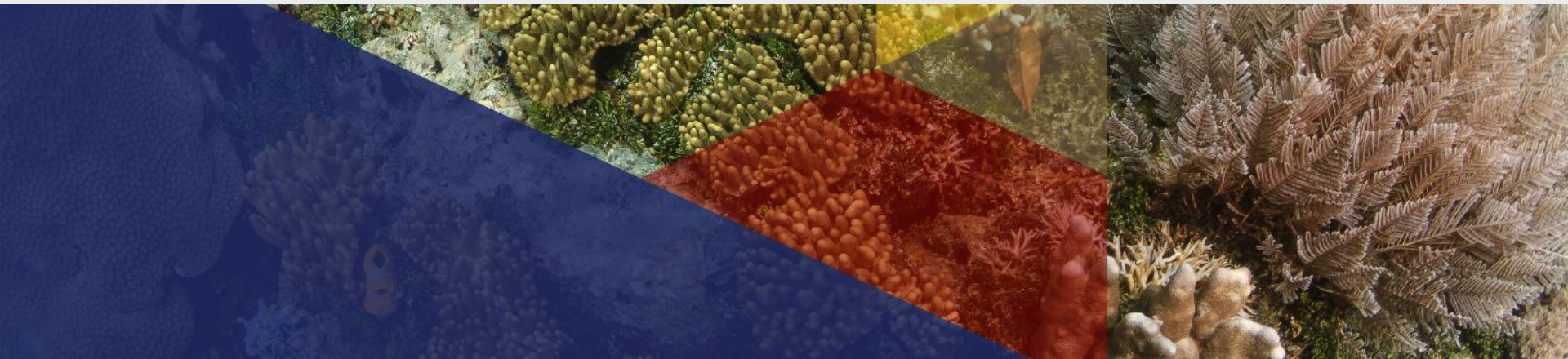




THE REPUBLIC OF INDONESIA THEMATIC BONDS/SUKUK ISSUANCE 'GREEN SUKUK AND BLUE BONDS FOR DISASTER SUPPORT'

**Ministry of Finance
Republic of Indonesia
November 2024**

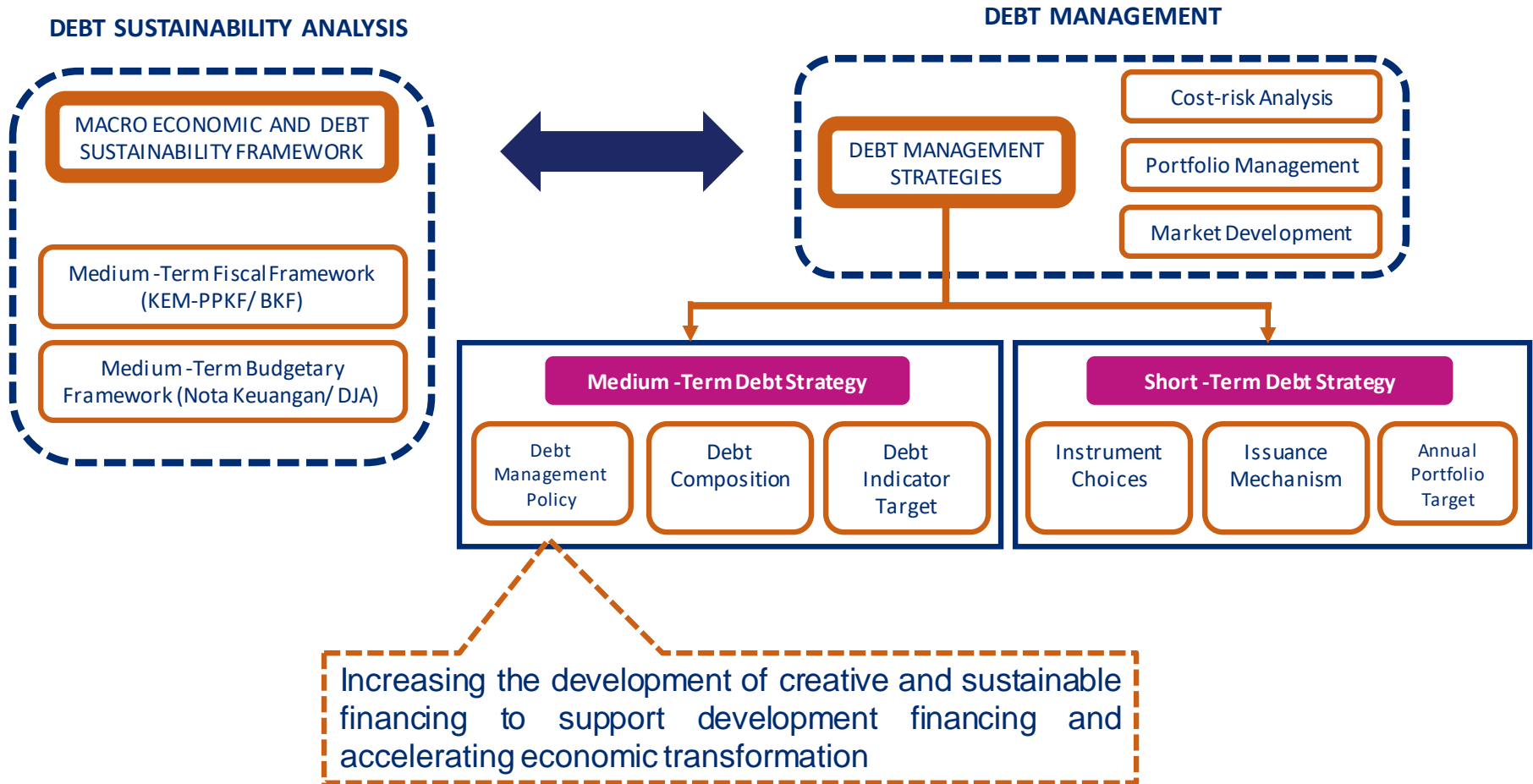


POSSIBLE FUNDING MECHANISM FOR DISASTER FUNDS

1. Thematic Bond/sukuk Issuance: (Green bond/sukuk, Blue bond/sukuk, SDG bonds: - mitigation and adaption financing (resilience to climate change: economic resilience, social resilience, environment resilience – funding to the impact of climate change)
2. Blended Financing
3. Specific Disaster Pooling Fund

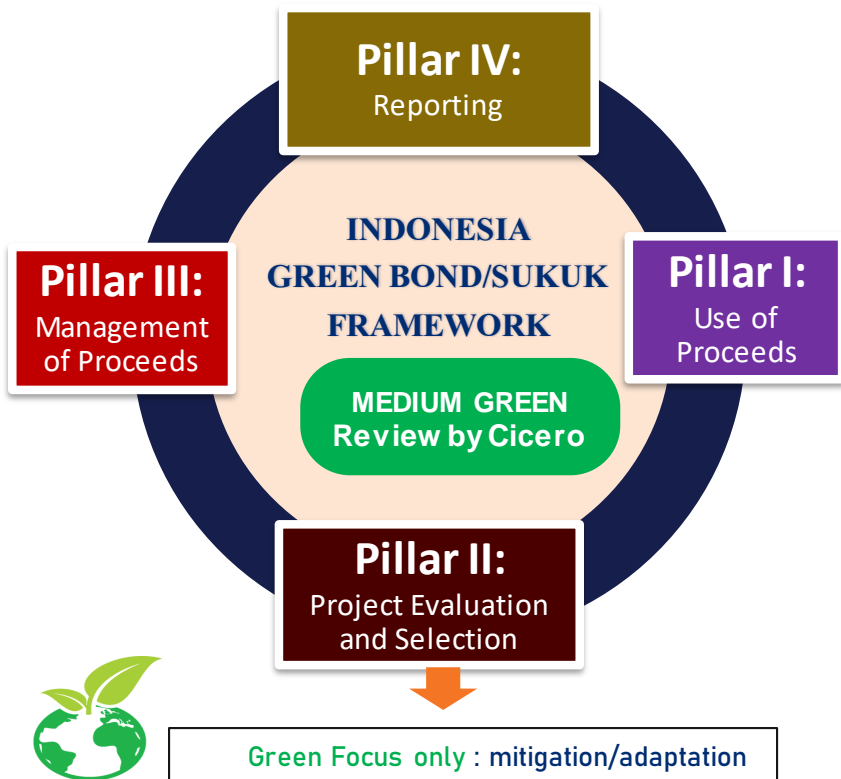


THEMATIC BOND/SUKUK AS PART OF DEBT STRATEGIES



OVERVIEW OF THE REPUBLIC OF INDONESIA SDGs GOVERNMENT SECURITIES FRAMEWORK

ROI GREEN BOND/SUKUK FRAMEWORK 2018



SDGs Government Securities Framework

- 1** **Use of Proceeds**
New or existing Eligible SDGs Expenditures with Green and/or Social focus (“Eligible Expenditures”)
- 2** **Process for Project Evaluation and Selection**
Budget Tagging Process to select Eligible SDGs Expenditures for Green and SDGs Securities
- 3** **Management of Proceeds**
Managed within the Government’s general account; allocation register will be established
- 4** **Reporting**
Annual allocation reporting and impact reporting



1. **Green Focus** : mitigation/adaptation
2. **Blue Focus** : *blue economy* development
3. **Social Focus** : *Positive Social Outcome*



THEMATIC FINANCING INSTRUMENTS IN INDONESIA



Green Sukuk

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

- **Global sukuk issuance (2018-2024)** : USD 6.6 Bio
- **Retail domestic sukuk issuance (2019 – 2024)** : IDR 35.8 T
- **Wholesale domestic sukuk issuance (2022-2024)** : IDR 31.17 T



Renewable Energy



Energy Efficiency



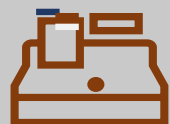
WTE and Waste Management



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



Sustainable Transport



SDG Bond

The debut of '**Sustainable Development Goals**' (SDG) bonds in 2021 was an important step forward in the Republic's commitment to achieving the SDGs and a major advance for sustainable finance. Since 2022, the Government of Indonesia (GoI) has also issued SDG bonds in the domestic market.

- **Global SDG Bonds issuance (2021-2024)** : EUR 1.25 Bio
- **Wholesale domestic SDG Bonds issuance (2022-2024)** : IDR 12.16 T

3 GOOD HEALTH AND WELL-BEING



- A. Complete Basic Immunization (MR, DPT-HB-Hib, BCG, bOPV)
- B. HP and PCV

4 QUALITY EDUCATION

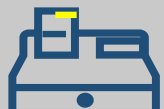


- A. Smart Indonesia Program for Islamic Elementary School
- B. Smart Indonesia Program for Elementary School

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Base Transceiver Station/Last Mile



Blue Bond

- On 19 May 2023, GoI successfully issued Samurai Bond with the **debut Blue Bonds in 7-year and 10-year tenors totalling JPY 20.7 billion.**
- On 17 May 2024, the Government once again succeeded in issuing **Samurai Blue Bonds amounting to JPY 25 billion** which was part of 7 years and 10 years, as well as whole of 20 years tenor.

Navy Blue
(high relevance)

Sapphire Blue
(moderate relevance)



ISSUANCES OF GREEN SUKUK

Indonesia Green Sukuks are issued in 3 types: Global Green Sukuk, Retail Green Sukuk, and Wholesale Green Sukuk through Auction

GLOBAL MARKET (total USD6.6 billion)

Year	2018	2019	2020	2021	2022	2023	2024
Yield (coupon p.a.)	3.75%	3.90%	2.30%	3.55%	4.70%	5.60%	5.50%
Tenor (years)	5	5.5	5	30	10	10	30
Size (US\$ billion)	1.25	0.75	0.75	0.75	1.5	1	0.6
Green Investor	29%	29%	34%	57%	36%	41%	63%
Non-Green Investor	71%	71%	66%	43%	64%	59%	37%

DOMESTIC RETAIL MARKET (total IDR35.7 Trillion)

Year	2019	2020	2021	2022	2023	2023	2024
Series	ST006	ST007	ST008	ST009	ST010T4	ST011T4	ST012T4
Coupon p.a. (floating with floor)	6.75%	5.50%	4.80%	6.15%	6.40%	6.50%	6.55%
Tenor (years)	2	2	2	2	4	4	4
Size	IDR 1.46 T	IDR 5.42 T	IDR 5 T	IDR 10T	IDR 3.3T	IDR 5,5T	IDR 5.07T
Investors	7,735	16,992	14,337	35,397	13,131	19,117	21,890
New Investors	2,908	4,276	2,776	13,412	2,545	2,187	4,313

DOMESTIC WHOLESALE MARKET

The First Green Sukuk through Wholesale Auction- can be used to support the Macroprudential Inclusive Financing Ratio for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units

(PBSG001)

Volume	IDR 31.17 Trillion (from 2022 to present)
Tenor	7 years
Coupon	6.625% (fixed)

- **The world first Retail Green Sukuk issued by a Sovereign.**
- Sold through an online Platform.
- Most investors are Millennials (45-50%)



ISSUANCES OF BLUE BOND- SUPPORT DISASTER MANAGEMENT AND RISK REDUCTION

SAMURAI BLUE BONDS (total JPY45.7 billion)

In 2023, GoI successfully issued Samurai Bond with the **debut Blue Bonds totalling JPY 20.7 billion and in 2024 issued JPY 25 billion.**

Year	2023	
Yield (coupon p.a.)	1.20%	1.43%
Tenor (years)	7	10
Size (JPY billion)	14.7	6

Year	2024		
Yield (coupon p.a.)	1.57%	1.91%	2.55%
Tenor (years)	7	10	20
Size (JPY billion)	2	6.8	16.2

Ministry of Marine Affairs and Fisheries

Sustainable Fisheries (Navy Blue)

- Assistance for Insurance Premiums for Small-Scale Fish Farming Enterprises
- Sea fish, brackish water fish, endangered fish and seaweed seedling distribution to the community
- The development of outmost and green fishing port
- Shrimp and Milkfish pond rehabilitation

Marine and Coastal Protection and Restoration of Biodiversity and Ecosystems (Navy Blue)

- Coastal and outmost small islands area/ Ecosystem rehabilitation and development
- Mangrove Rehabilitation

Disaster Management and Risk Reduction (Sapphire Blue)

- **Coastal vegetation plantation for disaster mitigation**

IDR0.095T (4.13%)

Ministry of Environment and Forestry

Marine and Coastal Protection and Restoration of Biodiversity and Ecosystems (Navy Blue)

- Mangrove Rehabilitation
- Mangrove Ecosystem Rehabilitation
- Coral Reef Rehabilitation

IDR0.75T (32.36%)

Ministry of Public Works and Public Housing

Marine and Coastal Protection and Restoration of Biodiversity and Ecosystems (Navy Blue)

- Development and maintenance of coastal protection/safety structures across different locations in Indonesia
- Lamongan breakwater development

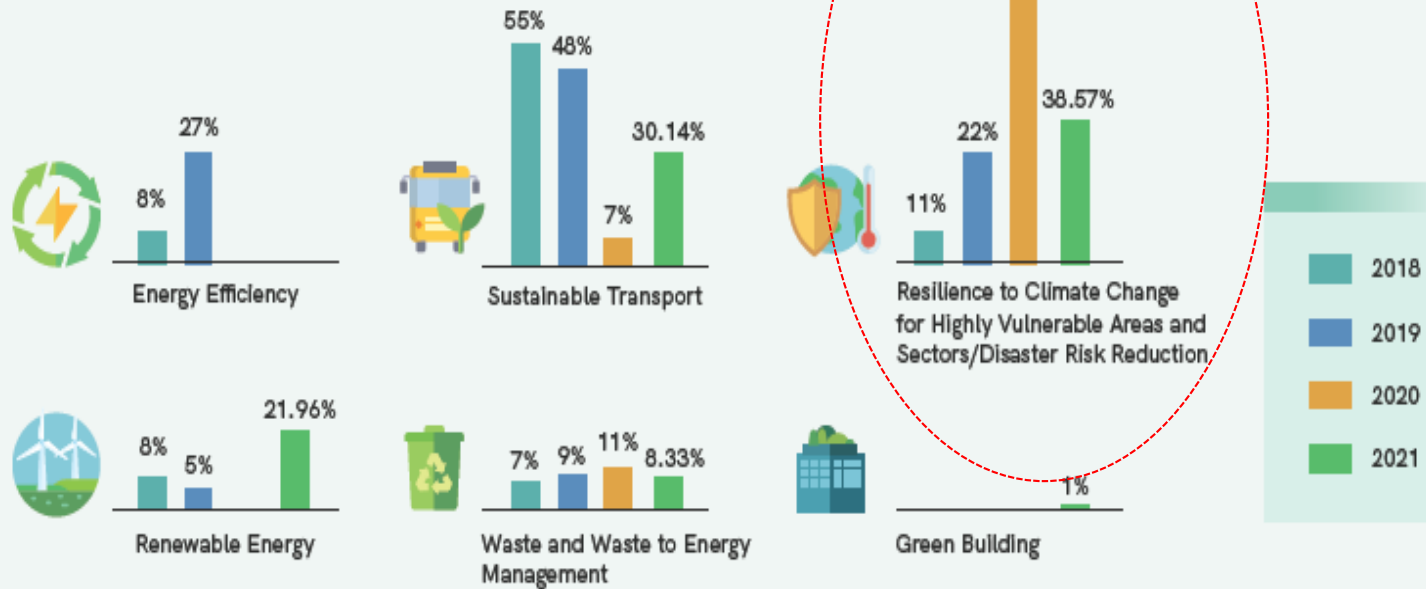
Disaster Management and Risk Reduction (Sapphire Blue)

- Tidal flood control in Semarang-Demak and other locations

IDR1.46T (63.5%)



Global Green Sukuk Proceeds Allocation by Sector



Projected Emission Reduction:

1st Issuance 2018



5,7 millions ton CO2e

2nd Issuance 2019



3,2 millions ton CO2e

3rd Issuance 2020



1,4 millions ton CO2e

4th Issuance 2021



202,674 ton CO2e

Source : Green Sukuk Impact Report
2022

DISASTER POOLING FUND IN INDONESIA-

Institutional Context

- ✓ Disaster Pooling Fund (DPF) is a scheme for collecting, recognizing and distributing special disaster funds managed by a special fund management institution.
- ✓ The establishment of DPF is intended to protect the State Budget from disaster-related pressures through proactive efforts during non-disaster times, with investments in the form of fund accumulation and risk transfer through insurance.
- ✓ DPF will also increase the Government's capacity to finance mitigation and preparedness activities in the context of investments to reduce the risk of loss of life and material due to disasters.
- ✓ DPF is designed to be able to provide funds for pre-disaster, emergency response and post-disaster financing in a sustainable manner.

DISASTER POOLING FUND





Thank you

Strictly Private and Confidential