Sustaining Forest, Empowering People: Climate Finance at the Grassroots, Lessons Learned from FOLU Norway Contribution

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Antalya, Türkiye, November 2026. I, Dr. Jihan Nurlela, M.M., Vice Governor of Lampung Province, present this written contribution in my capacity as a representative of the Lampung Provincial Government. This contribution sets out Lampung's perspective on climate finance at the provincial and grassroots levels, drawing on the province's experience and its partnership within the FOLU Norway contribution framework.

On behalf of the Lampung Provincial Government, I express high appreciation to the Government of Norway for its continued commitment and valuable contribution to Indonesia's forest conservation and climate action agenda. FOLU NC1 and NC2–3 have been implemented in Lampung and have helped communities gain access to forest resources. Lampung remains committed to supporting the FOLU Net Sink targets, particularly through NC5.

I propose that part of future FOLU funding be allocated to empowering women's farmer groups. In East Lampung, one of our largest social forestry areas, many women's groups produce cocoa, but much of it is still sold as raw beans. With Norway's support, these groups could produce higher-value products through simple processing equipment, training, and market access. Protecting forests should also improve people's livelihoods.

Lampung has approximately one million hectares of forest areas. We have 376 social forestry groups managing more than 248,000 hectares and supporting over 90,000 households. We have improved forest governance and facilitated access to People's Business Credit (KUR). Our potential includes coffee, cocoa, honey, agroforestry, and ecotourism. However, larger financing is needed to unlock this potential.

Lampung also has two important national parks: Way Kambas and Bukit Barisan Selatan. Way Kambas is of particular national significance and is close to the attention of President Prabowo Subianto. Both parks require stronger investment in biodiversity protection, habitat restoration, fire prevention, and human–wildlife conflict mitigation.

Lampung is advancing climate finance through three main instruments.

First, Result-Based Contribution (RBC) for Lampung Province. RBC funding supports forest and biodiversity outcomes in the national parks, including their coastal blue carbon resources such as mangrove. This instrument is directly relevant to Lampung's conservation and community-development priorities.

Second, building the capacity of the Subnational Development Bank (SDB), or Bank Pembangunan Daerah/BPD, specifically Bank Lampung, in addressing climate risks. This will enable Lampung to address transition risk, such as the transition to a low-carbon society, and physical risk, such as forest fires in East Lampung and Tulang Bawang and floods in Pesisir Barat and Bandar Lampung.

Third, Provincial Climate Budget Tagging (P-CBT). Lampung has already allocated part of its provincial budget to climate action but cannot yet fully identify its financing gaps. Through budget tagging, we can map climate expenditures, understand financial capacity, needs, and gaps, and set investment priorities. Once the gaps are identified, investment partners can be invited to fill them.

Lampung has strong social forestry groups, village cooperatives, and women's organizations. They are ready to act but need better access to financing, technology, and markets.

Two concrete examples illustrate this potential. First, Climate Risk Management and Scenario Analysis (CRMS) with Bank Lampung, focusing on banking support for small and medium enterprises (SMEs/UKM) in Lampung as they address climate risks. Second, climate budget tagging exercise and support to better understand climate funding for climate-related activities by women's groups, including Muslimah and Fatayat NU, Aisyiyah Muhammadiyah, and others, as well as support for village cooperatives that foster ecotourism and forest conservation.

RBC funding, including from Norway, could support these activities through CRMS with Bank Lampung and provincial climate budget tagging under the Lampung regional budget (APBD). Further support from RBC funding could also be mobilized to address provincial funding gaps recommended by the budget-tagging results, including forest and mangrove conservation and climate-sensitive gender activities in national park buffer zones.

I invite international partners, including Norway, to support forest and mangrove conservation, Bank Lampung's climate-financing capacity, and direct community financing. This includes empowering Fatayat NU and Aisyiyah Muhammadiyah to support sustainable livelihoods and community-based climate action.

Lampung is not starting from zero. We have the forests, the communities, and the foundation. We are not simply asking for funding; we are offering an opportunity to invest in measurable climate impact and stronger local economies. Let us turn climate finance into real action, starting from Lampung.