

Indonesia Sustainable Development News Digest

2022 Issue 4 — 24 February 2022

The **Indonesia Sustainable Development News Digest** is a biweekly collection of brief summaries of English-language articles related to conservation, environment and sustainability that have appeared in print or online in Indonesian, regional or global media. We welcome all comments, suggestions, and corrections.

Starling Resources is an Indonesia-based sustainability consulting and advisory practice designing solutions to demanding environmental, social and economic challenges at local, regional and global scales with a focus on the Asia-Pacific region. We work with stakeholders across sectors to find practical solutions to demanding environmental, social and economic challenges, helps build resilient communities that work together to enhance and sustain ecosystem functions and natural habitats. Our structured frameworks and approaches systematically consider complexity across sectors to address critical gaps in enabling conditions across finance, policy, capacity, institutions and socio-cultural dynamics.

To learn more about us and to access previous editions of the News Digest, please visit our website at www.starlingresources.com. If you would like to add colleagues and friends to our distribution list or to unsubscribe, please contact us at newsdigest@starlingresources.com.

A. The Covid-19 Crisis in Indonesia

Indonesia reports 61,488 new Covid-19 cases and 227 deaths

-Xinhua News Agency, 23 February 2022

Indonesia confirmed 61,488 new Covid-19 cases (raising its tally of infections to 5,350,902) and 227 more deaths on 23 February, bringing the total number of fatalities to 147,025, the country's Ministry of Health said. The data indicate that the total number of cases is still rising, but some regions are showing reduced numbers of local infections. The government is accelerating its national vaccination program, which aims to fully vaccinate 208.2 million people. More than 190.1 million people have received their first dose, of which over 141.8 million have received the second dose.

Indonesia walks tightrope between economic growth and Covid restrictions

—Shotaro Tani, Nikkei Asia, 18 February 2022

As coronavirus cases surge, Indonesia is facing a tough balancing act between stopping the spread of the virus and keeping the economy going. The country needs steady growth to absorb the influx of new labor. It added an average 2.3 million people to its labor force in each of the past five years, so the government cannot easily hit the brakes on productivity as it did earlier in the pandemic. But with only around half its population fully vaccinated and big gaps in the take-up rate among provinces, there are concerns that focusing on the economy could endanger lives. "We should not apply the brakes too deeply and not release the gas pedal too loosely," said Coordinating Minister for Maritime Affairs and Investments Luhut Pandjaitan, who heads Indonesia's Covid-response for Java and Bali. An official at the Ministry of Health told *Nikkei Asia* that the government "estimates that the [daily] number of new cases could reach 100,000 to 150,000" before the peak of the third, or Omicron, wave subsides.

New wave of infections in Indonesia puts China's Sinovac vaccine to the test

—Abigail Ng, CNBC.com, 21 February 2021

Indonesia relied heavily on inactivated virus vaccines produced by China, which has been shown to be less effective than messenger RNA (mRNA) vaccines. Indonesia's surge in cases is putting Chinese-made vaccines to the text. Dicky Budiman, a researcher at Griffith University, says Chinese vaccines, such as Sinovac Biotech's Coronavac which Indonesia has relied on most heavily are still able to prevent severe illness and death. "That's the first and the main benefit of any kind of vaccine in the world," Budiman said. Researchers in Hong Kong reported in December that mRNA vaccines did slightly better than Coronavac against the new Omicron variant, but neither provided sufficient protection. In that sense, all countries remain vulnerable to high case numbers, said Dr. Edhie Rahmat, Executive Director of Project Hope Indonesia, noting that the US has administered mostly mRNA vaccines, but proved vulnerable to Omicron in January as the variant swept through the country. Indonesian authorities rolled out boosters for the general public in January.

Cautious about Covid-19 spike, government maintains behavioral curbs in Java and Bali

—Dio Suhenda, *The Jakarta Post*, 22 February 2022

While recent epidemiological data suggests that Covid-19 transmission has begun to slow in some areas, the government will maintain stringent curbs in Java and Bali until it is clear that the Omicron-fuelled third wave of infections has passed its peak. The 34,000 new cases on 20 February was the lowest figure in weeks, roughly half the record-breaking 64,000 cases reported four days earlier, but Coordinating Minister of Maritime Affairs and Investments Luhut Pandjaitan, who is in charge of coordinating the Covid-19 response in Java and Bali, said it was still too soon for behavioral curbs to be eased and extended Level-3 public activity restrictions (PPKM) in Greater Jakarta, greater Bandung, Greater Surabaya, Greater Malang and across Bali and Yogyakarta for another week. Indonesia reported 176 Covid-19 deaths on 20 February and 257 on the 21st. Minister Luhut also said that Indonesia cannot follow other countries in declaring Covid-19 to be endemic until vaccination and booster numbers have increased, the number of infections is reduced, and capacity of health facilities and surveillance improved.

Three more international airlines plan to restore routes to Bali in March

—Vincent Fabian Thomas, *The Jakarta Post*, 22 February 2022

Netherlands-based KLM Royal Dutch Airlines, Singapore-based low-cost carrier Scoot Tigerair and Australia's Jet Star plan to each offer three-to-four direct flights a week to Ngurah Rai International Airport in Bali in March, Tourism and Creative Economy Minister Sandiago Uno said. Singapore Airlines was the first airline to reopen direct flights to the island in February. As of 18 February, 639 passengers had arrived on flights to Bali this month, with Singapore Airlines accounting for 462. The news came after the government cut the mandatory quarantine period for foreign travelers arriving in Indonesia from five to three days and announced plans to eliminate the quarantine altogether in April provided the coronavirus pandemic is kept under control. Covid-19 cases are projected to peak in February and decline over the following months. Sandiago said the government

would also open direct flights to other airport around the country in the future, including Manado, Yogyakarta, Surabaya and Medan.

For the homeless in Jakarta, Covid-19 means more economic desperation and health risks

—Nivell Rayda, Channnel News Asia, 20 February 2022

The Covid-19 pandemic has people living on the streets of Jakarta hard. Over time, more and more people have become homeless as they lost their livelihoods. The number of people willing to give spare change to buskers or panhandlers has dropped dramatically as Jakartans are encouraged to stay home to curb the spread of the virus. The homeless are more susceptible to Covid-19 infection because they lived in crowded areas with poor hygiene and sanitation, are often exposed to the elements, and are sometimes malnourished, which can further weaken their immune system. Access to vaccines is an issue. In Central Jakarta, the Jakarta Social Affairs Agency reported that 256 people were living on the streets in 2020, but that number had increased to 1,377 by September 2021. In reality, however, that may just be the tip of the iceberg, as the agency only records persons found loitering and taken to government-run shelters. The majority of the homeless in the capital city remain undetected.

B. Marine & Fisheries

Indonesia to tighten regulation of tuna harvest in bid for sustainability

—Basen Gokkon, *Mongabay*, 14 February 2022

Indonesia is pushing for a nationwide harvest strategy for its world-leading tropical tuna fishery, in an effort to protect the country's wild stock. Indonesia's annual tuna catch is largest of any country. Since 2018, the government has applied an interim harvest strategy that consists of, among others, harvest control rules and monitoring for skipjack (*Katsuwonus pelamis*), bigeye (*Thunnus obesus*) and yellowfin tuna (*Thunnus albacares*) in its three fishery management areas (WPP). But the Ministry of Marine Affairs and Fisheries (DKP) said recently that having a specific nationwide harvest strategy would be crucial for protecting the country's wild stock. The tuna harvest strategy will also help the government's push to achieve sustainability certification for its fisheries to open them to the growing global demand for eco-labelled seafood. Much of Indonesia's tuna catch relies on small-scale handline fishers, according to the DKP. Indonesia also wants to expand its longline fishing fleet in the high seas and tap into increased harvest quotas granted to Indonesia by regional fisheries management organizations (RFMOs).

How coral resilience can improve ocean conservation

—Ove Hoegh-Guildbergh, Hawthorne Beyer, World Economic Forum, 10 February 2022

Coral reefs cover only 0.2% of the ocean floor yet support at least 25% of marine species and underpin the safety, coastal protection, well-being, food and economic security of hundreds of millions of people while contributing US\$36 billion to global tourism industries annually. Even if emissions reductions succeed in limiting global warming to 1.5° C above pre-industrial levels—which would require halving global CO2 emissions by 2030—70% to 90% of today's corals would vanish. Researchers at Australia's University of Queensland used Modern Portfolio Theory to identify the 50 reefs or coral sanctuaries most likely to survive the climate crisis. Long-term planning that is robust to uncertainty in future conditions provides an objective and transparent framework for guiding conservation and strategic investments. The study recommends targeting investment in conservation projects with the most potential to succeed by protecting priority reefs. These locations constitute opportunities for novel conservation investments to secure less vulnerable yet well-connected coral reefs that may, in turn, help repopulate degraded areas in the event that the climate stabilizes.

Paper: Hawthorne L. Beyer et al, "Risk-sensitive planning for conserving coral reefs under rapid climate change", Conservation Letters 11:6, https://doi.org/10.1111/conl.12587. 27 June 2018.

Aquaculture start-ups make waves in Indonesian fisheries

—Divya Karyza, *The Jakarta Post*, 21 February 2021

A millennial-driven wave of digitalization is sweeping across Indonesia's aquaculture industry. In Yogyakarta, a major producer of tilapia and catfish, PT Banoo Inovasi Indonesia, which uses aerators and sensors to help freshwater farms maintain optimal oxygen, acidity and temperature levels to increase pond productivity, is one of over 700 aquaculture start-ups competing to tap into a market the Ministry of Marine Affairs and Fisheries (DKP) projects to be worth US\$17.5 billion by 2024. Industry incumbents include eFishery, which bagged US\$90 million in a funding round on 10 January and Aruna, which took in US\$30 million in on 26 January. Bandung-based eFishery serves 30,000 fish farmers from 24 provinces, providing end-to-end services including lending, procurement and marketing. eFishery plans to hire new employees, develop products and expand operations to regional markets, including China and India. According to the DKP, Indonesia has the greatest aquaculture potential in the world, though production is currently third after China and India. Marine aquaculture, including open-sea, will be Indonesian aquaculture's next frontier.

Opinion: 2022 could be a banner year for sustainable tuna fisheries

—Holly Koehler, SeafoodSource, 1 February 2022

Overall 2021 was another year of just stepwise progress. There was only minimal movement in the Indian Ocean for better protected stocks, especially yellowfin tuna. Major misses on harvest strategies in the Western and Central Pacific Ocean (WCPO) and only slight gains in electronic monitoring and Fish Attraction Devices (FAD) management leave tuna regional management organizations (RFMOs) with a robust to-do list. Tuna RFOs must accelerate adoption of harvest strategies—including target and reference points and harvest control rules—and provide pre-agreed rules for management of fisheries resources and actions to be taken in response to changes in species-specific stock status. The Western Central Pacific Fisheries Commission (WCPFC) failure to take decisions on harvest strategies for bigeye and yellowfin tuna in 2021 was a setback, putting these fisheries at risk of suspension of their Marine Stewardship Council (MSC) certifications. While fisheries managers in the Indian Ocean agreed on a new measure for at-risk yellowfin tuna, it is uncertain if the science-recommended reduction in yellowfin tuna catch will be achieved.

Holly Koehler is the vice president of policy and outreach for the International Seafood Sustainability Foundation (ISSF).

C. Forests & Land Use

Protectors of peatlands

-Nurdin Kalim, Tempo, 21 February 2022

Lake Siran in East Kalimantan contains an expanse of peatland. Rasau trees (Pandanus helicopus) rise in massive green clusters tens of meters from the surface of the lake, big enough to resemble the karst limestone formations of Raja Ampat. Nearly 100% of the 42,400 ha area of Murara Siran is on peatland. In 2012, lots of land in East Kalimantan was being acquired for oil palm plantations, but residents of Muara Siran village resisted, forming the Muara Siran Natural Resource Management Institution (LPDFS) in 2014 and drafting zoning regulations, gazetted through a decree from the Regent of Kutai Kartanegara. In 2017, the Regency Government issued a decree establishing a conservation zone including Muara Siran, and a regional regulation was issued regarding peatland management. Today over 80% of the 350 families make their living through bird's nests, which are raised in wooden birdhouses for swallows made from red balau (Shorea robusta) tree wood, and there are plans to establish ecotourism around the Rasau tree clusters in the lake.

Indonesia says 'no' to reclassifying oil palm plantations as forests

—Hans Nicholas Jong, Mongabay, 10 February 2022

The Indonesian government says it has no plans to reclassify oil palms as a forest crop rather than an agricultural one, following a controversial proposal made by Bogor Institute of Agriculture (IPB), the country's leading forestry university, for resolving the problem of illegal plantations operating inside forest areas. IPB researchers led by Yanto Santosa, a professor of forestry who is controversial because of his views in support of the palm oil industry. "Based on regulations, historical value, academic studies, public discourse and practices, oil palms are clearly not a forest crop, and the government has not had any plan to revise those regulations," Agus Justianto, Director General of Sustainable Forest Management at the Ministry of Environment and Forestry (KLHK) said in a release. The unfettered and illegal expansion of oil palm plantations into forest areas and its monoculture system had created myriad ecological, hydrological, legal and social problems, Agus added, including loss of biodiversity, degradation of forest ecosystems, and higher risk of natural disasters.

When the government retook land from developers, it gave them a solid case to sue

—Hans Nicholas Jong, Mongabay, 17 February 2022

The Indonesian government's unilateral revocation of hundreds of permits for plantations, logging firms and mines to operate concessions in forest areas by the order of President Joko Widodo could lead to lawsuits by the companies, environmental law experts said. The permits were rescinded in early 2022 not because of environmental violations but because the concession holders were deemed to be moving too slowly in exploiting these resources. This has created legal uncertainty over whether a company that has lost a permit can still operate on the basis of other permits that it holds, observers and industry representatives say. Contributing to the confusion has been the government's refusal to publicly release data on the permits and the companies that hold them, in violation of a Supreme Court ruling to do so. Nearly two-thirds of the revocations were forest release decrees, issued by the Ministry of the Environment and Forestry, which legally rezoned forest estate areas into APL or "other use" areas, allowing those forest areas to be cleared for oil palm plantations.

Palm oil firm whose plantation permit was revoked has continued clearing forest

—Asrida Elisabeth, Philip Jacobson, Mongabay, 22 February 2022

A palm oil firm among the 100 companies targeted by a mass cancellation of plantation permits in January has since bulldozed more than 50 ha of rainforest in its concession, raising questions about how far President Joko Widodo's administration will go to rein in Indonesia's chaotic land-use system. After lying moribund for more than two years, PT Permata Nusa Mandiri (PNM) sprang into action after the permit revocations were announced, carving out a road and several plantation blocks in its concession in Jayapura District in Papua Province. Satellite imagery shows that the forest clearance has continued, according to Albert ten Kate from the Amsterdam-based sustainability consultancy Aidenvironment. "A lot of plantation blocks have been carved out over an area of a few hundred hectares and there has also been some clear-cutting," ten Kate said. The company has not informed the provincial government of its resumption of activities. Some forestry law experts say that a company which has obtained a right-to-cultivate permit (HGU) can continue to operate even if the Ministry of the Environment revokes its forest release permit.

Field school teaches young Indigenous Indonesians how to care for their forests

-Wahyu Chandra, Mongabay, 16 February 2022

The Marena indigenous group on Sulawesi are among a handful of communities who obtained legal title to their ancestral forest following a landmark ruling by the Constitutional Court in 2013. For years, their forest had been managed by outside companies, but now indigenous advocacy groups are training young people in the community about traditional ways of sustainably exploiting the forest and its resources. The field school program was conducted by the Law and Community Association (HuMa), an NGO, in collaboration with the Indigenous Peoples Alliance of the Archipelago (AMAN) in Pekalobean Village in Enrekang district of South Sulawesi. The main objective of the Field School is to train the community's young people to understand the forest and its potential. With regained control of their forest, the community is taking steps to prioritize sustainability. After terminating a contract allowing a company to extract sap from the forest's pine trees

because the company had been tapping too deeply, causing some trees to die, the community is developing sustainable agroforestry by inter-planting coffee, avocado, and other crops among the natural forest trees.

D. Energy, Mining and Climate Change

Carbon trading's symbolic policy

—Dini Pramita, Tempo, 21 February 2022

The Indonesian government's new carbon tax becomes effective 1 April, paving the way for carbon tax integration into cap-and-trade and tax schemes. "The application ... is contained in the road map for Indonesia's energy transition towards Net Zero Emission 2060" said Ministry of Energy and Mineral Resources' Electricity Director-General Rida Mulyana in January. But according to Greenpeace Indonesia Climate and Energy Campaign Coordinator Tata Mustasya, the carbon tariff is too low, and so is the US\$ 2.09 price per tonne of carbon dioxide equivalent (CO₂e) to coal-fired power plants (PLTU) compared to World Bank estimates of US\$50 to US\$80 per tonne. Suny Mumbunan, an economist at the University of Indonesia, said the carbon tariff would be too low to achieve the emission reduction target of 314 millions tonnes of CO₂e by 2030. According to Fabby Tumiwa, Executive Director of the Institute for Essential Services Reform (IESR), the cap is also set far too high, nearly equal to the average annual carbon emission of a PLTU.

Greenwashing with carbon trading

-Editorial, Tempo, 21 February 2022

The Ministry of Energy and Mineral Resources will begin carbon trading for coal-fired power plants on 1 April using cap-and-trade, carbon offsetting and carbon taxes. Power plants whose emissions exceed the government cap must purchase emission rights from others with lower emissions. If the emissions are still too high, the plants can offset the emissions by purchasing carbon storage from projects which protect environmental carbon. If they are still over the limit, the government allows the plants to pay a carbon tax of Rp 30,000 (US\$2.09) per tonne of CO₂e. In the 2015 Paris Agreement, Indonesia committed to reduce emissions by 29-47% by 2030. The problem is that the carbon taxes and carbon prices need to be set high enough to induce actual emissions reductions. In Finland, for example, the current carbon tax is US\$24.39. Without reasonable carbon prices and limits that are clear, tough, and firm, carbon trading will simply be a way of covering up environmental wrongdoing—that is, greenwashing.

Indonesia and Singapore prepare cooperation for the export of solar power

—Divya Karyza, The Jakarta Post, 23 February 2022

The government is working on a new regulatory framework to enable exports of solar-generated electricity to Singapore after signing a MOU to strengthen bilateral energy cooperation and an agreement with the city-state to form a working group on cross-border electricity sales, including a mechanism to determine who will build and manage the electricity transmission network, on 21 January. "Regulations to govern the electricity trade must be [put in place] before the [solar] power plants begin to operate," said Fabby Tumiwa, Executive Director of the Institute for Essential Services Reform. "We will make sure electricity exports are based on a thorough cost-and-benefit analysis for all stakeholders and will not interfere with electricity supply in Indonesia, Ida Nuryatin Finahari, Director of Electricity Business Development for the Ministry of Energy and Mineral Resources (MEMR) said. Singapore has targeted 4 gigawatts (GW) of low-carbon electricity imports by 2035, roughly 30% of its total supply, to diversify supply and boost energy security.

Association: Fifteen companies unable to obtain solar PV permits

-The Jakarta Post, 18 February 2022

The Indonesian Solar Energy Association (AESI) reported that fifteen companies were facing delays in obtaining solar photovoltaic (PV) permits despite regulatory changes made to ease such processes. AESI Chairman Fabby

Tumiwa said it was taking three to six months for companies to obtain a solar panel installation permit instead of the maximum 15 days stipulated in Energy and Mineral Resource Ministerial Regulation No. 49/2018. Mitsubishi Motors Krama Yudha Indonesia (MMKI), one of the complainants, planned on installing solar panels with 10.6 megawatt-peak (MWp) capacity until 2030 to reduce CO₂ emissions. Diantoro Dendi, corporate strategy general manager of MMKI, said PLN asked MMKI to meet certain conditions for approval which violated Ministerial regulation No. 26/2021 on roof top panels, including asking the company to restrict solar rooftop operations on Saturday, Sunday, and public holidays and to only install solar panels of 1.75 MWp. However, the new regulations do not restrict operation limits and allow installation of rooftop solar panels up to 100% of the connection size to PLN.

How to manage stranded costs in the energy transition

-Dominik Utama, Emily Wu, Grant Dougans, The Jakarta Post, 21 February 2021

Until recently, energy companies and their investors assumed fossil-fuel assets—power plants, refineries, oil wells, mines and pipelines—would operate for as long as possible. But with new commitment to reach net zero, power generation will shift from fossil fuels to renewable energy sources and some existing energy infrastructure will need to shut down sooner, leaving companies and investors to manage the risks and costs of stranded assets. This is a major disruption in the way energy companies allocate capital amidst a larger conversation about whether fossil fuels are still vital to prosperity or unacceptable. First steps include building shorter-term projects that are more convertible and modular; quantifying the "un-investable" moment; and considering projects as parts of an evolving portfolio. Energy companies need to be concerned with two groups of investors: "green capital" investors that look to management for signals the company is serious about the energy transition, and "gray capital" investors more comfortable taking risks on fossil fuel assets, including fossil fuel assets that public companies want to shed.

Minister Luhut Pandjaitan: Demand for metals to increases during global energy transition

—The Jakarta Post, 11 February 2022

Luhut Pandjaitan, Coordinating Minister for Maritime Affairs and Investments, said he expected demand for metals to increase during the global energy transition. "This is because low-carbon technology, including electric cars, requires more metals than fossil fuels," he explained. The government will "continue to encourage downstream industrialization [considering] Indonesia's abundant reserves of nickel, bauxite, copper and tin, which are critical for clean energy technologies," Luhut said. The downstream strategy will focus on green industrial parks, pointing to a pilot green industrial estate development in Tanah Kunin, North Kalimantan. Minister Luhut said that the government is in the process of issuing regulations on the energy transformation and the early retirement of coal plants to achieve Indonesia's net-zero emissions goal. "Retiring coal-fired power plants with a total capacity of 5.5 gigawatts (GW) before 2030 will require [around] US\$8.58 billion," he said, adding that implementing carbon pricing would help phase out coal plants as investors would still receive cash flows from the carbon market "for the remainder of their [investment] periods.

Report: Banks gave more than US\$1.5 trillion to global coal sector over 2019-2021

—David Stanway, *Reuters*, 15 February 2021

Financial institutions channelled more than US\$1.5 trillion into the coal industry in loans and underwriting from January 2019 to November 2021 despite many having made net-zero pledges, a report by a group of 28 NGOs showed, revealing that banks continued to fund 1,032 firms involved in mining, trading, transport and utilization of coal. The study said banks from six countries—China, the US, Japan, India, Britain and Canada—were responsible for 86% of global coal financing over the period. The coal sector is responsible for nearly half of global greenhouse gas emissions. "Banks like to argue that they want to help their coal clients transition, but the reality is that almost none of these companies are transitioning," said Katrin Ganswind, head of financial research at German environmental group Urgewald, which led the research. "And they have little incentive to do so as long as bankers continue writing them blank checks." Institutional investments in companies still

developing coal assets amounted to US\$469 billion, led by BlackRock with US\$34 billion. BlackRock's total coal-related share and bond holdings over the period stood at \$109 billion, NGO research said.

Press Release: Urgewald, Reclaim Finance, Rainforest Action Network, <u>350.org</u> Japan et al, "Groundbreaking Research Reveals the Financiers of the Coal Industry", *Urgewald*, 25 February 2022.

COP 26 president Alok Sharma: Indonesia expected to lead G20's push in climate action

—A. Muh. Ibnu Aqil, The Jakarta Post, 21 February 2022

As this year's Group of 20 (G20) president, Indonesia be "vitally important in driving forward climate action", the President for the UN Climate Change Conference (COP26) Alok Sharma said. Taking on this role in December 2021, Indonesia identified three primary issues for its presidency: global health architecture reform, digital-based transformation and the sustainable energy transition. "There is an historic opportunity for Indonesia to preside over the first net-zero G20," he said, referring to pledges made by countries to reduce greenhouse gas emissions and reach net-zero emissions by 2050 to achieve the 2015 Paris Climate Accord goal of limiting global warming to 1.5° - 2.0° C above pre-industrial levels. Most advanced economies in the G20 have pledged to achieve net-zero by 2050, but countries such as China, Brazil, India, Indonesia, Saudi Arabia, and Turkey have only pledged to achieve net-zero at some time after 2050. Sharma said he would work closely with Indonesia to push other G20 members to come up with more ambitious emissions reductions pathways.

Indonesia temporarily suspends operations of 1,000 more mining companies

—Bernadette Christina, *Reuters*, 11 February 2021

Indonesia suspended the operations of more than 1,000 companies mining coal, tin, and other minerals due to failure to submit their 2022 work plans, according to a document issued by the Ministry of Energy and Mineral Resources (MEMR). Sony Hero Prasetyo, an official at the MEMR's Minerals and Coal Directorate said the companies had previously been given a warning but still failed to comply. They included around 80 coal mining companies, more than 12 tin mining firms, and several nickel, bauxite, gold, and manganese miners. The companies have been given 60 days to submit their plans or face revocation of their operating permits. Indonesia is the world's leading exporter of thermal coal and a major producer of nickel, copper, and refined tin.

Police slammed for 'repressive' arrest of Wadas villagers

—Bambang Muryanto and Nur Janti, *The Jakarta Post*, 11 February 2022

The police operation in which dozens of residents of Wada village in Purworejo, Central Java, were arrested has been condemned as the latest in a series of repressive acts, who have protested against the 'plan to mine andesite in their village to build a dam for four years. Police said a total of 250 military, police, and Public Order Agency personnel were deployed to the village to protect 70 National Land Agency (BPN) and local agricultural agency officers planning to conduct surveys for the dam project. Police said 64 villagers arrested were released the following day. Some villagers opposed to the mine decided to leave their homes and hide in a nearby forest in fear of their safety. The National Commission on Human Rights (Komnas HAM) and the Indonesian Legal Aid Foundation condemned the police action. The country's largest Muslim organizations, Nahdlatul Ulama (NU) and Muhammadiyah also issued statements calling for an end to repressive actions and for security personnel to leave the area.

Opinion: State violation of human rights in Wadas Village

─Tempo, 14 February 2022

The Bener Dam in Purworejo, Central Java, a "strategic" national project, would irrigate 15,519 ha of existing and newly-cleared fields. To build it, the government modified regulations, manipulated land management, and even breached the Constitution. Constructing the dam requires 8.4 million m³ of andesite stone. The Serayu-Opak river basin management organization, in charge of the project, increased that to 16.4 million m³. The hills around Wadas village have lots of andesite, but Wadas is not a mining area because it is prone to landslides.

Rather than looking elsewhere, the government changed the land-use plan so that the village is now included in a mining area, an administrative maneuver made possible by the 2021 Job Creation law. The Constitutional Court revoked this omnibus regulation and banned its implementation until it is revised. Nor has the government provided any information about the project to the people whose land would be affected by mining nor used for the dam. Yet the government deployed armed police, arrested and detained the people of Wadas village they viewed as obstructing surveying for the mine.

Human rights and indigenous groups condemn death of Central Sulawesi mine protestor

—A. Muh. Ibnu Aqil and April Gunawan, The Jakarta Post, 16 February 2022

Civil and indigenous rights groups have condemned the police use of armed force against protesters against a gold mining operation in Parigi Moutong Regency, Central Sulawesi, that led to the death of a protestor on 20 February. Hundreds of residents of the regency, protesting planned mining operations in their area by PT Trio Kencana, blockaded the trans-Sulawesi highway. The police reportedly tried to disperse the protestors with tear gas, detaining about 60 people. However, Erfaldi, a 21-year-old college student in Parigi Moutong suffered multiple gunshot wounds and died after being taken to a local hospital. A police spokesperson said they were investigating the shooting and had questioned 17 police officers. Parigi Moutong residents have been protesting the mine since its license was first issued in 2010, demanding that the governor revoke the company's permits because residents have found at least three mining pits in their farm areas.

More coffee, less gold—Sumatran farmers alarmed over revival of gold mining project

—Junaidi Hanafiah, Mongabay, 24 February 2022

Indonesian coffee farmers opposed mining for gold in an area overlapping one of the last known habitats of Sumatran tigers and orangutans. The Linge Abong mining project was blocked by the provincial governor in 2019, but appears to have been revived according to a filing from PT Bumi Resources Minerals (BRMS), the parent company of project developer PT Linge Mineral Resources (LMR). LMR's 36,420 ha concession overlaps with the Leuser Ecosystem, a UNESCO World Heritage Site and the largest remaining swath of intact rainforest in Sumatra, home to critically-endangered Sumatran tigers, orangutans, rhinos and elephants. In a 2021 filing, BRMS announced it was reclassifying its \$123 million stake from a "business development" fund to an "exploration asset." The CEO of BRMS said "We look forward to developing the Linge Abong gold project as soon as possible." Linge farmers in the Gayo Highlands worry they will lose their coffee farms, home to the world-renowned Aceh Gayo Arabica coffee, their main source of income.

E. Pollution and Waste Management

Ministry to assist 3,270 villages to better manage wastes

—Prisca Triferna, Raka Adji, Antara News, 21 February 2022

The Ministry of Environment and Forestry (KHKL) will extend assistance in waste management, climate change, and social forestry to 3,270 "climate villages" across Indonesia to support efforts to tackle climate change. The ministry is currently assisting four villages under the Climate Village Program (Proklim) in Gianyar District, Bali Province, which will become the pilots for the other 3,270 climate villages across Indonesia, Director General of Waste and Hazardous Toxic Material Management (PSBL3) Rosa Vivien Ratnawati said at a commemoration of National Waste Care Day (HPSN) here. Through waste management efforts in the four villages, there is potential for reducing greenhouse gas emissions by 1,260 gigagrams of CO2 equivalent by 2030, she said. Themed "Manage Waste, Reduce Emissions, Develop Proklim," it is hoped that the 2022 National Waste Care Day will become a platform to strengthen the position of the waste management sector as a force for mitigating climate change impacts arising, she added..

Plastic and chemical pollution beyond planet's safe limits

—Marc Préel, Phys.org News, 15 February 2022 and The Jakarta Post, 16 February 2022

Man-made chemical and plastic waste worldwide has massively" according exceeded safe limits for humanity or the planet and production caps are now urgently needed. There are an estimated 350,000 different manufactured chemicals on the market, large volumes of these "novel entities" end up in the environment. "The impacts we are starting to see today are large enough to impact crucial functions of planet Earth and its systems," said Bethanie Carney Almroth, co-author of the study by the Stockholm Resilience Center. "Novel entities" are man-made chemical products such as plastics, antibiotics, pesticides, and non-natural metals. "We are only beginning to understand the large-scale, long-term effects of these exposures," Almroth said. "Some chemicals interfere with hormonal systems, disrupting growth, metabolism and reproduction in wildlife." Greater efforts to prevent these substances from being released into the environment are needed, but scientists are now pushing for more drastic solutions, such as mandatory production caps. Not only are there thousands of these products, but data on the risks they pose is often non-existent or classified as corporate secrets.

Paper: Linn Persson et al, "Outside the Safe Operating Space of the Planetary Boundary for Novel Entities", Environmental Science & Technology 56:3 (pp. 1510-1521), 18 January 2022

Paper: Inae Lee, et al, "<u>Urinary concentrations of Major Phthalate and Alternative Plasticizer</u>
<u>Metabolites in Children of Thailand, Indonesia, and Saudi Arabia, and associated risks</u>," *Environmental Science & Technology* 55:24 (pp. 16526-16537), 27 November 2021

From the Abstract: Urinary Di-(2-ethylhexyl) phthalate (DEHP) metabolite concentrations were the highest in the Indonesian children. The hazard index (HI) derived for the plasticizers with anti-androgenicity based reference doses was greater than one in 86%, 80%, and 49% of the Saudi, Indonesian, and Thai children, respectively. DEHP was identified as major risk driver for children of all three countries, warranting refined exposure assessment for source identification and relevant exposure reduction measures.

F. Conservation and Protected Areas

Orangutans under threat from Indonesia's new capital city

—Dini Pramita, *Tempo*, 14 February 2022

The Samboja Lestari Orangutan Rescue Center is threatened by land encroachment and land-grabbing connected with Indonesia's new national capital project (IKN) in East Kalimantan. Jamartin Sihite, CEO of the Borneo Orangutan Survival Foundation (BOSF) has met with Bambang Brodjonegoro, the former the National Development Planning Minister, arguing that conserving Samboja Lestari and other BOSF forests would be better than creating new. The former minister guaranteed Samboja Lestari would be included in the IKN "as part of the IKN forest city concept." However, Jamartin remains skeptical. There was no follow-up spatial planning. "Since the toll road construction plan and then the new national capital, land speculation, land encroachment and land-grabbing [have become problems]," he said. Samboja Lestari has lost 2.6 ha to land-grabbing. A government map of the IKN from the mentions an eco-tourism zone and tropical rainforest eco- tourism. "We repeatedly asked about the map, but it is never clarified," Jamartin said. "[Orangutans] cannot be allowed to have too much contact with humans—Samboja is not a place for tourism."

Marauding monkeys on Indonesian island point to environmental pressures

—Yogi Eka Sahputra, Mongabay, 23 February 2022

The tranquility of vacation huts on Mirota Beach on Batam in the Riau Islands was shattered by a marauding pack of long-tailed macaques (*Macaca fascicularis*) in search of food. Visitors sometimes stay to feed the monkeys for amusement or a misguided sense of charity. This not only causes monkeys to expect handouts but also makes them less afraid of humans. The long-tailed macaques are also venturing into residential areas. Macaques are increasingly coming into contact with humans because forest cover in Batam keeps

shrinking, making it difficult for them to find food, according to Decky, head of the conservation unit at the provincial conservation agency (BKSDA). Macaques' high reproduction rate, shrinking habitat and the loss of their main predators such as tigers and eagles make conflict with humans all but inevitable. Human-primate conflicts are common in other parts of Indonesia, including in Bali's Monkey Forest, at the foot of Java's Mount Semeru after a recent eruption, and in Sumatra and Borneo, where orangutans are losing their forest homes.

Beetle named after coronavirus among 88 new species found

—Theresia Sufa, The Jakarta Post, 14 February 2021

The National Research and Innovation Agency (BRIN) announced that Indonesian researchers and scientists from other countries described 88 new flora and fauna species in 2021, including a new beetle species named after the coronavirus. Species description, usually in the form of a scientific paper, is the process that validates the scientific name of any new species. Animals, including beetles, shrews, snakes, worms, shrimp and fishes accounted for most of the discoveries. Pramesa Narakusumo Germany, an entomologist from BRIN, said his team found 28 new beetle species at Mount Dako and Mount Pompangeo in Central Sulawesi. "I described the *Trigonopterus corona* beetle in 2021, along with 27 other new beetle species. The name refers to the virus that causes Covid-19." Pramesa explained that the *Trigonopterus* acts as a natural decomposer in forest ecosystems. It is only found in primary forests, so its presence could serve as an indicator of forest health. Thirteen new floral species were discovered, including new begonias, orchids, and cyrtandras, mostly from Sulawesi.

G. Banking and Finance

Global nature pact urged to fix harmful subsidies

— Michael Taylor, *Reuters*, 17 February 2022

Subsidies that harm ecosystems, wildlife and the climate amount to nearly US\$2 trillion a year, according to a new study. At least US\$1.8 trillion a year in government funding, tax breaks and other forms of support goes to damaging practices in agriculture, construction, forestry, fossil fuels, marine fisheries, transport and water sectors responsible for the majority of global greenhouse gas emissions. Forests are still being cut down—often to produce commodities such as palm oil, soybeans and beef—destroying biodiversity and threatening climate goals, as trees absorb about a third of planet-warming emissions produced worldwide. The fossil fuel industry receives US\$640 billion in annual support and environmentally harmful agricultural activities get \$520 billion, while \$350 billion flows to unsustainable freshwater use and the management of water and wastewater infrastructure. Researchers called for a pledge by governments to redirect, repurpose or eliminate all environmentally harmful subsidies—equivalent to 2% of global gross domestic product—by 2030.

Paper: Doug Kaplow and Ronald Steenblok, "Protecting Nature by Reforming Environmentally Harmful Subsidies: The Role of Business," Earth Track, February 2022

International Finance Corporation (IFC) plans to increase financing commitments to Indonesia

—Dzulfiqar Fatur Rahman, The Jakarta Post, 17 February 2021

The International Finance Corporation (IFC), a part of the World Bank Group, plans to expand its presence in Indonesia through a multi-fold increase in long-term financing commitment. The IFC has committed US\$5.7 billion in long-term financing to Indonesia over the past decade, but it wants to raise this commitment to roughly US\$12 billion over the next five or six years if Indonesia continues implementing key reforms, Alfonso Garcia Mora, IFC Regional Vice President for Asia and the Pacific said. The plan is aimed at supporting companies in the issuance of sustainable bonds which companies could use to invest in climate-change related activities, and would also support digitalization and transformation of Indonesia's healthcare sector, including primary and secondary care and the pharmaceutical industry. The Covid-19 pandemic had exposed the vulnerability of

healthcare systems in numerous countries, Mora said. The IFC official said the IFC also aimed to focus on sectors undergoing major transformation, such as the transportation sector with the electric vehicle (EV) industry.

Government uses blended financing to encourage investment in clean power

-Sugiharto P, Sri Haryati, Antara News, 21 February 2022

The government will use a blended finance scheme to encourage foreign investment in the development of clean power, a Ministry of Energy and Mineral Resources (MEMR) official stated.

"The blended financing scheme would include a trust fund for Indonesia's climate change to facilitate funding from donors, namely, the Asian Development Bank, the European Investment Bank, and the World Bank," Kusdiana said. Meanwhile, an integrated platform, Sustainable Development Goals (SDGs) One Indonesia, would support projects related to SDGs. Non-government budget investment financing is intended to encourage private sectors in the development of strategic infrastructure projects. The Tropical Landscape Finance Facility (TLFF) is aimed at benefiting public funding for sustainable land use including ecosystem restoration and investment in clean electricity. There is also a Public Private Partnership (PPP) scheme, a long-term contract between the private sector and a government entity to provide public service assets in the form of project development facility, viability gap fund, infrastructure assurance, and availability payment. Another funding scheme for commercial banks involves the Financial Services Authority (OJK) policy that requires a certain percentage from credit portfolio for green project funding. Kusdiana stated that it would need a total US\$1 trillion of investment or US\$29 billion per year to reach the target of carbon neutrality by 2060. This amount would comprise US\$1,042 billion for investment in clean electricity and US\$135 billion for investment in power transmission.

ADB supports Indonesia's energy transition and praises its economic performance

—The Star, 20 February 2022

The Asian Development Bank (ADB) has pledged to continue supporting for Indonesia's energy transition initiative through its financial facilitation. The regional development bank is currently financing 14 ongoing projects that Indonesia and the bank have worked on together for 55 years. On February 17, the Bank approved a US\$150 million loan to support the country's green infrastructure projects to help the country reach the United Nations Sustainable Development Goals. Indonesia has launched a 16,000-hectare green industrial park in Bulungan Regency, North Kalimantan province. Solar power plants and hydropower plants will power the park, setting the model for future green industrial park development to support the energy transition. The park, a partnership between Indonesia, China, and United Arab Emirates investors, aims to attract high-tech and precision companies such as solar panels, green aluminum and lithium-ion batteries. Jokowi has identified three areas to boost economic growth, namely the green economy, digitalisation of micro-, small- and medium-sized enterprises, and development of downstream industries.

H. Other

'Little Kings' Thwart Indonesia's Democracy

—Ainur Rohman, Asia Sentinel, 21 February 2022

In January, graftbusters swooped down on the luxurious home of Terbit Rencanan Perangin-angin, the regional head of Langkat Regency in North Sumatra, to discover 48 people being held in iron-barred cages, including alleged drug addicts, teenage delinquents, and people working on Terbit's oil palm plantations without being paid. His arrest, during which graves of people who allegedly died after being tortured, illustrates just how badly wrong Indonesia's two-decade-old decision to devolve power to manage large finances and resources to regional heads with minimal supervision. Data from the Corruption Eradication Commission (KPK) show that at least 429 regional heads have been involved in corruption cases since direct elections began in 2005. Since 2001, local governments—34 provinces and 514 regencies (districts) and cities—have been officially able to manage their own finances, which in 2021 amounted to Rp 780 trillion (US\$54.42 billion) in direct transfers of funds and

village funds (TKDD).

Terbit, the Langkat regent, is one of three arrested in January. He is the richest, with a reported wealth of US\$5.92 million. Terbit is believed to have operated the cages in his closed housing complex for at least ten years without a permit and without meeting the criteria for a drug addict rehabilitation facility. Local community and police were aware of the cages, but no one protested.

Anti-corruption activist Donal Fariz from Indonesia Corruption Watch (ICW) said that in resource-rich areas, corruption occurs in mining licensing and land conversion [for plantations and mining, etc.]. In other regions, corruption is mostly related to regional spending for the procurement of goods and services, usually in sectors with the biggest budgets such as education, health, and infrastructure.

Some regional heads take advantage of democracy and direct elections to devolve their families into local political dynasties, placing relatives in the legislature and executive offices. Law enforcement, including the KPK, can't do much to prevent the dynasties. A 2015 Constitutional Court decision affirmed that the right to be elected is the right of every citizen, so all the KPK could do is urge candidates to maintain integrity and appeal to the public not to sell their votes.

How a pro-ISIS cell emerged in Papua

-Institute for Policy Analysis of Conflict, IPAC Report No. 74, 3 February 2022

Between late May and early June 2021, more than twelve suspected ISIS supporters were arrested in Merauke, Papua Province, suspected of planning a bombing in Indonesia's easternmost city. Those arrested in Merauke—the third ISIS cell in Indonesia to be broken up by police—were different from previous arrests in Papua because they had sought to build a community. The Merauke cell shows how extremist ideology spreads through social media, marriage and migration," says Sidney Jones, IPAC Senior Adviser. "The key figure in this cell was a man from East Java, in touch with a propagandist in Syria, who was able to connect his followers with ISIS supporters in Makassar."

One of the most striking aspects of the Merauke cell is that several members were former Salafi scholars trained in Saudi-influenced schools. There has been strong resistance to violent jihad and especially to ISIS in the Salafi community in Indonesia, with a few major exceptions, but the Merauke case shows that crossover can occur if there is a leader with strong religious credentials, who can make a persuasive case to potential followers. "The Merauke cell shows that Papua is clearly on the radar screen of different extremist groups as an area for recruitment, training and refuge," said Jones. "The numbers are tiny and all efforts at violence have failed, but these arrests could still be the start of a more intensive effort to strengthen resilience against extremism in Papua."

Netherlands finally admit 'shameful acts' in colonial Indonesia

—John McBeth, Asia Times, 22 February 2022

It's taken more than seven decades, but the Netherlands has acknowledged Dutch military engaged in systematic, excessive, and unethical violence during Indonesia's struggle for independence between 1945 and 1949. Netherlands Prime Minister Mark Rutte offered a full apology in addressing a five-year study into the country's post-World War II to retain control of the former Dutch East Indies. Experts involved in the research said politicians, other civil authorities and an approving society either condoned or turned a blind eye to the violence, which is thought to have cost 100,000 Indonesian lives. "The prevailing culture was one of looking away, shirking and a misplaced colonial sense of superiority," said Rutte, blaming the atrocities on the system rather than on individual soldiers. "That is a painful realization, even after so many years." Enforcing a strict discriminatory social order, the Dutch East Indies was one of the most valuable colonies under European control, contributing to Holland's global domination over much of the spice trade in the 19th and early 20th centuries. Japan's World War II occupation changed all that and following Tokyo's surrender in 1945, Indonesian nationalist leaders declared independence, engaging in a bloody struggle to prevent the Netherlands from reimposing colonial rule.