
Indonesia: Going for business with the CDM

The Clean Development Mechanism (CDM) of the Kyoto Protocol under the United Nations Framework Convention on Climate Change may be totally useless to address climate change, but it may prove to be good business for some parties. The assumption is that in return for investment in a project that cuts or reduces emissions in a southern country, companies will earn certified emission reductions (CERs) that industrialized countries may use to meet Kyoto Protocol commitments.

Indonesian official authorities and even an NGO --Pelangi-- are eager to obtain money from the "sale" of good forest management and geothermal power plants, which would allegedly provide the country with some US\$ 500 million. Under this trade off, the buyer would be allowed to keep its level of greenhouse gas emissions, which would be "compensated" with the reduction undertaken by Indonesia.

It may be difficult for sensible people to understand why a northern company would have the right to pollute in one country by paying another country for doing what it should be doing anyway --managing forests adequately and using cleaner sources of energy. Furthermore, the whole issue is misleading, because under the "good forest management" disguise, afforestation and reforestation programs are introduced. Afforestation is a direct activity to change non-forest areas into tree plantations, while reforestation implies planting trees in areas that were originally forested. In fact, this means opening up the door to large-scale monoculture tree plantations, which --as Indonesian local peoples already know-- are usually implemented at the expense of forests and/or local peoples' agricultural lands.

No wonder Pelangi director Agus P. Sari was quoted in the press recognizing that potential conflict between local people and the local authorities would emerge when the latter reverted the current areas into tree plantation schemes. Local people know too well the harmful impacts of plantations on their livelihoods.

Indonesia is a country ravaged by socially and environmentally destructive projects like pulp and paper mills which pollute and deforest (UPM Kymmene, APRIL, Indorayon) monoculture plantations which replace agricultural lands and forests (oil palm, acacia, eucalyptus) or destructive mining (PT Kem, PT Freeport, gold mine at Irian Jaya). Before trying to sell its "emissions reductions", the government should try to put the house in order and listen to the demands of its own people regarding sustainable and equitable development. This would at the same time lead to true reductions of greenhouse gas emissions.

The same is applicable to the prospective buyers of those alleged "emissions reductions." What they should be doing is reducing emissions in the country they operate in and thus providing people with a cleaner environment, while at the same time addressing climate change.

However, money is money and clearly the Clean Development Mechanism has nothing to do with clean development and all to do with business. Neither climate, nor the Indonesian people, nor the people from the buyers' home country will benefit from this project, but money will certainly disappear in the pockets of power. Has someone changed the definition of "sustainable

development"?

Article based on information from: "RI may annually earn \$500m from carbon trade", Moch. N. Kurniawan, The Jakarta Post, Jakarta, May 28, 2003, at <http://www.angelfire.com/nt2/fipa/FIPA/News%20&%20Events/INCL%206-22a%201%20June%202003.htm#RI> may ; "Indonesia to 'sell' carbon emissions", Jakarta Post, September 8, 2003, at <http://www.cdm.or.id/en/news/?nid=10>