Climate Finance and Gender Balance

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“Women in the Geothermal Industry Event”

New Zealand Embassy, Jakarta, Indonesia
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Agenda

Role of PT SMI in Supporting SDG’s and Climate Change Programs

Strategic Partnership to Boost Green Investment

Gender Balance Issues
PT SMI Eligible Sectors for Sustainable Finance

- Municipal Waste Management
- Irrigation
- Drinking Water Supply System
- Low Emission Transportation
- Social Infrastructure
- Industrial and Domestic Waste Water Treatment System
- New and Renewable Energy
- Energy Efficiency
- Geothermal Energy
- Solar PV
- Biomass Energy
- Wind Energy
- Green Building
- Smart Street Lighting
PT SMI Has a Role to Support SDG’s and Climate Change Programs

Various & Flexible Financing Products
To close the gap; e.g. senior loan, mezzanine, shareholder’s loan and equity investment

Financing facility for regional government to accelerate infrastructure development

Optimization of Strategic Partnership and Technical Assistance from bilateral/multilateral organizations

Enabler to accelerate infrastructure development
Providing advisory services, project development, capacity building

Fund Raising Optimization (leveraging) from capital market, conventional & sharia banking, bilateral and multilateral organization

To Support Sustainable Development Goals (SDGs) and Climate Change programs
Setting up a special division, Green Climate Fund (GCF) accreditation, ESMF guidelines, renewable energy promotion

Optimizing Economic & Social Benefit

Innovative Financing Products

Enabler of Infrastructure Development

Regional Government Infrastructure Development

Supporting SDG’s and Climate Change

Strategic Partnership

Fund Raising

Risk Management Framework

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The Role of PT SMI as a Catalyst in Infrastructure Projects For Supporting Sustainable Development Goals (SDGs)

**Sustainable Finance Initiatives**

1. Establishment of Sustainable Finance Division
2. PT SMI has been accredited by Green Climate Fund (GCF)
3. Signing of Accreditation Master Agreement (AMA) with GCF

**Environmental and Safety Management Frameworks (ESMF)**

1. PT SMI actively support Sustainable Development Goals (SDGs)
2. Guidelines of Environmental and Safety Management Frameworks (ESMF)
3. Public Consultation of ESMF guidelines

**Geothermal Fund**

1. Managing geothermal fund from the Government Investment Agency (PIP) (Rp 3,1 trillion)
2. Grant Agreement with the World Bank Group (CTF and GEF Fund) with amounting of USD 55,25 million for the exploration of geothermal energy
As of December 2017, PT SMI’s commitment on Sustainable Finance is amounting IDR 7.08 Trillion (~USD 522,69 Million) or 12.00% from total portfolio which amounting IDR 59.03 Trillion (~USD 4.35 Billion)
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Strategic Partnerships with Bilateral / Multilateral Institutions in Sustainable Financing

**Technical Assistance**

- **MCA Indonesia**
  - Grant USD 600 million for Project Development

- **UNDP**
  - Technical Assistance
  - Wind Power - USD 300,000

- **GIZ**
  - Consultation RE & Policy Advice CC (PAKLIM)

- **GGGI**
  - Collaboration for Green Projects Promotion

**Financing**

- **AFD**
  - Soft Loan USD 100 million, Grant USD 5 million, & TA EUR 400,000 for RE & EE

- **JICA***
  - Private Sector Investment Finance (PSIF)

- **JBIC***
  - Green Financing Facility

- **GCF**
  - As Accredited Entity

**Geothermal Support Fund**

- **Implementing Agency**
  - USD 49 million

- **Clean Technology Fund (CTF)**
  - USD 6.25 million

- **gef**
  - NZD 2.13 million

* Development Stage
<table>
<thead>
<tr>
<th>Category</th>
<th>GCF Board Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum size of an individual project or activity within a programme</strong></td>
<td>Small (Including Micro)</td>
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<tr>
<td></td>
<td>Total project cost $\leq$ USD 50 juta</td>
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<tr>
<td><strong>Fiduciary Function</strong></td>
<td>1. Basic fiduciary standards;</td>
</tr>
<tr>
<td></td>
<td>2. Project management</td>
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<td></td>
<td>3. Grant award and/or funding allocation mechanism;</td>
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<td></td>
<td>4. On-lending and/or blending (for loans)</td>
</tr>
<tr>
<td><strong>Maximum environmental and social risk category</strong></td>
<td><strong>Medium Risk (Category B/Intermediate 2 (I-2))</strong></td>
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<tr>
<td></td>
<td>Mild adverse environmental and/or social risk, generally site specific, largely reversible, readily addressed through mitigation measures</td>
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**GCF Funding Type:**
- Readiness and Preparatory Support
- Project Preparation Facility (PPF)
- Funding (Investment) Proposal

**GCF Impact Area:**
- Energy generation and access
- Transport
- Reduced emissions from
- Buildings, cities, industries and appliances
- Forests and land use
- Ecosystems and ecosystem services
- Health, food and water security
- Livelihoods of people and communities
- Increased resilience of infrastructure and built environment
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Strategic Partnership to Boost Green Investment

Gender Balance Issues
Women have been under-represented in the climate finance landscape. The energy industry still has one of the highest gender inequality among other sectors. But the renewable energy sector seems to be less discriminatory against gender given that it is a newer, non-traditional field. Women represented around 25% of all Board Chairs of the companies in the energy sector and only 8% of the CEOs and main Managing Directors of companies in the sector. Estimates by the International Renewable Energy Association (IRENA) showed that 6.5 million people are now employed worldwide in renewable energy sector. But these jobs are not reaching women the same rate as men. One of the causes is fewer women taking technical training in science, technology, engineering, and math (STEM).

Studies have shown benefits of gender balance in decision making of a company:

1. Research by Catalyst found that women’s presence on the Board led to higher financial performance compared to companies with no women on their Board.

2. Analysis on group decision making by the MIT Center for Collective Intelligence found that diversity led to better decisions.

3. Research by Goldman Sachs found that in BRICS and N-11 countries, improving the gender gap in employment can lead to higher income per capita.

Gender Mainstreaming Milestones in Indonesia

1. **Law number 7 - 1984**
   - Convention on the Elimination of All Forms of Discrimination Against Women

2. **Presidential Instruction number 9 - 2000**
   - Gender mainstreaming in national development

3. **MoF regulation number 119 – 2009**
   - Applying gender responsive budget in 7 ministry offices for each of their programs

4. **MoF regulation number 104 – 2010**
   - Extending gender responsive budget into other areas of social, economy and politics

5. **Guidelines for Municipal budget 2012**

6. **MOHA regulation number 22 – 2011**

7. **Guidelines for Municipal budget 2012**

8. **Manuals number 270 – 2012**
   - (Bappenas, MoF, MOHA, Minister for Women & Child Empowerment)

- National strategy for accelerating gender mainstreaming through gender responsive planning & budgeting
Gender Policy is embedded in the Implementation of PT SMI Environmental and Social Safeguard

**PT SMI ESS Architecture**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Procedures</th>
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</thead>
<tbody>
<tr>
<td>Compliance of the Environmental and Social Rules and Regulations</td>
<td>Evaluating E&amp;S Risk</td>
</tr>
<tr>
<td>ESS Governance and Management System</td>
<td>Transaction Screening</td>
</tr>
<tr>
<td>Risk Categories</td>
<td>Risk Identification</td>
</tr>
<tr>
<td>Biodiversity and Natural Resources Management</td>
<td>E&amp;S Due Diligence</td>
</tr>
<tr>
<td>Land Acquisition and Resettlement</td>
<td>Conditions of Financing</td>
</tr>
<tr>
<td>Indigenous People and Cultural Heritage</td>
<td>Monitoring E&amp;S Risk</td>
</tr>
<tr>
<td>Gender Policy</td>
<td>Reviewing Client/ E&amp;S Performance</td>
</tr>
<tr>
<td>Consultation and Grievance Handling Mechanism</td>
<td>Managing non-Compliance</td>
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</tbody>
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Continuous capacity and capabilities improvement

Monitoring and Reporting

ESS: Environmental & Social Safeguards
Women are more vulnerable toward climate change impact and their living are more dependable to the resources of nature having threat from climate change

Natural disaster i.e. water crises, industrial pollution, or flood had affect women in accessing clean water for household and food for daily living. They are then more vulnerable to various disease.

Climate change affect coastal societies (fishermen), people live in remote islands or people who rely their live on natural resources (forest & river)

Environmental damage & climate change could cause human migration. The consequence of significant migration make women become vulnerable to mortality. Since migration require significant change in the use for land and other environmental component.

Similarly with men, women are able to become effective actor or agent of change which regards to mitigation & adaptation

Men & women have not been involved equally in the stage of planning, execution and also decision making process.

Gender based information system (data base) especially in climate change has not been well established, hence the policy, program and initiatives are not driven by factual data.
PT SMI’s Gender Policy

Main objective

To ensure that the gender-responsive approach is applied to the process of infrastructure funds management

Principles of adopting the gender policy

1. Commitment to gender equality and fairness
2. Inclusivity in terms of gender-related aspects in all activities involving PT SMI’s funds.
3. Responsible towards impacts and outcome of infrastructure development involving PT SMI taking into account the importance of gender perspective
4. Conformity with national regulations and policies and partner’s priorities
5. Competent in organizing the entire funding framework
6. Equitable and fair allocation of resources in order to achieve equal benefit for men and women from infrastructure development activities.
PT SMI’s Gender Action Plan is divided into five priority areas in which each priority requires an action implementation.

1. Strengthening governance and institutional structure of PT SMI
2. Gender Capacity Enhancement
3. Programs and Policies - Operations and Administration
4. Formulating Outputs, Outcomes, and Impacts Indicators for the purpose of Monitoring and Reporting
5. Documentation and Dissemination: Results-based Management
THANK YOU

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#baktiuntuknegeri