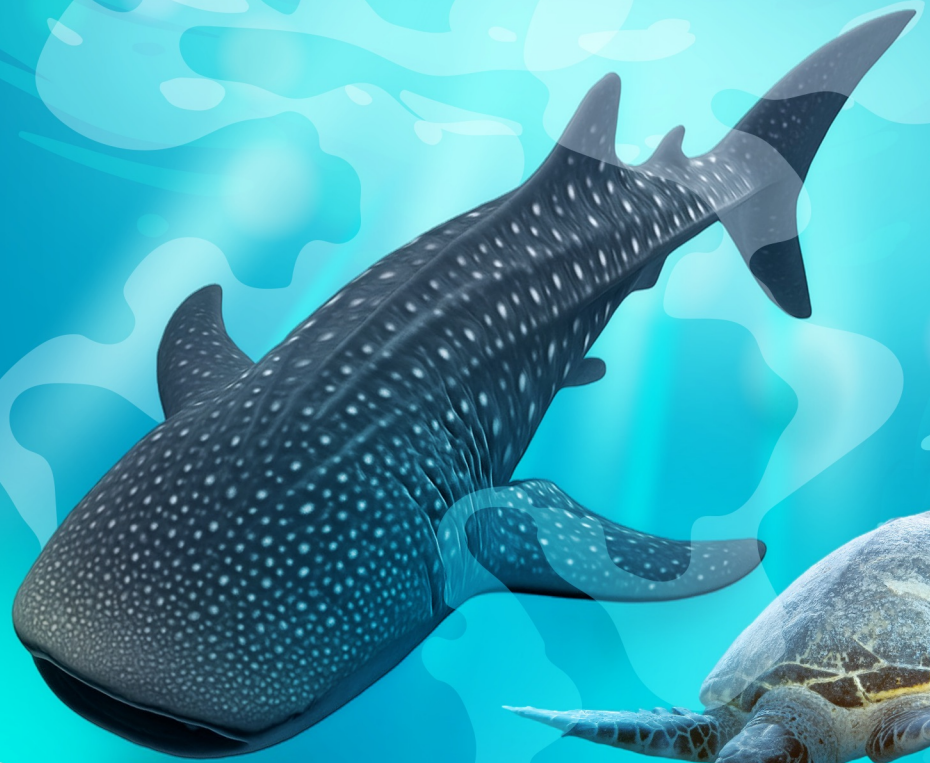




Ministry of National  
Development Planning/Bappenas  
Republic of Indonesia



# OCEANS FOR PROSPERITY (LAUTRA)

## *Laut untuk Kesejahteraan*

To enhance the sustainable management of selected marine protected area and coral reef fisheries, and access to economic opportunities for local communities in target areas.



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Indonesia Climate Change Trust Fund



@icctfofficial



**ICCTF**

Indonesia Climate Change Trust Fund

***OCEANS  
FOR PROSPERITY  
(LAUTRA)***

# OBJECTIVE

to enhance the sustainable management of selected marine protected area and coral reef fisheries, and access to economic opportunities for local communities in target areas.

## COMPONENT

# 1

Infrastructure and institutional strengthening for sustainable Marine Protected Areas Management

Implementing Agency:

Ministry of Marine Affairs and Fisheries (MMAF)

Project Duration:

5 years  
(2023 – 2028)

## COMPONENT

# 2

Expanding Economic Opportunities in and around Marine Protected Areas

Implementing Agency:

Ministry of Marine Affairs and Fisheries (MMAF)

Project Duration:

5 years  
(2023 – 2028)

## COMPONENT

# 3

Sustainable financing for Marine Protected Areas and Livelihoods

Implementing Agency:

Deputy for Food, Natural Resources, and Environment, Ministry of National Development Planning/Bappenas - ICCTF

Project Duration:

2,5 years  
(April 2023 – September 2025)  
\*On the Proposed No-Cost Extension

## PROJECT LOCATION



**11 PROVINCE**  
(20 MPA)  
3 WPPNRI (714, 715, 718)

01 EAST NUSA TENGARA

02 WEST NUSA TENGARA

03 MALUKU

04 NORTH MALUKU

05 NORTH SULAWESI

06 GORONTALO

07 SOUTH SULAWESI

08 SOUTHEAST SULAWESI

09 CENTRAL SULAWESI

10 SOUTHWEST PAPUA

11 PAPUA

### COMPONENT

# 3

## SUSTAINABLE FINANCING FOR MARINE PROTECTED AREAS AND LIVELIHOOD



Implementing Agency:

Deputy for Food, Natural Resources, and Environment, Ministry of National Development Planning/Bappenas – ICCTF

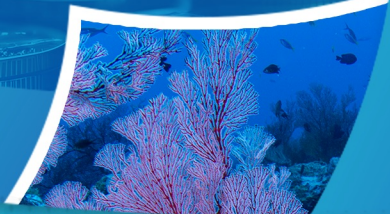
### 3.1 Strengthening the Enabling Environment and Policy Framework for Blue Finance

1. Blue Finance Advisory Committee
2. Draft Regulations to Repurpose Government Spending
3. Draft Regulations to Incentivize Sustainable Business Practices
4. Policy Recommendations on Blue Carbon
5. Monitoring & Reporting Framework for Blue investments
6. Training focusing on Blue Finance (Capacity Building)

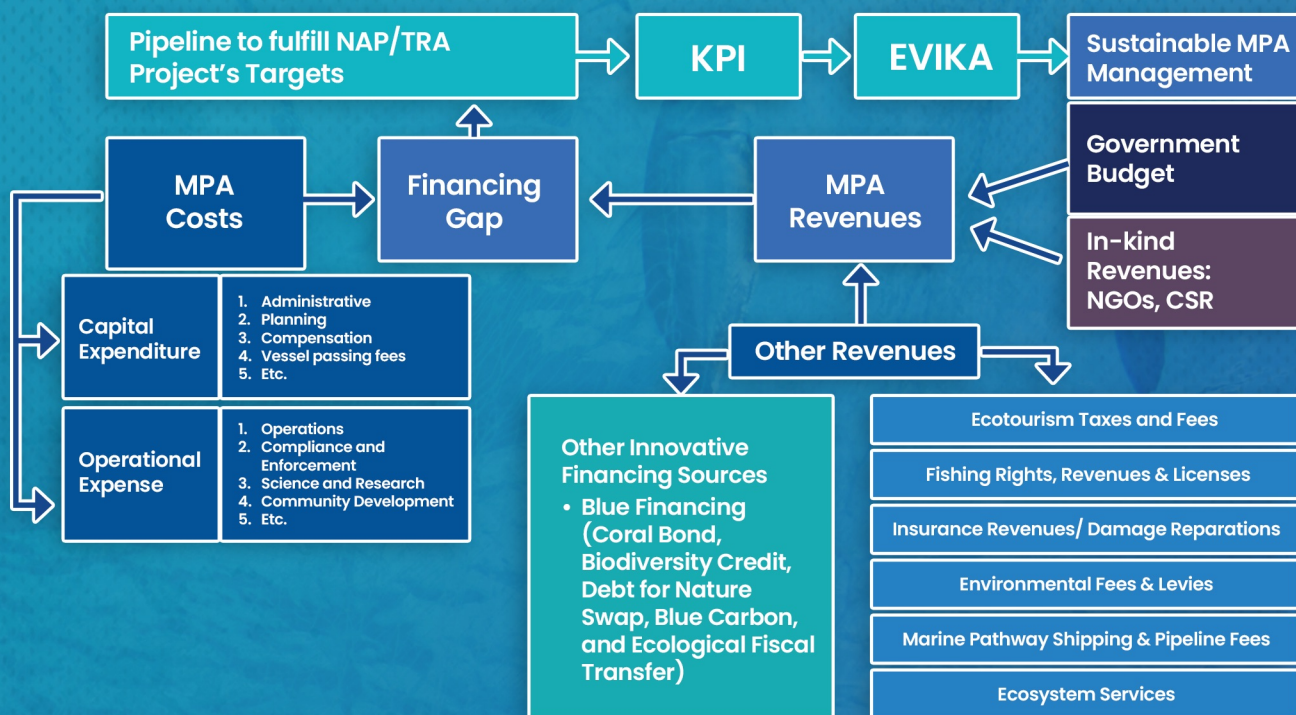
### 3.2 Development and Implement Long-Term Investment Strategies for the Priority Blue Economy Sectors

7. Three Long-Term Blue Financing Strategies:
  - a. Marine Protected Area (MPA)
  - b. Coastal Infrastructure
  - c. Micro, Small and Medium Size Enterprises in the Blue Economy (MSME)
8. Two Blue Finance Proposal
  - a. Sovereign
  - b. Non-Sovereign

# Marine Protected Area Financing Framework



The revenues of Marine Protected Areas (MPAs) are derived from several sources, including government budgets and in-kind contributions from NGOs and corporate social responsibility (CSR) initiatives. In addition, there are various innovative financing sources that can be further developed, such as coral bonds, biodiversity credits, debt-for-nature swaps, blue carbon, ecological fiscal transfers, ecotourism taxes and fees, fishing rights, restrictions and licenses, insurance premiums/damage prevention mechanisms, marine pathway shipping and pipeline fees, and payments for ecosystem services.



## POTENTIAL REVENUE INSTRUMENTS

The potential revenue instruments for the 15 Marine Protected Areas (MPAs) within the LAUTRA area that have been identified are categorized as follows:

### 1. Annual Budget

- TANE, TAPE, TAKE

### 2. Ecological Fiscal Transfers (EFT)

### 3. Grants

- Cash grants, in-kind grants

### 4. Taxes, Fines & Penalties

- Environmental taxes and levies, fines and penalties from lawsuits

### 5. Donations

- On-site, remote, crowdfunding, volunteering, cost-sharing

### 6. Debt Instruments

- Loans, blue bonds, debt-for-nature swaps, bilateral debt reductions, commercial debt-for-nature swaps, SDG bonds, Islamic bonds (sukuk)

### 7. Access/Use Rights

- Tourism entry and activity fees, concessions, long-term non-extractive use rights, single-use non-extractive use rights, ocean pathways, extractive use rights

### 8. Mitigation Fees

- Blue carbon, biodiversity offsets

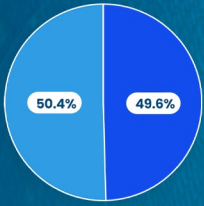
### 9. Others

- Coral insurance, coral species

# MSME Population Mapping Overview and Priority Sectors

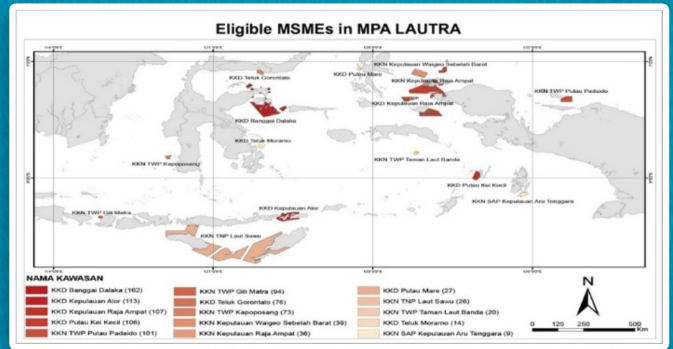
# 1003 Eligible MSMEs

Total MSMEs  
4,721 Across 15 Marine Protected Areas  
LAUTRA Project Location



Gender Distribution on  
1,003 Eligible MSMEs

♂ 497 MSMEs Led by Female  
♀ 506 MSMEs Led by Male



The figure above shows the distribution of the total eligible MSMEs in each MPA of the LAUTRA Project location

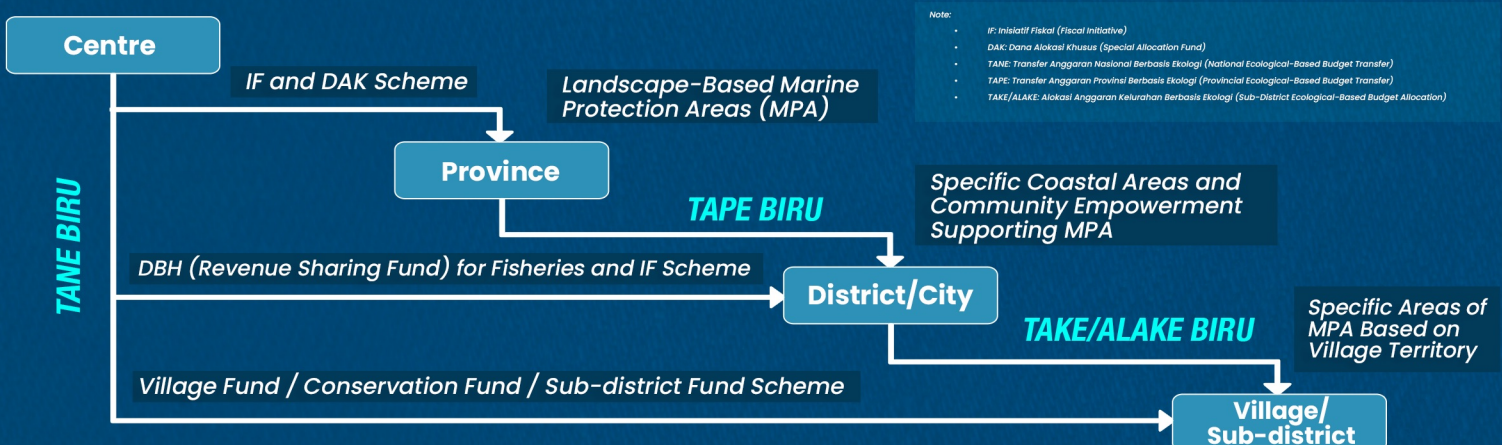
Develop sustainable financing strategies for Micro, Small, and Medium Enterprises (MSMEs) operating within 15 Marine Protected Areas (MPAs) of the LAUTRA Project location has identified the population of 4,721 MSMEs and classified 5 key sectors through surveys and interviews. The sectors are fisheries and seafood processing, seaweed farming, ecotourism, local food product processing, and handicrafts & souvenirs. Of these, 1,003 MSMEs (21%) were deemed eligible for sustainable financing based on their business structure, financial transparency, and alignment with environmental and social sustainability principles, particularly those outlined under the ICMA Sustainability-Linked Bond Principles and the IFC Blue Finance Guidelines, with the gender distribution female 497 MSMEs (49.6%) and male 506 MSMEs (50.4%).

## Blue Fiscal Transfer

The development and implementation of Ecological Fiscal Transfers (EFT) for the blue sector, hereinafter referred to as Blue Fiscal Transfer (BFT), constitutes an important step to promote the potential and application of EFT, particularly in coastal areas with untapped blue economy potential that have long been overlooked. BFT is expected to serve as a stimulus to accelerate blue financing in coastal regions, with the aim of optimizing the management of marine and coastal ecosystems and fostering sustainable coastal economic development

The Current Ecology-Based Fiscal Incentive Schemes Are Categorized as Follows:

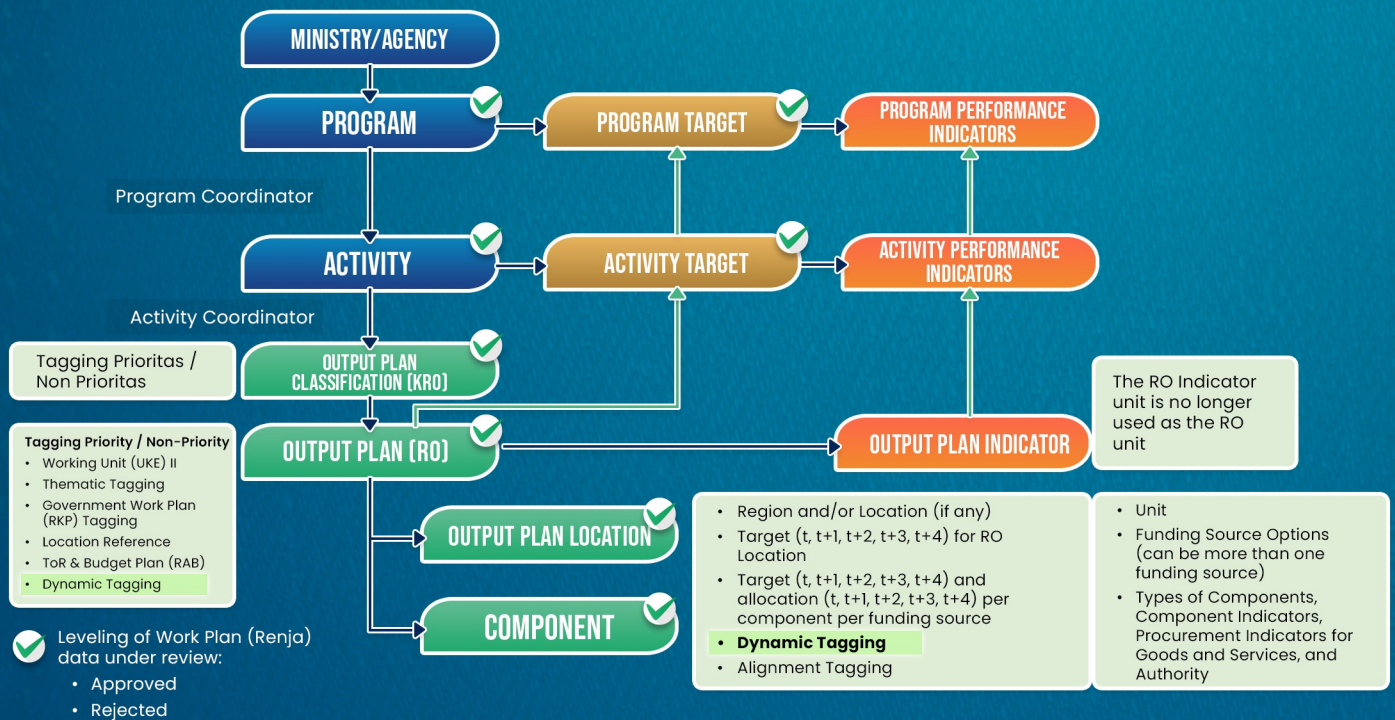
- National Budget Transfer Based on Ecology (TANE):**  
A financial transfer scheme from the Central Government to Provincial/Regency/Municipal Governments based on their performance in environmental management and protection (ecology).
- Provincial Budget Transfer Based on Ecology (TAPE):**  
A financial transfer scheme from Provincial Governments to Regency/Municipal Governments based on their performance in environmental management and protection (ecology).
- Regency Budget Transfer Based on Ecology (TAKE):**  
A financial transfer scheme from the Regency Governments to the Village Governments to encourage improved performance in environmental management and protection (ecology).
- Urban Village Budget Allocation Based on Ecology (ALAKE):**  
A financial transfer scheme from Regency/Municipal Governments to Urban Village Governments to encourage improved performance at the urban village level in environmental management and protection (ecology).



# Blue Budget Tagging

Objective of Blue Economy Dynamic Tagging  
The Blue Economy Dynamic Tagging aims to:

- A. Ensure that interventions designed to achieve the targets and indicators of the blue economy, as stipulated in the RPJMN and the Roadmap, are duly prioritized in the annual planning and budgeting processes; and
- B. Ensure that such interventions are subject to systematic monitoring and evaluation to assess the performance of Blue Economy implementation on an annual basis.



## Cluster for Blue Economy Dynamic Tagging:



# Indonesia Blue Finance Initiative - LAUTRA

2024

## Dynamic Tagging Blue Economy Module

The guidelines are intended for Ministries/Agencies (K/L) to carry out the tagging, monitoring, and evaluation of Blue Economy budget allocations specified at the activity output level (detailed outputs) within their respective Work Plans within Ministries/Agencies (Renja K/L). These Work Plans, subsequently, serve as the foundation for the preparation of the Ministry/Agency Budget and Work Plan (RKA K/L)



2024

## Guidelines of Blue Fiscal Transfer on Coastal Area First Edition

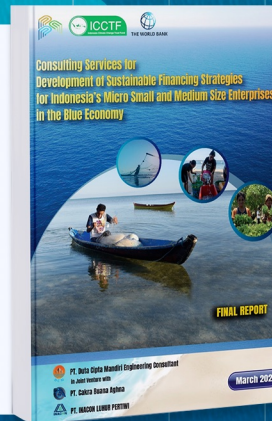
This document contains the development and implementation of Ecological Fiscal Transfers (EFT) for the blue sector, hereinafter referred to as Blue Fiscal Transfer (BFT), which constitutes an important step to promote the potential and application of EFT, particularly in coastal areas with untapped blue economy potential that have long been overlooked. BFT is expected to serve as a stimulus to accelerate blue financing in coastal regions, with the aim of optimizing the management of marine and coastal ecosystems and fostering sustainable coastal economic development



2025

## Development of Sustainable Financing Strategies for Indonesia's Micro, Small, and Medium Size Enterprises in the Blue Economy

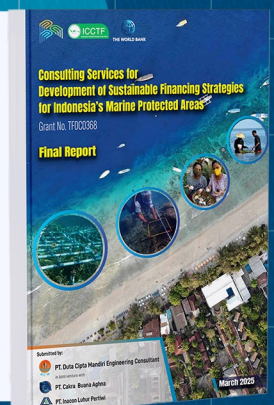
Develop sustainable financing strategies for Micro, Small, and Medium Enterprises (MSMEs) operating within 15 Marine Protected Areas (MPAs) of the LAUTRA Project location to enhance MSME access to finance. The study has identified the population of 4,721 MSMEs and classified 5 key sectors through surveys and interviews. The sectors are fisheries and seafood processing, seaweed farming, ecotourism, local food product processing, and handicrafts & souvenirs.



2025

## Development of Sustainable Financing Strategies for Indonesia's Marine Protected Areas

This study examines the development revenues of Marine Protected Areas (MPAs), which are derived from several sources. This study reveals of financial gap to operate the ideal MPA. The revenue from MPA might include government budgets and in-kind contributions from NGOs and corporate social responsibility (CSR) initiatives. In addition, there are various innovative financing sources that can be further developed, such as coral bonds, biodiversity credits, debt-for-nature swaps, blue carbon, ecological fiscal transfers, ecotourism taxes and fees, fishing rights, restrictions and licenses, insurance premiums/damage prevention mechanisms, marine pathway shipping and pipeline fees, and payments for ecosystem services.





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