



# **NAP Global Network**

Coordinating  
Climate-Resilient  
Development

## **Using Fiscal Instruments to Finance the NAP Process**

Jo-Ellen Parry

June 20, 2017

Mexico City, Mexico



# Introduction

**Two types of fiscal instruments can be identified:**

- » Revenue raising instruments
- » Redistribution of revenue

Potential to use these instruments to finance prioritized adaptation actions





# Revenue raising instruments

- » Taxes, levies and fees
- » Issuance of bonds
- » Debt conversion

New revenue may or may not be earmarked



# Revenue redistributing instruments

- » Subsidies
- » Subsidy reform



# Case study:

# Subsidy reform in Indonesia

Reforms introduced in 2014:

- » e.g., elimination of subsidies for gasoline

Outcome:

- » IDR186 trillion rupees (~US\$13.8 billion)

Funds used to support:

- » Increase in ministerial budgets to finance deliver special programs

- » Invested IDR120 trillion in programs that should build adaptive capacity





# Issues to consider

- » Can be challenging and time-consuming
- » Can have adverse impacts
- » Requires active support of key ministries
- » Political sensitivities





**NAP  
Global  
Network**

**[www.napglobalnetwork.org](http://www.napglobalnetwork.org)**

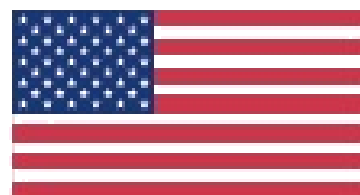
**[info@napglobalnetwork.org](mailto:info@napglobalnetwork.org)**

**Twitter: @NAP\_Network**

*Financial support provided by*



Federal Ministry  
for Economic Cooperation  
and Development



Environment and  
Climate Change Canada

Environnement et  
Changement climatique Canada

*Secretariat hosted by*

