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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 that 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 website at www.starlingresources.com. If you would like to add colleagues or friends to our distribution list or unsubscribe, please contact us at newsdigest@starlingresources.com.

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A. Marine and Fisheries

[Study aims to unmask fishing vessels and owners' identities obscured by loopholes](#)

—Elizabeth Claire Alberts, *Mongabay*, 20 January 2023

New research has generated a comprehensive system to track and monitor fishing vessels to help determine possible unlawful fishing. The study employs a decade's worth of satellite vessel tracking data with identification information from more than 40 public registries to generate a global assessment of fishing compliance, foreign ownership of vessels, and reflagging—the process by which vessels change registration and flag from one country to another. Researchers from Global Fishing Watch, Duke University, and the Stockholm Resilience Center found that nearly 20% of vessels operating on the high seas were likely unregulated or unauthorized and that many vessels frequently changed their identity, possibly to avoid detection while undertaking illegal, unreported and unregulated (IUU) fishing activities. The ports with the highest level of reflagging were Las Palmas de Gran Canaria in the Canary Islands, Busan in South Korea, Zhoushan in China, and Kaohsiung in Taiwan.

Research report: Jaeyoon Park, et al, "[Tracking elusive and shifting identities of the global fishing fleet](#)", *ScienceAdvances* 9:3, 18 January 2023.

[Advancing management effectiveness of existing marine protected areas \(MPAs\) in Indonesia](#)

—USAID Kolektif: Advance Indonesia's MPA management effectiveness, 18 January 2023

Indonesia has established 196 Marine Protected Areas (MPAs) covering over 23 million ha (8.6%) of the country's territorial waters. MPAs are managed by national and provincial government institutions to implement marine and coastal conservation and resource management objectives, playing a crucial role in protecting critical marine habitats, including nesting sites, spawning grounds, and migratory corridors, and reducing the exploitation of endangered, threatened, and protected (ETP) species. USAID Kolektif will strengthen the protection of Indonesia's marine biodiversity by improving the management effectiveness of established MPAs. The project will identify existing gaps and factors limiting the effectiveness of MPA management. Implemented by KEHATI, the project will explore opportunities to involve multiple stakeholders, including private sector actors, in the co-management of MPAs to boost economic opportunities, mobilize resources, and support local livelihoods by focusing on strengthening human resources and institutional arrangements; established sustainable financing for MPAs; increased benefits for coastal communities through sustainable management of MPAs; strengthened compliance with MPA rules and regulations; and improved protection for marine ETP species and priority habitats.

B. Forests and Land Use

Indonesia's chocolate processing industry is number 3 in the world

—Petir Garda Bhawana, *Tempo.Co English*, 23 January 2023

"Indonesia's cocoa processing industry now stands as number three in the world, after the Netherlands and Côte d'Ivoire," said Putu Juli Ardika, Director-General of Agro-Industry of the Ministry of Industry (Kemenpirin). In 2021, the export value of cocoa products (including cocoa liquor, cocoa butter, cocoa cake, and cocoa powder) exceeded US\$ 1.08 billion. In terms of volume Indonesia's cocoa products exports amounted to 319,431 tonnes, or 85% of the total national production of 96-designated cocoa-producing countries. To improve the sustainability of cocoa and the welfare of cocoa farmers, Kemenpirin is encouraging the development of artisanal chocolate. The raw material for artisan chocolate is well-fermented premium cocoa beans currently priced at Rp 50,000 or US\$ 3.34 per kilogram, 43% higher than the price for cocoa beans purchased by the industry. "Currently, the market share for Artisan chocolate only accounts for 2% of domestic chocolate consumption, which is dominated by industrial and confectionary chocolate." Artisan chocolate has the opportunity to fill a share of up to 10% in Indonesia."

[China earns a black eye in Indonesian palm oil](#)

—Muhammad Zulfikar Rakhmat and Yeta Purnama, *Asia Sentinel*, 17 January 2023

Farmers surrounded the local parliament building of Sintang Regency in West Kalimantan Province last year to protest oil palm companies that allegedly illegally seized land, forced low concession fees on smallholders, and refused to pay a fair price for palm fruit. Similar protests erupted in 2019, blocking

access to a plantation owned by the Tianjin Julong Group. Established in 1993 in Tianjin, the privately-owned Julong Group has emerged as the largest palm oil player in Indonesia, operating 11 plantations that accounted for 22% of the trade volume between China and Indonesia. Julong's membership in the Roundtable on Sustainable Palm Oil (RSPO) was suspended in 2017 for failing to provide annual reports for three consecutive years. Greenpeace listed Julong in its 2021 list of leading companies occupying the largest area of land illegally converted to oil palm plantations in Indonesian forests. Other problematic Chinese companies in the sector include Zonergy and Chinese-owned Wilmar International Ltd., a Singapore-based firm which owns 34 palm oil mills, which has also been charged with a range of human rights abuses.

Report: Greenpeace Indonesia and TheTreeMap, [**Deceased Estate: Illegal palm oil wiping out Indonesia's national forest**](#), 2021.

[**Coal extraction in Indonesia is driving deforestation**](#)

—Caroline Bulolo, *ChinaDialogue*, 16 January 2023

Indonesia lost 1,901 km² of forest between 2020 and 2019 to industrial mining activities, primarily coal extraction, more than any other tropical country. Among the 28 countries investigated in the study, Indonesia accounted for 58.2% of the total direct forest loss from mining. In 2021, Indonesia produced 610 million tonnes of coal, half of which was exported, at a value of US\$29.6 billion, mostly to China, which accounted for 99 million tonnes of Indonesian coal exports. “Coal extraction in Indonesia is done with open-pit mining, hence the deforestation,” says Syahrul Fitra, a campaigner at Greenpeace. The expansion of coal mining expansion in East Kalimantan was the main factor driving mining-related deforestation in the country, the report said. “Deforestation is something inevitable in East Kalimantan,” says Mareta Sari, head of the East Kalimantan chapter of the Mining Advocacy Network (Jatam). “One of the main reasons is massive coal mining permits, including in forest areas.”

Paper: Stefan Giljum et al, “[**A pantropical assessment of deforestation caused by industrial mining**](#)”, *PNAS* 119 (38), 12 September 2022.

[**Environmentalists lambast Indonesia-Malaysia palm oil pledge**](#)

—A. Muh. Ibnu Aqil, *The Jakarta Post*, 14 January 2023

Environmentalists are criticizing Indonesia and Malaysia's pledge to fight “discrimination” against palm oil. The European Union (EU) recently passed a law requiring companies to demonstrate that goods imported to the bloc have not contributed to deforestation. Indonesian President Joko Widodo expressed his disapproval of the new policy during the recent EU-ASEAN summit in Brussels. However, Greenpeace Indonesia global forestry campaign head Kiki Taufik said the EU deforestation regulation should not be viewed as discriminatory but rather as an opportunity to advance the global commitment to reduce deforestation through transparency and sustainability. Kiki said the EU regulation is only a threat if Indonesia and Malaysia are not committed to stopping deforestation from palm oil development. Madani Foundation's Nadia Hadad pointed out that the EU regulation does not single out palm oil—soy and other commodities are also affected. However, the Indonesian Palm Oil Business Association (GAPKI) welcomed the president's opposition to so-called palm oil discrimination, saying Indonesia and Malaysia needed to further strengthen their cooperation as the largest producers of vegetable oil.

[**Indonesia palm oil export curbs and biodiesel plans to hit world vegetable oil supplies**](#)

—Naveen Thukral and Bernadette Christina, *Reuters*, 16 January 2022

A move by top palm oil exporter Indonesia to restrict exports and boost domestic biodiesel production will squeeze global vegetable oil supplies already undercut by lower output in Southeast Asia and Latin America. Edible oil buyers, including consumers in South Asia and Africa, will bear the brunt of the measures coming just as demand from China and India is forecast to climb. Indonesia's B35 mandate stipulated that diesel fuel sold from 1 February must contain 35% palm oil product while Malaysia has partially implemented a 20% biodiesel blending mandate and other countries have measures calling for lower percentage blends for diesel or gasoline. The Indonesia Biofuel Producers Association says the

B35 mandate will consume 11.44 million tonnes of palm oil this year, up from 9.6 million in 2022 under the B30 standard. Indonesia, which produces more than half of global palm oil supplies, also tightened export rules, allowing exporters to ship just six times their domestic palm oil sales volume, compared to the 2022 ratio of eight times.

[Sustainable forest management: Indonesia navigates a paradigm shift](#)

—Monica Evans, *CIFOR Forest News*, 6 January 2023

Indonesia's forests are home to 10-15% of the world's known plants, mammals, and birds, as well as vast carbon stocks. With this in mind, the government is taking critical steps to protect the forest estate, including enhancing its Nationally Determined Contribution (NDC) targets for the Paris Agreement and developing a new strategy to reach its 2030 Forest and Other Land Use (FOLU) Net Sink target or carbon sequestration. The government is also introducing innovative approaches to producing goods and services through "mainstreaming ecosystem services" in forest management by identifying ways to add value to the diverse services provided by an intact ecosystem, including food, water, timber, air purification, soil formation, and pollination. This provides the basis for new business configurations for the management of production forest resources, including food, renewable energy, ecotourism, agroforestry, non-timber forest products (NTFPs), and environmental services such as carbon capture and water storage and filtration. The goal is to internalize the aim of conserving natural resources in economic sector policies, programs, and development models, the authors said.

Paper: Hunggul Yudono Setio Hadi Nugroho et al, "[Mainstreaming Ecosystem Services from Indonesia's Remaining Forests](#)", *Sustainability* 14:19, 25 September 2022)

C. Biodiversity, Conservation, and Protected Areas

[US\\$103.65 million GEF funding for Indonesian biodiversity, climate change, and land degradation](#)

—A. Muh. Ibnu Aqil, *The Jakarta Post*, 21 January 2023

Indonesia has received US\$103.65 million in funding allocated for biodiversity, climate change, and land degradation programs from the multilateral environmental fund Global Environment Facility's eighth replenishment cycle (GEF-8) for 2022-2026. Indonesia will receive the largest allocation of STAR (System for Transparent Allocation of Resources) in this cycle. The framework determines the BEF resources that a recipient country can access during the four-year replenishment period based on global environmental priorities as well as the country's capacity, policies, and implementation practices. GEF CEO Carlos Manuel Rodriguez lauded Indonesia's success in managing the funds it had received. "I am satisfied that the implementation of GEF funds in Indonesia are based on evaluations not just from us, but also from other stakeholders. Indonesia is one of the five major countries that can give real impacts and show results," Rodriguez said.

[Prioritising unique ecosystems in Sulawesi to realize global biodiversity framework \(GBF\) targets](#)

Wulan Pusparini, et al, *Nature Scientific Reports* 13, 16 January 2023

Protected areas (PAs) may not be a perfect nature conservation strategy but they can be the last stronghold for threatened species and intact habitats and provide a buffer against environmentally damaging development. The terrestrial protected area network of the biodiverse, forest-rich Indonesian island of Sulawesi covers 10% of its area. Varying PA expansion scenarios to meet a for a global biodiversity framework (GBF) target of 30% of land conserved by 2030 differently prioritise biodiversity, forest cover, carbon stock, karst, and metal rich areas, but the vast Mekongga and Bangkiriang Landscapes and the Gorontalo corridor were consistently identified as high priorities for protection under all scenarios. An approach combining expanding current PAs, creating new PAs, and creating corridors to connect existing PAs identified 26,508 km² of priority areas to be incorporated into the existing PA network could help Indonesia to meet its GBF target if replicated across Indonesia. This strategy would incorporate a range of land management options through other effective area-based conservation measures (OECMs) to deliver this result.

[More Marine Protected Areas \(MPAs\) planned for Indonesia's Maluku Islands](#)

—Nuridin Tubaka, *Mongabay*, 16 January 2023

Authorities in Maluku Province plan to establish more new Marine Protected Areas (MPAs) this year, following the creation of five new MPAs last year. Funding is already secured for a new MPA around the north part of Pulau Buru, and the government also wants to designate waters in South Buru regency as a conservation zone. The northern Buru MPA would prioritize the protection of leatherback sea turtles (*Dermochelys coriacea*), currently classified as “threatened (vulnerable)” by the IUCN. The five new protected marine areas that were established last year with support from WWF Indonesia included protection for the culturally important so-called “Forgotten Islands” archipelagos of Southeast Maluku, including Kep. Tanimbar, Kep. Damar, Kep. Leti, and Kep. Barat Daya. “Economically, areas that are designated for conservation [in Maluku] have high economic value,” Welem Waileruny, marine and fisheries scientist at Pattimura University in Ambon, the provincial capital, said.

[More than half of coral reef species of sharks and rays are threatened with extinction](#)

—Basten Gokkon, *Mongabay*, 17 January 2023

More than half of all known species of coral reef sharks and rays are threatened by extinction, mainly due to overfishing, but also because of climate change, habitat loss, residential and commercial development, and pollution, underscoring the urgent need for improved regional fisheries and marine protected area (MPA) management. The authors, mostly members of the IUCN's Shark Specialist Group, found that 14 species are already “critically endangered” and nearly extinct in the wild, 24 “endangered” with significant 50-70% reductions in population over three generations, and 41 species “vulnerable”, meaning their populations have declined by 20-50% over the past three generations. The extinction risk is highest for widely-distributed large species such as *Carcharhinus* spp. Sharks and reef manta rays, and particularly pronounced in countries with higher fishing pressures and weak governance such as Brazil, Tanzania and Indonesia, the study said.

Paper: C. Samantha Sherman et al, “[Half a century of rising extinction risk of coral reef sharks and rays](#)”, *Nature Communications* 14:15 (2023), 17 January 2023.

D. Climate Change, Energy, and Mining

[Three ways Indonesia could make 2023 a turning point in its clean energy transition](#)

—Denny Gunawan, *The Conversation*, 19 January 2023

Indonesia's clean energy production growth decreased in 2022 due to slowing of the country's biodiesel program, leading to renewable energy falling as a share of the total primary energy mix from 11.5% to 10.4%. The increase in renewable power plant capacity was also very small compared to the 4 gigawatts (GW) capacity addition for coal-fired power plants on Java. To achieve its 2030 emissions target, Indonesia needs to immediately accelerate expansion of renewable energy power plant capacity. Some clean energy projects are already scheduled to begin this year, including the 55 MW Patuha geothermal plant in West Java, Peusangan (45 MW) and Asahan (174 MW) hydroelectric projects in Aceh and North Sumatra, and the Cirdata floating solar power plant in West Java (145 MW). Regulations and incentives for residential and commercial rooftop solar installations also need improvement, and the government also needs to resolve its trade dispute with the EU over its nickel ore export ban policy.

Report: Akbar Bagaskara et al, [Indonesia Energy Transition Outlook 2023: Tracking Progress of Energy Transition in Indonesia: Pursuing Energy Security in the Time of Transition](#), Institute for Essential Services Reform (IESR), December 2022.

[Coal gasification “no easy feat” industry players say](#)

—Divya Karyza, *The Jakarta Post*, 16 January 2023

Plans to develop downstream coal industries have a long way to go industry players say. On 30 December, President Joko Widodo signed Government Regulation in Lieu of Law (Perpu) No. 2/2022, granting a reduction in coal royalties to 0% for companies that hold mining licenses or special mining permits if they invest in downstream industries. But expecting a newly born industry currently dominated by capital-intensive coal gasification activities to thrive solely on the 0-percent coal royalty is “too much”, according to Singgih Widagdo, chairman of the Indonesian Mining and Energy Forum (IMEF). Coal gasification accounts for 7 of 11 current downstream projects in coal-rich South Sumatra and Kalimantan. The government hopes to transform low-quality coal into value-added products such as methanol, dimethyl ether (DME), urea, and other compounds. Hundreds of global asset managers and large banks have announced their divestment from coal mining or coal-fired power plants making it increasingly difficult for coal power and mining firms to raise funds for the industry as pressure grows for firms to get on board with the energy transition.

[Freeport Indonesia bets big on EV with Gresik smelter project](#)

—*The Jakarta Post*, 16 January 2023

Gold and copper mining company PT Freeport Indonesia (PTFI) expects that its US\$3 billion copper smelter project in Gresik, East Java could start operating in late 2024 just right when the demand for copper for electric vehicle (EV) production is expected to pick up. Once fully operational, PTFI's new smelter in Gresik could process 1.7 million tonnes of copper concentrate annually into 600,000 tonnes of copper cathode, which can be further processed into electrical wiring, pipes, and car batteries, among other products. PTFI is expected to ship 100% of its copper concentrate mined in Timika, Papua to Gresik for processing. PTFI CEO Tony Wesa said the Gresik facility, which will be the biggest single-line design in the world, is being built by Japan-controlled PT Chiyoda International Indonesia to support President Widodo's downstream ambitions and to be part of the future EV production ecosystem in Indonesia.

Special Subsection on Nickel Mining in Indonesia

[Production resumes at China-owned nickel smelter resumes after deadly clash](#)

—*Reuters via The Jakarta Post*, 17 January 2023

Production at the PT Gunbuster Nickel Industry (GNI) nickel smelter in North Morowali, Central Sulawesi resumed after operations were suspended due to a protest by a labor group and rioting in which two workers were killed. An Indonesian and a Chinese worker died and vehicles and dormitories were torched at the smelter owned by China's Jiangsu Delong Nickel Industry. Police said over 500 police and military personnel were deployed to secure the site after the disturbances. GNI launched the smelter, which has an annual production capacity of 1.8 million tonnes, in late 2021, with an estimated US\$2.7 billion investment. The GNI plant employs about 11,000 Chinese workers and 1,300 foreign personnel, police said. Violent protests have broken out sporadically in the mineral-rich region of Central Sulawesi where there has been an investment boom in projects to produce nickel for use in electric vehicle batteries. [Local news media reported that the protesters were demanding better safety conditions and higher pay, Aljazeera reported.]

[FOIA lawsuit suggests Indonesian nickel miners lack environmental licenses](#)

—Eko Rusdianto, *Mongabay*, 24 January 2022

Environmental journalists investigating nickel mining on the island of Sulawesi have won a freedom-of-information ruling against local authorities, whose inability to release licensing information points to an absence of licenses. In December, the provincial information commission ordered the East Luwu environmental agency to publish licensing documents of two companies accused of polluting the Larona Malili river in South Sulawesi with sediment. But in January the agency responded saying some licenses were still being processed in Jakarta while others would have to be requested directly from the Ministry of Environment and Forestry (KLHK). The fact that the agency didn't have the required papers—an environmental impact analysis (Amdal), a waste dumping license, permits for hazardous and toxic waste

handling, and the so-called “borrow-to-use-forest permit (IPPKH)— suggests the companies may be operating without them. The companies denied responsibility for polluting the river, but a separate investigation by the South Sulawesi Mining Advocacy Coalition (KATA) shows evidence of environmental degradation after mining operations began.

[Illegal nickel laundering](#)

—Erwan Hermawan, *Tempo English*, 23 January 2023

The National Police shut down the Aneka Tambang (Antam) nickel mining concession in Madiodo, Southeast Sulawesi. The 3,400-ha concession, part of Antam’s larger 16,000-ha concession area, overlaps with Sangia Perkasa Raya’s concession. Neither company has been issued a forest area utilization permit (IPPKH) by the Ministry of Environment and Forestry (KLHK), without which no company with a mining business permit should be allowed to mine nickel ores in a forest area. One reason Antam’s IPPKH for Madiodo is blocked may be that ten other companies also claim the same area. In reality, nickel mining in this area never stopped after it started in 2011. Satellite imagery shows that 228.6 ha was mined in the Madiodo block during 2022, though Antam’s mining area under its program from the Ministry of Energy and Mineral Resources only covers 40 ha. Indonesia is the world’s largest nickel mining country, generating 37% of global nickel production in 2021. Mining companies launder illegal nickel all the way to smelting companies. They pay coordination fees to law enforcement officers.

[We are preparing a law enforcement unit](#)

—Mahardika Satria Hadi, *Tempo English*, 23 January 2023

Southeast Sulawesi’s abundant nickel reserves has driven many companies to compete to exploit it. At the Madiodo Block in North Konawe, over a dozen companies excavate nickel without proper documents. With the quiet backing of authorities, companies owned by politicians and officials have engage in illegal nickel mining that has harmed forests, rivers, and ocean waters. This mining is part of a nickel production chain—the nickel becomes a legal commodity once it is run through a smelter. Arifin Tasrif, Minister of Energy and Mineral Resources (MEMR), says the problem is due to high prices for nickel caused by high demand from the battery industry. Asked whether state-owned Aneka Tambang (Antam) is operating according to law, Tasrif stated, “We routinely guide all mining business license holders, including Aneka Tambang. If there is a discrepancy between mining activity and the MEMR work program and budget (RKAB) document, we follow up the matter in accordance with current laws and regulations.”

[Opinion: The big names behind illegal nickel mining](#)

—Tempo, *Tempo English*, 23 January 2023

In the Madiodo Block in North Konawe, Southeast Sulawesi, dozens of illegal mines operate using fraudulent documentation, selling nickel ore to processors run by tycoons from China, a country that is not particularly concerned about the legal origins of commodities. By appointing regional and central government officials as company commissioners, the miners’ illegal practices continue without any problems. One such company is Lawu Agung Mining, owned by Windu Aji Santoso, who was a member of President Joko Widodo’s campaign team in 2019 and is also close to National Police (Polri) Chief Listyo Sigit Prabowo. Lawu Agung appointed 11 other companies to extract 7.8 million tonnes of nickel in the Antam concession areas over three years, during which the value of the nickel extracted from the Madiodo Block was Rp 246 trillion (US\$ 16.44 billion). Unfortunately, illegal operators like these now enjoys legal protection through the new Government Regulation in lieu of Law (*Perpu*) on Job Creation, which prioritizes administrative actions over criminal sanctions.

E. Pollution and Waste

[Ministry encourages industrialization of waste management in Indonesia](#)

—Subagyo, Resinta Sulistiyandarai, *AntaraNews*, 14 January 2023

The Ministry of Environment and Forestry (KLHK) is encouraging business owners to industrialize waste management and implement a circular economy to achieve the target of zero waste by 2030. “The key is a circular economy to prevent waste from going to landfills,” said Rosa Vivien Ratnawati, the Director General of Waste, Garbage, and Hazardous Toxic Material Management (PSLB3). “In the end, we aim for zero waste and zero emissions,” she added. Based on KLHK PSLB3 data, in 2022 64% of waste had been successfully handled out of a total of 68.5 million tonnes of waste, dominated by food, plastic, and paper. Through KLHK Regulation 75 of 2019, the ministry hopes to achieve a 30% further reduction by 2030. One approach is to encourage bottled drinking water producers to change mini-product designs to larger 1-liter size bottles to reduce waste and make management easier. Producers are also encouraged to implement an accountability mechanism for products in plastic packaging sold when the product later can be treated as waste of Extended Producers Responsibility (EPR).

[We’re taking Danone to court over plastic pollution](#)

—*ClientEarth Communications*, 9 January 2023

Along with our French partners Surfrider Foundation Europe and Zero Waste France, we’re taking Danone to court over its global plastic pollution. In September 2022, we issued legal warnings to Danone and a number of other companies, including Nestlé France and McDonald's France, for inadequately addressing the risks related to the plastic pollution they produce. Danone responded, but it wasn't good enough. In 2021, the company used more than 750,000 tonnes of plastic, even more than it did in 2020. It also has a large presence in countries on the receiving end of the Western world's plastic excesses, putting further strain on their waste management facilities, such as Tunisia, Turkey, and Indonesia, and it even topped the plastic polluter ranking in Indonesia for the last three years. Danone's only plan to deal with plastics is to increase the recyclability of its products. But recycling is a limited solution as only 9% of plastics ever made have been recycled.

F. Investment and Finance

[Indonesia and World Economic Forum \(WEF\) join hands to unlock blue carbon potential](#)

—Divya Karyza, *The Jakarta Post*, 23 January 2023

Indonesia and the World Economic Forum (WEF) have signed a partnership to scale up the country's ocean ecosystem restoration and conservation efforts in a bid to tap the increasing demand for blue carbon credits and projects. The cooperation will help develop Indonesia's national roadmap detailing priorities on blue carbon, which in turn will accelerate strategic financing for restoration and conservation efforts, according to the WEF. “Creating this partnership ... to work on blue carbon will really help accelerate our efforts for climate action,” Coordinating Maritime and Investment Affairs Minister Luhut Binsar Pandjaitan said. Much of Indonesia's blue carbon potential consists of mangrove forests ringing the shores of its more than 17,000 islands, though mangrove cover has been reduced in some areas due to aquaculture and oil palm plantations in coastal regions. Mangroves prevent more than US\$65 billion in property damage and reduce flood risks for some 15 million people every year, WEF data show, with overall ecosystem service benefits estimated to fall between US\$462 billion and US\$798 billion per year.

[Davos 2023 Investcorp targets Indonesia to expand Southeast Asia footprint](#)

—Divya Chowdhury and Anisha Sircar, *Reuters*, 17 January 2023

Bahrain-based Investcorp is working on multiple initiatives in Indonesia, including on in partnership with INA, the nation's sovereign investment fund, Co-Chief Executive Rishi Kapoor said on the sidelines of the World Economic Forum (WEF) annual meeting in Davos. One is the Indian dialysis service provider NephroPlus, now set to expand in Indonesia, while the second is a recently acquired leading local specialty retailer. Indonesia's natural resources mean it stands to benefit from higher inflation and rising commodity prices, said Co-CEO Hazem Ben-Gacem. Two-thirds of private and public sector economists surveyed by the WEF expect a global recession this year, but Co-CEO Kapoor said the potential global economic slowdown will open up many tactical opportunities for private equity firms in 2023, adding that

Investcorp is focused on investing in logistics and real estate, increasingly available at "more reasonable" prices.

[Indonesia Wealth Fund wants to hit US\\$200 billion Investment Goal by 2024](#)

—Claire Jiao and Yvonne Man, *Bloomberg*, 11 January 2023

Indonesia's sovereign wealth fund is seeking to accelerate its timeline to hit its US\$200 billion target by 2024 as it eyes more energy and digital investments, according to its CEO. The fund, known as the INA, is finalizing its second investment in a toll road and preparing to bring in one of the world's largest geothermal energy companies, Ridha Wirakusumah said. "Things are getting there," Wirakusumah said, adding that the fund had grown its co-investments to over US\$27 billion from just US\$200 million when it began in 2021. The CEO had cast doubt last year about reaching the US\$200 billion goal set by President Joko Widodo in 2021, but is more upbeat about the investment outlook post-pandemic, adding that global growth would benefit from the rollback in Covid restrictions in North Asia, particularly in China. INA, which has signed agreements on electric vehicles and the energy transition, is prioritizing infrastructure, energy, digital, and health care as it hunts for more deals.

G. Human Rights and Gender Equality

[Opinion: A loophole in resolving human rights abuses](#)

—*TempoEnglish*, 23 January 2023

President Joko Widodo's acknowledgment that gross human rights abuses have been committed in Indonesia was important. The government had previously always drawn a veil over the matter, but these crimes cannot be resolved without going through proper judicial process, especially if the aim is simply to comply with a promise made during a re-election campaign. Important legal principles were overlooked. Non-judicial resolution of violations that occurred before passage of Law No. 26/2000 on Human Rights Courts requires that a truth and reconciliation commission be established, but a legal umbrella for the creation of such a commission no longer exists. The president has appointed a number of people involved in past human rights abuses to senior positions, including former Commander of the Indonesian Military (TNI) Wiranto and former Commandant General of Special Forces Command Prabowo Subianto, now Minister of Defense. The president also needs to take steps to ensure that there are no more gross human rights abuses, for example, the unending deaths in the Papua region.

[Biodiversity and human rights safeguards crucial to nature-based solutions \(NbS\)](#)

—Sahana Ghosh, *Mongabay* 18 January 2023

Nature-based solutions (NbS) are increasingly recognized in global climate change and environmental policy instruments, including last November's UN COP27 Climate Summit and the Kunming-Montreal Global Biodiversity Framework (GBF) at the COP15 UN biodiversity conference in December. However, the lack of biodiversity and human rights safeguards has raised concerns among indigenous peoples and NGOs. Poorly-defined initiatives can harm natural systems and human communities even as companies and financial institutions use them to greenwash profits. "Actions that may not be biodiversity friendly can be misrepresented as complying with nature-based solutions", said Subramanian, a research fellow at UN University's Institute for the Advanced Study of Sustainability. "For example, promoting monocropping or single species plantation forestry can be marked as afforestation but [in reality] may create ... ecological and socio-cultural [harm]." The Global Forest Coalition noted that the "final [GBF] agreement opens the door widely to private sector financing of biodiversity policy, including false solutions like biodiversity offsets and so-called 'nature-based solutions,'" the NGO said.

[Medan mayor's remark raises LGBT issue to the forefront](#)

-Fikri Harish, *The Jakarta Post*, 3 January 2023

An offhand remark by Bobbie Nasution, the mayor of Medan, North Sumatra, declaring that the city of Medan was "anti-LGBT" has reignited the debate on LGBT issues, with the National Commission on

Human Rights (Komnas HAM) cautioning against discrimination based on sexual orientation. There's no LGBT in Medan, the city is anti-LGBT," said Bobby to the laughter of the crowd in a video shared on his Twitter account. Nasution, who is married to President Joko Widodo's daughter, later said his remark was intended to be Humorous, adding that same-sex marriage has no place in Indonesian culture. There is no law explicitly forbids same-sex relationships except in Aceh, the only province where sharia law is officially practiced. The morality clauses in Indonesia's new Criminal Code, which became law in December, have been criticized by civil rights groups and the UN for potentially criminalizing LGBT people, while the Muslim-based Prosperous Justice Party (PKS) says the new law does not go far enough.

[The rot at the top of Papuan politics](#)

—John McBeth, *Asia Times*, 16 January 2022

Security forces are on alert across Papua following the arrest of newly-retired governor Lukus Enembe on charges of embezzlement from the provincial budget, the culmination of an investigation that has dragged on since 2017. Enembe, a member of the majority Dani tribe and the first Papuan highlander to fill the post, was flown to Jakarta after his arrest on 10 January. Police fired teargas to disperse rock-throwing supporters who converged on the paramilitary Police Mobile Brigade (Brimob) headquarters and Sentani airport. The Anti-Corruption Commission (KPK) indicted Enembe on charges of misappropriating Rp 560 billion (US\$ 36.6 million), much of which allegedly went on spending sprees in casinos in Australia and Singapore. "Enembe enjoyed a symbiotic relationship with the elite in Jakarta, but he proved to be increasingly unreliable," one analyst commented. Arsjad Rasjid, CEO of Indika Energy, who is also chairman of the Indonesian Chamber of Commerce and Industry (Kadin), has reportedly twice spurned a summons to meet KPK investigators over Indika Energy's relations with Enembe.

I. [Zombie-like legacy of the replacement Job Creation Law](#)

[The Omnibus Job Creation Law has the potential to damage the environment](#)

—Dini Pramita, *Tempo English*, 16 January 2023

Forest management at the site level changed when the Job Creation Law went into effect. President Joko Widodo's Government Regulation in *lieu* of law No. 2/2022, known as the Job Creation *Perpu*, did not change anything. The authority of the Forest Management Units (KPH) is now merely that of facilitator and administrator, working under provincial forestry offices. There is no longer any independent KPH capacity to act as a forest management entity, as provided under the 1999 Forestry Law. Under Government Regulation 6/2007, the scope and functions of the KPH included conducting forest management, drafting forest management plans, forest utilization, use of forested areas, and rehabilitation and protection of nature conservation efforts, and much more. But Regulation No. 23/2021 revoked the 2007 regulation, limiting the role of the KPH to facilitating the monitoring and evaluation of forest management activity. The KPH is no longer empowered to act independently to conduct forest management and utilization, which now are to be undertaken through forest utilization business licenses (PBPH) and social forestry.

[Opinion: Creating a Legacy of Damaged Environment](#)

— *Tempo English*, 16 January 2022

President Joko Widodo's Job Creation *Perpu* revives the zombie Job Creation Law declared flawed and unconstitutional by the Constitutional Court in 2021. Like its predecessor, the *Perpu* removes the obligation for the government to designate and maintain at least 30% forest cover for river watersheds and islands. It also relaxes requirements for environmental permits in order to roll out the red carpet for investors. Under the *Perpu*, there is no longer any obligation for companies to produce an environmental impact analysis, or AMDAL, before beginning operations, even though that is still technically required under the Environment Management and Protection Law. An AMDAL is now nothing more than an optional accessory. The Job Creation *Perpu* also damages the rights of indigenous people with respect to production of the AMDAL because there is no longer any role for local indigenous people or

environmental activists in these processes. The government should not sacrifice future generations by leaving them a legacy of environmental damage simply to protect the interests of rich tycoons.

II. Naval maneuvers in the Natuna Sea and South China Sea

Indonesia moves to keep China at bay in the Natuna Sea

—John McBeth, *Asia Times*, 23 January 2023

Indonesia's decision to divide the East Natuna gas field into three separate blocks may be aimed at resisting China's efforts to enforce its illegal "nine-dashed line" claim over the South China Sea. The northern extremity of the field lies 75 km south of the Tuna Block, a smaller discovery close to the Indonesia-Vietnam maritime border under development in the face of Chinese ownership claims. Indonesia and Vietnam last week concluded negotiations to delimit their overlapping Exclusive Economic Zones (EEZs), removing an irritant in their relationship. China insists on pushing its claim to the entire area within its unilateral "nine-dashed line" despite an arbitral ruling at the Hague in 2016 that there was no legal basis for Beijing's claim. A Chinese Coast Guard vessel has recently re-appeared in waters around the Tuna Block. The 11,860-ton Haijing 3901 is the world's largest coast guard ship, larger than a US Navy guided-missile cruiser or destroyer, and more heavily armed than most coast guard vessels.

Indonesia deploys warship to its north Natuna Sea to monitor Chinese coast guard vessel

—Ananda Teresia and Gayatri Suroyo, *Reuters*, 30 December 2022

Indonesia has deployed a warship to its North Natuna Sea to monitor a Chinese coast guard vessel operating in a marine area both countries claim as their own territory, said Laksamana Muhammad Ali, chief of the Indonesian Navy. The Chinese vessel had been sailing near the Tuna bloc natural gas field and the Vietnamese Chim Sao oil and gas field. An Indonesian warship, maritime patrol plane, and drone were deployed to monitor the marine area that both countries claim as their own territory vessel. "The vessel has not conducted any suspicious activities," Ali said. "but we need to monitor it, as it has been in Indonesia's exclusive economic zone [EEZ] for some time." The activity comes after signing of an EEZ agreement with Vietnam and approval from Indonesia to develop the Tuna gas field, with an estimated investment requirement of more than US\$3 billion. Indonesia claims the area as part of its EEZ, but China insists the maritime area is within its expansive territorial claim in the South China Sea marked by a U-shaped "nine-dash line which the Permanent Court of Arbitration in the Hague determined in 2016 to have no legal basis.

IV. The many guises of Darul Islam/NII in Indonesia

Search for an Islamic state in Indonesia: The many guises of Darul Islam/NII

—*Institute for Policy Analysis of Conflict*, IPAC Report No. 832, 20 January 2023

As ISIS wanes, one of Indonesia's oldest extremist networks is coming back into focus. Darul Islam, the movement that proclaimed the Islamic State of Indonesia (*Negara Islam Indonesia*, NII) in 1949 has produced generations of violent splinter groups, a member of one of which was the suicide bomber who attacked a police station in Bandung in December 2022. The challenge for the government is how to handle a network with tens of thousands of members, only a tiny fraction of whom will commit criminal acts, but whose ideology promotes jihad as the means to achieve a state governed by Islamic law. Recent surprises include the discovery of a 250-strong NII group in Bali in mid-2021; linked branches in West Sumatra and South Tangerang in 2022 totalling more than 1,000 people. IPAC notes that banning the organization is likely to be ineffective or would simply result in pushing the clandestine factions of the network further underground. The government instead could usefully deploy some of the measures it has used in relation to other extremist organizations, including uncovering and tightening control over charities and businesses run by the group. It could examine the marriage patterns of DI/NII members arrested on terrorism charges over the last ten years to understand how marriages strengthen internal solidarity and reinforce the authority of the leaders who arrange them.

Ends