Presentation Book Investor Relation Unit Republic of Indonesia

"Strengthening Synergy and Policy Coordination to Maintain Stability and Revive Economic Growth Amidst Heightened Global Uncertainty"

March 2024



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.

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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""

Indonesia Commitment Towards Climate Change Agenda



ETM To Address The Energy Transition Challenges



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

Energy Transition Mechanism

ETM Main Objectives:



Optimizing energy mix progression based on National Energy Policy



2021

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



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



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





ust nergy nansition artnership

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

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, Norw ay, and UK, launched a Just and Enery Transition Partnership (JETP) developed with Indonesia during its G20 Presidency. The landmark partnership supports an ambitious and just pow er sector transition in Indonesia, consistent with keeping 1.5 °C global w arming limit w ithin reach.

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

USD 20 B = IDR 330 T

50% Public: G7 countries, Norw ay, and Denmark
50% Private: Glasgow Financial Alliance for Net Zero (GFANZ) consist of Bank of America, HSBC, Citibank, Standard Chartered, MUFG, and Macquarie



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



Value Propositions

Indonesia realizes its commitment by consistently implementing Environment, Social, and Governance (ESG) principles in every business process supporting government support. The integration of ESG quality elements in government support aims to minimize environmental, social and governance risks and optimize the benefits of infrastructure projects.



MoF launched the ESG Framework and Manual in November 2022 to be implemented to projects which involve private financing and receive government supports

Source: Ministry of Finance

Frameworks and manual developed collaboration with UNDP and the World Bank



are

- Environmental quality aspects projects of are considered since the beginning of PPP project cycle, notably in planning and preparation stage, such as climate change issues and promoting green financing.
- □ Since its llaunching in 2022, ESG policies have been implemented following the ESG roadmap set out in the ESG Framework. In 2023, ESG will be implemented in all PPP projects that apply for and receive transaction preparation and implementation facilities (Project Development Facility/PDF). During 2023, there will be 12 PPP projects covering 6 sectors that have received PDF and have adopted ESG principles.





Financing Platform :







Sustainable Finance Initiatives





Sustainable Finance Roadmap Phase I (2015-2019)

OJK is committed to supporting the **Indonesian Government's target to achieve Net Zero Emission** and enhancing stakeholders' awareness on the importance of sustainable finance development.

Phase I Achievement

Strategic Policies

- 1. Implementation of 8 sustainable finance principles.
- 2. Reports of SF Action Plan from financial institutions.
- 3. Corporate Social Responsibility fund allocation.
- 4. Financial institutions' Sustainability Report.

Enhancing Awareness

- 1. Capacity building for OJK's supervisors and stakeholders.
- 2. Guideline on Sustainable Credit, Financing, Investment for palm oil plantation and industry, clean energy, green building, and organic farming with sharia scheme.

Institutional Collaboration

1. Collaboration with ministries and other national/international organizations, including universities and research centers.

Regulation on Sustainable Finance

OJK stipulated some regulations to support SF

- a. POJK No.51/2017 regarding the Implementation of SF for Financial Institutions, Issuers and Public Companies, which aims to enhance a wareness of the financial industry, regulate financial institutions' obligation to submit action plan for enhancings ustainable finance and to publish sustainability report.
- b. POJK No.60/2017 regarding framework and incentives for issuance of green bonds.
- c. In 2020, OJK also issued supervisory guidance and policy regarding incentives for electric vehicle-related financing.



Sustainable Finance Roadmap Phase II (2021-2025)

focuses on **sustainable finance ecosystem** development consisting of 7 components. The Roadmap reflects OJK's commitment to realizing transparent regulations, building synergies in cooperation with relevant ministries/agencies and stakeholders, as well as improving the capabilities of the financial industry.

- Green Taxonomy
- ESG Risk Integration in Financial Institutions Risk Management
 - Financial Institutions Risk
 S

 Management
 In

 Developing Incentives
 Guidance of Sustainable
- Guidebook of Credit/Financing/ Investment in Sectors
- National Campaign Indonesia Sustainability Week
- Sustainable Finance Inclusion Program
 - Informative Publications for New Investors





1 OJK strategic actions to ensure effective implementation of Sustainable Finance principles and to respond to climate change:

- 1. Developing a Green Taxonomy
- 2. Preparing for carbon exchange operations, in line with the Government's policy
- 3. Developing a reporting system for financial institutions, including green financing/instruments in accordance with the Green Taxonomy
- 4. Developing a risk management framework for financial services industry and a risk-based supervision guideline for supervisors to implement climate-related financial risks
- 5. Developing innovative and feasible project financing schemes
- 6. Enhancing awareness and providing capacity building programs for all stakeholders





The establishment of the Financial Services Sector Sustainable Finance Task Force as a forum for cooperation and coordination with the industry to respond to developments in sustainable finance at national, regional and global forums.



Urgency of Green Taxonomy Development at OJK

- To standardize green definitions and criteria.
- To regularly monitor credit/financing disbursement to the green sectors.
- To improve reporting process carried out by the Financial Services Industry.

Targets

- Policy in the green sector, as the basis for developing innovative products and/or sustainable financial services as well as incentive and disincentive mechanisms for financial services sector.

- Availability of database for green sectors.

Strategic Goals

- To develop standard definitions and green criteria of economic sector activities that support sustainable development, and climate change agenda in Indonesia.
- To encourage innovation and investment in economic activities that have a positive impact on improving the quality of the environment.
- To encourage the financial sector to provide financing for green economy activities.
- To provide a reference for financial services sector, investors, business players (national and international) to disclose information related to financing, funding, or investment in green economy activities.

Green Taxonomy

Proposed Definition of Green Taxonomy

Classification of sectors based on business activities that support environmental protection and climate change mitigation and adaptation.

- The Green Taxonomy is used as a guideline for information disclosure in the Financial Services Sector and can be used as a reference for creating innovative sustainable financial products and/or services.
- In developing the Green Taxonomy, OJK actively participates in the Financial Stability Board, particularly regarding sustainable financial disclosure for Financial Services Institutions in the Financial Stability Board Workstream on Climate Disclosures/WSCD and the ASEAN Taxonomy Board.
- The finalization of the Green Taxonomy involved 43 Directorate Generals in 8 related ministries to confirm the thresholds and to categorize around 2,700 sectors and sub-sectors classification.

Green Taxonomy Definition

Benefits of

Green

Taxonomy

Green taxonomy is a classification system that establishes a list of environmentally sustainable economic activities. A classification tool for the financial industry (banking) to protect the environment and reduce greenhouse gas emissions.

(China Green Catalogue, CBRC, 2013).

(EU Green Taxonomy, 2019)

✤ As a guideline for allocating capital, a tool to support risk assessment, and a reference for other stakeholders in supporting efforts to mitigate and adapt to climate change.

In its development, the green taxonomy is flexible and dynamic so that it can adapt to investment strategies and patterns and changes in technology, science, activities and new data.

(ASEAN Taxonomy for Sustainable Finance ver.1, Nov 2021)



Funding Needs for Mitigation



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 577.01 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%).



- . 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



Expenditure of Ministries/Agencies on Climate Change Management (IDR Trillion)







Air

Ecosystem and Forestry

Food & Agriculture

Marine and Coastal

Health

Energy

Disaster

- 1. Over the past 5 years, the government has spent approximately 3.9% of its budget (Rp86.4 trillion) on climate change mitigation and adaptation.
- 2. The Covid-19 pandemic has led to a decrease in state spending on climate change. With economic recovery, the portion of spending has significantly increased again in 2021.
- 3. Additionally, there has been a shift in allocation, with the largest portion originally directed towards mitigation, but now more directed towards adaptation. Adaptation spending increased by 182% in 2021 in line with climate resilience strengthening policies.
- 4. The recorded budget expenditure for climate change so far is Rp569.5 trillion, consisting of Rp332.8 trillion for mitigation actions, Rp214.2 trillion for adaptation, and Rp22.4 trillion for co-benefit actions.
- 5. The average state spending for adaptation is Rp42.8 trillion per year, with the majority allocated to water resilience (47.4%), followed by disaster resilience (21.8%), food and agriculture resilience (14.5%), health (12.5%), and others (marine and coastal, marine ecosystems and forestry, and energy).

Adaptation Budget Composition (2018-2022)

Indonesia's Green Initiatives: Financing Green Projects



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



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

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



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.

standards and principles



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):

∼∍۶ ⊳

Green Focus Climate mitigation and adaptation activities



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

Blue Focus Marine and coastal development and blue carbon activities

nd **10**

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 indicatiors in respective expenditure focus

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

Green Sukuk Issuance



Proceeds from Sovereign Green Sukuk Issuance

Total issuance of Green Sukuk reaches USD 6.54 billion

Global Green Sukuk	Retail-Domestic Green Sukuk
US\$ 5 miliar	Rp 21,8 triliun
2018: USD 1,25 billion Yield: 3,75% Tenor: 5 years	2019: IDR 1,4 trillion Yield: 6,75% Tenor: 2 years Investors: 7.735
Yield: 3,90% Tenor: 5,5 years	2020: IDR 5,4 trillion Yield: 5,50% Tenor: 2 years
2020: USD 750 million Yield: 2,30%	Investors: 16.992
Tenor: 5 years	2021: IDR 5,0 trillion Yield: 4,80%
2021: USD 750 million Yield: 3,55% Tenor: 30 years	Ienor: 2 years Investors: 14.337
2022: USD 1,5 billion Yield: 4,70% Tenor: 10 years	2022: IDR 10 trillion Yield: 6,15% Tenor: 2 years Investors: 35.397
Groop Sukuk Allocation and Im	nact Papart Auditors

- Green Sukuk Allocation and Impact Report Auditors:
- 1st Allocation and Impact Report 2019: KPMG
- 2nd Allocation and Impact Report 2020: PWC
- 3rd Allocation and Impact Report 2021: EY
- 4th Allocation and Impact Report 2022: EY



developed in 2018 has now evolved into the SDGs Government Securities Framework, paving the way for the issuance of SDGs Bonds and Blue Bonds that can be utilized for green sectors.

	The issuance of the first BI	ue Bond	
Issuance date	May 2023	May 2023	
Volume	JPY14.7 Bio	JPY6 Bio	
Tenor	7 years	10 years	18
Yield	1.2%	1.43%	



lssuer	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 Rol'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

Transaction Highlights

- The USD1.00 billion 10-year global green sukuk issuance is part of two-tranches USD2.00 billion Rol 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 Rol in the USD markets in the last 2 years
- The successful 6th issuance of global green sukuk demonstrates the Rol's dedication and commitment to green and sustainable finance, as well as diversifying financing methods in the effort against climate change.

Source: Ministry of Finance

Green Sukuk Allocation and Impact Report 2023



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 storage1,158 km 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 Republic becomes the first Sovereign Blue Bonds issuer that publicly offered in accordance with ICMA principles.
- The demand for these bonds varies widely among different types of investors, both domestic in Japan and foreign.
- The issuance of Blue Bonds is consistent with the government's financing strategy to diversify financing instruments and broaden the investor base.



- 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)

Direct Lending with Government Guarantee (MOF Regulation 189/2015)



Source: Ministry of Finance



- 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



23

15 Projects

- 3 dedicated for Indonesia
- 12 multi-country

492,2 Million* ton CO2eq

12,7 juta* beneficiaries

Total GCF Funding (including multi-country projects/programs and readiness) USD 496,7

Million**

Source: Web GCF

*Allocation of funding and the impact of multi-country projects on Indonesia based on indicative data

** Excluding co-financing

Projects/Programs Approved for Indonesia in the Energy Sector:

- 1. Geothermal Resource Risk Mitigation
- 2. Supporting Innovative Mechanisms for Industrial Energy Efficiency Financing in Indonesia with Lessons for Replication in other ASEAN Member States

Multi-Country Projects/Programs Approved in the Energy Sector:

- 1. Sustainable Renewables Risk Mitigation Initiative (SRMI) Facilities 9 countries
- 2. Climate Investor One 18 countries
- 3. Global Sub-national Climate Finance 42 countries
- 4. ASEAN Catalytic Green Finance Facility: Green Recovery Program – 5 countries
- 5. Programme for Energy Efficiency in Buildings (PEEB) Cool – 11 countries

Total Funding by Type of Project/Program* (in percentage)



SDG Indonesia One

Bank

Contribution:

Loan,Grant

Target:

Project risk transfer (Enhancing access to

banking)



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

Donor (Philanthropy) and Impact/Climate

Funds

Contribution:

Grant, Technical Assistance

Target:

Support for pre-construction project

development

Investor

Contribution



Contribution: Loan, Bonds, Sukuk

Target: Construction/post-construction financing **Contribution:** Equity

Objective: Impact Investing

SDG Indonesia One (managed by PT SMI) Product **Equity Financing Development Facility Risk Management Facility Financing Facility** Equity, Equity-Linked Concessional Loan, First-Loss Facility, Interest Subsidy, Grant (Project Preparation, Technical Senior Loan, Subordinated Loan Premium Subsidy for Guarantees, VGF (Viability Gap Investment Assistance, Research) Funding) etc.

SDGs' Project

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



Highlight SDG Indonesia One – as of October 2023

SDG Indonesia One Support Throughout Indonesia





36

partners

International Organizations Multilateral Organizations Bilateral Organizations Development Banks Commercial Banks Government Corporation







62 capacity

building.

sharing

session, &

business matching

4 Kegiatan

SDG centre

4 Sinergi

bersama

lainnya

SMV/BUMN



*) As umsi kurs per 31 Oktober 2023: USD/IDR = 15.916

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 Rol's 2030 SDGs Target





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

Socioeconomic Advancement and Empowerment



Access to Essential Services



Food Security and Sustainable Food Systems

Affordable Basic Infrastructure

Alignment with the Rol's 2030 SDGs Target







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



Green Bond

Social Bond

Sustainability Bond,





Extracts of Republic of Indonesia SDGs Framework Second Opinion

"In alignment with the green bond principles, social bond principles, and sustainability bond guidelines."

"CICERO Shades of Green governance procedures in the Republic of Indonesia's framework to be Good."

"Eligible social projects credibly aim for enabling sustainable development that will be supported by proposed comprehensive reporting of impacts"

"We rated Republic of Indonesia's green bond and sukuk issuances under this framework CICERO Medium Green".

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

- 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





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. : USD 6 Bio

- Global sukuk issuance (2018-2023) •
- Retail domestic sukuk issuance (2019 2023) : IDR 30.68 T Wholesale domestic sukuk issuance (2022-2023): IDR 22.22 T





The debut "Sustainable Development Goals" ("SDG") bonds in 2021 I is an important step forward in the Republic's commitment to the achievement of the SDGs, and a major advance for sustainable finance. In 2022, Gol also issued the SDG bonds in the domestic market.

: EUR 500 Mio

- Global SDG Bonds issuance (2021) ٠
 - Wholesale domestic SDG Bonds issuance (2022) : IDR 3.26 T

Wholesale domestic SDG Bonds issuance (2023) : IDR 7.25 T





I The debut Blue bonds in 2023 displays the Indonesian Government's commitment towards sustainable financing, especially to attain the Sustainable Development Goals (SDGs), and is simultaneously a significant achievement for blue financing. : JPY 20.70 Bio

• Samurai Bonds issuance (2023)

(high relevance): Blue Waste Navy 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.

The Impact of SDG Bond Issuance

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- 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 (SDGs) 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 <u>https://www.djppr.kemenkeu.go.id</u>.

MINISTRY OF FINANCE



2022

Republic of Indonesia

2023

SDG Bond Allocation

and Impact Report



Mount Rinjani