



APP/SMG suppliers in Senepis block, Riau, allegedly breach the group's peat protection pledge and sustainability commitment

PT Ruas Utama Jaya and PT Suntura Gaja Pati allegedly clear young regeneration forest, conduct questionable extension, drain peat canals which show APP's conservation commitment is just lips service



A report on Eyes on the Forest and media field trip

February 2021

Eyes on the Forest (EoF) was founded in 2004 by three NGOs in Riau, Sumatra: Walhi Riau, Jikalahari "Riau Forest Rescue Network" and WWF-Indonesia Central Sumatra Program. Its network members include KKI Warsi in Sumatra; and Environmental Law Clinic, Lembaga Gemawan, Jari Indonesia Borneo Barat, Kontak Rakyat Borneo, POINT, Swandiri Institute, Yayasan Titian, Gapeta Borneo and WWF-Indonesia West Kalimantan Program in Kalimantan.

EoF investigates those who clear natural forests and grab land they do not own in Indonesia. The coalition also informs those who buy products made from commodities grown on these lands and those who regulate the use of these lands.

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

Cover photo: An excavator in concession of PT Ruas Utama Jaya stands by. It is believed the excavator is used to clear natural forest in the concession. Photo taken on 1°51'43.65"N 101°16'24.38"E on 16 September 2020. ©Eyes on the Forest.

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INTRODUCTION

Sinas Mas Group's Asia Pulp & Paper (SMG/APP) published a "Forest Conservation Policy (FCP)" on 5 February 2013 and announced "moratorium on natural forest clearing in all its supply chain in Indonesia". The policy also said:

- "APP and its suppliers will only develop areas that are not forested, as identified through independent HCV and HCS assessments" and
- "no further canal or other infrastructure activities will take place within undeveloped suppliers' concessions on non-forested peatland until independent HCV assessments including input from peat experts has been completed." ⁱ

Early September 2020, Jikalahari - a member of Eyes on the Forest (EoF) coalition - conducted an investigation and found indication of deforestation conducted by two SMG/APP suppliers: PT Ruas Utama Jaya (RUJ) and PT Suntura Gajapati (SGP).

Both are declared by SMG/APP as their "independent" suppliers, although PT. Ruas Utama Jaya was found to have a close link with the groupⁱⁱ. They likely in competition to clear-cut natural forest and expand acacia planting in peatlands for APP pulp mills. Moreover, the two concessions have been operating on vulnerable ecosystem, in deep peat and habitat of Sumatran tiger that projected by the government as area for Senepis Sumatran tiger conservation.

EoF in analysis of this report would not challenge a possibility of whether APP and its suppliers are allowed to clear natural forest which is not located in the criteria of High Conservation Value (HCV) and High Carbon Stock (HCS) areas, but EoF believe that APP's FCP commitment would not allow any clearing in natural forest or peatland if they stick to the commitment.

Does APP/SMG stick to enforce its own policy on HCV/HCS assessments for concessions of PT RUJ and PT SGP? Despite APP/SMG have conducted HCV-HCS assessment for both PT RUJ and PT SGP, EoF has not found peer-review report by either HCSA panel team or HCVRN for the companies. EoF indicated that HCV-HCS assessments conducted by PT RUJ and PT SGP could be sloppy.

As observation by Jikalahari first and followed by a joint media visit of Eyes on the Forest along with *Tempo*, *Mongabay*, *Green Line Radio* and *Bertuahpos* in September aiming at to get closer in watching the reality in both concessions. The media visit occurred on 16-17 September when the world suffered Coronavirus Disease 2019 (Covid-19) as the degradation to nature happens and deforestation is believed to trigger zoonosis causing pandemic. The observation with media as wrapped in this brief connecting analysis by geographic information system and findings on the spot.

INVESTIGATION FINDINGS

EoF investigations in September 2020 identified the following alleged violation of APP FCP by the two suppliers:

1. Young regeneration forest clearance and plantation development on peat in violation of APP FCP.
2. Young regeneration forest clearance and plantation development in Peat Ecosystem indicated for Protection Function
3. New peat drainage canal development
4. Plantation development in potential HCV and HCS areas

1. Young regeneration forest clearance and plantation development on peat in violation of APP FCP

On 16 September 2020, EoF and media found that PT RUJ and PT SGP cleared 149 and 31 hectares of young regeneration forest, respectively (Picture 1) in violation of SMG/APP's FCP. EoF estimates that the young regeneration forest clearance in PT RUJ concession occurred in August 2020. The EoF team and media found several plastic containers of acacia seedlings in the deforested area, two excavators standing by in PT RUJ concession (Picture 2) and piles of harvested natural forest trees (Picture 3).



Picture 1. Young regeneration forest clearance and pulpwood plantation development in PT RUJ concession in peatland of Senepis block. Unfelled trees seen in this photo are indicated as ones where the workers use for shelter. Photo taken at 1°50'56.72"N 101°16'41.98"E on 16 September 2020. ©Eyes on the Forest.

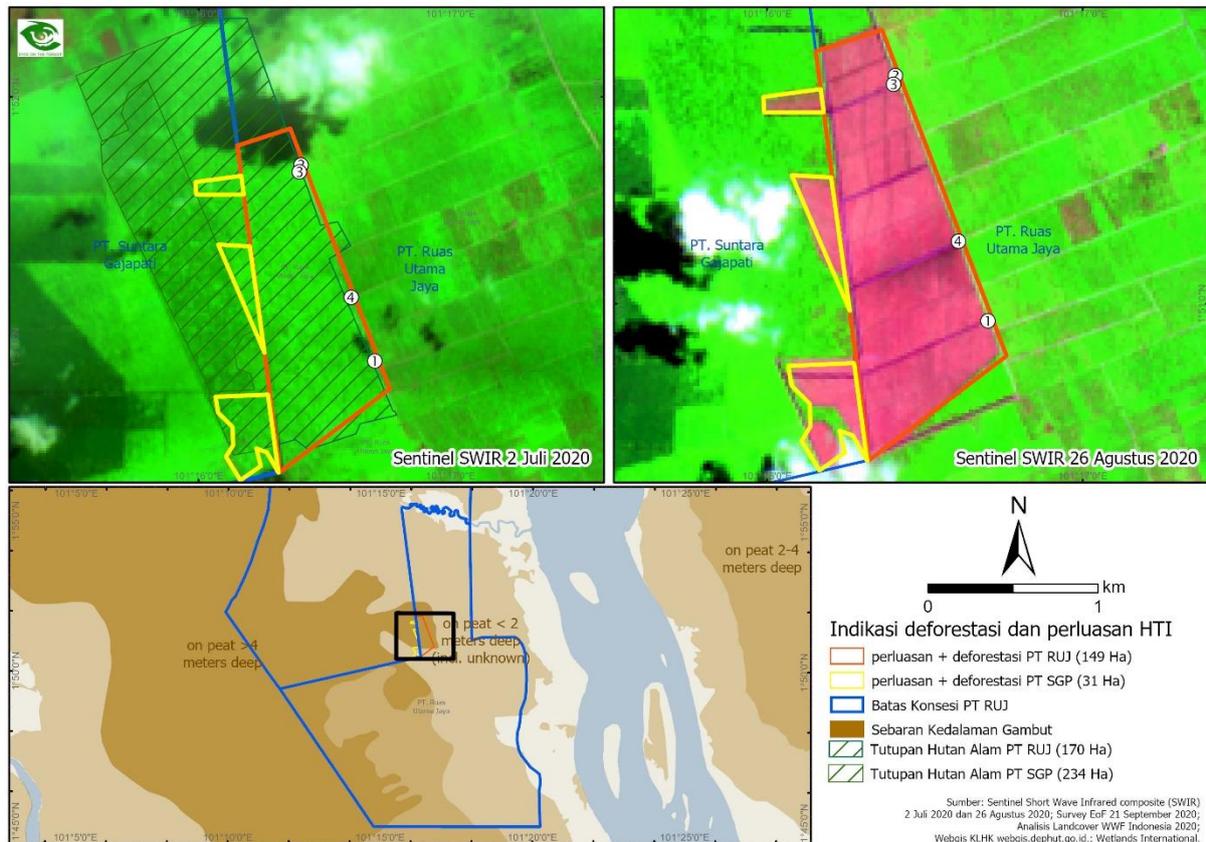


Picture 2. An excavator stands by in PT RUJ concession, indicating that it would continue young regeneration forest clearance. Photo taken at 1°51'43.65"N 101°16'24.38"E on 16 September 2020. ©Eyes on the Forest.



Picture 3. Natural wood trees felled in PT RUJ concession. Photo taken at 1°51'42"N 101°16'24"E on 16 September 2020 ©Eyes on the Forest.

Sentinel SWIR image of July 2020 show young regeneration forest (rough texture, inhomogenous color and no peat canal) in areas which were cleared by PT RUJ and PT SGP by 26 August 2020. Peat canals developed in opened area suggest that the area is drained to develop acacia plantation. The land cover analysis in this area constitute classification of natural forest cover. Based on analysis of the two Sentinel SWIR images, EoF concludes that PT RUJ and PT SGP cleared 149 hectares and 31 hectares of natural forest by 26 August 2020.



Map 1. Sentinel SWIR image of 2 July 2020 and 26 August 2020 indicates deforestation in PT RUJ and PT SGP concessions. Young regeneration forest areas (rough texture, inhomogenous color and no peat canal inside hatchet areas on 2 July 2020 image) is cleared and 26 August image shows the exposed soil in pink and peat canals in purple lines. Numbers ① - ④ on the maps indicate locations of Pictures 1-4.

Peat depth in the deforested area and where peat canal was developed (Picture 4) in both concessions is over 4 meters. So their operations can be considered in violation of Government Regulation number 57 year 2016 on Protection and Management of Peat Ecosystem (amendment of PP 71/2014)¹, Article 9 of which stipulates:

- (3) Minister is obliged to determine protection function of peat ecosystem in at least 30% (thirty per hundred) and entire size of peat hydrological unit which is located from 1 (one) or more than peat dome peak.
- (4) In term of beyond 30% (thirty per hundred) from entire size of peat hydrological unit as intended on point (3) still exists:
 - a. Peat with depth of 3 (three) meters or more;
 - b. Specific germplasm and/or endemic;

¹ Government Regulation of the Republic of Indonesia No. 57 of 2016 concerning Protection and Management of Ecosystem of Peat lands. <http://faolex.fao.org/docs/pdf/ins174375.pdf>

- c. *Species which is protected accordingly to law and regulation; and/or*
 - d. *Peat ecosystem that located in protection zone as determined in a region spatial plan, protection forest zone, and conservation forest zone,*
- Minister must determine as peat ecosystem protection function.*



Picture 4. Peat drainage canal in RUJ concession, on peat of over 4 meters depth. Photo taken at 1°51'11.97"N 101°16'36.36"E on 16 September 2020. ©Eyes on the Forest.

2. Young regeneration forest clearance and plantation development in Peat Ecosystem indicated for Protection Function

A field visit by EoF and media of PT SGP area on 17 September 2020 found that indication of young regeneration forest clearing reaches 308 hectares. However, the size of young forest clearing and acacia plantation extension in SGP is much bigger than EoF team found. Observation by Sentinel SWIR image of 26 August 2020, that cleared area in SGP concession reached 1,779 hectares. Sentinel SWIR image of 13 April 2020, shows that clearing in SGP had started prior to April 2020, but it is bigger than the company did in period of April-August 2020.

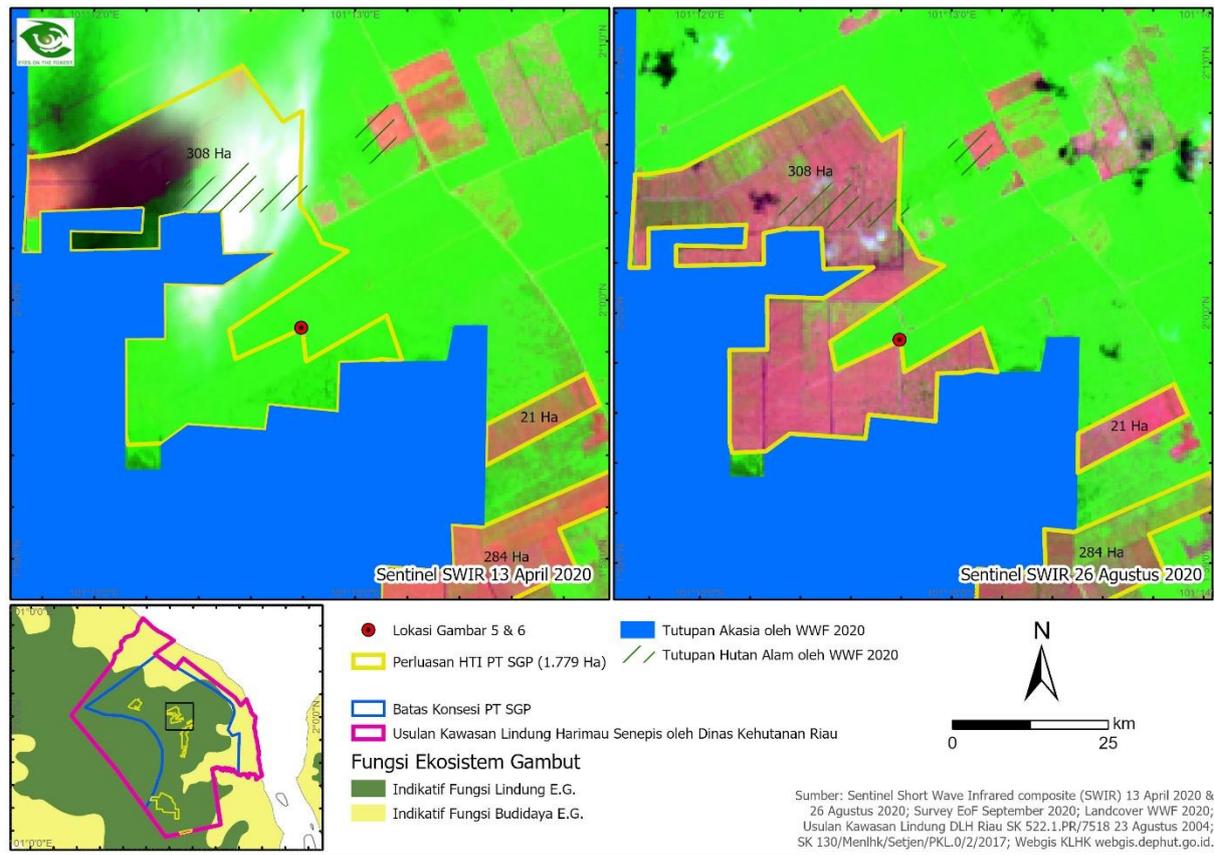
Analysis of land cover 2020 by WWF-Indonesia shows the area is a part of HTI industrial timber plantation extension in concession of SGP. This is shown by in some part of cleared area which is class of natural forest cover classification and not identified as class or classification of acacia plantation.

Overlay to Map of Ministerial Decree number SK.130/MENLHK/SETJEN/PKL.0/2/2017 on Determination on National Peat Ecosystem Function Map, the entire natural forest clearing area is located inside indicative Peat Ecosystem Protection Function. Referring to PP 57/2016 on Protection and Management of Peat Ecosystem, Article 21 point (1) "Utilization of Peat Ecosystem on protection function of peat ecosystem as meant by Article 20 point (2) can be implemented in restriction for activities:

- a. research;
- b. science;
- c. education; and/or
- d. environmental services.



Picture 5. Young regeneration forest clearing in concession of PT SGP. Three-month old acacia plantation as this area is entirely zone of indicative peat protection function. The picture was taken in coordinate of 1°59'53.53"N 101°12'47.63"E, on 17 September 2020. ©Eyes on the Forest.



Map 2. Observation by Sentinel SWIR image 26 August 2020, land clearing in concession of PT SGP reached 1,779 hectares. Sentinel SWIR image 13 April 2020 showed young regeneration forest clearing in PT SGP concession has been done before April 2020, however it was broader than that in period of April-August 2020. Analysis of land cover 2020 by WWF-Indonesia showed this area is an extension part of HTI by PT SGP concession. Overlay the area of SK.130/MENLHK/SETJEN/PKL.0/2/2017 decree with entire young regeneration forest clearing in indicative Peat Ecosystem Protection Function. Pink color shows this area has been ever proposed by Riau Province Forestry Service as Protection Zone of Sumatera-Senepis Tiger

3. Indication of new peat drainage canal development

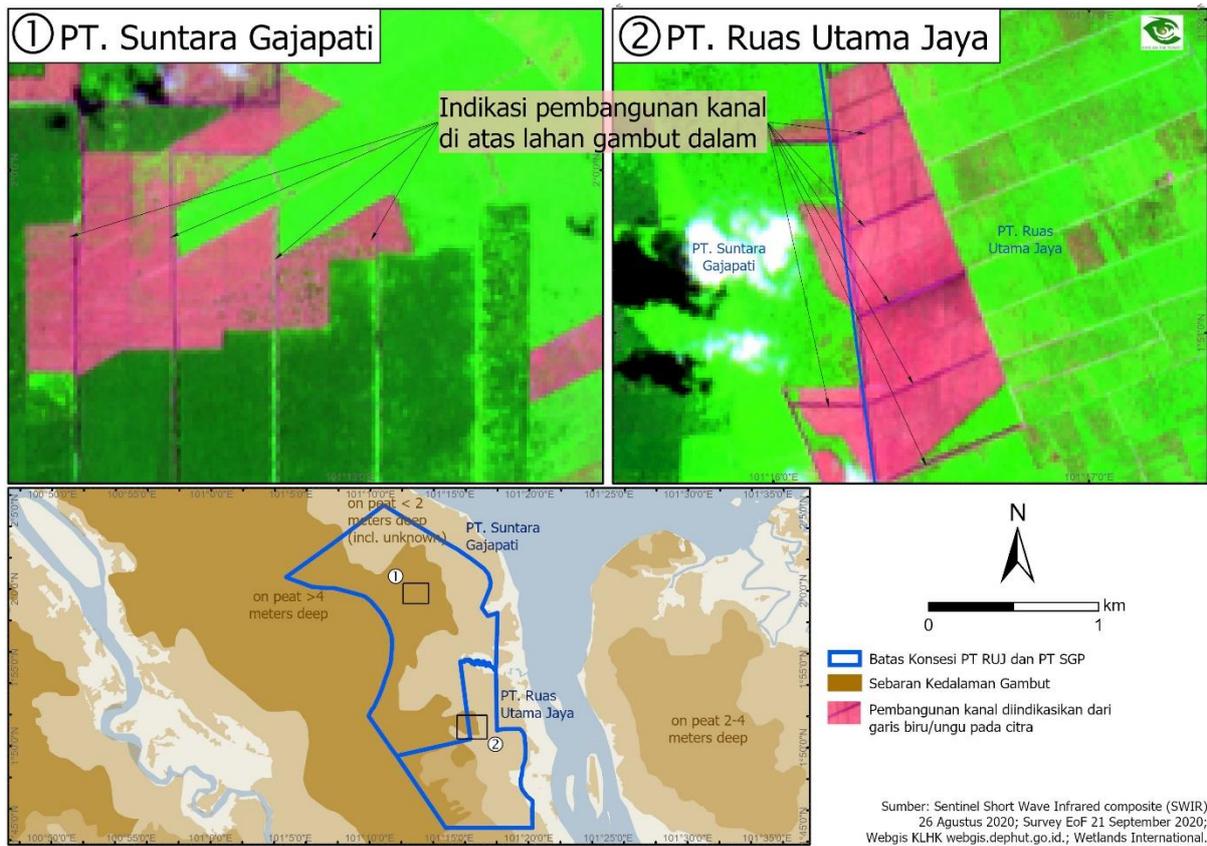
It is inevitable that young regeneration forest clearing to extend acacia plantation in peatlands will drain more new canals. These canals directly or indirectly will influence hydrological system in peat ecosystem. EoF observation from the ground learns that the peat canal draining reach 3 meter width, 4 meter depth, and various length to 1 kilometer.

Forest Conservation Policy (FCP) by APP on 5 February 2013 firmly said: *“no further canal or other infrastructure activities will take place within undeveloped suppliers’ concessions on non-forested peatland until independent HCV assessments including input from peat experts has been completed.”* Despite EoF has yet to obtain data and information on HCV assessment in this area , APP with its suppliers should not add escalation of peat degradation in Riau Province, in particular in Senepis landscape.



Picture 6. New canal drained by SGP, APP supplier, around three months ago. It is estimated the peat depth this canal reach 3.5 meter. Photo is taken on coordinates 1°59'53.53"N 101°12'47.63"E on 17 September 2020. ©Eyes on the Forest.

Observation by Sentinel image of August 2020 showed that the cleared land --or area where land clearing happened— contain stripes constituting new peat canal draining (Map 3). Moreover, overlay with data of Wetlands International 2003, the area of new canal draining is located in peat depth of over 4 meters.



Map 3. Observation by Sentinel image of August 2020 showed that the cleared land --or area where land clearing happened-- contain stripes constituting new peat canal draining. Overlay with data of Wetlands International 2003, the area of new canal draining is located in peat depth of over 4 meters.

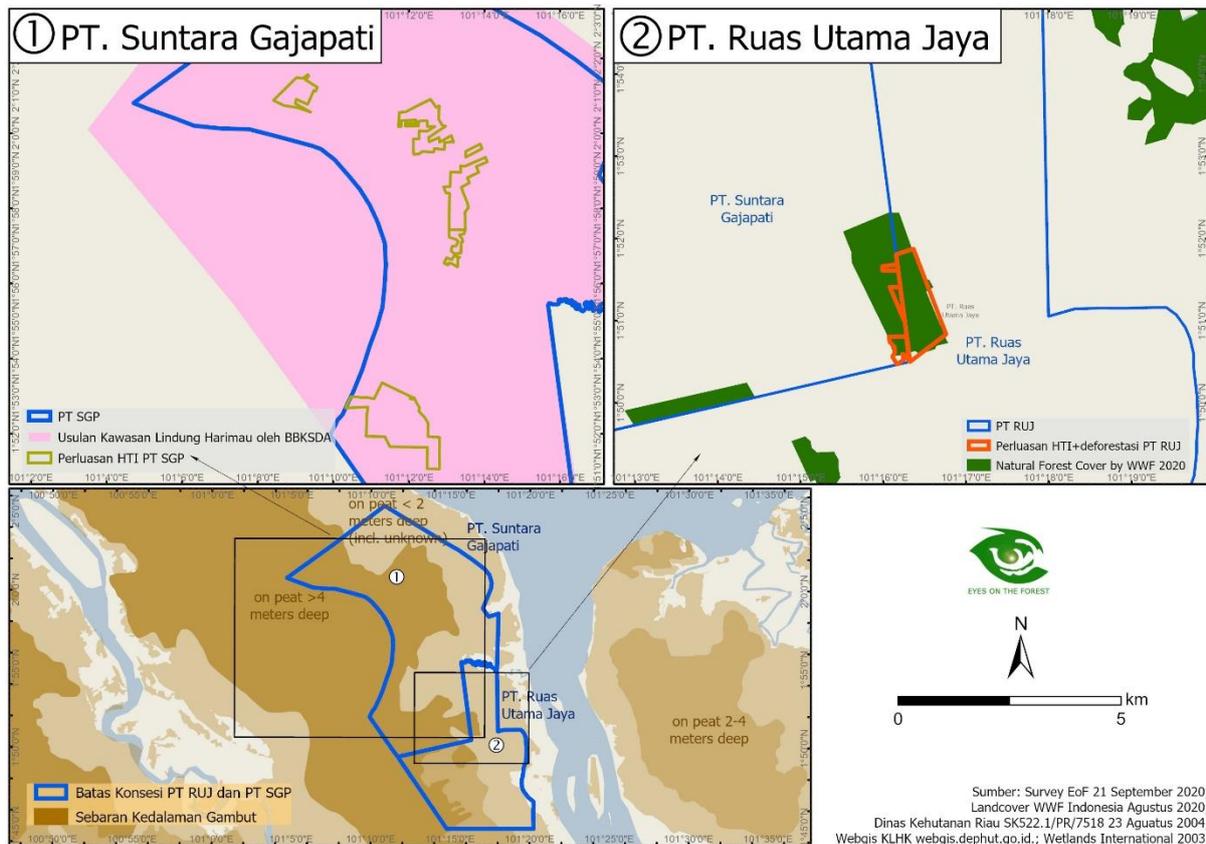
4. Plantation development in potential HCV and HCS areas

As explained before, examination by Sentinel SWIR satellite images of April, July and August 2020, cleared areas in RUJ and SGP concessions constituted that the areas were natural forest. This is depicted by images which are rough texture, inhomogenous color and no canal. EoF has yet to obtain classification of forest cover in location of clearing. However, EoF believe that the land clearings come from at least 4 classifications of HCS such as: high-density forest, medium density forest, low density forest, old and young shrubs. By the findings, EoF believe that the areas are cleared or a landclearing (recently) which is not come from open land.

Moreover, overlay to cleared land or landclearing in concession of RUJ and SGP with data of Wetlands International 2003 and Map Ministerial Decree number SK.130/MENLHK/SETJEN/PKL.0/2/2017 on Determination on National Peat Ecosystem Function Map, the entire natural forest clearing area is located inside indicative Ecosystem Protection Function and on peat depth of over 4 meter. Article 9 point (4) PP 57/2016 stipulates that a peat depth of over 3 meter is included into peat ecosystem protection zone. It also refers to Article 21 point (1) "Utilization of Peat Ecosystem on protection function of peat ecosystem as meant by Article 20 point (2) can be implemented in restriction for activities:

- e. research;
- f. science;
- g. education; and/or
- h. environmental services.

In addition to this, which could be more interesting is the clearing areas of RUJ and SGP concessions have been proposed by Riau Province Forestry Service in 2004 as Conservation for Senepis Sumatran Tiger. Despite in 2005 the Ministry of Forestry displaced the proposal area (RUJ and SGP portion) into area of PT Diamond Raya Timber, a selective logging concession in Senepis. Kementerian Kehutanan menggeser usulan ini ke konsesi HPH PT Diamond Raya Timber. Senepis landscape is acknowledged scientifically since 2002 by SCTP as one of tiger conservation landscapes in Sumatra. ⁱⁱⁱ



Map 4. Overlay of map of observation findings on acacia plantation development by PT SGP with proposed Sumatran tiger conservation by BBKSDA Riau in 2004, showing this area is part of tiger conservation landscape of Senepis-Buluhalu. Overlay with map of Wetlands International 2003, the extended plantation of both concessions are located in deep peat of over 4 meter. Based on Natural Forest cover WWF-Indonesia 2020, the acacia extension of PT RUJ is located in productive natural forest cover.

Based on document of Public Summary PT RUJ year 2019 and Public Summary PT SGP year 2020, the suppliers claimed they had identified or assessed HCV to both companies. However, until the report is written, EoF has not found any peer-review report by HSCA and HCVRN panel teams for HCV and HCS assessments of the both suppliers. For HCS assessment, PT RUJ and PT SGP is at stage of “registered” to secretariate HSCA, but they have not been reviewed by panel team of HSCA secretariate^{iv}. Meanwhile, for HCV assessment, EoF has not found any draft nor final report of PT RUJ’s and PT SGP’s HCV assessment.^v

Hence, EoF indicates that assessment conducted by APP and its suppliers remains less proportional or the assessment has flaws.

CONCLUSION

As field observation conducted by Eyes on the Forest some findings are revealed as follows :

1. APP/SMG through independent suppliers, PT RUJ and PT SGP, has been indicated of clearing young regeneration forest and extending acacia plantation on productive natural forest in the peat depth of 4 meter up. RUJ is estimated to clear 149 hectares of forest and SGP 1810 hectares.
2. PT RUJ and SGP have drained new canals in peatland of Senepis landscape ecosystem.
3. Indication of young regeneration forest clearing and extension of acacia plantation in area containing potential High Conservation Value (HCV) and High Carbon Stock (HCS).

RECOMMENDATION

Considering breach of APP Forest Conservation Policy (FCP) commitment and of government regulation concerning to young regeneration forest clearance and acacia planting development by PT RUJ and PT SGP, hence Eyes on the Forest coalition recommend SMG/APP to:

- Halting young regeneration forest clearing
- Restoring peatland damaged and degraded in the concessions.
- Conducting sustainability commitment responsibly which in line with FCP declaration that they declared in 2013.
- Conducting protection commitment on HCV/HCS in concession of PT RUJ and PT SGP optimally and consistently.

#END

ⁱ Asia Pulp & Paper (5 February 2013) Forest Conservation Policy.
https://asiapulppaper.com/documents/20123/0/app_forest_conservation_policy_final_english_0.pdf/675ddb c0-a651-1481-818a-4baefc8d323e?t=1575879660276

ii Koalisi Anti Mafia Hutan (2018) Removing the Corporate Mask. An Assessment of the Ownership and Management Structures of Asia Pulp & Paper's Declared Wood Suppliers in Indonesia.

[https://www.eyesontheforest.or.id/uploads/default/report/Removing_the_corporate_mask_\(3\).pdf](https://www.eyesontheforest.or.id/uploads/default/report/Removing_the_corporate_mask_(3).pdf)

iii Wibisono HT, 2010, Sumatran tiger, *Panthera tigris sumatrae*, A review of conservation status

https://www.researchgate.net/publication/50362725_Sumatran_tiger_Panthera_tigris_sumatrae_A_review_of_conservation_status

iv Registered HCSA Assessment – High Carbon Stock Approach

<http://highcarbonstock.org/registered-hcsa-assessments/>

v HCV Network, Find a Report <https://hcvnetwork.org/find-a-report/>