

WELCOME ADDRESS
by Governor of Riau
In the Workshop on
Options for Carbon Financing to Support Peatland Management
Pekanbaru, October 4, 2010

Assalamu'alaikum. Warahmatullahi Wabarakatuh
Good morning, peace and prosperity to all of us

Excellency, Mr Gusti Muhammad Hatta,
Minister of Environment of Indonesia

Honorable the Leader of Riau Provincial Legislative, Deputy Governor of Riau and Council for Riau Provincial Officials

Honorable Mr. Faizal Parish, Director of Global Environmental Center & Mr. Raman Letchumanan, Head of Environment, ASEAN Secretariat

All distinguished Heads of Agencies under the Government of Riau Province, city/regency government and representative offices of central government

Distinguished resource persons, workshop participants, invited guests, ladies and gentlemen

Let us offer our praise and gratitude to the Almighty God, Allah Subhanahu Wa Ta 'ala for it is with His mercy that, **Alhamdulillah**, on this good occasion, we are still able to attend and gather in the workshop on **Options for Carbon Financing to Support Peatland Management**

May peace be always on the Messenger of Allah, the noblest prophet, Muhammad SAW, who leads people into a noble civilization, therefore, May peace and bless to him by saying "**Allahumma shalli 'ala Muhammad wa 'ala ali Muhammad**". Hopefully, as his followers, we will gain intercession from him in the judgment day.

Since we are now still in the month of Syawal, permit me to congratulate **Merry Idul Fitri**, one thousand four hundred thirty one Hijriyah (1431 H).

Furthermore, on behalf of the Government of Riau Province and the Community of Riau, allow me to welcome the Minister of Environment of Indonesia, the honorable **Mr. Gusti Muhammad Hatta** and workshop participants both from Indonesia and also from other countries to Bumi Lancang Kuning, Riau.

We pray God that all of you will feel comfortable, peaceful and pleasant during your visit in Riau.

Menyiram bunga di waktu petang,
(watering flowers in the afternoon)

Bunga disiram bunga seroja,
(flower is watered, lotus flower)

Kepada Bapak menteri kami ucapkan selamat datang, di Bumi lancang kuning yang tercinta.
(To Minister, we say 'welcome' to Bumi Lancang Kuning)

I very appreciate and welcome warmly this activity held by ASEAN Secretariat and Global Environmental Center (GEC) in cooperation with the Government of Indonesia and Government of Riau Province.

The objective of the activity is to increase knowledge and insight of participants about efforts for improving and managing peatland ecosystem in Indonesia, particularly Riau.

Mr Minister, ladies and gentlemen,

As we know that in recent years, peatland management, Riau in particular, has been a serious concern of many parties.

This is because peatland in Riau Province has been encountering threats and challenges leading to peat degradation. There are several factors causing peat degradation, one of which is peat fire and illegal logging induced by irresponsible people.

Fire and illegal logging not only create loss for the regional development of Riau but also cause decreased carrying capacity, increased green house gas emission and global warming. Peat ecosystem degradation in Riau, surely, must be stopped so that it would not have inflicted any loss upon people.

Mr Minister, distinguished guests,

On the basis of a study conducted by the Environmental Ministry of Indonesia using hydrology approach, the peat hydrology area of Indonesia is about **thirty two point six five millions hectares**. Around **ten point eight eight millions hectares** are located in Sumatera.

Meanwhile, approximately **five point seven million hectares** peat hydrology area exist in Riau Province (or around seventeen percent of Indonesia's peat area). Peat area in Riau itself consists of peatland suitable for cultivation (four million hectares) and peatdome area (one point seven million hectares)

Thereby, the existence of vast peat area will provide many advantages, as long as peatland in Riau is managed according to sustainable development principles which integrate the aspects of environment, economy and social in a just, equal and integrated way.

Mr Minister, ladies and gentlemen,

These days, the paradigm of peatland management has changed from economy-based management into sustainability-based one.

If we talk about benefits, peat ecosystem has such benefits as provision of environmental services among other things non-timber forest products, flood prevention and home to biodiversity.

Regarding the policy of green house gas emission reduction by twenty six percent (26%) in two thousand twenty (2020), a commitment of the Government of Indonesia to the international world, peat in Riau plays important roles in reducing greenhouse gas emission because peat is a great carbon sink. As a result, greenhouse gases, carbondioxide in particular, released into atmosphere can be reduced significantly.

According to the wetlands data, in the year 2002, the peat carbon potency of Riau is estimated around fourteen thousand million tonnes. With its carbon source, Riau can potentially be "*a carbon seller*" in the carbon trade scheme with other countries.

So, in this context, it is very interesting to begin thinking about opportunities of regions, especially Riau, to take part in the carbon financing so that sustainable peat management can be achieved.

In addition to the contribution from peatland management, Riau's forest is very promising in terms of greenhouse gas emission reduction because Riau has vast tropical rain forest.

As we understand that one initiative to reduce greenhouse gas emission from forestry sector, as a follow-up of the Letter of Intent (LOI) between Indonesia and Norway in 2010, is **REDD** (Reducing Emission from Deforestation and Degradation).

Mr Minister, distinguished participants,

Government of Riau Province realize that implementing a carbon trade based on sustainable peat management and carrying capacity is not an easy job. However, with togetherness and mutual trust among us, carbon trade can be brought into reality.

Therefore, to endorse sustainable peat management in Riau, a Memorandum of Understanding (MOU) on sustainable peat management has been signed on March 2008 between the Ministry of Environment of Indonesia with the Governor of Riau and six cities/regencis; Pelalawan, Siak, Bengkalis, Indragiri Hilir, Rokan Hilir, and Dumai.

The follows-up of the MOU are the Master Plan of Riau's Sustainable Peat Management and canal blocking pilot-project, a bilateral cooperation between Indonesia and Malaysia, in Rokan Hilir District 2009.

Mr Minister, distinguished guests,

Another strategic effort is **Giam Siak Kecil-Bukit Batu Biosphere Reserve** with a conservation core area of around one hundred seventy eight thousand seven hundred twenty two hectares. This biosphere reserve is a representative area of peat ecosystem and able to store carbon (*carbon sink*).

We are very proud of Giam Siak Kecil- Bukit Batu Biosphere Reserve because it has been recognized by UNESCO as one of the world's biosphere reserves in Jeju, the Republic of Korea, on May 26, 2009.

The realization of the carbon trade between developed countries and developing countries including Indonesia is our hope since it is one of the important issues in the Climate Change Conference in Copenhagen, Denmark, 2009.

For this reason, I would like to take this good occasion to extend the hope of the Government of Riau Province toward all workshop participants especially the experts from Asean and European Regions to use this meeting to formulate options for carbon financing.

Those options should be able to be implemented and provide Riau with opportunity to gain real benefits both environmental, social and also financial/economy benefits from carbon financing.

Mr Minister, ladies and gentlemen,

I hope that the Minister of Environment of Indonesia is pleased **to open** the workshop on options for carbon financing to support peat management.

Finally, these are few things that I can convey at this happy moment.

May the Almighty God bestow His blessing upon us all

Thank you
Wabillahittaufiq Wal Hidayah
Wassalamu'alaikum Wr.Wb.

Pekanbaru, October 4, 2010

GOVERNOR OF RIAU

H.M. RUSLI ZAINAL