

RI risks businesses, forests with US\$1b forest moratorium delay

Indonesia missed the Jan. 1, 2011 targeted start of a two-year moratorium on forest-clearing, a major part of the US\$1 billion letter of intent (LoI) it signed with Norway in Oslo last May. Activists say the delay will cause legal uncertainty for businesses, in addition to more damage to the environment and to Indonesia's already bad environmental image in the international community.

"Missing the targeted Jan. 1 start of the moratorium creates a bad perception of Indonesia's stance on environmental issues at an international level because the President himself made that commitment," leader for the non-governmental organization (NGO) Greenpeace Southeast Asia forest team Bustar Maitar said on Wednesday.

"It also gives industries one legal uncertainty after another in doing businesses here."

Bustar said the Norwegian government, after pledging to give Indonesia US\$1 billion in aid, might question the Indonesian government's commitment to the matter because of the delay. He said the key points of the LoI were that Indonesia carried out a moratorium on land-clearing and chose a province for a pilot project under the Reducing Emissions from Deforestation and Forest Degradation (REDD+) program in the country.

President Susilo Bambang Yudhoyono announced on Dec. 30, 2010 that Central Kalimantan would host the REDD+ pilot project. The announcement also came late, its deadline set for October 2010.

Although Central Kalimantan will receive full support for the project, other forested provinces — Aceh, Jambi, Riau, South Sumatra, West Kalimantan, East Kalimantan, Papua and West Papua — will be provided with technical support for additional projects. Echoing Bustar, Elfian Effendi, executive director of Greenomics — an NGO focused on forestry and mining — said legal uncertainties extended to the international spheres of businesses, environment and bureaucracy due the delay.

"Legal uncertainty is occurring in all sectors, including in the bureaucracy, because there's still a disagreement among government institutions," Elfian said.

The Forestry Ministry has proposed that the President only ban new permits to clear primary forests and peatlands for two years, while the Presidential Work Unit for Development and Control wants the ban to include secondary forests, review existing permits and consider extending the time frame, Reuters reported.

Primary forests are untouched while secondary forests have been selectively logged, though boundaries are often unclear and illegal logging is rampant in one of Asia's most corrupt countries. Forests soak up the main greenhouse gas carbon dioxide, the Reuters report added.

The President's special assistant on climate change and chairman of the National Climate Change Board, Agus Purnomo, admitted the delay. "But there is nothing crucial about it. It's only a matter of definitions and formulation," he said, adding it would soon be completed but no exact deadline had been set.

Foreign Minister Marty Natalegawa has claimed how the LoI silver-lined the entire UN climate change debate in Cancun, Mexico, recently. "The LoI with Norway was a groundbreaking effort on our part to present ourselves as part of the solution. If it's properly packaged and presented ... if we can be part of the solution, we can really make a huge impact on climate," he said.