

Reckless and uncontrolled deforestation and peatlands conversion for oil palm plantations have indeed been the primary cause of greenhouse gas emissions in Indonesia, and the US\$1 billion pledged by Norway in compensation for the moratorium could do a lot of good things for this country.

But the commitment seems to lack credibility in the absence of support of palm oil companies, the party that will be affected directly by it. Last week, the palm oil industry association reiterated its opposition to the Indonesia-Norway agreement, complaining that it would have adverse impacts on investment plans in oil palm development.

Confusion and apprehension have persisted even though Coordinating Economic Minister Hatta Rajasa assured palm oil companies at an international conference in Yogyakarta last month that the Oslo agreement would not affect plantation investment projects that had already been approved by government. But the lack of details made his assurances less credible.

And to the contrary, the President seemed clear cut on how he would go about implementing the moratorium. He even announced plans for a special authority, modeled on the Aceh Rehabilitation and Reconstruction Agency, to oversee its implementation by regional governments.

We reckon part of the problem has been caused by a lack of coordination between policy makers. Even the ministries of forestry, agriculture and the environment, which are directly related to the moratorium, seemed to have been caught off-guard by the Oslo deal.

Indonesia, already the world's largest producer of palm oil, with an annual output of almost 20 million tons, plans to steadily expand its oil palm plantations so as to double production within 10 years, and investors have obtained licenses to immediately open an additional 2 million hectares of plantations.

The blunt fact, however, is that the President has made an international commitment as part of Indonesia's participation in the global campaign to reduce carbon emissions and to fight

climate change.

It is urgent and most imperative, therefore, that all related ministries and regional administrations work together and coordinate to implement the moratorium properly, not only to defend our credibility in the international community. Preventing deforestation is primarily for our own good because Indonesia, as the world's largest archipelago country, will be among the hardest hit by the devastating impacts of climate change.

However, most important is that the President show strong leadership to ensure that all sectors in government and the public take part in the program.

We think the remaining six months before the Oslo agreement is due to take effect are still adequate to make all necessary technical preparations and formulated regulatory frameworks. After all, the government is still finalizing regulations for the enforcement of the 2009 Environment Law.