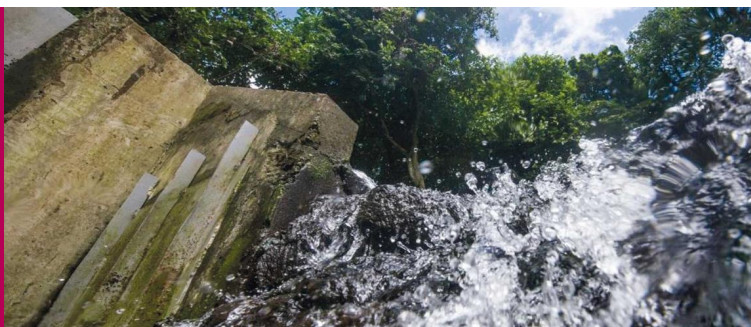


INDONÉSIE

Promoting renewable energy and climate investments through a green credit line to PT SMI, a key public financial institution of Indonesia



AFD has partnered with PT SMI, the Indonesian state-owned Infrastructure Finance Company, to support credits dedicated to renewable energy, water and sanitation, public transport and any other climate and sustainable development goals (SDG) related investments.

CONTEXTE

Since the financial crisis of the late 1990s, Indonesia has suffered from chronic under-investment in infrastructure, which is now lagging significantly behind countries of similar size and level of development. This weak development of infrastructure is a source of fragilities and inequalities. The lack of water and sanitation infrastructure contributes both to still high rates of infant mortality and pressure on water resources. The lack of urban transport public infrastructure contributes both to widen inequalities and to increase greenhouse gas emission. Low development of renewable energies leads to increase greenhouse gas emissions and reducing air quality.

DESCRIPTIF

To support the increase of credit dedicated to climate-related investments, AFD provides long-term financial resources and technical assistance to PT SMI. AFD granted to PT SMI a first US\$ 100M credit line, dedicated to the financing of infrastructure projects with climate benefits (mitigation or adaptation) and a US\$ 5M grant dedicated to the financing of renewable energies and allowing PT SMI to partially cover the risks taken in this sector. Finally, a €400K technical assistance program has been granted to strengthen PT SMI's procedures and support project appraisal. The grant and the technical assistance program were financed by funds delegated by the British Cooperation (DFID).

In July 2019, a second support has been approved by AFD Board in the form of a US\$150M credit line, a EUR 600K grant for technical assistance, and a EUR 5M delegated fund from the European Union for technical assistance and investment grant.

IMPACTS

The first support to PT SMI finances a dozen projects in the water, energy efficiency and renewable energy sectors, representing US\$300 million in investments and a reduction in greenhouse gas emissions equivalent to 250,000 tons of CO2 per year. More than

01/12/2015

Date de début
du projet



Indonésie
Localisation



Financial Systems , Energy ,
Infrastructure
Secteur(s)



Non Sovereign Non
Concessional Loan
Grant
Outils de financement



100 000 000 USD
Montant du financement



10 ans
Durée du financement

ONGOING

État

PTSMI

Bénéficiaires



one million people in urban areas will also benefit from better access to water through water supply projects supported by AFD and PT SMI.

