

From: "Simon Ratcliffe" <S-Ratcliffe@dfid.gov.uk>
To: <cifadminunit@worldbank.org>
Date: 03/02/2010 06:15 AM
Subject: RE: Investment Plan for Indonesia

Dear Admin Unit,

With regard to the Indonesia Investment Plan, please can you provide more detail and clarification on the types of biomass projects that are envisaged through the financial support to this sector. There is a danger that the large scale production of energy through the use of biomass could compromise soil fertility and endanger forests.

To support healthy plant life soil must contain organic matter. As organic matter breaks down in soil nitrogen, phosphorus, and sulfur are released. Organic matter is the main source of energy (food) for microorganisms. A higher level of microbial activity at a plants root zone increases the rate of nutrient transfer to the plant. As the organic matter decreases in soil so does this biochemical activity. Without organic matter, soil biochemical activity could stop.

In addition to being a storehouse of nutrients, decaying plant matter keeps soil loose, helping soil remain both porous and permeable as well as gaining better water holding capacity. This is not only beneficial to plant growth but is essential for soil stability. Soil becomes more susceptible to erosion of all types as organic matter content is reduced.

The value of returning organic matter to the soil has been well-known to farmers since the earliest days of agriculture. Crop residues and animal waste are tilled back into the soil to promote fertility.

Similar economic damage could occur in the forest products industries. Dedicating acreage to servicing biomass wood burners denies its use for lumber or paper. Ultimately, the consumer will shoulder the loss in the form of higher prices for forest products.

As available sources of forest biomass near the new power plants diminish, clearcutting and conversion of native forests into biomass plantations could occur, resulting in the destruction of wildlife habitat with serious consequences for forests.

Are we creating a new sector that will need ever increasing amounts of biomass to sustain it, creating a new problem rather than solving an existing one?

Regards

Simon

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Sent: 18 February 2010 19:04

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Subject: Investment Plan for Indonesia

Dear CTF Trust Fund Committee Members,

Please find attached the proposed *CTF Investment Plan for Indonesia* (document CTF/TFC.5/7) which is being circulated for review and endorsement at the CTF Trust Fund Committee meeting in Manila, Philippines, on March 15, 2010. This document is also posted on the CIF website at <http://www.climateinvestmentfunds.org/cif/meetingdocuments/archived/ctf>.

Sincerely,

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(See attached file: *CTF Investment Plan for Indonesia.pdf*)

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