BIOFIN INDONESIA

The Biodiversity Finance Initiative (BIOFIN) is a global partnership addressing the biodiversity finance challenge in a comprehensive manner.

The Five Main Focuses

Biodiversity Finance Policy and Institutional Review (PIR)
Through this process, the national BIOFIN Team maps the impact of economic sectors on biodiversity, identifies the main financing mechanisms being used and reviews which subsidies have an impact on biodiversity. The PIR also reviews the overall financing architecture for biodiversity in the country and generates specific recommendations for an improved institutional framework.

Biodiversity Expenditure Review (BER)
Through the Biodiversity Expenditure Review, the national BIOFIN team assesses which expenditures national stakeholders incur towards biodiversity, from both national and international resources, including the public and private sector. This helps the country generate national level expenditure data on biodiversity.

Biodiversity Finance Needs Assessment
Detailed calculations will be made to find out how much it would cost to complete all activities and reach all goals of the Indonesian Biodiversity Strategy and Action Plan (IBSAP).

Biodiversity Finance Plan (BFP)
Under this component BIOFIN will develop a strategy to mobilize potential finance actors and finance mechanisms to raise revenue for biodiversity and ecosystem services conservation.

Implementing the Biodiversity Finance Plan
The scope of activities shall be defined by the recommendations of the Resource Mobilization Strategy.

Potential Financial Solutions

- Zakat, Infaq, Shadaqah, Waqf (21SWAF)
- Crowdfunding
- Green/ Blue Sukuk
- Ecological Fiscal Transfer for Conservation
- CSR for Biodiversity
- Private Platform for Coral Restoration
- Tourism Fees & Commercial Advertisement
- Debt for Nature Swap
- Bioprospecting
- Biodiversity Offset
- Rare Species Fee
- Wastewater Fees and Penalties
- Environmental Trust Fund
- Aid Coordination
- Impact Investment through Green/ Blue Sukuk
- State Budget

* Highlighted are BIOFIN's current priority
Financial Solutions Proposal

Strategizing Islamic Fund and Matching Private Fund for Marine Protected Areas (MPA)

Insufficient biodiversity financing has lead to ineffective management of Marine Protected Area. Given current funding needs and available budgets, there is a current biodiversity financing gap of over $1.1 trillion US dollars.

Potential of Islamic fund for alleviating poverty and provide opportunity to close the biodiversity financing gap.

Crowdfunding

Crowdfunding is generally defined as “the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet”.

Outputs:
Crowdfunding through sport activities are implemented and raise funding to be channelled to biodiversity-related projects.

Outcomes:
Crowdfunding campaign for biodiversity financing attract public interest

Kawasan Konservasi Pulo Pasi Gusung
Bontohuru Sub-Regency
Fishevery: 1,570 HH
Coconut estate: 18,671 ha
Recipient of RASKIN: 1,024 HH

Bontolebang Population: 268 HH, 974 person
Poor: 30 HH, 120 person
Percentage: 12.26% of population

Taman Nasional Takabonerate
Takabonerate Sub-Regency
Fishevery: 1,274 HH
Coconut estate: 92,378 ha
Recipient of RASKIN: 1,034 HH

Coconut estate: 92,378 ha
Fishermen: 1,570 HH
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Proposed Key Activities

Focus on DID
Assess ecological aspect for the prioritised categories
Adjustment on the general item and specify it for ecological needs tourism

CSR for Biodiversity

Government of Indonesia issued its first Islamic ‘green’ sovereign bond known as Green Sukuk in early 2018 listed in Singapore Stock Exchange and NASDAQ Dubai. It has attracted investment around US$ 1.25 billion.

Indonesia green bond and green sukuk has set criteria of eligible projects encompassing 9 sectors, among them are the sustainable management of natural resources. However, current project that targets biodiversity-related sector have been found very limited.

Identify project with biodiversity component
Develop project impact metric for green sukuk
Work with key ministries to increase capacity
Budget tagging of biodiversity project

Identify existing platform for crowdfunding, analyze and recommend strategy to plot biodiversity financing through crowdfunding
Working with key stakeholders, to identify potential biodiversity project/activities for key area potential for funding
Implement plot biodiversity financing through crowdfunding and document its success and failures
Identify and attract other funding sources to fill the gap if the crowdfunding result lies than expected

Private Platform for Coral Reef Restoration

Partnership on advancing National Coral Reef Restoration Movement provides an opportunity to partner with many other companies to protect and conserve marine ecosystem.

The initial partnership is with MARS to bring participants who are eager to learn and apply the skills and expertise on marine conservation. The participants are mostly CSOs, NGOs, and government staff who are responsible for protecting marine national parks or marine conservation areas.

Identify potential biodiversity project/activities for key area
Implement plot biodiversity financing through crowdfunding and document its success and failures

Ecological Fiscal Transfer

Ecological Fiscal Transfers (EFT) is a modification of intergovernmental fiscal transfer mechanism; General Purpose Grant (DAU), Specific Purpose Grant (DAK), Regional Incentive Fund (DID), and Village Fund (DD). Unfortunately, DAD Environment is the only instrument that accommodate ecological component within its requirement.

DID, which incentivize local government project through fiscal transfer, is one of the possible ways to compensate the biodiversity restoration activities such as conservation, which is more efficient and less costly than establishing a complex regulatory framework.

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