

Cash Waqf Linked Sukuk – SW001

“The pioneering of Cash Waqf Linked Sukuk Project for building health infrastructure in Indonesia”

Dwi Irianti Hadiningdyah
Director of Islamic Financing
Directorate General of Budget Financing and Risk Management
Ministry of Finance Republic of Indonesia

Islamic Infrastructure Finance 2020
October 6th, 2020





SUKUK NEGARA MILESTONE

Government Sovereign Sukuk of Indonesia

2008-2012

- Law No 19 Year 2008
- Debut IFR Issuance
- Debut Retail Sukuk
- Debut Global Sukuk
- Debut Sukuk Hajj Fund (SDHI)
- Debut Sukuk Auction
- Islamic T Bills (SPN-S)
- Auction Project Based Sukuk (PBS)
- Green Shoe Option



2013-2017

- Project Financing Sukuk
- Debut Saving Sukuk (ST)
- Dual Tranche Global Sukuk



2018-2020

- Debut Global Green Sukuk
- Debut Online Saving and Retail Sukuk
- Debut Green Retail Sukuk
- Cash Waqaf Linked Sukuk (CWLS)



SUKUK NEGARA OVERVIEW

Issuance Method:

Auction

Private Placement

Bookbuilding

Investor Type:

Domestic Investor:

- a. Institution
- b. Individual

Global Investor By
Regions:

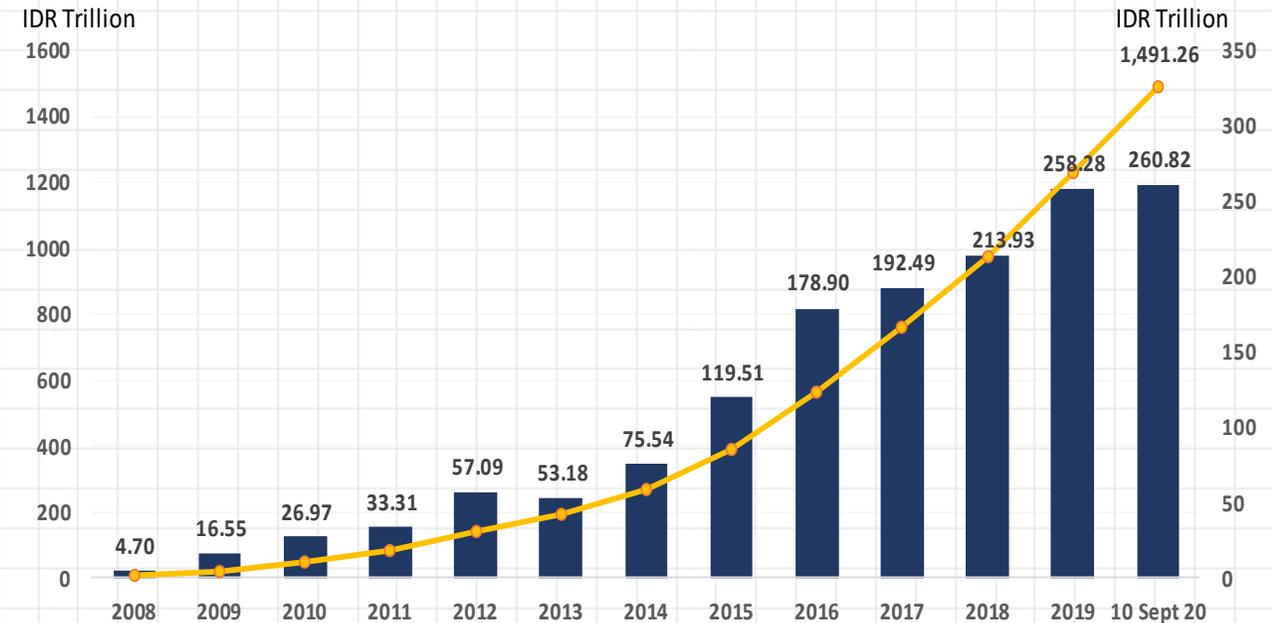
- a. Middle East (25%)
- b. Europe (11%)
- c. US (21%)
- d. Asia (Include Indonesia) (44%)

Sukuk Negara Type:

1. Domestic Sukuk
 - a. PBS / SDHI / IFR / SPNS
 - b. Retail Sukuk (SR dan ST)
2. Global Sukuk
 - a. Regular Sukuk
 - b. Green Sukuk

Aqad Type:

1. Ijarah Sale and Lease Back
2. Ijarah Al-Khadamat
3. Ijarah Asset to be Leased
4. Wakalah



As of Sept 17, 2020, Sukuk Negara
Total issuance: IDR 1,491.26 trillion
Outstanding: IDR 928.74 trillion.



Denomination:
IDR and USD

SUKUK NEGARA INNOVATION PROGRAM 2018 - 2020

CWLS

- Supporting productive cash waqf.
- Facilitating cash waqf
- Distribution of CWLS coupon and discount for social activities.
- At maturity, the redemption will return 100% to the investor / waqif

Green Sukuk

- Green framework and green annual impact report
- 100% of the issuance proceeds must be used for financing eligible green projects
- Three times issued in global market (2018, 2019, 2020)
- Online green sukuk retail in domestic market (2019)

Cash Waqaf Linked Sukuk (CWLS)

Project Financing Sukuk

Green Sukuk

Online Retail Sukuk

Project Financing Sukuk

- Sukuk are issued to finance government projects directly (earmarked)
- Project allocation 2013-2020: IDR118,26 trillion, i.e. bridge, roads, university, lab, rail etc
- E-monev for project monitoring



E-SBN

- Retail Sukuk Sales through an online mechanism.
- Distribution partner: Bank, Securities Company, Fintech

Why Innovative Islamic Social Finance?

	 CAF World Giving Index ranking	 CAF World Giving Index score (%)	 Helping a stranger (%)	 Donating money (%)	 Volunteering time (%)
Indonesia	1	59	46	78	53
Australia	2	59	65	71	40
New Zealand	3	58	66	68	40
United States of America	4	58	72	61	39
Ireland	5	56	64	64	40

Source: Charities Aid Foundation (CAF UK) World Giving Report, 2018

Indonesia is one among two countries with the highest proportion of people donating money (2016-2018) and being the only developing country out of the five most generous countries in the world (2018).



Indonesia
Population: 263 million*
Muslim: 87% or 230 million**
Middle class: 52 million***



Embodies socially responsible & sustainable development.



Engaging with religious organisations crucial for peace, development, promoting tolerance.

Waqf: more flexible, long term and income generation

Source: * Global Wealth Report, 2017; ** BPS, 2016; *** World Bank, 2020

The Aim of Cash Waqf Linked Sukuk



The development and innovation efforts in the field of Islamic social finance and investment in Indonesia



Facilitating waqif to invest cash waqf in a safe financial instrument (Sukuk Negara)



Supporting the development of the Islamic financial market, especially the cash waqf industry



Encouraging the consolidation of Islamic social funds to finance various social projects and programs (not government projects / programs through state / municipal budget)

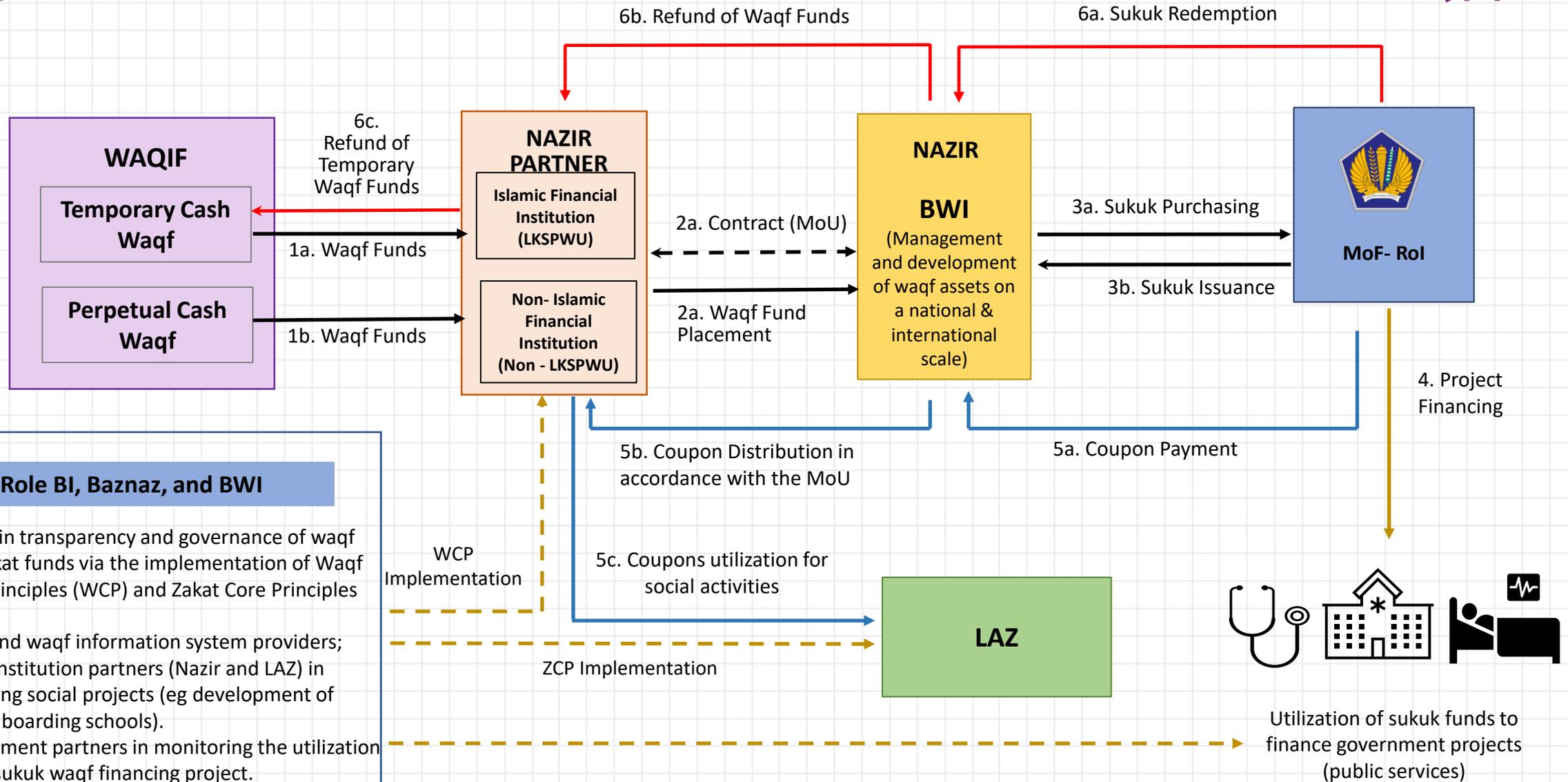


Diversify investors and Sukuk Negara instruments



Encouraging diversification of the sharia banking business, through optimizing the role of Islamic Financial Institution (LKS PWU)

Cash Waqf Linked Sukuk Scheme



Role BI, Baznaz, and BWI

1. Maintain transparency and governance of waqf and zakat funds via the implementation of Waqf Core Principles (WCP) and Zakat Core Principles (ZCP);
2. Zakat and waqf information system providers;
3. Social institution partners (Nazir and LAZ) in managing social projects (eg development of Islamic boarding schools).
4. Government partners in monitoring the utilization of the sukuk waqf financing project.
5. Public education related to sukuk waqf

Case Study: CWLS series SW-001

SW-001



Issue date: March 10, 2020



Nominal: IDR50,85 billion
Equivalent USD3,5 million



Tradability: Non-tradable



Aqad: Wakalah



Yield: 6,15%



Fixed coupon: 5% p.a



Maturity date: March 10, 2025

- Private placement by Indonesian Waqf Board (BWI)
- Raising fund in two years
- Majority investors are institutions
- Participation from Individual waqif **IDR149 million (0,29%)**.



RS Mata Achmad Wardi | DIMPET DHUAFU | untuk mereka **MELIHAT KEMBALI**



Proceed utilization:

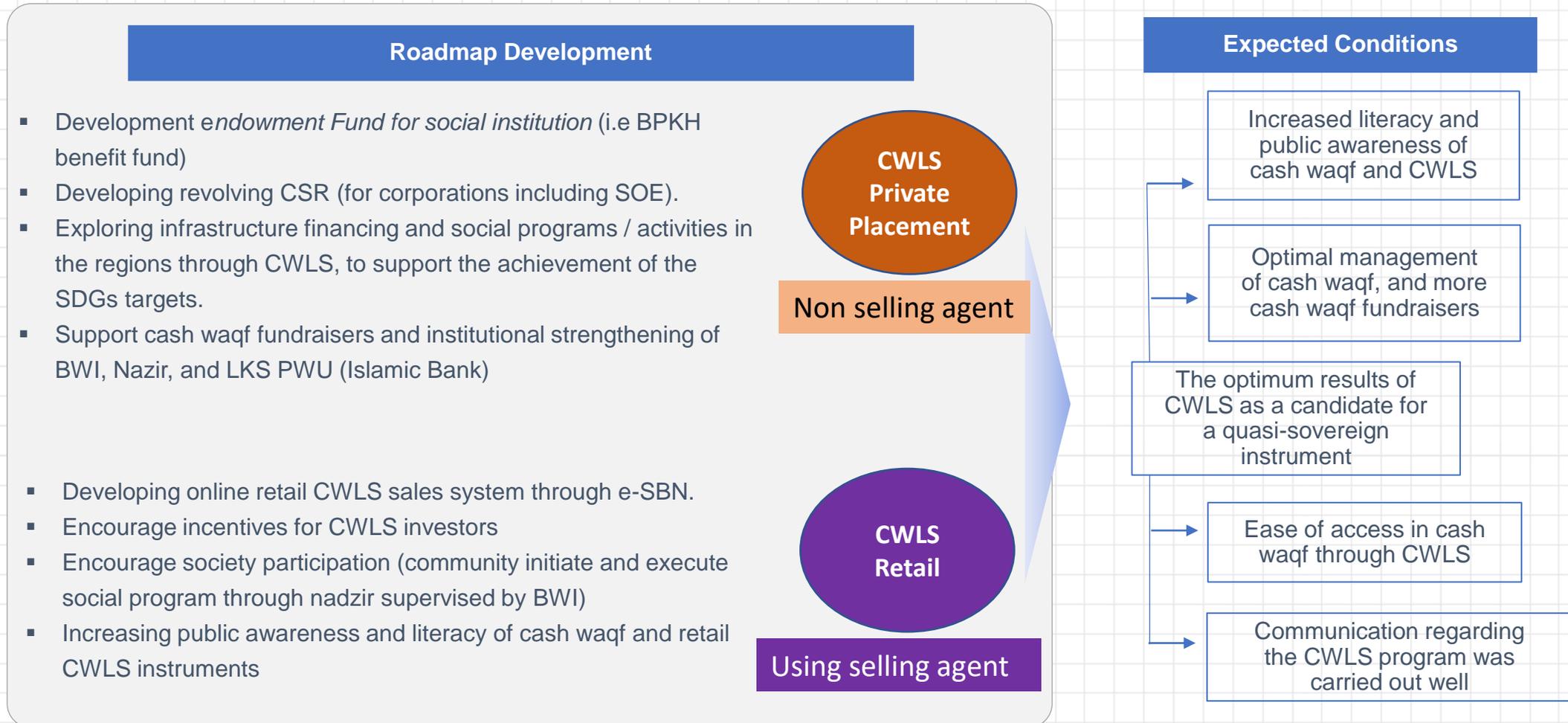
Discount:

Building renovation and medical equipment procurement in Waqf Hospital

Coupon:

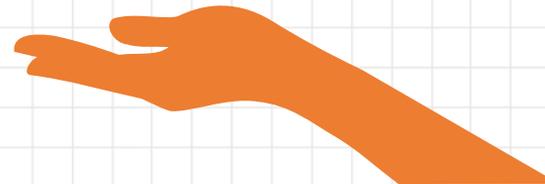
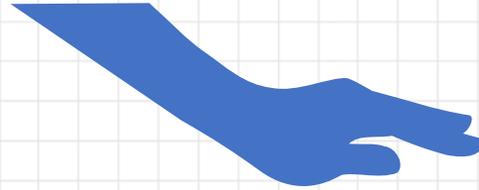
- Free cataract surgery for Dhuafa at Achmad Wardi Hospital (target of 2,513 patients for 5 years)
- Ambulance procurement

CWLS Roadmap Development



Social Impact

- **Worship**
 - Increasing Islamic boarding operating income.
 - Building construction facilities for skills, knowledge, spiritual activities for women at the Khadijah Learning Center (KLC) with a need of @ IDR45 million/ month.
- **Education**
 - Undergraduate Scholarship (250 students in 20 University).
 - Scholarship for elementary/junior/senior high school student (350 students in several regions).
 - Islamic boarding school scholarship (1000 students in several regions).
 - Scholarship for teachers (300 teachers in remote area)
 - Save our school (aid) in 10 points area.
- **Health**
 - Deaf therapy for Mustahik (1000 hearing aids for poor children aged 1 month - 18 years in 8 regions).
 - Stunting Program: 87 points area in Jakarta, Indramayu, Pandeglang, Cirebon, Garut dan Tasikmalaya.
 - Increasing nutritional intake of school-age children.
 - The funding for the treatment of 20 patients/month with a total of IDR 6.25 million/month and the procurement of personal protective.



Economy Impact

- **Micro Small Medium Enterprise (SME)**
 - Education and training, provision of capital, marketing and legality, as well as mentoring and monitoring of 236 local MSMEs in Jabodetabek and East Java.
 - Dhuafa assistance in the form of training, mentoring, evaluation and business capital for 15 people.
 - Construction of 10 houses with cheap rent @ IDR100 million in Bogor.
- **Agriculture**
 - Support for rice seed breeding in Lampung (40 tons/month).
 - Providing hydroponic agricultural assistance for 10 women / single parents who live in arid land areas, @IDR 5 million/month.
- **Farming**
 - Providing quality cows in Trenggalek for 50 farmers.

Thank You

www.djppr.kemenkeu.go.id



@djpprkemenkeu



@djpprkemenkeu



@djpprkemenkeu



@djpprkemenkeu