



Nabiel Makarim helps bring environmental enforcement to Indonesian citizens.

“When we started PROPER in 1995, it was because the legal process was not working,” recalls Nabiel Makarim, former division director for pollution control at Indonesia’s Environmental Impact and Management Agency (BAPEDAL).

“We thought, if the legal system cannot work, let’s bring enforcement back to the public.” The Program for Pollution Control, Evaluation, and Rating (PROPER), was developed to help in this effort. Through PROPER,

Indonesian manufacturers are rated for their compliance or noncompliance with environmental regulations. The ratings—depicted in easy-to-understand color codes—are publicized through the Indonesian media. PROPER has been successful in promoting better environmental management: many companies that received low ratings have changed their practices to comply with regulations.

The need for such policy efforts is clear. “In 1998,

BAPEDAL concentrated on cases that had a direct effect on either the health or income of poor people living near factories,” says Mr. Makarim. “For example, we visited a polluting factory in Lampung, South Sumatra. The factory is located next to a river. We discovered dead fish floating on the river

up to seven kilometers from the factory. The low-income people who live near the factory rely on a healthy river for daily use but also for income. They need the river to fish. These are the kinds of cases that we encountered this year.”

The pilot program for PROPER began in June 1995, with environmental ratings for 187 firms made public. In six months, the compliance rate of the firms rose from 36 to 41 percent. And from December 1995 to September 1996, compliance rose to 59 percent among rated firms. To date, almost 400 firms have been rated, and the success of PROPER in Indonesia has led to similar programs being developed in other countries, such as Ecowatch in the Philippines.

Mr. Makarim says that when the idea of PROPER was first suggested, “we assumed that some factories would reject it. But to our surprise, it didn’t happen like that. The moment that factories receive a noncompliance rating, they come and say, ‘Help us.’ And we do. We tell them what they can do to improve their ratings.”

Not only is PROPER focusing media attention on polluting companies, but financial institutions have begun to make lending decisions based on the ratings as well. “To our surprise,” Mr. Makarim states, “we find that it’s a more powerful policy tool than we envisioned.”

In 1998, US-AEP supported the expansion of PROPER in several ways. For example, US-AEP helped PROPER upgrade its computer capacity, refine data used in rating assessments, and add hazardous waste to the types of data collected. US-AEP has also assisted staff in developing sector-specific criteria for

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a gold, or excellent, performance rating based on use of cleaner production practices and technologies.

One of the ways that Mr. Makarim sees PROPER becoming an even more powerful policy tool is

Mr. Makarim thinks PROPER will become an even more powerful policy tool by involving NGOs. Supporting this effort, US-AEP gave a 1998 grant to EcoLink, a local NGO, to find motivating factors that will help businesses comply with regulations.

Below: Nabel Makarim and a staff member view the environmental ratings of Indonesian companies.

through direct cooperation and partnerships with NGOs. Supporting this effort, US-AEP gave a 1998 grant to EcoLink, an Indonesian NGO, to find motivating factors that will help businesses comply with regulations and encourage community participation. One of EcoLink's successes was the development of a community information kit, created with close participation from the government and private sector. The kit contains background information on PROPER, instructions on how communities can participate, and guidelines for monitoring factory waste disposal.

As the motivating force behind EcoLink's work with PROPER, Mr. Makarim envisions increasing NGO participation in the future. "NGOs are concerned not only with the environment, but also with the people around the factories," says Mr. Makarim—which is where he thinks the focus of PROPER should be. ♦

