

Summary of Prioritization Workshop in Indonesia

Project title:	TA 6742-REG Output 4: Risk financing solutions and transfer mechanisms to promote climate resilience for ecosystems
Client:	Asian Development Bank
Author:	Lorena Ramirez, Project Coordinator
Checked by:	Louise Heaps, Project Director; Ibu Dias, In-country Coordinator; James Spurgeon, Ecosystems Valuation Specialist; Chery Gray, Global Lead Sustainability & Market Development, Swiss Re
Date:	28 February 2024

Project overview

This multi-stakeholder ADB project, funded by Asia-Pacific Climate Finance Fund (AClIFF) and the Global Environment Facility (GEF), aims to identify, recommend and demonstrate the applicability of sustainable financing and risk management models and approaches for coral reef ecosystems in targeted, high-opportunity sites in four countries, namely Fiji, Indonesia, the Philippines and Solomon Islands, towards increasing the climate resilience of coastal businesses, communities and their livelihoods.

Workshop purpose

The purpose of this workshop is to understand the priorities from the Government stakeholders on strengthening reef resilience and sustainable management of coral reef ecosystems; and obtain their feedback on the two High Opportunity sites in Indonesia that are proposed to be taken forward into full assessment.

Agenda

Timing	Item
14:00	Welcome tea and coffee in Jakarta.
14:30	Workshop opening by ADB. Ibu Helena Lawira, Senior Project Officer, Asian Development Bank Indonesia.
14:35	Overview of the ADB's coastal risk and resilience priorities and project context and purpose. Thomas Kessler, Principal Disaster Risk Financing Specialist, Finance Sector Group, Sustainable Development and Climate Change Department, ADB.
14:50	Remarks from the Ministry of Marine Affairs and Fisheries. Pak Firdaus Agung, Director of Marine Conservation and Biodiversity, Ministry of Marine Affairs and Fisheries.
15:00	Overview of project objectives, expected outcomes and timelines. Louise Heaps, Project Director and Lorena Ramirez, Project Coordinator, Landell Mills.
15:10	Overview of Disaster and Climate Risk Assessment, and Prioritization assessment approach and results. Cherie Gray and Piyush Sharma from Swiss Re, and James Spurgeon, Ecosystem Valuation Specialist, Sustain Value.
15:35	Moderated discussion. Ibu Dias Budiati Prasetyamartati, In-country coordinator, Konservasi Indonesia.
16:20	Closing remarks. Louise Heaps, Thomas Kessler and Pak Firdaus.
16:30	Close. Ibu Helena Lawira.

Attendance

The meeting was attended by 17 participants in Jakarta and by 23 participants virtually (list of attendance in Appendix 1). Attendees comprised representatives from ADB, the consulting team from Landell Mills consortium, and from the following stakeholders:

- Ministry of Marine and Fisheries, Directorate of Marine Spatial Conservation and Biodiversity
- Ministry of Marine and Fisheries, Directorate of Coastal and Small Islands Utilization
- Ministry of Marine and Fisheries, Directorate of Marine Services
- Ministry of Marine and Fisheries, Secretariate of DG Marine Spatial Management
- Ministry of Environment and Forestry, Directorate of Conservation Area
- Ministry of National Development Planning/ Bappenas, Directorate of Maritime Affairs and Fisheries
- Ministry of National Development Planning/ Bappenas, Representative from Indonesia Climate Change Trust Fund (ICCTF) project
- UNDP, Risk Finance Facility

Presentations

All materials including presentations and recording, will be uploaded to the ADB Knowledge Event Repository in the link below:

<https://events.development.asia/learning-events/risk-transfer-mechanisms-partnerships-coral-reef-finance-and-insurance-asia-and>

Feedback provided

The feedback provided during the workshop is summarized below.

Marine Conservation and Biodiversity, MMAF (Pak Firdaus):

- Broad agreement with the prioritisation approach and supported the conclusion that Klungkung and Rote Ndao are the topped ranked sites. Klungkung is a conservation area and one of the hotspots of coastal tourism in Bali. It is therefore a good choice based on the social and economic assessment, and it is also an area of high interest for the Ministry. Since it borders the Indian ocean, it is considered to be at risk from cyclones, although there has not been any significant cyclones to date. The Coral Triangle Center ([CTC](https://www.coraltrianglecenter.org/))¹ can support implementation in this area.
- Rote Ndao is also considered to be a good choice as it is an area of priority under the World Bank (LAUTRA) project. The government, through inter-ministerial collaboration, will create a pilot project there to progress an ocean accounting program . There is also a natural capital accounting project underway there and the potential to use ocean monitoring systems including satellite technology. It is also subject to cyclones.
- For those areas with high tourism highly reliant on its coral reefs, such as Raja Ampat, there is the opportunity for the risk to be owned by the private sector. This will be important when considering who will be willing to pay for the insurance premium. This risk transfer

¹ Coral Triangle Center: <https://www.coraltrianglecenter.org/>

mechanism will need to be considered where there is a risk of business collapse if coral reef is damaged. Raja Ampat was not considered to be as good an option for the project, however.

- Pandeglang could be interesting due to its proximity to a major shipping channel.

Directorate of Conservation Area Management, MoEF (Pak Nico):

- There were no objections to Klungkung being selected as a priority site. MoEF does not have any conservation areas in this part of Bali, but the prioritisation exercise clearly indicated that this area is feasible.
- Confirmed that the coral reef area is in the northern and eastern part of Rote Ndao and that it has been impacted by cyclones. It would be good to emphasise the regeneration/restoration of ecosystems in the eastern part where there is a strong interdependence between the mangroves and coral reef habitats.
- In Raja Ampat, the ranking is higher than expected. It was not considered a good choice because of its remoteness and the high costs associated with working there.
- Wakatobi national park is already associated with another project led by the ASEAN center for biodiversity (GEF funded). This is a similar project aimed at restoring biodiversity and supporting local communities. It was, therefore, recommended that this should not be selected to avoid duplication/overlap. Pak Nico later clarified that Wakatobi could be considered in later years as a comparative site, but not as a main location now due to significant overlaps with the ASEAN ENMAPS project.
- The proposed Makassar site is affected by its proximity to Makassar city and could be a good option to consider if there is interest.
- In Pandeglang, MOEF has one national park which is associated with mangroves. Pak Nico suggested considering mangroves as part of the coral reef ecosystem.

Directorate of Coastal and Small Islands Utilization, MMAF (Pak Hery Daulay):

- Agreed with the prioritisation approach taken and suggested that MAFF have a number of data layers that might enrich the assessments undertaken to date. For example, MMAF could share their Evaluation of the Effectiveness of Conservation Areas. This is an accessible system showing different data layers including coral reefs and mangroves. Other datasets that can also be shared include the Social Ecology System (EFIGA), which is especially relevant for risk management.
- Konservasi Indonesia confirmed that the relative quality of site governance has been included in the Governance criteria in the prioritization assessment.

Ministry of National Development Planning/ Bappenas, Representative from ICCTF project (Pak Amrullah):

- Supportive of the prioritisation assessment and approach.
- Question regarding who would pay for the premium as the Government and communities are unlikely to be able to do so.
- Suggested looking for synergies with other sustainable financing initiatives and identifying if payments could come from those emerging approaches. For example, Bappenas and MMAF are currently developing a Coral bond, which might be an option to also cover premium

payments. Coral reef insurance could be a significant game changer for the financing of coral reefs in Indonesia.

UNDP Risk Finance Facility (Pak Fandi)

- Previously UNDP considered Klungkung and Rote Ndao for their project, but now only focus on Gili Matra as they understood that these sites would be covered under this project. Agreement with the prioritisation outcomes, but also flagged the importance of considering shipping lanes and pollution/oil spills, which are a large part of coral reef destruction in Indonesia.
- UNDP is also collaborating with Swiss Re on their project and once finalized, they would want to synergize the two projects.

Directorate of Marine Services, MMAF (Ibu Dian):

- Questioned why Berau was not considered given the high conditions of corals and the importance of tourism.
- In response, the human disturbance was considered to be low. James Spurgeon, the Ecosystems Valuation Specialist, clarified the human disturbance criteria is based on data sources such as shipping and navigation impact, and World Resources Institute' dataset for human disturbances. It was highlighted that the prioritisation assessment is a high-level desk-top assessment and was reviewed by the national team at Konservasi Indonesia. Any of the 7 sites could be valid but only two can be selected for the detailed assessment.

Conclusion:

Klungkung and Rote Ndao are deemed most favorable based on the stakeholder's feedback. However, it is important to consider whether the Klungkung site would be just the Klungkung Regency or include the adjacent coastline of SE Bali too.

Next steps

- This note and link to the [event site in ADB Knowledge Event Repository](#)² (where all meeting materials will be uploaded) will be shared with all the meeting attendees.
- ADB will send a letter to MMAF to request their endorsement and approval to proceed with the detailed analysis in Klungkung Regency and Rote Ndao Regency as High Opportunity Sites in Indonesia.
- Konservasi Indonesia will follow up with MMAF to accept their invitation to access their data and reports, particularly the "Area evaluation" and "social ecology system" data. Konservasi Indonesia will also gather available detail on the other initiatives mentioned to identify potential synergies (GEF, GFCR, WB, USAID - slide 10 of Pak Firdaus presentation), and on the Ocean Accounting multi-agency initiative (slide 8 of Pak Firdaus presentation).
- Once confirmed, Konservasi Indonesia will also follow up with MMAF to confirm the specific coordinates of the proposed / agreed areas. For example: should Klungkung site be just the 3 km² within Klungkung Regency or expanded to cover the South-east Bali corner?

² <https://events.development.asia/learning-events/risk-transfer-mechanisms-partnerships-coral-reef-finance-and-insurance-asia-and>

Appendix 1: Attendance report

	Name	Title	Organisation	Attendance
1	Firdaus Agung	Director of Marine Conservation and Biodiversity (<i>Direktur Konservasi dan Keanekaragaman Hayati Laut</i>)	Ministry of Marine Affairs and Fisheries	Online
2	Hadi Yoga	Marine Conservation and Biodiversity Representative (KKHL)	Ministry of Marine Affairs and Fisheries	Jakarta
3	Anita Setianingsih	Secretariate of DG Marine Spatial Management representative	Ministry of Marine Affairs and Fisheries	Jakarta
4	Hery Daulay	Coastal and Small Islands Utilization representative	Ministry of Marine Affairs and Fisheries	Jakarta
5	Nico Sinaga	Conservation Area Management representative (KSDAE)	Ministry of Environment and Forestry	Online
6	Rosali Amrullah	ICCTF Bappenas representative	Ministry of National Development Planning/ Bappenas	Jakarta
7	Haris A. Nugrahadi	Bappenas planner representatives	Ministry of National Development Planning/ Bappenas	Jakarta
8	Ahmad Fandi Nasution	Coordinator, Risk Finance Facility	UNDP	Jakarta
9	Budiati Prasetiamartati (Dias)	In-country coordinator in Indonesia	Konservasi Indonesia	Jakarta
10	Jimy Kalther	Marine Spatial Planning Specialist and Coastal Resilience Specialist	Konservasi Indonesia	Online
11	Nurhadiyani Namiruddin	Policy Coordinator	Konservasi Indonesia	Jakarta
12	Regina Nikijuluw	Knowledge Management and Learning Specialist	Konservasi Indonesia	Jakarta
13	Helena Lawira	Senior Project Officer	Asian Development Bank Indonesia	Jakarta
14	Thomas Kessler	Principal Finance Specialist (Disaster Insurance), Finance Sector Group, Sustainable Development and Climate Change Department	Asian Development Bank	Online
15	Hilly Ann Roa-Quiaoit	ADB-GEF Marine Conservation Specialist (Coral Reef Ecosystems) (Consultant)	Asian Development Bank	Online

16	Louise Heaps	Project Director (WWF Global Lead, Sustainable Blue Economy)	WWF	Online
17	Lorena Ramirez	Project Coordinator	Landell Mills	Online
18	James Spurgeon	Ecosystem Valuation Specialist	Sustain Value	Online
19	Cherie Gray	Global Lead Sustainability & Market Development Public Sector Solutions	Swiss Re Asia Pte. Ltd.	Online
20	Piyush Sharma	Climate Risk Modelling Engagement Manager	Swiss Re Asia Pte. Ltd.	Online
21	Adam Carrigan	Geospatial Specialist	Swiss Re Asia Pte. Ltd.	Online
22	Alison Drill	Disaster Risk Insurance Specialist	Swiss Re Asia Pte. Ltd.	Online
23	Defy Pada	Coral Reef Ecology Specialist	Konservasi Indonesia	Online
24	Selina Ward	Coral Reef Ecologist	University of Queensland	Online
25	Francis Staub	Events, Capacity Development and Training Specialist	Blue Pangolin	Online
26	Thomas Dallison	Knowledge, Learning and Comms Coordinator	Blue Pangolin	Online
27	Viga Ananda Wicaksono	Project Assistant	Konservasi Indonesia	Jakarta
28	Revalen Langi	Operator	Konservasi Indonesia	Jakarta
29	Megan Turner	Project Executive	Landell Mills	Online
30	Victor Nikijuluw	Senior Ocean Program Officer	Konservasi Indonesia	Online
31	Dian Prihati	Directorate Marine Services representative	MMAF	Jakarta
32	Onel Cornelio	Directorate Marine Services staff	MMAF	Jakarta
33	Susan Vulpas	Stakeholder Relationship Coordinator	Konservasi Indonesia	Online
34	Tonny Wagey	ICCTF	Bappenas	Online
35	Rudyanto	Sunda Banda Ecoregion Program Director	Konservasi Indonesia	Online
36	Iyus Sari	Marine Spatial Management staff	MMAF	Jakarta
37	Claire Amanda	Marine Spatial Management representative	MMAF	Jakarta
38	Nelly Yulius	Marine Conservation and Biodiversity Representative	MMAF	Online
39	Ratih Riskomar	Interpreter	Katagonia	Jakarta
40	Jidan Ramadhan	Interpreter	Katagonia	Online