



TOWARDS CLIMATE RESILIENT AND JUST VILLAGES

ANWAR MUHAMMAD FOUNDATION'S NOTES
FOR REFLECTING ON NEARLY 10 YEARS OF
VILLAGE LAW IMPLEMENTATION

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Anwar Muhammad Foundation (AMF) 's Notes for Reflecting on Nearly 10 Years of Village Law Implementation

For: World Bank

Towards Climate Resilient and Just Villages

Challenges and Opportunities

Indonesia's villages face various complex issues and challenges, including urbanization, socioeconomic change, limited natural resources, social inequality, and gaps in health facilities, education, employment, and basic services. The global issue of climate change exacerbates the existing problems.

Indonesia is one of the countries that are vulnerable to climate change. With thousands of islands spread between two large oceans, Indonesia faces various challenges due to climate change, such as rising sea levels, extreme weather, and rising global temperatures. **Villages are the most vulnerable locations to the effects of climate change.**

Rural communities in Indonesia generally depend on natural resources as their main livelihood and to meet their daily needs. However, climate change has led to limited availability of natural resources, especially through natural disasters such as droughts, extreme weather, and floods. In addition, **many villages in Indonesia are located in 3T (underdeveloped, frontier, outermost) areas**, which often have difficult access. Villages in these areas are also exposed to the effects of climate change more quickly and intensely. For example, coastal communities face a sea level rise that can threaten their settlements and cause significant economic losses.

In addition, the **importance of inclusivity in village development cannot be ignored**. The Village Law has raised the issue of protecting vulnerable and marginalized groups in rural communities, including women, children, older people, indigenous peoples, people with disabilities, and others. By encouraging inclusivity, everyone can have equitable access to resources and development opportunities regardless of background or circumstances. Inclusive villages also reflect the diversity of the Indonesian nation. Village development based on inclusivity creates a strong foundation for inclusive national growth. Village inclusivity is not just about creating equality but also about strengthening a diverse and unified national identity.

On the other hand, the **development of digital technology has brought new opportunities for village development in the modern era**. Through digital technology, villages can access wider and more diverse options, such as distance education, online health services, and digital financial services. This change can improve the accessibility and quality of life of the village community. By utilizing digital technology, villages can more effectively and efficiently overcome challenges and create new opportunities that enable sustainable and inclusive development.

Reflection by AMF

The Importance of Empowering Capacity Sharing

Sustainable and inclusive village development can be strengthened through capacity-sharing practices that empower various village elements, including village heads, village officials, Village-Owned Enterprises (BUMDES), village Micro, Small and Medium Enterprises (MSMEs), and village communities in general. **Capacity sharing not only creates formal participation in the decision-making process but also encourages substantive participation.** The involvement of village components in development can give a strong understanding of the real issues and a shared capacity to address those challenges. **Capacity sharing must be accompanied by trust for the village from supra villages**, such as district/city, provincial, or national governments. With conviction, villages can implement the development strategies that suit their local needs and potential. Capacity sharing can equip villages to become stronger, empowered, and adaptive.

Collaborative Governance Practices Uphold Inclusivity for Village Climate Resilience

Collaborative governance is a crucial approach in realizing climate-resilient villages. Collaboration is needed to answer complex problems experienced by villages. Collaborative governance is aligned with Sustainable Development Goal Number 16 "Peace, Justice, and Resilient Institutions" and Number 17 "Partnerships to Achieve the Goals".

The context underlying the implementation of this collaborative governance includes dynamics in diverse rural communities, financial resources in the form of climate finance allocated to villages, regulations related to villages and climate change, and effective coordination between villages and supra-village institutions. In addition, every level of communities from various sectors currently tend to be engaged in sustainable fields.

The main driving component in this collaborative governance is facilitative leadership by village heads to facilitate the role of village officials, farmers, NGOs, youth groups, vulnerable community groups, or other relevant components of rural communities on climate issues and collaboration among them. Directives from ministries or agencies related to climate issues are also important in providing guidance and support for climate-resilient villages.

Communication forums involving various components of society engaged in climate issues are important in the dynamics of collaboration. The structure and hierarchy of communication within the village must also be observed to ensure an efficient flow of information. Substantive representation needs to be guaranteed to represent the needs of various parties in the decision-making process in handling climate change in villages. With strong collaborative governance, villages can face climate change challenges more effectively and realize sustainable climate resilience.

Participatory Nature and Biodiversity Sustainability

The Village Law should include sustainable natural resource management provisions to benefit villages. The management of these natural resources must consist of participatory elements. The participation of rural communities in decision-making related to natural resource management is key in ensuring that policies and actions meet local needs and aspirations.

Spatially, many natural resources are owned by the village, so the existing natural resources must be managed to support the needs of the village community. Village Deliberations (Musyawarah Desa/Musdes) in practice have included decisions in Hamlet Deliberations (Musyawarah Dusun). Furthermore, **the village's voice must be represented in regional development planning deliberations (Musyawarah Perencanaan Pembangunan/Musrenbang)**. Unfortunately, the phenomenon of *elite capture* often occurs. A strategy is needed **so that villagers dare to speak out**, including in Musrenbang, that affects the implementation of village development. This involvement can be strengthened through capacity building or using digital media to gather votes. That way, preserving nature and biodiversity can be based on participatory policies.

Local Wisdom for Meaningful and Sustainable Solutions

Utilizing local wisdom is an important element in exercising village authority to deal with climate change. The village is the entity that understands knowledge about the challenges and potentials in relation to climate issues. **Villages can combine scientific wisdom with modern technology to create effective and sustainable solutions**. Leveraging local wisdom is not only about respecting cultural heritage but also about improving the quality of life of rural communities, maintaining local ecosystems, and ensuring long-term climate resilience. However, to continue directing village development to be in line with national development, the central government and other supra-villages can set general goals to mitigate and adapt to climate change by emphasizing sustainability points in regional development plans while still being escorted by the civil society. Furthermore, the village utilizes its authority to determine the strategy to be carried out based on its local wisdom.

Equitable Sustainable Climate Finance

The **Islamic Blended Finance (IBF) approach can play a role in ensuring the availability of costs** needed for village development. This financing approach is more diverse and sustainable by combining resources from different parties, including the private sector, governments, and Islamic finance institutions. In addition, **increasing financial management capacity** at the village level is important to assist villages in managing funds effectively, allocating resources wisely, and reporting funds transparently. With strong financial management capabilities, villages can optimize the use of available resources, thereby reducing the possibility of ineffectiveness in implementing development programs.

AMF Good Practices

AMF contributes a lot to village development through its work. AMF is an aggregator in the Livelihood Improvement Program (LIP) for residents affected by Geothermal Power Plants (PLTP) by PT Supreme Energy Rantau Dedap. The program includes planning strategies to improve community livelihoods, capacity building of Joint Business Groups (KUBE), and summarization of the supply chain of the community coffee commodity. AMF also plays a role in the work of institutional strengthening of Village-Owned Enterprises (BUMDES) in the vicinity of PLTP Unit 2 Dieng PT Geodipa Energy.



In addition, AMF collaborates with the School of Life Science and Technology (SITH) Bandung Institute of Technology (ITB) through the Quintuple Helix Co-Laboratory in Ecosystem Services Management to Build Resilience Capacity program as a trigger for sustainable livelihoods by strengthening conservation and ecosystem services in the Gunung Geulis Education Forest Area. Both parties are also in the initiation stage of a sustainable social forest financing program under the IBF scheme through the Gunung Geulis Green Connect (GGGC) project. The programs include sustainable forest restoration, agroforestry technology, and eco-edu-tourism so as to empower Forest Farmer Groups (KTH) and the community.

AMF also prepared several policy briefs related to climate change issues for the House of Representatives of the Republic of Indonesia (DPR RI). The topics brought included Increasing Parliamentary Awareness of Climate Change, Climate Finance by the House of Representatives of the Republic of Indonesia in Realizing Climate Resilience in Indonesia, and ESG in Parliament as an Acceleration of Realizing Climate Resilience. These efforts show that the AMF is also taking a role in addressing climate change at the parliamentary level, where regulations are set.

AMF is also actively campaigning on climate change, village development, inclusivity, and digitalization issues through populist writings. AMF shares many success stories on these issues with the public through writing articles on its website.