

Indonesia's Forests Are Vanishing Faster Than Ever

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Thomas Walton and Derek Holmes

JAKARTA – **Indonesia's forests are disappearing even faster than studies a few years ago indicated.** Despite the proclamations of previous Indonesian governments of a permanent forest estate, with 49 million hectares in protected status and another 63 million managed for sustainable production, **deforestation has continued unchecked. Indeed, it has accelerated.**

Neither the efforts of dedicated nongovernmental organizations nor the projects supported by a small but persistent group of international donors have slowed the pace of forest destruction. **Only a radical departure from business as usual will spare the world's fourth most populous nation the loss of this precious natural resource,** which has generated annual export earnings averaging \$3.6 billion in the past three years.

Using 1997 satellite imagery, the Ministry of Forestry and Estate Crops has produced new forest cover maps for the islands of Kalimantan, Sulawesi and Sumatra **which show a shocking loss of more than 17 million hectares in 12 years.** This is one-fourth of the total Indonesian forest cover that existed in 1985. **The ministry now estimates that the nationwide annual deforestation rate is at least 1.5 million hectares, nearly twice the estimate published by the World Bank in 1994.**

An analysis by the bank shows that lowland dry forest, the most valuable type of Indonesian forest for logging and biodiversity conservation, is disappearing fastest. Such forest is essentially defunct as a viable resource in Sulawesi. It is likely to be gone in Sumatra by 2005 and in Kalimantan by 2010.

These are three of the largest forested islands of Indonesia, and also three of the main habitats for rare wildlife. **The endangered orangutan and the nearly extinct Sumatran tiger are just two of the animals not found anywhere else in the world that depend on the forests.**

The list of causes of forest destruction in Indonesia is long. Fires burned more than 5 million hectares in 1997 and 1998. Satellite photos show that many of the fires were set by large plantation companies, but none received more than a slap on the wrist from the government of former President Suharto, despite the huge economic cost of the fires to Indonesia. Estimates of that cost range from \$4 billion to \$7 billion

Permits to convert forest for mines, plantations and settlements have not respected the official forest boundaries. The licensing process has not been transparent. **Logging concessions have not been strictly regulated. Perverse incentives exist that make it more lucrative to clear forested land for plantations than to plant open and unproductive land.**

Illegal logging has become rampant, even in national parks, on a scale that exceeds the volume of legal logging. Authorities look the other way while the government loses tax revenue at the rate of roughly \$500 million each year. The illegal logging is directly related to expansion of wood-processing industries well beyond the point where sustainable harvest of natural forest can meet their demand for logs.

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Finally, decisions affecting access to the forest have largely excluded two groups of stakeholders, rural communities and traditional forest dwellers. They might be inclined to manage forests well if they could achieve a secure flow of benefits from their efforts. They do not, and one effect is a pattern of destructive encroachment at the edge of the forest.

If Indonesia wants to keep forests, other than those on land too steep to be accessible, the government of President Abdurrahman Wahid must formulate a new approach to managing them. It should do so in a way that invites the participation of all the agencies and stakeholders concerned, and gains their commitment and support.

Indonesia needs a National Forest Program that will contain an overall strategy, a policy reform agenda, and specific action steps. The details should be left to the stakeholders, but whatever they agree on will surely need to include at least these eight elements:

- An interagency, multi-stakeholder body responsible for forest policy.
- A freeze on conversion of natural forest for any purpose until the National Forest Program is in place and a transparent mechanism for forest-use decisions is functioning.
- A system to broaden and guarantee access to forest benefits for forest dwellers and local communities, through ownership or secure, long-term rights of use.
- Environmental education and awareness programs to build a local and national constituency for forest conservation and sustainable management.
- Incentives and penalties to improve forest concession management, including some form of independent inspection.
- Rigorous and consistent enforcement of the laws concerning illegal logging, burning and encroachment.
- Renewed commitment to conserving Indonesia's world-class biodiversity heritage by establishing a national network of parks and protected areas that can be effectively managed by the government in partnership with local communities and other stakeholders.
- Aggressive replanting programs to return damaged forest land to productive use and relieve industry pressure on natural forest, while generating rural employment and income.

It is a tall order. Still, Mr. Wahid's government might just be able to pull it off - providing it can gain the confidence and commitment of all the other stakeholders. But it must move fast and decisively, because time is running out.

Mr. Walton is senior environmental specialist in the Jakarta office of the World Bank. Mr. Holmes is a consultant to the bank, which is sponsoring a meeting in Jakarta this Wednesday on management of Indonesian forests. They contributed this comment to the International Herald Tribune.

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