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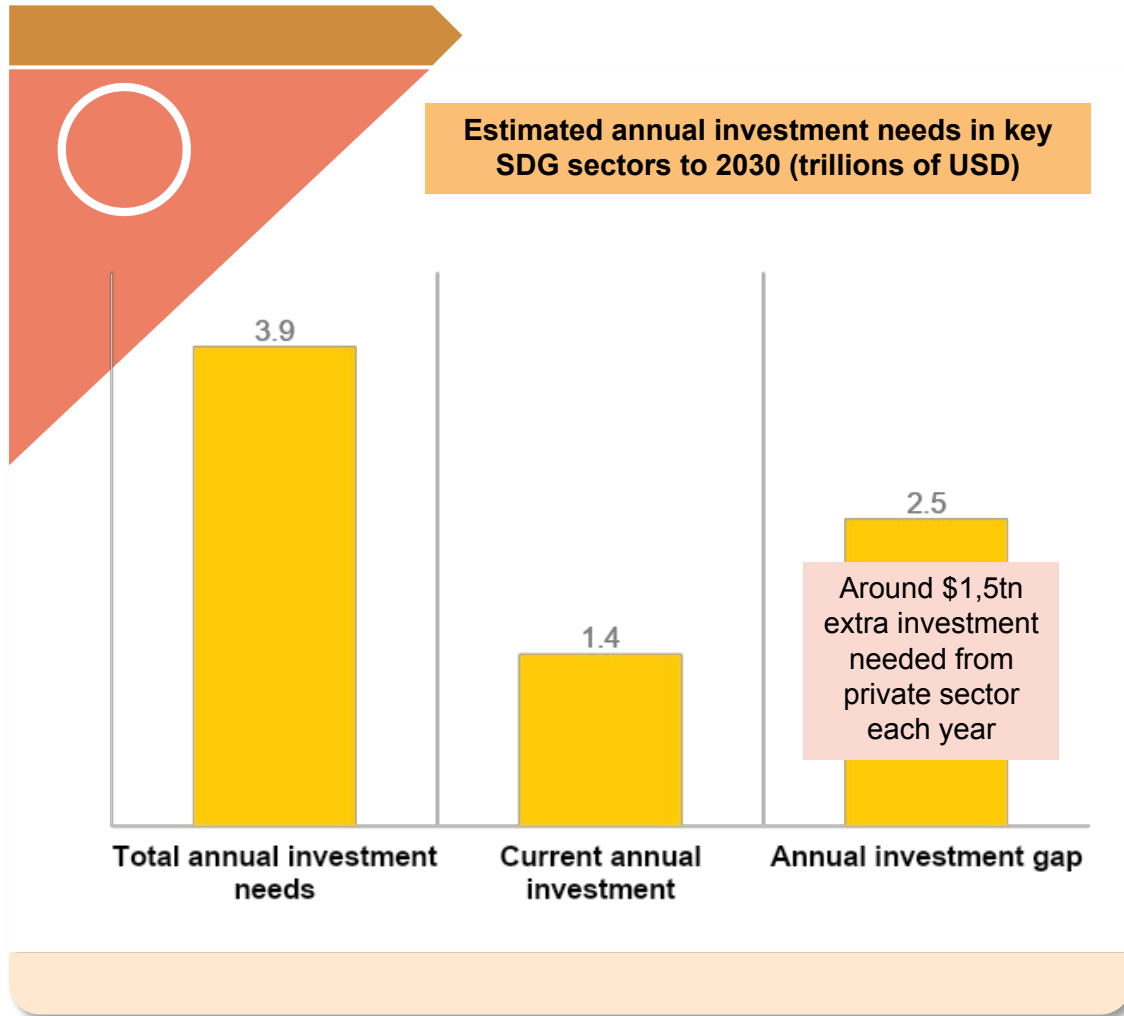


CLOSING REMARKS: GLOBAL DEVELOPMENTS OF BLENDED FINANCE

Minister of National Development Planning/ Head of National Development Planning Agency
Presented in G20 Bali GBFA – China – ASEAN Capacity Building on Blended Finance
Bali, January 23rd, 2024



SDGs cannot be achieved by each country in isolation. They should be achieved through global leadership and shared responsibility..



Closing the funding gap for the SDGs is a global challenge.



The funding gap is even more critical in developing countries, where systemic bottlenecks prevent more capital from flowing.



Blended finance is a strategic use of development finance (public and/or philanthropic funds) for the mobilization of additional commercial finance towards sustainable development in developing countries.



Global Blended Finance Alliance (GBFA) is an effort to close the funding gap in developing countries in climate change action and achieving SDGs.



THE PRINCIPLES OF INCREASING BLENDED FINANCE THAT NEED TO BE A REFERENCE FOR GBFA



Supporting the deepening of local financial markets and the domestic financial system,



Adjusting the implementation of blended finance to suit the local context of each country,



Improving impact management and measurement as well as transparency and accountability



GBFA IS EXPECTED TO IMPLEMENT THE G20 PRINCIPLES TO SCALE-UP BLENDED FINANCE

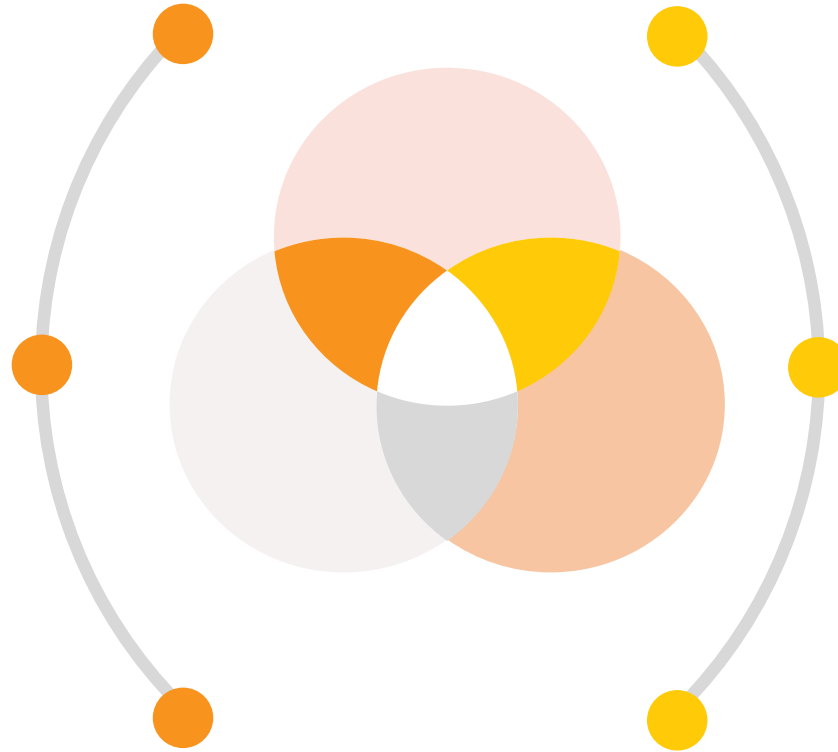


GBFA role

A platform for knowledge sharing, implementation and innovation of Blended Finance policies in developing countries;

The role of matchmaking information related to demand and supply of Blended Finance projects.

A platform for project preparation or providing support to the market to be able to propose bankable projects,



GBFA characters



Placing GBFA as a solution to problems on an international scale, providing mutual benefits for partners and member countries.

Follow market dynamics and interests/ appetites.

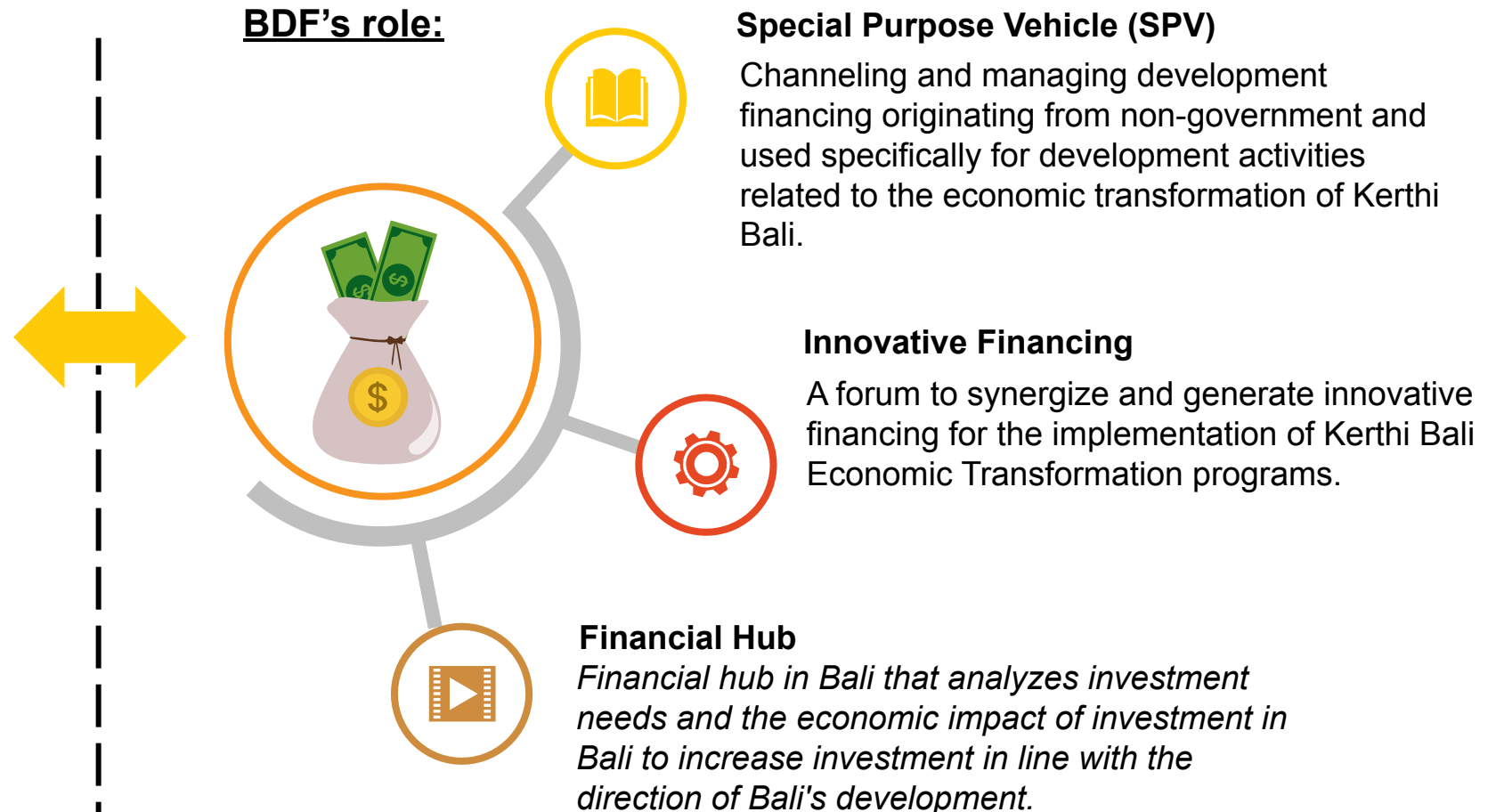
Accommodating the needs of the private sector and the perspective of the philanthropic sector.



GBFA NEEDS TO BE IMPLEMENTED TO THE REGIONAL LEVEL

The implementation of GBFA is expected to be integrated with the Bali-Kerthi Development Fund (BDF).

- Bali-Kerthi Development Fund (BDF) was formed one of them to mobilize non-government budgets including in blended finance schemes.
- **The integration and cooperation of GFBA and BDF (local level) can be an early pilot for GBFA implementation at the regional level.**





POTENTIAL IMPLEMENTATION OF GBFA AT THE LOCAL LEVEL: BALI KERTHI DEVELOPMENT FUND (BDF) AS SPV

Benefits of GBFA Cascading Mechanism with BDF

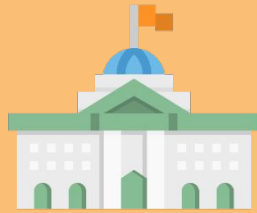
- Increasing effectiveness & efficiency: Sources of financing from various sectors to be combined effectively and efficiently.
- Increasing access to financing: This mechanism can help SDGs projects that have high potential to gain access to the financing they need.
- Increasing collaboration between sectors: encouraging collaboration between sectors, both from the public, private and philanthropic sectors.

Cascading Global Blended Finance Alliance (GBFA) Mechanism For SDGs Programs In Bali Province Using BDF As A Special Purpose Vehicle (SPV)

- 1 Strategy Formulation**
Preparation of mixed investment financing strategies to achieve sustainable development goals in Bali Province.
- 2 Budgeting**
At this stage, budgeting is carried out to implement the mixed financing investment strategy that has been prepared
- 3 GBFA - BDF collaboration for implementing projects in Bali**
At this stage, collaboration was carried out in the province of Bali between GBFA and the Bali Development Fund (BDF).
- 4 Project implementation**
Implementation of projects that have been funded by GBFA and BDF. The implementation of these projects must be carried out in a transparent and accountable manner, and in accordance with the plans that have been prepared.
- 5 Monitoring and Evaluation**
Monitoring and evaluation are carried out on the implementation of projects that have been funded by GBFA and BDF by ensuring that the projects run according to plan and produce the expected impacts.



BAPPENAS FULLY SUPPORTS THE FOLLOW-UP IMPLEMENTATION AND OPERATIONALIZATION OF GBFA



The implementation of blended finance needs to be adapted to the local context of each country, so that the involvement of stakeholders from various levels is important in improving blended finance (for example, GBFA integration with BDF).



Bappenas welcomes every effort to strengthen, implement, and operationalize GBFA.

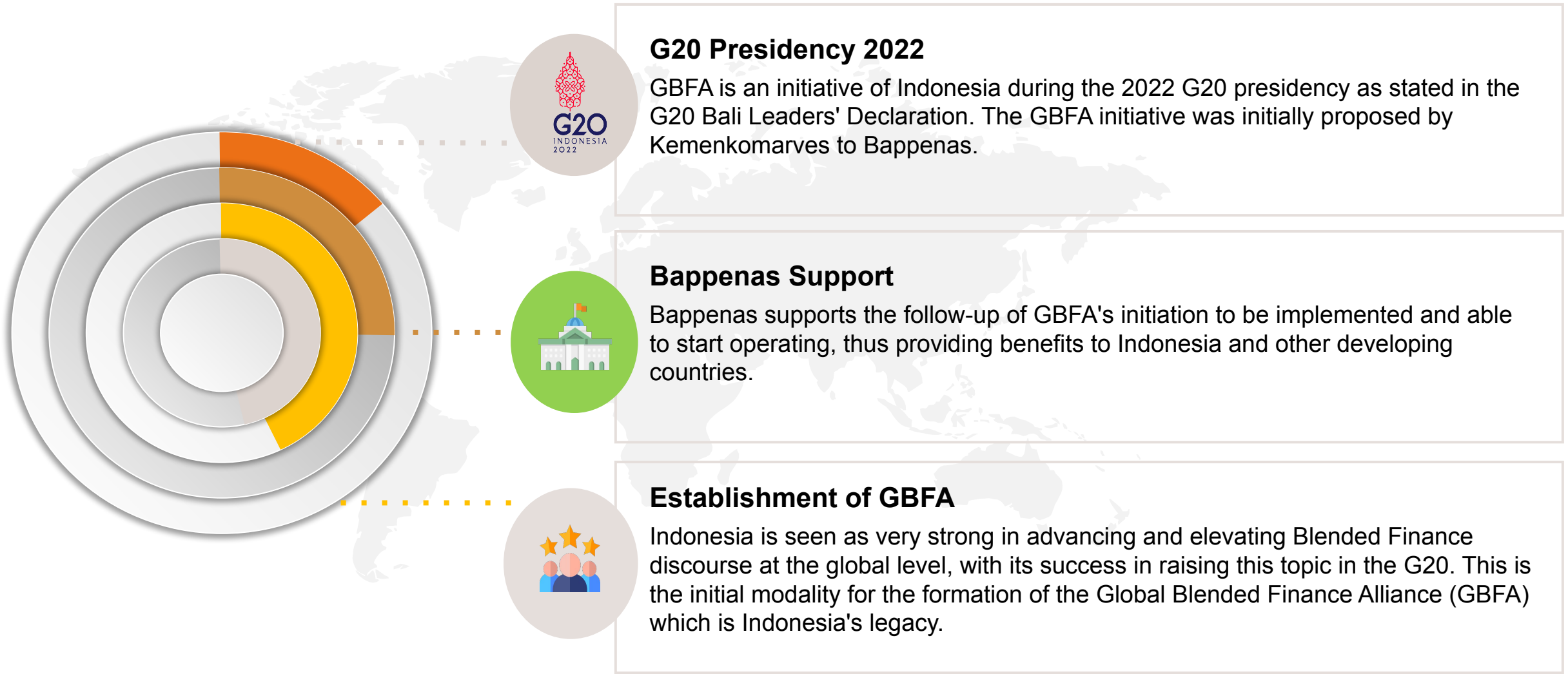
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THANK YOU

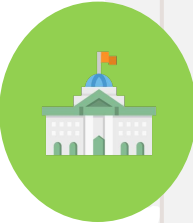


GLOBAL BLENDED FINANCE ALLIANCE BACKGROUND



G20 Presidency 2022

GBFA is an initiative of Indonesia during the 2022 G20 presidency as stated in the G20 Bali Leaders' Declaration. The GBFA initiative was initially proposed by Kemenkomarves to Bappenas.



Bappenas Support

Bappenas supports the follow-up of GBFA's initiation to be implemented and able to start operating, thus providing benefits to Indonesia and other developing countries.



Establishment of GBFA

Indonesia is seen as very strong in advancing and elevating Blended Finance discourse at the global level, with its success in raising this topic in the G20. This is the initial modality for the formation of the Global Blended Finance Alliance (GBFA) which is Indonesia's legacy.



THE STRONG COMMITMENT TO MAKE PROGRESS TOWARDS IMPLEMENTATION OF THE GBFA

The establishment of GBFA's secretariat.

- In the long term, GBFA is expected to become a new international organization.
- AIS Forum is an example of a new international organization that can be a lesson learned in the formation of GBFA.

GBFA Special Envoy

The appointment of GBFA special envoy is to accelerate the diplomatic process with various parties, both state and non-state partners.

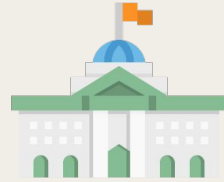
The focus of GBFA

- GBFA has started to work on capacity building for developing countries.
- Strengthening south-south cooperation.



INDONESIA IS COMMITTED TO SUPPORT THE IMPLEMENTATION OF GLOBAL BLENDED FINANCE ALLIANCE

1



Indonesian President's Intervention at G20 India

Innovative funding efforts, such as GBFA and JETP are mentioned in the Indonesian President's Intervention at G20 India 2023 (9-10 September 2023), namely in Session 1: One Earth, as Indonesia's commitment to oversee efforts to form/implement GBFA in the G20 forum and ensure awareness of G20 countries.

2



The development of GBFA is contained in the document "Development Working Group 2023 G20 New Delhi Update".

In this document it has been reported as follows: 'The Global Blended Finance Alliance (GBFA) has established its Secretariat. It has started to work on capacity building and developing project pipelines for developing countries, including LDCs and SIDS'.