

Green Bond Fact Sheet

Republic of Indonesia		Date: 01-Mar-2018	
Issue date: 01-Mar-2018 Maturity date: 01-Mar-2023 Tenor: 5			
Issuer Name	Republic of Indonesia	Amount Issued	USD1.25bn
Country of risk	Indonesia	CBI Database	Included
Issuer Type ¹	Sovereign	Bond Type	Sukuk
Green Bond Framework	N/A	Second party opinion	CICERO
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input checked="" type="checkbox"/> Offshore wind <input checked="" type="checkbox"/> Geothermal <input checked="" type="checkbox"/> Hydro <input checked="" type="checkbox"/> Tidal	<input type="checkbox"/> Biofuels <input checked="" type="checkbox"/> Bioenergy <input checked="" type="checkbox"/> Waste to energy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input checked="" type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Land use & agriculture	<input checked="" type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input checked="" type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting	The issuer will use external auditors to conduct annual reporting on use of proceeds and impact reporting, which will be made publicly available.		
Company information			
Firsts, records and certifications	First green bond from Indonesia, first sovereign green bond from Asia and fifth globally.		
Proceeds description	<p>Renewable Energy: Proceeds will finance generation and transmission from renewable sources, including: onshore and offshore wind, solar, tidal, biomass, geothermal, hydropower. Explicitly excluded project types are: large hydropower plants (larger than 30MW), fossil fuel electricity generation and related energy efficiency improvements, and nuclear.</p> <p>Energy Efficiency: Infrastructure energy efficiency improvements will have to result in consumption reductions of at least 10% below the national average consumption of an equivalent infrastructure.</p> <p>Adaptation: As well as flood mitigation, R&D and drought management, this category includes eligible projects related to food security and public health management.</p> <p>Low Carbon Transport: Developments for public transportation include both low carbon and fossil fuel based vehicles. In their Second Party Opinion, CICERO encourages the issuer to implement zero emission technologies where possible to avoid future lock ins.</p> <p>Green Buildings: Financed buildings will have to be in line with the GreenShip certification, developed by the Green Building Council Indonesia. CICERO awards this category a “Light Green”, stating that this type of building certification does not ensure energy efficiency improvements since “it is possible to achieve a Bronze or a Silver GreenShip certificate with no energy efficiency credits.”</p> <p>Sustainable Agriculture: the issuer has new agricultural land obtained through deforestation will not be supported or financed under this category.</p> <p><u>Other:</u></p> <p>Sustainable Management of Natural Resources: Re-forestation, afforestation, habitat and biodiversity conservation are all eligible project types. CICERO expresses concern around potential elements of deforestation that could be included in these projects, awarding this category a “light to dark green”.</p> <p>Green Tourism: New tourist areas will comply with the Green Tourism Principles, while existing infrastructure will be optimised to reduce GHG emissions. Tourism projects will also be developed to be climate change resilient.</p>		
Climate Bonds view	We agree with CICERO that there are potential concerns and would like to see more clarity and transparency around all investment projects in future reporting. Now that the bond has been issued, ministries and agencies can apply for funding, so it remains		

	to be seen which projects will be shortlisted and approved. We would also like to find out what share of proceeds are ultimately allocated to projects that do not align with the Climate Bonds Taxonomy – such as social programs (e.g. public health management, food security), rerouting roads, green tourism and R&D investments.
Underwriters	Abu Dhabi Islamic Bank, CIMB, CITI, Dubai Islamic Bank, HSBC
Deal comments	
Credit Rating	BBB (Fitch), Baa3 (Moody's), BBB- (S&P)
Pricing summary	Pricing was tightened by 30bps, reducing yield to 3.75%.
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign