

UN Joint Programme Accelerating SDGs Investment in Indonesia (ASSIST)



About ASSIST JP

The UN Joint SDG Fund-backed 'Accelerating SDGs Investments in Indonesia,' or ASSIST, Joint Programme brings four UN agencies together to support the Government of Indonesia in meeting its SDG targets through innovating strategic and sustainable financing.

Participating UN Organizations



years duration (2021-2025) **4**

SDG Targets



? Why is the ASSIST Joint Programme important?

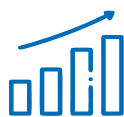
Indonesia is committed to achieving the Sustainable Development Goals (SDGs) by 2030. In fact, the country's National Medium Term Development Plan (RPJMN) is aligned with 124 out of 241 of the indicators detailed under the 17 SDGs.

However, even before the COVID-19 pandemic, a considerable funding gap inhibited Indonesia's progress towards the SDGs. The Indonesia SDGs Roadmap 2019 indicated that an estimated USD 4.7 trillion of funding was required to achieve the country's 2030 SDG targets—a figure the pandemic has certainly enlarged.

The financing gap also impedes progress on climate change. Indonesia requires around USD 322 billion to meet its climate targets by 2030, based on the Nationally Determined Contribution 2021.

Therefore, to ensure a sustainable economic recovery from COVID-19, Indonesia must significantly increase public and private sector investment towards the SDGs.

The ASSIST Joint Programme supports the GOI in financing the SDGs by:



Taking proven and new financing instruments to scale through the provision of pre and post transaction **technical assistance** for the development of innovative financing instruments.



-Providing **capacity building** for relevant stakeholders and institutions to create a stronger regulatory environment for innovative finance towards the achievement of the SDGs.

The innovative financing instruments deployed under the ASSIST Joint Programme will contribute to accelerating development in underfunded economic sectors, including climate mitigation & adaptation, water & sanitation, and marine resource management, as well as ensuring that interventions are gender inclusive and benefit vulnerable communities.

Theory of Change

Impact: Acceleration of the achievement of targeted SDGs through increased financing from innovative financing mechanism and instruments



Outcome: Increased financing leverage



Catalyzed Issuance of Thematic Bonds at National and Sub-National Level



Increased Green & SDG-linked Loans



Operationalized Indonesia Impact Fund

Component 1:

Catalyzed Issuance of Thematic Bonds at National and Sub-National Level



unicef 
for every child

Thematic Bonds are fixed-income securities that can be issued by public and private entities with the aim of facilitating environmentally and socially sustainable solutions to developmental challenges.

The funds obtained through these instruments are channeled towards projects under specific investment themes—such as climate change, health, and education—which accelerate the achievement of the Sustainable Development Goals. The ASSIST Joint Programme aims to leverage up to USD 4.5 billion using thematic debt instruments, including:



SDG/
Sustainability
Bonds



Blue Bonds/
Green Sukuk



Municipal
Bonds

Key Activities:



Assist in the pre-issuance stage of national and subnational-level thematic bonds, particularly the bond's framework development and external review processes, as well as project pipeline evaluation and selection to ensure inclusive impact toward the most vulnerable population, including women, children, and marginalized communities.



Provide capacity building and institutional strengthening, including through facilitating knowledge sharing among key stakeholders



Assist in the post-issuance stage of national and subnational-level thematic bonds, particularly in the bonds' allocation and impact report development, as well as their verification processes.



Advocate for equitable and child-sensitive financial policies through the development of budget briefs, and collaborate with the government to enhance Public Financial Management for Children (PF4C)

Component 2:

Increased Green & SDG-linked Loans



“SDG or Sustainability-linked Loans aim to support banks to expand their loan facilities for their clients by identifying and financing bankable small business improvements for SMEs, including their sustainability performance and contribution to the SDGs. Component 2 will support banks as they launch new Sustainability-linked loan products through the creation of “Green catalogues”, which will streamline loan approval systems and provide metrics for measuring impact. Through strengthening, modernizing, and upgrading SMEs, their competitiveness will be enhanced, which in turn will significantly reduce the risks for investors, increase return on investments, create more jobs, and have a positive environmental impact.

i Development of a pilot **Sustainability-linked Loan for the Aquaculture sector:**



- Identification of financially viable solutions for aquaculture farmers/cooperatives, based on the assessment of local economic activities and market intelligence focusing on the green economy.



- Most aquaculture farmers in Indonesia are using traditional methods of aquaculture farming with plans to upgrade to intensive farming, which requires considerable investment.



- UNEP and UNIDO are working with Indonesian commercial banks to develop an SME loan product that supports aquaculture farmers/cooperatives in applying the SOPs and obtaining the IndoGAP Certification issued by the Ministry of Marine Affairs and Fisheries.



- The loans are offered to aquaculture farmers/cooperatives that will commit to obtaining the IndoGAP Certification after sustainability-linked loan disbursement. The loans provide an opportunity for farmers access financing to sustainably modernize their businesses.



Component 3:

Operationalized Indonesia Impact Fund (IIF)



The Indonesia Impact Fund is the first Indonesian private impact investment fund designed to invest in early-stage startups that are contributing the implementation of SDGs. The Fund aims to raise 25-30 USD million and invest in 25-30 start-ups contributing to the SDGs.

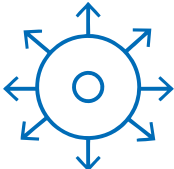
i Key Activities:



- Provide technical support and advice on setting up impact measurement and management frameworks for the Fund and developing Impact Due Diligence Criteria for investees



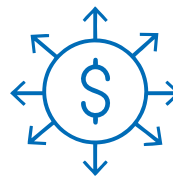
- Assist in fundraising efforts through leveraging UNDP's network of impact investors, financial institutions and IGOs



- Develop a pipeline of ventures contributing to the SDGs that will receive investment through the Indonesia Impact Fund



- Assist companies that are invested in the Indonesia Impact Fund by providing on-going impact monitoring and advice on developing their company's impact action plan



- Develop a pipeline of ventures contributing to the SDGs that will receive investment through the Indonesia Impact Fund's thematic accelerators, such as the Blue Finance Accelerator

ASSIST Partners



CONTACT US



United Nations in Indonesia
Menara Thamrin Building, 9th Floor,
Jl. MH. Thamrin Kav. 3
Jakarta, Indonesia 10250
indonesia.un.org

UNinIndonesia
UNinIndonesia

United Nations in Indonesia
un-indonesia@un.or.id



Project Management Unit Contacts:
Nila Murti: nila.murti@undp.org
Kamal Salehin: kamal.salehin@undp.org