

Integrated Solutions for Disaster Risk Management and Social Protection (ISASP) Project

Improving institutional and technical capacities for the implementation of Adaptive Social Protection in Indonesia

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| Project name | Adaptive Social Protection (ASP) |
| Commissioned by | German Federal Ministry for Economic Cooperation and Development (BMZ) |
| Project region | Indonesia |
| Lead executing agency | National Disaster Management Authority (BNPB) |
| Duration | November 2023 – October 2026 |



The challenge

The rapid socio-economic development of Indonesia over the past two decades has had profound negative effects on the environment and the climate. Natural and climate-related hazards increasingly threaten the livelihoods of broad sections of the population in Indonesia. According to the World Risk Index 2022, the country ranks third among nations with the highest disaster risk. About 40% of Indonesia's population is directly exposed to these dangers. The resulting loss of income and destruction of material assets pose one of the greatest risks of poverty. This is particularly true for poor and vulnerable households and disadvantaged population groups, such as women and girls, people with disabilities, the elderly, informal workers, and smallholder farmers, as they have few reserves and very limited resilience. Climate change is thus slowing down the social and economic progress that the country has made in recent years.

The Indonesian government is aware of the vital role of social protection in strengthening the resilience of the population to natural and climate-related threats. In recent years, significant efforts have been made to establish the regulatory foundations for the development of social protection

and the use of social programs in disaster management and climate adaptation, in line with the concept of adaptive social protection (ASP). Strengthening the resilience of the population to natural and climate-related shocks and reducing poverty through adaptive social protection is a goal enshrined in the Medium-Term Development Plan 2020 to 2024. With these strategic guidelines, the Indonesian government has laid an important foundation for adaptive social protection. In the social, civil protection, and climate adaptation sectors, public authorities have trained staff, and as an upper-middle-income country, Indonesia has, in principle, sufficient budgetary resources to implement its ASP strategy. However, the institutional and technical capacities of stakeholders to operationalize ASP in a cross-sectoral and coordinated manner are currently insufficient.

Our approach

The objective of the project is: "The institutional and technical conditions for implementing a poverty-oriented and cross-sectoral approach to ASP have improved."

The project addresses the institutional and technical capacities of stakeholders to operationalize the guidelines in a cross-sectoral and coordinated manner. The project is focusing on four areas of intervention following the overall logic of an Adaptive Social Protection System.



L. to r.: preparatory meetings between BNPB and GIZ



*Kick off workshop
between BNPB
and GIZ*

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Output 1: Support the development of strategies to enhance the coordination and governance of ASP with a special focus on the needs of women and vulnerable groups, for example by:

- Supporting BNPB with the coordination and governance of the topic
- Facilitating technical working groups for ASP in provincial and district forums for disaster risk reduction in both project provinces, with ASP work plans in each project province.
- Jointly analyzing the impacts of ASP-relevant programs during previous disasters.
- Developing area-specific risk-layering concepts for selected hazards and identifying suitable ASP-relevant programs.

Output 2: Improve conceptual and institutional prerequisites for integrated funding programs for sustainable livelihoods, for example by:

- Facilitating technical working groups in both provinces to analyze existing programs and measures to improve the livelihoods of different target groups.
- Analyzing weather- and climate-related hazards in specific areas (including slow-onset events) and the livelihoods put at risk.
- Developing tailor-made packages for different population groups and livelihoods (technical and economic feasibility, institutional arrangement, and costing).

Output 3: Enhance the use of information and data for ASP relevant monitoring and steering purposes :

- Analyzing existing guidelines and directives of national ministries and agencies for collecting and verifying ASP-relevant data.
- Assessing existing human and institutional capacities for data collection.
- Establishing and improving directives, guidelines, and standard operating procedures (SOPs) to guide data collection, verification, and analysis (national and/or subnational).
- Supporting the analysis of ASP-relevant data in project provinces for monitoring and steering purposes.

Output 4: Improve the basis for decision-making on financial instruments for ASP, for example by:

- Developing approaches and guidance to use the disaster pooling fund for financing ASP-relevant programs along the disaster risk cycle.
- Supporting government agencies in the costing of ASP-relevant interventions based on the risk-layering approach.
- Designing and testing innovative schemes to facilitate access for poor households and SMEs to insurance and credit for investment in resilience-building.
- Advising national and subnational policymakers on the feasibility of innovative ASP financing instruments (e.g., catastrophe bonds, social impact bonds, loan guarantee schemes).

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