

Climate-resilient PPP: where are we?

Full Description

There are several instruments and tools already used to address climate change risk in Indonesian PPP projects. In toll road projects, the PPP procurement team has been requiring bidders to consider ways to anticipate floods and to adopt the 'zero delta Q' principle (so that no water discharge increased because of new projects). In a broad sense, the Government is developing policies to achieve its commitment under the Paris Agreement to reduce its greenhouse gas emissions. We have spatial planning policies to assess investments that correspond to a specific area. We also have green building technical standards where mitigation of climate change and disaster risks is included among the principles of green building. However, there is not yet a specific integrated instrument/tool for developing climate-resilient infrastructure projects. This issue is likely to become even more critical, given the current administration's focus on the new capital city; we would hope that climate-resilience plays a significant part in the design and construction of the city's infrastructure.

As a disaster-prone country, it is necessary to build resilience in our infrastructure projects. The following are six steps which would drive this process forward: (1) identify and assess exposure to climate issues and the risks; (2) establish a national framework of adaptation and mitigation considerations and actions towards climate-resilient projects; (3) integrate the considerations and actions required for infrastructure investment; (4) assess the allocation of climate risks for major investments (e.g., to come up with a template on this for major public projects); (5) implement adaptation and mitigation plans; and (6) introduce regular monitoring and review processes, to further improve performance. This should be carried out from the upstream planning stage to project implementation, and would need the cooperation of all the various stakeholders.

Rebuilding may be more expensive than building correctly in the first place, so now is the right time to adopt this concept for our infrastructure assets.

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