

Presentation Book

Investor Relation Unit ★ Republic of Indonesia

“Sustaining Stability and Economic Growth amid Global Uncertainty”



September 2026



Indonesia Commitment Towards Climate Change Agenda



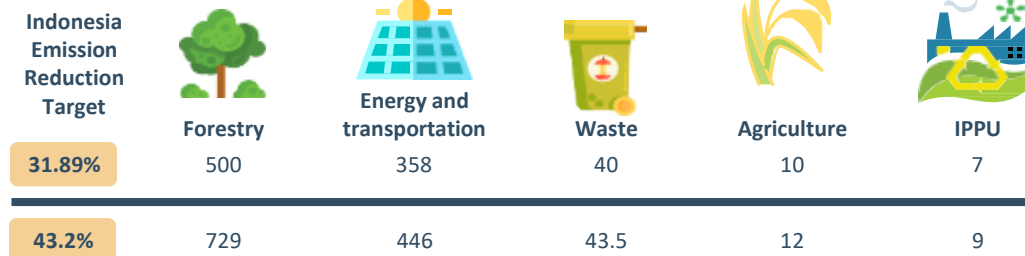
Paris Agreement and Enhanced Nationally Determined Contribution (NDC) 2030

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:

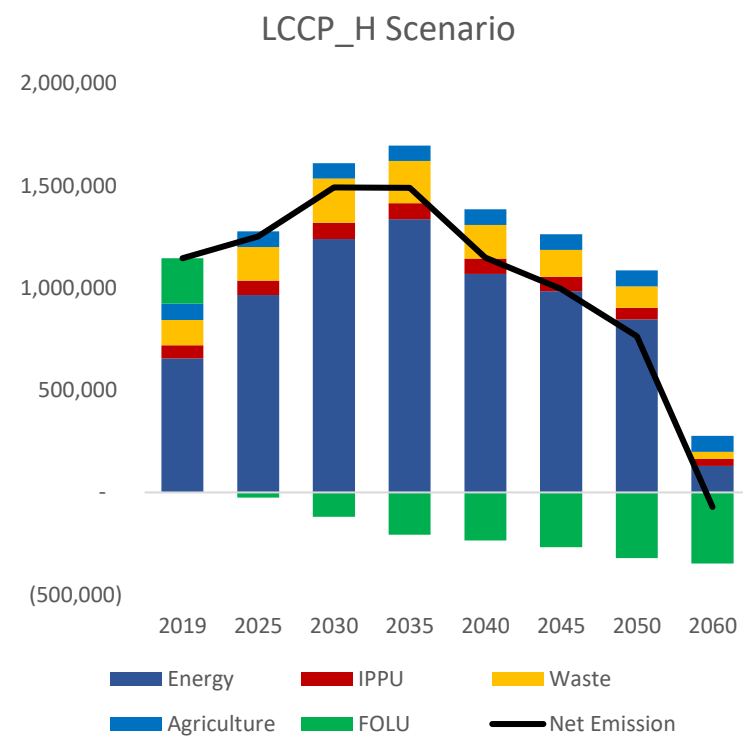
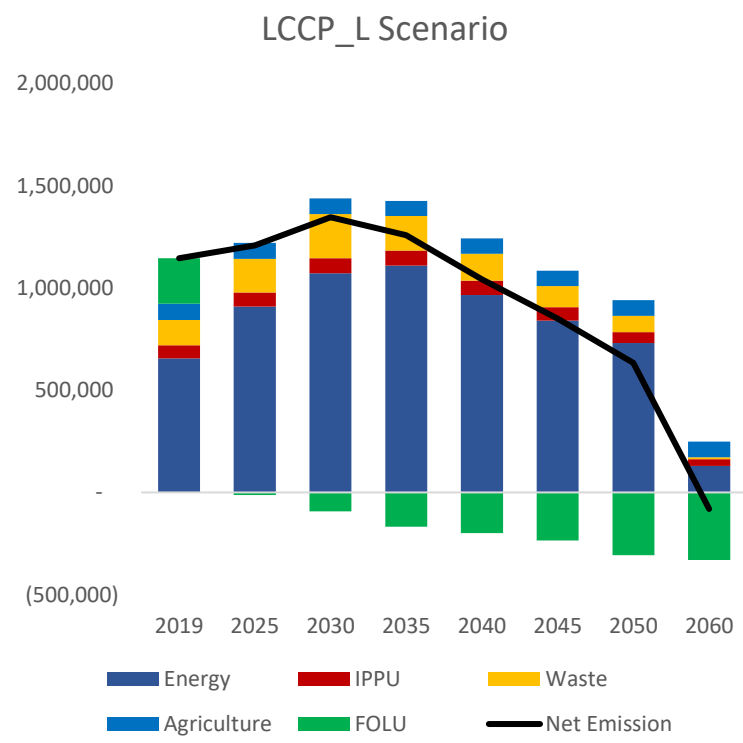
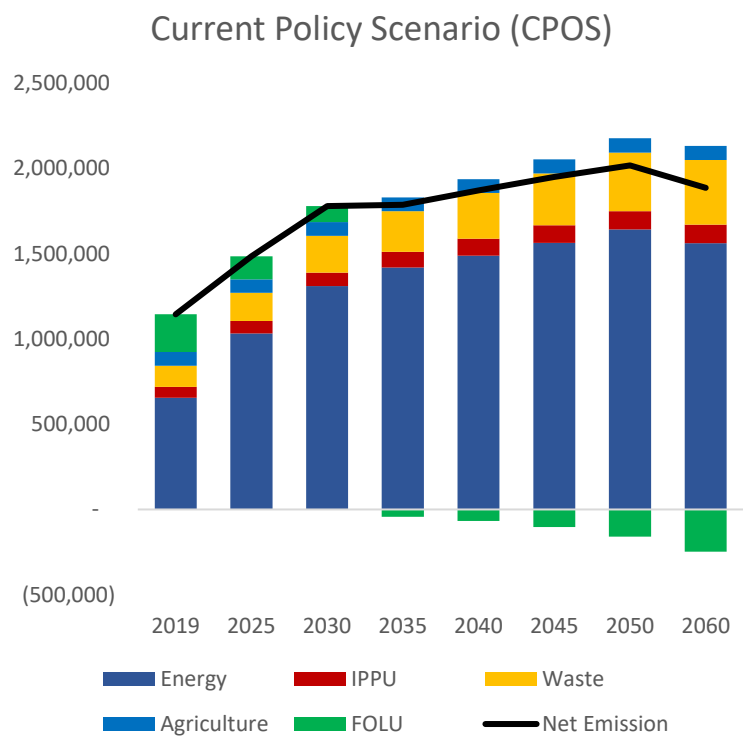
- Emission Peak on 5 sector on 2030 = 540 M ton CO₂e
- Net-Sink FOLU in 2030
- Net Zero Emission in 2060

Climate Change Mitigation Financing Needs

Reference	Scope	Cost/Impact estimation
Third 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.

Indonesia's NDC 3.0 dan Net Zero Emission Target



Based on the **CPOS**, by **2030 emission levels** are projected to be **55.5% higher** than the reference year (2019 levels). Meanwhile, the **LCCP_L** and **LCCP_H** scenarios indicate that emissions will be **17.5%** and **30.3%** above the reference year, respectively.

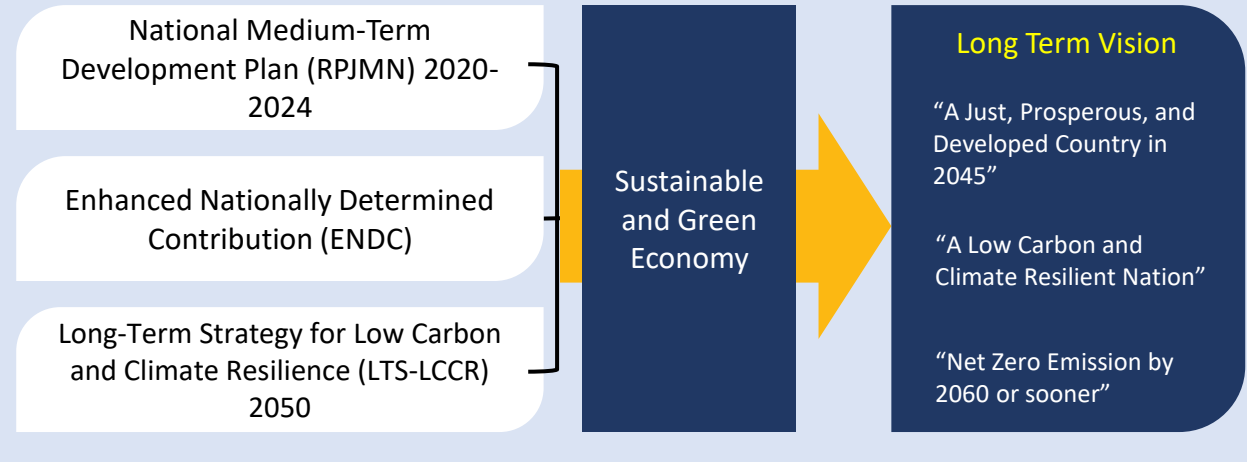
Through the **LCCP** scenario, Indonesia projects that **greenhouse gas (GHG) emissions will peak in 2030**.

Under the **LCCP_L** scenario, **economic growth** is projected to reach **6% in 2030** and **6.7% in 2035**. Meanwhile, under the **LCCP_H** scenario—aligned with the 8% growth target in 2029—growth is projected to reach **7% in 2030** and **8.3% in 2045**.

CPOS: Current Policy Scenario
LCCP_L: Low Carbon Scenario Compatible with Paris Agreement Lower Economic Growth
LCCP_H: Low Carbon Scenario Compatible with Paris Agreement High Economic Growth



Long Term Vision and Commitment



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 Trillion
21,86	245,99	0,07	12,99	0,50	281,23	USD Billion

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.

For Second NDC (2031 – 2035), Indonesia require an estimated total investment of **USD 472.6 billion** to achieve the target. This financing need, allocated across four sector categories (energy, agriculture, FOLU, and waste), is likely underestimated as it does not yet account for the industrial processes and product use (IPPU)

The Consequences of Funding for Climate Change Mitigation



Funding Needs for Mitigation



309,01	3.500,00	0,93	185,27	7,23	4.002,44	IDR Trillion
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Funding Needs for Adaptation

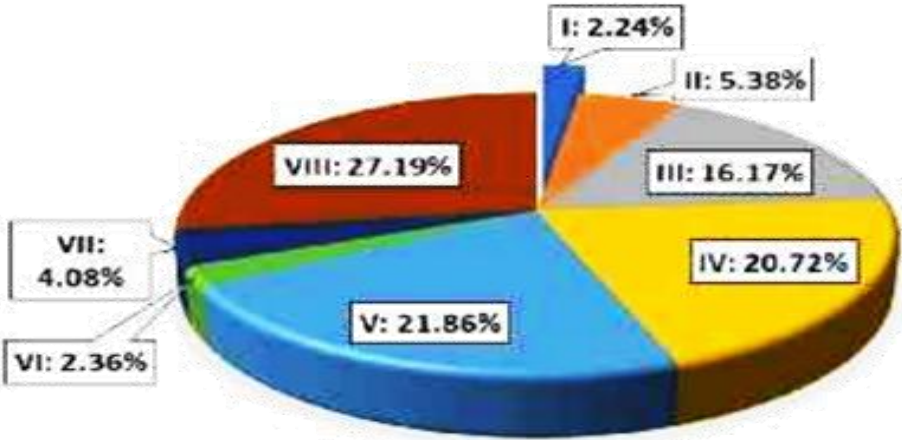
Based on Third BUR

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 | V. Strengthening local capacity in best practices |
| II. Integration of development planning and finance | VI. Improvement of knowledge management |
| III. Increasing climate literacy | VII. Stakeholder Participation |
| IV. Spatial-based approach | VIII. Adaptive Technology Adaptation |



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 Environment Fund (BPD LH)

*MOF Special Mission Vehicle



PT. SMI as Country Platform of:



ENERGY TRANSITION MECHANISM (ETM)

Sustainable Finance Mandate



National Regulations and Policies

- **The 1945 Constitution of the Republic of Indonesia (Article 28H, Article 33 paragraph (3), and paragraph (4)).**
- **Law Number 16 of 2016** concerning the Ratification of the Paris Agreement.
- Other regulations, including Presidential Regulation Number 111 of 2022 concerning the Implementation of the **Achievement of the Sustainable Development Goals (SDGs)**, the **Law on the Development and Strengthening of the Financial Sector (P2SK Law)**, which provides a dedicated chapter on the implementation of sustainable finance, and **Law Number 59 of 2024** concerning the **2024–2045 National Long-Term Development Plan (RPJPN)**.

- **ASTA CITA 2:** Strengthening the national defense and security system and promoting national self-reliance through food, energy, and water self-sufficiency, as well as through the development of the creative economy, green economy, and blue economy.
- **ASTA CITA 8:** Strengthening the harmonization of life with the environment, nature, and culture, as well as enhancing interreligious tolerance in order to achieve a just and prosperous society.

Law Number 4 of 2023 on the Development and Strengthening the Financial Sector

Sustainable Finance refers to an ecosystem supported comprehensively by policies, regulations, norms, standards, financial products, transactions, and services that align economic, environmental, and social interests in the **financing of sustainable activities and transition financing** toward sustainable economic growth.

Financial Sector Business Actors (PUSK) refer to **Financial Services Institutions, financial market infrastructure providers, payment system operators, supporting institutions in the financial sector, and other financial sector business actors** conducting business activities either conventionally or based on Sharia Principles in accordance with the prevailing laws and regulations in the financial sector

Sustainable Finance Implementation (Article 222)

1. Implementing Sustainable Finance in their **business activities**;
2. Conducting:
 - a. business practices and investment strategies that **integrate environmental, social and governance**; and
 - b. **products, transactions, and services** development for sustainable activities and transition financing.
3. Developing **capacity** on Sustainable Finance;
4. **Publishing the Sustainability Report as part of performance accountability for the implementation of Sustainable Finance.**

Establishment of the Sustainable Finance Committee (Articles 223-224)

- To develop Sustainable Finance, the Ministry of Finance, Indonesia Financial Services Authority (OJK), and Bank Indonesia conduct:
1. Coordination in developing and establishing Sustainable Finance **strategies, policies, and programs**;
 2. Optimization of fiscal, microprudential, monetary, payment system, and macroprudential **supporting policies**;
 3. Development of **database and infrastructure to support the implementation of Sustainable Finance**; and
 4. Coordination in developing a **sustainable taxonomy**.



Sustainable Finance Implementation (Article 222)

Follow-up measures in the form of: (1) Government Regulation concerning the Sustainable Finance Committee; and (2) Government Regulation concerning the Sustainable Taxonomy.



Coordination and collaboration with relevant ministries/agencies





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**.

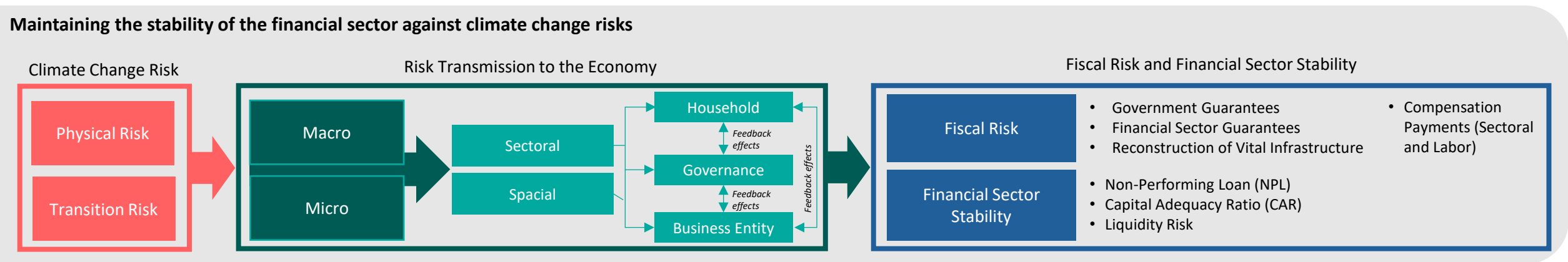
- Line Ministries mitigation and adaptation budget/spending
- Ecological Fiscal Transfer, indirect climate-related fiscal transfer such as Physical Special Allocation Fund (DAK Fisik), regional incentive fund (DID), profit sharing fund from sustainable natural resources management (DBH-DR, DBH Panas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



A mix of fiscal, monetary, macroprudential, and microprudential policies is required to achieve sustainable development while also anticipating climate risks that could disrupt financial sector stability.



Ministry of Finance

- Tax incentives for renewable energy (RE) investments and the EV ecosystem
- Expenditures for climate change mitigation and adaptation (climate budget tagging)
- Sustainable Government Securities Framework (Global Green Sukuk, Green Retail Sukuk, SDG Bond, Blue Bond)
- ESG Manual for Public–Private Partnership (PPP) Projects
- Disaster Pooling Fund
- ETM-Country Platform



Financial Services Authority

- Indonesia Sustainable Finance Taxonomy
- Implementation of sustainable finance for Financial Service Institutions (LJK), issuers, and public companies
- Climate Stress Testing
- Policies on Issuance and Requirements for Environmentally Friendly Debt Securities (Green Bonds)
- Issuance and Requirements for Sustainability-Based Debt Securities and Sukuk
- Requirements and Procedures for Carbon Trading Licensing through the Carbon Exchange



BANK INDONESIA

- LTV Incentives for Green Housing Ownership Financing (PPR) and Down Payments for Green Vehicle Ownership Financing (PKB)
- Relaxation of the Macroprudential Incentive Financing Ratio (RPIM) requirements for banks
- Green Calculator
- Green Foreign Exchange Reserves

9

Tax Facilities to Stimulate Green Industry

Green project incentives have shown a positive trend over the years



Tax Holiday

PMK 69/2024



0% PPnBM for EVs

PP 74 of 2021



Tax Allowance

PP 78/2019



Vocational Income Tax Super Deduction for EV

PMK 128/2019



Import Duty Exemption

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



Super Deduction R&D Income Tax for EVs

PMK 153/2020



VAT Borne by the Government & exempt

PP 49/2022
PMK 38/2023



Regional Tax Incentives (PKB) for EVs

Permendagri 6 of 2023



Special Economic Zone Tax Facility for SEZ

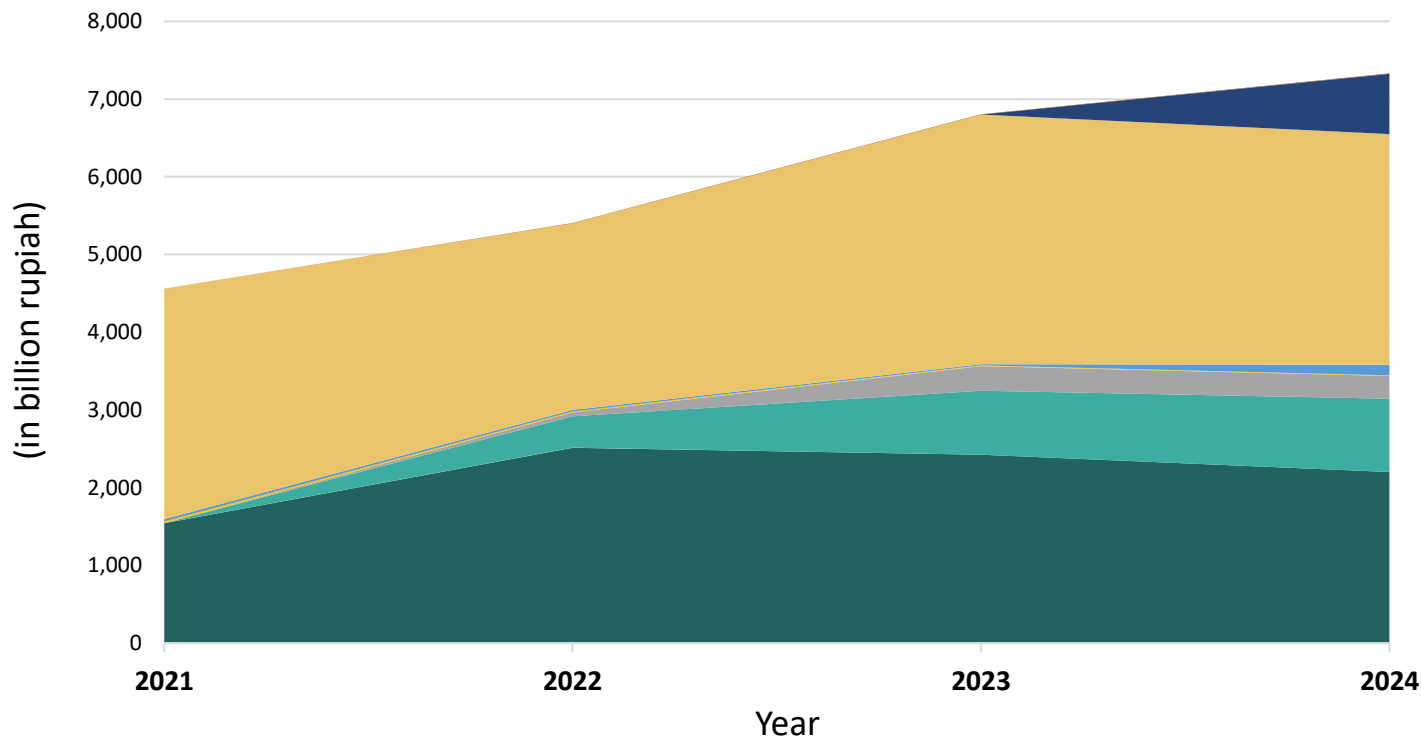
PP 40 of 2021 –
PMK 33 of 2021



Electric Motorcycles purchase subsidy

Mol Regulation 21/ 2023

Estimated Tax Expenditures to Accelerate Sustainable Projects



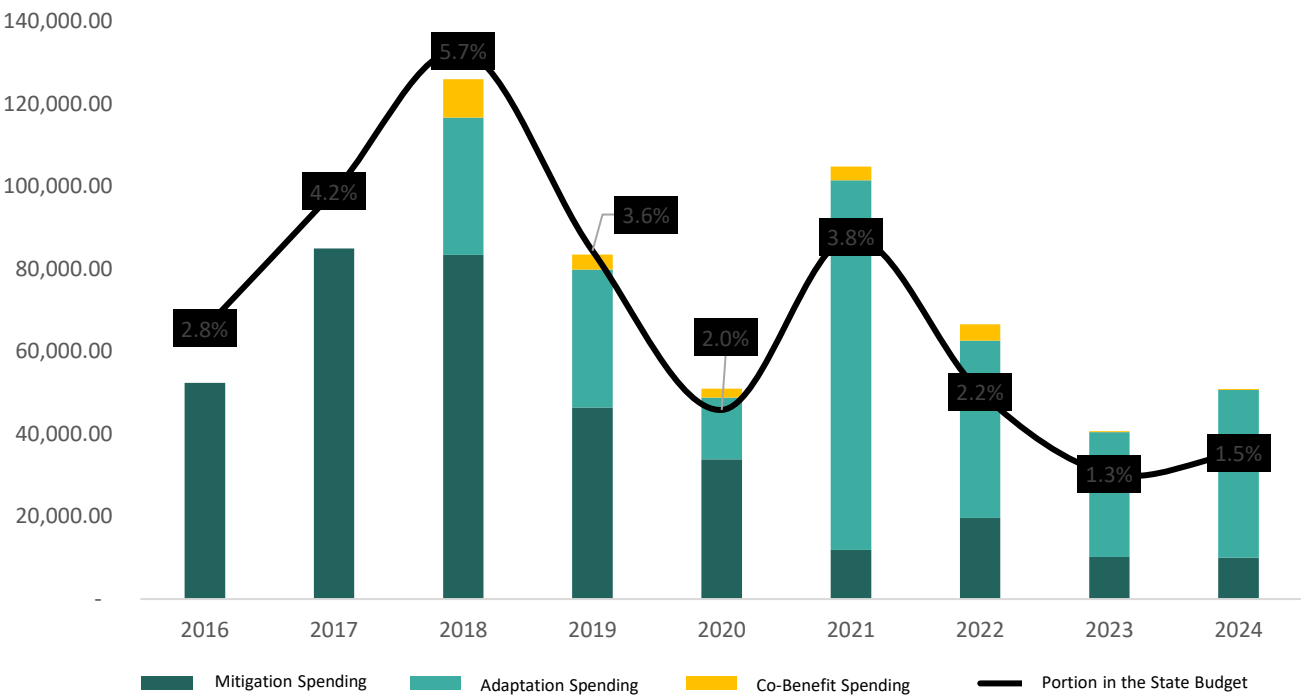
Description:

- Property tax (PBB) reduction for geothermal
- Tax holiday for RE
- Government-borne VAT for EV
- Government-borne income tax (PPH DTP) for geothermal projects
- Import Duty Exemption for goods used in Geothermal Activities
- Tax allowance for RE
- Lower Value Added Tax (VAT) for hybrid vehicles
- Zero percent luxury tax on EV
- Zero percent luxury tax base for LCGC vehicles

Climate-Related Central Government Expenditure through Budget Tagging



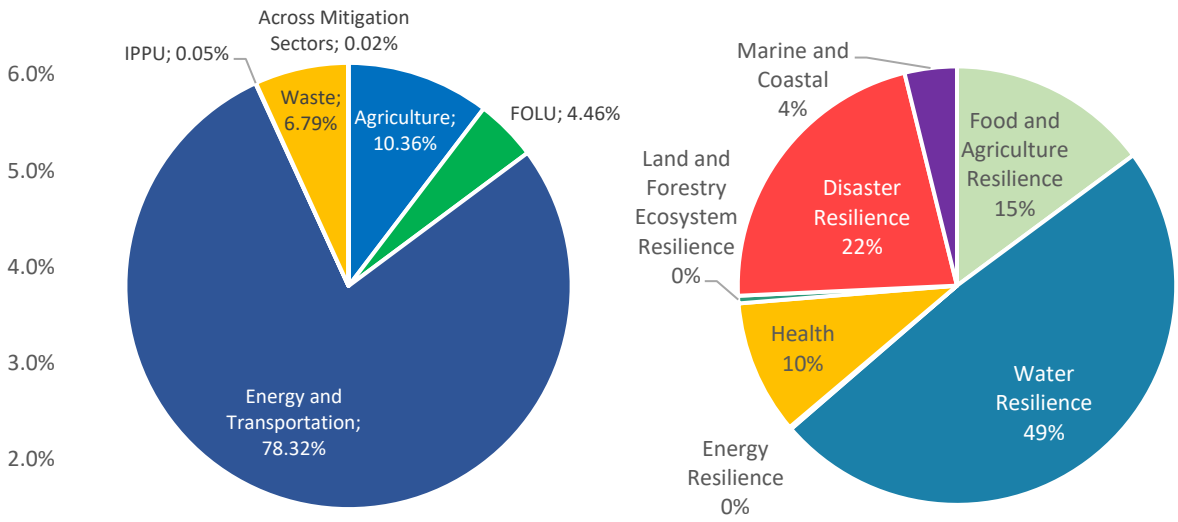
Central Government Spending on Climate Action 2016–2024 (Rp Billion)



PROPORTION OF CUMULATIVE ACTIONS (2016-2024)



PROPORTION PER SECTOR (2016-2024)



AVERAGE CLIMATE SPENDING PER YEAR IN THE STATE BUDGET (2018-2024)

IDR 73.5 Trillion (USD 4.4 billion*)

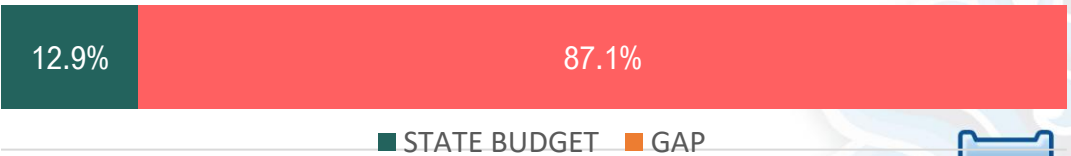
*1 USD = 16,859,2 IDR

3% of the state budget



Mitigation Funding Gap

(Only mitigation actions for 2018–2024 and compared to the need for mitigation financing in the 3rd Biennial Update Report/ BUR)

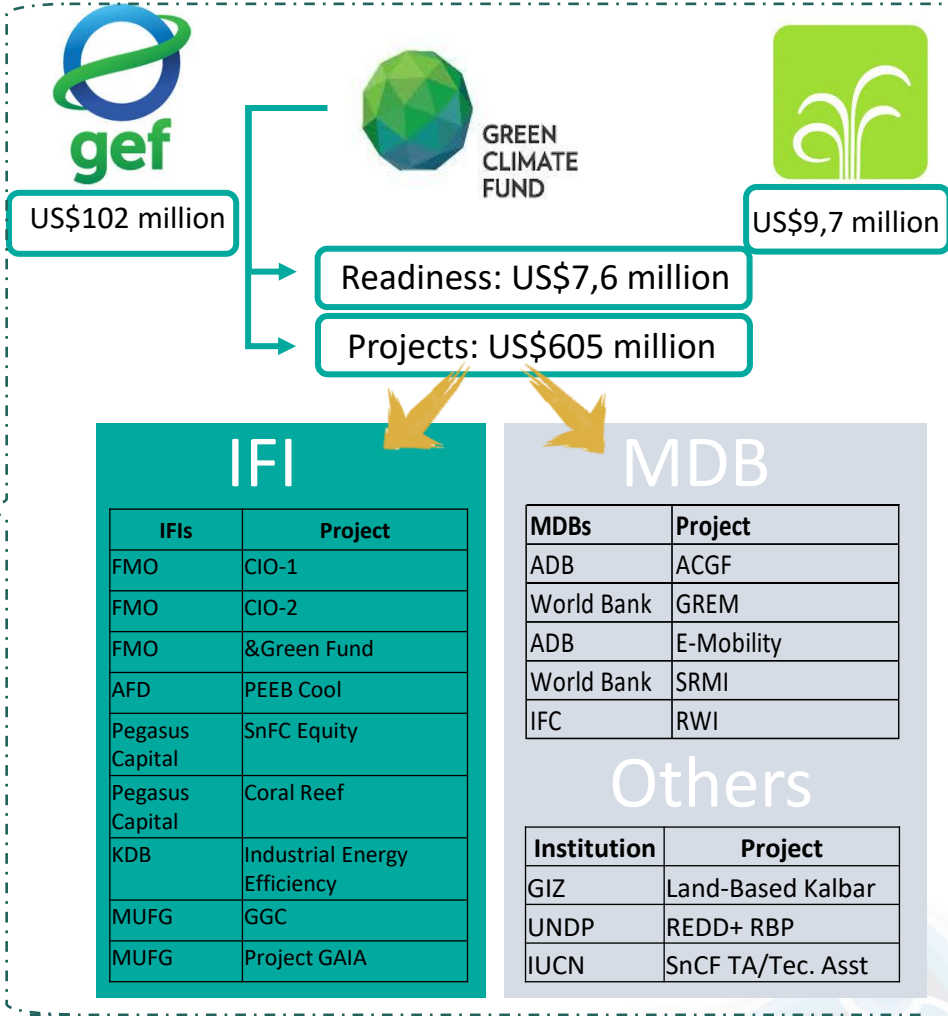
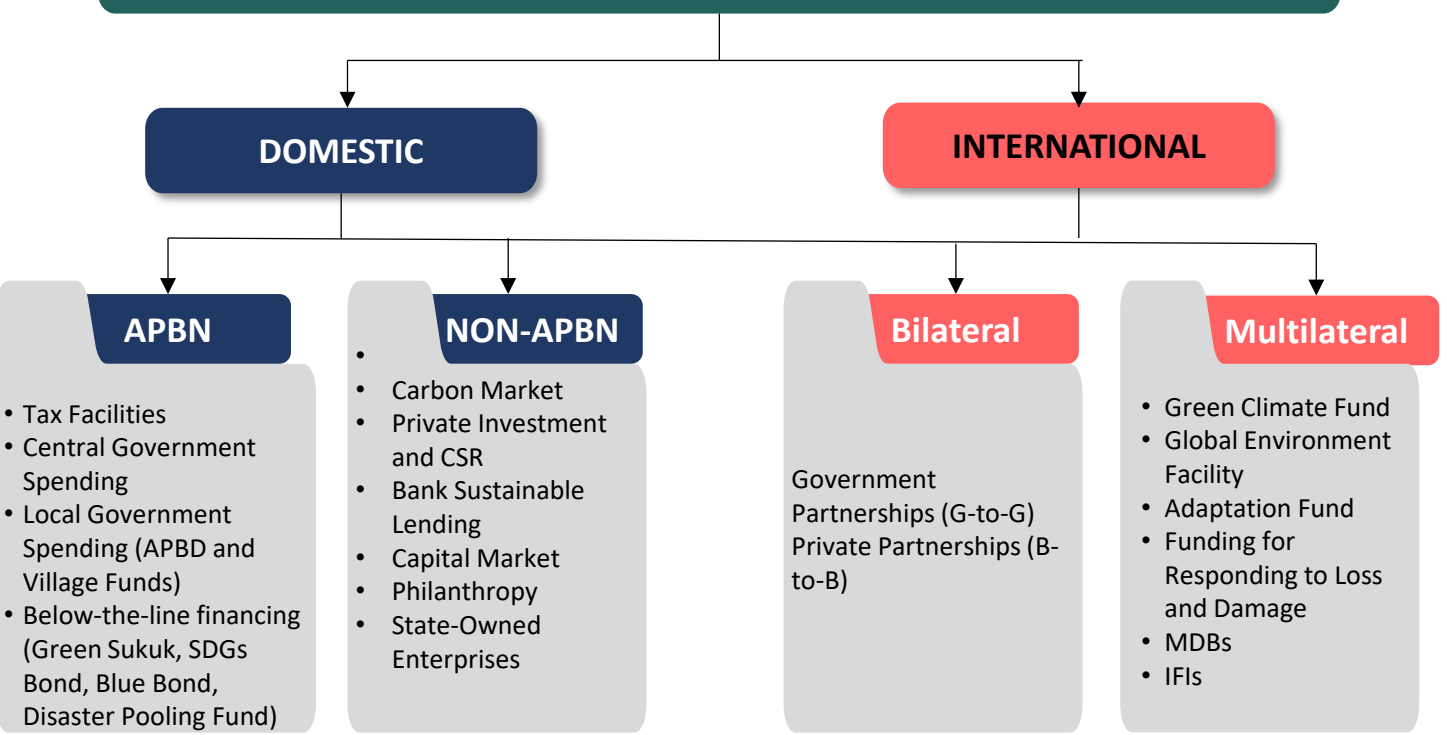


Sources of Climate Finance

Referring to Presidential Regulation No. 158/2024 on the Ministry of Finance



SOURCES OF CLIMATE FINANCE



Funds under Management:
US\$1,74 billion



114 Projects
US\$ 3,19 Billion *)
Funding Commitment
*) as of Des 2025



19 Projects
US\$ 775 Million *)
Project Value
*) as of Des 2025



AU\$ 236 million
Funding Allocation

Strategic Partner Collaboration to Drive Sustainable Impact

The Ministry of Finance promotes strategic partnerships to expand green financing



Coalition / Association Partners



National Accredited Entity Partner



GREEN
CLIMATE
FUND

Blended Finance Platform Partners



Partners under SDG Indonesia One could be classified in some facilities such as Development Facilities, De-risking Facilities, Financing Facilities and Equity Fund.

Below-the-Line Financing through Sustainable Government Securities



The government not only finances the green sector, but also greens the financial system

Global Green Sukuk

USD 7,7 billion

2018
USD 1.25 billion
Coupon: 3,75%
Tenor: 5 years

2019
USD 750 million
Coupon: 3,9%
Tenor: 5.5 years

2020
USD 750 million
Coupon: 2,3%
Tenor: 5 years

2021
USD 750 million
Coupon: 3,55%
Tenor: 30 years

2022
USD 1.5 billion
Coupon: 4,7%
Tenor: 10 years

2023
USD 1 billion
Coupon: 5,6%
Tenor: 10 years

2024
USD 600 million
Coupon: 5,5%
Tenor: 30 years

2025
USD 1.1 billion
Coupon: 5,2%
Tenor: 10 years

Retail Green Sukuk

Rp 55,91 trillions

2019
Rp 1.46 trillions
Yield: 6,75%
Tenor: 2 years

2020
Rp 5.42 trillions
Yield: 5,5%
Tenor: 2 years

2021
Rp 5 trillions
Yield: 4,8%
Tenor: 2 years

2022
Rp 10 trillions
Yield: 6,15%
Tenor: 2 years

2023
Rp 3,3 trillions
Yield: 6,4%
Tenor: 4 years

2024
Rp 5,5 trillions
Yield: 6,5%
Tenor: 4 years

2024
Rp 5,07 trillions
Yield: 6,55%
Tenor: 4 years

2024
Rp 4,84 trillions
Yield: 6,5%
Tenor: 4 years

2025
IDR 3,99 trillions
Yield: 6,6%
Tenor: 4 years

2025
IDR 3,99 trillions
Yield: 6,6%
Tenor: 4 years

2026
IDR 7,31 trillions
Yield: 6,25%
Tenor: 4 years

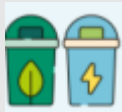
Allocation of Green Sukuk Funds per Sector (2018-2024)

2.58%
IDR 4.39 trillions
(USD 297.87 M)

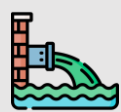
43.25%
IDR 72.9 trillions
(USD 4.98 B)

25.96%
IDR 44.3 trillions
(USD 2.99 B)

21.61%
IDR 35.9 trillions
(USD 2.49 B)



Waste to
Energy and
Waste
Management



Sustainable
Water and
Wastewater
Management



Resilience to
Climate Change



Sustainable
Transport

0.1%
IDR 176.18 billion
(USD 11.9 M)



Sustainable
Management of
Natural
Resources on
Land

0.16%
IDR 274.7 billion
(USD 18.87 M)



Green
Building

3.59%
IDR 5.96 trillions
(USD 414.3 M)



Renewable
Energy

2.75%
IDR 4.64 trillions
(USD 317.1 M)



Energy
Efficiency

Source: Green Sukuk Allocation and Impact Report 2025

Blue Bond

JPY 55,9 billion

2023
JPY 14,7 billion
Coupon: 1,2%
Tenor: 7 years

2023
JPY 6 billion
Coupon: 1,43%
Tenor: 10 years

2024
JPY 2 billion
Coupon: 1,57%
Tenor: 7 years

2024
JPY 6,8 billion
Coupon: 1,91%
Tenor: 10 years

2024
JPY 16,2 billion
Coupon: 2,55%
Tenor: 20 years

2025
JPY 3,7 billion
Coupon: 3,26%
Tenor: 20 years

2026
JPY 4,5 billion
Coupon: 2,89%
Tenor: 7 years

2026
JPY 2,0 billion
Coupon: 3,23%
Tenor: 10 years

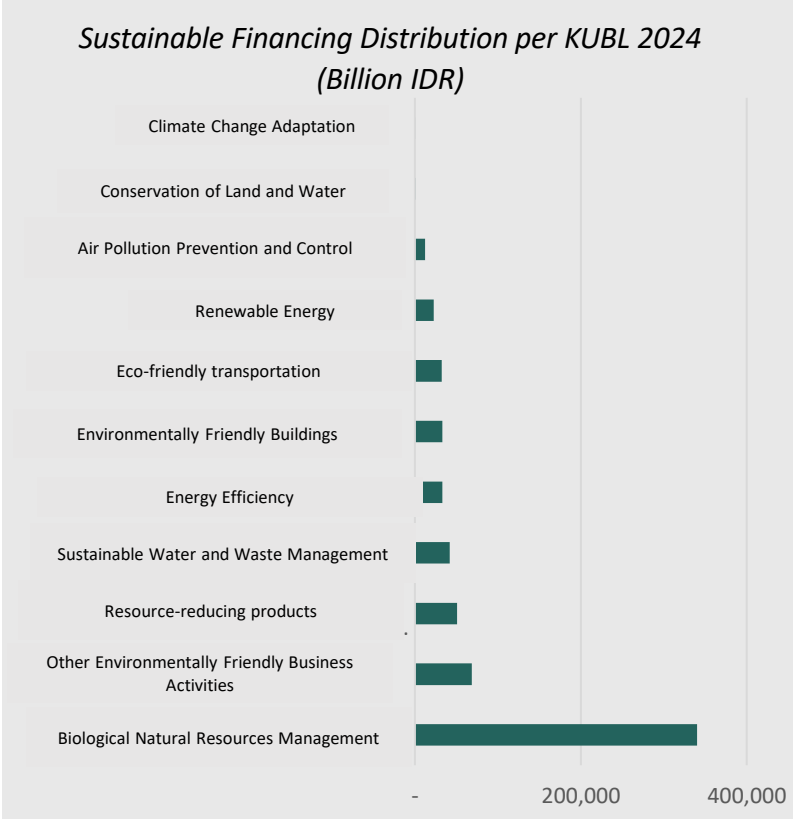
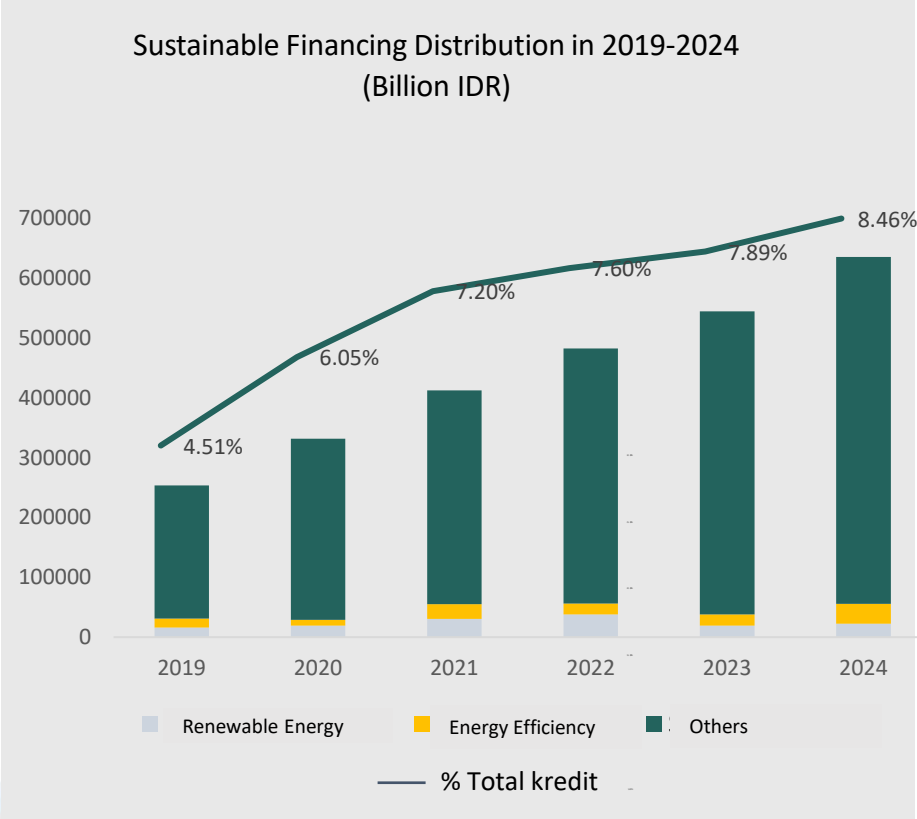
Development of Bank Sustainable Lending

Sustainable financing distribution shows a positive trend

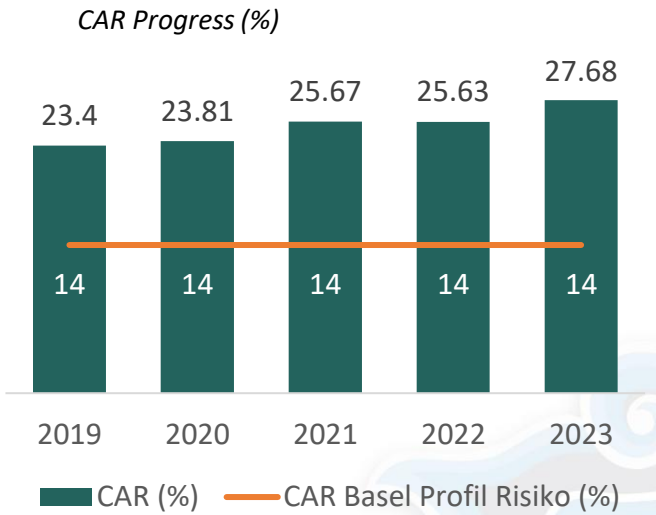


The financial sector has significant capacity to support decarbonization, with 675+ institutions—**representing 40% of global assets**—committed to sustainability.

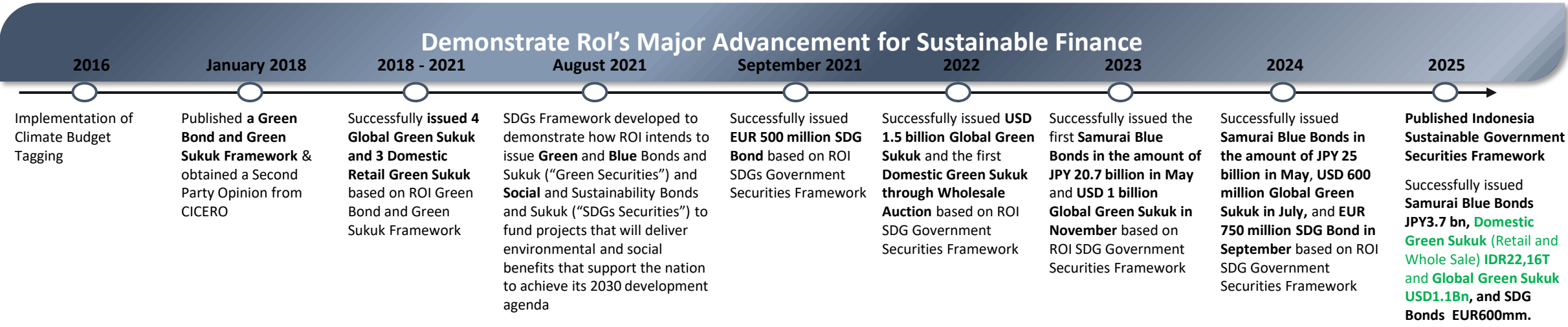
Based on sustainable financing distribution data in banks’ Sustainability Reports using Sustainable Business Activity Categories (KUBL) under OJK Regulation No. 18/2023, sustainable financing reached **8.46% of total loans disbursed in 2024**.



This increase was accompanied by banking capital that remained solid (above minimum capital requirements), with CAR at an adequate level of 25.63% in 2022 and increasing to 27.65% in 2023.



The Republic of Indonesia Sustainable Government Securities Framework



Sustainable Government Securities Framework

- 1 Use of Proceeds**
An equivalent amount of the net proceeds of Sustainable Securities will be allocated to finance and/or refinance, in whole or in part, new or existing Eligible Sustainable Expenditures with a Green, Blue, and/or Social focus ("Eligible Expenditures").
- 2 Process for Project Evaluation and Selection**
Eligible Sustainable Expenditures are identified through KRISNA-based Budget Tagging. Green/Blue focus use the Climate Budget Tagging (CBT) mechanism, with the option to include other nationally recognized climate or ocean-related references. Social/SDGs focus are tagged by KRISNA system to identify SDGs-related expenditures tagged by Line Ministries under BAPPENAS coordination.
- 3 Management of Proceeds**
Proceeds will be managed within the Government's general account in line with prudent treasury practices. A dedicated allocation register will track the use of proceeds for financing and/or refinancing Eligible Expenditures, ensuring transparency and compliance with the Framework.
- 4 Reporting**
The Ministry of Finance will publish annual allocation and impact reports for each Sustainable Securities issuance, covering project details, use of proceeds, SDGs alignment, and measurable environmental and/or social outcomes.

Aligned with International Standards & Principles

- All Green/Blue Securities, Social Securities, Sustainability Securities and SDGs securities issued under The Republic of Indonesia ("ROI") Sustainable Government Securities Framework will align with international standards and principles



- A Second-Party Opinion on Indonesia's Sustainable Government Securities Framework has been provided by Sustainable Fitch (Fitch) on April 30th 2025. Fitch considered transactions under the framework to be fully aligned with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines; and the ASEAN Green Bond Standards, Social Bond Standards and Sustainability Bond Standards from the ASEAN Capital Markets Forum.
- Fitch's Second-Party Opinion is that the framework's alignment is **GOOD**.

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

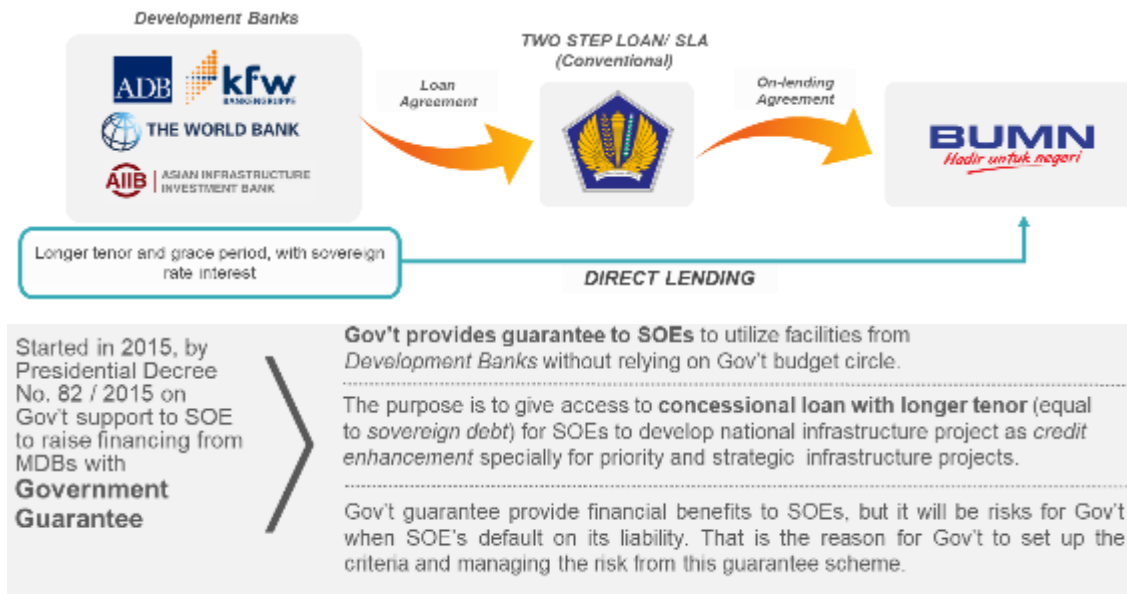
(MOF Regulation 80/2022)

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	▪ 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

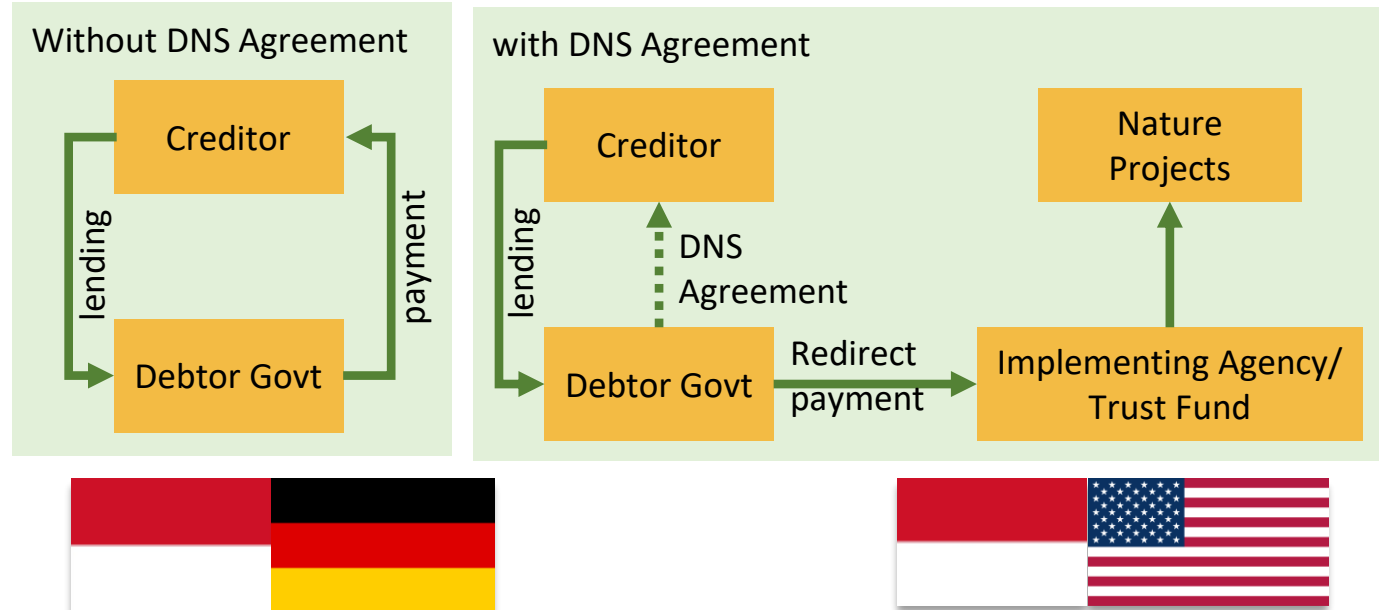
(MOF Regulation 189/2015)



Debt-for-nature Swap (Dns) As A Tool For Innovative Sustainable Debt Management



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

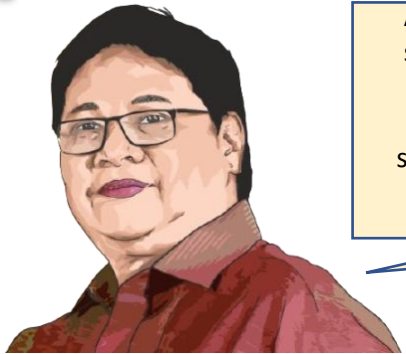
Transparency and accountability

About the Energy Transition and Green Economy Task Force



Driving Sustainable Growth: The Task Force Accelerates National Decarbonization Targets through Just Energy Transition Initiatives and Robust Investment Realization.

1 Background



A National Energy Transition Task Force is needed, encompassing initiatives such as **AZEC, JETP, and other policies related to energy transition and the green economy**, to ensure stronger synergy among various financing schemes, investments, and sustainable energy transition policies. This will support Indonesia's decarbonization targets and the development of a green economy.

Airlangga Hartarto
Coordinating Minister for Economic Affairs

3 Roles and Responsibilities

- **Develop a roadmap and policies** for the energy transition and green economy, including decarbonization.
- **Harmonize, adapt, and formulate regulations** that support the energy transition and green economy.
- **Ensure the effective implementation** of policies and regulations related to the energy transition and green economy.
- **Identify and coordinate financing mechanisms** from domestic and international sources to support the energy transition and green economy.
- **Promote investment and technology transfer** in the sustainable energy sector through collaboration with national and international strategic partners.
- **Manage the social, economic, and environmental impacts** of the energy transition and green economy, including those affecting the workforce in impacted sectors.
- **Develop human resource and research capacity** to support the energy transition and green economy.

2 Main Objective

To support the realization of a green economic transformation, as outlined in the 2025–2029 National Medium-Term Development Plan (RPJMN)



Highlights JETP Achievements to date: Total of ~USD 3.4-3.5 Billion across Projects, Programs, and Grants as of December 2025



Catalyzing the Green Transition: JETP Mobilizes USD 3.4 Billion for Strategic Renewable Energy and Sustainable Urban Mobility.

PROJECTS



Saguling 60 MW Floating Solar PV on existing reservoir — no additional land acquisition required : **USD 60 Million**



Muara Laboh Operational geothermal plant, Solok Selatan, West Sumatra — baseload renewable energy 83 MW : **USD 138 Million**

largest single JETP project by value



MRT Jakarta North-South and East-West Line: Modal shift from private vehicle to mass transit **USD 1,791.5 Million**

PROGRAMS

No	Funding Type	Description	Value	Status	
1	PBL / Concessional loan	Policy Based Lending (PBL) Affordable & Sustainable Energy Transition (ASET):	USD 377.5 Million (EUR 350 Million)	☒	Active
2	RBL / Concessional loan	Indonesia Sustainable Least-cost Electrification -1 (ISLE-1) Program	USD 47.5 Million (CAD 64.3 Million)	☒	Active
3	Equity	Xurya Solar Rooftop	USD 30 Million	☒	Active
4	RBL / Concessional loan	Results Based Loan (RBL) Sustainable Reliable Energy Access Program (SREAP)	USD 69 Million (EUR 63.9 Million)	☒	Active
5	RBL / Concessional loan	Results-Based Loan (RBL) Accelerating Indonesia's Clean Energy Transition (AICET)	USD 327 Million (EUR 300 Million+ USD 20 Million)	☒	Active
6	Concessional loan	Green Energy Corridor Sulawesi (GECS)*	USD 353.2 Million (EUR 300 Million)	Loan disbursement process	
7	Grants and Technical Assistance	45 Grants and Technical Assistance*	USD 215.7 Million	☒	Active

Note:

*JETP reach further milestone as of December 2025 which are ready for Joint Announcement:

- EUR 300 Million** for GECS Loan Agreement between KfW and PT PLN (Persero)
- EUR 7.82 Million** for GBDF Grant Agreement between KfW and PT SMI (Persero)

AZEC Collaboration Accelerates Strategic Clean Energy Projects in Indonesia



Through AZEC, Indonesia is engaging in a regional decarbonization platform that combines policy commitment, transition finance, technology cooperation, and tangible project pipelines across geothermal, renewable energy, industrial decarbonization, carbon markets, and nature-based solutions. As of early 2026, AZEC has achieved concrete progress, including key financing approvals and partnerships. Several strategic projects are currently under a debottlenecking process to accelerate implementation and unlock significant investment value.



AZEC (Asia Zero Emission Community) is a regional cooperation initiative in Asia led by Japan to achieve carbon neutrality or net-zero emissions, promoting sustainable energy transition involving 11 partner countries—including Indonesia.

The 9th AZEC EGM was successfully held at the end of January 2026 as a real action of debottlenecking. In addition to the project progress listed above, achievements include:

- Approval of the JICA Loan Agreement for Hululais Geothermal Power Plant (PLTP)
- Positive intention for a joint study on the PPA Template for geothermal power plants

The total number of Indonesia’s MoUs under AZEC has reached 74 MoUs, consisting of 36 MoUs in 2023, 38 MoUs in 2024, 20 MoUs in 2025.

Projects currently under debottlenecking process

Project Categorization	Project Name	Details	Investment Value
I (Commercial Project)	Muara Laboh Geothermal Project – Phase 2 (approx. 80 MW)	• April 18, 2025: Financial Close • Ceremony on May 5, 2025	Approx. USD 500 million
I (Commercial Project)	Legok Nangka Waste to Energy*) (40.79 MW)	• Currently in the process of negotiating the PPA. • Expected to reach Financial Close in end of 2026 and be inaugurated by the President of Indonesia. • Currently discussing the signing of a grant from international investors.	Approx. USD 420 million
I (Commercial Project)	Expansion of Sarulla Geothermal Power Plant	• Two issues: Force majeure related to acidity and tariff adjustment. • A joint team is being formed between both parties, including PLN.	
II (Preparing for Commercial Project)	Java – Sumatra Transmission Line	• JBIC and Kansai Electric have conducted capacity building on transmission with PLN. • Kansai Electric is conducting a feasibility study for the Java–Sumatra connection.	Approx. USD 3.5 billion
*) The Legok Nangka Waste-to-Energy Project has the potential to become a low-hanging fruit and a model success for AZEC debottlenecking after Muara Laboh Geothermal , contributing to the circular economy, renewable energy, and waste management solutions in Greater Bandung.			



Policy on Energy Transition Financing

RELATED ISSUES

- 01 – Energy Transition Platform Steering Committee
- 02 – CIF *Accelerating Coal Transition* (ACT)
- 02a – Early Retirement of PLTU Cirebon-1 (including development of MoU ETM IP)
- 02b – *Repurposing* PLTU Ombilin
- 03 – CIF *Renewable Energy Investment* (REI)
- 04 – CIF *Futures Window*
- 05 – Just Energy Transition Programme (JETP)

ETM

Legal Basis:

- MoF Decree (KMK) No. 275/2022 on the Assignment of PT SMI as the ETM Country Platform (CP)
- MoF Regulation (PMK) No. 103/2023 on the Provision of Fiscal Support for the Energy Transition
- MoF Decree (KMK) No. 470/2024 on the Establishment of the ETM CP Steering Committee
- MoF Decree (MK) No. 7/KM.10/2024 on the Establishment of the ETM Steering Committee Secretariat

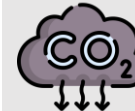
ETM Objectives



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

JETP

USD 21.6 Billion Commitment

Target (based on JETP Comprehensive Investment Plan and Policy):

- Emissions from the grid-connected power sector are projected to peak in **2030**, with emissions capped at no more than **250 MtCO₂** in 2030.
- **Renewable energy** to account for **44%** of the power generation mix by 2030.
- **Net-zero emissions** in the **power sector** targeted by **2050**.

Roles and Output: The Ministry of Finance leads the Financing Working Group and has previously established the Indonesia–UK Sovereign Green Guarantee Letter of Intent, administered by the World Bank.

JETP Investment Focus Area



Promoting the Implementation of Energy Efficiency and Electrification



Development of Electricity Transmission and Distribution Network



Acceleration of Dispatchable Renewable Energy



Acceleration of Variable Renewable Energy (VRE)



Early Retirement and Phase-Out of Coal-Fired Power Plant



Development of Renewable Energy Supply Chain

The Green Climate Fund as an Alternative Low-Cost Financing Source for the Energy Sector



- 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:

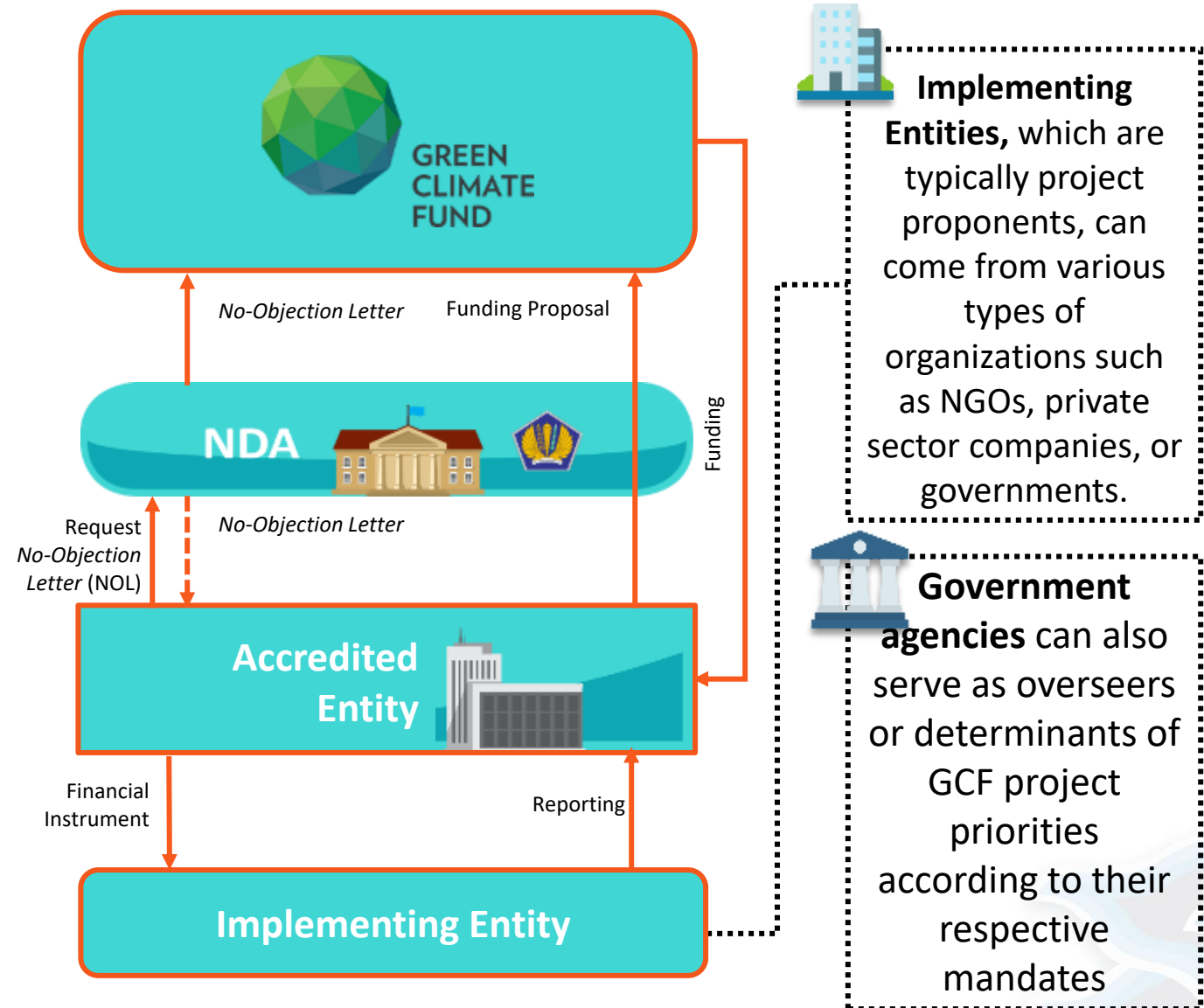
Mitigation:

- 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 Portfolio in Indonesia (as of July 2026)

Supporting Indonesia's climate action through financing for projects, programs, and capacity building to **reduce emissions, strengthen climate resilience, and mobilise green investment.

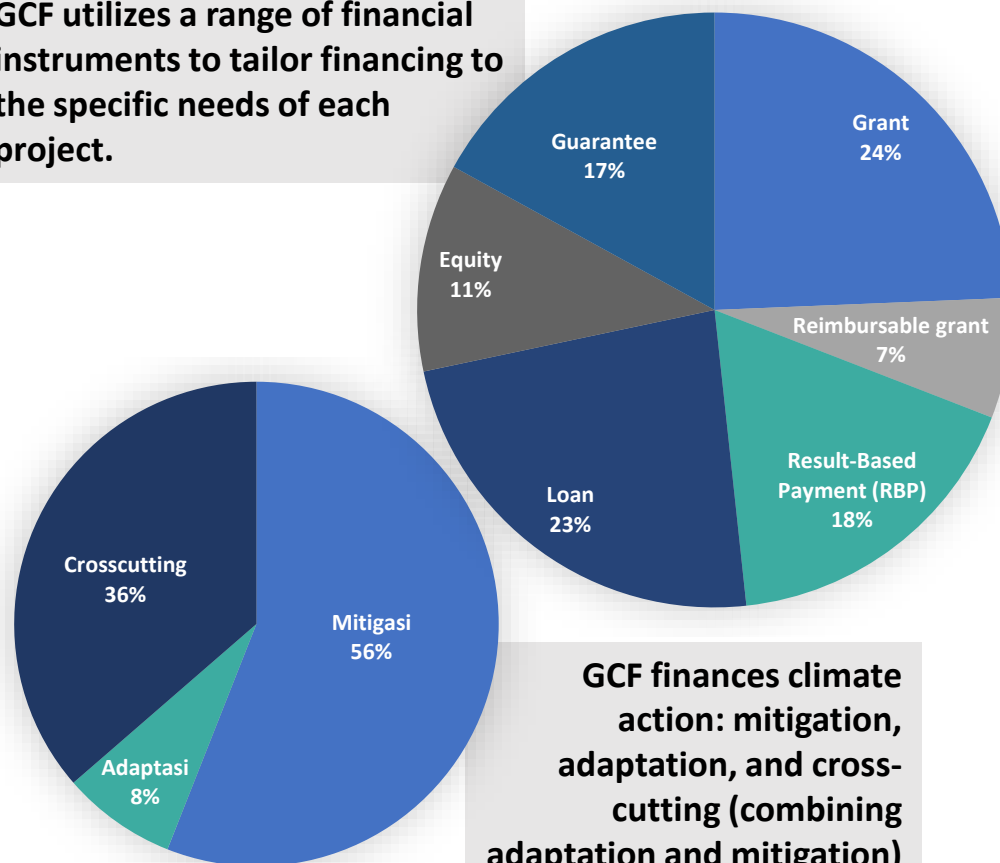


As of July 2026, the Green Climate Fund has supported **22** climate change programs and projects in Indonesia, with total funding exceeding USD **612** million.

Source: GCF website

In total, investments mobilized, including partner funding (Co-Financing), amounted to **USD2,4 milyar**

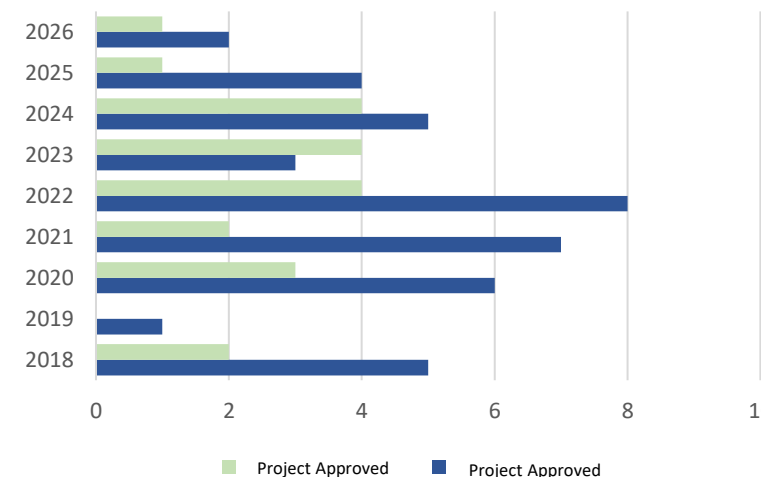
GCF utilizes a range of financial instruments to tailor financing to the specific needs of each project.



GCF finances climate action: mitigation, adaptation, and cross-cutting (combining adaptation and mitigation)

Indonesia has accessed the GCF Readiness Grant Programme to strengthen national capacity in accessing and implementing climate projects.

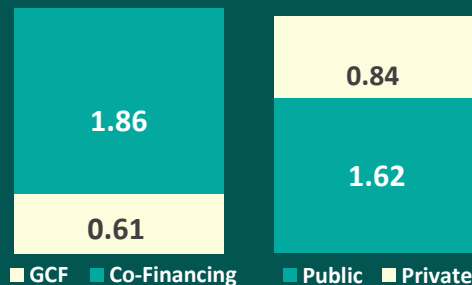
Number of projects receiving government approval each year (through the issuance of a No-Objection Letter - NOL)



No	Project/Program Name	Total Project Value (USD)	Status
1	GCF Readiness I (2018-2020)	852.000	Done
2	GCF Readiness II (2020-2021)	998.000	Done
3	GCF Readiness III (2022-2025)	2.504.422	Done
4	GCF Readiness National Adaptation Plan (2021-2024)	3.000.000	Done
5	GCF Readiness IV (2026-2030)	Max. USD 4 juta	Under proposal submission process
Total (Approved)		7,354,422	

Total Value of GCF Projects and Co-Financing (USD billion)

Financing by Recipient Type (USD billion)

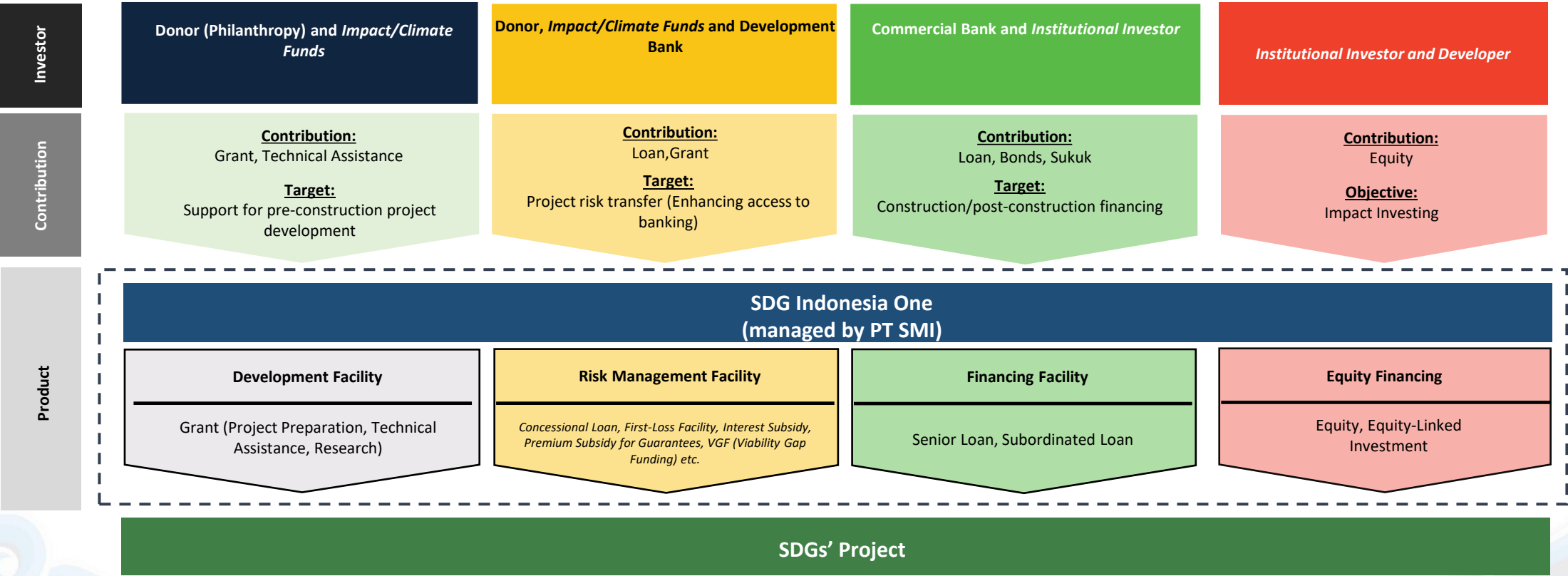




SDG Indonesia One is an innovative financing instrument that supports infrastructure development in achieving 16 out of the 17 SDG goals



SDG INDONESIA ONE FINANCING SCHEME



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



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 (2018-2025)** : USD 7.7 Bio
- **Retail domestic sukuk issuance (2019-2026)** : IDR 56.22 T
- **Wholesale domestic sukuk issuance (2022-2025)** : IDR 45.02 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 (2021-2025)** : EUR 1.85 Bio
- **Retail domestic SDG Bonds issuance (2024-2025)** : IDR 3.04 T
- **Wholesale domestic SDG Bonds issuance (2022-2025)** : IDR 13.81 T



The issuance of Samurai Blue Bonds marks a significant milestone in Indonesia’s commitment to sustainable financing in the Japanese market, following the debut of Blue Bond instruments within the Samurai bond issuance in 2023. As of 2025, total Blue Bond issuances have reached JPY 49.4 billion.

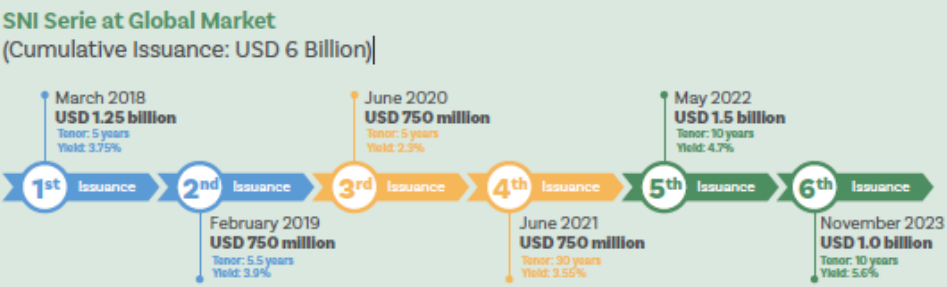
- **2023 (debut) : JPY 20.7 billion (7 years and 10 years tenor)**
- **2024 : JPY 25 billion (7 years, 10 years, and 20 years tenor)**
- **2025 : JPY 3.7 billion (20 years tenor)**

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.



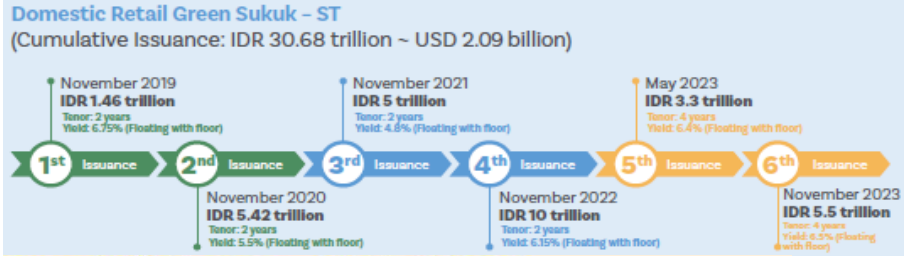
2024 Green Sukuk Allocation and Impact Report



Projected Environmental and Social Impacts

The following impact data are accumulated from the projects financed and refinanced by the proceeds of the Global Green Sukuk (SNI 1133), Domestic Wholesale Green Sukuk (PBSG 001), Domestic Retail Green Sukuk (ST 010T4 & ST 011T4).

Renewable Energy	The annual GHG emission reduction has yet to be calculated. The project supports renewable energy development for geothermal resources by enhancing geophysical data quality, improving the validity of surveyed prospects, and reducing exploration risks.
Energy Efficiency	Contribute to the annual GHG emission reduction at 2,317 tCO2e in 2021 and 1,884 tCO2e in 2022 or 4,201 tCO2e in total from the overall aids to marine navigation development and replacement The installation and replacement of navigation aids (SBNP) have improved maritime safety and efficiency.
Resilience to Climate Change for Highly Vulnerable Areas and Sectors/ Disaster Risk Reduction	- Enhance the infrastructure service capacity of water management areas that are prone to floods and droughts through the development and/or maintenance of: - Flood Control Infrastructure: 145.48 km and Coastal Protection Structures: 60.84 km - Raw Water Infrastructures consisting of Intake Units: 32; Raw Water Networks: 233.57 km; Artificial Aquifers: 268; Groundwater Irrigation Networks: 31.3 km; Reservoirs: 10; Wells: 459; Long Storage Facilities: 6; Rain-fed Water Storage: 18 - Water Supply infrastructure for Agricultural Areas consisting of Rivers: 12; Flood Control Units: 2; Water Surface/Groundwater Irrigation Networks: 1,655.79 km; - Reservoir Storage infrastructures consisting of Rain-fed Water Storage: 94; Weirs: 202; Lakes: 2; Springs: 3
Sustainable Transport	Contribute to the annual GHG emission reduction at 2,777,421.09 tCO2e in total from railway infrastructure development and improvement and 129.53 tCO2e from the conversion of ICE to electric motorcycles The projects enhance railway transportation capacity, safety, efficiency, and regional connectivity through the construction, reactivation, and improvement of double-double tracks, double tracks, new lines, and the reactivation of existing railway lines which contribute to national and regional economic growth and enhances transportation accessibility in various regions. The conversion of ICE to electric motorcycles contribute to the government's program in the electric mobility promotion.



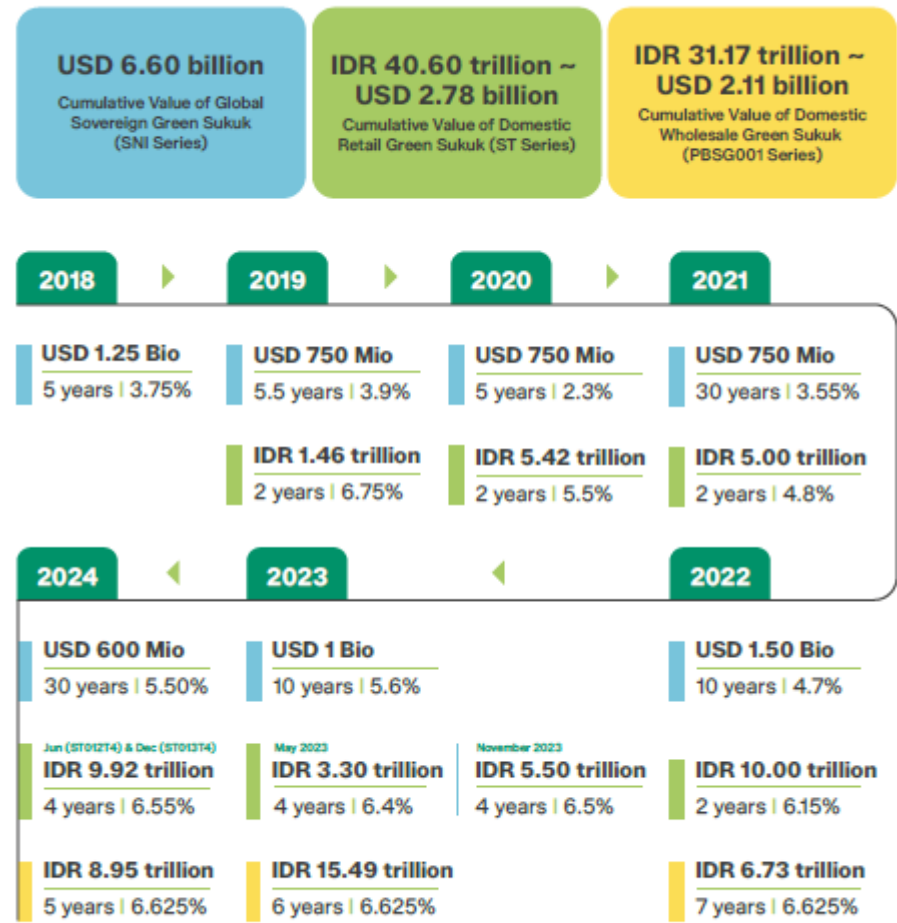
Sustainable Management of Natural Resources on Land	Contribute to the annual GHG emission reduction at 582.105 million tCO2e in total from forest and land rehabilitation and 92.88 tCO2e from PROPER assessment and compliance - Forest and Land Rehabilitation: ± 74,024 hectares - Seedling Production: 39.677 million seedlings - Peatland Rehabilitation: 2,150 hectares - Disaster Management and Monitoring Systems: 63 monitoring systems and 120 Infrastructure units
Green Building	The annual GHG emission reduction has yet to be calculated. The project will construct environmentally friendly and socially acceptable buildings, resulting in 2,523 room units that contribute to sustainable development and community well-being.
Sustainable Water and Wastewater Management	- Total Drinking Water Treatment Capacity: ± 325 liters per second (2021), ± 110 liters per second (2023) - Total Reservoir and Water Storage Development: 65 dams, 30 rainfed storage units, 5 reservoirs, 2 sediment control units, 9.7 weirs, 4 ponds, 11 lakes, 1 pump station - Total Domestic Wastewater Connections: to benefit 500 household connections - Total Agricultural Water Supply: ± 108,182.76 hectares, 78 canal blockings, 27,864.64 km irrigation networks - Total Reservoir Storage Enhancement: 16.25 weirs, 11 dams, 14 water gates, 3 reservoirs

Mitigation Other Result



2025 Green Sukuk Allocation and Impact Report

Summary of All Green Sukuk Issuances (2018–2024)



Cumulative Value of Global Sovereign Green Sukuk (SNI Series) Cumulative Value of Domestic Retail Green Sukuk (ST Series) Cumulative Value of Domestic Wholesale Green Sukuk (PBSG001 Series)

Global Green Sukuk (Financing 2024)

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

Aceh, East Kalimantan, East Nusa Tenggara, West Papua

Sustainable Water and Wastewater Management

Aceh, South Sumatra, West Java, Central Java, Special Region of Yogyakarta, East Java, Maluku, West Nusa Tenggara, East Nusa Tenggara

Domestic Retail Green Sukuk – ST 012T4 (Refinancing 2023)

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

West Java, East Java, North Kalimantan

Sustainable Transportation

North Sumatra

Sustainable Water and Wastewater Management

Kepulauan Bangka Belitung, South Sumatra, West Java, Central Java, Special Region of Yogyakarta, East Java, Bali, Maluku, East Nusa Tenggara

Domestic Retail Green Sukuk – ST 013T4 (Financing 2024)

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

West Kalimantan

Sustainable Water and Wastewater Management

Gorontalo, South Sulawesi

Domestic Retail Green Sukuk – ST 013T4 (Refinancing 2023)

Renewable Energy

South Sumatra, Special Region of Yogyakarta, Bali, North Sulawesi, East Nusa Tenggara

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

Aceh, North Sumatra, West Sumatra, Kepulauan Riau, Riau Islands, Jambi, South Sumatra, Kepulauan Bangka Belitung, Bengkulu, Lampung, Banten, DKI Jakarta, West Java, Central Java, DI Yogyakarta, East Java, Bali, West Nusa Tenggara, East Nusa Tenggara, West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan, North Sulawesi, Gorontalo, Central Sulawesi, West Sulawesi, South Sulawesi, Southeast Sulawesi, Maluku, North Maluku, West Papua, Papua

Sustainable Transportation

South Sumatra, Special Region of Yogyakarta, Bali, North Sulawesi, East Nusa Tenggara

Sustainable Water and Wastewater Management

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

Green Buildings

Jambi

Domestic Wholesale Green Sukuk – PBSG (Refinancing 2023)

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

Banten, DKI Jakarta, West Java, Central Java, DI Yogyakarta, East Nusa Tenggara, North Kalimantan, South Kalimantan, East Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, North Maluku, Papua

Sustainable Transportation

North Sumatra

Sustainable Water and Wastewater Management

South Sulawesi

Green Buildings

DI Yogyakarta

Allocation and Impact - SDG and Blue Bond



2021 Issuance

SDG Bond

IDR8,48 trillion

Proceeds from the SDG Bond are allocated to health, education, and digital infrastructure programs, delivering measurable impacts such as widespread vaccination, expanded access to schooling, and improved internet connectivity for underserved and remote communities across Indonesia.



2022 Issuance

SDG Bond

IDR3,30 trillion

Proceeds from the SDG Bonds are allocated to programs supporting food security, education access, social protection, and job creation, generating measurable impacts such as improved nutrition, expanded schooling, poverty alleviation, and economic empowerment across Indonesia, particularly for vulnerable communities.



2023 Issuance

SDG Bond

IDR7,69 trillion

Blue Bond

IDR2,22 trillion

Proceeds from SDG Bonds are allocated across a wide range of social, economic, and environmental programs to support overall sustainable development, while Blue Bond proceeds are specifically directed toward marine and ocean-based projects, delivering targeted impacts on coastal resilience, sustainable fisheries, and ocean conservation.



2024 SDG Bonds Issuances: IDR 19.15T Impact Report

Social Protection



Benefiting **over 9.9 million households** across all provinces **Over 4.1 million households with elderly members and more than 33 thousand PwDs** receiving food assistance **Over 5,000 PwDs** accessed rehabilitation and empowerment services

Expected outcomes: reduced poverty, improved maternal and child health, lower stunting, and greater inclusion of Persons with Disabilities

Industry



Over 127 thousand participants trained across 21 centers and 262 units that aligned with **Industry 4.0** needs

Expected outcomes: stronger skills and lower unemployment among vocational graduates

Agriculture



1,400 large combine harvesters provided **7 vertical dryers** (with a capacity of 10 tons per process) constructed

Expected outcomes: higher incomes, stable prices, stronger food security

2024 Samurai Blue Bonds Issuance: IDR 2.56T Impact Report



[The Blue Bond initiatives are indivisibly linked to SDG 14, as they directly address the sustainable use and protection of marine and coastal ecosystems. At the same time, they also establish indivisible connections to SDGs 4, 8, 11, 12, and 13, reflecting commitments to education, sustainable livelihoods, resilient communities, responsible consumption, and climate action.

Beyond these, the programs reinforce broader goals including SDGs 2, 3, 6, and 15, by contributing to food security, healthier communities, improved water quality, and biodiversity conservation.

Together, these efforts underline the Blue Bond's role as both a financing mechanism for ocean sustainability and a catalyst for achieving multiple SDGs in an integrated and reinforcing manner. The Blue Bond funded 16 projects in 6 sectors.





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 **21 international awards** from prominent organizations since 2018.



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.

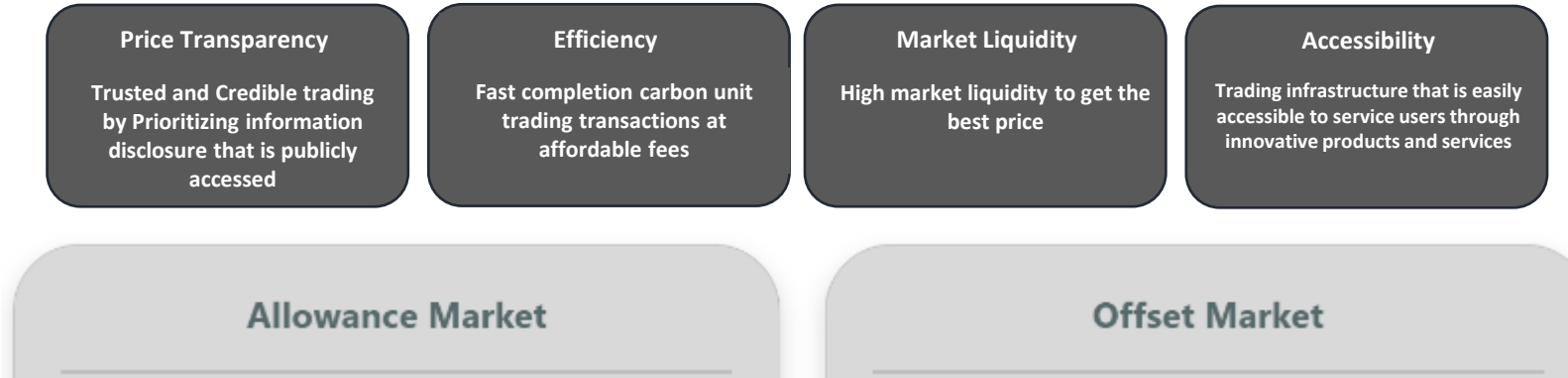
Carbon Market Has Been Officially Established



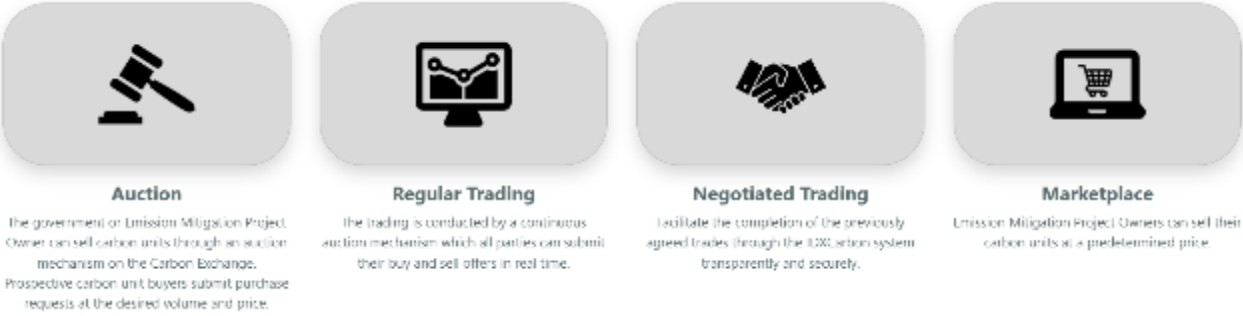
- ❑ As a form of support in achieving Indonesia's NDC, the Indonesia Stock Exchange (IDX) has developed an "IDXC**arbon**" which accommodates the needs of carbon trading in Indonesia.
- ❑ **The President of the Republic of Indonesia launched the Indonesian Carbon Exchange (IDXC**arbon**) on 26th September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



Value Propositions



Trading Methods



Indonesia Carbon Market Update



- **September 26th 2023** – The President of Indonesia launched Indonesia's Carbon Exchange (IDXCARBON).
- **January 20th 2025** - IDXCARBON opened for the international trading scheme.
- **Oct 10th 2025** – Perpres 110/2025 was released
- **July 9th 2026** – Carbon Unit Registry System (Sistem Registri Unit Karbon/SRUK) launched.

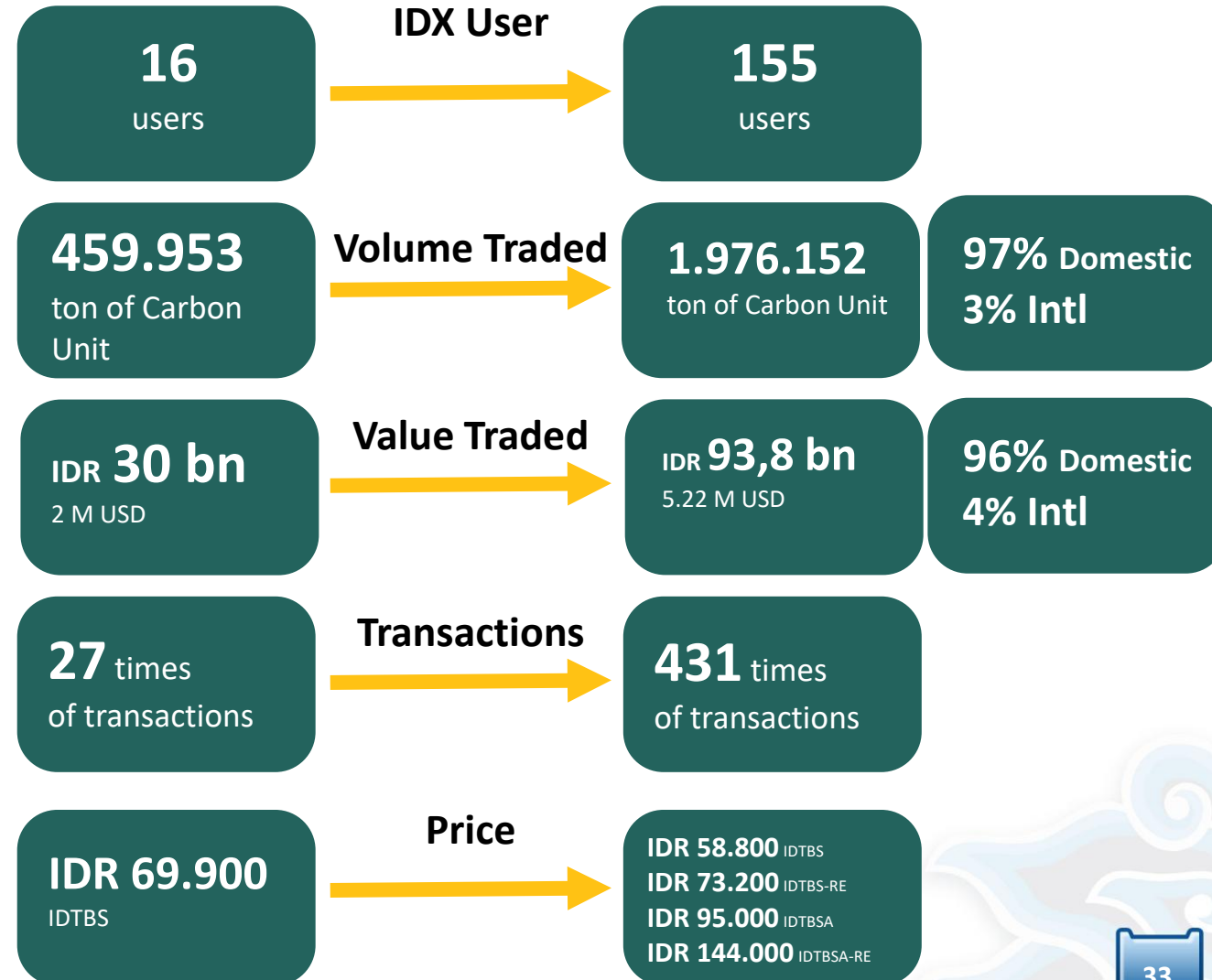
- **10 Listed projects:**

1. Lahendong 5 & 6: PT Pertamina Geothermal Energy
2. Minihydro Power Plant Gunung Wugul: PT PLN Indonesia Power
3. Pome Biogas cofiring: PT Perkebunan Nusantara IV
4. Biogas Power Plant Sei Mangkei: PT Pertamina Power Indonesia
5. Natural Gas Power Plant PJB Muara Karang: PT PLN Nusantara Power
6. Natural Gas Power Plant Sumbagut 2 250 MW: PT PLN Nusantara Power
7. Natural Gas Power Plant Priok Block 4: PT PLN Indonesia Power
8. Single cycle to combined cycle conversion PLTGU Grati Block 2: PT PLN Indonesia Power
9. Single cycle to combined cycle conversion PLN NP Block 2: PT PLN Nusantara Power
10. POME Biogas Power Plant Sukadamai: PT Nagata Bio Energi

Source: IDXCARBON.CO.ID

26th Sept 2023

1st Jul 2026



President Of Indonesia Reiterated Commitment To Build High Integrity Carbon Market Through Perpres 110/2025



Presidential Regulation (Perpres) No. 110/2025 serves as a manifestation of the Government of Indonesia's commitment to strengthening the implementation of New Economic Instruments (NEK)



Developing of High Integrity Carbon Market will strengthen Indonesia's global competitiveness and serve as new engine of growth



FORESTRY AND LAND USE (FOLU)

Nature protection and restoration, unlocking carbon value, and supporting livelihood



ENERGY TRANSITION

Renewable energy investment reduces dependence on fossil fuel and create green jobs



GREEN INDUSTRIALISATION

Low-carbon manufacturing develops internationally competitive sector



SOCIOECONOMIC EMPOWERMENT

Engaging local communities in climate-positive growth



OTHER STRATEGIC SECTORS

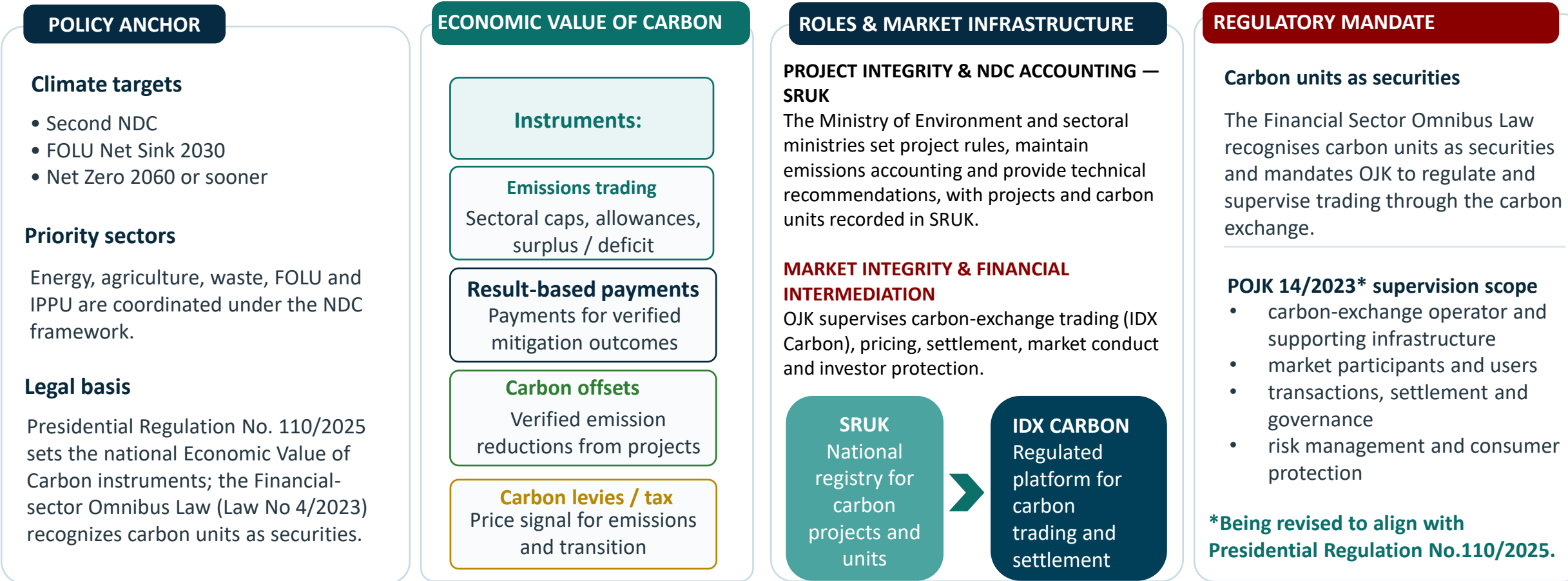
Agriculture, waste, and blue carbon reduce CO₂ emissions while unlocking new value.



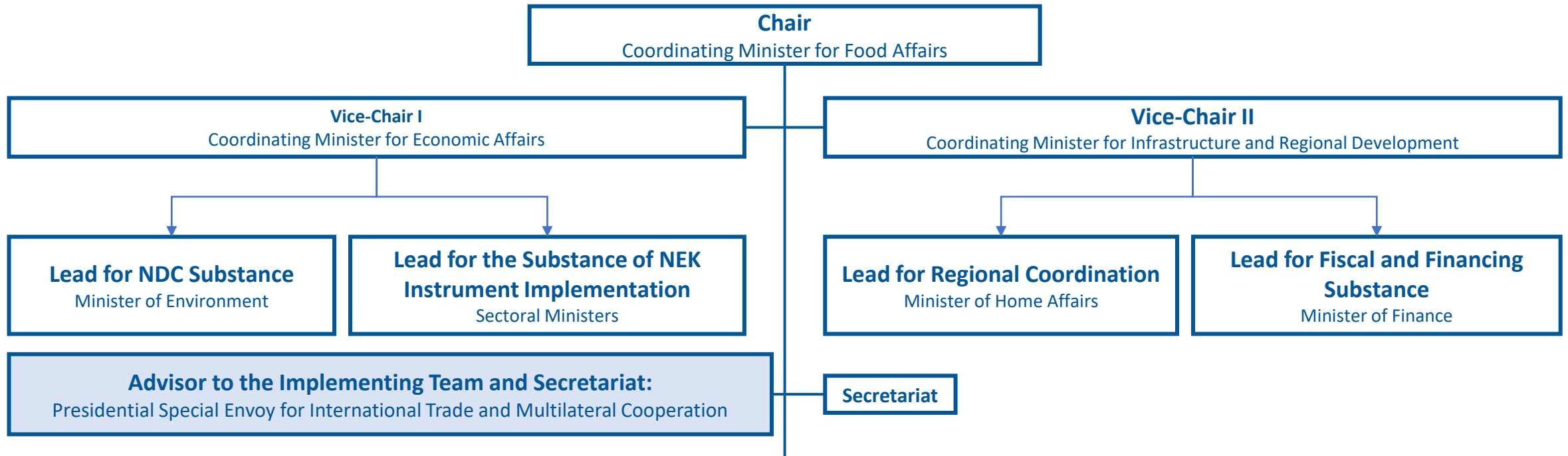
“Indonesia's high integrity and globally connected carbon market has investment potential up to USD 7.7 billion per year.”



Carbon Pricing translates Indonesia's climate targets into coordinated carbon-pricing instruments, supported by registry, verification and exchange infrastructure.



Structure of Indonesia's Economic Value Of Carbon Steering Committee



Implementing Team

- **Chair:** Deputy for the Coordination of Food Affordability and Security, supported by Echelon I officials from 18 ministries/agencies*.
- ***Members:** Coordinating Ministry for Food Affairs; Coordinating Ministry for Economic Affairs; Coordinating Ministry for Infrastructure and Regional Development; Ministry of Environment; Ministry of Home Affairs; Ministry of Foreign Affairs; Ministry of Finance; Ministry of Forestry; Ministry of National Development Planning; Ministry of Energy and Mineral Resources; Ministry of Industry; Ministry of Investment and Down streaming / Investment Coordinating Board; Ministry of Transportation; Ministry of Public Works; Ministry of Housing and Settlement Areas; Ministry of Agriculture; Ministry of Marine Affairs and Fisheries; Ministry of Trade; **Financial Services Authority / OJK**; Meteorology, Climatology and Geophysics Agency / BMKG.

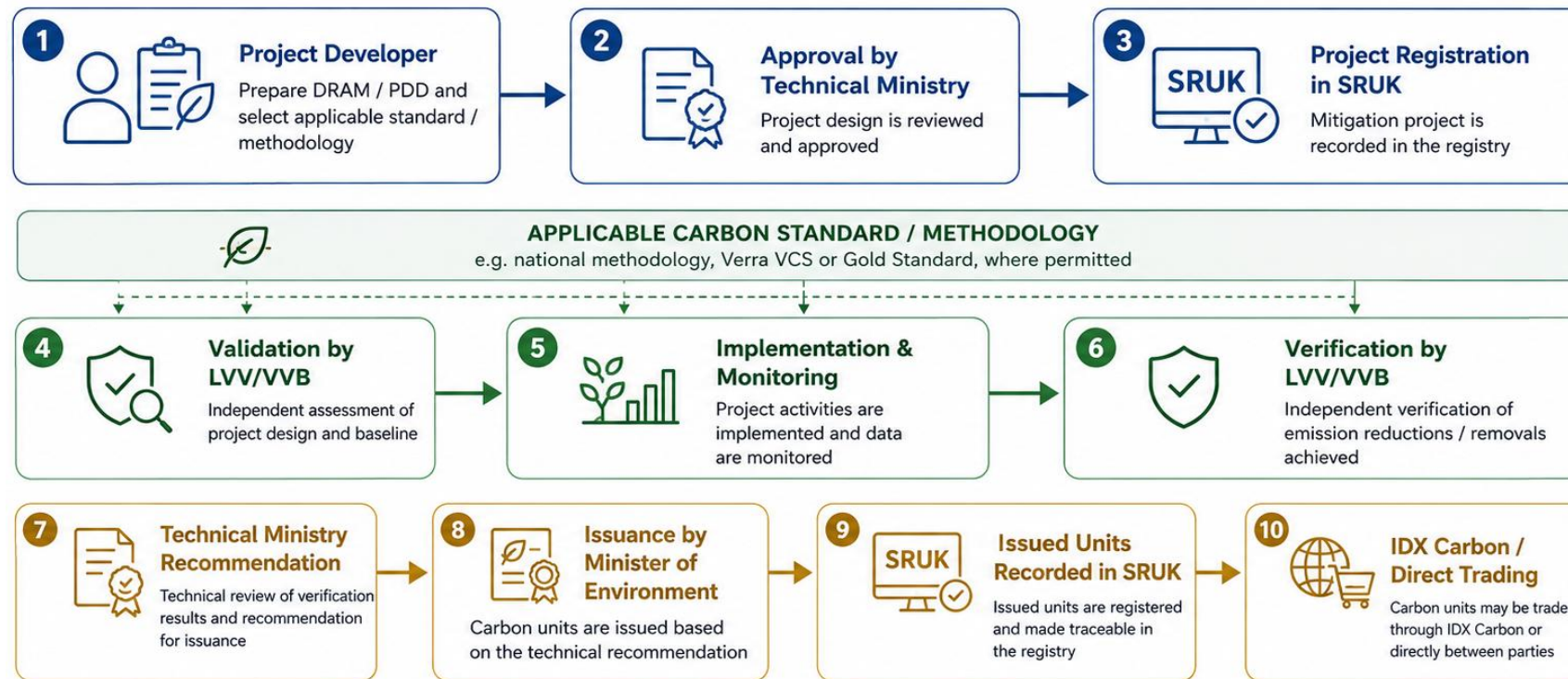
Indonesia's Carbon Market Development



OJK regulates the carbon exchange as financial-market infrastructure — focusing on trading integrity, pricing, settlement and investor protection.

The National Carbon Credit Registry System (SRUK) records carbon projects and units, ensuring traceability and prevents double counting

Every exchange-traded unit should be traceable back to its underlying mitigation project.



EARLY MARKET DEVELOPMENT

Launch and supply

Carbon launched since 26 September 2023, initially supported by geothermal, mini-hydro and combined-cycle power projects.

~2mn
tCO₂e traded

>IDR 93bn
transaction value

Strategic direction

- expand high-integrity supply and market demand
- mobilise financial institutions as buyers and transition financiers
- develop carbon-linked financial products

Key Takeaways

Credible carbon trading requires legal, measurable, registered and traceable units, supported by SRUK data standards aligned with the CDSC Common Carbon Credit Data Model (CCDM).



Carbon market activities are steadily increasing, as reflected in a growing participation, indicating a rising investor interest.

TOTAL TRANSACTION VOLUME TOTAL TRANSACTION VALUE CARBON EXCHANGE PARTICIPANTS TRANSACTION FREQUENCY

30 September 2026 (Accumulated)	1,98 million tCO ₂ e	IDR 93.97 Billion	160	469 x
26 September 2023	0.46 million tCO ₂ e	IDR 29.21 Billion	16	22 x

Standardized Products	Closing Price on 30 September 2026 (IDR)
IDTBS – Technology Based Solution	58,800
IDTBS- RE - Technology Based Solution Renewable Energy	78,000
IDTBSA - Technology Based Solution Authorized	95,000
IDTBSA- RE - Technology Based Solution Authorized Renewable Energy	144,000

Critical Levers to Scale Carbon Financing



Effective carbon pricing depends on sound sequencing, strong coordination and alignment with international standards.

1 High Integrity Markets and Interoperable Taxonomy

Adopt credible standards and international best practice



TKBI aligned with the ASEAN Taxonomy



Preparation for IFRS S1 and S2 adoption



Participation in NGFS, SBFN and regional standard-setting bodies



Carbon Registry Data alignment with Common Carbon Credit Data Model



Greater comparability, credibility and access to international capital.

2 Scaling Green Market

Deeper green market will enable carbon financing



Lowering cost of capital



Better capital allocation towards low carbon projects



Increased transparency and standards raise willingness to pay for high-integrity credits



More capital into low-carbon projects, creates stronger, more reliable demand for high-integrity carbon credits

3 COORDINATION IS ESSENTIAL

Align fiscal, financial and sectoral policies



Sustainable Finance Committee under the Financial Sector Omnibus Law



OJK participation in the National Carbon Economic Value Steering Committee



Coordination across fiscal instruments, carbon pricing, supervision and sectoral policies



Stronger policy coherence, clearer roles and coordinated responses to transition risks aligning policies across regulators

Future Collaboration :



Financial institutions and investors to co-develop transition aligned products and blended finance structures based on TKBI and credible transition plans.



Technical partners to support high integrity carbon market infrastructure—methodologies, MRV, risk management



Data, disclosure, and assurance collaborations to provide information useful for global investors, and interoperable with international standard

Development of Sustainable Finance in Indonesia – OJK's Journey



2015-2021

- **Sustainable Finance Roadmap Phase I (2015–2019) and Phase II (2021–2025)**
- **OJK Regulation (POJK 51/2017)** on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies
- **OJK Regulation (POJK 60/2017)** on the Issuance and Requirements of Green Bonds
- **Incentives** to accelerate the adoption of Battery Electric Vehicles (BEVs)
- Establishment of the **Sustainable Finance Task Force** for the Financial Services Sector

2022-2023

- **Indonesia Green Taxonomy (THI) 1.0**
- Consultative Paper on Principles for **Effective Management of Climate-Related Financial Risks**
- Support from **Financing and Insurance Companies for Battery Electric Vehicles (BEVs)**
- **OJK Regulation (POJK 14/2023)** on Carbon Trading via the Carbon Exchange
- **OJK Regulation (POJK 17/2023)** on Implementation of Governance for Commercial Banks, focusing on Climate Risks
- **OJK Regulation (POJK 18/2023)** on the Issuance and Requirements of Sustainability-Based Debt Securities and Sukuk (EBUS)

2024-2026

- Indonesia Taxonomy for Sustainable Finance (**TKBI**) **Version 1 (Feb 2024), Version 2 (Feb 2025), Version 3 – Complete Version (Feb 2026): TKBI Framework + Technical Screening Criteria (TSC) for Indonesia's NDC-related and enabling sectors + Taxonomy Navigator**
- Climate Risk Management & Scenario Analysis (**CRMS**) and pilot project.
- **Accelerator Program** for Sustainable/Thematic Debt Securities and Sukuk (Incentives)
- **Recognition of Indonesia's Sustainable Finance (SF)** entering the Maturing Phase (since 2021) by SBFN (highest phase), maintaining its maturing status alongside 6 other countries in the 2025 Country Progress Report.
- **Banking Sustainability Maturity Assessment Report (SMART)**
- **Climate Risk and Banking Resilience Assessment (CBRA)**
- **Indonesian Sustainable Capital Market Roadmap 2026–2030**
- **OJK Regulation (POJK 10/2026)** on Carbon Trading via the Carbon Exchange (Amendment to POJK 14/2023), including regulations on international carbon trading and the Carbon Unit Registry System (SRUK)

What's Next

OJKwide

- **Update of OJK regulation (POJK 51/2017)** following up on the Financial Sector Omnibus Law (FSOL) and the adoption of ISSB Standards (PSPK 1 & 2, aligned with IFRS S1 and S2)
- **Discussion on Government Regulation Draft (RPP) on Development on Sustainable Finance** (joint with the Ministry of Finance and Bank Indonesia)
- Development of **Transition Plan Guidelines**
- **Digitalization of reporting systems** (TKBI, GHG emissions, Sustainability Reports)
- Development of **Centralized Database on Sustainable Finance**
- **Sustainable Finance Information Hub (SFIH) enhancements**, including tools/features such as Taxonomy Navigator, Scope 1–3 emissions calculator, Climate Scenario analysis, and Projected Climate Data
- Development of an **OJK-wide Sustainable Finance Roadmap**
- Development of **supervisory guidelines on sustainability disclosures** (Sustainability Reports and Sustainable Finance Action Plans/RAKB)
- **Active participation in the ASEAN Taxonomy Board** for implementation and review of the ASEAN Taxonomy, Mitigation Co-Benefit, and Adaptation for Resilience (mARs) Guide
- Outreach, seminars, and capacity-building programs for Sustainable Finance

Banking:

- **Publication of CRMS Guidelines Version 2 and pilot project**
- **Climate Risk and Banking Resilience Assessment (CBRA)** vol. 2 2027
- **Development of the Indonesia Policy (IP) Scenario**
- **Feasibility study on Transition Finance**
- **Feasibility study on the Development of Banking Financing Schemes in Forestry and Construction Sectors**
- **Feasibility Study on the development and measurement of climate data**

Capital Markets, Financial Derivatives, and Carbon Exchange (PMDK) (PMDK)

- Accelerator Program for **Thematic Bonds and Sukuk Issuance**
- **Revision of KDK 24/2018 to Expand Incentives for Sustainability-Based Bonds and Sukuk**
- **Ecosystem development and the Carbon Exchange Supervision**

Insurance Companies, Guarantee Institutions, and Pension Funds (PPDP)

- Development of **Sustainable Finance Roadmap for Insurance, Guarantees, and Pension Funds(PPDP)**
- **Sustainable Finance Implementation Guidelines** for Insurance, Guarantees, and Pension Funds
- **Feasibility Study on the Implementation of CRMS** for Insurance, Guarantees, and Pension Funds

Financing Companies, Venture Capital Companies, Microfinance Institutions, and Other Financial Services Institutions (PVML)

- **Development of Sustainable Finance Roadmap** for Financing, Venture Capital, and Microfinance (PVML)
- **Mapping and Development of Sustainable Finance Products**

The OJK's Sustainable Finance Policy Landscape



Target Net Zero Emission (NZE)
Global 1.5°C tahun 2050

Target NZE Indonesia 2060
or sooner

2nd Nationally Determined Contribution, Long-Term Strategy for Low Carbon & Climate Resilience, National Long-Term Dev. Plan, National Medium-Term Dev. Plan
Implemented in the sectoral policies

National Policies and Regulations for Sustainable Finance

Decarbonization Pathway

Emission Reduction

GHG emissions calculation
(Scope 1,2,3)

Sustainability Report & SF Action Plans

Taxonomy and GHG Emission Reporting

Climate Risk Management & Scenario Analysis (CRMS) Regulations

Risk event projection data (CRMS)

Enablers
(third party assessor, verifier, etc.)

Supporting Infrastructure

Considering

Climate Risk Mitigation
Climate Risk Management & Scenario Analysis (CRMS)
(Measurement and the enhancement of financial institutions' resilience)

Sustainability Products & Instruments

- Sustainability-Based Debt Securities and/or Sukuk (EBUS)
- Sustainability Loans & Sustainability-Linked Loans (SLLs)
- Parametric Insurance & Carbon Insurance
- Other Sustainability-Related Financial Products

(Sustainable Activity Financing)

Sustainable Finance Taxonomy
Taksonomi untuk Keuangan Berkelanjutan Indonesia (TKBI)
(Sustainable Economic Activity Classification Guidelines)

Carbon Infrastructure
Primary Market & Carbon Exchange
TKBI covers carbon capture and storage activities.

Classification guideline

Transition Plan (TP)
TKBI will serve as a reference framework for transition and decarbonization efforts, as well as for the identification of sustainable financing allocations
TKBI adopts TP as one of its Technical Screening Criteria (TSC)

Market Signal

Sustainable Finance



Non-Financial Industries/Real Sectors

Sustainable Investment and Financing to Support Decarbonization



Financial Institutions

Sustainability Disclosure

Financial Sector Omnibus Law

International Standard

IFRS S1 dan S2

National Standard

PSPK 1 dan 2

Draft OJK Regulation on the Implementation of Sustainable Finance in the Financial Services Sector

Disclosure requirement

Overview of the Indonesian Taxonomy for Sustainable Finance (TKBI)



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

BACKGROUND

In response to emerging global taxonomy standards (EU, CBI, ASEAN) and the needs for a sustainable classification system in Indonesia, OJK has developed TKBI to ensure alignment and address national priorities. TKBI aims to:

- Establish a **common language** in classifying sustainable activities
- Provide strong foundation for **developing sustainable finance policies**
- Facilitate **capital allocation and sustainable financing** toward sustainable activities
- Reduce misinterpretation and risks of **greenwashing, social washing, and impact washing**

Governance of TKBI

- In developing the TKBI, OJK involved various **technical ministries, academics, business actors, & experts** to ensure credibility and alignment between the criteria and Indonesia's commitment to achieving the Net Zero target and Sustainable Development Goals.
- As mandated by the Financial Sector Omnibus Law, a Government Regulation is being developed by OJK, BI, & MoF to formalize the **Sustainable Finance Committee** and strengthen long-term taxonomy governance.



*"TKBI was developed in stages, covering all sectors under Indonesia's **Second Nationally Determined Contribution (SNDC)** and using the **ASEAN Taxonomy** as its primary framework reference."*

ASEAN Taxonomy for Sustainable Finance



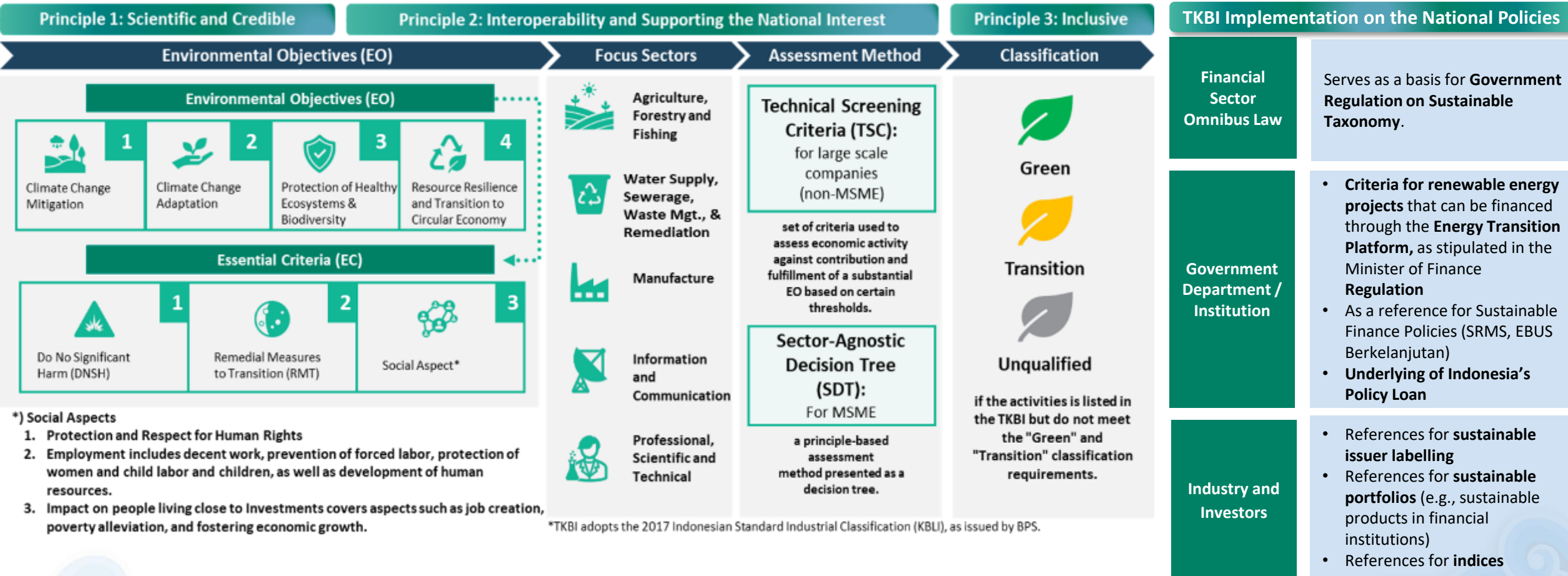
Indonesia Taxonomy for Sustainable Finance (TKBI)



Indonesia Taxonomy for Sustainable Finance Framework



- TKBI is developed based on the **ASEAN Taxonomy for Sustainable Finance** as its **primary reference**, while **taking into account Indonesia's national priorities and policy context**.
- TKBI is **developed in stages** and also as a **living document that will continue to be reviewed and periodically updated** to remain **relevant to evolving scientific, technological, and policy developments in sustainable finance, both nationally and globally**.



*) Social Aspects

1. Protection and Respect for Human Rights
2. Employment includes decent work, prevention of forced labor, protection of women and child labor and children, as well as development of human resources.
3. Impact on people living close to Investments covers aspects such as job creation, poverty alleviation, and fostering economic growth.

*TKBI adopts the 2017 Indonesian Standard Industrial Classification (KBLI), as issued by BPS.

Implementation of TKBI in Indonesia



“TKBI is increasingly serving as a foundation for national policies and will continue to shape future sustainable finance regulation”



Government
Department /
Institution

Industry and
Investors

National Context

Financial Sector Omnibus Law

Serves as a basis for **Gov. Regulation on Sustainable Taxonomy**.

- **Criteria for renewable energy projects** that can be financed through the **Energy Transition Platform** as stipulated in the Minister of Finance **Regulation**
- As a reference for **Climate Budget Tagging**
- References for **sustainable issuer labeling** (e.g., IDX)
- References for **sustainable portfolios** (e.g., sustainable products in financial institutions)
- References for **indices** (e.g., KEHATI ESG Index, etc.)

Tools to support TKBI implementation – Taxonomy Navigator

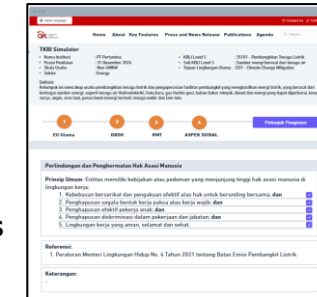
- Along with the issuance of TKBI Version 3, OJK launched the Taxonomy Navigator, an online tool that enables users to **explore** and conduct **end-to-end taxonomy assessment simulations**.
- The system also provides feedback to help users identify necessary improvements to achieve the desired classification.
- Link to access the navigator: <https://keuanganberkelanjutan.ojk.go.id/>.

TKBI Explorer



This feature enables users to **look up specific assessment criteria for various activities under the TKBI**.

TKBI Simulator



This feature facilitates a **comprehensive simulation of the phased TKBI assessment process**.



Integration of TKBI into Disclosure Requirement

- **Currently, the TKBI implementation pilot project** is running on the OJK digital reporting platform for **all commercial banks in Indonesia**. Banks are required to **classify their credit portfolios** using the taxonomy and report them to OJK. The TKBI implementation will be further expanded to other financial sectors in the future.
- TKBI is also used as a standard for the OJK SF Policy References, such as sustainable portfolio calculations in **Climate Risk Management and Scenario Analysis**, as well as the use of proceeds on **Debt Securities and/or Sukuk (EBUS)** based on sustainability.
- Investment & credit portfolios classified by the TKBI will be used to calculate the **Green Asset Ratio (GAR) & Transition Asset Ratio (TAR)** of the financial institution.
- **GAR and TAR** will be one of the key elements that indicate the sustainability performance of an institution, in line with the Metrics and Targets Pillars in the IFRS S1 and S2.

Indonesia Taxonomy for Sustainable Finance and Its Supporting System



The OJK's strong commitment to the taxonomy is driven by a comprehensive strategy: aligning with national and regional frameworks, implementing targeted pilot programs, providing operational tools, incorporating taxonomy into regulations, and maintaining it as a living document

Regulatory Framework

TKBI is supported by a comprehensive legal framework through ongoing Government and OJK Regulations.

-  **Law No. 4 of 2023 (Financial Sector Omnibus Law/FSOL)**
→ The Development and Strengthening of the Financial Sector
-  **Government Regulation (FSOL Mandate)**
→ The ongoing of Government Regulation on Sustainable Finance, which expected to roll out this year.
-  **OJK Regulation (FSOL Mandate)**
→ The ongoing OJK Regulation on Implementation Sustainable Finance for Financial Business Actors, Issuer and Public Companies which expected to establish later this year.

Guidance Document

The most comprehensive taxonomy frameworks covering all Indonesia NDC sectors

-  **TKBI Version 1 2024**
→ Main framework and Technical Screening Criteria (TSC) for Energy Sectors
-  **TKBI Version 2 2025**
→ TSC for Energy + Construction & Real Estate + Transportation & Storage + Part of Agriculture, Forestry and Fishing/AFF (Forestry and Palm Oil Plantation) sectors
-  **TKBI Version 3 2026 (Latest & completed version)**
→ TSC for Energy + C&RE + Transportation & Storage + AFF + IPPU/Manufacturing + WSSWMR sectors + Enabling Sectors (IC & PST)
→ Entity & Portfolio assessment + Sunseting and Grandfathering mechanism

Implementation Tools

The most comprehensive taxonomy implementation tools globally alongside the EU Taxonomy

-  OJK launched the Taxonomy Navigator on February 2026, an online tool that enables users to explore and conduct end-to-end taxonomy assessment simulations.
- The system also provides feedback to help users identify necessary improvements to achieve the intended classification.
- Link to access the taxonomy navigator:
<https://keuanganberkelanjutan.ojk.go.id/>



Work in Progress Piloting

Successfully into the implementation phase through a nationwide pilot across all commercial banks

- Piloting for Nationwide Commercial Bank Since 2024**
- TKBI implementation pilot project is running on the OJK digital reporting platform for all commercial banks in Indonesia.
- Banks are required to classify their credit portfolios using the TKBI and report them to OJK.
- The TKBI implementation will be further expanded to other financial sectors in the future.



Green



Transition

Sustainability Disclosure

Mandatory disclosure of TKBI metrics through Sustainable Finance Action Plan and Sustainability Report



Highlights of Sectors in TKBI Version 3 (1/2)

TKBI supports portfolio classification and sustainability performance measurement, improving transparency in evaluating green and transition assets.



Energy Sector

Number of Activities

20



Level-5 KBLI

Setting Principles

The ASEAN Taxonomy for Sustainable Finance (ATSF), as well as policies in force in Indonesia, such as the accelerated early retirement of coal-fired power plants (PLTU) and policies related to critical minerals that support the energy transition.

Activities' Overview

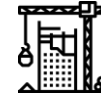
1. Electricity, Gas, Steam and Air Conditioning Supply
2. Mining and Quarrying



Construction and Real Estate Sector

Number of Activities

41



Level-5 KBLI

Setting Principles

ATSF and prevailing policies in Indonesia, including credible and nationally as well as internationally recognized Green Building Certification and Sustainable Construction programs, as well as housing programs for low-income households (*Masyarakat Berpenghasilan Rendah/MBR*).

Activities' Overview

1. Construction of New Buildings
2. Renovation of Existing Buildings
3. Real Estate/Residential Area
4. Construction of Civil Buildings
5. Demolition and Site Preparation
6. Renewable Technologies – Electrical Installation
7. Energy Efficient Equipment
8. Energy Performance Measurement, Regulation & Control
9. Enabling Activities which support the construction of main buildings as mentioned in 1) to 6).



Transportation and Storage Sector

Number of Activities

95



Level-5 KBLI

Setting Principles

ATSF, as well as applicable policies in Indonesia, including EURO emission standards, the International Maritime Organization (IMO) GHG Strategy standards, the International Civil Aviation Organization (ICAO) standards, and Sustainable Aviation Fuel (SAF) targets as set out in the Government's roadmap.

Activities' Overview

1. Passenger Land and Other Passenger Transport
2. Transport by motorbikes, passenger cars and light commercial vehicles
3. Road Freight Transport
4. Operation of personal mobility devices, cycle logistics
5. Passenger interurban rail transport
6. Freight interurban rail transport
7. Infrastructure for road and public transportation, including infrastructure to enable low-carbon land transport
8. Infrastructure for rail transport
9. Sea and coastal passenger water transport
10. Inland passenger water transport
11. Sea and Coastal Freight Water Transport and Retrofitting
12. Inland Freight Water Transport and Retrofitting
13. Infrastructure for water transportation, including infrastructure to enable low-carbon water transport
14. Air Transport for Freight and Passenger
15. Airport infrastructure, including low-carbon assets and facilities
16. Enabling Activities



AFF Sector (1/2)

Number of Activities

38



Level-5 KBLI

Setting Principles

Best practices adopted across various global taxonomies, as well as policies applicable in Indonesia, such as the *Sistem Verifikasi Legalitas dan Kelestarian/SVLK*, the Indonesian Sustainable Palm Oil (ISPO) standard, and other credible and recognized sustainable AFOLU certifications at both the national and international levels

Activities' Overview

1. Sustainable Forest Management
2. Plantation Forestry
3. Non-timber Forest Product
4. Forestry Supply Chain
5. Crops: Whole Production Unit

In its formulation, the OJK also engaged various Ministries/Agencies and received inputs from a wide range of domestic and international stakeholders, including **think tanks, industry players/business actors** in the **financial services and real sectors, investors, academics, civil society organizations, associations, MSMEs**, and others.

The FOLU sector already encompasses the full range of economic activities as classified under the KBLI, whereas the Agriculture sector currently covers only **oil palm plantation activities**. This scope will be expanded with reference to ATSF Version 4, which is scheduled for issuance by the end of 2025.

Highlights of Sectors in TKBI Version 3 (1/2)



The TKBI v3 affirms its role as a key national policy reference, strengthening investor confidence in Indonesia's sustainable finance direction.



AFF Sector (2/2)



Water Supply, Sewerage, Waste Management, and Remediation Sector (WSSWMR)

Number of Activities	Setting Principles	ATSF, together with applicable policies in Indonesia, adopts two approaches, namely: (a) international and national certification-based approaches; and (b) the implementation of sustainable practices, which encompass mandatory core practices as well as non-core practices.	Number of Activities	Setting Principles
152 Level-5 KBLI	1. General perennial or non-perennial crops 2. Enabling activities for agriculture 3. Livestock production 4. Enabling activities for livestock	5. Fishing 6. Aquaculture 7. Enabling activities for fisheries 8. Social forestry 9. Conservation, restoration, and maintenance of natural forest	20 Level-5 KBLI	ATSF and applicable policies in Indonesia include, inter alia: TSC EO1, which applies energy efficiency indicators for clean water management, energy efficiency for wastewater management, and distribution loss; TSC EO2, through the implementation of Climate Risk and Vulnerability Assessment (CRVA); TSC EO3, which takes into account the use of nature-based solutions, treatment using efficient technologies, segregation and management of hazardous and toxic waste (B3); and TSC EO4, which covers integration with the Drinking Water Security Plan (RPAM), transportation of non-hazardous and hazardous waste for recovery purposes, energy conversion efficiency, and bottom ash recovery. 1. Construction, extension and operation of water collection, treatment and supply systems 2. Desalination 3. Renewal of water collection, treatment and supply systems 4. Flood or drought risk prevention and protection, including nature-based solutions 5. Construction, extension and operation of water collection, treatment and supply systems 6. Renewal of wastewater collection and treatment 7. Collection and transport of non-hazardous and hazardous waste 8. Anaerobic digestion of bio-waste 9. Waste-to-Energy 10. Landfill gas capture and utilization 11. Composting of bio-waste 12. Treatment of hazardous waste 13. Materials recovery from non-hazardous waste 14. Depollution and dismantling of end-of-life products 15. Remediation of contaminated sites and areas 16. Remediation of legally non-conforming landfills and abandoned or illegal waste dumps
Activities' Overview			Activities' Overview	



Manufacturing Sector



Enabling Sector: Information & Communication (IC) and Professional, Scientific & Technical activities (PST)

Number of Activities	Setting Principles	ATSF and applicable policies in Indonesia include, inter alia: TSC EO1, which applies approaches based on energy efficiency, emissions intensity, and transition plans; TSC EO3, which applies criteria requiring raw materials to be sourced from sustainable practices; and TSC EO4, which adopts approaches related to sustainable packaging/raw material composition, product design, and waste reduction in the production process.	Number of Activities	Setting Principles
306 Level-5 KBLI		1. Manufacture of Organic and Inorganic Basic Chemicals 2. Manufacture of Plastics and Synthetic Rubber in Primary Form 3. Manufacture of Rubber and Plastic Products, including Plastic Packaging Goods 4. Manufacture of Ferrous Metals and Materials 5. Manufacture of Non-ferrous Metals and Materials 6. Manufacture of Cement 7. Manufacture of Glass and Glass Products 8. Manufacture of Textiles 9. Manufacture of Wearing Apparel 10. Manufacture of Leather and Related Products 11. Manufacture of Paper and Paper Products 12. Manufacture of Products of Wood, Cork, Straw and Plaiting Material 13. Manufacture of Furniture 14. Manufacture of Low-Carbon Gases, incl. Hydrogen 15. Manufacture of Refined Petroleum Products 16. Manufacture and Processing of Food Products 17. Manufacture of Batteries 18. Manufacture of Electrical and Electronic Equipment 19. Manufacture of Renewable Energy Tech. 20. Manufacture of Energy Efficiency Equipment for Buildings 21. Manufacture of Equipment for the Production and Use of Hydrogen 22. Manufacture of Automotive and Mobility Components 23. Manufacture of Other Low-Carbon Tech. 24. Manufacture of Aircraft	20 Level-5 KBLI in the IC Sector 9 Level-5 KBLI in the PST Sector	ATSF and applicable policies in Indonesia. The TSC emphasizes an "enabling" principle, with a focus on the role of this sector as a catalyst for the development of focus sectors.
Activities' Overview			Activities' Overview	
			IC Sector 1. Programming and Broadcasting 2. Computer Programming and Software 3. Data-driven Solutions, Data Processing, Hosting, and Related Activities	PST Sector 1. Management Consultancy for Environmental-Related Services 2. Engineering Activities and Related Technical Consultancy for Environmental-Related Services and Energy Performance of Industries 3. Research, Development, and Innovation-Related to the Environment and Direct Air Carbon Capture

Sustainability Disclosure: POJK 51/2017 Amendment



Driven by shifting national and global sustainability landscapes, POJK 51/2017 is being updated to reflect current best practices

July 2017

OJK Regulation No. 51/2017: Regulation on the Implementation of **Sustainable Finance for Financial Services Institutions, Issuer Companies, and Public Companies**

Law Number 4 of 2023 on the Development and Strengthening the Financial Sector - Sustainable Finance Implementation (Article 222)

Role of Financial Sector Business Actors, Issuers and Public Companies

1. Implementing **Sustainable Finance** in their business activities.
2. Conducting:
 - a. business practices and investment strategies that **integrate environmental, social and governance**; and
 - b. **products, transactions, and services development** for sustainable activities and transition financing.
3. Developing **capacity on Sustainable Finance**
4. Publishing the Sustainability Report as part of performance accountability for the implementation of Sustainable Finance.

Jan 2023

Role of Regulators
Further provisions regarding the implementation of Sustainable Finance shall be regulated by the financial sector authority and the Ministry of Finance in accordance with their duties and authorities.

Sustainable Taxonomy (Article 223)

Paragraph (1)

To develop Sustainable Finance, the Ministry of Finance, Indonesia Financial Services Authority (OJK), and Bank Indonesia conduct:
d. coordination in **the formulation of a Sustainable Taxonomy.**

Paragraph (2)

Provisions regarding the Sustainable Taxonomy as referred to in paragraph (1) letter d shall be stipulated by **Government Regulation.**

Jun 2023

IFRS-ISSB

IFRS ISSB publishes **IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)** dan **IFRS S2 (Climate-related Disclosures)**



Nov-August 2026

November 2023

the establishment of:

- Indonesian Sustainability Standards Oversight Board (DPSK-IAI)
- Indonesian Sustainability Standards Board (DSK-IAI)

December 2023

the issuance of Sustainability Disclosure Standards Roadmap

July 2025

Adoption of the Sustainability Disclosure Standards by the Indonesian Institute of Accountants (IAI)

August 2025

The launch of Sustainability Disclosure Standards (PSPK) 1 – General Requirements for Disclosure of Sustainability-related Financial Information and PSPK 2 – Climate-related Disclosures



2024 - 2026

The issuance of the Indonesian Sustainable Finance Taxonomy (**Taksonomi untuk Keuangan Berkelanjutan Indonesia/TKBI**) as a classification standard for sustainable activities (will be integrated into sustainability disclosures)



2026

The drafting and issuance of the OJK Regulation (POJK) on the Implementation of Sustainable Finance in the Financial Services Sector (effective January 1, 2027)



OJK Initiatives in Preparation the Adoption of IFRS S1&S2 and Encouragement of the Development of Sustainability Disclosure Ecosystem

New regulations expand sustainable instruments and strengthen climate risk governance, to open broader investment while improving risk management.

1 Developing Academic Studies on Sustainability Disclosure



Scope of Study:

1. Industry Readiness Analysis

- Assessing the current state and conducting benchmarking
- Mapping the maturity level of the industry
- Mapping financial industry coverage (scope expansion)
- Providing recommendations for improvement

2. Market Gap Analysis

- Identification of sectoral needs beyond climate/IFRS Standards (BCBS, POJK 51/2017. GRI, TCFD, SASB, etc.)
- Identification of bridging policies (transition plans, etc.)

3. Analysis of the Latest Global and Regional Updates on IFRS S1 and S2 Adoption

4. Designing Sustainability Disclosure Framework

- Review of the current gap analysis (including bridging to future standards S3 and S4)

2 Preparing Bridging Policies (completed and ongoing)

Policies

1. TKBI Development and Implementation Pilot Project

2. Climate Risk Management & Scenario Analysis (CRMS) + Pilot Project

Covering aspects of governance, strategy, risk management, and disclosure to assess the resilience of the bank's business model and strategy in facing climate change.

3. Transition Plan Guidance, to help entities prepare a transition/decarbonization plan to reduce emissions and manage climate risk by understanding the components of the transition and their implications for business processes, thereby enabling them to formulate appropriate strategies. Focus on internalizing the transition process within the organization's business activities, not just for the purpose of disclosure (beyond disclosure purpose).

4. Transition Finance Guidance for different sectors

5. Sustainability Maturity Assessment

6. Development of SF Roadmap in different sectors

Infrastructure and Data

1. Sustainability Report and Action Plan Digitalization and Reporting System
2. Digitalization of green portfolio (TKBI) and GHG emissions reporting via APOLO starting in 2026
3. Development of the Indonesia Policy Climate Scenario
4. Enhancement of physical risk projection data until 2100
5. Development of financed emissions tool

Human Resources

1. Capacity building on Sustainable Finance policies for supervisors and the financial industry
2. Public dissemination of SF policies and regulations

Stakeholders Collaboration

Coordination and collaboration with stakeholders at the national and international levels:

1. Sustainable Finance Committee
2. Ministries/Institutions
3. Financial Sector Business Actors, Issuers, and Public Companies
4. Professional Associations
5. Real sector industry
6. International Fora/Organizations (NGFS, ATB, IFRS-ISSB, BCBS, IOSCO, SBFN, ITPN, ACMF, WCCMD, AIRM, etc.)

Adoption of sustainability disclosure standards, Assurance/Verification Ecosystem, GHG emissions calculation methodology, development of databases, and collection of sustainability-related data



CRMS enhances resilience by integrating climate risk into financial strategies, helping institutions anticipate and manage long-term climate impacts.



CRMS is an integrated framework that encompasses **governance, strategy, risk management and disclosure** aspects to assess the resilience of banks' business models and strategies in addressing climate change over the short, medium and long term.
(Currently under development for version 2)

