Housing Reform and Innovation on a Green Platform
Indonesian Green and Affordable HOUSING PROGRAM

Affordable and Environmentally Friendly Housing Program

IGAHP

MINISTRY OF PUBLIC WORKS AND HOUSING
DIREKTORAT JENDERAL PEMBIAYAAN INFRASTRUKTUR PEKERJAAN UMUM DAN PERUMAHAN
To achieve One Million Homes Program\(^1\), GoI has 2 key instruments:

**Demand Side Subsidy**
- Quantitative Backlog: Home Ownership
  - \(~250,000\) units per year

**Grant: BSPS**
- Qualitative Backlog: Home Upgrading
  - \(~150,000\) units per year

\(^1\) Satu Juta Rumah
IGAHP

**Criteria**

- **20%** Minimum Water Conservation
- **20%** Minimum Energy Conservation
- **29%** GHG Emission Reduction

**Targets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Goal</th>
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<tbody>
<tr>
<td>2022</td>
<td>50,000 Pilot: Green Housing</td>
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<tr>
<td>2024</td>
<td>500,000 Green Housing</td>
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<td>2030</td>
<td>1 Million Green-NetZero Ready Housing</td>
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<tr>
<td>2050</td>
<td>100% NET-ZERO Carbon Housing</td>
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INDONESIAN GREEN-AFFORDABLE HOUSING PROGRAM

- Site Management
  - Low GHG (CO₂) Emission & Indoor Air Quality
  - Waste and Waste-Water Management
  - Water & Energy Conservation (Include Renewable Energy)
  - Less Embodied & Eco-Friendly Material

Green Housing Adaptation
- Green Retrofitting
- Slum Upgrading/Urban Regeneration

New-Build Green Housing
- Developer Housing
- Housing PPP
- Self-Help Housing

Green-Affordable Housing Finance
- Supply-Side Housing Finance
- Demand-Side Housing Finance
Platform Concept: I G A H F

Indonesian Green and Affordable Housing Finance

Potential Partners:
- Green Climate Fund (GCF)
- Adaptation Fund
- ADB (Asian Development Bank)
- AFD (Agence Française de Développement)
- KFW Development Bank
- World Bank

Demandside financing:
- Green-Subsidized Housing Finance
- FLPP
- BP2BT
- TAPER
- MICRO FINANCE
- Low Income HHs

Supply-side financing:
- Green Housing Project Company
- Green Housing Project Equity
- Green Housing Construction Finance
- Green Housing Project Finance
- Developers
- Housing Project
- Self-Help Housing Construction/ Retrofitting

Financial Institutions:
- Bank / Financial Institutions

Blended Finance:
- Green & Affordable Housing Blended Finance
- Green & Affordable Housing Financing Platform
- Green & Affordable Housing Grant
- Certification

TA/Advisory
- PDF
- Incentives

Graphical representation of the platform concept and its potential partners, along with the demand-side and supply-side financing mechanisms.
INCENTIVES AND FINANCING
- Business incentives and ease of licensing
- Housing Project Financing Support (supply side): equity, debt, project finance
- Housing Financing Convenience and Assistance (demand side): mortgage

CERTIFICATION
- Green Building Certificate (SBGH) by the Government
- Ministry of PUPR facilitates issuance of SBGH during transition period

THEMATIC HOUSING BONDS
- Issuance of thematic bonds with underlying housing assets with Green building (BGH) certificates

CAPACITY BUILDING
- Capacity Building of Development actor
- Increase in Local Government Capacity in the establishment of TABG (building experts) and the issuance of SBGH
- Housing Policies and Programs

PROJECT PREPARATION (TA)
- Preparation of Prototypes, basic design, models and guidelines of Environmentally Sound Housing
- Facilitation and Assistance on Project Preparation
Learning from Korea Land & Housing

❖ **Korean green building policy, infrastructure and roadmap:**
How to build an ecosystem for green building, technical support, expansion of zero-energy in newly constructed building and retrofits, and inter-agency cooperation (from institution improvement, subsidy provision and technological development);

❖ **GHG emission reduction as a tool for urban / slum regeneration:**
LH’s experience on the use of carbon credits in Pakistan to partially fund slum regeneration efforts

❖ **Housing PPP development:**
Structure, Design, Financing