BLENDED FINANCE AND INNOVATION
President’s Endorsement Letter

In support of the Tri Hita Karana Forum on Sustainable Development: “Blended Finance and Innovation for Better Business Better World”
2018 Tri Hita Karana Forum on Sustainable Development
Blended Finance and Innovation for Better Business Better World

10 – 11, October 2018

Indonesia will host the IMF-World Bank Annual Meetings in October 2018 in the beautiful island of Bali. In conjunction with this event, a parallel high-level global forum Tri Hita Karana Forum on Sustainable Development will be held under the auspices of the President of Indonesia.

Convened under the theme “Blended Finance and Innovation for Better Business Better World”.

The Forum will:
• Demonstrate Indonesia’s leadership role in Global SDG Agenda and financing and innovative solutions to achieve SDGs
• Be the launch platform of partnership between stakeholders for blended finance and innovations to tackle SDG Hotspots in Indonesia and other emerging economies.
Host
Republic of Indonesia Government

Indonesia Blended Finance Taskforce
Co Chairs:
- Luky Alfirman, Ministry of Finance
- Purbaya Sadewa, Ministry of Maritime Affairs

- Patron President Joko Widodo
- Coordinating Minister for Maritime Affairs Luhut Panjaitan (National Chairman IMF WB AM 2018)
- Coordinating Minister for Economics Affairs Darmin Nasution
- Minister of Finance Sri Mulyani Indrawati
- Minister of National Development Planning Bambang Brodjonegoro
- Minister of Communication and Informatics Rudiantara
- Governor of Bank Indonesia (Central Bank) Agus D.W. Martowardojo
- Chairman of Otoritas Jasa Keuangan (Financial Services Authority) Wimboh Santoso
- Chairman of Badan Koordinasi Penanaman Modal (Indonesia Investment Coordinating Board) Thomas Lembong
Secretary General of International Chamber of Commerce (ICC), announced two ICC initiatives relevant to Indonesia around the UN 72nd Session of the General Assembly, held on 17-25 September 2017.

The ICC is the world’s largest, most representative business organization in the world, with over six million businesses in more than 130 countries spanning every sector of private enterprise. The ICC was the first business organization granted general consultative status with the United Nations Economic and Social Council and UN Observer Status. ICC Academy delivers online certification and professional development services to meet the educational needs of banks, corporate and other organizations at the forefront of international trade.
Co-organizer:
Business and Sustainable Development Commission

Commissioners include:

- Paul Polman, CEO Unilever
- Ho Ching, CEO Temasek Holdings
- Sharan Burrow, General Secretary of the International Trade Union Confederation
- Sam Mostyn, President Australian Council for International Development
- Daniel Pinto, CEO JP Morgan Corporate Investment Bank
- Grant Reid, President and CEO Mars
- Gavin Wilson, CEO IFC Asset Management
- John Fallon, CEO Pearson
- Ken Frazier, Chairman and CEO Merck & Co
- Mats Granryd, Director General GSMA
- Richard Edelman, President & CEO, Edelman
- Mo Ibrahim, Founder & Chairman, Mo Ibrahim Foundation
- John Danilovich, Secretary General ICC
- Jack Ma, Founder and Executive Chairman Alibaba Group
- Hendrik du Toit, CEO, Investec Asset Management
- Lise Kingo, Executive Director, UN Global Compact
- Cherie Nursalim, Vice Chairman, GITI Group
Co-organizer:
UN Sustainable Development Solutions Network

The UN Sustainable Development Solutions Network (SDSN) has been operating since 2012 under the auspices of the UN Secretary-General. SDSN mobilizes global scientific and technological expertise to promote practical solutions for sustainable development, including the implementation of the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Council Co-Chairs and Executive Committee

AMINA MOHAMMED
Deputy Secretary-General of The United Nations

LAN XUE
Tsinghua University, Beijing, China

JEFFREY SACHS
Director SDSN, and Director Center For Sustainable Development, Columbia University, USA

GUIDO SCHMIDT-TRAUB
Executive Director

JOHN THWAITES
Monash University, Melbourne, Australia

TED TURNER
The Turner Foundation Inc., Georgia, USA

AROMAR REVI
Indian Institute For Human Settlements (IIHS), Bangalore, India

LAURENCE TUBIANA
Sciences PO Paris, Paris, France
The World Economic Forum is the International Organization for Public-Private Cooperation, committed to improving the state of the world. The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas. The Forum strives in all its efforts to demonstrate entrepreneurship in the global public interest while upholding the highest standards of governance. The institution carefully blends and balances the best of many kinds of organizations, from both the public and private sectors, international organizations and academic institutions. The institution believes that progress happens by bringing together people from all walks of life who have the drive and the influence to make positive change.

Photo Source: https://www.biznews.com/wef/davos-2016/2016/01/20/klaus-schwab-navigating-the-fourth-industrial-revolution/
Co-organizer:
United in Diversity

Chairman Tuti Hadiputranto
Vice Chairman Cherie Nursalim
President Mari Pangestu

United In Diversity Foundation is an Indonesian-based foundation with a mission of building trust for a common future through education and sustainable development. Over the past decade, UID partners with MIT Sloan for the IDEAS Leadership Action Learning program with Tsinghua University and University of Indonesia and other learning institutions to promote innovation and sustainable solutions through the three harmonies of people with people, with nature and with the spiritual aligned with the SDG Pyramid (Sustainable Development Goals Pyramid). UID is the Chair of SDSN Southeast Asia Chapter, and Co-Chair of SDSN Indonesia Chapter, and is committed to promoting the United Nations’ Sustainable Development Goals and supporting the UN 2030 Agenda.
Members of the Blended Finance Taskforce

Matt McGuire (Vinay Chawla) Abraaj  
Astrid Manroth AfDB  
Steve Waygood Aviva  
Carsten Stendevad ATP (former) / Bridgewater  
Abyd Karmali BAML  
Brian Herlihy Black Rhino  
Ashley Schulten BlackRock  
Ed Mathias Carlyle Group  
Michael Eckhart Citi Group  
Sean Kidney Climate Bonds Initiative  
Joseph Brandt Contour Global  
Marisa Drew Credit Suisse  
Tony Adams EastSpring (former)  
Mattia Romani / Alan Rousso EBRD  
Nanno Kleiterp / Soren Andreasen EDFI  
Cherie Nursalim GITI  
Stewart James (Ed Wells) HSBC  
Julie Katzman (Matthieu Pegon) IADB  
Gavin Wilson (Kruskaia Sierra-Escalante) IFC  
Hendrik du Toit / Chris Newson (Aniket Shah*) Investec  
Fuat Savas JP Morgan Chase  
Lord Nicholas Stern LSE / NCE  
Debra Schwartz MacArthur Foundation  
Aron Betru (Chris Lee) Milken Institute  
Charlotte Petri-Gornitzka (Paul Horrocks) OECD – DAC  
Elizabeth Littlefield OPIC (former)  
Lorenzo Bernasconi Rockefeller Foundation  
Daniel Hanna (Katharine Steger) Standard Chartered Neo Gim Huay Temasek  
Rick Samans (Alex Wong) WEF
Potential Partners For THK Forum
Achieving SDG is not just economic benefit but achieves **Happiness.**

**SDG Pyramid to Happiness** is based on the Balinese philosophy “Tri Hita Karana” (Three Ways to Happiness) — the Harmonies of People, Nature and the Spiritual.
Presidential decree
Number 59, Year 2017

In support of the Sustainable Development Goals
"The OECD DAC Principles are another important step forward to align the international community, and especially, the key development participants, around mobilizing the funding that can help deliver the SDGs"

H.E. Luhut B. Panjaitan
Coordinating Minister for Maritime Affairs, Republic of Indonesia
- Quote on Cover of “OECD DAC Blended Finance Principles” Report
Building a Climate-Resilient Indonesia

O f the sidelines of the United Nations General Assembly last week, I spoke with business leaders at the Bloomberg Forum on Indonesia’s commitment to a climate-smart future. As finance minister, the climate-financing aspect of this development challenge is within my purview and I am deeply passionate about it.

There is continued support and growing expectation for the private sector’s increased role in developing creative and innovative financial instruments for carbon financing – including carbon offset schemes – for adaptation and mitigation projects. The function of local governments is also being widely recognized as important to support the challenges related to their critical role at the grassroot level.

By 2050, the world will need to feed 9 billion people while reducing emissions and creating climate-resilient food security. An additional 1.1 billion people will require access to electricity while transitioning from fossil fuels. Climate change remains the top concern of Global leaders this year’s World Economic Forum. Climate change challenges and opportunities are just over the horizon.

As the fourth largest nation in the world, Indonesia will play an important role in meeting this global challenge. The milestone we’re trying to achieve is to achieve a 41 percent reduction in greenhouse gas (GHG) emissions by 2020 (the United Nations Nationally-Determined Contributions (NDC), Indonesia requires international support not only for financial resources, but also expertise, knowledge and technology development to sustain our effort. Thus, an innovative financing strategy to achieve sustainable development goals, environmental conservation and GHG emission reduction activities are essential.

The government encourages the private sector to participate in climate change financing through their own funding or public-private partnerships. As part of the budget instrument, the Finance Ministry has provided several fiscal incentives to support the NDC and to promote investments in renewable energy. These fiscal instruments include tax holiday and allowance, income tax facility for the geothermal sector, as well as VAT and import duty exemptions for capital goods.

In addition, the ministry has also produced various instruments to support investors in mitigating climate change, namely the volatility gap fund, guarantee fund from the tax instruments, project feasibility fund and private sector facility in conjunction with the Green Climate Fund under the UN Framework Convention on Climate Change.

With regards to innovative finance mechanisms, the ministry is considering issuing thematic bonds, which cover not only green-related instruments but also provide a broader set of objectives in achieving the Sustainable Development Goals (SDGs) by 2050. The proceeds of the bonds will help finance Indonesia’s NDC, such as climate-smart agriculture, forestry and land use, renewable power generation, water management and sanitation, industrial waste processing, urban management, as well as sustainable consumption – all of which are pertinent issues to addressing economic inequality.

To map out the financing support of this national budget, Indonesia has been developing a mechanism to identify all related green programs through budget tagging since 2019. This budget-tagging data will be an important consideration of budget allocations to match government priorities for climate change financing.

In addition, the data will serve as a reference point for the international community to demonstrate Indonesia’s commitment to this agenda – namely on finance mobilization and provision. Toward the post-2020 climate finance architecture, the role of the ministry will be more critical in formulating key policies, namely in harmonizing international climate finance and fiscal policies as well as coordinating and allocating public funding to secure more financial gaps. In addition, there needs to be a reassessment that climate change-related investments include the proper assessment of environmental and social safeguards when seeking public co-financing.

Developing green energy sources is an essential factor to achieve the targeted NDC. Indonesia has set its energy mix strategy and the government aims to significantly decrease the percentage usage of oil and coal to substitute it with renewable sources. In addition, Indonesia has also identified key priority sectors in its current climate adaptation program.

The Environment and Forestry Ministry has acculturated the main source of emissions in the provinces and regions, which varies from agriculture, forestry, mining, as a reference point for the international community to demonstrate Indonesia’s commitment to this agenda – namely on finance mobilization and provision. Toward the post-2020 climate finance architecture, the role of the ministry will be more critical in formulating key policies, namely in harmonizing international climate finance and fiscal policies as well as coordinating and allocating public funding to secure more financial gaps. In addition, there needs to be a reassessment that climate change-related investments include the proper assessment of environmental and social safeguards when seeking public co-financing.

H.E. Sri Mulyani Indrawati, Minister of Finance, Republic of Indonesia .... On pioneering policy guidelines to support Climate and Finance for Sustainable Development Goals
OECD BLENDED FINANCE PLENARY

Indonesia advancing to international platform on sustainable development

Wimboh Santoso, Chairman of OJK, speaking at a Plenary Session in OECD Private Finance for Sustainable Development Forum in Paris, January 2018
Economic opportunities with Achieving SDGs 2030

The Business Commission estimates at least $12 trillion in economic opportunities and 380 million new jobs by 2030.

Better Business Better World Report, January 2017
In the fourth industrial revolution, scaling up solutions require applying innovative solutions and platforms. These are opportunities across three realms:

- **Ecological**: sustainable cities, circular economy, minimize the Climate change, safe and clean oceans, biodiversity preservation;
- **Social**: eradicate poverty, health safety net, skills STEM education, infrastructure, develop new economy models to minimize the inequality including gender and rural;
- **Spiritual**: improve resilient self toward peace with mindfulness, wellness, inclusiveness and harmony in diversity Pancasila.

**WHY IS INNOVATION IMPORTANT FOR INDONESIA AND THE WORLD?**

Blended Finance and Innovation for Better Business Better World is instrumental in bridging the gaps at a critical time and Indonesia can play a key role in this global agenda.
Challenge – Business Sustainable Development Commission (BSDC) and UN SDSN estimate total needs of infrastructure $6 trillion p.a. over next 15 years, with 70 percent in infrastructure. Based on current levels of public and private sources, the next 15 years will see shortfall of $2-3 trillion p.a.
What is **Blended Finance**?

**Source:** Adapted from ‘OECD DAC Blended Finance Principles’ report
Day One
Wed, 10 Oct 2018

Innovation for SDGS

**INNOVATION FOR SDGS**

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<td>Opening Ceremony and Welcome Note</td>
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<td>Guest of Honor Keynote Address: Blended Finance and Innovation for Business Better World</td>
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<td>H.E. Joko Widodo, President of the Republic of Indonesia (TBC)</td>
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<td>Plenary Session 1: Setting the Scene - Solve our Way for SDGs</td>
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<td>Plenary Session 2: Fostering Indonesia’s Innovation and Technopreneur Ecosystem</td>
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<td>MORNING TEA BREAK</td>
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<td>Plenary Session 3: Attracting Development Funds and Venture Capitalists for Innovation</td>
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<td>Briefing and Convening for Outcome Groups on Solutions for Key Areas</td>
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<td>Concurrent Session : 5 Outcome Groups</td>
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<td>Outcome Group 1: Smart Ocean Health and Blue Finance</td>
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<td>Outcome Group 3: 100 Islands Solution: Waste To Energy, Geothermal, Micro and Smart Grids</td>
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<td>Outcome Group 4: Connectivity Paradigm: Mobile to Satellite Platform for SMEs and Women Microcredit</td>
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<td>Outcome Group 5: Happiness Paradigm: Eco Culture Tourism, Health and Wellness</td>
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<td>PICKUP &amp; TRANSPORT TO KURA-KURA BALI</td>
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**Balinese Cultural Activities & Gala Dinner**
- UN SDSN Southeast Asia Council
- Tsinghua University Southeast Asia Center Groundbreaking
- Island of Happiness UN SDSN Coastal Design HeroX Award

*Note: Agenda subject to change as required by Organisers*
Day Two
Thurs, 11 Oct 2018

Blended Finance for SDGs

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<td>0830 - 1730</td>
<td><strong>Opening Keynote Session:</strong> Why Climate Finance is Key to the Survival of Our Planet</td>
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<td><strong>Blended Finance Keynote Plenary Session</strong></td>
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<td><strong>Women on a Mission</strong></td>
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<td><strong>MORNING TEA BREAK</strong></td>
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<td><strong>PLENARY SESSION 1:</strong> Setting the Scene Panel</td>
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<td><strong>Better Finance Better World: Scaling up Blended Finance</strong></td>
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<td><strong>PLENARY SESSION 2:</strong> Global Showcase of Blended Finance</td>
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<td><strong>Outcome Group 1:</strong> Green Sukuk Bond / SDG Invest Indonesia Fund</td>
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<td><strong>AFTERNOON TEA BREAK</strong></td>
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<td><strong>Closing Plenary Session</strong></td>
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<td><strong>Making Blended Finance Mainstream: New Initiatives</strong></td>
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### Smart Ocean Health and Blue Finance

**Government Patron**
Coordinating Ministry of Maritime Affairs

*(Hosted by WEF/ World Bank)*

- World Resources Institute
- World Bank Project on Solid Waste engaging businesses on Circular Economy solutions
- First Eastern Investment Group – Smart Oceans Fund (Proposed at WEF Oceans workshop)
- Walton/Packard Foundations - Smart Fishery (UID)
- Blue Climate Finance - Anote Tong and CI/NASA– Kiribati (tbd)

### Belt and Road Initiative on Creative Tech Park And Impact Incubators

**Government Patron**
Ministry of Industry

*(Hosted by Tsinghua University)*

- Tsinghua University Southeast Asia Center (T.SEA)/TUSPark (Tsinghua University Science Park)/HeroX on Eco Seawall/MIT R.E.A.P (Regional Entrepreneurship Acceleration Program)/Silicon Valley University (UID)
- White Paper on Blended Finance for Techpark and Industri 4.0 (tbd)
- Ruth Shapiro, Centre for Asian Philanthropy and Society (CAPS)/LGT
- On impact Incubation Asia Pacific Research (tbd)
100 Islands Solution: Waste to Energy, Geothermal, Micro and Smart Grid

Government Patron: Ministry of Energy and Mineral Resources
(Hosted by IMF)

- Plastic Energy (Bali Surabaya UK fund SMI (tbd))
- Energy Blended Finance (UK aid/AFD) – SMI
- Geothermal Exploration Drill (WB/New Zealand Aid) - SMI

Connectivity Paradigm: Mobile to Satellite Platform for SMEs and Women Microcredit

Government Patron: Ministry of Communication and Informatics
(Hosted by GSMA/ TBD)

- GSMA Research Report
- National Multifunction Satellite SMI
- Solar Women Microcredit Sewa in India – IFC
- Women’s World Banking/ Bill and Melinda Gates Foundation (tbd)
- Alibaba/Microsoft (tbd)
PROPOSED OUTCOME GROUPS, GOVERNMENT PATRONS & HOSTS

Happiness Paradigm: Eco Culture Tourism, Health and Wellness

- Sustainable Development Solutions Network (SDSN)
- Hospital Projects - SMI
- Lake Toba
- Kura Kura Bali

Government Patron
Ministry of Tourism
(Hosted by UID/SDSN)

Green Sukuk Bond / SDG Invest Indonesia Fund

- World Economic Forum
- SystemiQ
- CDB/AIIB/UK govt to support AIIB on SDG Invest Indonesia Fund

Government Patron
Ministry of Finance
(Hosted by WEF / SystemiQ/BSDC)
PROPOSED OUTCOME GROUPS, GOVERNMENT PATRONS & HOSTS

Policy Lab for Blended Finance and Innovation for Better Business and Better World

- Milken Institute/OECD (White Paper being prepared)

Government Patron
Ministry of National Development Planning
(Hosted by Milken Institute / OECD)

Resilient Cities: Infrastructure, Affordable Water, Housing and Transportation

- SPAM Umbulan Clean Water –SMI
- Water project (IFC) (tbd)
- LRT Medan - SMI
- C40 Cities/ Bloomberg/ Hong Kong Transportation/ Rockefeller Foundation (tbd)
- National Transport – SMI (tbd)

Government Patron
Ministry of Public Works and Public Housing / Ministry of Transportation

(Hosted by WEF/ IFC)
PROPOSED OUTCOME GROUPS, GOVERNMENT PATRONS & HOSTS

Food and Sustainable Land Use

Government Patron
Coordinating Ministry of Economic Affairs
(Hosted by ICC)

- World Resources Institute
- EAT Foundation
- Business and Sustainable Development Commission (BSDC)
- International Institute for Applied Systems Analysis (IIASA)
- World Business Council for Sustainable Development
- The Nature Conservancy

Better Finance Better World: Driving Blended Finance with Sustainable Finance

Government Patron
Otoritas Keuangan Jasa (OJK)
(Hosted by Financial Services Authority, Indonesia (OJK) / TBD)

- Showcase banks initiatives on blended and sustainable finance led by OJK
- Champions of 8 to 40 Local
- International HSBC (tbd)
Through its co-organisers, the 2018 Tri Hita Karana Forum Sustainable Development will bring together about 200 – 250 senior level leaders from around the world and across the region.
It is our task to help make this collaboration a reality for the sake of a sustainable future for our children.
For more information on the opportunities for sponsoring partners, please contact: info@thkforum.org

Thank You.
Please Join Us.

For updated information, please visit www.thkforum.org