

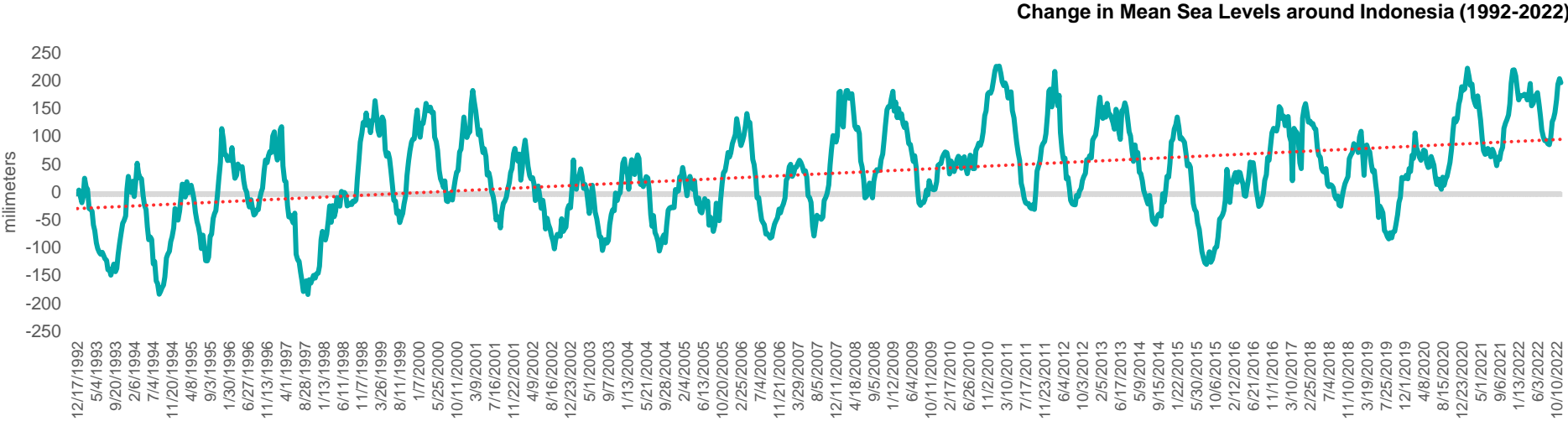
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SCALING UP ADAPTATION/ CLIMATE RESILIENCE INVESTMENT IN INDONESIA

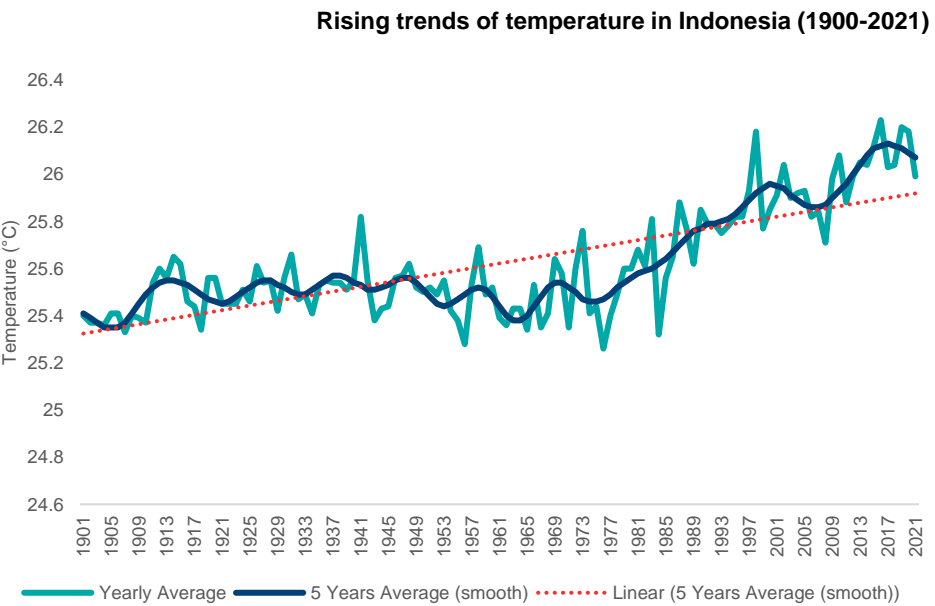


Rising Trends on Mean Sea Level and Temperature in Indonesia

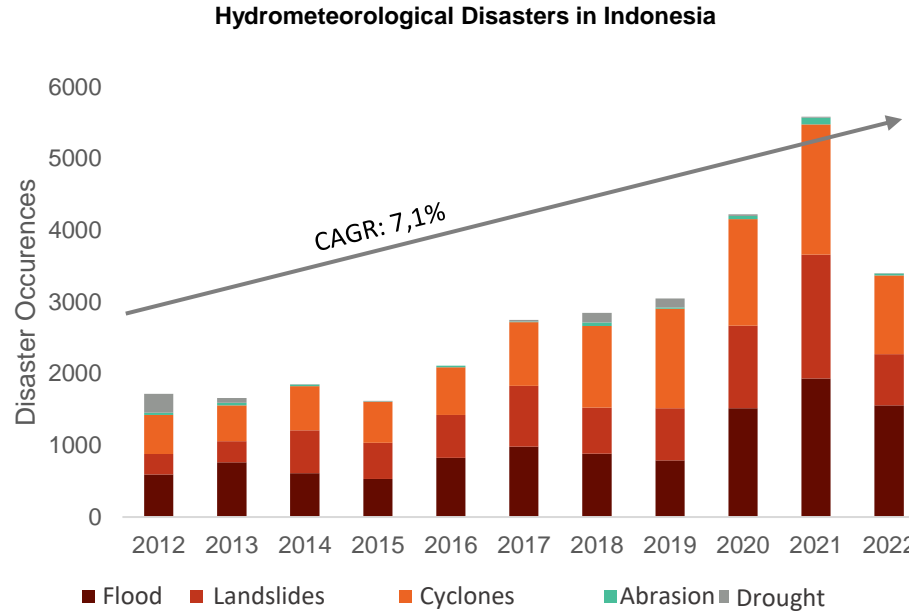
- An increasing trend of mean sea levels surrounding Indonesia approximately **0,8 – 1,2 cm annually**.
- Indonesia facing an increasing of surface temperatures approximately **0,66°C from 1901 to 2021** or average **increasement of 0,02% annually** and will lead to a vary of climate-related disasters occurrence and damages.
- Disaster Management National Agency (BNPB) stated that Indonesia facing **3.544 natural disasters in 2022**, and **96% was hydrometeorological disasters**. CAGR: 7,1% from 2012-2022



Source: IMF dan NOAA (Satellites: TOPEX.Poseidon, Jason 1, Jason 2, and Jason 3)



Source: World Bank, processed



Source: BNPB (2023), processed



Opportunity to **Scale Up** Climate Resilience/Adaptation Investment in **Community Level**

Rural Development

Scale up investment and coverage of Climate Village Program (PROKLIM)

Microfinance

Recalibrate the interest subsidy policy of MSME Loan Program (KUR) and Agricultural Tools & Machinery Loans (Alsintan)

Social Protection

Develop a comprehensive adaptive social protection scheme based on priority location (refers to CRD documents and NAP)

Policy Levers & Enablers

- Above the line state budget on adaptation (adaptation budget tagging)
- Village Fund (fiscal transfer)
- Below the line financing (green sukuk, SDG Bonds, Sovereign Sustainability-Linked Bonds/Sukuk)

- Above the line treasury budget
- Capital investment to SOE's (banks and insurance)
- Sustainable Taxonomy (Financial Service Authority/OJK)
- Sustainability reporting policy (Financial Service Authority/OJK)

- Existing social protection program (PKH, El-nino social assistance)
- Disaster Risk Financing (fiscal buffer)
- Carbon tax (revenue recycling mechanism)



PROKLIM

President Jokowi Calls Extraordinary Measure Extraordinary Measures to Tackle Climate Change

Statements of The President of Indonesia during Opening Session of the Climate Adaptation Summit 2021 on January 25, 2021.

1. All countries must meet their Nationally Determined Contribution (NDC) to combat climate change. Indonesia has updated our NDC to increase resilience and adaptability.
2. All countries must mobilize all the potential community to raise awareness in dealing with and taking action. Indonesia has engaged the community to mitigate climate change through the Climate Village Programme to cover 20,000 villages by 2024.
3. All countries must strengthen global partnerships. Indonesia prioritizes capacity building cooperation in tackling climate change for our friends in the Pacific. Of course, developed nations must fulfil their commitments.
4. All countries must continue to promote green development for a better world.



Legal Basis for Programme Implementation:

- Minister of Environment and Forestry Regulation No. P.84/MENLHK-SETJEN/KUM.1/11/2016 on Climate Village Program.
- Regulation of the Director General of Climate Change Control No. P.4/PPI/API/PPI.0/3/2021 on Guidelines for the Implementation of the Climate Village Program.

A nationwide program managed by the Ministry of Environment and Forestry to **encourage involvement of community and other stakeholders in strengthening climate change adaptation capacity**, co-benefit with reducing Green House Gases emission and acknowledge climate change adaptation and mitigation effort That has been done, which can improve welfare at the local level according to site specific conditions

Components of Proklim

Adaptation



Control of droughts, floods and landslides



Increased food security



Control of climate-related diseases

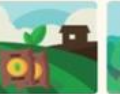
Mitigation



Waste management, solid and liquid waste



Use of New Renewable Energy, energy conservation and saving



Low GHG emission agricultural cultivation



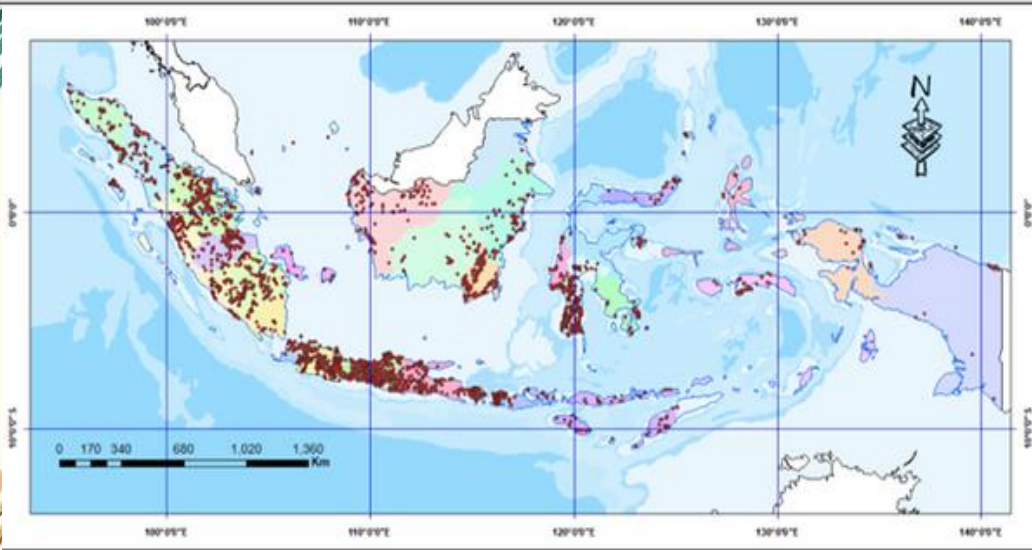
Increase/maintain vegetation cover



Prevent and combat forest and land fires

Community Institutions and Sustainability Support

1. Community institutions
2. Policy support
3. Society participation
4. Community capacity
5. External resource support
6. Activity development
7. Action data management
8. Benefits to the economy, social and environment



Until 2023, there are 6,600 locations registered as proklim (without re-registration)



Director General of Climate Change, Ministry of Environmental and Forestry

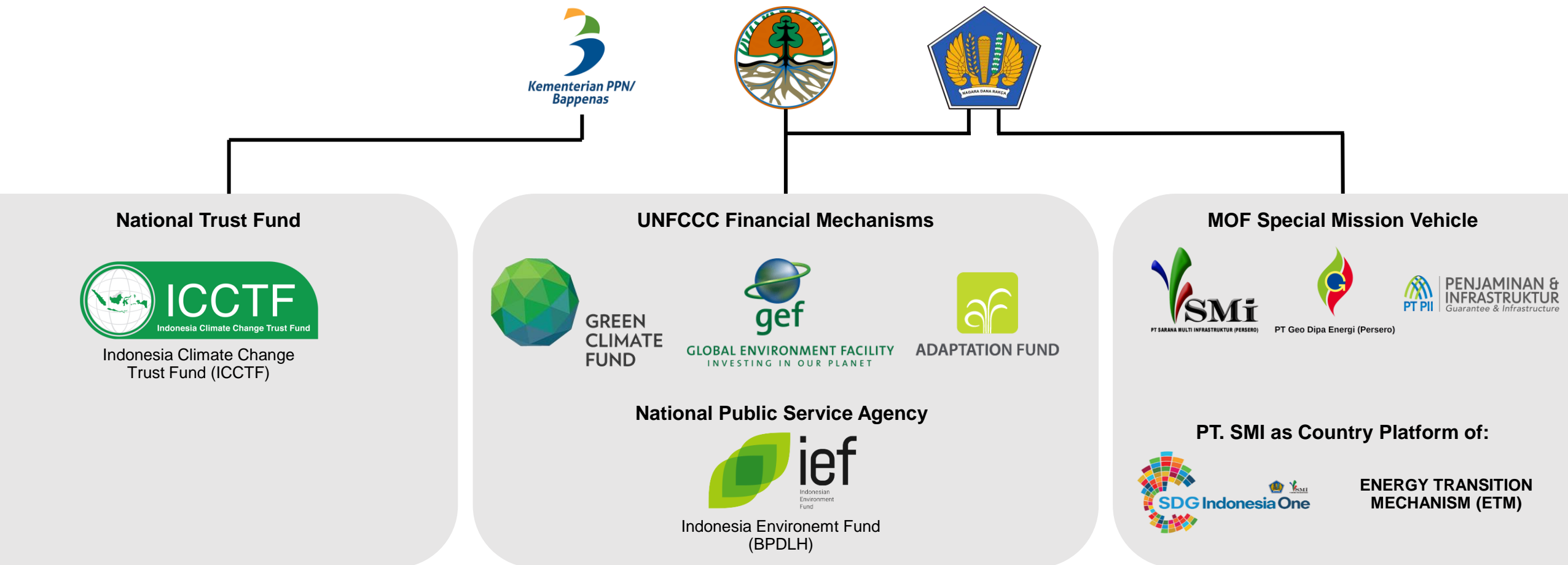
ESG Based Public Private Partnership Projects

Projects	Sector	Province	Status	Capex (IDR Billion)	Type of Government's Support	Value of Support (IDR Billion)	Notes
Kamijoro Drinking Water Supply System	Water	DI Yogyakarta	Preparation	347	Project Development Facility (PDF)	-	25 years of concession period
Umbulan Drinking Water Supply System	Water	East Java	Operate	2.390	Viability Gap Fund (VGF)	818	25 years of concession period
Merangin Dam Project	Water	Jambi	Preparation	4.770	Project Development Facility (PDF)	-	30 years of concession period
Jatigede Regional Drinking Water Supply System	Water	West Java	Preparation	2.039	Project Development Facility (PDF)	-	25 years of concession period
Bandar Lampung City Drinking Water Supply System	Water	Lampung	Operate	750	Viability Gap Fund (VGF)	258,80	25 years of concession period
West Semarang Drinking Water Supply System	Water	Central Java	Operate	417,30	Guarantee	-	25 years of concession period
West Semarang Drinking Water Supply System	Water	Riau	Operate	499,50	Viability Gap Fund (VGF)	118,07	25 years of concession period

Priority Sector 2024: **Water and Sanitation**, Housing, Urban Transportation, **Health/Hospital**, Gas Distribution, Waste Management.



Utilization of **Non-State Budget** funding sources to mobilize **international** and **private** climate funds



THANK YOU

