

Eyes on the Forest

February 2006
Investigative Report



<http://www.eyesontheforest.or.id/>

Walhi - Jikalahari - WWF
June, 2007

Analysis – February 2006 Investigative Report

Investigative Report February 2007 Analysis

Kerumutan Block (Map 1, 2, and 3)

Eyes on the Forest investigation in February 2007 continued the observation in November 2006. It found this time that around 3,000 ha of natural forests had been clearcut in a Selective Logging Concession (HPH) of **PT Mutiara Sabuk Khatulistiwa**, by **PT Arara Abadi**, a subsidiary of **Sinar Mas Group (SMG)**, associated with **Asia Pulp & Paper (APP)**. The conversion into acacia plantation in this concession has increased by 1,000 ha larger than that of in November 2006. This logging operation is prepared for development of a 15,000-ha Industrial Timber Plantation of PT Mutiara Sabuk Khatulistiwa.

This *EoF* investigation did not find who sourced the felled timber for PT Mutiara Sabuk Khatulistiwa; however, based upon the field observation indicating the involvement of PT Arara Abadi. *EoF* believes that **PT Indah Kiat Pulp and Paper (IKPP)**, a pulp mill belonging to APP, has been sourcing timber from the concession of PT Mutiara Sabuk Khatulistiwa.

- Official data from the Ministry of Forestry in 2005 (<http://www.dephut.go.id>) said that PT Mutiara Sabuk Khatulistiwa holds a Selective Logging License (HPH), not a Timber Plantation Industry (HTI/IUPHHK-HT) license.
- This HPH license is issued based on Minister of Forestry Decree Number 109/Kpts-II/2000 dated 29 December 2000. The size of the concession where logging is happening is 44,595 hectares.

APP management through its [response](#) to *EoF* Investigative Report November 2006 on 11 April 2007 did not deny the involvement of the company in sourcing the timber from the questionable operations conducted by its subsidiary, PT Arara Abadi. APP said the Ministry of Forestry on 12 July 2004 has approved a forest management plan for the concession allowing two silvicultural systems which *EoF* considers as selective natural forest logging and natural forest clearcutting. Around 28,660 of 44,595 hectares is converted into pulpwood plantation.

Despite the approval above, **PT Mutiara Sabuk Khatulistiwa overlies with the following areas, thus violate existing laws:**

1. **Natural forests which were still in good condition, as shown by Landsat Image for the area in July 2004, before concession started to be clearcut (Map 1).** Satellite images on [Map 2](#) also indicate the difference among condition in July 2004, November 2005 and August 2006 where the remaining natural forest in this concession turned to worse condition. Several forestry legislations issued by the government have stipulated clearly that IUPHHKHT or HTI development should not be granted in natural forest, but should only be granted in barren land, grassland or bushes in production forest; or on vegetation of non-forest or formerly clearcut area which are degraded where the area should not have vegetation of more than 10cm diameter trees for all kinds of species with potential timber density less than 5 m³ per hectare or number of sub-species of dominant species less than 200 trees per hectare (MoF decree 10.1/2000, article 3; MoF decree 21/2001, point (b), MoF decree 33/2003, article 5 clause (2) letter c); MoF decree 32/2003, article 4 clause (2) point a); and MoF regulation 05/2004, article 5 clause (1).



2. **Peat soil depth of more than 4 meters** ([Wetlands International & Canadian International Development Agency 2003](#): Map of Area of Peatland Distribution and Carbon Content 2002 Riau Province). According to the Presidential Decree Number 32/1990, natural forests located on peat soil with depth of 3 meter or more situated in upstream and swamp should be maintained ([Map 3](#)).

Considering the above, PT Mutiara Sabuk Khatulistiwa should immediately stop its logging activities in natural forest and PT IKPP/APP should stop sourcing timber from such activities.

PT IKPP of APP has purchased the timber from this concession and PT Mutiara Sabuk Khatulistiwa breached existing regulations on criteria of planted forest allocation by destroying natural forest. PT IKPP and APP should respect the existing laws in Indonesia and stop the forest clearance in this concession immediately. EoF also strongly calls on PT IKPP to halt to source wood originating from such operation.

In addition to legality questions, EoF considers that clearcutting of natural forests in this concession destroys potential High Conservation Value Forests (HCVF) and calls PT Mutiara Sabuk Khatulistiwa/APP to stop the forest clearance in this concession and sourcing of felled timber immediately.

Forest Stewardship Council (FSC) defines High Conservation Value Forests as “forests of outstanding and critical importance due to their environmental, socio-economic, cultural, biodiversity and landscape values”.

The concept of HCVF was first developed by [the Forest Stewardship Council \(FSC\)](#) in 1999 as their "[Principle 9: Maintenance of High Conservation Value Forests](#)". To ensure that High Conservation Values are protected, FSC Principle 9 states that: "*Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.*" In practice this means that no forests should be cleared without prior assessment of High Conservation Values in the forest and its surrounding landscape combined with identification of the measures needed to maintain and enhance such values.

Kerumutan landscape is also one of the few remaining large continuous blocks of peat swamp forest (PSF) within what will be referred as the East-Central Sumatran PSF ecoregion. The forest block also importantly conserves many globally significant vertebrate species ([SmartWood HCVF Assessment – Pulau Muda District; 2004](#)).

APP is destroying the potential HCVF in this concession while the company has not conducted any HCVF study in all Forest Management Units right now. Therefore EoF strongly calls APP to identify High Conservation Value Forests in collaboration with stakeholders prior to starting to log any natural forest inside and/or purchase any felled timber from this or any other concessions.

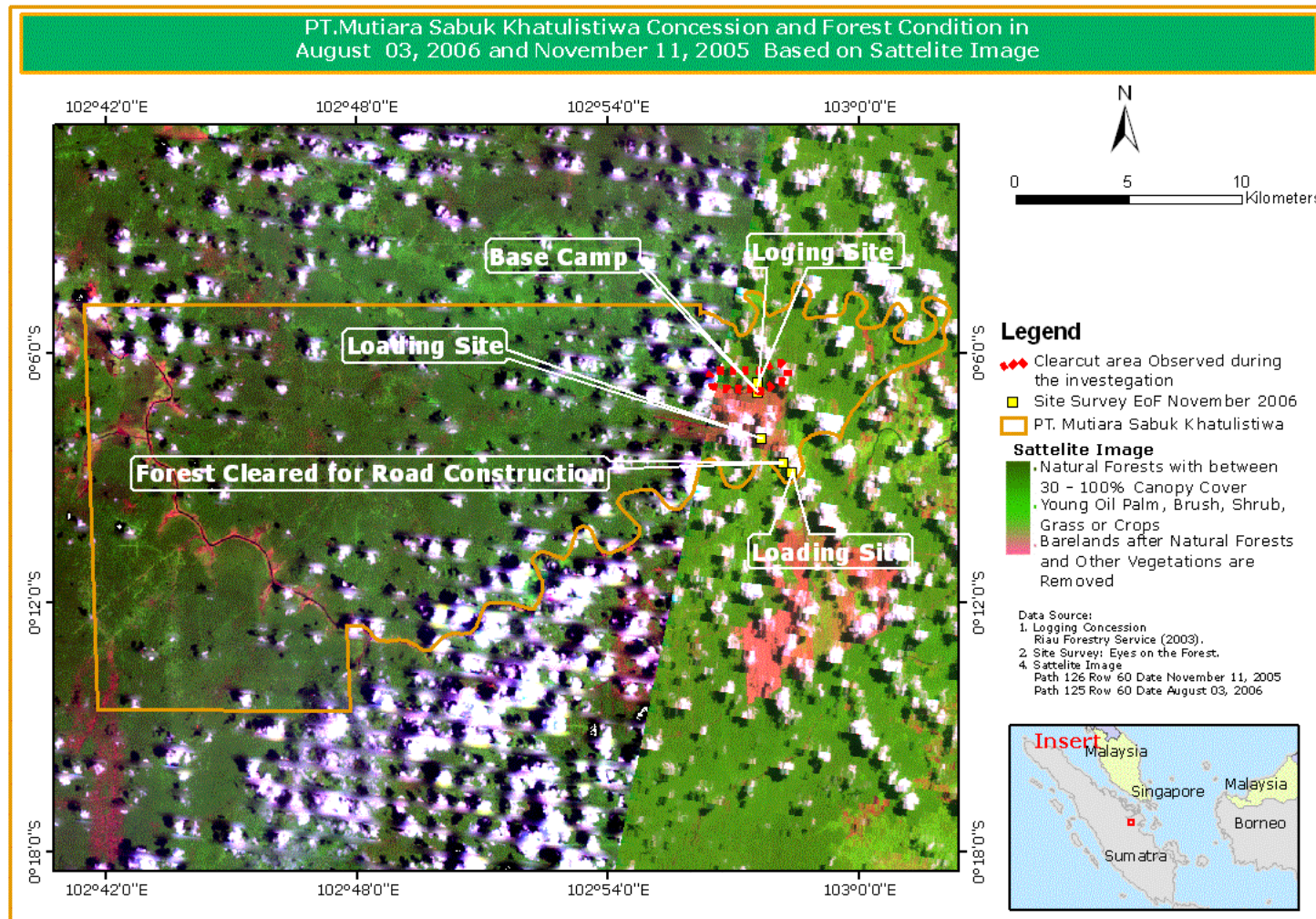
For further information, please contact :

Afdhal Mahyuddin

Eyes on the Forest Editor

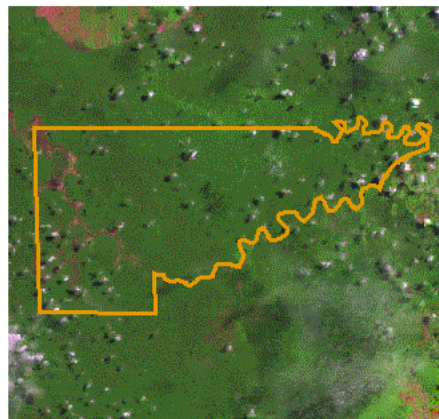
e-mail: eof@eyesontheforest.or.id



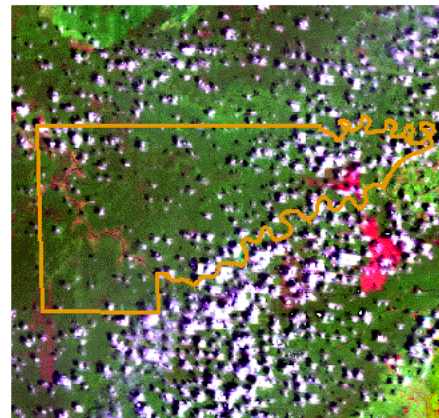


Map 1. Concession of PT Mutiara Sabuk Khatulistiwa and forest condition by Landsat satellite image August 2006 and November 2005. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.

Sattelite Image Different Between 2004 - 2005 - 2006
Selective Selective Logging Concession PT Mutiara Sabuk Khatulistiwa





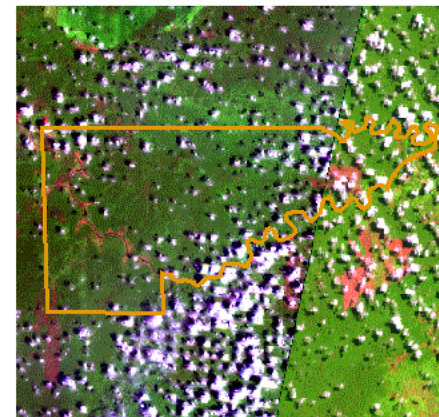
Sattelite Image Landsat 2004
Path 126 Row 60 Date July 19, 2004



Sattelite Image Landsat 2005
Path 126 Row 60 Date November 11, 2005

Legend

-  Selective Logging Concession Boundary
-  PT. Mutiara Sabuk Khatulistiwa
- Natural Forest With between 30 - 100 % Canopy Cover
- Young Oil Palm, Brush, Shrub, Grass or Crops
- Barelands after Natural Forests and Other Vegetations are Removed
- Water Bodies / River
- Cloud Cover
- Cloud Shadow



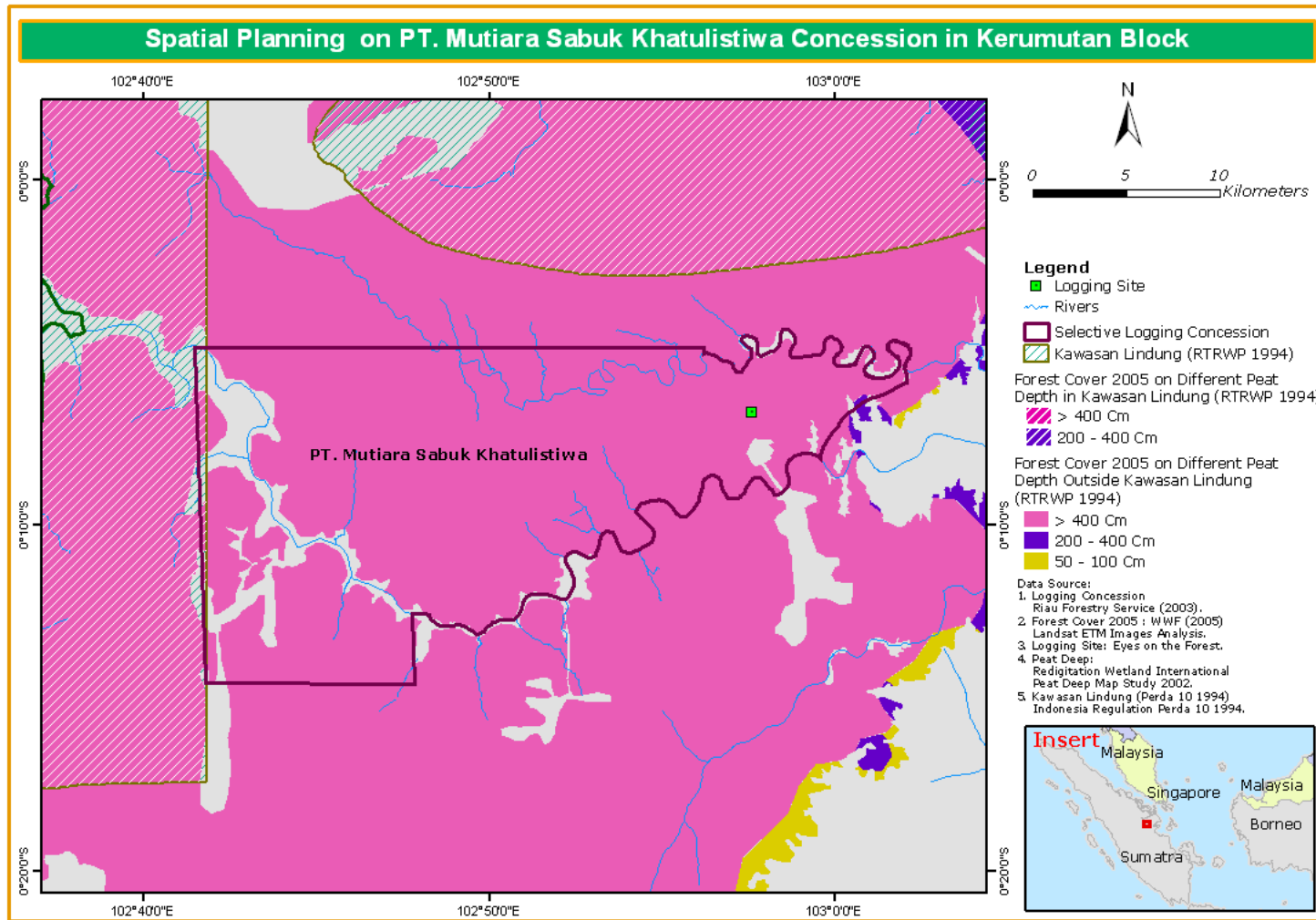
Sattelite Image Landsat 2006
Path 125 Row 60 Date August 03, 2006
Path 126 Row 60 Date November 11, 2005



0 15 30 Kilometers

Map 2. Difference of forest condition in the HPH concession of PT Mutiara Sabuk Khatulistiwa as shown by Landsat satellite image of July 2004, November 2005 and August 2006. In the satellite images, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.





Map 3. Concession of PT Mutiara Sabuk Khatulistiwa related to peat soil depth more than 3 m.