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Citi Indonesia

December 15, 2023

Citi Global Perspectives & Solutions Released
'Unlocking Climate and Development Finance',
Addressing Global Climate Finance Challenges

Jakarta, December 14, 2023 – Citi through Citi Global Perspectives & Solutions (Citi GPS) released a new report entitled 'Unlocking Climate and Development Finance' which examines how to increase the flow of money into the geographies, industries, and projects where it can make a significant impact while generating a suitable risk-adjusted return.

The study highlights how insufficient mobilization of finance has been the mismatch between the risk appetite of the capital and the risk profile of the climate change projects. While facilitating capital flows is well understood, more bankable and investable projects are needed to support efforts combat climate change.

Over the past decade, amazing progress has been made toward addressing climate change. In 2015, 196 parties adopted the breakthrough Paris Agreement at the COP21 meeting, creating an international treaty focused on keeping the rise in the mean global temperature below 2°C above pre-industrial levels. At the COP26 meeting in 2021, world leaders assembled again to lay out a global agenda and established an actionable framework for a path to net-zero emissions. The next challenge was figuring out how to pay for global action on climate change.

Between 2016 and 2020, climate-related projects mobilized between \$600 billion and \$900 billion on average annually. However, to reach the IEA Net Zero by 2050 Scenario, an estimated \$125 trillion is required over the next 30 years. Despite a near-doubling of global finance flows in 2022 to \$1.4 trillion, the estimated annual climate finance gap between 2030 and 2050 is nearly 7x 2022 flows.

Investment progress in the current energy transition in developed markets is carried out via private capital financing, while in emerging markets primarily from public sector capital and supranational organizations. To achieve already-established global climate goals, much of the climate finance in the coming decades will be in emerging markets. The East Asia and Pacific region drew 47% of overall climate finance flows in 2022 and Western Europe another 24%, while Sub-Saharan Africa and the Middle East and North Africa — regions most vulnerable to the impact of climate change reported receiving only 2% and 1% of overall flows, respectively.

In Indonesia, On November 2022 during the G20 Leaders' Summit, a Just Energy Transition Partnership (JETP) between the International Partners Group (IPG) and Indonesia was launched to mobilize \$20 billion in public and private financing to drive home the Asian country's climate



and energy targets. The \$10 billion in private finance will be mobilized by GFANZ which is co-led by Citi and other 6 banks, while the other \$10 billion in public funds will be mobilized by IPG members, co-led by US and Japan.

Government officials should work with multilateral development banks (MDBs) development finance institutions (DFIs), and importantly the private sector, to prepare complete feasibility studies that further their climate agendas. Private sector corporates and financial institutions also play a role – their ability to understand risks, markets, and the immense opportunities ahead is imperative.

Batara Sianturi, Chief Executive Officer Citi Indonesia stated “At Citi, we continue to use our expertise to support our clients in addressing global challenges and navigating the energy transition. We hope that this report can provide a clearer understanding of how to achieve the investment needed to tackle the greatest challenges facing the economy, society, and the global environment, all enshrined in the UN Sustainable Development Goals.

Together with globally responsible partners in private and public sectors, Citi will continue to support clients fully on their transition journey, such as mobilizing sustainable financing in carbon-intensive sectors, and mobilizing private capital in emerging markets for the energy transition.

In Indonesia, Citi has led several important environmental and sustainability-related initiatives, including:

- The inaugural green bond issuance for PT Pertamina Geothermal Energy Tbk (PGE) at a priced of USD 400 million
- Sustainable Supply Chain Finance (SSCF) deal with Coca-Cola Europacific Partners Indonesia which will support both companies’ sustainability agenda. The SSCF Program helps clients in achieving their sustainability goals, while supporting suppliers with incentivized supplier pricing as they work to meet our clients’ key sustainability objectives.

And many other Sustainable Financing Transactions to support Citi’s global commitment of \$1 trillion to sustainable finance by 2030.

The full report can be accessed on Citi’s website [here](#).

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About Citi Global Perspectives and Solutions

As our premier thought-leadership product, Citi Global Perspectives & Solutions (Citi GPS) is designed to help our clients navigate the global economy's most demanding challenges, identify future themes and trends, and help our clients profit in a fast-changing and interconnected world. Citi GPS accesses the best



elements of our global conversation and harvests the thought leadership of our research analysts and a wide range of senior professionals across our firm.

About Citibank N.A., Indonesia

Citibank, N.A., Indonesia (Citi Indonesia) is a full branch of Citibank, N.A., a wholly owned subsidiary of Citigroup, Inc., which is based in New York, United States of America. Citi is a preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in its home market of the United States. Citi does business in nearly 160 countries and jurisdictions, providing corporations, governments, investors, institutions and individuals with a broad range of financial products and services.

In Indonesia, Citi was established since 1968 and is one of the country's largest foreign banks. Citi operates 9 branches in four major cities – Jakarta, Bandung, Surabaya, and Medan. In Indonesia, Citi has a corporate distribution network of around 776 locations in 38 provinces. Citibank N.A., Indonesia is connected to the ATM Bersama and ATM Prima network with more than 197,000 ATM terminals spread across various locations throughout Indonesia.

In 2023, Citi Indonesia received prestigious awards as Best Bank for Sustainable Finance, Best Bond Adviser, Best Social Loan and Digital Bank of The Year from The Asset Magazine. Citi Indonesia was also named the Best Credit Card, Best Debit Card, Best Wealth Management, 2nd Best Saving Account for Foreign Bank categories and The Trailblazers Bank of Service Excellence by Infobank magazine, as well as Best Foreign Bank by Bisnis Indonesia.

Additional information may be found at www.citigroup.com | Twitter: @Citi | YouTube: www.youtube.com/citi | Blog: <http://blog.citigroup.com> | Facebook: www.facebook.com/citi | LinkedIn: www.linkedin.com/company/citi. To enjoy a digital banking experience, please visit www.citibank.co.id.

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