

Eyes on the Forest

March/April/June 2007
Investigative Report



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

Walhi - Jikalahari - WWF
July, 2007

Analysis - March/April/June 2007
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Summary Score Card

Red colour means the operation violates existing laws, regulations or agreements.

Blue means in compliance with existing laws, regulations or agreements.

For details, see the texts.

	Timber source	HTI concession of PT Tiara Cahaya Delima	HTI concession of PT Sakato Pratama Makmur	HTI concession of PT Satria Perkasa Agung
	Timber Buyer	APP pulp mill	APP pulp mill	APP pulp mill
Legality criteria	Is the concession license issued by Provincial Governor or District Head?	unidentified	NO	NO
	Has the logging permit on concession received approval for HTI?	unidentified	YES	YES
	Does the concession overlap with natural forests in good condition?	YES	YES	YES
	Does the concession contain forests protected by the currently active provincial land use plan?	NO	YES	YES
	Is the concession located on peat soil with a depth of more than 3 meters?	YES	YES	YES
HCVF destruction criteria	Has a detailed FMU level HCVF assessment been conducted by the company?	NO	NO	NO
	Has the HCVF assessment been reviewed by local stakeholders?	NO	NO	NO
	Have the stakeholders had an opportunity to provide input to the HCVF delineation?	NO	NO	NO
	Has the stakeholders agreed to the HCVF delineation?	NO	NO	NO
	Does the concession include potential/actual important habitat of the Sumatra Elephant?	unidentified	unidentified	unidentified
	Does the concession include potential/actual habitat of the Sumatran Tiger?	unidentified	unidentified	unidentified



Giam Siak Kecil (Map 1, 2 and 3)

Eyes on the Forest (EoF) Investigation in March, April and June 2007 has found that about 38,000 hectares of natural forests in northern Bukit Batu wildlife reserve had been clearcut simultaneously in three industry timber plantation (HTI) concessions of **PT Satria Perkasa Agung (8,560 ha)**, **PT Sakato Pratama Makmur (15,461 ha)** and **PT Tiara Cahaya Delima (13,984 ha)**. All the three companies are subsidiaries as well as timber suppliers for **Asia Pulp & Paper (APP)** mill in Riau.

These investigations were conducted following the survey by the Landsat satellite images in August 2006. EoF analyzed the natural forests conversion inside the Giam Siak Kecil block started from June 2005 to August 2006.

PT Satria Perkasa Agung and PT Sakato Pratama Makmur are subsidiaries of **Sinar Mas Group**, part of APP. EoF analyzed based on the field observation that PT Tiara Cahaya Delima is a timber supplier for APP mill where its HTI license's status is inactive as data of the official Riau Forestry Service 2006 said. The logging operation that conducted by PT Sakato Pratama Makmur (15,461 ha) occurs in area that recommended as High Conservation Value Forests (HCVF) based upon [HCVF Analysis of Giam Siak Kecil Landscape, Riau, Sumatera, 2003](#).

EoF highlighted its investigation this time to PT Tiara Cahaya Delima for its inactive HTI license as found in the provincial forestry service. EoF has not found any logging license granted to the company for the year of 2005 and 2006, while the forest clearcutting in the concession has reached 13,984 ha out of 15,000 ha.

This *EoF* investigation has not found who sourced the felled timber from concession of PT Tiara Cahaya Delima; however, based upon the field survey on the logging activity as well as information from villagers, EoF believes that **PT Indah Kiat Pulp and Paper (IKPP)**, a pulp mill belonging to **APP**, has been involving in sourcing timber from the such a concession.

EoF observed on the ground that the forests in such area had been clearcut in the mid of 2006. The land where the natural forest cleared is not planted with pulpwood or oil palm by PT Tiara Cahaya Delima. The natural forest concession now turned to the barren land (see [picture 1](#)) meaning the company abandoned it after harvesting the wood from the concession in the natural forest. The logging operation is conducted for the sake of harvesting timber only.

Villagers of Tanjung Leban informed that the natural forest conversion in concession of PT Tiara Cahaya Delima is conducted concurrently with the adjacent PT Sakato Pratama Makmur. Both companies are also known as PT Arara Abadi Resort Humus. The felled timbers were supplied by PT Arara Abadi to PT Indah Kiat Pulp & Paper pulp mill belonging to APP.

Beside the concession holder has no HTI license (as of official data from Riau Forestry Service 2006, the forest clearcutting in Giak Siak Kecil block also violate the existing laws:

1. **Natural forests which were still in good condition, as shown by Landsat Image for the area in July 2004 and May 2005, before concession started to be clearcut (Map/Image 1).** Satellite images on [Map/image 2](#) also



indicate the condition in August 2006 where the remaining natural forest in this concession turned to worse condition due to the conversion.

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](#)).

PT IKPP belongs to APP has purchased the timber from this concession and PT Tiara Cahaya Delima/PT Arara Abadi/APP breached existing Forestry Law Number 41/1999 which prohibit anybody to receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way. PT IKPP and APP should respect the existing laws in Indonesia and stop the forest clearance in this concession immediately. EoF also 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 and calls PT Tiara Cahaya Delima /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.

EoF 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.



Kampar Peninsula

Eyes on the Forest Investigation in March and April 2007 also continued the report of December 2006. EoF again proved that a 4,500-hectare natural forest conversion occurred inside industrial timber plantation concession of **PT Arara Abadi**, a subsidiary of **Asia Pulp & Paper (APP)**, (see pictures 1,2 and 3)

APP's response to EoF Investigative Report December 2006 dated 29 May 2007 implicitly showed that the pulp and paper company has committed illegal logging on natural forest of Kampar Peninsula block. APP failed to specify legality basis granted by the government to support the logging operation in such a concession. APP's excuse that the pulpwood plantation development as part of environmental management plan is clearly misleading and unacceptable. In fact, EoF investigation found that over 4,500 hectares of natural forests had been destroyed for acacia plantation in the peatland-rich Kampar Peninsula. The destruction pose threat to the potentially loss of carbon reserve and incite climate change (see [Stop Kampar conversion PR](#))

During its investigation in December 2006, EoF found that logging road was constructed from PT Arara Abadi's logpond to its logging site which has 3-km length. It showed that the road construction is for the sake of the APP's interest, instead of the community welfare's enhancement. ([Link Investigative EoF December 2006](#))

Senepis Block (Map 4)

EoF Investigation in March, April and June 2007 has found that a 15-km logging road (corridor) is built in Senepis forest block by **PT Ruas Utama Jaya**, a company associated to **Asia Pulp & Paper (APP)**. The ongoing road construction connects Buluhala village via concession of PT Suntara Gajah Pati, an APP subsidiary. The road is built by cutting through the natural forest with 100-m width including canal development at both sides.

EoF has not found yet a 45-km road construction from Ujung Tanjung village or inside PT Ruas Utama Jaya's concession as its management planned to build (*Riau Pos daily*, 25 January 2007). The newspaper's report said that PT Ruas Utama Jaya planned to develop logging road over 45-km length from Ujung Tanjung (Rokan Hilir district) to Buluhala village of Dumai municipality.

EoF considers that the road development by PT Ruas Utama Jaya is to help transport the felled timber of the natural forests from the logging site to APP pulp mill. **The corridor development is a part of grand design by PT Ruas Utama Jaya and PT Suntara Gaja Pati (both associated to APP) to convert the natural forests in Senepis block into monoculture acacia plantation.**

This plan poses threat to endangered Sumatran tiger habitat as the area has been proposed by Dumai Mayor in 2003 (Dumai Mayor Letter number 500/EK/XI/2003/1688, dated 22 November 2003) as well as the Riau administration (the Head of Riau Forestry Service Letter Number 522.1/PR/7518, dated 23 August 2004) for a **Sumatran tiger conservation area** with 60,000 ha. The area covers IUPHHK-HT (HTI) concession of PT.Suntara Gaja Pati (34,800 ha), IUPHHK-HA (HPH/selective logging) concession of **PT Diamond Raya Timber** (5,850 ha and the area which not liable to any rights (15,850 ha).



Unfortunately, the size that previously proposed by Dumai Mayor and Riau Forestry Service for the Sumatran tiger conservation has been decreased. (please see: [APP Clearcut Sumatran tiger habitat, WWF Monitoring Brief October 2006: Asia Pulp & Paper \(APP\) Hiding Destruction behind False Advertisements: APP continues to ignore calls for conservation beyond "legal compliance", and even fails on the latter.](#))

EoF considers that clearcutting of natural forests in these concessions for logging road destroys potential High Conservation Value Forests and calls PT Ruas Utama Jaya and PT Suntara Gaja Pati to stop the forest clearance in these concessions 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.

EoF calls APP to identify widely-accepted 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.

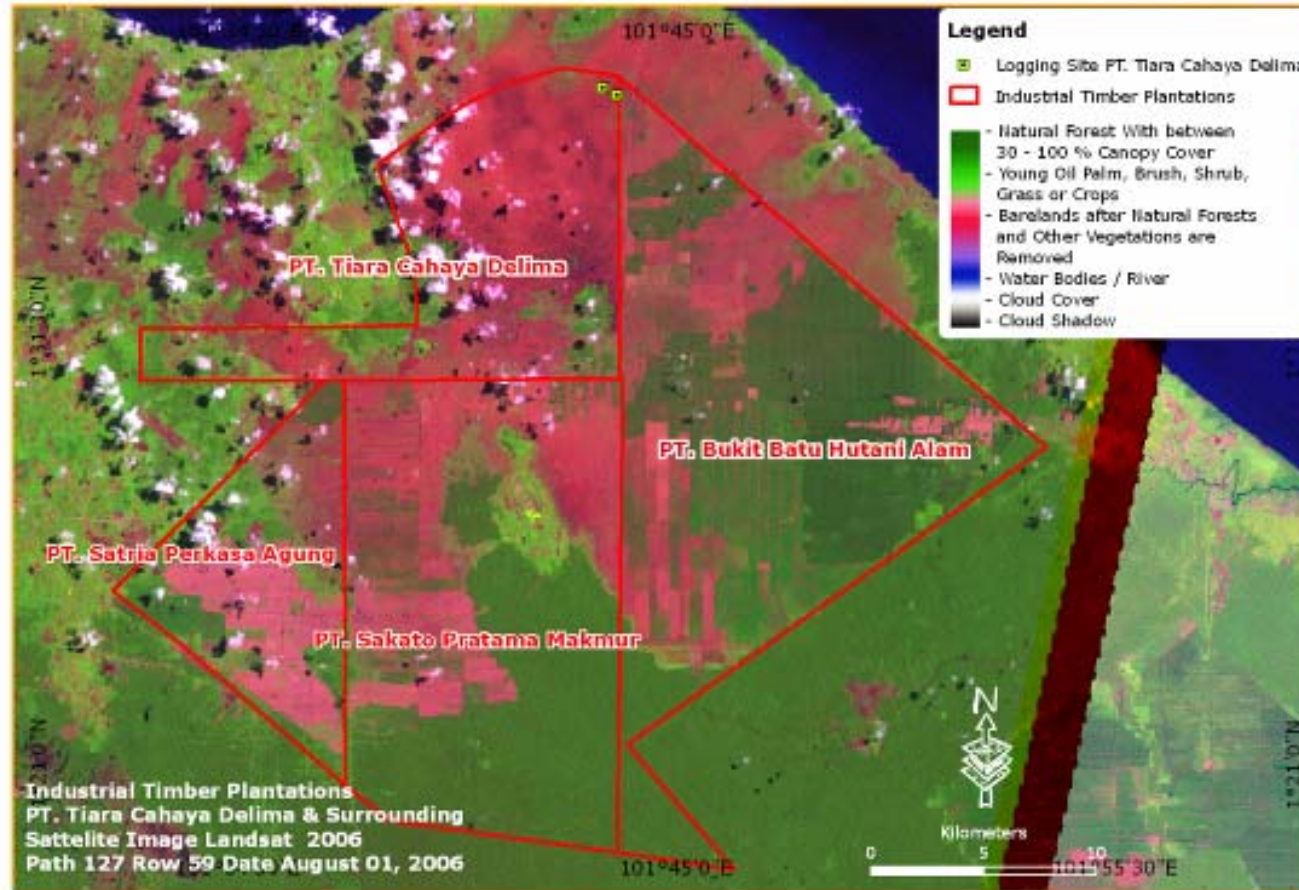
For further information, please contact :

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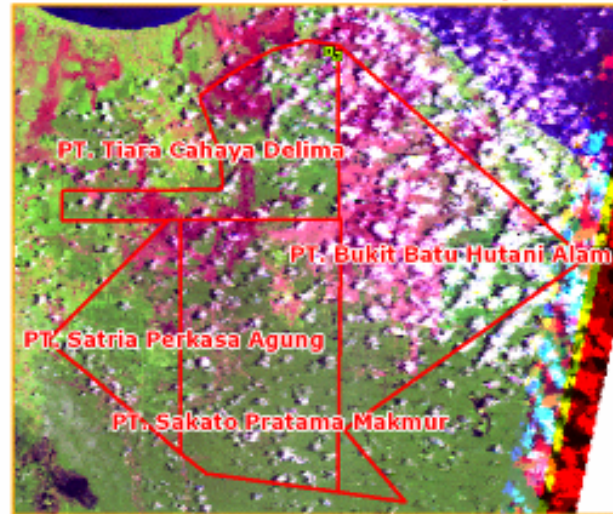


Map 1. Concessions of PT Tiara Cahaya Delima, PT Sakato Pratama Makmur, and PT Satria Perkasa Agung and forest condition by Landsat satellite image August 2006. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil 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
Industrial Timber Plantation PT. Tiara Cahaya Delima

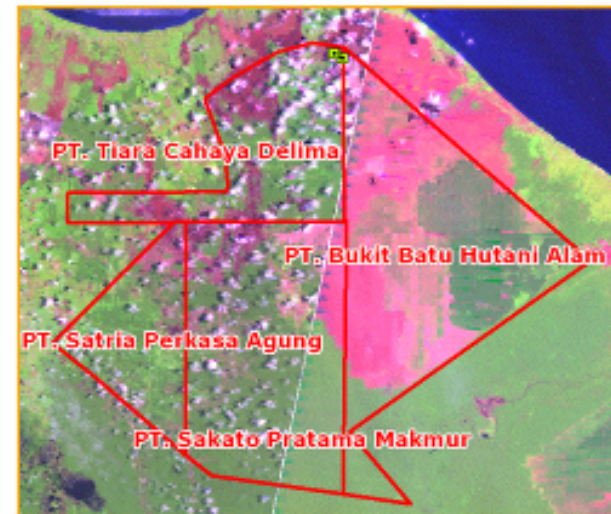


Sattelite Image Landsat 2004
 Path 127 Row 59 Date March 20, 2004



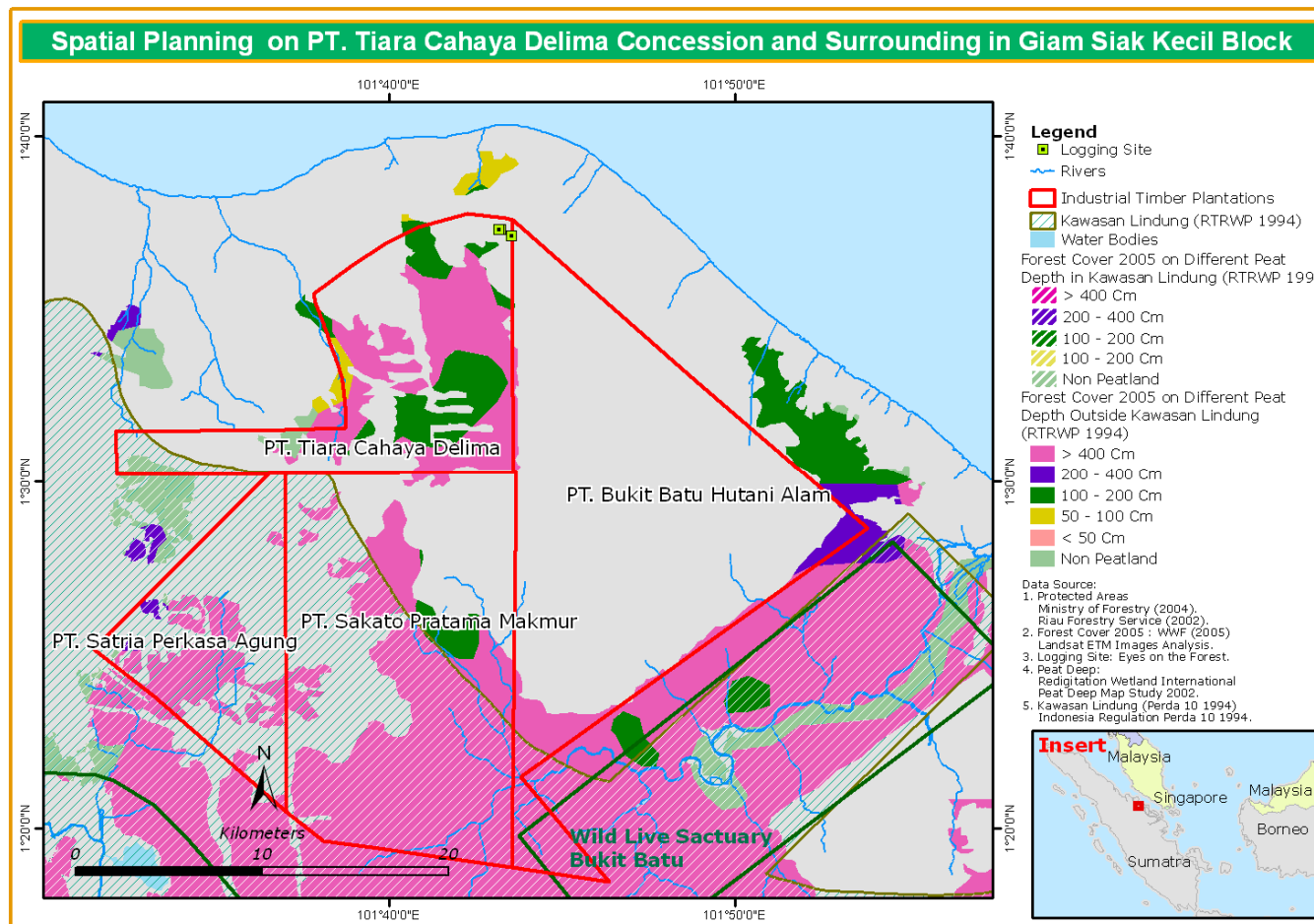
Legend

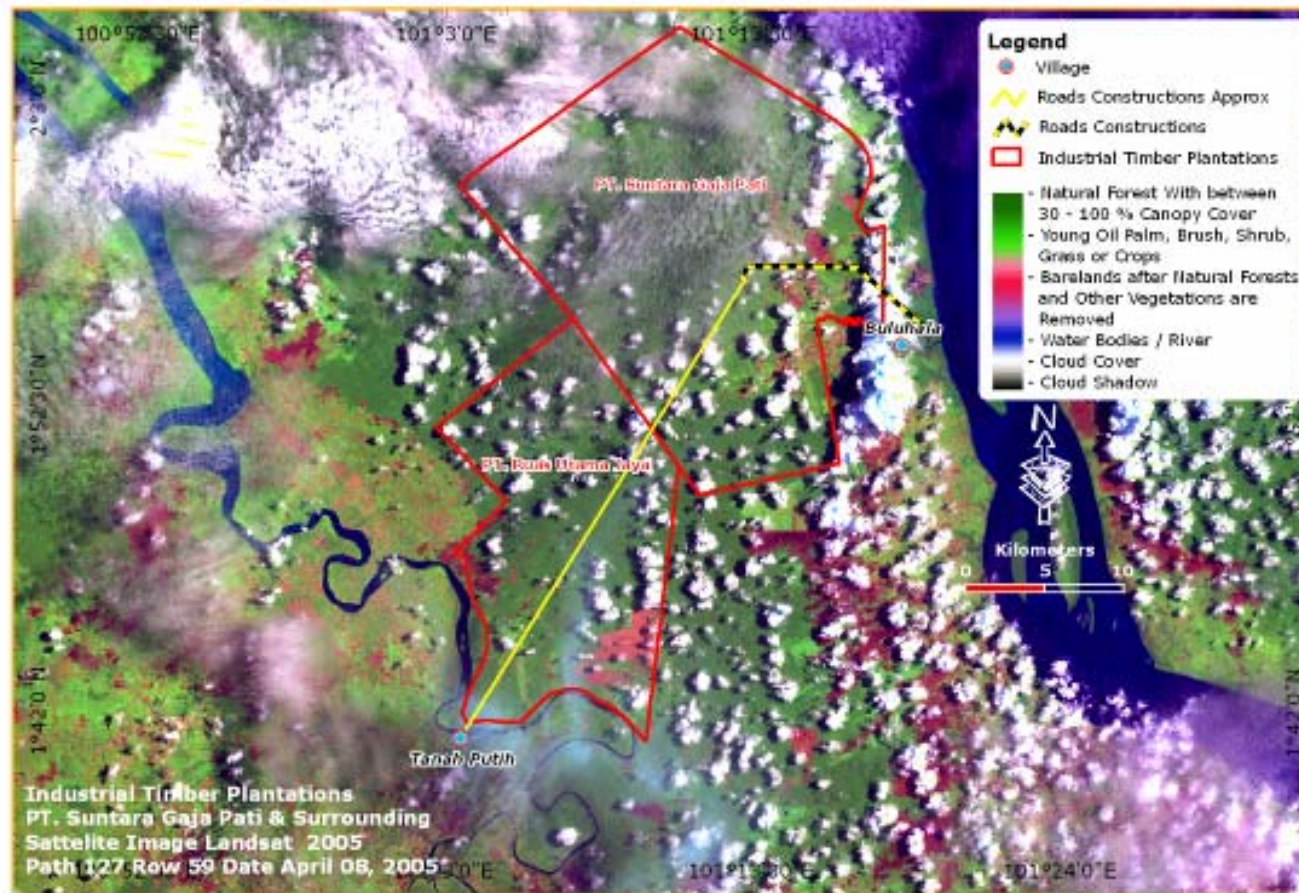
- Logging Site PT. Tiara Cahaya Delima
- Industrial Timber Plantations
- Natural Forest With between 30 - 100 % Canopy Cover
- Young Oil Palm, Brush, Shrub, Grass or Crops
- Barelands after Natural Forests and Other Vegetations are Removed
- Water Bodies / River
- Cloud Cover
- Cloud Shadow



Sattelite Image Landsat 2005
 Path 127 Row 59 Date April 08, 2005

Map 2. Difference of forest condition in the HPH concession of PT Tiara Cahaya Delima as shown by Landsat satellite image of March 2004 and April 2005. 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 4. PT Ruas Utama Jaya and PT Suntera Gaja Pati concessions and forest condition as shown by Landsat satellite image 2005. The yellow line showed the planned road construction while the 'zebra' line indicated the logging road that already built. The construction destroys and cuts through natural forests.



Picture 1. PT Arara Abadi destroys natural forests of peatland-rich Kampar Peninsula and supply the timbers to APP pulp mill.





Picture 2. PT Arara Abadi (APP's subsidiary destroys natural forests of peatland-rich Kampar Peninsula inciting the loss of carbon reserve and the climate change.



Picture 3. PT Arara Abadi (APP's subsidiary destroys natural forests in peatland-rich Kampar Peninsula inciting the loss of carbon reserve and the climate change.

