



Submission No 117

Inquiry into Australia's Relations with Indonesia

Organisation: Humane Society International

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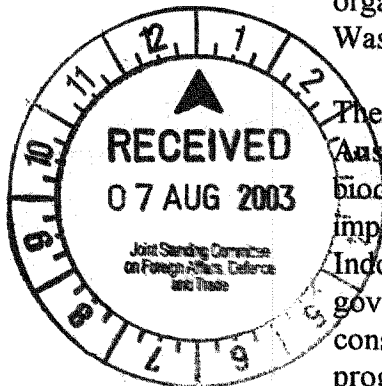
Janet Holmes Secretary
Joint Standing Committee on Foreign Affairs,
Defence and Trade
Inquiry into Australia's Relations with Indonesia
Parliament House
Canberra ACT 2600

4/8/03

Dear Ms Holmes

Thank you for your email informing us that the Committee would still be willing to receive a submission from our organisation. In view of the lateness of this submission we shall be brief and to the point.

Humane Society International (HSI) a program of The Humane Society of the United States (HSUS) the largest animal protection non-government organisation in the world, with over 7 million members, and a head office in Washington DC.



The Australian office of HSI has approximately 40,000 supporters in Australia, specialising in the development of national and international biodiversity conservation policy and law. We have also been managing and implementing a small grants program in the immediate region, particularly Indonesia, for the last few years. The program is aimed at helping small non-government organisations to facilitate on-ground wildlife/habitat conservation and education activities, either through donations to existing programs, or by establishing or supporting new programs (a list of projects supported in Indonesia is attached).

The program has been established both in response to an obvious conservation need, and to complement our on-going conservation treaties/international activities, covering CITES, IWC, CMS, CCAMLR, WTO, CBD and CSD. HSI normally provides policy advisors on the Australian Government Delegations to such treaty meetings, and we hold the highest recognised NGO status of the United Nations (Consultative Status with the Economic and Social Council).

Promoting the protection of all animals

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HSI is concerned for the level of support programs, technical aid, financial aid and other conservation measures that Australia should be undertaking in helping Indonesia effectively manage its fast dwindling natural resources. As a part of the *Sundaland* biodiversity *hotspot*, Indonesia is one of the most important nations in the world for the maintenance of global biological diversity. It is a repository of enormous biological wealth, essential not only for protecting critical ecosystem services for Indonesia's burgeoning population, but also for the nation's long term ecological and economic sustainable development.

As noted by Conservation International (CI) for example, "*the island of Sumatra is home to more than 10,000 plant species and is the only place where clouded leopards, elephants, Orangutans, rhinoceros and tigers coexist. It is also ground zero for Indonesia's deforestation crisis, where often the only sound in the forest is the buzz of a chain saw. World bank experts predict that if current deforestation trends continue, Sumatra's lowland forests could be lost by 2005.*"

As Indonesia's forest conservation crisis deepens, so does Indonesia's economic woes, with illegal logging activities stripping the country of billions of dollars in export earnings.

An Australian Response

There is clearly a case (involving much self-interest for Australia) for the Commonwealth to significantly increase its involvement in, and financial contributions to, the protection, management and effective conservation of Indonesia's mega biological diversity – particularly in declining forests. At the same time, Australia should ensure that its agencies and any public corporations operating in Indonesia behave in a manner that does not demonstrably impact in a negative way on the maintenance of the nations nature resources.

Debt for Nature Swaps

Below are three articles from the Indonesia press, in relation to activities and proposals dealing with *'debt for nature swaps'*.

(Jakarta Post, August 8th, 2002, by reporter A'an Suryana)

Jakarta

According to economic experts, the debt swap mechanism proposed by the government will contribute little to help reduce the country's huge sovereign debts, but asserted that any measures that could ease the debt burden should be pursued. "Any step to reduced our debts, however insignificant, must be pursued," Anggito Abimanyu, a staff expert at the Ministry of Finance, told The Jakarta Post on Wednesday. Anggito added the exact amount of debt reduction achieved via the debt swap proposal would be small.

Earlier on Tuesday, a government official said that eight creditor countries had agreed to Indonesia's debt swap proposal, while seven other nations were still either studying the proposal or had completely rejected it. The eight countries are Canada, Finland, France, Germany, Italy, New Zealand, Sweden and the United Kingdom. So far, only Germany has explicitly disclosed a figure of around US\$22.7 million debt reduction if the government could provide funds half that amount for environment protection, education, and poverty alleviation. The amount is very small compared to the country's sovereign debts of around \$70 billion. If combined with the domestic debts, total public debts amount to \$132 billion. Four countries – Australia, Denmark, Japan and South Korea have rejected the debt swap proposal. Three other countries remain undecided over the proposal. Anggito said the agreement was still a broad agreement, while the terms, programs and other details would be discussed bilaterally with the respective countries in the near future.

Separately, Centre for Strategic and International Studies (CSIS) economist Pande Radja Silalahi supported the Indonesian government's efforts to launch the debt swap proposal, but he also urged the Indonesian government to be more creative in executing the proposal. He said it was important for the government to fully understand the preference of each creditor nation to be able to win approval. "The Indonesian government must understand the preference of creditor countries. This will make it easier for the proposal to be accepted," he said.

The Inquiry may like to ask of the Minister of Foreign Affairs, why in this instance, Australia declined to take part in the proposed debt swap mechanism?

The Commonwealth must pursue lateral economic thinking and innovative debt relief programs, particularly when they are linked to the protection of Indonesia's environment with some vigour, for they do offer a plausible management option.

The Critical Ecosystem Partnership Fund

It is our view that the Australia Government should consider joining the "Critical Ecosystem Partnership Fund" (CEPF) – a global biodiversity *hotspots* initiative, with the World Bank, the Global Environment Facility, the Government of Japan, The John D and Catherine T MacArthur Foundation and Conservation International.

This proposal recognises Australia's world leadership in biological diversity conservation, and specifically recognises the Commonwealth's initiation of the first biodiversity *hotspots* program ever undertaken by a national government. It also recognises that Australia itself represents one of the world's few biologically mega-diverse countries', and is one of the Earth's 25 critical biodiversity *hotspot* regions, along with Indonesia.

As the 2002 annual report of CEPF states, The CEPF aims to dramatically advance conservation of Earth's biodiversity hotspots, by providing support to non-governmental, community and grassroots organisations. A fundamental goal is to ensure civil society is engaged in biodiversity conservation.

The partnership invests in biodiversity hotspots, Earth's biologically richest and most threatened areas, and focuses on hotspots in the developing world, strategically targeting priority areas in the hotspots for maximum impact. The CEPF provides funding and technical assistance to civil society groups. It acts as a catalyst to create strategic working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts for a comprehensive, coordinated approach." (Annual Report Attached).

The CEPF particularly recognises that biodiversity conservation, economically and biologically sustainable development, and poverty alleviation, are absolutely inseparable and primary social goals – one cannot be achieved without the other. The CEPF strives to ensure that all its program expenditure accounts for this essential reality.

"By 2015, we could see an important increase in the size of the global economy and a significant reduction in poverty if we act now in a

responsible manner. We must create the foundation for a new path of development based on economic growth coupled with environmental and social responsibility. This is the only way to achieve the Millennium Development Goals set by world leaders, and to avert a growing risk of severe damage to ecosystems and profound social unrest motivated by the inequalities of today."

The CEPF program area covers countries that we understand are priority aid recipients under AusAID; **Indonesia**, the Philippines, East Timor, Vietnam (along with the rainforests of Queensland, the south eastern parts of New Guinea are considered to be part of a larger Melanesian major tropical wilderness area).

The current five CEPF partners have each pledged to commit US\$5 million annually for five years to the Fund, leveraging their own contribution fourfold, though we presume this amount is negotiable.

"Conservation International administers the CEPF, ensuring accuracy and accountability in all CEPF operations. The CEPF Management Team is responsible for creating ecosystem profiles, developing the regional grant portfolios, financial management, communications and project and program monitoring.

The CEPF Donor Council (Chaired by the President, The World Bank Group) comprising the CEPF partners, governs the Fund. The Donor Council provides strategic guidance, secures additional partners to the Fund and approves priority areas for investment."

(http://www.cepf.net/xp/cepf/about_cepf/index.xml)

UNEP/UNESCO Great Ape Survival Fund

"The Great Apes Survival Project is an innovative and ambitious project of UNEP and UNESCO with an immediate challenge – to lift the threat of imminent extinction faced by gorillas, chimpanzees, bonobos and Orangutans. (<http://www.unep.org/grasp>)

Despite the dedicated efforts of many individuals and organisations, the great apes are on the very edge of extinction. Time is not on our side. In response to the current crisis, Dr. Klaus Toepfer, The Executive Director of UNEP, launched GRASP – a new approach to save the great apes.

GRASP is a dynamic alliance of many of the world's leading great ape research and conservation organisations. Close governmental links allow us to promote the GRASP message at the highest political levels. As such,

GRASP is uniquely placed to mobilise and pool resources, ensure maximum efficiency and provide a communication platform in order to bring the dramatic decline of great ape populations to a halt. ”

You will note in the attachments that HSI has provided funds in the past (and presently) for the protection of Orangutans in Indonesia, with support also coming from the Commonwealth.

The Orangutans are the flagship species in the international efforts to conserve the forests of Indonesia (Kalimantan and Sumatra) representing the very essence of the regions immense ecological diversity. The UNEP/UNESCO programs to protect the Orangutan are necessarily focussed on the protection of critical forest habitats, and by joining UNEP/UNESCO in this program, technically and financially, the Australian Government can also make a real contribution to sustainable development of Indonesian society.

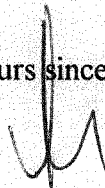
In conclusion, HSI would like to make the following recommendations:

- 1. HSI strongly recommends that the level of Australian Government support in technical aid, financial aid and other program activities for conservation measures be significantly increased, helping Indonesia to more effectively manage its fast dwindling natural resources;*
- 2. HSI also recommends that Australia should ensure that its agencies and any public corporations operating in Indonesia behave in a manner that does not demonstrably impact in a negative way on the maintenance of the Indonesia's nature resources;*
- 3. HSI recommends that Australia undertake a review of the operation of Australian companies (including Banks) operating in Indonesia to assess their environmental impacts, particularly natural resource users, and those companies engaged in logging of Indonesian rainforests or other activities that directly effect natural resources management, such as mining activities;*
- 4. HSI recommends that lateral economic thinking and innovative debt relief programs, particularly when they are linked to the protection of Indonesia's environment, must be pursued with some vigour by the Commonwealth, for they do offer a plausible management option of benefit to both nations;*
- 5. We further recommend that Australia undertake a review of Australian Government and Bank loan debts to the Indonesian Government and private companies, seeking to release such debts in exchange for the*

protection of threatened rainforest habitats and other threatened ecosystems;

- 6. HSI recommends that the Australia Government should consider joining the "Critical Ecosystem Partnership Fund" (CEPF) – a global biodiversity hotspots initiative, with the World Bank, the Global Environment Facility, the Government of Japan, The John D and Catherine T MacArthur Foundation and Conservation International. (The current five CEPF partners have each pledged to commit US\$5 million annually for five years to the Fund, leveraging their own contribution fourfold, though we presume this amount is negotiable);*
- 7. HSI recommends that the Australian Government joint "The Great Apes Survival Project", an innovative and ambitious program of UNEP and UNESCO (partnered by a range of international and national NGOs). Australia should commit an amount of AU\$300,000 per year for three years, specifying that the funds be used in Indonesia for Orangutan conservation work;*
- 8. HSI recommends that Australia increases resources made available to Environment Australia under the AusAID-funded Australia-Indonesia Government Sector Linkages Program (GSLP), for on-ground work in protecting rainforests and other critical Indonesian ecosystem types;*
- 9. That Australia immediately promote, through our membership of the Convention on Biological Diversity (CBD) the development of a "Protocol on Biodiversity Areas" that prioritises programs and funds for the protection of important biodiversity areas in developing countries, including Indonesia.*

Yours sincerely



Michael Kennedy
Director
Humane Society International (Australia)

Humane Society International Projects in Indonesia - Past and Present

- Funds were provided to the **Friends of the National Park Foundation (FNPF)** (Stage 1) in Kalimantan, for the on-going care and rehabilitation of **Orangutans** in Tanjung Puting National Park, **Indonesia**. FNPF is the only NGO with a management agreement with the Indonesian Authorities to work in the Park. The funds were also used to help improve the effectiveness of overall park management, by empowering local rangers, NGOs and village communities (ie installation of power generators and water purifications systems, education programs and small sustainable agriculture programs).
- Funds were provided to the **Friends of the National Park Foundation in Indonesia** (Stage 2) for ongoing **Orangutan** care and rehabilitation, park management and community support, including additional resources to build a new holding pen for very young Orangutans in Tanjung Puting National Park. HSI also helped FNPF secure significant funds from the **US Fish & Wildlife Service** and the **US Great Ape Conservation Fund**, for a long-term reforestation program. Funds were also provided, through HSI, by the **Australian Government**, to be used to pay the wages of FNPF veterinary officers. The work in this Park has also indirectly helped other wildlife species including **Proboscis Monkeys**, **Hairy-nosed Otters** and **Sun Bears**.
- In cooperation with the **Friends of the National Park Foundation (FNPF)** in **Indonesia** (Stage 3) HSI has provided funding for the new reforestation program in Tanjung Puting National Park, a program receiving primary funding through the **US Fish & Wildlife Service** and the **US Great Ape Conservation Fund**. The program centres on **Orangutan** conservation and the enabling of local employment and education programs.
- HSI provided resources for the Director of the **Friends of the National Parks Foundation (FNPF)** to fly to Sydney for discussions with HSI Directors on a five year conservation and fundraising plan for **Orangutan**, **Sun Bear** and **other wildlife/habitat** protection work in Kalimantan, **Indonesia**. Other potential sponsors were sought in Sydney by FNPF.
- Resources were provided to the **Nyaru Menteng Orangutan Reintroduction Program**, through the **Balikpapan Orangutan Survival Foundation** in Kalimantan, **Indonesia**. This work involved essential consultations with local people and government institutions and a detailed botanical survey and mapping exercise of Kaja Island (on the Renung River). The island is proposed as a final holding stage for rehabilitated **Orangutans** before their release to the wild. The island is now being successfully used for this purpose.

- We have made financial contributions to the **Orangutan** rehabilitation work of the **Orangutan Foundation International**, based in Tanjung Puting National Park in Kalimantan, Indonesia.
- HSI has given financial resources for **Orangutan** rehabilitation work to a project based in **northern Sumatra, Indonesia** - the **Sumatran Orangutan Conservation Program**. This rehabilitation program is primarily supported by the **PanEco Foundation for Sustainable Development and Intercultural Exchange**, based in Switzerland. The program is being implemented in the **Leuser Ecosystem**, the largest protected rainforest area in Southeast Asia.
- Continuing HSI's bear protection activities, working with the **Friends of the National Parks Foundation (FNPF)** in Kalimantan, Indonesia, FNPF undertook an initial survey of the occurrence of **Sun Bears** in parts of Tanjung Puting National Park and surrounds, including some preliminary trade data. This work was then followed up when HSI provided further resources to undertake more extensive general fauna and flora surveys and an assessment of potential sites in Tanjung Puting National Park, for reforestation programs and **Sun Bear** and **Orangutan** rehabilitation activities. A quick assessment of Sun Bear hunting and trade activities was also undertaken, and further survey work is continuing.
- In **Indonesia**, HSI funded the development and implementation of a broad **marine turtle** education program (Stage 1), targeting the **Balinese** community: media, schools and tourists, carried out by **KSBK - Animal Conservation for Life** (now ProFauna).
- In **Indonesia**, HSI has financed a sea turtle monitoring program (Stage 2) (**Bali**), a general **sea turtle** action campaign in Indonesia, and contributed to general **wildlife protection** work of **KSBK - Animal Conservation for Life** (now ProFauna). Work resulted in the publication of the results of an KSBK undercover investigation into the turtle trade. The marine turtle programs run by ProFauna has had a significant impact upon sea turtle trade in Indonesia, helping to secure the first prosecution in Bali for illegal turtle trading.
- We have continued our commitment to the conservation of marine turtles, working with **ProFauna in Indonesia** (Stage 3). A program to protect sea turtles and their egg nesting on the coast of **Bali**, particularly in Kuta and Klungkung was developed, spreading information to local people regarding turtle protection - involving the participation and training of local communities in turtle protection programs.
- HSI has contributed financial resources and worked with the **Friends of the National Parks Foundation**, other NGOs and the **Balinese**

Government, in carrying out an assessment of the need for, and potential to establish, a wildlife rehabilitation centre in **Bali**.

- In **Indonesia**, HSI has financed general **wildlife protection** and campaign work of **KSBK - Animal Conservation for Life** (now ProFauna) at their headquarters in **Jakarta**. These activities mainly focus on illegal wildlife trade.
- Significant resources given to the **Bali Street Dog Foundation** in **Bali, Indonesia**, for the implementation of a street dog control/education program, involving the training of **Indonesia** vets.
- Developed an on-going program in **Indonesia** with the local organisation **Yudisthira**. Made three presentations at the invitation of the **Regional Minister of Agriculture in Denpasar** to introduce the **economic benefits of humane slaughter** to the **Ministry of Agriculture**, the **Indonesian International Livestock Expo**, and the **University of Dyana**.
- Organised a shipment of **electric stunning tongs** specially developed for our 2001 **Vietnam** project to the **Ministry of Agriculture** in **Bali** for use in local slaughterhouses.