



## **Speech during the Sustainable Palm Oil Workshop**

**12 December 2008  
Banda Aceh**

*Pak Hanifah, Head Department Forestry and Plantation of  
Nanggroe Aceh Darussalam*

*Distinguished participants from Government*

*Respected Panelists*

*Distinguished participants from the Private Sector, and Civil  
Society,*

*Ladies and gentlemen.*

I am honoured to welcome all of you, on behalf of all the people of Aceh, to this important and unprecedented meeting on sustainable palm oil in Aceh. It gives me great pleasure to be here

with you at a forum that can help Aceh move forward towards peace, prosperity, and sustainable development.

One year ago today, in December 2007, I first presented the Aceh Green Vision at the United Nations Climate Change conference in Bali. Aceh Green is a development vision that aims to bring about long-term and ecologically sustainable economic development for the people of Aceh. It is a vision founded on the conviction that the climate change poses a very real threat to the security and prosperity of our communities, and thus requires an integrated and environmentally sustainable approach to development. At the same time, Aceh Green recognizes that achieving environmentally sustainable outcomes is only possible with economically sustainable livelihoods for the people of Aceh. Thus, Aceh Green addresses energy security, food and livelihood security, economic development, and environmental sustainability.

Sustainable job creation will be essential to ongoing reintegration efforts and the prevention of further conflict. Because of the primacy of natural resources in our economy, sustainable development strategies must be based on sustainable resource management. The governance of Aceh's forests, watersheds, marine reserves and farmlands will be central to our future stability and prosperity.

Over the last year, this Vision has moved towards a strategic program for helping lift up the economy of Aceh on a sustainable basis.

Aceh's recovery program is entering a critical new phase now. We are seeking ways to transform our current aid-dependent economy to one that is more robust and self-sustaining, capable of generating employment opportunities and ensuring livelihood and income security for the people of Aceh. This means activating our agriculture, fisheries, agro-industry and renewable, green energy sectors. Collectively, these four strategic sectors absorb significant amounts of labor and can reduce grass roots poverty.

To exploit Aceh's comparative advantage and attract outside investment, Aceh needs strategic approaches to address the challenges of insufficient and degraded rural infrastructure, accelerating economic growth and generating employment in the context of sound, sustainable environmental management. Aceh Green is a pillar of this strategy.

I note that Aceh's economic growth rate in 2007, excluding oil and gas, was 7.4 percent, a remarkable achievement to say the least. Second, Aceh's agricultural sector grew at a significant 4.9 percent last year; noteworthy as this sector absorbs nearly 60 percent of Aceh's workforce.

Therefore, sustainable agriculture is a critical priority within Aceh Green. We want to ensure that the development of sustainable agriculture in Aceh focuses on both food crop production as well as high-value export-oriented commodities. In this context, the rehabilitation and development of the plantation sector, including palm oil, is of great importance. Palm oil is the largest product category in this sector, covering over 260,000 hectares and providing sustenance to over 200,000 of Aceh's people. Most important, this sector can create opportunities for Acehnese who suffered losses during the conflict or the tsunami. The palm oil industry can provide clear and direct benefits to thousands of smallholders and residents of local communities in the key production areas. We also know, however, that palm oil development has had negative impacts on the environment in the past, and in some cases has even. This is why we must adopt guidelines and standards that ensure that we can collectively enjoy the potential economic benefits of palm oil without compromising our social and environmental well-being. If developed as part of a diversified agricultural strategy, palm oil can bring high returns to farmers and companies alike. But it must be developed in a socially and environmentally sustainable manner, and we must all work

together to ensure this. This is why I am committed to engaging in the RSPO process, which brings together all stakeholders in the supply chain, from smallholders to plantation companies, exporters to banks, NGOs to consumers.

I especially welcome the participation and support during this workshop from the Roundtable on Sustainable Palm Oil (RSPO) based in Kuala Lumpur and Jakarta. I believe that we have much to learn and gain in Aceh by applying the RSPO's Principles, Criteria, and certification systems.

We are also happy to have major companies present here such as Unilever, Socfindo, Mopoli Raya, and Sime Darby, as well as many other members of Plantation Grower Association of Aceh - *Gabungan Pengusaha Perkebunan Daerah Aceh* (GAPERDA).

This effort to create a sustainable palm oil sector will require the active participation and support of all of you in this audience. We will need supportive policies, regulations, and incentives from the government. We will need capital, technology, and expertise from the private sector. We will need technical and organizational support on social and environmental issues from the NGOs. And,

we will need active participation and empowerment of smallholders, cooperatives, and local communities throughout Aceh.

It is my sincere hope that this workshop will lead to clear ways and means forward towards realizing the sustainable palm oil sector in Aceh. I strongly encourage further multi stakeholder cooperation on supportive policies, pilot projects, and capacity building in the coming months and years.

In closing, *Distinguished participants from Government, the Private Sector, and Civil Society,*

I would like to express my sincerest thanks for the efforts of our own multi stakeholder Working Group on Sustainable Palm Oil which has organized and arranged the financing for this meeting. Now, let us learn from each other, share our experiences and knowledge, and create the foundations for sustainable palm oil in Aceh.

Thank you.

**Irwandi Yusuf**  
**Governor of Aceh**