

# Project Factsheet BIOFIN INDONESIA



Ministry of Finance  
Republic of Indonesia

## What is BIOFIN?

Biodiversity Finance Initiative (BIOFIN) is a global partnership addressing the biodiversity finance challenge in a comprehensive manner. The initiative provides an innovative methodology enabling countries to measure their current biodiversity expenditures, assess their financial needs in the medium term and identify the most suitable finance solutions to bridge their national biodiversity finance gaps.

Indonesia is one of the 17 mega-biodiverse countries in the world, having 17 percent of the world wildlife. It's 17,000 islands are home to a high variety of species, including many endemic types. However, the full potential of the country biodiversity is undervalued and decreasing.

Indonesia is among the thirty countries currently participate in BIOFIN. The activities of BIOFIN in Indonesia have the aims to strengthen the national biodiversity financing framework and close the global financing gap for the conservation and sustainable use of biological diversity by assisting IBSAP (Indonesian Biodiversity and Strategic Action Plan) in identifying, accessing, combining and sequencing sources of biodiversity funding in order to meet IBSAP target/Aichi target by 2020.

BIOFIN Indonesia facilitates a strategic partnership at national level under a broader environmental finance programme, led by the Fiscal Policy Agency of Ministry of Finance. The Steering Committee include the National Planning Agency (Bappenas), the Ministry of Environment & Forestry, the Ministry of Marine Affairs and Fisheries, the Ministry of Agriculture, and the Indonesian Institute of Sciences (LIPI).

### The Five Main Focuses

There are five main focuses in BIOFIN Indonesia, and they are as follows:

#### 1. 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.

#### 2. 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.

#### 3. Biodiversity Finance Needs Assessment

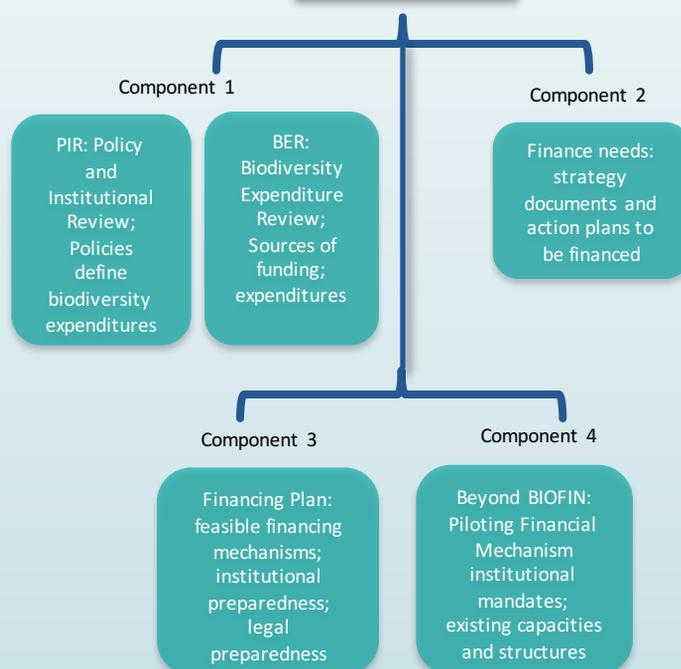
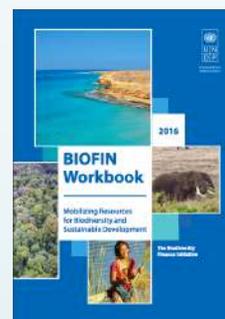
Detailed calculations will be made to find out how much it would cost to complete all activities and reach all goals of the IBSAP.

#### 4. Biodiversity Finance Plan

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.

#### 5. Implementing the Biodiversity Finance Plan

The scope of activities shall be defined by the recommendations of the Resource Mobilization Strategy.



The BIOFIN Indonesia is a joint programme with the global program called SDF (Sustainable Development Financing). The BIOFIN programme has their own specific programme outputs but complements the SDF projects. It then follows the climate change issue in SDF projects; both the programme and fund is complementary between UNDP-UNEP Poverty-Environment Initiative (PEI) and UNDP 'Strengthening Governance of Climate Finance to Benefit the Poor and Vulnerable' project funded by the Swedish International Development Cooperation Agency (SIDA).

## Key Milestones

The Biodiversity Finance Policy and Institutional Review (PIR) and Biodiversity Expenditure Review (BER) have been developed.

Result of PIR analysis reveals that strong commitment from the government and political support are needed so that policies for the protection of biodiversity become more than interim policies. The government also needs to enforce the implementation of laws and regulations to support the existence of biological diversity and reduce damage caused by practices that are not environmentally friendly. With so many regulations related to biodiversity, the government needs to take steps to synchronize policies and institutions in order to ensure effective and efficient implementation for the protection and use of biodiversity.

The BER analysis of biodiversity management in Indonesia has received the government's attention. The Government's concern in biodiversity indicated by the annual budget's allocation for biodiversity. In the period 2006-2013, the total biodiversity from the state budget reached Rp 29,16 trillion. However, the analysis showed a downward trend in the ratio of biodiversity budget to the state budget during the same period.

The BER also found that biodiversity management is supported by many parties, national and local governments, and non-governmental organizations. The central government is a key stakeholder through the ministries and agencies that are closely related to biodiversity activities and have the largest portion of biodiversity budget.

In the national policy context, BIOFIN Indonesia provided input to the development and drafting of Government Regulation (RPP) on environmental economics instruments. The inputs were given through the Fiscal Policy Agency (BKF) of Ministry of Finance.

BIOFIN Indonesia has been acknowledged by the Ministry of Environment and Forestry as the national focal point for biodiversity, through the Secretariat of Convention on Biological Diversity (CBD). During 2016, The BIOFIN Indonesia worked closely with the secretariat and supported them in the several events, e.g. World Conservation Congress IUCN, Subsidiary Body on Biodiversity, and COP CBD.

In 2016, Indonesia become the host country for the BIOFIN Regional Workshop - Euro Asia Pacific (Bali, 2-4 March). The workshop served to develop capacity building (include workshop on methodology) and knowledge exchange among BIOFIN Euro-Asia Pacific countries, while assessing progress towards overall outcomes.

## Overview

Status: Active

Project start date: November 2013

Estimated end date: November 2018

Partners on ground: Ministry of Finance, National Planning Agency (Bappenas), Ministry of Environment & Forestry, Ministry of Marine Affairs and Fisheries, Ministry of Agriculture, and Indonesian Institute of Sciences (LIPI).

Focus area: Biodiversity, Public Finance Management, Biodiversity Finance



Ministry of Finance  
Republic of Indonesia



Kementerian PPN/  
Bappenas



Ministry of Environment  
and Forestry



Indonesian Institute of  
Sciences



Ministry of  
Agriculture



Ministry of Marine  
and Fisheries

