INDONESIA-5 MAY 2006, CONFERENCE ROOM #4 PM Addressing Energy, industrial development, air pollution/atmosphere and climate change in an integrated manner, focusing on interlinkages and cross-cutting issues

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As we are addressing cross-cutting issues and inter-linkages among thematic issues, my Delegation will also try to integrate all our views presented during the first week of the CSD XIV.

Indonesia is also hit by the rising price of oil. Subsidy to domestic oil prices has therefore been cut resulting in a rise in domestic price of fuel. The Government is put again into the dilemma: if subsidy is cut, price of domestic fuel ought to be raise, and the socio economic life of the people will worsened. In its turn, inflation will rise and the economy in trouble as unemployment will increase, poverty also increases, climate for investment not conducive, social disruption and rallies increasing. Subsidy being maintained, the government budget will have to be cut, strategic programs being threatened not to be realized. The Government is therefore committed to take all measures in energy conservation, energy efficiency, and development of other alternative sources of energy, particularly renewable ones.

Beside the energy crisis, a number of disasters occurring in Indonesia have also alarmed the country in the importance of accelerating development while preserving environment objectives and social equity. Very little tolerance will be accorded to prolonged disasters, mostly caused by no or bad governance, as poor people in prone areas becoming victims of these disasters. The Government is aware that all the natural and man made disasters are just offsetting the national income. All disasters have been aggravated by the impact of climatic change leading to global warming. Everyone will just suffer from all these causes.

Rural areas suffer from land and forest fires, landslides, erosion, with a number of death incidences, while urban areas suffer some air pollution generated by transportation and industrial development poses an imminent threat to the health of over 110 million people living in the cities. The combination of rapid urbanization, the expanding fleet of private motorized vehicles, and fast-growing industrial production implies that more people are exposed to more hazardous emissions than ever before. The widespread use of leaded fuel and low-grade diesel aggravate the risks of permanent damage to brains and kidneys for children, of respiratory illnesses and heart diseases for adults, and of premature death of average between one to two years for those who live in cities. As an illustration, the ADB RETA Study in 2002 estimated that the economic losses to public health in Jakarta are caused by SO₂, NO₂ and PM₁₀. The calculation of the overall impact included estimates for premature birth, restricted daily activity, hospital visits, emergency room visits, and asthma attacks in children, asthma symptoms, and chronic bronchitis. The estimated health effects caused by PM₁₀ were Rp 1.7 trillion in 1998 and expected to rise to Rp 4.2 trillion by 2015; the effects caused by NO₂ were around Rp 41.7 billion in 1998 and expected to rise to Rp 132.7 billion in 2015; and the health problems caused by SO₂ were around Rp 1.8 trillion in 1998 and expected to rise to Rp 4.3 trillion by 2015, all if there were no efforts to control this pollution.

In short, local causes aggravated by global causes have brought the country into the urgent need of implementing sustainable development principles, in order to cut the prolonged economic, social, and environment lost from the disasters. Efforts should first be tackled by imposing environmentally sound technology and practices, in transport sectors, in industrial sectors, in domestic sectors, leading to a sound society practicing sustainable production and consumption patterns, including efficient consumption of natural resources and energy, practiced in a sound and good governance.

The Green Indonesia Program, focusing on rehabilitation of degraded land combined with the Industrial Rating Program focusing on environment pollution control, as well as the green movement involving various parties from the civil society, going into a green society, will therefore be a good direction in coping with the implementation of sustainable development in Indonesia starting from now on at home.

As source of funding will become a major obstacles to efforts by developing countries like Indonesia, funding from developed countries in view of the commitment of the ODA should be sought and channeled through cooperation at sub regional, regional, and international level, particularly in exchange of information and transfer of knowledge and technology ought to be a parallel endeavor to the efforts.

Thank you.