



# Institutional Framework of Sustainable Financing For MPA Management in Indonesia

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# Background

- Budget required to manage an MPA in Indonesia is USD 1.43 per hectare (Working Group on Sustainable Financing of MMAF, 2011)
- Total budget required to manage 15.7 million hectare of Indonesian MPA is USD 22.5 million
- Budget availability (government budget and NGOs/Donors) is USD 7.5 million per year
- The gap is USD 15 million per year

# Options to Fill Financial Gaps

- Government Budget
- Entrance fee
- Grants from Donor Agencies
- Corporate Social Responsibility (CSR)
- Debt-for-Nature Swaps
- Carbon Market, include Blue Carbon
- Payment for Environmental Services (PES)
- Fines for Illegal Fishing
- Biodiversity Offset

# Institutional Challenges

- All MPAs in Indonesia are managed by government and therefore using financial government system
- There are complexities to manage fund from non-government budget

# Innovative Institutional Arrangement

- Public Service Agency (BLU) System
  - Business-like in public service that allowing to sell goods and services without focusing on profit-taking
  - A new paradigm in public financial management by enterprising the government
  - Local government BLU is called BLUD
- National Trust Fund for Marine Conservation
  - To manage foreign and local grants from non-government funding for marine conservation programs in Indonesia

# BLUD System

- BLUD could use revenues directly, include from ticket/entrance fee
- BLUD could hire non-government professionals
- BLUD could raise grants and using directly
- The first MPA who implementing BLUD system in Indonesia is Raja Ampat MPA
  - CI working closely with Raja Ampat government and other partners (TNC and Starling Resource) in preparing BLUD system

# National Trust Fund for Marine Conservation

- The Trust Fund manages grants, but not endowment fund
- The Board of Trustees has ultimate authority for managing the Trust Fund, comprise of representatives from government ministries, local and international NGOs, and other organizations
- Infrastructure of the Trust Fund is ready and now focusing on fund-raising
  - CI working closely with Minister of Marine Affairs and Fisheries and other partners (WWF, TNC, and RARE) to develop this Trust Fund

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*Terima Kasih*  
Thank You

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