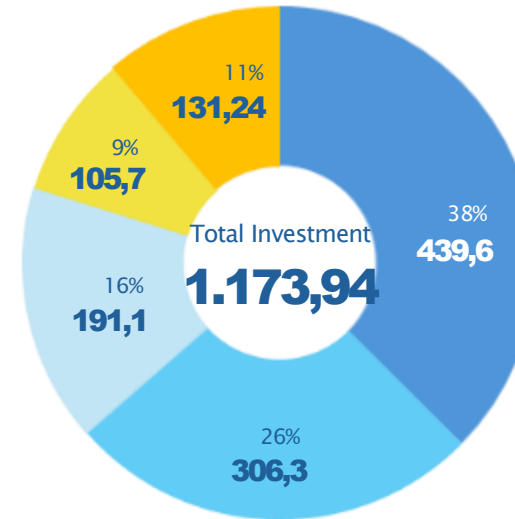
PLN Power Plant



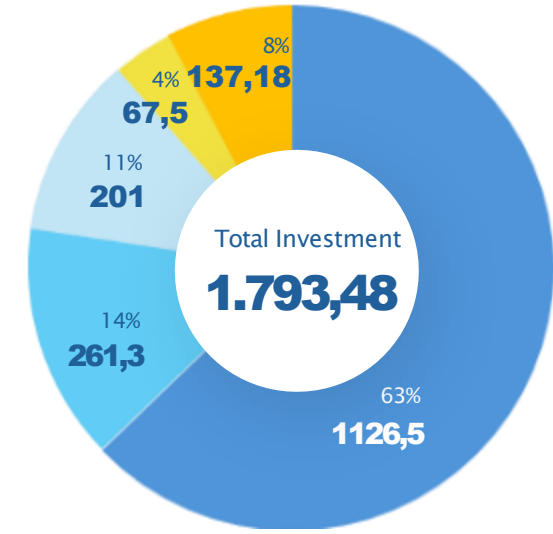
Distribution



Others*



2025 - 2029



2030 - 2034

Total Investment
1.793,48

Total Investment
1.173,94

Absorbed More than 1.7 Million Workers

836.696

Workers

Covers manufacturing, construction, operation and maintenance industry needs for plants

Covers the needs of the manufacturing, construction, operation and maintenance industries for transmission, and substations and distribution

881.132

Workers



- The GCF is the operational entity of the UNFCCC financial mechanism established by the Conference of Parties (COP) in 2010.
- The largest global climate financing mechanism in the world

Funding Areas of GCF:

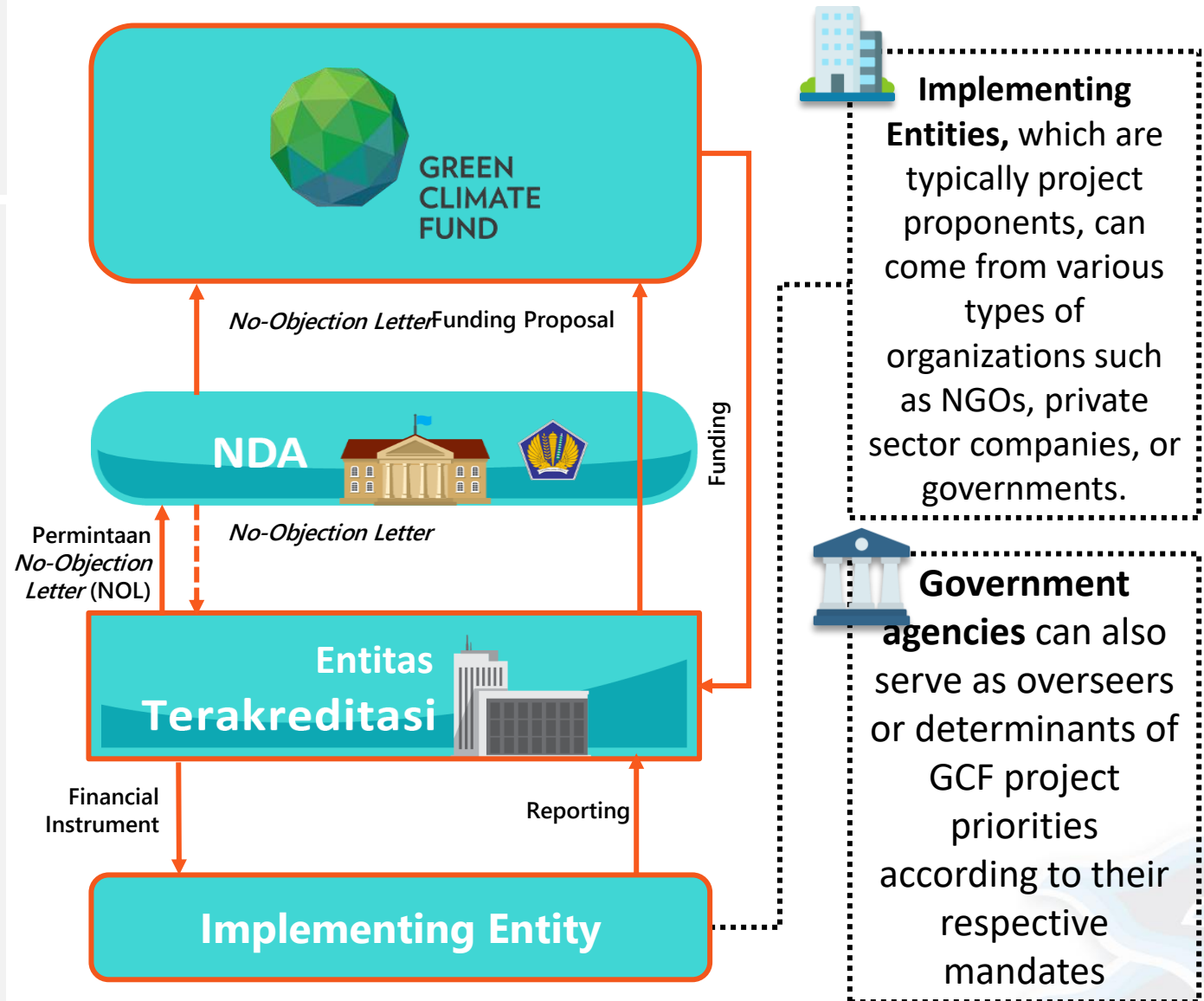
Mitigation:

- Energy and transmission
- Transportation
- Land-based sectors and forestry
- Buildings, urban areas, industry, and supporting infrastructure

Adaptation:

- Health, food, and clean water resilience
- Livelihoods of communities
- Built environment infrastructure
- Ecosystems and ecosystem services

The Architecture of the Green Climate Fund and the Role of National Actors



GCF Funding in Indonesia – Dashboard (as of Nov 2024)



19 projects

- 4 country-specific
- 15 multi-country

400 million*
ton CO₂eq

9,45 million*
beneficiaries

GCF Funding Allocation for
Indonesia

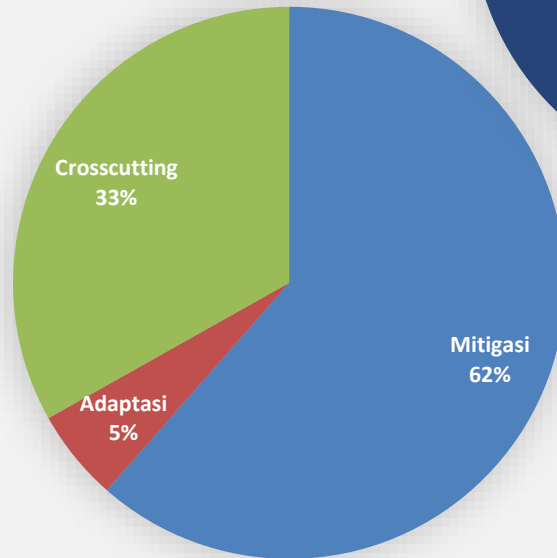
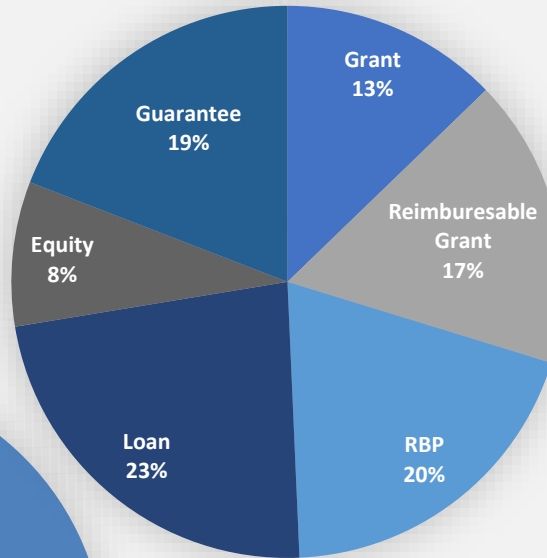
625,6 million**

Source: Web GCF

*Multi-country projects' funding
allocation and impacts to
Indonesia are based on indicative
data

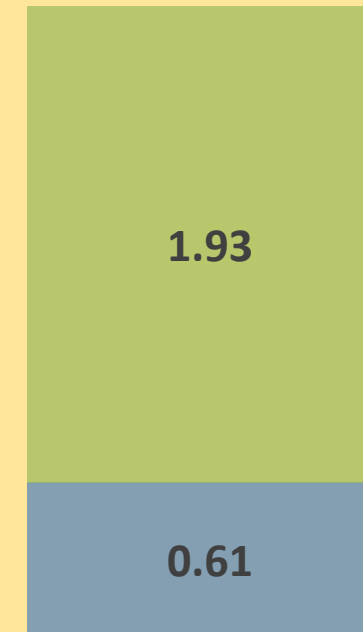
**Co-financing not included

**Funding Share
by Instrument***
(In Percentage)

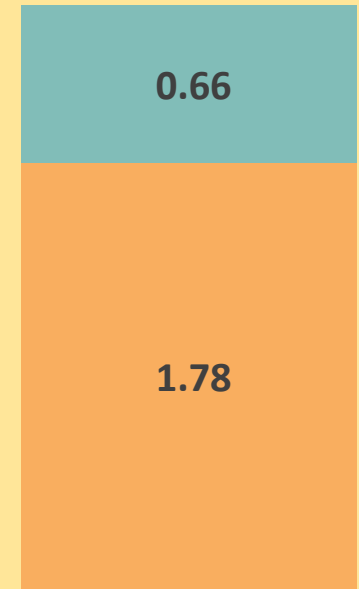


**Funding Amount
by Target***
(In Percentage)

**Total
Project Value***
(In Billion USD)



**Funding Amount
by Sectors***
(In Billion USD)



■ GCF ■ Co-Financing ■ Public ■ Private

Source: NDA GCF Indonesia

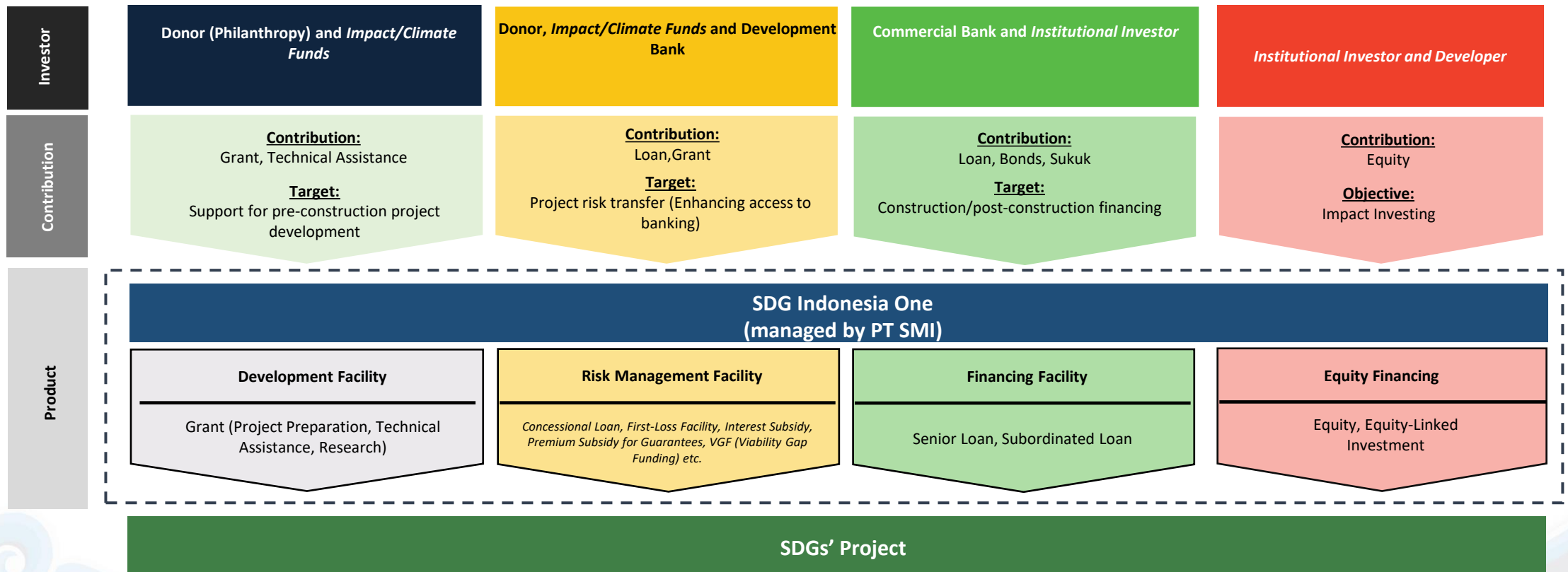
SDG Indonesia One



SDG Indonesia One is an innovative financing instrument that supports infrastructure development in achieving 16 out of the 17 SDG goals



SDG INDONESIA ONE FINANCING SCHEME



The Health, Education, Renewable Energy (EBT), and urban infrastructure sectors (transportation, water & waste management)*

*potentially expandable



Highlight SDG Indonesia One – as of March 2025

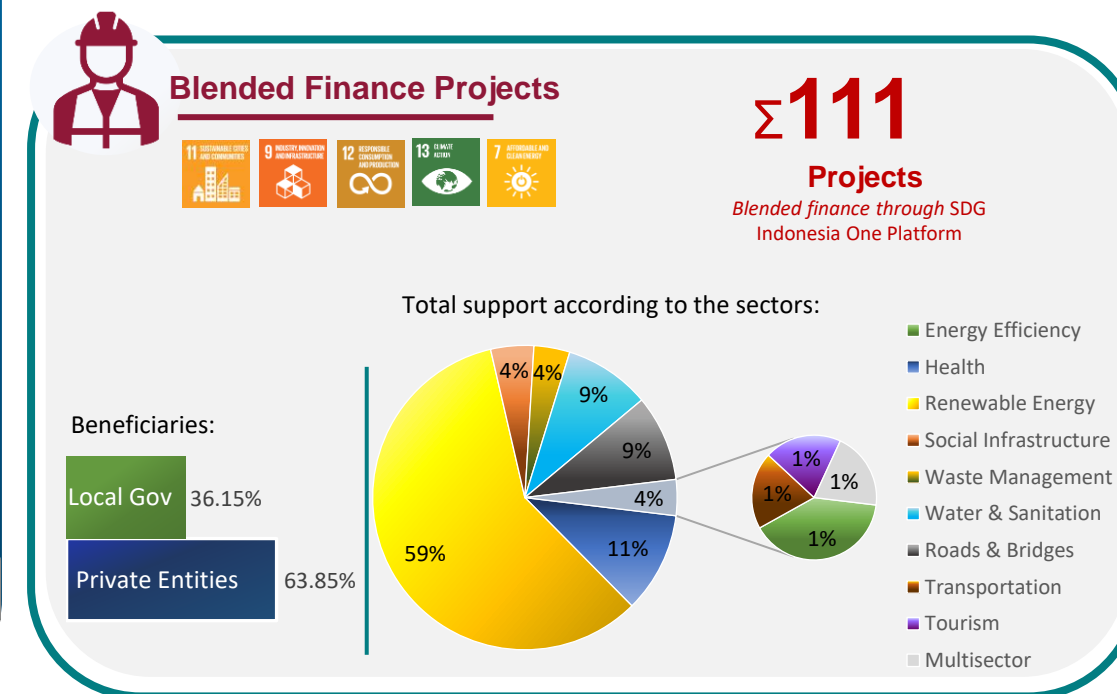
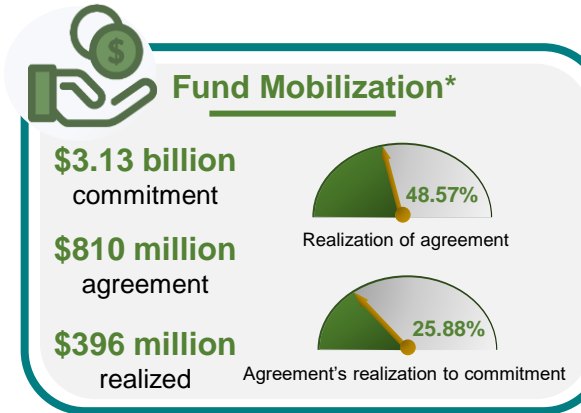


Achievements Highlight

57% of Support
Channeled to Renewable
Energy Programs

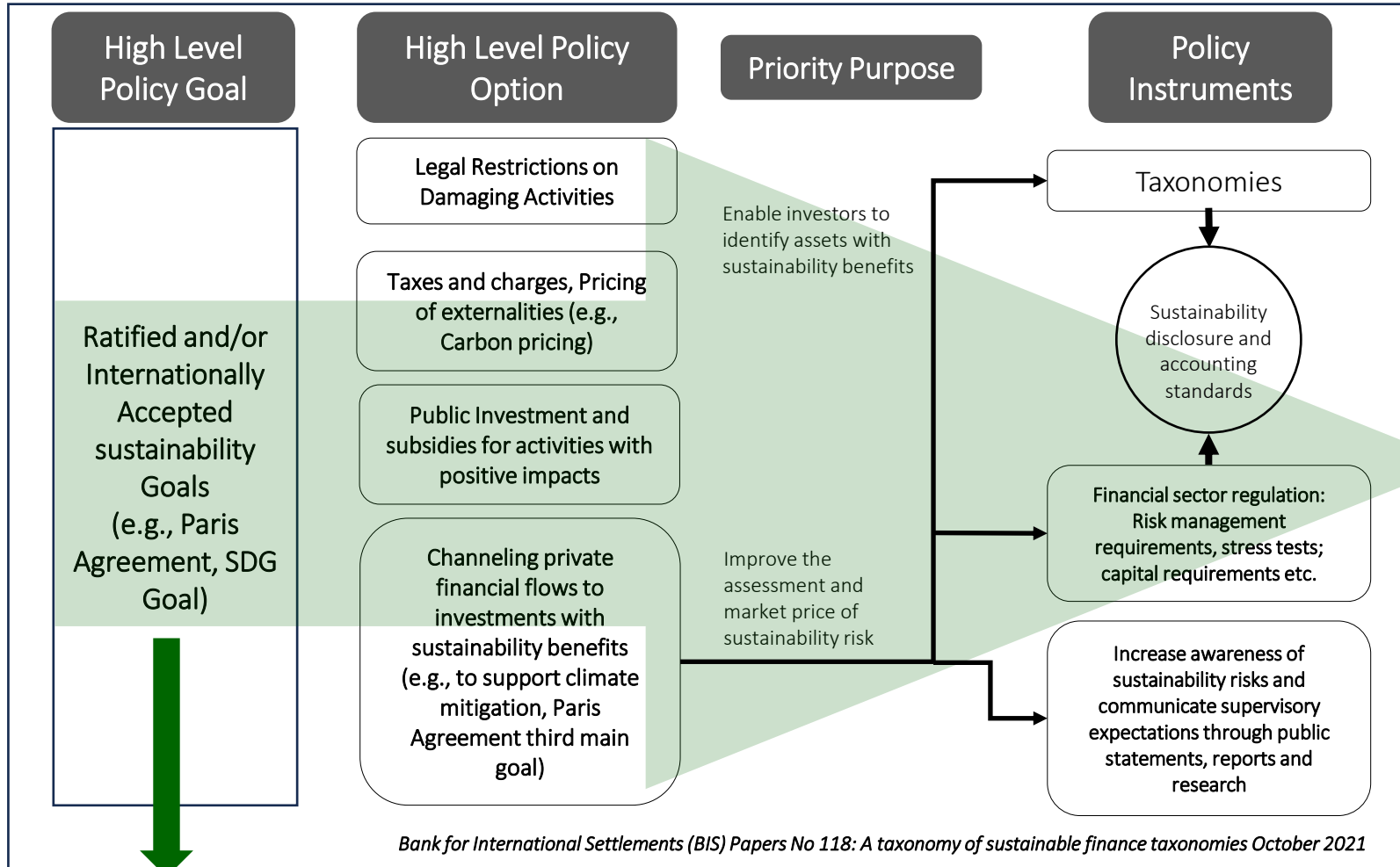
48% Agreed Partner
Support Has Been
Disbursed to the
Project Level

127 Projects Have
Been Supported



*) Assumptions as of 27 March 2025: USD/IDR = 16,588

Indonesia Sustainable Finance at a Glance



- Indonesia ratified the Paris Agreement through the enactment of Law No. 16/2016.
- The commitments outlined in the ratification of the Paris Agreement are translated into Nationally Determined Contributions (NDC).
- Indonesia drew its commitment to the SDG through Presidential Decree No. 59/2017.

Enhanced NDC
(decreasing GHG Emission by 2030)

31.89% (unconditional)
43.2% (conditional)

Indonesia Long-Term Strategy for Low Carbon and Climate Resilience 2050

Net Zero Emission by 2060 or sooner

OJK Initiatives

Reporting and Disclosure

Sustainable Finance Action Plan (RAKB) and Sustainability Report (POJK 51/2017)

Business Activities (Funding/Lending/Investing & Others)

- Sustainability-related Bonds/Sukuk (POJK 18/2023)
- Indonesia Taxonomy for Sustainable Finance (TKBI)
- Carbon Trading (POJK 14/2023)

Risk and Governance

- The implementation of climate risk management for banks (POJK 17/2023)
Climate Risk Management and Scenario Analysis (CRMS) for banks

The planned implementation of the OJK Sustainability/Net Zero Emission Roadmap for internal guidance

Mandates for the Establishment of the Sustainable Finance Committee
Law No 4/2023



OTORITAS
JASA
KEUANGAN



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

OJK's Sustainable Finance Journey & Going Forward



2015 - 2021

- Sustainable Finance Roadmap Phase I (2015 -2019)
- **Regulation on the Implementation of Sustainable Finance** for Financial Services Institutions, Issuer Companies, and Public Companies (**POJK 51 of 2017**)
- **Regulation on Green Bonds** Issuance (**POJK 60 of 2017**)
- Incentives for the development of Electric Vehicle (EV) Ecosystem financing
- Sustainable Finance Roadmap Phase II (2021-2025)
- Establishment of Sustainable Finance Task Force in the Financial Services Sector

2022-2023

- **Indonesia Green Taxonomy Version 1.0**
- Consultative Paper “Principles for the effective management and supervision of climate-related financial risks”
- Incentive to financing and insurance companies to support EV financing
- Regulation on Carbon Trading through the Carbon Exchange (**POJK 14 of 2023**)
- Regulation on Commercial Banks Governance, including climate risk (**POJK 17 of 2023**)
- Regulation on Sustainability Bond/Sukuk Issuance (**POJK 18 of 2023**)

2024 - 2025

- **Indonesia Taxonomy for Sustainable Finance (TKBI) Version 1 – Energy Sector and pilot project**
- Issuance and implementation of **Climate Risk Management & Scenario Analysis (CRMS)** and pilot project
- Launch of **Accelerator Program for Bond and/or Sukuk based on Sustainability (EBUS)**
- **Recognition of Indonesia's Sustainable Finance as entering the Maturing Phase (since 2021) by SBFN**, the highest among other Emerging Markets and Developing Economies (EMDEs).
- Launch of **International Carbon Trading** (January 2025).
- **TKBI Version 2 (February 2025)**
Sector Coverage: **Construction & Real Estate (C&RE), Transportation & Storage (T&S), and some activities in the AFOLU sector**



Going Forward

OJK-wide

- **Development of TKBI to cover all NDC-related sectors (2026)**
- Update of **OJK Regulation No. 51/2017** to align with **ISSB IFRS S1 and S2**
- Preparation of guidance for the development of a **transition plan** to support the adoption of IFRS S1 and S2
- Digitalization of **sustainability reporting systems and centralized database (TKBI, GHG emissions, SR)**
- Development of **Sustainable Finance Information Hub (SFIH)** with additional tools/features, including the **Taxonomy Navigator, CRMS Scope 1-3 emission calculation tools, Climate Scenario, and Projected Climate Data**
- Active participation of OJK in the **Sustainable Finance Committee establishment**
- OJK active involvement in the **ASEAN Taxonomy Board** to develop the **ASEAN Taxonomy for Sustainable Finance Version 4**
- **SF workshops, seminars, and capacity building**

Banking

- Issuance of **CRMS version 2 guidance and pilot project**
- **Industry Wide Stress Test (IWST)**
- **Banking Maturity Level Assessment** of Sustainable Finance Implementation
- Issuance of **carbon emissions reporting letter** to banks

PMDK / Capital Market

- Development of **Sustainable Capital Market Roadmap**
- Accelerator Program for **Thematic Bonds and Sukuk Issuance**
- Expanding Incentives for **Sustainability-Based Bonds and Sukuk**
- Development of **carbon exchange ecosystem and supervision**

PPDP / Insurance, Pension Fund, Guarantee

- Development of **Sustainable Roadmap** in the PPDP sector
- **Guidelines for Implementation of Sustainable Finance** in the PPDP sector
- **Feasibility Study on CRMS Implementation** for PPDP

PVML / Financing, Venture Capital, others

- **Guidelines for Implementation of Sustainable Finance** for PVML
- **Mapping and Development of Sustainable Finance Products**

Road Map Towards Net Zero Emissions: Supply and Demand



2025: Emission Reduction 231.2 Million tons CO2

Supply:

- Solar Power Plant/PLTS utilization roof
- Accelerate *waste to energy*
- Biomass Power Plant (PLTBm) small scale
- Cofiring for Steam Power Plant (PLTU)
- Additional Water-Power Plant (PLTA)

(inline with RUPTL 2021-2030)

Demand:

- Induction Cooktop 8.1million Household
- Dimethyl etherreplaceLPGForRT
- Implementation of 300 thousand electric cars and 1.3 million electric motorbikes
- Gas Network for 5.2 million SR
- Mandatory biodiesel 30% year 2025

2035:Emission Reduction 388 Million tons CO2

Supply:

- *Green Hydrogen* from New Renewable Energy (EBT) start in 2031
- *Battery Energy Storage System* (BESS) massive in 2034
- Capacity installed for Geothermal Power Plant (PLTP) 11 GW in 2035

Demand:

- Induction Cooktop for 28.2 million household
- 9.3 million electric cars and 51 million electric motorbikes
- Gas network utilization for 15.2 million SR
- Biofuel used is maintained at 40%
- Implementation of Energy Management and SKEM

2050:Emission Reduction 1043.8 Million tons CO2

Supply:

- *Green hydrogen* For replacing gas natural fossil for high temperature heating process start from 2041
- Primary energy from EBT is higher than total fossil-based primary energy

Demand:

- Induction Cooktop for 46.6 million household.
- Use of 50.2 million electric cars and 163 million electric motorbikes.
- Gas network utilization for 22.7 million SR
- The use of biofuels in the industrial and transportation sectors is maintained at 40%



2021 – 2025

2026 – 2030

2031– 2035

2036 – 2040

2041– 2050

2051 – 2060

Supply:

- Additional power plant after 2030 only from EBT.
- *Pump storage* start in 2025.

Demand:

- Induction Cooktop for 18.1 million household
- 2 million electric cars and 13 million electric motorbikes
- Gas Network for 10.2 million SR
- Biofuels in the industrial and transportation sectors to 40%
- Energy Management and SKEM for 11 RT equipment

Supply :

- Nuclear use for electricity starting in 2039
- The development of Variable Renewable Energy (VRE) in the form of PLTS is increasingly massive, followed by PLTB both on shore and off-shore starting in 2037.

Demand:

- CCS for the cement and steel sectors starting from 2036
- Low carbon fuel for shipping
- Use of induction stoves for 37.9 million households.
- 23 million electric cars and 101 million electric motorbikes
- Gas Network for 20.2 million SR
- Biofuels in the industrial and transportation sectors are maintained at 40%

Supply :

- Emissions in the electricity sector will reach zero and emissions of 129 million tons of CO2-e in the industrial and transportation sectors
- Stop using gas for electricity

Demand:

- Use of CCS in Industry 13 million tons of CO2
- Induction stove of 54.3 million.
- 175 million electric motorbikes and 65 million electric cars
- Gas network utilization for 22.7 million SR
- Projected demand for electricity consumption is 1,942 TWh and electricity consumption per capita is 5,862 kWh/capita

2030:Reduced emissions of 327.9 million ton

2040:Reduced emissions of 629.4 million tons of

2060:Reduced emissions of 1798 million tons of CO2

Innovative technology low-emission like CCS/CCUS can be applied to certain condition of fossil power plants to speed up subtraction emission in transition to energy which more-clean and more-greener.

*)PLTU on WilusPLN and Non-PLN:
Maximum 30 year And IPP 25-30 year (in accordance PPA)



Climate Risk Management and Scenario Analysis (CRMS) for Banks

CRMS in a Nutshell - Guidelines

CRMS is an integrated framework covering governance, strategy, risk management, and disclosure aspects to assess the resilience of banks' business models and strategies in facing climate change across short, medium, and long terms.



The 1st Book of CRMS Guidelines covers general guidance regarding:

- a) Governance
- b) Business Strategy and Risk Management Framework
- c) Risk Design and Analysis
- d) Disclosures
- e) Implementation Planning

There are 5 Technical Guidances that complement the 1st Book to assist banks in implementing CRMS, as follows:



2nd Book
Technical
Guidance



3rd Book
Emission
Calculation



4th Book
Macroec
onomic
Data



5th Book
Disaster
Data



6th Book
Reporting
Template

The CRMS OJK guide is a living document and will continue to be refined in accordance with regulatory developments, best practices, and stakeholder demands.



The Benefits of CRMS

- CRMS seeks to find the balance between transition and physical risks through appropriate strategies. Bank will be able to promptly determine the impact of any climate scenario and its transmission to their performance by considering the main drivers of climate risk, i.e., physical risks and transition risks, which are the primary triggers for changes in debtors' conditions.
- It ultimately encourages banks to determine business strategies and risk mitigation for a transition in financing allocation from carbon intensive sectors to a low carbon economy.

CRMS Development & Implementation

Developing Initial Climate Risk Stress Testing (CRST) Guidelines for Banking Sector 2023

Initial Bottom-Up Stress Test for 11 Banks that joined Task Force Sustainable Finance

Issuance of CMRS and Conducting Pilot CRMS 2024 for larger bank (18 banks)

CRMS Development Plan

2023

2024

2025

2026

CRMS

1. Bottom-Up CRST Guidelines (1st Version) and Pilot Project by 11 Banks within the Sustainable Finance Task Force
2. Development of Supervisory Action Concepts to Promote Climate Risk Management and Sustainable Finance Implementation (Banking Sustainability Maturity Assessment)

1. Issuance of CRMS Guidelines and CRST Pilot Project by 18 Banks (KBMI 3 and 4)
2. Development of Climate Scenarios and Data
3. Formulation of Enhanced Regulations on Sustainable Finance Implementation, Including Review of Banks' Readiness for IFRS S1 and S2 Adoption in Indonesia
4. Development of Supervisory Action Concepts (Banking Sustainability Maturity Assessment and Governance)
5. Implementation of Capacity Building Programs

1. Refinement of Guidelines and Expansion of CRMS Pilot Project
2. Development of Climate Scenarios and Data Full Implementation of Supervisory Action to Promote Climate Risk Management and the Adoption of Sustainable Finance

Full Implementation of Climate Risk Management Policy

Sustainability-related Debt Securities/Sukuk



The issuance of regulation on Sustainability-related Debt Securities, i.e., sustainability-related debt securities/sukuk, sukuk-linked waqf, and sustainability-linked debt securities/sukuk in October 2023 as a legal basis for innovative sustainable finance instruments.



Green Bonds/Sukuk

Bonds/Sukuk proceeds from its issuance are used to finance or refinance **green projects**



Social Bonds/Sukuk

Bonds/Sukuk proceeds from its issuance are used to finance or refinance **social projects**



Sustainability Bonds/Sukuk

Bonds/Sukuk proceeds from its issuance are used to finance or refinance **green and social projects**



Sukuk-linked Waqf

Sukuk proceeds from its issuance are used to finance or refinance activities/projects to **waqf projects**



Sustainability-linked Bond/Sukuk

Bonds/Sukuk issuance are linked to the achievement of certain key sustainability performance indicators



Other Sustainability-related Bond/Sukuk

POJK 60/2017

POJK 18/2023

Bonds

Sukuk and Bonds

Green

Green, Social, Sustainability Bonds,
Sustainability-linked and Waqf

Public Offering

Public Offering and private
placement

At least 70% of proceeds for
green projects

100% of proceeds for eligible projects



Incentive

75% off on registration fee

50% off on listing fee



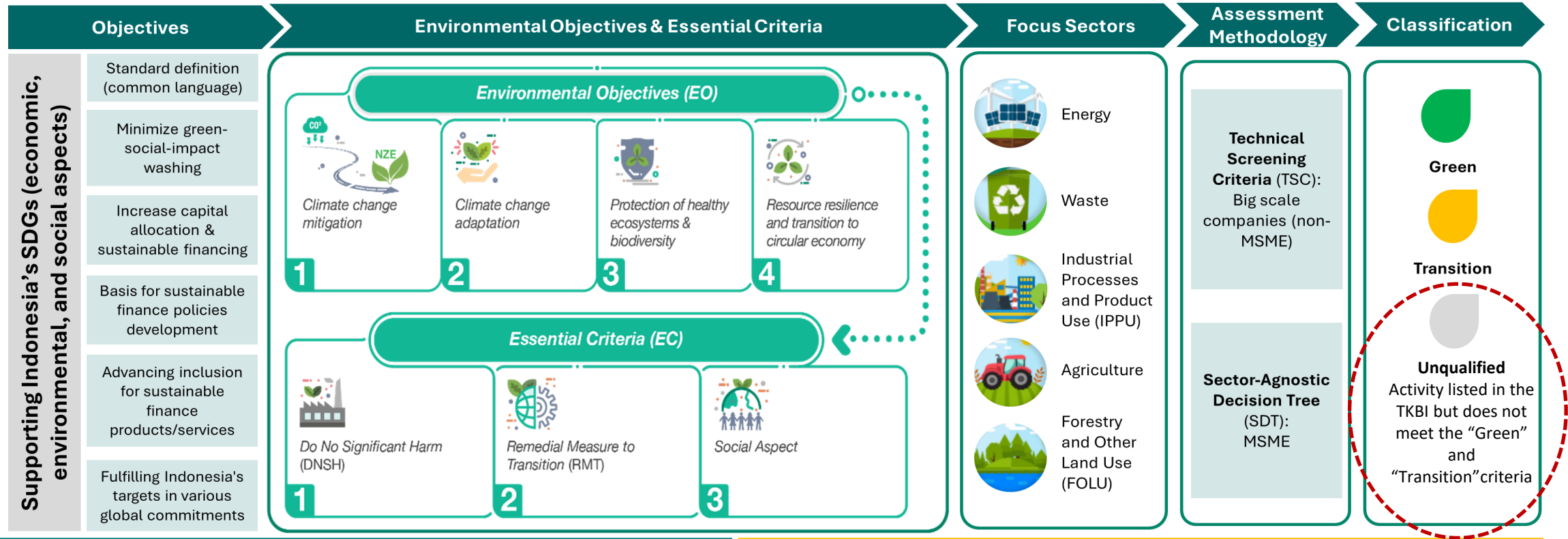
Framework of Indonesia Taxonomy for Sustainable Finance (TKBI)

TKBI is a classification of economic activities which support Indonesia's Sustainable Development Goals, covering economic, environmental and social aspects.*

Principle 1: Scientific & Credible

Principle 2: Interoperability and Supporting the National Interest

Principle 3: Inclusive



Green		Transition	
General Principles	Remarks	General Principles	Remarks
In line with the commitment of keeping the global temperature rise below 1.5°C as per the Paris Agreement, including considering Indonesia's net zero emission by 2060 (or earlier) and fulfilling social aspects.	Activities that meet the "Green" criteria in one of the EO and all essential criteria, namely: <ol style="list-style-type: none">Does not cause damage/loss (DNSH) to other EO. In cases where such damage or loss occurs, RMT are conducted to mitigate the impact and ensure no further damage/loss is caused to other EO.Fulfill all Social Aspects	Activities that are not currently aligned with the commitment to keep the global temperature rise, and have not embarked on the Net zero emissions pathway, however: <ul style="list-style-type: none">Transitioning toward "Green" classification within a specified timeframe;Facilitating significant emission reductions in a short or medium term with specific deadlines; orEncouraging other activities to be sustainable. and fulfilling the social aspects.	Activities that meet the "Transition" criteria in one of the EO and partially fulfill the ECs, namely: <ol style="list-style-type: none">Still causing damage/loss (DNSH) to other EO, despite after conducting remediation (RMT)Has a future improvement plan; andComply with all social aspects.

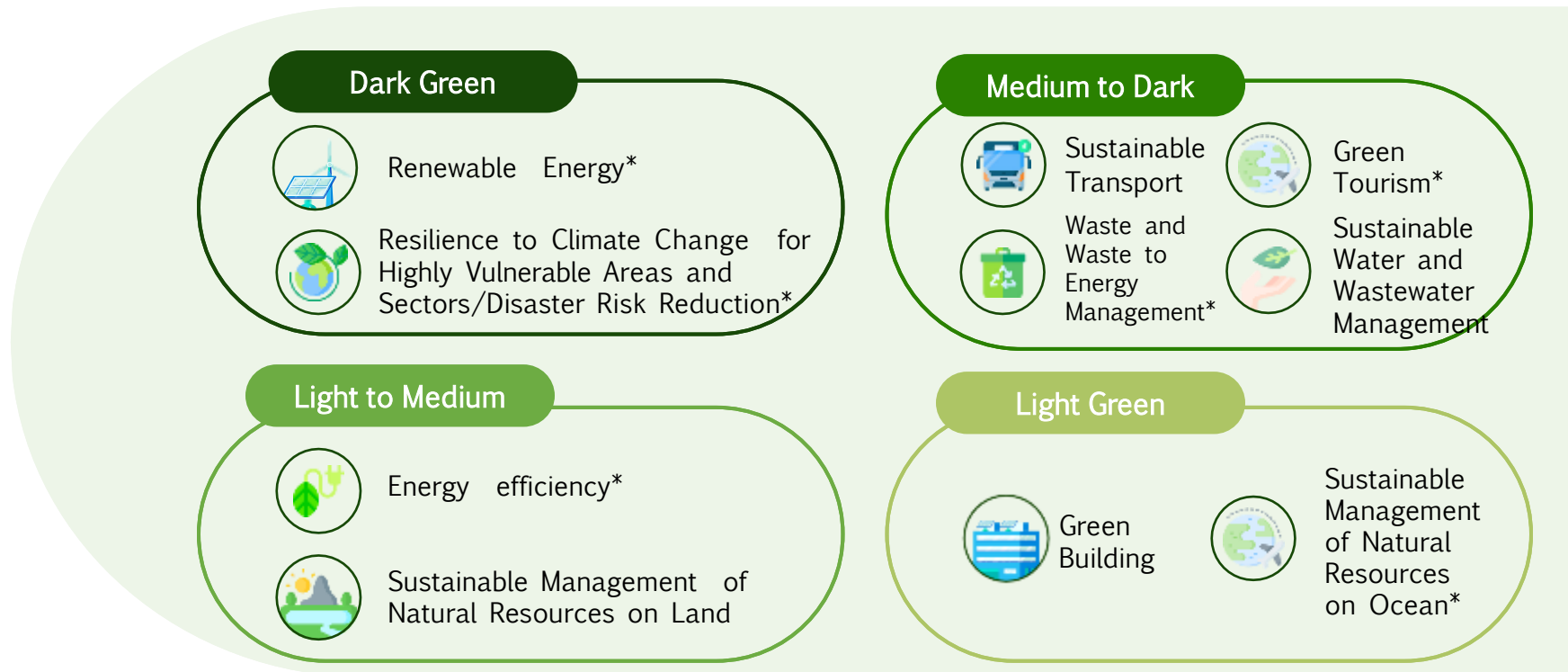
*) Using ASEAN Taxonomy for Sustainable Finance as main reference.

Indonesia SDG Government Securities Framework (cont)



Updated Green Bond and Sukuk Framework which the Republic of Indonesia can Finance and Refinance Selected Eligible Projects (of social (SDGs), green or blue projects)

Eligible SDGs Expenditures with Green and Blue focus



* Eligible SDGs Expenditures with Green focus can be further linked to Blue (ocean related) projects

Alignment with the RoI's 2030 SDGs Target



Indonesia SDGs Government Securities Framework (cont)



Updated Green Bond and Sukuk Framework which the Republic of Indonesia can Finance and Refinance Selected Eligible Projects (of social (SDGs), green or blue projects)

Eligible SDGs Expenditures with Social focus



Employment Generation including through the Potential Effect of SME Financing and Microfinance



Access to Essential Services



Socioeconomic Advancement and Empowerment



Food Security and Sustainable Food Systems



Affordable Basic Infrastructure

Alignment with the RoI's 2030 SDGs Target



The Framework Excluded Use of Proceeds for



New Fossil Fuel-Based Electric Power



Large Scale Hydropower Plants > 30 MW



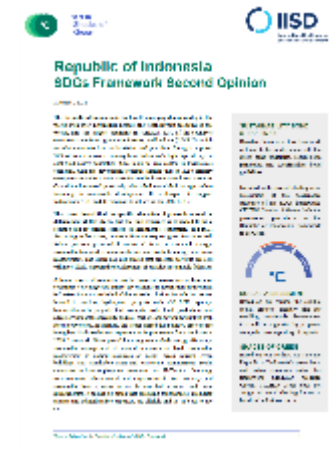
Nuclear Assets



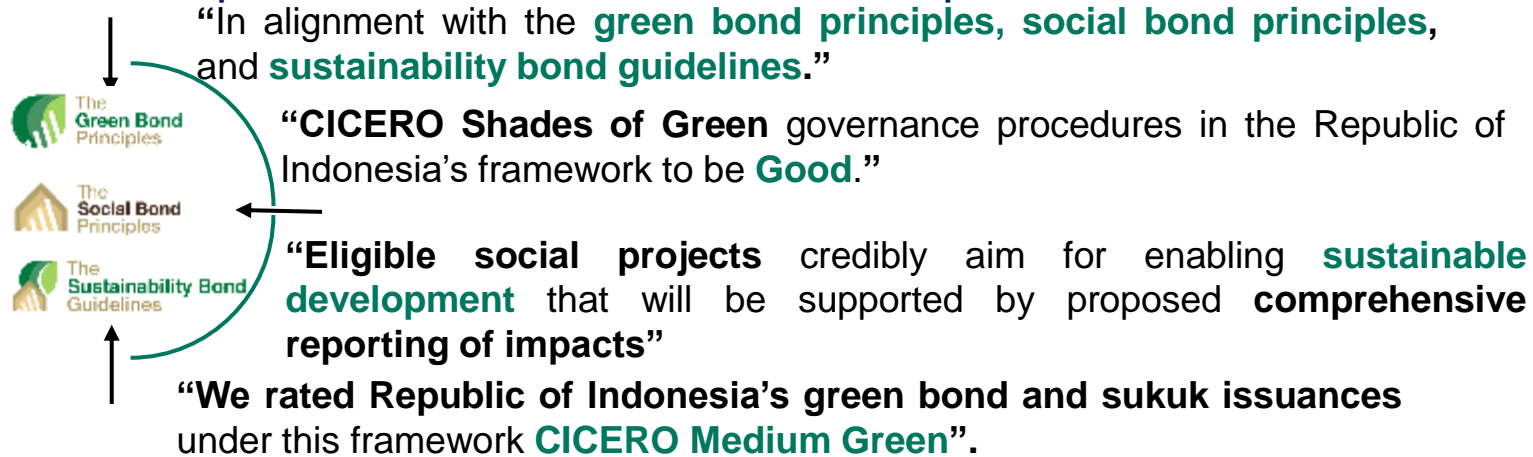
External Review of Indonesia SDGs Government Securities Framework

Engaged with CICERO and IISD to Adhere to the Best Market Practice of External Reviews

Joint Second Party Opinion from CICERO Shades of Green¹ and IISD²



Extracts of Republic of Indonesia SDGs Framework Second Opinion



Aligned with Best Practice and to Obtain Assurance on Post-Issuance Annual Reporting

The Republic of Indonesia will engage an independent third party to provide assurance on its annual reporting on Green and SDGs Securities and the compliance of each Green and SDGs Securities issued with this Framework

Source: Joint Second Party Opinion from CICERO and IISD on the Republic of Indonesia SDGs Government Securities Framework

Note:

1. CICERO is a global, independent, research-based second party opinion provider on green bond frameworks
2. IISD is a Second Party Opinion provider offering practical solutions to the growing challenges and opportunities of integrating environmental and social priorities with economic development

Source: Ministry of Finance

Development Of Innovative Financing Instruments

Demonstrate RoI's major advance for sustainable finance



The Republic of Indonesia's **Green Sukuk** demonstrates the government's commitment to addressing climate change and mainstreaming innovative financing to achieve the SDGs, while also strengthening Indonesia's position in the global Shariah market.

- **Global sukuk issuance (2018-2024)** : USD 6.5 Bio
- **Retail domestic sukuk issuance (2019 – 2024)** : IDR 35.8 T
- **Wholesale domestic sukuk issuance (2022-2024)** : IDR 30.23 T



The debut “Sustainable Development Goals” (“SDG”) bonds in 2021 is an important step forward in the Republic’s commitment to the achievement of the SDGs, and a major advance for sustainable finance. Since 2022, GoI also issued the SDG bonds in the domestic market.

- **Global SDG Bonds issuance (2021-2024)** : EUR 1.25 Bio
- **Retail domestic SDG Bonds issuance (2024)** : IDR 3.04 T
- **Wholesale domestic SDG Bonds issuance (2022-2025)** : IDR 13.81 T



As of May 2025, GoI has Successfully issued Samurai Blue Bonds totaling **JPY 49.4 billion**

- **2023 (debut) : JPY 20.7 billion (7 years and 10 years tenor)**
- **2024 : JPY 25 billion (7 years, 10 years, and 20 years tenor)**
- **2025 : JPY 3.7 billion (20 years tenor)**

Navy Blue (high relevance): Waste management, Marine and coastal protection and restoration of biodiversity and ecosystems, Sustainable fisheries.

Sapphire Blue (moderate relevance): Disaster management and risk reduction, Marine renewable energy, Ecotourism.

2023 Republic of Indonesia Global Green Sukuk USD1.00 Billion



Issuer	Republic of Indonesia through Perusahaan Penerbit SBSN Indonesia III
Issuer Rating	Moody's: Baa2 (Stable) / S&P: BBB (Stable) / Fitch: BBB (Stable)
Format	144A / Reg S
Settlement Date	November 15 th , 2023
Tenor	10 Year
Maturity Date	November 15 th , 2033
Issue Size	USD1.00 billion
Profit Rate	5.60% p.a
Reoffer Price	100.00%
Use of Proceeds	In line with RoI'S SDGs Government Securities Framework
Listing	SGX-ST and Nasdaq Dubai
Joint Bookrunners	CIMB, Citigroup, Dubai Islamic Bank, Mandiri Securities and Standard Chartered Bank
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk

Source: Ministry of Finance

Transaction Highlights

- The USD1.00 billion 10-year global green sukuk issuance is part of two-tranches USD2.00 billion RoI sukuk issuance in international market at November 2023.
- The transaction received **positive response from investors** since the start of bookbuilding, generating final order book of US\$ 2.8 billion for 10-year tranche, reflecting an oversubscription of 2.8x.
- The **tightest 10-year spreads** at issuance achieved by an ASEAN sovereign in the last 2 years
- The **lowest new issue premium** achieved by the RoI in the USD markets in the last 2 years
- The successful 6th issuance of global green sukuk demonstrates the **RoI's dedication and commitment to green and sustainable finance**, as well as diversifying financing methods in the effort against climate change.

2025 Republic of Indonesia Samurai Bonds Deal Review

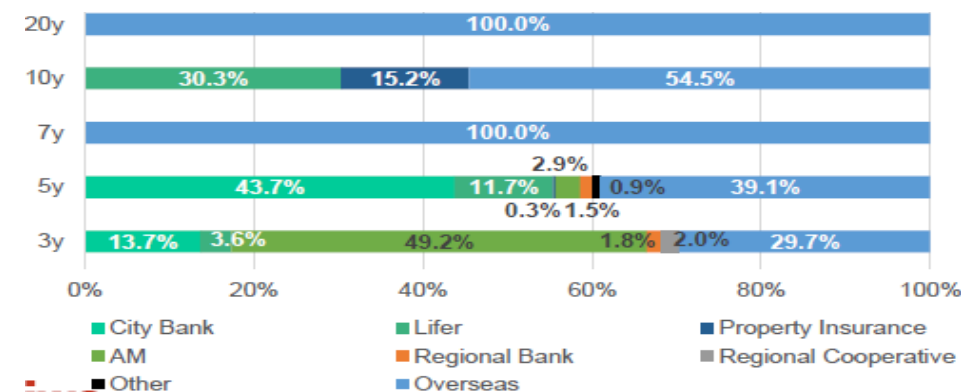
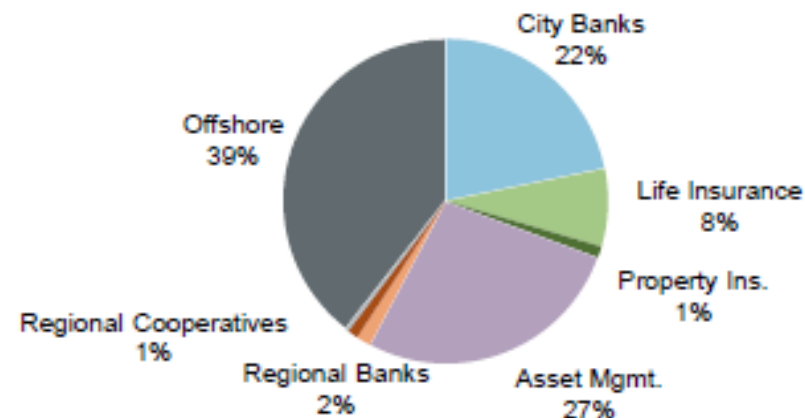


- The Republic of Indonesia (“RoI”) successfully priced a JPY 103.2 billion multi-tranche Samurai Bonds transaction, marking RoI’s eleventh consecutive year accessing the Samurai market. Notably, for the third consecutive year, the 20-year tranche was labeled as a Blue Bond under RoI’s renewed Sustainable Government Securities Framework, underscoring the nation’s continued commitment to sustainable development. With this transaction, RoI became the first sovereign issuer in the Samurai market in 2025.
- Despite the substantial impact of the Bank of Japan’s rate hikes on the Japanese bond market since last year—along with heightened market volatility and pronounced global uncertainty following “Liberation Day” in early April 2025—RoI’s robust creditworthiness and strong presence in global capital markets elicited solid demand from both domestic and international investors.
- Reflecting the volatile market environment, investor demand skewed toward the shorter tenors, consistent with other recent cross-border JPY transactions, with more than 80% of orders placed in the 3- and 5-year tranches across a wide range of investors. The longer-dated tranches (7-, 10-, and 20-year) were well supported by offshore investors, while 45% of demand for the 10-year tranche came from domestic investors (mainly life insurers).

Issuer	Republic of Indonesia				
Pricing Date	May 23 rd 2025				
Issue Date	June 2 nd 2025				
Format	Samurai				
Total Size	JPY 103.2bn				
Ranking	Senior, Unsecured				
Bond Rating	Baa2(Moody's) / BBB(S&P) / BBB(Fitch)				
Tenor	3 year	5 year	7 year	10 year	20 year
ESG Label	-	-	-	-	BLUE
Size (JPY bn)	JPY 54.9bn	JPY 34.3bn	JPY 3.7bn	JPY 6.6bn	JPY 3.7bn
Maturity Date	3 rd July 2028	2 nd July 2030	2 nd June 2032	1 st June 2035	2 nd June 2045
Re-offer Spread (YMS, TONA based)	75bp	93bp	98bp	105bp	125bp
Coupon	1.56%	1.87%	2.05%	2.35%	3.26%
Issue Price	100%				

Sour

Investor Breakdown



2025 Republic of Indonesia Global Bonds SEC 16 Deal Review



- **Landmark return to the USD and EUR Capital Markets** – The transaction marked the Republic’s return to the G3 primary markets in just less than two months, demonstrating the Republic’s strong access to the international capital markets and a testament to the high credit quality. This represented the Republic’s largest deal printed in the international markets since 2021, surpassing the initial target size and meeting the Republic’s price objectives.
- **First-mover advantage to capitalize on deep investor liquidity in the full opening week of 2025** – The Republic is the first sovereign issuer to open the Asia ex-Japan G3 bond market this year, on the back of generally positive risk sentiment and global macro backdrop.
- **High-quality robust orderbook laid foundations for a sharp pricing outcome** – Initial Price Guidance (IPG) was announced for the USD tranches at Asia open, followed by IPG for EUR tranches at London open within the same day.

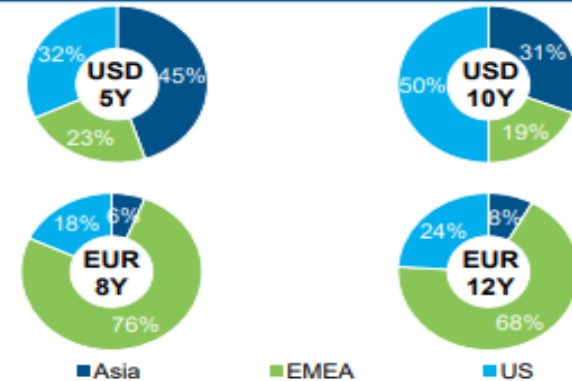
Transaction Summary

Issuer	Republic of Indonesia (the “Republic”)			
Issue Format	SEC Registered, Senior Unsecured, Fixed Rate Notes off SEC Shelf			
Issuer Ratings	Baa2 (Stable) / BBB (Stable) / BBB (Stable) (Moody’s / S&P / Fitch)			
Issue Ratings	Baa2 / BBB / BBB (Moody’s / S&P / Fitch)			
Pricing Date	January 8, 2025			
Settlement Date	January 15, 2025 (T+5)			
Tenor	5Y USD	10Y USD	8Y EUR	12Y EUR
Maturity Date	January 15, 2030	January 15, 2035	January 15, 2033	January 15, 2037
Issue Size	USD 900 million	USD 1.1 billion	EUR 700 million	EUR 700 million
Coupon	5.25% S/A, 30/360	5.60% S/A, 30/360	3.875% Ann Act/Act (ICMA)	4.125% Ann Act/Act (ICMA)
Re-Offer Price / Yield	99.783 / 5.30%	99.622 / 5.65%	99.716 / 3.917%	98.835 / 4.251%
Reoffer Spread	CT5+83.3bps	CT10+96.3bps	MS+145bps	MS+170bps
Par Call	1-month	3-months	6-months	6-months
Other Details	USD200k/1k denominations (USD), EUR100k/1k denominations (EUR), New York Law			
Listing	SGX-ST and Frankfurt Stock Exchange			
Use of Proceeds	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the Republic			
Joint Lead Managers	ANZ, BofA Securities (B&D), HSBC, J.P. Morgan and Standard Chartered Bank			
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk			

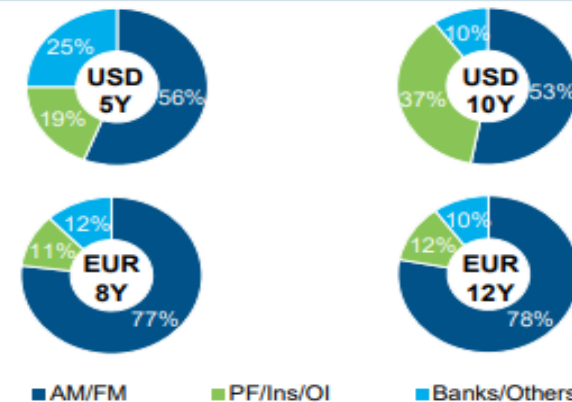
Orderbook Distribution

USD 5Y	USD 10Y	EUR 8Y	EUR 12Y
Books > \$2.05bn (incl. \$2.45mm add'l "prop" per HKSF code) from 105 accounts)	Books > \$2.20bn (incl. \$3.4mm add'l "prop" per HKSF code) from 114 accounts)	Books > €1.2bn from 63 accounts	Books > €1.2bn from 57 accounts

Investors by Geography



Investors by Type

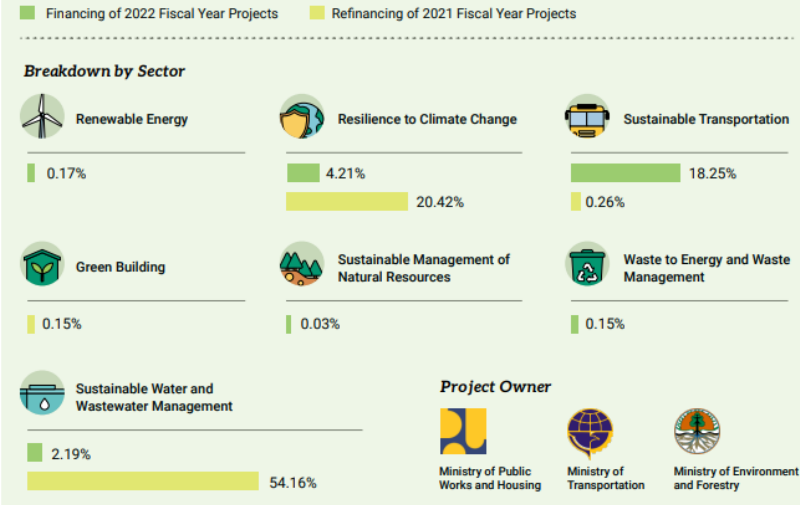


Indonesia's Green Initiatives: Financing Green Projects



Indonesia's Green Projects Financed by a Combination of Green Sukuk and Other Funding Sources

2022 GLOBAL GREEN SUKUK ISSUANCE



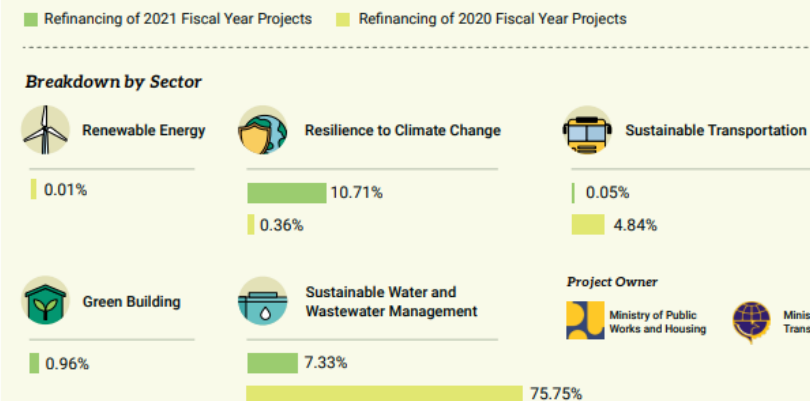
2022 RETAIL GREEN SUKUK ISSUANCE (ST-009)



2021 RETAIL GREEN SUKUK ISSUANCE (ST-008)



2022 PROJECT BASED GREEN SUKUK ISSUANCE



Note:

Information extracted from Green Sukuk Issuance Allocation and Impact Report 2023, which has obtained a limited assurance statement from EY. Projects were financed in Indonesian Rupiahs and the currency exchange rate is based on the State Budget Assumption for 2022 budget year of IDR 14,350 per USD.

Source: Ministry of Finance

Projected Environmental and Social Impact For 2022 Global Green Sukuk Issuance

The following impact data are accumulated from the projects financed by the 2022 Global Green Sukuk, 2022 Project Based Sukuk, 2022 Retail Green Sukuk, and 2021 Retail Green Sukuk.



Renewable Energy

- Contribute towards annual GHG emission reduction of **130,316.39** tonnes CO₂e from the installations of rooftop solar PV and aids to sea navigation devices.
- Provide **energy efficiency**, streamline **shipping navigation**, and improve **shipping safety**.



Resilience to Climate Change for Highly Vulnerable Areas and Sectors/Disaster Risk Reduction

- Projected to improve the service capacity discharge of raw water structures and infrastructure to achieve the national standardised target at **4.10 m³/s from the construction/rehabilitation** of 685 raw water units and **50 km groundwater irrigation network**, benefitting areas prone to flood and drought.
- **Reduce the vulnerability** of urban and coastal areas prone to floodings from the development and **rehabilitation of 233 km riverine flood control** and **98 km coastal protection structures** in the serviced provinces.



Sustainable Transport

The railway infrastructure and facility development has yet to **significantly contributed towards GHG emission reduction** due to the declining trend in public transportation use as resulted from social restriction policies as well as the shift in lifestyle and movement pattern during the COVID19 pandemic.



Green Building

Set a green building model through the construction of **university facilities and infrastructure** in accordance with the building technical standards and green building principles.



Waste to Energy and Waste Management

Improve municipal solid waste management, projected to **benefit a total of 3.7 million people**.



Sustainable Management of Natural Resources on Land

Contribute towards **ecosystem restoration** through forest and land rehabilitation in North Sulawesi Province, particularly the Likupang special economic zone



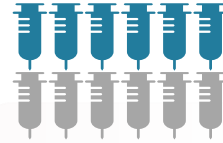
Sustainable Water and Wastewater Management

- Enhance the **service capacity of water supply for ±284,628 hectares of agricultural areas** that are prone to flood and drought through the **development/rehabilitation of 33 units of irrigation area** along with
 - Enhance the reservoir storage **1,158 km² water surface/swamp/coastal pond irrigation networks**; capacity of natural and artificial water storages at ±4,482 million m³ through the development and rehabilitation of 447 smaller and larger dams, 18 lakes and 119 rain-fed water storage (embung);
 - Enhance drinking water treatment capacity service discharged at about 150 - 1,100 litres per second, and the wastewater treatment capacity through the construction/rehabilitation of the water treatment plants and house connection.

The Impact of SDG Bond Issuances



- The government has meticulously prepared an annual report detailing the allocation and impact of projects funded by the issuance of the 2021 Sustainable Development Goals (SDG) Bond.
- This report serves as a mechanism for accountability to the public, showcasing our concerted efforts to achieve the SDGs.
- It is readily accessible to the public through the Directorate General of Financing and Risk Management (DMO) website at <https://www.djppr.kemenkeu.go.id>.



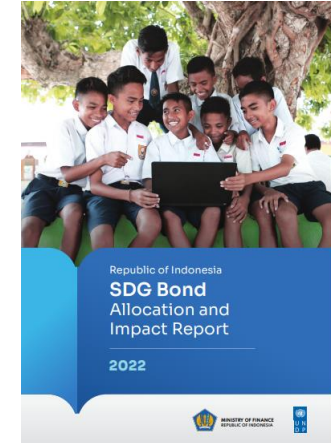
30 million
babies
Completed
Basic
Vaccination



11,4 million
Elementary
School
Children's
Scholarship



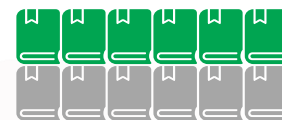
2.146
Borderline Frontier,
Outermost, and
Least Developed
Regions in Indonesia



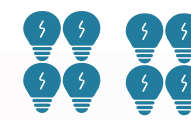
2021



470,000
Farmers for Micronutrient-
rich rice cultivation
(Biofortification)



Providing scholarship for
1 Million
Islamic elementary
school students



7.900
Entrepreneurial
Groups



Extended access to
essential basic services for
3 Million
Underprivileged
families
1.600
children in need of
special protection



2022



Green Sukuk



Islamic Finance News



Finance Asia



Climate Bond Initiative



IFR Asia



Cambridge IFA



The Asset Triple A



Global Capital, Euromoney



The ROI Green Sukuk has been awarded **17 international awards** from prominent organizations since 2018.

Challenges and Lessons Learned



Thematic bond/sukuk needs extra effort: framework preparation, framework review from Second Party Opinion, impact report, and report assurance (audit) from external auditor.



Having the right, knowledgeable and reputable partners are crucial to support framework development, issuances, including investor meetings, and impact reporting.



Need strong commitment and coordination from all stakeholders, especially line ministries.



Incentives are needed, especially *pricing benefit (greenium)*, to encourage more parties to issue green/SDG instruments.

Thank You