



Indonesia Sustainable Development News Digest

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*The **Indonesia Sustainable Development News Digest** is a biweekly collection of summaries of articles related to conservation, the environment and sustainability in Indonesia which have appeared in print or online in local, regional and global English-language media. We welcome comments, suggestions, and corrections. To learn more about us and to access previous editions of the News Digest, please visit our*

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CONTENTS

- A. [Marine & Fisheries](#)
 - B. [Forests & Land Use](#)
 - C. [Conservation & Protected Areas](#)
 - D. [Energy, Mining, & Climate Change](#)
 - E. [Pollution & Waste](#)
 - F. [Investment & Finance](#)
 - G. [Other](#)
-
- I. [President Joko Widodo's peace mission to Russia and Ukraine](#)
 - II. [Advance manoeuvring for Indonesia's 2024 presidential election](#)
-

A. [Marine & Fisheries](#)

[Marine governance in Indonesia prioritizes exploitation over sustainability](#)

—Basten Gokkon, *Mongabay*, 23 June 2022

Decades of unsustainable marine governance in Indonesia have benefited extractive land-based economic activities and large-scale infrastructural development to the detriment of the environment and marginalized communities whose livelihoods depend on the ecosystem, a study said. “This dynamic is not unique to Indonesia, and is indeed common in many countries where colonization established institutions that incentivize resource extraction with little or no regard for social and environmental consequences.” Stakeholders in power who have much to lose and little to gain from reform have long wielded control over marine areas and resisted transformative changes needed for more just sustainable management. The paper traces the institutional development of marine governance in Indonesia from indigenous and traditional community practices to the current government’s national strategic projects and the 2020 Job Creation Law, during which uses of the sea transformed from trade, transport and fishing to large-scale extraction, with national elites gaining control and influence over marine areas as the expense of traditional and small-scale fishers.

Paper: Naimah Lutfi Talif, Ariane Utomo, Jon Barnett and Dedi Supriadi Adhuri, “[Three centuries of marine governance in Indonesia: Path dependence impedes sustainability](#)” (September 2021). Marine Policy 143, doi.org/10.1016/j.marpol.2022.105171

[Minister: Marine and Fisheries GDP, exports increased in 2021](#)

—Katriana, *Antara News*, 26 January

The value of the gross domestic product (GDP) contribution and exports of the marine and fisheries sector increased in line with the national economic recovery, Minister of Maritime Affairs and Fisheries (KKP) Sakti Wahyu Trenggono reported in a joint working meeting with Commission IV of the House of Representatives (DPR). “GDP value in the fisheries sector through the third quarter of 2021 increased by 4.6%,” faster than in the first three quarters of 2020. The export value of fishery products in 2021 reached US\$5.72 billion, a year-on-year increase of 9.8%. The five marine and fishery commodities whose export value increased are shrimp (US\$2.23 billion), skipjack tuna (US\$0.73 billion), octopus and cuttlefish (US\$0.62 billion), crab [including blue swimming crab] (US\$0.61 billion), and seaweed (US\$0.35 billion).

[Cold storage to grow by 50% as fishery firms push for export markets](#)

—Divya Karya, *The Jakarta Post*, 27 June 2022

Cold Storage Association (ARPI) chairman Hasanuddin Yasni expects 32,000 tonnes of new cold storage capacity to be installed this year, up 50% from last year's capacity increase as the industry expands to accommodate growing production in the fisheries and marine products sectors. Approximately 60% of cold storage used in the fishery sector is used for exports while the remaining 40% is used by the domestic seafood processing industry. Despite the strong expected growth, however, Hasanuddin warned cold chain stakeholders to anticipate 10% increases in storage installation fees as the ongoing conflict in Ukraine is affecting the supply chain for imported goods in cold storage installations". Indonesia posted a 21.6% year-on-year increase in the value of fish product exports over January-March 2022 with shipments rising to US\$1.53 billion. The leading importers were the US, China, and Japan. However, logistics infrastructure connecting production, distribution, and consumption centers "are not efficient yet" and remain a challenge for the sector in Indonesia, Setijadi, chairman of Supply Chain Indonesia said.

[WTO finally nets deal curbing fisheries subsidies, but puts off difficult bits to handle later](#)

—Elizabeth Fitt, *Mongabay*, 17 June 2022

Talks aimed at curbing harmful subsidies for fisheries with an agreement concluded with what was the first multilateral trade agreement the World Trade Organization (WTO) in almost a decade and the first ever WTO agreement focused on environmental sustainability. The agreement bans government subsidies that support fishing for already overfished stocks and curbs those that contribute to illegal, unregulated and unreported (IUU) fishing. But the member states postponed dealing with more problematic subsidies that contribute to building up fleets with the capacity to fish unsustainably and other forms of overfishing. "By reaching an agreement [the WTO members] may have given themselves a life line," said Rashid Sumaila, an expert in fisheries economics at the University of British Columbia, Canada. "In my opinion, a complete failure would have been a death knell for the WTO." A third of the world's fish stocks are now over-fished, and most of the rest are fished to capacity, according to the Food and Agriculture Organization (FAO).

[Slimmed-down WTO deal struck to limit fishery subsidies](#)

—Mark Godfrey, *SeafoodSource*, 17 June 2022

The slimmed down version of the fisheries subsidy deal omitted several parts of the draft text presented to ministers but was broadly welcomed by environmental NGOs. Isabel Jarrett, manager of The Pew Charitable Trusts' Reducing Harmful Fisheries Subsidies project said the agreement "includes measures that will enhance transparency and accountability for how governments support their fishing sector." The deal could also help level the commercial playing field of the seafood industry. Harmful subsidies "paid by other nations like China and Russia put all other fishing fleets and their harvests at a competitive disadvantage," US senators Sheldon Whitehouse and Dan Sullivan wrote in a letter to US Trade Representative Katherine Tai. Prior to the agreement, Chinese Commerce Minister Wang Wentao indicated China's support for the deal, about which Beijing had earlier expressed reservations. It remains to be seen how implementation of the deal will impinge on the oversight of regional fishery management organizations (RFMOs), which are nominally in charge of enforcing provisions on overfishing and illegal fishing on the high seas.

[Indonesia says its small-scale fishers will be exempt from WTO ban on 'harmful subsidies'](#)

—Basten Gokkon, *Mongabay*, 29 June 2022

Small-scale fishers will be exempt from the WTO agreement to end "harmful subsidies", according to officials. To protect its small-scale fishers, the majority of its fishers, Indonesia has invoked two "exempting provisions", namely the special and different treatment (S&DT) and fisheries management (FM) provisions of the agreement that allow fishers in less-industrialized coastal countries to continue to receive subsidies. Indonesia also cites existing fishing quotas that are meant to be sustainable and the fact that Indonesian fishers receive only a fraction of what fishers in other countries obtain. Indonesian subsidies to fishers operating vessels of less than 30 GT—including insurance, fishing gear, and fuel subsidies—amount to just US\$92 per fisher, compared to the US (US\$4,956), Japan (US\$8,385) or Canada (US\$31,800). Indonesia is the second-biggest marine capture producer, after China. Its waters support some of the highest levels of marine biodiversity in the world. Fisheries industries employ about

12 million Indonesians. 53% of Indonesia's fisheries management areas, or WPPs, are now deemed "fully exploited", up from 44% in 2017.

[RFMOs — What are they and are they enough to protect high-seas fish stocks?](#)

—Emma Desrochers, *SeafoodSource*, 17 June 2022

Regional fisheries management organizations (RFMOs) are international organizations formed among countries with fishing interests in a geographic area or a highly migratory species such as tuna. These organizations have authority to establish fisheries management measures on the high seas outside of the exclusive economic zones (EEZs) of individual countries and may include "distant water fishing nations" with interests in the fishery who may not be geographically close to the fishery. Five of the 17 RFMOs are focused on tuna. But members who oppose a new RFMO measure do not have to comply. The Indian Ocean Tuna Commission (IOTC) created a rebuilding plan last year for overfished yellowfin tuna, but six countries objected and said the regulation didn't apply to them. Many organizations believe RFMOs have failed to prevent depletion of high-seas stocks and degradations of marine ecosystems. Some stakeholders are working to develop proposals to improve RFMO performance, for example by replacing decision-by-consensus with a two-thirds majority system and through implementation of harvest control rules.

Note: Indonesia is a member of the Indian Ocean Tuna Commission (IOTC) and the Western and Central Pacific Fisheries Commission (WCPFC), covering tuna in the Indian Ocean (IOTC) and in the Western and Central Pacific (WCPFC).

[RFMOs' consensus-based decision-making fails to provide sustainable fisheries management](#)

—Emma Desrochers, *SeafoodSource*, 20 June 2022

The Indian Ocean Tuna Commission (IOTC), which has 30 members, oversees management of tuna and tuna-like species in the Indian Ocean, home to the world's second largest tuna fishery. The organization is in the process of implementing several projects to improve management of tuna fisheries over which it has jurisdiction and to improve collection of information on the species it manages: bigeye, yellowfin, skipjack and swordfish. But the IOTC has not taken adequate steps to prevent overfishing of tuna. Indian Ocean yellowfin tuna are overfished, but a proposal to initiate a program to rebuild stocks was objected to by six member countries. The Global Tuna Alliance (GTA) is engaging with IOTC to influence what the new quotas should be, while the Global NGO Tuna Forum, a collaborative project among several non-government organizations has brought NGOs together to align on the advice they are giving the market, according to Executive Director Tom Pickerell.

[MSC's new fisheries standard unanimously approved by trustees](#)

—Chris Chase, *Seafood Source*, 24 June 2022

The Marine Stewardship Council (MSC) approved a new fisheries standard which includes a new approach for managing endangered, threatened or protected (ETP) species; standards on shark-finning; and standards for management of unwanted catch; while addressing the need to protect marine biodiversity and incentivize stronger ocean governance. Fisheries entering assessment will have to begin using the new standard in May 2023 while currently certified fisheries will have six years to adjust to the new requirements. A "fins naturally attached" policy will be mandatory in all fisheries retaining sharks, "strengthening the existing ban on shark finning in MSC certified fisheries" and new measures will be put forward for multi-jurisdictional fisheries managed by RFMOs to secure credible, robust harvest strategies. "I am profoundly grateful for the enormous amount of stakeholder engagement and input over four years, MSC Chief Executive Rupert Howes said. MSC's new fisheries standard will deliver real benefits and contribute to accelerating the delivery of the United Nations' Sustainable Development Goals through the continued engagement and support of our partners."

[Artificial intelligence can assess coral reef health through "song"](#)

—Nicole Chang, *Euronews.com*, 1 June 2022

UK scientists have trained an artificial intelligence (AI) system to track the health of coral reefs through passive acoustic monitoring (PAM). Coral reef soundscapes are complex and diverse, with fish and other creatures contributing to a wide variety of noises that serve as a means of monitoring the health of a particular reef. Researchers at the University of Exeter exposed an AI program to recordings of both healthy and degraded coral reefs, training the program to differentiate between them. The system then analysed new recordings and correctly assessed reef health 92% of the time. “We can just drop a hydrophone in the water, leave it for weeks or months, and get a really easy to collect long-term data set,” lead researcher Ben Williams explained.

Paper: Ben Williams, et al. (July 2022). “[Enhancing automated analysis of marine soundscapes using ecoacoustic indices and machine learning](https://doi.org/10.1016/j.ecolind.2022.108986)”, *Ecological Indicators* 140. doi.org/10.1016/j.ecolind.2022.108986

B. Forests & Land Use

Minister: Forestry contribution to GDP only 0.66%

—Astrid Faidlatul H., *AntaraNews*, 28 June 2022

The contribution of the forestry and timber sub-sector to national gross national product (GDP) stood at only Rp 112 trillion (US\$7.55 billion), only 0.66% of total GDP. “Indonesia contains forests and fisheries, but these two sectors contribute almost nothing to our GDP,” Minister of Finance Sri Mulyani Indrawati told the 7th Indonesia Forestry Congress in Jakarta on 29 June. Over the past five years, the GDP contribution of the sub-sector has increased in absolute terms but stagnated as a percentage of total GDP, and prices in the sector have also shown a downward trend. “This is us as a country that possesses tropical forests, many of which have become timber estates, [so] for the GDP contribution to be less than 1% doesn’t feel right, Sri Mulyani said. “This is something we need to improve.”

Note: Palm oil, paper pulp, and other important commodities grown on plantations converted from forest land are classified as part of the agriculture sector which accounts for about 13% of national GDP. The contribution of the Environment and Forestry (LHK) sector to GDP primarily consists of revenues derived from forest management, harvesting of timber and non-timber forest products (NTFP), and forestry support services.

Indonesian palm oil audit a chance to clean up a “very dirty” industry

—Hans Nicholas Jong, *Mongabay*, 23 June 2022

Activists welcomed government plans to audit palm oil companies to tackle ongoing shortages and high prices for cooking oil. “What’s happening in the cooking oil industry is very dirty, because it’s filled with many oligarchs,” Greenpeace Indonesia forest campaigner Sekar Banjaran Aji said. Capping the selling price for crude palm oil (CPO) and banning its export failed to bring down prices and ease supply, said Ridho Pamungas, head of the government’s Commission for Supervision of Business Competition (KPPU), pointing to cartel practices within the industry. President Joko Widodo assigned Luhut Pandjaitan, Coordinating Minister for Maritime Affairs and Investments, to get to the core of the problem. Representatives of the Indonesian Palm Oil Association (GAPKI) and the National Consumer Protection Agency (BPKN) also said they welcome the audit plan. One aspect of the palm oil industry that the government needs to address in the audit is land ownership. Small numbers of plantation groups have been able to acquire large tracts of land through acquisitions and asset purchases, according to KPPU chairman Ukay Karyadi.

After decades of loss, the world’s largest mangrove forests are set for a comeback

—Benjamin Brown, Satyawati Pudyatmoko, *The Conversation*, 21 June 2022

Indonesia’s mangroves presently extend over 3.3 million ha, but an estimated 19,000 ha has been lost every year for decades, converted to shrimp farms or oil palm plantations. As of 2015, 40% of the original area had been degraded or lost. Mangroves forests are in good condition in Papua and West Papua provinces but have been largely deforested and degraded in more populated areas, especially on the

island of Java. The real value of mangroves lies in their ability to store large amounts of carbon, [mainly in subsurface soil], averaging almost 4,000 tonnes of CO₂ equivalent per hectare, but policy bottlenecks have kept Indonesia from investing in better mangrove management. A recent USAID cost-benefit analysis for mangroves in south Papua Province estimated net present value for mangroves over a 50-year time horizon at US\$845 million under a mangrove conservation scenario or US\$861 million under partial conversion for shrimp aquaculture, but the NPVs were lower for partial mangrove conversion to aquaculture than for mangrove conservation with a lower discount rate or longer time horizon.

Report: Smith, Gordon et al. (2020). "[Cost-Benefit Analysis of Mangrove Conservation Versus Shrimp Aquaculture in Bintuni Bay and Mimika, Indonesia: Climate Economic Analysis for Development Investment and Resilience](#)". Crown Agents USA and Abt Associates. Prepared for USAID Contract No. AID-OAA-I-12-00038

C. Conservation & Protected Areas

[To win island-wide conservation, the Talaud bear cuscus needs to win hearts](#)

—Sean Mowbray, *Mongabay*, 22 June 2022

The Talaud bear cuscus (*Ailurops melanotis*), a "Critically Endangered" marsupial found only on three of the small and remote Talaud islands northeast of Sulawesi, is being driven to the brink of extinction by overhunting and habitat loss. Progres Sulawesi, a local conservation group, is spearheading a program to protect this shy arboreal animal on Salibabu, the largest of these islands, which the organization hopes can serve as a potential stronghold for the species. But saving the Talaud bear cuscus will require changing the local cultural practice of *tola-tola*, which involves eating grilled spiced meat while consuming alcohol, by instilling a sense of pride in the species within community members, according to Sheherazade, co-executive director of Progres Sulawesi. Four villages have so far made declarations to protect the cuscus and/or agreed to ban hunting of the animal. Steven Awawangi, village chief of Alude, believes the Talaud bear cuscus could become an icon for local people and help protect the forest as community members gain a deeper understanding of its role in shaping the island's ecosystem.

Paper: Repi, T., Masy'ud, B., Mustari, A. H., & Prasetyo, L. B. (2020). "[Population density, geographical distribution and habitat of Talaud bear cuscus \(*Ailurops melanotis* Thomas, 1898\)](#)". *Biodiversitas*, 21(12), 5621-5631. doi:10.13057/biodiv/d211207

[Nature park established on the site of a former open pit coal mine in West Sumatra](#)

—Dini Pramita, *Tempo English*, 20 June 2022

A plot of land on a former open pit coal mine excavation pit in West Sumatra that ceased operation in 1923 is being turned into a nature park. The Emil Salim Kehati (Biodiversity) Park under an agreement between the Sawahlunto city government and the Keanekaragaman Hayati (Kehati) Foundation. Riki Frindos, Executive Director of the foundation, said the Emil Salim Kehati Park would be a reserve resource zone for local biodiversity, tourism destination and research center. Program Director Rony Megawanto said the park would be planted with 96 local plant species and that communities of two customary zones, Nagari Kolok Nan Tuo and Nagari Sijantang, were involved with the plan from the outset and will continue to be involved in management of the park. The park is named for Emil Salim, an Indonesian economist from West Sumatra who served as a minister of state from 1971 to 1993 and was a key advisor to President Yudhoyono on environment and sustainable development issues from 1997-2014.

D. Energy, Mining, & Climate Change

[State-owned electricity monopoly blocks development of residential rooftop solar power](#)

—Retno Sulistyowati and Aisha Shaidra, *Tempo English*, 20 June 2022

The standstill in granting permits for rooftop solar panels has led to questioning the commitment of the government and state-owned electricity company PLN to the transition to clean energy. Some suspect the company is intentionally delaying permits after the government issued a new regulation concerning rooftop panels linked to the PLN grid in August 2021, which authorised users of solar panels to “export” surplus electricity to PLN for 100% of its value in the form of a reduction in the tariff for using electricity from the PLN grid. However, according to calculations by the Ministry of Energy and Mineral Resources (MEMR), PLN could lose Rp 350 billion (US\$23.6 million) if it had to absorb electricity from rooftop solar panels, which will total 450 megawatts-peak this year. PLN’s losses could be even larger because electricity from other power plants is not being used because the government has over-built coal-fired power plants. In Java alone, new power plants increased generating capacity by 6 gigawatts (GW) but demand has only increased by 800 megawatts (MW).

Indonesian government’s energy support is disproportionately allocated to fossil fuels

—Press Release, *International Institute for Sustainable Development*, 22 June 2022

Government support for energy in Indonesia reached Rp 279 trillion (US\$18.77 billion) in FY 2020, of which 45% supported fossil-fuel electricity, 30% oil and gas, and 24% coal, according to a report from the International Institute for Sustainable Development (IISD). Renewable energy received less than 1% of government support for energy, while 11% was allocated to biofuel, [mainly palm oil-based biodiesel]. Spending in 2022 will increase significantly following the Indonesian parliament approval of an additional Rp 350 trillion in energy subsidies on top of the Rp 154 trillion already spent in the first quarter. The report warned that Indonesia’s disproportionate support for fossil fuels is slowing the energy transition, draining public budgets, accelerating climate change and harming public health. A key step forward would be to reduce subsidies for reimbursement to state-owned energy company Pertamina for below-market pricing of fuels and subsidies to the state electricity firm PLN to provide cheap power, which mostly benefits the wealthiest segment of the population segment with the highest consumption of fuel and electricity.

Report: Anissa Suharsono et al, “[Indonesia’s Energy Support Measures: An inventory of incentives impacting the energy transition](#)” (June 2022), GSI (Global Subsidies Initiative) Report. International Institute for Sustainable Development ([IISD.org/gsi](https://www.iisd.org/gsi)).

Traditional village objects to construction of Liquefied Natural Gas terminal in south Bali

—Editorial, *Bali Discovery*, 25 June 2022

A delegation of 20 representatives from the traditional village of Intaran in Sanur, Bali, led by the Banjar head I Gusti Agung Alit Kencana visited the Bali House of Representatives on 6 June to register their rejection of plans to construct a Liquefied Natural Gas (LNG) terminal in the port of Benoa. Religious figures are concerned the area designated for the project violates the sanctity of Pengembak Temple and Pura Sukamerta, while environmentalists are concerned about damage to the surrounding mangrove forest and accelerating the erosion of the shoreline at Sanur Beach. However, positioning the LNG facility in a heavily populated area close to Bali’s airport, the Sanur Beach Community, and Central Denpasar may pose the darker threat. An Intaran spokesman warned that dredging of Benoa Bay and destruction of the mangrove forest by the LNG terminal would give a negative impression on the eve of Indonesia’s hosting the Group of 20 summit and President Widodo’s championing of mangrove forests as the key to preventing global climate change.

Sangihe Island residents score legal victor over mining company

—Hans Nicholas Jong, *Mongabay*, 20 June 2022

Residents of Sangihe Island have won a lawsuit against a Canadian-backed company that planned to mine gold on their island. The court in Manado, North Sulawesi, declared that the environmental permit issued to PT Tambang Mas Sangihe (TMS) for the proposed 42,000 ha mining site was invalid and that the environmental impact analysis (AMDAL) carried out was inadequate. This means that the mining contract and decree issued by the Ministry of Energy and Mineral Resources (MEMR) to TMS based on the AMDAL are also invalid, according to Deny Karwur, an environmental law expert at Sam Ratulangi University in Manado. But TMS insists its mining contract remains valid unless the permit is annulled by a

court in Jakarta and says it will remain in operation, although the court also ordered that there should be no further mining activity on the ground while respondents pursue further appeals. “We need to monitor execution of this ruling, regardless of whether the respondents file an appeal or not,” said Raynaldo Sembiring, Executive Director of the Indonesian Center for Environmental Law (ICEL). 176

E. Pollution & Waste

Indonesia’s waste crisis— Explosive growth of garbage

—VOI, 15 June 2022

Indonesia’s waste crisis, caused by the annual increase in waste production hugely exceeding the addition of temporary disposal sites (TPS) and final disposal sites (TPA), is particularly serious in Jakarta. Illegal garbage piles appear on vacant land, bridges and public roads in every village and *kelurahan* close to the city. In addition to illegal TPS, a number of official TPAs are already over-capacity, including the Bantargebang TPA belonging to the Jakarta DKI Provincial Government, the Burangkeng TPA belonging to Bekasi Regency and the Cipayung TPA belonging to Depok city. TPA Cipayung Depok was scheduled to be closed two years ago and shifted to TPA Nambo, a regional TPA, but this move has been postponed, while Burangkeng TPA has been overcapacity since 2006. The process of decomposition of waste by natural decomposition will actually increase the height of the garbage mountain unless there is an expansion of the disposal areas. In the meantime, the smell of garbage affects residents within a radius of 1-2 km from these TPAs.

As Jakarta chokes on toxic air the government stalls on taking action

—Hans Nicholas Jong, *Mongabay*, 29 June 2022

PM_{2.5} is a class of dangerous airborne particulates that cause respiratory disease. On 20 June, Indonesia’s meteorological agency recorded PM_{2.5} readings in Jakarta of 136.9 micrograms per cubic meter (µg/m³), more than 27 times the level that the WHO considers safe. The agency later recorded readings of up to 148 µg/m³. June air pollution levels have been so bad that IQAir, a Swiss company, ranked Jakarta as the most polluted city on Earth for several days. In 2021, the Constitutional Court ruled against Jakarta governor Anies Baswedan and President Joko Widodo in a finding that the government’s failure to address air pollution violated residents’ constitutional rights, but there has been no real action. Factories and coal power plants in the neighboring provinces of Banten and West Java are major contributors to Jakarta air pollution. Fajri Fadhillah, of the Indonesian Center for Environmental Law (ICEL), said these factories and power plants emit sulfur dioxides (SO₂) which interact with nitrogen oxides (NO_x) in the atmosphere, forming PM_{2.5} which is then carried by the wind to Jakarta.

Residents of Jakarta lose four years of life expectancy from air pollution

—Indonesia Expat, 20 June 2022

Jakarta ranks as the most polluted city in Indonesia and has recently been cited as having the worst air pollution in the world, according to measurements of the Air Quality Index (AQI) and air pollution report released by IQAir. The Air Quality Life Index (AQLI) produced by the Energy Policy Institute at the University of Chicago (EPIC) also estimated on 14 June that residents of Jakarta are all losing three to four years of life expectancy due to air pollution, according to a report published by [Kompas.com](https://www.kompas.com) on 19 June. Air pollution caused an estimated 5,100 deaths in Jakarta in 2021.

F. Investment & Finance

Minister Sri Mulyani: G20 pandemic fund set to launch

—Nur Janti, *The Jakarta Post*, 23 June 2022

The Group of 20 (G20) is finalizing a financial intermediary funding (FIF) initiative to ensure the world is better prepared for future pandemics, Minister of Finance Sri Mulyani said. The multibillion dollar fund will help finance pandemic surveillance, research and improved access to vaccination for lower-to-middle

income countries, among other measures. The World Bank, which would manage the fund, would have to approve the FIF initiative's design before it is launched, the minister said. The G20 aims to raise US\$1.5 billion this year for the FIF program, Minister of Health Budi Gunadi Sadikin said in an interview, with the US, EU, Indonesia, Singapore, and Germany having already collectively pledged some US\$1.1 billion so far. The WHO and the World Bank estimate that the annual gap in pandemic preparedness funding is US\$10.5 billion and that any fund seeking to address this gap would need to be financed over five years, suggesting a total of more than US\$50 billion.

G. Other

[World Bank: Global conditions pose risks for growth and inflation outlook in Indonesia](#)

—Press Release, *The World Bank*, 22 June 2022

The Indonesian economy accelerated at 3.7% at the end of 2021 as the country stepped off from the Covid-19 Delta wave, and momentum continued in early 2022 with year-on-year growth of 5% in the first quarter, but the Russian invasion of Ukraine has compounded pandemic related challenges. Commodity prices have risen sharply and are expected to remain high in 2022-2023. While Indonesia in the short-term from a windfall in commodity earnings, prices have started to rise and foreign financing has become tighter. "Although growth is projected to accelerate in 2022, global developments continue to pose significant downside risks that could be detrimental to Indonesia's long-term recovery," the Director for Indonesia and Timor-Leste Satu Kahkonen said. The report recommends structural policy reforms to reduce reliance on near-term macroeconomic stimulus and energy subsidies to contain cost-push inflation. While energy subsidies help contain prices in the short term, the subsidy reform remains strong. A stable and functioning financial sector is key to recovery from the pandemic and longer-term growth, including through investments in services such as health care and education.

Report: "Indonesia's Economic Prospects: [Financial Deepening for Stronger Growth and Sustainable Recovery](#)", *The World Bank* (June 22 2022).

[Government drops domestic ticket to visit Borobudur, world's largest Buddhist temple](#)

—Nur Janti, *The Jakarta Post*, 20 June 2022

Coordinating Minister for Maritime Affairs and Investments Luhut Pandjaitan previously announced a plan to increase the price for a ticket to climb to the top of Borobudur temple from Rp 50,000 (US\$3.46) to Rp 750,000 (US\$51.92) for domestic visitors and from US\$25 to US\$100 for foreign visitors. But following a limited Cabinet meeting on tourism on 14 June, Minister of Public Works and Housing Basuki Hadimuljono told reporters that the price hike for domestic tourists would be rescinded. It remains unclear whether the ticket price increase for foreign visitors has been reconsidered. But Basuki added that the government was pressing ahead to limit daily attendance to 1,200 visitors, requiring visitors to register online in advance before visiting the temple compound. Before the pandemic, the number of daily visitors to Borobudur had climbed to an estimated 13,000. Wiwit Kasiyati, head of the Borobudur Conservation Center, said the latest plan would require visitors climbing the temple to be accompanied by a tour guide and wear special sandals to prevent damage to the stone steps.

I. President Joko Widodo's peace mission to Russia and Ukraine

[Indonesian president's peace mission to Russia and Ukraine to focus on global food crisis](#)

—Kate Lamb and Stanley Widiyanto, *Reuters*, 27 June 2022

Indonesian President Joko Widodo, chair of the Group of 20 (G20) nations, will urge Russia and Ukraine to rekindle peace talks and seek ways to free up exports of grain to global markets when he visits Moscow in Kyiv this week. The Indonesian leader said he would urge Putin to agree to a ceasefire. Widodo is one of six world leaders the UN appointed as "champions" of a Global Crisis Response Group (GCRG) to address the threat of an "unprecedented wave of hunger and destitution" resulting from the war in Ukraine. "War has to be stopped and global food supply chains need to be reactivated," Widodo

said before leaving Jakarta to attend a meeting with leaders of the Group of 7 (G7) industrialized nations in Germany. In an interview with CNBC, Widodo said he was committed to tackling rising food and energy prices. Indonesia conducts what it calls an “independent and active” non-aligned foreign policy, belonging to a small group of nations that have a close relationship with the US but also talk to Russia.

[In Kyiv, Jokowi seeks to limit the excesses of war](#)

—A. Muh. Ibnu Aqil, *The Jakarta Post*, 30 June 2022

President Joko Widodo met with Ukraine President Volodymyr in Kyiv in an effort to find ways to alleviate pressures the war has put on the global economy. Widodo is in the Ukrainian capital in his capacity as Group of 20 (G20) chair and as one of six world leaders appointed by the UN as “champions” of its Global Crisis Response Group (GCRG). A global food crisis fuelled by climate shocks and the Covid-19 pandemic has been exacerbated by Russia’s invasion of Ukraine, which has driven up prices of food, fuel and fertilizer. Before the war, Ukraine contributed 42% of global sunflower exports, 16% of maize, and 9% of globally-traded wheat. At a meeting of the Group of 7 (G7) nations in Germany on 27 June, Widodo appealed to fellow leaders to find ways to allow wheat exports from Ukraine and food and fertilizer exports from Russia to resume.

II. Advance manoeuvring for Indonesia’s 2024 presidential election

[President Joko Widodo’s latest reshuffle — stabilising the ruling party coalition?](#)

—Alexander Raymond Arifianto, *R. Rajaratnam School of International Studies*, 16 June 2022

On 16 June, President Joko Widodo again reshuffled his cabinet, replacing his trade minister and appointing two new deputy ministers. The reshuffle may have been primarily motivated by Widodo’s desire to reward members of his large government coalition, which embraces all major political parties except Partai Demokrat and the Prosperous Justice Party (PKS). Zulkifli Hasan, the new trade minister, chairs the National Mandate Party (PAN), an Islamist party inked to Muhammadiyah, Indonesia’s second largest Islamic organization. In recent weeks, PAN joined with the Islamist United Development Party (PPP) and Golkar to form a new political coalition called the United Indonesia Coalition (KIB). Appointing former Indonesian Armed Forces commander-in-chief Hadi Tjahjanto as the new Minister of Agrarian Affairs and Spatial Planning helps ensure that Tjahjanto will not campaign for a presidential candidate Widodo has not endorsed in 2024. Making Raja Juli Antoni from the Indonesian Solidarity Party a Deputy Minister also addresses a concern of Muhammadiyah activists that Jokowi favours Nahdlatul Ulama (NU), the country’s largest Muslim organization. Like Hasan, Raja Juli is a Muhammadiyah member.

Note: In addition to the United Indonesia Coalition (KIB) initiated by leaders of Golkar, PAN and PPP parties on 12 May 2022, a second coalition, the Great Awakening Alliance, or KIR, was announced on 18 June by leaders of Gerindra and the National Awakening Party (PKB), who declared plans to cooperate in the presidential, legislative and regional-head elections in 2024.

The formation of these new electoral coalitions is being driven is by the requirements of Indonesia’s 2017 Election Law, which established a minimum thresholds of at least 20% of the total number of seats in the House of Representatives or 25% of valid votes in the last previous election for DPR members to nominate candidates for president and vice president. At present, PDI-P, led by former president Megawati Sukarnoputri, is the only Indonesian political party with enough DPR seats to nominate a presidential candidate on its own.

—Muhammad Saad and Dian Fitri Sabrina, “[The Political Cartel of Presidential Candidacy through Threshold Brings up a Single Candidate](#)”, *Media Juris* 5:1 (2022). doi.org/10.20473/mj.v5i1.32040.