

Working in an oil palm plantation - see p.10



(DTE)

# DTE

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## Down to Earth International Campaign for Ecological Justice in Indonesia

New mega-project  
threat for Merauke,  
Papua -  
see page 6

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# Action needed on human rights and development

*NGOs have called on British MPs to take action on climate justice and sustainable livelihoods, impunity, Aceh and West Papua.*

In a meeting with British parliamentarians in London, June 3rd, a group of UK-based NGOs, including Down to Earth, called on the British government to take action on a range of issues related to human rights and development. The meeting was held to mark the ten year anniversary of late President Suharto's resignation.<sup>1</sup>

Guest speaker at the meeting was Suciwati, widow of Indonesia's most prominent human rights defender, campaigner against military impunity, and anti-corruption activist, Munir, who died from arsenic poisoning in 2004.

The following extracts from a briefing submitted to MPs cover climate justice, Aceh, West Papua and impunity.

### Climate justice

One of the key legacies of the Suharto regime is the free hand given to big business and the political elites in the exploitation of natural resources. This occurs mainly at the expense of local communities and is aided by corrupt practices and weak or biased regulation. It is the principal cause of forest destruction, severely limiting opportunities for community-based forest management. The legacy of ever-expanding plantations (including pulp and oil palm) and the free rein given to extractive industries further illustrate the ethos of profit before people and the environment. This situation is aggravated by the policies of international

financial institutions and the lack of any pro-poor, or pro-human rights land reform policy.

The climate change debate highlights how the impacts of these issues are no longer confined to directly affected local communities. Recent studies have shown that Indonesia is both a major contributor to climate change and highly vulnerable to its impacts.

Forest destruction, peatland degradation and forest fires are mostly to blame for Indonesia's ranking as third biggest emitter of greenhouse gases after the USA and China. Around two billion Megatonnes of carbon dioxide equivalent (Mt CO<sub>2</sub>e) are released each year from peatland degradation alone. The predicted impacts of climate change include more intense rainfall with risks of increased flooding; threats to food sovereignty due to impacts on agriculture; sea level rises affecting productive coastal agricultural and fisheries; warmer ocean water, putting further pressure on coral reefs; and intensification of diseases such as malaria and dengue fever.<sup>2</sup>

Forest destruction is rated the second biggest contributor of greenhouse gases, amounting to 18% of carbon emissions globally. However, as well as preserving the forests, governments must also cut emissions from energy generation, transport and industry.

In seeking 'climate justice', we aim to promote equitable solutions based on the rights, needs, participation and agreement of

communities exposed to the greatest impact of climate change or attempts at its mitigation. In Indonesia, these communities range from forest-dwellers whose lands and resources are being converted to oil palm plantations without their consent to coastal villages whose homes and livelihoods are threatened by sea-level rises and ocean warming.

Local communities, including indigenous peoples whose customary rights over land and resources are not adequately recognised under Indonesian law, could be further marginalised under climate change mitigation measures such as 'avoided deforestation' projects likely to attract large amounts of international funding.

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Schemes like these raise serious questions about control over forests, how much is paid and to whom, what kind of forests qualify and who makes and enforces these decisions. Linking forest conservation to an international carbon market mechanism is a strategy opposed by many civil society organisations, including indigenous peoples, because it will be profit-driven and is likely to benefit elites and further marginalise forest-dwellers.

Solutions to climate change must also focus on far-reaching change in the North, including reductions in energy consumption and a shift to clean, renewable energy. Such mitigation efforts must not have negative knock-on effects in other countries. For example, the effects associated with the promotion of palm oil as a 'green fuel' in Europe means that in Indonesia, rural communities feel the impacts of oil palm expansion and the wider community feels the consequent impact on food prices.

Climate change, climate justice and sustainable livelihoods are closely linked, since community management of resources that support livelihoods offers a better chance of long term sustainability than top-down schemes which serve business interests and reinforce global inequality.

### Recommended actions:

To promote climate justice and sustainable livelihoods in Indonesia, parliamentarians are urged to press the UK Government to:

- ♦ ensure the views of local communities inform/underpin all international negotiations on climate change and ensure that all proposed climate-related initiatives comply with international human rights standards, including the free, prior and informed consent of indigenous peoples.
- ♦ provide substantial grants - not loans - for climate change initiatives and promote similar international funding for sustainable livelihoods projects as a way of mitigating the causes of climate change as well as ensuring vulnerable communities can adapt to its impacts.
- ♦ urge the European Commission to reconsider agrofuel targets (and, if necessary, rescind the UK's Renewable Transport Fuel Obligation(RTFO)) due to mounting evidence of the connection between palm oil production and the destruction of forests, biodiversity and the negative impact on communities' livelihoods and food sovereignty.
- ♦ strengthen UK legislation on social responsibility, transparency and investment in the extractive industries to make UK companies operating in the region (including BP's Tangguh project and Rio Tinto's Grasberg mine venture, both in West Papua) accountable for environmentally and

socially damaging practices. Recommended actions on other issues included:

**Aceh:** the UK government is urged to work, as part of the EU, to help ensure that both a Human Rights Court for Aceh and a Commission for Truth and Reconciliation for Aceh are established as soon as possible.

**Papua:** the UK government is urged to help improve the situation for Papuans by encouraging the Indonesian government to:

- ♦ Account for its failure to implement special autonomy in Papua.
- ♦ Look carefully at the role of the military (TNI) in Papua, in particular at the use of the TNI to repress the indigenous population; to investigate Human Rights abuses by the TNI and other elements of the security forces; and to fulfil its obligations as a member of the UN Human Rights Council to fully respect and protect the rights of the Papuan people.
- ♦ Allow the Papuan people to voice their concerns and aspirations by exercising their rights to freedom of expression, association and assembly without hindrance or intimidation; and release unconditionally all Papuans imprisoned for peacefully exercising those fundamental rights.
- ♦ Allow free and unfettered access to Papua by foreign journalists and international human rights organisations.
- ♦ Ensure that Human Rights Defenders in Papua can carry out their work without fear of intimidation and violence with the more systematic

implementation of the EU Guidelines for the protection of Human Rights Defenders in the field and the recommendations of the UN Special Representative on Human Rights Defenders.

**Impunity:** as a contribution to efforts to end impunity, UK parliamentarians are requested to:

- ♦ Encourage the FCO to make impunity a priority issue in its relations with Indonesia and press Indonesia to implement in full the recommendations of the UN Special Rapporteur on Torture and the UN Committee Against Torture.
- ♦ Press for an end to the culture of impunity in West Papua and for the resolution of those cases which the National Commission on Human Rights has found to be gross violations of human rights.

The recommendations were all supported by: CAFOD, TAPOL, PBI, DTE, FWPC and Progressio. The full briefing is available at <http://dte.gn.apc.org/mpdoc08.pdf>.

### Notes

1. The Indonesia NGO Forum has no fixed membership, but groups attending meetings have included Peace Brigades International; TAPOL; CAFOD, Amnesty International, Human Rights Watch; Progressio, Islamic Relief; Free West Papua Campaign; and Oxfam as well as Down to Earth.
2. 'Indonesia and Climate Change: Current Status and Policies' PT Pelangi Energi Abadi Citra Enviro (PEACE), May 2007♦



At the parliamentary briefing: (from the left) Kontras director Usman Hamid, Suciwati, Jeremy Corbyn MP, Carmel Budiardjo. (Photo: Tapol)

# Who pays for Climate Change?

*A DTE workshop at this year's UK climate camp drew attention to climate change concerns in Indonesia.*

This August, the third open-for-all Climate Camp in the UK took place in Kent, Southeast England. Its underlying goal - to inspire a social movement to address climate change - has found resonance with like-minded groups holding similar camps in other rich countries such as the US, Canada, Germany, Sweden, Australia, and New Zealand.

For the first time, Down To Earth went to join the Camp this summer which was strategically set up near the Kingsnorth coal-fired power station. E.ON, the Germany-based owner of the power station, is pressing ahead with plans to build a second generation coal-fired power station after the current operations cease in 2015. The British government plans to build more coal-fired plants following the 'up-grading' of Kingsnorth. The plans have drawn widespread public opposition because they commit the UK to further reliance on fossil fuels, at a time when countries need to drastically reduce CO<sub>2</sub> emissions and invest heavily in renewable energy to tackle climate change. The government is banking on carbon capture to clean up coal power stations, but this technology has not yet been developed for large-scale use.

A coalition of UK environmental groups has attacked British high street banks, including Royal Bank of Scotland (RBS), HSBC and Barclays, for investing in coal projects around the world. "People are coming from all over the country to protest against the

proposed new coal-fired station at Kingsnorth. If RBS and the other banks don't stop financing such climate-trashing projects they risk a similar public backlash", warned Duncan McLaren from Friends of the Earth Scotland, which has co-published a report detailing bank investment in coal.

## DTE workshop

DTE's contribution to the UK Climate Camp 2008 was a workshop entitled "Who pays for climate change?". It highlighted the connections between climate change and the exploitation of natural resources by big businesses and political elites aided by corrupt practices, weak law enforcement and pro-market legislation at the expense of Indonesia's indigenous communities and the poor. In particular, the mining industry was highlighted as an industry that damages both the environment and local peoples' lives. Recent studies have shown that Indonesia is a major contributor to climate change and, at the same time highly vulnerable to its impact. Indonesia faces the same problem as many other Southern countries: that solutions to climate change largely depend on richer countries. Without willingness to reduce excessive consumption in the North, Southern countries are being forced to sell off whatever is left of their resources. This situation is aggravated by the debt-trap and corrupt regimes (see page 11 for separate article on Indonesia's debt).

## The rush for coal

- ♦ As oil and gas prices soar, coal has become relatively cheap. And supplies are abundant: worldwide reserves are estimated to be enough to last for 150 years.<sup>1</sup>
- ♦ In 2005, UK coal imports rose to 44Mt. Major sources of imports include Russia, Australia, Colombia and South Africa, as well as Indonesia.<sup>2</sup>
- ♦ In 2005 Indonesia produced 152.2Mt (million tones) of hard coal, making it the 7th largest producer in the world.<sup>3</sup>
- ♦ Indonesia is the world's largest thermal coal exporter, and expects to produce 205Mt in 2008. Around 75% of it is for export.<sup>4</sup>
- ♦ Indonesia coal production will double by 2017 to at least 400Mt, most of which will be exported.<sup>5</sup>
- ♦ Indonesia earned around US\$10 billion from coal exports in 2007 and will earn tens of billions of dollars annually in decades to come.<sup>5</sup>
- ♦ The rush to exploit more coal in Indonesia is endangering forest resources and people's livelihoods - especially in Kalimantan.<sup>6</sup>

1. *Guardian* 11/Aug/08

2. <http://www.berr.gov.uk/energy/sources/coal/industry/page13125.html>

3. <http://www.worldcoal.org/pages/content/index.asp?PageID=458>

4. <http://www.coalworld.net/indexnews/info.jsp?id=61694>, quoting energy ministry data.

5. <http://www.ecoearth.info/shared/reader/welcome.aspx?linkid=102552&keybold=wetlands%20greenhouse%20gases>

6. <http://www.timesonline.co.uk/tol/news/world/asia/article2076562.ece>



Protester at the August 2008 climate camp, near Kingsnorth power station, Kent, UK  
(Photo: Nick Cobbing)

DTE's one-hour workshop also drew attention to regions such as Papua, which are 'cursed' with rich natural resources, and therefore attract predatory investors. Evidence of this was presented in the World Bank's 2006 report which revealed that, despite its wealth of natural resources, more than 40% of Papua's population - or more than double the national average - live below the poverty line. The 10% growth enjoyed by the region since the mid 1990s and the increased revenue since Special Autonomy was introduced in 2002 does not appear to have 'trickled down' very far. (see DTE 68:7). Human Rights groups have also put

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# More calls for climate justice

*As the intergovernmental process to agree a post-Kyoto climate agreement moves towards the 2009 deadline, Asian civil society groups meeting in Bangkok in July have called again for climate justice. Global anti-poverty campaigners have also criticised the richest countries of failing to live up to promises of strong commitments on climate change at June's G8 meeting in Hokkaido.*

Activists called for a "fundamental departure from the current global order" to address the climate crisis. Over 170 participants, including fisherfolk, farmers, indigenous peoples, women, youth and activists from 31 countries attended the 3-day Bangkok conference in July, which was organised by Focus on the Global South.

"By climate justice, we mean that the burden of adjustment to the climate crisis must be borne by those who have created it, and not by those who have been least responsible" said a conference document.<sup>1</sup>

The conference heard that industrialised countries have been responsible for about 90% of greenhouse gas emissions, but that 99% of the risks of climate change are being shouldered by people in developing countries.

Participants expressed their frustration at how those dominating the climate discussions so far - governments and corporations - have failed to address the causes of climate change. The groups called on governments to address overconsumption in developed countries and among developing country elites.

The groups reached a consensus on their opposition to carbon trading and offset schemes, such as the Clean Development Mechanism (CDM)<sup>2</sup> and Reduced Emissions from Deforestation and Degradation (REDD)<sup>3</sup> initiatives, which "allow polluters to buy their way out of reducing emissions".

They also said that industrialised agrofuels, megadams and nuclear power were false solutions which could worsen the climate crisis and deepen global inequality.

## G8 meeting

The June meeting of the G8 countries in Hokkaido produced nothing new on tackling climate change, said an international civil

society alliance, Global Call to Action Against Poverty. A group statement criticised the fact that no new resources had been committed to climate change adaptation and said the commitment to reduce global emissions by 50% by 2050 was not credible. Campaigners have called for an interim 2020 target to be set.

## Climate funds

The group was also critical of the G8's support for the World Bank's role in managing climate funds. Said Nur Amalia of CGAP Indonesia: "...the World Bank, which has been mainly responsible for destroying the climate, cannot be charged with managing the fund. It's like cleaning the floor with a dirty cloth".<sup>4</sup>

The World Bank's Board approved two proposed climate investment funds - the umbrella Strategic Climate Fund and the Clean Technology Fund - on July 1st, amid international criticism from CSOs.<sup>5</sup>

G8 members have pledged approximately US\$6 billion as an ODA contribution to the funds. In a statement on climate change issued at Hokkaido, the G8 said they encouraged REDD and that the private sector would be the main source of funding to address climate change. Despite



recent evidence highlighting how emissions trading regimes have failed to deliver cuts, the G8 also recognised the role of the market, including emissions trading within and between countries, as helping to reduce emissions in a 'cost-effective manner'.<sup>6</sup>

CSOs and some governments have argued that climate funds should be housed in a body managed by the UNFCCC.<sup>7</sup> They have also queried what is meant by 'clean technology'. In early June, over 120 civil society groups issued a statement during the UNFCCC meeting in Germany, stating that the World Bank needs to define the term. According to Kenny Bruno, International Program Director for Oil Change International, one of the signatory groups, "What they are really proposing is a 'slightly less dirty' technology fund, which will include financing of coal plants that are somewhat less polluting than the dirtiest plants out there."<sup>8</sup>

## Tightrope

A new briefing by European NGOs FERN, Global Witness and Rainforest Foundation builds on previous thinking about avoided deforestation and REDD initiatives, and attempts to identify positive uses for international funds to protect forest and forest peoples' rights. It specifically warns against carbon trading, as well as World Bank management of funding. Carbon trading, it argues, does not encourage a reduction in carbon use, but instead encourages business as usual approaches to dealing with climate change, as well as speculation. The World Bank is not an appropriate fund manager as it has a poor record on forest conservation, as there is clear conflict of interest with its fossil fuels extraction investments and it has a thorny relationship with indigenous peoples.<sup>9</sup>

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a special marker on Papua for continual human rights violations against its people by the security apparatus - often triggered by conflicts over access to resources.

The workshop also considered how, on the face of it, prospects for tackling climate change in Papua don't look too bad, given that it has been selected as a pilot region for REDD (Reduced Emissions from

Deforestation and Degradation). However, with the government's abysmal track record on respecting human rights and ecological justice, Papuans may end up paying more than they gain in this attempt to save the planet.

Events like this year's Climate Camp help to bring people together to look for solutions to the globally shared problem of climate change. However, the spirit of cooperation among the climate campers at

this peaceful gathering was given a sour twist by the heavy-handed police tactics at the event. Fifty campaigners were arrested over the weekend of 9-10th August in connection with a perceived threat to 'public order'.

(Sources: <http://www.climatecamp.org.uk/>; <http://www.worldcoal.org/>; <http://www.berr.gov.uk/>; *Guardian* 11/Aug/08)♦

## IFC lending to fossil fuel projects shoots up

New analysis by the US-based think tank, the Bank Information Center (BIC), shows that the World Bank Group has increased spending on the extractive industries - underlining the argument that it is not fitted to manage global climate change mitigation and adaptation funds.

The Bank's private lending arm, the International Finance Corporation (IFC) has increased lending for fossil fuel projects by a whopping 165% during July 2007-June 2008. The World Bank itself, decreased its commitment to such projects, but overall the World Bank Group increased lending by 60% in the same period.<sup>10</sup> This is despite recommendations by the Extractive Industries Review that lending for coal and oil projects should be ended.

## INFID: no benefit from Bank projects

Research by the International NGO Forum on Indonesian Development (INFID) has found that there were no benefits for the people from three projects studied: the Railway Efficiency Project, The Kecamatan [sub-district] Development Program in South Celebes and the post-tsunami Reconstruction of the Aceh Land Administration System (RALAS). The results were distributed to CSOs attending a World Bank Asia-Pacific Workshop which was held in Jakarta on 18 - 20 June 2008. Instead of bringing benefits, the projects increased Indonesia's foreign loan burden. The reports can be downloaded from [www.infid.org](http://www.infid.org).<sup>11</sup>

### Notes:

1. Press Release, 16/Jul/08. For more information go to the Climate Justice Now!

website at

<http://focusweb.org/climatechange/>

2. See DTE 71:7 box and 69:10
3. See DTE 76-77:6 and 74:1 for background.
4. Reaction from Indonesia, Philippines, Canada, Benin, Uganda, South Africa and Japan 8/Jul/08.
5. World Bank press release 1/Jul/08. See also 76-77:6 for further background on these funds.
6. G8 statement on Environment and Climate Change at <http://www.g8.utoronto.ca/summit/2008hokkaido/2008-climate.html>
7. See DTE 76-77:7
8. BIC Update 23/Jul/08, <http://www.bicusa.org/en/Article.3840.aspx>
9. *Avoiding Deforestation and Degradation: Walking the tightrope to success*, May 2008 Climate Change and Forests Briefing Note by Richard Wainwright.
10. BIC, as in 8.
11. INFID's *Short News Overview* 27/Jun/08. ♦

### Recent IFC lending approvals to Indonesia - extractives & fossil fuel based power generation, from BIC analysis

#### Extractives

IFC financial yr	Project name	Major sector	Primary Activity	Amount USD	Approval Date
Jul 07-Jun 08	Salamander Energy Plc.	Oil and gas	off shore production, wells, pipeline,	75m	06-Jun-08
Jul 06-Jun 07	PGN Investments	Gas	gas processing plant Infrastructure (dist., expansion)	50m	05-Sep-06

#### Fossil fuel-based power generation

Jul 06 - Jun -7	PT Makmur Sejahtera Wisea	fossil fuel-based power generation	coal fired plant	121.8m	21-Jun-07
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where Down To Earth arranged for Ardi to speak at a forum on Human Rights, and finally to a meeting with ECGD itself, where Ardi raised the spectre of Indonesia repudiating its debt - something which would result in a great loss to that department. Wise colleagues tell us that to meet with the officers of the ECGD is no significant thing: the Department enters "listening mode", it is said, in order to avoid having to do anything. However, it still seemed

powerful to bring this department, so central to arming Indonesia under Suharto, together with an angry and eloquent representative of those who seek recompense.

The campaign to cancel Indonesia's odious debt is, I suppose, still in its infancy. Much will have to change before the UK will admit that these debts are actually unjust, odious. We look to Norway, which succeeded in having debts owed to it from the developing world cancelled, under similar circumstances,

but only after a decade of campaigning. For Jubilee Scotland and Jubilee Debt Campaign, we have made strong links with our counterparts in Indonesia, and we have raised public and political awareness of Indonesia's odious debt burden. We see it as the start of a long, attritional, campaign to put right the UK's odious support to an odious regime.

Contact: David Milway,  
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website: [www.jubileescotland.org.uk](http://www.jubileescotland.org.uk) ♦

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USA, has had 'exploratory' talks with Indonesia's forestry ministry about developing a mill either in Kalimantan or Merauke.

Medco says it won't buy wood from third parties for its mill, reducing incentives for illegal logging. According to its corporate secretary, in the seven years it will take to establish its own acacia plantations, the company will cut selectively in natural forests and will set aside 100,000 hectares of its concession for conservation.<sup>11</sup>

What this onslaught will mean for local indigenous peoples and their livelihoods is not raised in the *WSJ* report, but going on past experience of forestry projects, the outlook is poor while protection of customary rights remains so weak.

Promises to log selectively have been consistently broken by forestry companies during the past three decades at least, contributing to Indonesia's ranking as the country with the highest rate of deforestation.

DTE's 2006 case study of a chip mill project in South Kalimantan highlighted key problems related to sustainability of wood supplies, social and environmental impacts. It concluded that foreign investors, equipment suppliers, engineering, forestry and risk consultants should screen carefully for sustainability in any future projects, and not invest in schemes in Indonesia likely to cause serious environmental damage, rights violations or social conflict.<sup>12</sup>

### Notes

1. *Gulf Times* 6/Jul/08 (*Dow Jones Newswires*)
2. *Jakarta Post* 3/Jul/08
3. *Jakarta Post* 3/Jul/08
4. See DTE 76-77:21 for background.
5. See also DTE 76-77:2, box
6. See DTE 6:1 and previous issues for more details.
7. *Wall Street Journal* 11/Jul/08
8. *Jakarta Post* 3/Jul/08
9. See DTE 74:13
10. 'Persiapan rencana Panen Raya Presiden RI di Merauke Tahun 2008', 27/Jan/2008 at <http://www.merauke.go.id/>. Prabowo is also the notorious one-time chief of the elite military command, Kopassus.
11. *Wall Street Journal Asia* 28/Jul/08
12. *No Chip Mill Without Wood*, Betty Tio Minar, DTE, August 2006 at <http://dte.gn.apc.org/skal06.pdf> ♦

## Papua

# Merauke mega-project raises food fears

*A food mega-project planned for a vast area in the Papuan district of Merauke is causing concern that indigenous people's land will be taken and their livelihoods destroyed. As global food prices soar, there is also concern that food exports could be prioritised over domestic needs.*

Hasannuddin Ibrahim, secretary general at the agriculture ministry, told reporters in early July that a consortium of 15 Saudi investors were in the 'late stages' of negotiations to lease 5,000 - 10,000 hectares each, at a total cost of at least US\$65 million.<sup>1</sup>

The government has allocated a total 1.6 million hectares for the planned Merauke Integrated Rice Estate (MIRE) which is aimed at turning the district into a rice production centre supplying eastern Indonesia. The project also involves 2,200 kilometres of roads, three ports and irrigation systems.<sup>2</sup>

Papua's rice harvest area in 2007 covered 20,788 hectares, according to Indonesia's Central Statistics Agency, from a national total of 12.16 million hectares.<sup>3</sup>

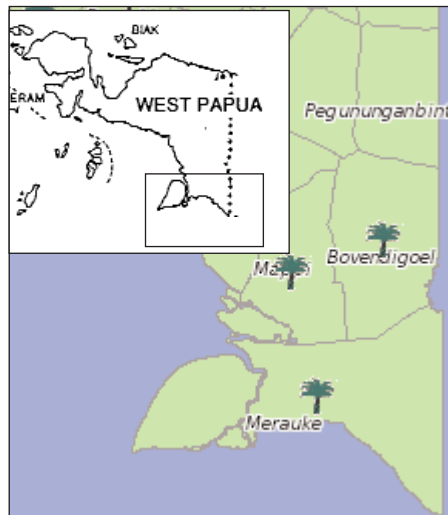
Indonesia, like other Asian countries, has been hit by rocketing rice prices in recent months and usually needs to import supplies from other countries.<sup>4</sup>

### Disastrous record

During the Suharto era, ambitious attempts to expand rice production on unsuitable forest land, including transmigration schemes in Papua and the ill-fated rice mega-project in Central Kalimantan, led to massive environmental destruction and huge loss of land and livelihood for indigenous peoples. The Central Kalimantan project also released large amounts of carbon dioxide when peat swamp forests were cleared, as well as wasting huge amounts of cash.<sup>5</sup>

In the 1980s, Merauke itself was targeted for a large-scale pulp development by US company Scott Paper. Local and international campaigners drew attention to the threats to an 800,000 hectare area of indigenous land and the company made a last minute decision to withdraw.<sup>6</sup>

The new plans to develop Merauke sound similarly ominous for local people and their natural resources. Despite some positive developments recently, indigenous communities' right to veto such projects is still widely disregarded throughout Indonesia. In Papua, where special autonomy has the potential to protect indigenous Papuans' interests, implementing regulations have still not been passed, and central government retains a good deal of control over investment decisions (see also separate article on oil palm in Papua, page 7).



### Food security

According to the *Wall Street Journal*, the Merauke project is the latest example of a new trend for developing countries to lease farmland to overseas investors in order to profit from rising global food prices. Farmers in the neighbouring Philippines protested last year against a series of deals with Chinese investors to grow food crops for export while they were struggling to feed their families. Middle Eastern countries are also reported to be looking for investment opportunities in African countries.

According to one Saudi businessman involved in these efforts, deals with foreign governments are likely to allocate a percentage of crops for sale in the local market to "ensure that these projects will go uninterrupted and so that the countries and the people there don't cause us problems."<sup>7</sup>

Indonesian officials are playing down the export-oriented nature of the deal.

### Bigger investment?

Indonesian press reports in August said that the Saudi Binladin group is thinking of investing in projects worth US\$4.3 billion, covering 500,000 ha in Merauke. *Tempo* also said that five local companies were already involved in a 1.4m-2.4m ha food and energy scheme in Merauke: PT Sumber Alam Sutera, PT Wolo Agro Lestari, PT Comexindo, PT Medco and PT Bangun Cipta Sarana. (*Tempo* 13/Aug/08)

Himan Manan, director general of land and water management at the agriculture ministry, said that local needs for rice will be met before any is exported and that "Indonesia must come first". The local media is also reporting that the MIRE project is aimed at supplying rice to eastern areas of the Indonesian archipelago, rather than at exporting food.<sup>8</sup>

Indonesia has already experienced protests over cooking oil prices, as producers direct palm oil to lucrative international markets and the new demand for agrofuels.<sup>9</sup>

WSJ reports that the Merauke government came up with plans to make the district a food production hub last year. As food prices rose this year, Indonesian conglomerate Medco offered financial backing and help with finding foreign investors. Medco proposed that at least a million hectares in Merauke should be allocated for sugar cane, sorghum, rice, soybeans and maize production, and promoted the idea to President Susilo Bambang Yudhoyono who promised to market the plan with foreign investors.

At a January meeting in Merauke, the head of the district food crop agency, Ir Oma Laduani, invited more Indonesian investors to develop agribusinesses through MIRE. A report on the local government website said that apart from Medco, business groups run by the former transmigration minister Siswono Yudhohusodo and Suharto's son-in-law Prabowo were interested in projects in Merauke.<sup>10</sup> The meeting heard that developing MIRE would not be without its challenges, including lack of infrastructure, limited human resources both in terms of quality and numbers, the soil - which needs inputs to improve its quality - and the need to settle the ownership status of land, including customary (*adat*) land.

### Major new pulp projects in Merauke

As well as agribusiness, Medco has recently begun constructing a wood-chip mill in Merauke, according to a report in the *Wall Street Journal Asia*. The company is also planning to start building a 500,000 tonnes/year pulp and paper mill in 2012. Another company, Modern Group is reported to be looking for land for a Merauke pulp mill and International Paper, of Memphis, (continued on page 5)



## Papua / plantations

# Save our people and forests, say Papuans

*Papuans are calling on the Indonesian government to stop issuing licences for companies logging and developing plantations in Papua's forests until indigenous rights are protected.*

The battle over Papua's natural resources was stepped up in June, when a coalition of 20 Papuan civil society organisations demanded a halt to forest exploitation licences until draft regulations on indigenous rights to manage natural resources have been passed.

The church, community, indigenous organisations and NGOs issued their demand at a meeting in Jakarta. A press release issued internationally by UK-based EIA, the Papua NGO Forum (Foker) and Bogor-based Telapak, highlighted the threats faced by Papua's forests: large scale pulpwood, oil palm and other biofuel crop plantations; legal and illegal logging; and a licence to cut down trees 1km either side of a 1,650km long 'Trans Papua' road.<sup>1</sup>

"Our forests have been exploited for decades", said Malamoi indigenous leader Jhohanis Gifelem, "but Papuans have not benefited. In the Malamoi area, there are at least two oil palm plantations as well as logging. Now the natural forests, which have provided a source of livelihood for generations, are prone to floods and landslides instead. Local people want the government to withdraw licences for the logging and plantations and are asking for support to manage the forests sustainably instead."<sup>2</sup>

The executive director of Indonesia's forest concessionaires association (APHI), Nanang Rofandi Ahmad, said that HPH and HTI concession holders in Papua had contributed a lot to local people. "We give compensation for each cubic metre cut" he said.

But last year Papuan government advisor Agus Sumule reported that despite high earning from the forestry sector, forest areas in Papua have the highest per capita poverty rates in Indonesia. Although forestry is Papua's second biggest revenue earner (5.24% of total export values, or 59.42% of export values without the Freeport mine), almost 70% of households inside forest areas are estimated to be poor, compared to 55% outside.<sup>3</sup>

Nanang added that companies would seek legal protection from the government against any policy to cancel their licences, if this hurt company interests.<sup>4</sup>

Sawit Watch, the Indonesia NGO network working on oil palm issues, puts oil

palm expansion plans for Papua (both provinces) at 3 million hectares. Around 9 million ha of forests are allocated for conversion to plantations and other uses. Only about 18 million hectares of forests are estimated to remain intact on around 40 million hectares of land officially designated as forest. Greenpeace and EIA-Telapak have both issued substantial reports highlighting the break-neck speed of forest destruction there.<sup>5</sup>

### Delayed *Perdatus*

Draft regional government regulations on indigenous rights and resources management were submitted to the Papuan parliament in Jayapura two years ago, but still haven't been passed. According to Septer Manufandu, Executive Secretary of Foker, this has caused a "legal grey area" used by investors and others working with the Papuan elite, to

exploit the forests.

The EIA/Foker/Telapak press release explains that *Perdasi* (provincial regional regulations) will be used to deal with the technicalities of implementing community-based forest management in Papua. However, these can't be issued until the draft *Perdatus* (special regional regulation) on Papuan's rights to manage their natural resources is passed.

*Perdatus* derive from Papua's Special Autonomy law of 2001. There are currently 21 draft *Perdatus* and *Perdasi* listed on the Papua government's website.<sup>6</sup> These include draft regulations on the protection of Papuan intellectual property rights, mining, sustainable forestry, indigenous Papuans' collective and individual rights over land, environmental conservation, indigenous Papuans and natural resources use, as well as indigenous Papuan forest management.

### Oil Palm, cacao & sago companies in Papua

Company	Location	Concession (ha)	Actual (ha)
<b>Oil palm:</b>			
PT Tunas Sawah Erma	Boven Digoel	14,500	8,700
PT Sumber Indah Perkasa*	Jayapura	6,510	10,189
PT Sinar Kencana Inti Perkasa*	Jayapura	15,644	10,189
PTPN II	Keeroem	57,000	10,700
PT Bumi Irian Perkasa	Keeroem	2,000	1,400
PT Merauke Sawit Jaya	Merauke	35,297	200
PT Puragi Agroindo	S. Sorong	40,000	Preparing site
PT Harvest Raya	Nabire	22,400	Preparing site
PT Sinar Kencana Inti Perkasa*	Jayapura	5,000	Preparing site
PT Gaharu Prima Lestari	Sarmi	30,000	Preparing site
PT Rimba Matoa Lestari	Jayapura	29,000	Preparing site
PT Pusaka Agro Lestari	Mimika	39,000	Preparing site
PT Tandan Sawita Papua	Keerom	26,300	Preparing site
PT Sawit Nusa Timur	Merauke	30,000	Plantation Operation Permit process
<b>Cacao</b>			
PT Turni Papua Perkasa Jaya	Keerom	5,500	500
PT Korina Jaya	Jayapura	400	-
<b>Sago</b>			
PT ANJ Agri Papua	S. Sorong	50,000	Preparing site
PT Nusa Ethanolasia	Bintuni	50,000	Preparing site

\*Sinar Mas Group companies

(Source: *Bisnis Indonesia* 3/Jun/08, quoting Agriculture Department figures).

However, according to Papua's Special Autonomy law, *Perdatus* and *Perdasi* are both subject to 'repressive supervision' by the central government in Jakarta. The law's explanatory notes say that the government can invalidate *Perdatus* and *Perdasi* if they are contradictory to higher ranking legislation or to the general interest of the people of Papua.<sup>7</sup>

#### Notes:

1. Press release in Indonesian at <http://www.fokerlsmppapua.org/foker/berita/artikel.php?id=3849> and in English at <http://www.eia-international.org/cgi/news/news.cgi?t=template&a=462&source=>
2. *Kompas* 24/Jun/08
3. *Recognition of customary rights in Papua*, presentation by Agus Sumule at Peace and

Sustainability Session, hosted by the Institute for Environmental Security, the Hague 14-15/Mar/2007.

4. *Tempo Interaktif* 30/Jun/08
5. See *DTE* 75:1, 69:11 & 65:12 for more background. These can be found at <http://dte.gn.apc.org/news.htm>
6. See <http://www.papua.go.id/content.php/id/439>
7. The Special Autonomy law can be viewed in both Indonesian and English at <http://www.papuaweb.org/goi/otsus/index.html>. See also conference paper by Theo Van Den Broek, 2003, which translated the relevant notes at Watch Indonesia website: <http://home.snafu.de/watchin/AfP2003broek.htm>



## Indigenous-owned forests felled for oil palm in Keerom

*Plans to push ahead with oil palm expansion in Papua have run into opposition from local people.*

Two recent reports from the Evangelical Christian Church in Papua (GKI di Tanah Papua), about a plantation development in Keerom, around 60 km from Papua's provincial capital of Jayapura, raise serious concerns about the impacts of such projects on indigenous Papuans and their natural resources. The following information is based on the two reports, one Indonesian-language and one English<sup>1</sup>, with additional information from media reports.

Indonesia's Rajawali Group, is developing a 26,000 ha plantation in the area, on land owned by indigenous communities. Governor Suebu visited one of the project sites at Yetti on March 5th to promote the development, despite calls from local people to stop the project. The company has already cleared 800 hectares of land for its oil palm nursery.

A few weeks after the governor's visit, members of the Yetti community managed to bring work at the project site to a halt by confiscating keys of bulldozers and an excavator belonging to the plantation company. According to an April report by KPKC (Justice, Peace and Integrity of Creation Desk) GKI, they demanded that the company to fulfil its promise to pay compensation before continuing with the work.

### Promises

Rajawali had earlier been generous with its promises. It said it would build a hospital and school, help asphalt the road and provide clear water, and build housing and provide electricity for villagers. The land would be contracted for 30 years, during which outsiders would be brought in to do the work, while local people would receive the benefits. The company would set up a cooperative, which could later be managed by local people themselves.

In August last year, the company also flew several community leaders including two

customary leaders (Ondoafi), a protestant clergyman and a youth leader, to South Kalimantan, via Jakarta, to view the company's oil palm plantations there. They spent two nights in Jakarta on the way back. They were each given Rp1 million (around USD 110) each to spend during the trip. Upon their return, these leaders tried to convince the community that oil palm clearly did bring progress for local landowners. But local people had already witnessed the negative social impacts of the nucleus estate/smallholder plantations in Arso, nearby.

The development has caused tensions within the community between those for and those against the project, but eventually, in February this year, the Ondoafi signed over the land on the condition that the company would make a 'sweetener' payment. The company agreed and told the community to open a bank account with Bank Papua in Keerom.

The company's management confirmed its promise to pay five villages again during governor Suebu's visit on March 5th, but this still had not been paid up to the time of the protest action on March 25th.

Villages in this area are classed as living below the poverty line, which is why some local people readily transferred their land and forests to Rajawali. There is also a strong military presence in the area, which is close to the PNG border: 8 military checkpoints on the road from Muara Tami to Yetti.

The area leased to Rajawali is, at present, the only remaining forest along the Yetti road. Every day, military trucks can be seen taking out timber for export. Chainsaws can be heard from dawn till dusk. Local people are paid Rp300,000 (around USD33) for each cubic metre of wood brought out of the forest.

A separate GKI report, which includes interviews with local people, provides

further evidence that this development is being pushed through despite serious local concern. Father John Jongga, a former pastor in Waris, Keerom district, said he was asked by Arso tribal leaders in July last year to inform Governor that the people of Keerom do not approve the plan to use their land for palm oil, but would rather have cocoa plantations. "However the Governor has already made a deal with the giant company...so he insisted on implementing his plan."

Frans Jibu, a customary Arso leader said Indonesian intelligence agents had prevented him from expressing community concerns directly to the governor during his visit in July 2007 and that the military had handed over the land on the people's behalf. "We, the people who own the land do not accept the government's plan...To me this is identical with an annihilation process."

Mama Sarafina, a women's leader from Arso, said it was now difficult to find clean water and shrimps had been wiped out due to pollution from oil palm fertilisers. "Soon our protected forests between East Arso and Papua New Guinea will be cleared for palm oil...If the buffer zone is cleared, we will fight against it because it is the last resource for us to make gardens, go hunting, get our traditional medicines..." She also pointed to the fact that forests are being cleared while non-forested land stands idle: "Why are thousands of hectares of land in Arso left empty and why not use that land for palm oil plantation?"

### History of transmigration and oil palm

Keerom district was established as a separate district in 2002. As mentioned in the KPKC report, it includes Arso, site of one of the big transmigration areas linked to plantations, imposed on Papua by Jakarta during the Suharto era. Under these schemes, families



from Java, Madura and East Nusa Tenggara were brought in to work the plantations. The only option offered to indigenous landowners was to hand their land over and become 'local transmigrants'.<sup>2</sup>

Oil palm plantations were first set up in Keerom in the mid-1980s and the area has been targeted for expansion since then. In 1999, for example, a 102,000 hectare development was announced for the Arso transmigration area, to be developed by state-owned PT Perkebunan Nusantara II<sup>3</sup>. However, according to Indonesia's Investment Coordinating Board, only 6,000 hectares of oil palm had been developed by 2007 in the whole of Keerom district. Officially 100,000ha remains available for the crop.<sup>4</sup>

Rajawali Group says that "local land rights will be respected" but it is difficult to see how this can be done when all their land has been signed over for plantations. The company says local people can make a living from logging while forest is being cleared for the plantations, but once the forest cleared, this source of income will dry up. Indigenous communities are already complaining that animals are harder to hunt and less sago is available.

Meanwhile in Arso, transmigrants are unhappy with the low price that the state-plantation company PT Perkebunan II in Arso is giving them for their palm fruits.<sup>5</sup>

The Rajawali Group decided to invest more in plantations and mining last year. The company already controls 100,000 hectares of oil-palm plantations in East and South Kalimantan. The group, owned by

businessman Peter Sondakh, also has coal mines in East Kalimantan.<sup>6</sup>

## Film

Foker has released a film documenting the dispute over the new oil palm plantation in Keerom. The film is part of a long term campaign called 'Save the People and Forests of Papua', which aims to secure real involvement for Papuans in decisions affecting their natural resources. For contact details see <http://www.eia-international.org/cgi/news/news.cgi?t=template&a=462&source>.

## Notes:

1. *PT Raja Wali Tidak Tepati Janji, Warga Yeti Palang Lahan Kelapa Sawit*, 29/Apr/08, and *Papuan People lose hope to fight Palm Oil Plantation* [no date], forwarded by FWPC UK. Both reports by KPKC GKI Tanah Papua (Justice, Peace and Integrity of Creation Desk, Evangelical Christian Church in Papua).
2. See DTE's special report on transmigration of 2001, Indonesia's transmigration programme: an update, for more background on the scheme at <http://dte.gn.apc.org/ctrans.htm>
3. See DTE 42, August 1999 at <http://dte.gn.apc.org/42Dyk.htm>
4. See table in DTE 75:2, <http://dte.gn.apc.org/75.pdf> or <http://regionalinvestment.com/sipid/id/commodyarea.php?ic=2&ia=91>
5. Keerom district government website at [http://www.keeromkab.go.id/berita\\_det.php?id=30](http://www.keeromkab.go.id/berita_det.php?id=30); *Beritabumi.com* 3/Apr/08; *Kompas*

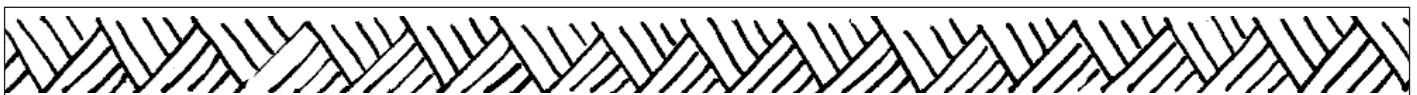
12/May/07; *Cenderawasih Pos*, 13/Feb/08  
6. *Antara* 16/Jun/07♦

## Police shoot Papuan dead at Indigenous Peoples Day rally

The Institute for Papuan Advocacy & Human Rights has reported that Indonesian police shot dead one man and injured others at a rally in Wamena, on August 9th. The rally was held to mark the International Day of the World's Indigenous People.

According to IPAHR, around 20,000 people attended the rally, at which four flags were raised, including the Indonesian flag and the banned Morning Star flag - symbol of the independence movement. Police reportedly started firing shots into nearby buildings and onto the ground near the crowd, killing one man, Opinus Tabuni. Two others were reported to be seriously injured. IPAHR said it appeared that the police wanted to provoke a conflict, as many Papuans attending the rally were carrying traditional weapons.

(Source: IPAHR Media Release 10/Aug/08)  
For more information on Indigenous People's Day see <http://www.un.org/events/indigenous/2008/index.shtml>♦



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and consists of nine or ten people. In one day, each person must cover nine rows or around two hectares.

Although they don't get enough training about the dangers of toxic chemicals, Etek and her friends know not to speak while

spraying, until they get to the water tank, where they refill their sprayers. They know that there's the possibility of toxic chemicals entering the body through the mouth.

Apart from an operation on her right eye, Etek's greatest ambition is for her children to get a good education. She thinks

her second child is pretty bright and she's trying to find out how she could access grants so the children can continue beyond primary education.

## Notes

1. <http://www.ekon.go.id/content/view/142/136/>
2. <http://www.indobiofuel.com/menu%20biodiesel%20100.php>
3. Milieudefensie. Et. Al. 2007. *Policy, practice, pride and prejudice*
4. *Bisnis Indonesia*. 3/May/07. PE & kuota ekspor beratkan industri minyak sawit
5. <http://osdir.com/ml/culture.region.indonesia.ppi-india/2005-01/msg00744.html>
6. For further background see DTE 66:9, <http://dte.gn.apc.org/66pes.htm>
7. [http://www.portalhi.web.id/artikel/Ekonomi\\_Politik\\_Pemasaran\\_GM\\_Crop\\_Monsanto.pdf](http://www.portalhi.web.id/artikel/Ekonomi_Politik_Pemasaran_GM_Crop_Monsanto.pdf)
8. <http://osdir.com/ml/culture.region.indonesia.ppi-india/2005-01/msg00744.html> and [http://www.robedwards.com/2005/01/monsanto\\_boss\\_u.html](http://www.robedwards.com/2005/01/monsanto_boss_u.html)♦

## Roundup

Roundup is a brand of agricultural herbicide produced by Monsanto, the giant US-based corporation that produces chemical products (pesticides, cosmetics, industrial chemicals and genetically modified seeds<sup>5</sup>). It is a glyphosate-based herbicide, used on farms and plantations around the globe.<sup>6</sup>

With growing concern over pesticide use in Europe, Monsanto is pushing its business opportunities in developing countries in Asia and Africa, including Indonesia.<sup>7</sup>

In 2005, Monsanto agreed to pay the US government fines worth US\$1.5 million for breaking anti-bribery laws. The company had paid at least \$750,000 to 140 high-ranking Indonesian officials between 1997 and 2002, to secure the release of its products (including GM cotton seeds, and its Roundup, Polaris, and Spark pesticides).<sup>8</sup>

*oil palm plantations*

# Working in an oil palm plantation - a snapshot of one woman's life

*Mardiana, better known as Etek, works for PT Agro Masang Perkasa in Agam district, West Sumatra. She has been working there since 1994 and will continue to do so as there are no other jobs she could do to sustain herself and her family. This brief report is based on an interview with Etek on June 2008 in Bogor.*

"Before, whenever anything got in my eye, I rubbed it. This is what it's like now - like the eye of a salted fish," she says. Her right eye looks okay, but she can't see out of it any more, since weedkiller accidentally got into it three years ago.

Each morning Etek gets up at around 5.00am for morning prayers, to prepare breakfast and bathe her small children. She has four. You don't hear her say much about her husband. The five of them live in her mother's house along with her sister's family, making ten people altogether.

Then, at around 6.30 she leaves for the company office to sign in and gets to the plantation at around 8.00am. Etek usually has breakfast and chats with her fellow workers, then starts work.

From 8 to 1.00pm Etek works on the plantation, mainly spraying herbicides between the rows of oil palms.

At 1 - 1.30pm she returns home, except on Fridays, when the workers finish at 11 or at noon so that Muslims, especially the men, can go to prayers at the mosque.

After a rest, Etek will gather firewood, do the laundry in the river or fetch water from the river which is quite some



Woman worker applying fertiliser, oil palm plantation

(DTE)

distance from her house. In one week, she will usually fetch water three or four times, using a bucket.

Etek also looks after cattle owned by other people. At the moment, she has three cows to tend. Her payment for this is one of every two calves that are born.

The working week at the company is Monday to Friday. On Saturdays and Sundays Etek usually does additional spraying work for small-scale plantation owners in her village to supplement her income.

For every two litres of Roundup mixed with 16 litres of water, the workers can cover two hectares of plantation. Usually they work in pairs and each earn Rp30,000 (US\$ 3.25) for the two hectares.

The company pays wages of Rp32,000 (US\$3.57) per day. At harvest time, she also gets Rp400 (around 4 cents) per bunch of palm fruits, the same amount whether the bunch is big or small. As a sprayer, she also gets Rp8,000 to buy milk. Initially the company provides safety mask and spray equipment, but it does not provide replacements when these wear out or break. The cost of a new sprayer, or what the workers call a *kep*, is Rp200,000 (US\$ 22) each, and can be paid for by instalments over four months.

There are only three groups of sprayers. Each group has one person in charge

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## PT Agro Masang Perkasa

PT Agro Masang Perkasa is a subsidiary of the Wilmar Group, in Pasaman Barat district, West Sumatra. Wilmar Group has 150,000 hectares of oil palm plantations in Sumatra and Kalimantan and currently owns 24 crude palm oil processing mills.<sup>1</sup>

Wilmar has a poor record on environmental and social impacts and is being challenged by local communities in West Kalimantan, supported by NGOs - see DTE 76-77:17.

Wilmar International Ltd was established by Martua Sitorus alias Thio Seng Hap and Kuok Khoo Hong in 1991.<sup>2</sup> The company's subsidiaries listed on Singapore's Stock Exchange in 2006 had assets valued at US\$1.8 billion. Turnover that same year was put at \$5.3 billion.<sup>3</sup>

## Main exporters of crude palm oil (CPO) and oil palm products

Company	CPO	CPO-derived products
KPN/Wilmar Group	15%	41%
Musimas Group	14%	21%
Sinar Mas Group	14%	5%
PTPN Group	10%	
Permata Hijau Group	8%	9%

Source: Indonesian Oil Palm Commission<sup>4</sup>

## debt

# Jubilee Scotland's campaign against Indonesia's odious debt

*Ben Young of Jubilee Scotland writes about the on-going campaign to cancel Suharto's debt legacy to the UK.*

Indonesia's total external debt is over US\$130 billion. Much of this money should by rights be owed by the estate of the late General Suharto himself. Ranked by Transparency International as the most corrupt dictator of modern times, he is reckoned to have stolen up to \$31 billion. But Suharto was not the sole culprit of this corruption. What of the Western governments and companies that encouraged him to run his country into massive debt?

The UK's contribution to this story is particularly unhappy. \$1.4 billion of Indonesia's overall debt is owed to the UK; and the vast majority of it is for arms; tanks, water cannons and Hawk ground-attack aircraft supplied by the UK government from the 1970s onwards.

## Vigil

The UK's Jubilee organisations - Jubilee Debt Campaign and Jubilee Scotland - are dedicated to wiping out unjust and unpayable debts. And it looks to us that, if any debt counts as unjust, Indonesia's arms debt does. It is no exaggeration to say that many Indonesians today will be paying, through their taxes, for repayments of debts that were not only contracted through corruption of the normal state development process, but actually to buy weapons used against them.

In October 2007 Jubilee Scotland started a campaign to get the UK government to drop the debt; we threw ourselves into it with a week-long daylight fast and vigil just round the corner from Alastair Darling's constituency office. As Chancellor, Darling, we figured, had the power to cancel the debt. The debt is owed to the UK Export Credit Guarantee Department (ECGD); this department guaranteed the arms exports of the 80s and 90s, and took over collection when Indonesia defaulted (during the 1997 crisis). The ECGD is an arms-length government department, but in practice Ministers have wide powers to make ad-hoc arrangements for it. So if the debt was to be dropped, Darling would have to agree it.

Our vigil resulted in a meeting with Darling, at which he stressed that the UK debt policy "had not changed one jot" from how it was before. We interpreted this as meaning that the UK Government still had an open and positive attitude towards proposals for debt cancellation; but given that we were in fact trying to /change /that policy, to



Anti-debt campaign (Photo: Jubilee Scotland)

expand it to include Indonesia's arms debts (a very different case than the debt cancellations to meet anti-poverty targets which had been the focus of the 2005 G8 Summit), perhaps we should have understood him to mean: "we have no intention whatsoever of acceding to your demands..."

## Barriers

Our campaign faced two barriers - the usual ones for development campaigners, perhaps, but they seemed particularly acute for us. On the one hand, the public did not know about Indonesia's debt. Although there is a general public awareness that the UK has an unhappy history with supporting Suharto, there is no awareness of the details. We found that some campaigners, especially those involved against the arms trade, were glad that we were taking this campaign on - it gave us another try at rectifying the past injustices, perhaps - but most people were astonished to find out about the issue at all. I myself was astonished that few people, even in political circles, knew about the famous vandalism of the Hawk Jets bound for East Timor by Andrea Needham, Joanna Wilson and Lotta Kronlid in January 1996, something which I would have thought would be textbook stuff for all campaigners!

The second problem was that the Government was determined to be

extremely intransigent on this issue - and remains so. Indonesia's debt is /performing/; it is being repaid to the ECGD. For human rights to trump commercial interests takes a miracle. However, we knew from studying Nigeria's debt write-off in 2005 that this conundrum can be bypassed when campaigners and politicians in the debtor country start to question why they are repaying such a debt. Nigeria's debt only came onto the creditors' agenda once the Nigerian Senate began contemplating repudiation. In our case, this meant that progress on cancelling Indonesia's debt would have to come through political developments in Indonesia. It is beyond Jubilee Scotland's competence to suggest what Indonesians' attitudes should be towards their debt, but through campaigning in partnership, and sharing what we have learnt and done with our partners, perhaps we can offer something that Indonesian campaigners can find useful for their own purposes.

## Tour

As a way of addressing both of these problems, we invited Kusfiardi, former Co-ordinator of the /Koalisi Anti-Utang/, Anti Debt Coalition, to visit us here in Scotland and to speak to public audiences. The Joseph Rowntree Reform Trust supported us in bringing Ardi over, and in setting up the June tour. Many of the Ministers and Select Committee chairs who would be influential on Indonesia's debt are Scottish MPs; and Jubilee Scotland had a real opportunity to shift political opinion on this issue. We set up public meetings in the constituencies of Malcolm Bruce MP, Des Browne MP, Alastair Darling MP, John McFall MP, and Gordon Brown MP, in which Ardi explained how Indonesia's massive debt prevents its economic policy moving on from that which was pursued under General Suharto; Jubilee Scotland then encouraged people to join our campaign to cancel the UK's share of this debt. Adriana Sri Adhiati, of DTE and Indonesia's Green Alliance (SHI), joined us for two of the meetings, and added an ecological perspective. Despite Indonesia's great size, its political and historical significance, UK audiences public remain deeply ignorant of it, and the impression was that information was eagerly seized upon and devoured.

From Scotland, we went to London,

*(continued on page 5)*



## In brief...

### Posthumous award for indigenous leader

Bapak Raja J.P. Rahail, an indigenous leader from the Kei islands in eastern Indonesia was posthumously awarded the Asia Indigenous Peoples Prize at a meeting of Asian indigenous groups in July. He was praised for his role in strengthening indigenous institutions and for his handling of conflict in the area.

The meeting, in Chiang Mai, Thailand, celebrated the adoption of the UN Declaration on the Rights of Indigenous Peoples and discussed how indigenous peoples should face obstacles to its implementation in their countries. (Announcement, 2/Aug/08 by AMAN - the Alliance of Indigenous Peoples of the Archipelago).♦

### Pollution ratings

The Indonesian government has issued pollution ratings for hundreds of companies, including multinational mining, pulp and oil and gas companies, in a voluntary scheme which measures performance in controlling water and air pollution, compliance with Environmental Impact Analysis and implementation of community schemes.

Copper and gold mining company Freeport Indonesia (whose Papua operations are part-financed by the UK-based company Rio Tinto) and the Indonesian subsidiary of Canada's nickel mining company Inco, got a 'blue minus' rating for "doing something for environmental management but not reaching the government's standard". The first ever gold rating went to Bandung-based geothermal firm Magna Nusantara Ltd, for energy savings expected to cut 60,000 tonnes of carbon emissions.

Several much-criticised companies, including Riau Andalan Pulp, Indah Kiat, Toba Pulp and miners Newmont Nusa Tenggara got the 'green' status which means they have exceeded government standards. Lapindo, the company accused of responsibility for the Sidoarjo mudflow disaster that has

submerged villages and forced thousands of people from their homes, was awarded a 'blue' rating.

Environment minister Rachmat Witoelar said there was no reason for companies to ignore their environmental obligations as they had long been aware of global efforts to cut air pollution and greenhouse gas emissions. He also said a number of companies in the worst 'black' category that had shown no improvement since the previous audit, would be sued if their poor performance was the result of negligence. (*Jakarta Post* 17&26/Jul/08 and 1/Aug/08)♦

### New Tangguh report

The Indonesian Mining Advocacy Network (JATAM) has released a report of a visit to BP's giant gas project, Tangguh, in Bintuni Bay, West Papua. The report indicates difficulties for local Papuans who want jobs at the project, as well as problems for local people whose access to traditional fishing grounds has been limited. The report, by JATAM's Crisis Area Advocacy Manager, Hendrik Siregar, also points to increased tension between customary landowners in the Tangguh area, and pollution from shipping. The Indonesian language report is available at <http://www.jatam.org/content/view/399/1>. An English version is being prepared.♦

### Iban Dayak community gets first adat forest certification

The indigenous Iban Dayak community of Sungai Utik, West Kalimantan has secured sustainable forest management certification from Indonesia's ecolabelling body, LEI - the first ever for an *adat* (customary) forest area. The certification is the result of collaborative work between the community and civil society organisations, and should help them continue to defend their forest resources from developers including pulpwood and oil palm plantation companies. The fact that the Sungai Utik Dayaks have been able to retain their traditional longhouse is central to their success in maintaining their forests,

according to *adat* leader Pak Janggut. In contrast, surrounding villages have not been so lucky and moved into individual houses under a former government 'healthy homes' resettlement programme aimed at indigenous communities. Malaysian logging companies persuaded other villages to allow commercial logging in their forests by promising to build longhouses, in addition to earnings from logging.

The Sungai Utik forests are rich in biodiversity and provide the community with timber as well as many non-timber products such as resins, rattan, fruit and medicinal plants.

For further background on this community's forest management see *DTE* 70:8, <http://dte.gn.apc.org/70in2.htm>. (Source: *Antara* 6/Aug/08; LEI Press Release 15/Jul/08 at [http://www.lei.or.id/indonesia/news\\_detail.php?cat=0&news\\_id=93](http://www.lei.or.id/indonesia/news_detail.php?cat=0&news_id=93))♦

### Jatigede dam project again

Plans by the new governor of West Java to go ahead with plans to build a controversial dam are being opposed by environmental and legal rights groups. The project, first planned in the 1960s would displace more than 70,000 people and submerge 30 villages. According to Walhi (Friends of the Earth) Bandung, the dam would also involve flooding 1,200 hectares of forest managed by state-owned company Perhutani and cause large amounts of methane and carbon dioxide emissions. Around 3,200 of the 4,892 hectares planned for the dam is arable land, according to WALHI, which can yield 80,000 tonnes of rice per year.

The project has a murky history: in 2004, Bandung's Legal Aid Institute exposed the embezzlement of more than Rp 6 billion (then around USD 700,000) from funds meant for compensation and public facilities for displaced villagers (see *DTE* 61:12, <http://dte.gn.apc.org/61DAM.HTM>). (Source: *Jakarta Post* 18/Jun/08)♦



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