What are the gaps in the implementation of climate change adaptation financing in Indonesia?

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Outline

• Introduction
• Research Methods
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• Conclusion
Indonesia Population and Climate Change

Long coastline
High density of population exposed to coastal hazards (flooding, tidal flood, extreme weather), droughts, landslides, destructive winds

Source: Gunawan et al, 2016
By the start of this month, there were already 251 landslides reported throughout Indonesia, according to the National Disaster Mitigation Agency (BNPB). It's a deadly start to 2017, and a grim sign of what's to come. Last year, the BNPB recorded 612 landslides in Indonesia—the highest number in more than a decade.
climate change adaptation policy in Indonesia

Projects:
- ACCCRN (two cities)
- SCDRR (two cities)
- APIK (several districts & cities), and many more

Guideline for adaptation action plan

Climate village program

Review of CCA
Climate finance & governance

- Important of **climate protection policy is taking shape locally** (Bulkeley & Kern, 2006)
- ...policy responses to address each of these independently **may be redundant or, at worst, conflicting** (Schipper & Pelling, 2006)
- NAP CCA should be followed up by **allocation of budget** (Tambunlertchai et al 2014; Buchner et al 2014; Ha et al 2016).

Research Problems and Questions?

• Given many planning documents & guidelines availability, much more important to make sure the implementation.

• Resources come with planning, regulation, priorities, etc.
  • What policies exist to support climate change adaptation financing?
  • What are the challenges?
  • What are the gaps?

• Limited resources require more efficiency & effectiveness, by working together (coordination & mainstreaming).
Methodology

• This study applied qualitative approach & analysis.

• Policy review was done to analyze the content of regulation related to DRR, CCA, spatial planning, and development planning.

• This study covers four aspects as follows:
  • Integration Methodology;
  • Planning Coordination;
  • Budgeting Coordination; dan
  • Implementation Coordination .

• The data was collected through in-depth interview and dan focus group discussion (FGD).
THE LIST OF INTERVIEWEES

- National Agency for Disaster Management (BNPB) - Dir. DRR dan Dir. Community Development
- Ministry of Environment and Forestry (KLHK) - Dir. CCA
- Ministry of Land and Spatial Affairs (KemenATR) - Dir. Spatial Planning dan Dir. Spatial Implementation
- Ministry of National Development Planning (BAPPENAS) - Dir. Environment dan Dir. Underdeveloped Region, Transmigration, dan Rural Areas
- Ministry of Home Affairs (Kemendagri) - Dir. Local Development Empowerment
- Ministry of Economic Coordinator (Kemenko Perekonomian) - Spatial Planning Affair
- Ministry of Finance (Kemenkeu) - Fiscal Policy Agency
- Ministry of Public Works (Regional Infrastructure Development Agency)
- UNDP
- PFR (Partner for Resilience)
- APIK
Two important laws, not related (directly) to CCA!

• Local Government Law 23/2014.
• National Planning and Development system Law (25/2004)

Governance is important!
Integration between CCA and DRR into development and spatial planning based on current regulation

Development Planning Documents: CCA, DRR


Ministry of Finance

Ministry of Environment & Forestry

Home Affairs

National Planning & Development

BNPB

NDMO

KLHK

Spatial Planning KemenATR

KemenATR

Home Affairs Kemendagri

Local Governments


NDMO

Ministry of Finance

Ministry of Environment & Forestry

Legends

- Methodology Integration
- Development Planning Coordination
- Spatial Planning Coordination
- Budgeting Coordination
- Coordination for Technical Assistance and Implementation Supervision

The guideline is not yet legal.

Initiation Phase
Law 25/2005 on National Planning and development system

The Government

Local Governments

National Disaster Management Plan

Local Disaster Management Plan

CCA Actions

Local RPPLH

Law 25/2004

Law 17/2003

National RPB

National RTRW

RPJPN

RPJMN

K/L Renstra

K/L Renja

RKP

K/L RKA

Draft of APBN

APBN

Details of APBN

Draft of APBD

APBD

RKA - OPD

Details of APBD

CCA

RAN API

National RPPLH

Guidance for

Guidance for

Input for

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Refereed by

Specified by

Synchronized through MUSRENBANG

Refereed by

Specified by
Current Law on Local Government 23/2014

- Dependency to the budget allocation from central government
- Limitation of *own source revenue*.
- Limitation of what local government can do based on the *mandatory and optional businesses (activities)*.
- Limitation of capacity & resources in carrying out the implementation.
What kinds of existing policy to support CCA financing?

- **RAN API guides the coordination of climate change adaptation in Indonesia** (national-local, government – non government).

- **Development programs: RPJMN (National), RPJMD (Local)**
  - ministries / agencies submit their budget to APBN / D to finance their development programs, following a development cycle.

- **Law of Decentralisation, national government (ministries/agencies) do not implement at local level.**

- **Special allocation budget (DAK):** In addition, ministries/agencies can allocate DAKs through APBN schemes when CCA, DRR and land use programs become national priorities.

- **The use of DAK budget (special budget) for local level, requires coordination between the Ministry of Home Affairs, the Ministry of Finance, BAPPENAS and K / L.**
Challenges

- Limited **budget** for local governments to carry out CCA. Many local government use about 60-70% for operational, not for programs and/or infrastructure development.

- Low **awareness** on CCA issues among local government officials and how CCA would impact the districts / cities.

- Limited **skills** to plan and implement CCA at local level, let alone integration and mainstreaming CCA into other sectors in the local government.

- CCA is **not in the ‘menu’** of the activities & programs to be done by local government.
Opportunities

• **Funding comes from international funding sources, assistance from foreign sources**, to be distributed to institutions that will carry out CCA activities, such as department/agencies, local governments, non-governmental organizations and universities.

• **ICCTF is a main instrument of the national government** to achieve the goal of CC mitigation and adaptation.

• **A village fund** that can be used to finance integration programs

• **Sustainability Fund**, issued by Ministry of Finance.
Gaps

• No instructions or guidance on how the proposed (adaptation) programs take into account the budgeting mechanism.
  • The current guidelines do not indicate any budget reference issued by the ministry of finance, such as the budget tag mechanism.

• No operational definition related to CCA, so there are differences in the designation of the program between department / agencies.
  • This results in inadequate budget tag.

• Unclear technical guidelines for obtaining grants managed by ICCTF & other sources.
  • This is actually accessible to ministries / local governments
Gaps

• Provincial and district / city governments are **unclear as to what their role & how their involvement** in the implementation of CCA programs.
  • no guidelines for how to access the budget for climate change adaptation programs.

• In the planning phase, ministries / agencies must **synchronize their planning and program with the budget regulations** promulgated by the Ministry of Finance. **And they change!**
  • involvement of Ministry of Finance staff early in planning is necessary, supported by clear and formal guidelines
Conclusion

- Refer to the **national action plan of DRR, CCA to be incorporated into the development planning. (Next cycle 2019).**
- Integration of DRR, CCA and development planning should be **adapted to government key priorities** & into the national budget (mechanism) and also through **the use of DAK (special budget).**
- MoF issued **Sustainability Fund.**
- CCA and DRR must be **integrated with village-level development priorities.**
- Other funding sources: foreign budget, NGOs and private sector.
THANK YOU