

## Media Release

### Climate Bonds launches Indonesia GIIO Report with ADB: Green Infrastructure Opportunities for Green Bond Investment and Green Recovery

**JAKARTA/LONDON: 17/03/2022, 10am (GMT +7):** The Climate Bonds Initiative today launched the [Green Infrastructure Investment Opportunities Indonesia: Green Recovery](#) report. The report identifies and analyses multiple green infrastructure projects open for potential investment and development in the country.

The Indonesia GIIO has been produced with the support of the [Asian Development Bank \(ADB\)](#), the ADB-managed [ASEAN Catalytic Green Finance Facility \(ACGF\)](#) and [PT Sarana Multi Infrastruktur \(PT SMI\)](#). It is the third in the Climate Bonds Green Infrastructure Investment Opportunities (GIIO) Indonesia series first published in [2018](#) and updated in [late 2019](#).

#### Said Sean Kidney, CEO, Climate Bonds Initiative:

“Green infrastructure presents a huge investment opportunity for Indonesia, and we know that global investors have their eyes on green and sustainability bonds issuances from emerging markets. Assets like clean energy and green transportation are typically eligible for certification, and we expect to see a great number of issuances coming from Indonesia in 2022.”

#### Report highlights

The report highlights the importance of private sector funding in closing the gap between green infrastructure and climate mitigation and showcases a total of eight (8) green projects in four sectors – renewable energy; low carbon transport; water infrastructure; and waste management. A sample pipeline of approximately fifty (50) projects is also identified, although some of these projects are seeking external loans and investments.

According to the report, USD451bn is needed to finance infrastructure by 2024, from which the private sector accounts for 42% of the funding needs. Energy and transportation sectors are responsible for more than 90% of Indonesia’s climate mitigation funding needs, comprising USD245bn of a total of USD264bn required by 2030.



Labelled bonds, such as green or sustainability bonds, have been used to attract green private capital. The IDR500bn (USD34.9mn) green bond issued in 2018 by PT SMI is an example. To date,



Indonesia has issued 17 green, social and sustainability bonds to the value of USD7.7bn. In 2022 green bond issuances by two major energy State-Owned Enterprises are anticipated, i.e. PLN and Pertamina. These will be used to finance renewable energy assets. Green infrastructure projects, as identified in the report, can propel Indonesia's green stimulus; promoting green job creation whilst also addressing climate change.

The report furthermore analyses current trends in domestic green, social, and sustainability bonds issuance policy support, Indonesia's expansive green infrastructure pipeline open for investment through green financial instruments, and de-risking facilities to improve the bankability of an infrastructure project.

**Said Anouj Mehta, ADB Thailand Country Director and Unit Head of the ACGF:**

"Once again, we are delighted to have collaborated with Climate Bonds Initiative on an insightful and impactful GIIO report. Indonesia has positioned itself as a strong regional frontrunner in green infrastructure and innovative financing, such as GSS and SDG bonds. The SDG Indonesia One Green Finance Facility or SIO-GFF, for which ADB recently approved a \$150 million loan, is another path breaking initiative, which has created a de-risking mechanism able to potentially leverage up to 8 times funds from private and institutional sources of capital. We have also established a Blue SEA Finance Hub in our Jakarta office to support a sustainable blue economy in Indonesia and ASEAN."

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**Notes for journalists:**



**About the Climate Bonds Initiative:** Climate Bonds is an international investor-focused not-for-profit organization working to mobilize the USD100tn bond market for climate change solutions. The Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global green bond Certification Scheme. For more information, please visit <http://www.climatebonds.net>.

**About PT SMI:** PT SMI is one of the Special Mission Vehicles (SMV) under the Ministry of Finance which is engaged in financing and preparing infrastructure projects. Established on February 26, 2009, PT SMI is a State-Owned Enterprise (BUMN) whose entire share capital is owned by Republik Indonesia through the Ministry of Finance. PT SMI was formed based on Minister of Finance Regulation No. 100/PMK.010/2009 concerning Infrastructure Financing Companies. PT SMI is an infrastructure financing State Owned Enterprise (SOE) wholly owned by the Government of Indonesia Ministry of Finance. PT SMI is mandated to engage in financing and preparing infrastructure projects, especially projects that align with the sustainable infrastructure concepts and contribute to achieving the Sustainable Development Goals (SDGs) in Indonesia. The entity supports the Government of Indonesia's infrastructure development agenda by financing national or local infrastructure projects, developing infrastructure projects, and providing financial advisory. More information can be [found here](#).

#### **About the Asian Development Bank**

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members – 49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

#### **About the ASEAN Catalytic Green Finance Facility**

The ASEAN Catalytic Green Finance Facility (ACGF) is an innovative finance facility under the ASEAN Infrastructure Fund dedicated to accelerating green infrastructure investments in Southeast Asia. It supports ASEAN governments to prepare and source public and private financing for infrastructure projects that promote environmental sustainability and contribute to climate change goals. The ACGF is owned by the 10 ASEAN member states and ADB, which also administers the facility.

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