



EMBASSY OF THE UNITED STATES

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Press Release

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U.S.-Indonesia Debt-for-Nature Deal to Save Forests in Sumatra

Jakarta – The U. S. and Indonesian Governments today signed a debt-for-nature swap agreement under the Tropical Forest Conservation Act that will reduce Indonesia's debt payments to the U.S. by nearly \$30 million over eight years. In return, the Government of Indonesia will commit these funds to support grants to protect and restore the country's tropical forests. This agreement, in partnership with Conservation International and the Indonesian Biodiversity Foundation (Yayasan Keanekaragaman Hayati Indonesia, or KEHATI), will be the first ever in Indonesia as well as the largest debt-for-nature swap of its kind thus far.

"Indonesia is one of the most biologically diverse countries on earth," U.S. Ambassador Cameron R. Hume said. "Funds generated by the debt-for-nature program will help Indonesia protect critical forest habitats in Sumatra."

The agreement was made possible through contributions of \$20 million by the U.S. Government under the Tropical Forest Conservation Act of 1998 and a combined donation of \$2 million from Conservation International and KEHATI.

Sumatra is home to hundreds of mammal, bird and plant species, many of which are rare or endangered, including the Sumatran tiger, elephant, rhino, and orangutan. The grants are designed to improve natural resource management and conservation efforts, and develop sustainable livelihoods for local people and communities who rely on forests.

The Indonesia agreement marks the 15th Tropical Forest Conservation Act pact, following agreements with Bangladesh, Belize, Botswana, Colombia, Costa Rica, El Salvador, Guatemala, Jamaica, Panama (two agreements), Paraguay, Peru (two agreements) and the Philippines. Over time, these debt-for-nature programs will together generate over \$218 million to protect tropical forests. Established in 1995 to support and facilitate biodiversity conservation in Indonesia, KEHATI is the first environmental NGO created with USG assistance to participate in a Tropical Forest Conservation Act debt-for-nature swap.

For more information about the U.S. Embassy's activities, please visit <http://jakarta.usembassy.gov/>.

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