

ENGLISH VERSION:

Warning: Omnibus Law is Threatening Indonesia's Sustainable Investment

Jakarta, 13 July 2020 - Indonesia's civil society groups today sent Investment Warning statements to the international financial institutions and several investor and cooperation countries. This Investment Warning highlights how current policies and regulations in Indonesia are not inline with global standards of environmental and social protection.

This Investment Warning was sent to several international financial institutions including the World Bank, Asia Development Bank, International Finance Corporation, and Asian Infrastructure and Investment Bank. This warning was also sent to countries that have been providing financial aid and loans to Indonesia, such as China, The US, Norway, Japan, and The European Union.

The enactment of Omnibus Bill will jeopardise and put Indonesia's environment and social protections at risk. Since standards of laws and regulations for the protection will be weakened and will bring Indonesian environmental and social safeguards even further than the generally accepted global standards in financing sustainable development.

"We demand investor countries to examine Omnibus Bill thoroughly, as this Bill is a sign of Indonesian government's failure to protect its people, the natural resources and the environment," said Jasmine Puteri, Greenpeace Indonesia Forests Campaigner. "Forest fires are still happening annually, while the coal industry is still dominating, with this condition it will be very difficult for Indonesia to fulfil its Paris Agreement commitments. Not to mention that marginalisation, oppression and injustice practices to the impacted and vulnerable communities are still happening, including social, economic and land conflicts."

Isna Fatimah, The Deputy Director of ICEL for Program Development also warned that Omnibus Law is an indication of Indonesia's setback in implementing principles of sustainable development, as a foundation for national economy according to Indonesia's 1945 Constitution. "Omnibus Bill Articles are violating non-regression principles within the sustainable development principles, where a country should not implement regulations that will discriminate against rights to good and healthy environment, as well as environmental impact control and prevention."

Several articles in Omnibus Bill will also cause uncertainty to environment feasibility/suitability tests regulation and implementation. The removal of environmental licences and the weakening of environmental impact assessment will weaken environmental impact prevention instruments, as well as limiting public participation. In the end, this bill will prevent investors from committing social and environmental compliances with international standards.

In this Covid-19 pandemic crisis, the government should protect its people, not corporations.

Rachmi Hertanti, Executive Director of Indonesia for Global Justice said, Omnibus bill on job creation is a strategy adopted by the Government to respond to the economic crisis by pushing the transformation of national industrialization towards the Global Value Chain agenda to maximize the downstream development of extractive industry industries in order to increase the expansion of Indonesia's export markets. This agenda will only re-expand the new monopoly space of the corporation against the economic resources owned by the people.

"Extractive business practices in Indonesia so far have often deepened environmental crises and climate change, and increased socio-economic inequality in society. The de-regulation process in the Omnibus Law is carried out without any commitment to building a sustainable value chain concept. Therefore, the world market must question Indonesia's processed industrial products that are far from sustainable supply chain standards," Rachmi stressed.

Investor countries should be aware of this situation, it is very important for them to oversee and take responsibility on how their money is being used and spent in Indonesia. If investor countries fail to do so, their investment will contribute to Indonesia's environmental destruction that will contribute to the global climate crisis, and contribute to the injustice towards Indonesia people.

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