

Indonesian Environmental Issues

Briefing by:

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Mr. Alfred Nakatsuma described the importance of the environment in terms of the “services” it provides to the country and the importance of its economic benefits. The provided services relate to the availability of clean water, the capture of carbon emissions by forested areas, and the general stability that accrues from a wide bio-diversity. In that regard, Indonesia is considered the global leader in bio-diversity based on its wide varieties of plant and animal species. The environment is related to 27% of the national GDP and 45% of the country’s employment.

The rainforest in Indonesia is particularly important. Its destruction has pushed Indonesia into 3rd place of nations that produce green house gases. In terms of the generation of green house gases from deforestation, Indonesia is the global leader. Logging – an estimated 80% illegal – is the primary cause of deforestation. An estimated 1.5M-1.8M hectares are lost each year. Much of this loss is attributed to the development of palm oil plantations. However, the majority of plantation concessions are not planted. The concessionaires cut the trees, sell the lumber, and walk away from the denuded land.

Destruction of the forests also produces civil strife. It is estimated that within a six kilometer radius from deforested areas, 40% of the communities have developed serious conflicts.

The loss of tax revenue from illegal logging is considerable. With total income from logging estimated at \$100M annually, taxes on the \$80M from illegal activities is unavailable to the government.

The Indonesian government appears to be making a good faith effort to combat the degradation of the environment, both on the land and in the surrounding seas. It has developed joint action groups from the ministries to enforce prohibitions. However, these efforts are admittedly weak, due to a lack of capacity in human resources and infrastructure. The country clearly needs greater support from foreign governments, including the U.S.

In terms of bio-diversity, Indonesia is a world superpower as evidenced by the fact that there are more varieties of trees in one hector of central Kalimantan than in all of North America. Cooperation between the U.S. and Indonesia on environmental problems is a means of enhancing the

general bilateral relationship.

Q: Do you think the election of Barack Obama would lead to improved relations with Indonesia?

A: Mr. Obama is very popular in Indonesia, but it is unclear what his policies would be on Indonesian issues.

Q: Is the AID budget for Indonesia improving?

A: It is projected to increase substantially over the next several years.

Q: Is the strength of the military and the police sufficient to enforce environmental regulations, particularly the illegal logging prohibitions?

A: The scale of the illegal activities is so large that more enforcement resources must

be developed to contain the problem.

Q: Are any animal species found in the plantations?

A: Not many, perhaps a few birds

Q: How can the importance of a U.S.-Indonesia environmental partnership be dramatized?

A: Develop linkages within the NGO community, particularly with those organizations concerned about greenhouse gas emissions.

Q: Don't the plantations have some beneficial impact on bio-diversity?

A: They do help to capture greenhouse gases, but with only one species of tree they do not recreate the bio-diversity that existed before deforestation.