



Eyes on the Forest

May 2006 Investigative Report



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

Walhi - **Jikalahari** - WWF

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COC ID	Actor	Logging / loading site	Forest block name	Starting date of logging	Logging area (Ha)	Truck(s) wood capacity (m3)	Departure time/ date/ License plate # of truck(s)	Stopping site / time/date / truck(s)	Final destination/ time/ date/ truck(s)	Buyer	Link to analysis
B3005	PT. Harapan Jaya (10 units of excavator, 6 units of pontoon and speed boats)	Logging Site : 102 22 11 E 00 22 35 N Loading Site : 102 19 50 E 00 30 11 N	Kuala Kampar Block	01/03/2006	2000	110	Time/date : 5/29/2006 10.30 AM License Plate # BM 9325 CF RT-21		Final Destination: 101 54 04 E 00 26 41 N Time/Date : 5/29/2006 12.22 PM License Plate # BM 9325 CF RT-21	APRIL Mills	link to analysis
B3006	PT. Surya Sejahtera, PT. Rimba Lestari, PT. Sarindo and PT. Pectech are contractors for logging and transportation for PT. Madukoro. There are 15 units of excavator, 15 logging trucks, 25 units of pontoon (capacity of 25 tons) and 3 units of speedboat	Logging Site : 102 21 16 E 00 24 20 N Loading Site : 102 20 25 E 00 30 12 N	Kuala Kampar Block	01/03/2006	3000	110	Time/date : 5/26/2006 12.15 PM License Plate # BM 9325 CF RT-21	Stopping Site: Sector Pelalawan 102 02 30 E 00 28 01 N Time/Date : 5/26/2006 01.25 PM License Plate # BM 9325 CF RT-21	Final Destination: 101 54 04 E 00 26 41 N Time/Date : 5/26/2006 02.10 PM License Plate # BM 9325 CF RT-21	APRIL Mills	link to analysis

Analysis Investigative Report May 2006

Kampar Forest Block

(B3005Map 1; B3006 Map 2; B3005 Perda 10/1994 Map 3; B3005&B3006 Peat Deep Map4)

Eyes on the Forest (EoF) Investigation in May 2006 in Kampar forest block has found that around 2,000 hectares and 3,000 hectares of natural forests had already been clear-cut inside Timber Plantation Concessions of two timber companies, **CV. Harapan Jaya** (B3005, Map 1) and **PT. Madukoro** (B3006, Map 2), respectively. EoF observed logging activities by CV. Harapan Jaya on 29 May and PT. Madukoro's contractors on 26 May, then followed the wood from the logging sites until the receipt by PT. Riau Andalan Pulp and Paper (PT. RAPP), a company belonging to **Asia Pacific Resources International Holdings Limited (APRIL)**.

These concession licenses were not registered in the database of Industrial Timber Plantation Concessions (HTI) compiled by the Riau Forestry Service in 2005. In May 2006, EoF requested APRIL to verify whether the EoF database on HTI includes all the concessions associated with APRIL or not, however, APRIL did not point out that the EoF database did not include these two concessions.

Based upon Jikalahari's investigation ([Investigative Report on Natural Forest Timber Supplier for RAPP \(APRIL\) in Kampar Peninsula, Riau](#)), the concession licenses in this area were both issued by the Head of Pelalawan District:

- CV. Harapan Jaya has an IUPHHK-HT license (Industrial Timber Plantation License) by Decree No 522.1/Dishut/2001/721, dated 12 September 2001. The area size of the concession where logging is happening is 4,800 hectares.
- PT. Madukoro has an IUPHHK-HT license (Industrial Timber Plantation License) by Decree No 522.1/Dishut/2001/675, dated 11 September 2001. The area size of the concession where logging is happening is 15,000 hectares.

The Ministry of Forestry (MoF) is on the process of reviewing the validity of IUPHHK-HT licenses issued by Provincial Governors or Heads of Districts (Forestry Minister Decree No P.03/Menhut-II/2005 dated 18 January 2005). Since 25 July 2005, *Eyes on the Forest* has been calling on all companies that are clearcutting natural forests based on Industrial Timber Plantation Licenses (IUPHHK-HT) issued by Governors or Heads of Districts to immediately issue a moratorium on all such operations. The coalition also called on all companies sourcing timber from such activities to immediately stop all deliveries (see [EoF PR on 25 July 2005](#)).

CV. Harapan Jaya and PT. Madukoro should not have started the operations in these concessions and should therefore immediately stop its logging activities. PT. RAPP should stop sourcing timber from such activities until written legal verifications are issued by the MoF.

In addition to the legal review by the MoF, President of Indonesia through a Presidential Decree (Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor's decree (No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) order to examine operation licenses relating to timber forest concession and further



cancellation of the licenses if they have been issued and do not comply with existing laws.

The concessions of CV. Harapan Jaya and PT. Madukoro overlap with the following areas, thus violate some existing laws:

- Natural forests which was still in good condition, as shown by Landsat Image for the area in 2005. Forestry Minister Decree Number 10/2000 in connection with 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that 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.
- Provincially protected "Protection Area" (Kawasan Lindung) as per the currently active Riau Land Use Planning (RTRWP 1994) should not be converted ([Map 3](#)).
- Peat soil depth of more than four 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. ([B3005 & B 3006, Map 4](#))

PT RAPP of APRIL has purchased the timber from these concessions and therefore has violated [Forestry Law No. 41/1999](#) article 50 clause (3) point (f) in conjunction with article 78 clause (4) 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.

CV. Harapan Jaya and PT. Madukoro should respect the existing laws in Indonesia and stop the forest clearance in these concessions immediately. *EoF* also calls on PT. RAPP to immediately stop sourcing wood originating from such operations.

Kampar Forest Block (B3004, Map 5)

Eyes on the Forest (EoF) Investigation in May 2006 in Kampar forest block has found that PT. Satria Perkasa Agung in Serapung had built canals for transporting its logs, which also likely incites the company or illegal loggers to conduct unlawfulness by using the manmade canals. Investigation on the spot confirmed that PT SPA –whose concession overlaps to HCVF Serapung unit—planted acacia that complained by neighboring Segamai Timur villagers who suffered unsuccessful coconut plantation's harvest.

Based upon *EoF*'s investigation the concession licenses in this area was issued by the Head of Pelalawan District:

- PT Satria Perkasa Agung has an IUPHHK-HT license (Industrial Timber Plantation License) by Decree No 522.1/Dishut/2001/013, dated 29 January 2003. The area size of the concession where logging is happening is 12,000 hectares. Referring to Forest Cover 2005, 5,400 ha out of 12,000 ha of natural forest cover has been converted by PT. SPA Serapung into land clearing for acacia plantation, as monitored by Landsat image on 7 August 2005.



- The Ministry of Forestry (MoF) is on the process of reviewing the validity of IUPHHK-HT licenses issued by Provincial Governors or Heads of Districts (Forestry Minister Decree No P.03/Menhut-II/2005 dated 18 January 2005). Since 25 July 2005, *Eyes on the Forest* has been calling on all companies who are clearcutting natural forests based on Industrial Timber Plantation Licenses (IUPHHK-HT) issued by Governors or Heads of Districts to immediately issue a moratorium on all such operations. The coalition also called on all companies sourcing timber from such activities to immediately stop all deliveries (see [EoF PR on 25 July 2005](#)).

PT. Satria Perkasa Agung should not have started the operations in this concession and should therefore immediately stop its logging activities. PT Indah Kiat Pulp & Paper (IKPP), associated to Asia Pulp & Paper (APP), should not purchase timber logged by PT SPA until its written legal verification is issued by the MoF.

In addition to the legal review by the MoF, President of Indonesia through a Presidential Decree (Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor's decree (No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) order to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws.

The concessions of PT Satria Perkasa Agung overlaps with the following areas, thus violate some existing laws:

- Natural forests which was still in good condition, as shown by Landsat Image for the area in 2005. Forestry Minister Decree Number 10/2000 in connection with 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that 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.
- High Conservation Value Forest (HCVF) Serapung located inside the concession which the concession holder should comply with its principles. Forestry Minister Decree Number 10/2000 in connection with 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that 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.

PT SPA has built canals to transport its timber where it also left one of them defunct which represents that the concession holder allegedly does not hold responsibility to protect the forest:

- A canal that built on concession area of PT. SPA Serapung located on coordinate point 0.46313703 N 103.06113482 E. ([point 1 on Map 5](#)) and another defunct canal on concession area of PT. SPA situated on coordinate point 0.46105027 N 103.06245446 E. ([point 2](#)):



- Debris of fires on PT. SPA's concession situated on coordinate point 0.45728981 N 103.06483090 E. The land is utilized by farmers in Segamai Timur village, Teluk Meranti sub-district, Pelalawan District. ([point 3](#)). Debris of fires on PT. SPA's concession situated on coordinate point 0.44671118 N 103.07033479 E, where the area has been planted by villagers of Desa Segamai for coconut plantation Based on [Modis Web Fire Mapper](#), in March 2006 alone, the hotspots detected in Serapung were 76.

Forestry Law number 41/1999 article 48 clause 4 stipulates that "Forest protection within right forest shall be undertaken by the holder of rights." Moreover, the Law article 49 states out that "Holders of rights or licenses shall be responsible for forest fires occurring in their working area."

EoF's investigation also found that outside PT. SPA's concession, an activity of a sawmill industry exists in Kampar River's side on coordinate point 0.37886202 N 103.07898760 E in Segamai Timur village, Teluk Meranti sub-district, Pelalawan District (point 5). Sawmill small industry's owners that identified are AT, AK and AG where their devices that identified are band saw type (3 units) and pontoon (5 units). Activity of sawmill industry started in 2002. It is unrecognizable whether the sawmill owners have operational license, but their wood sourced from illegal logging that committed by community groups surrounding the concession.

PT. Satria Perkasa Agung should respect the existing laws in Indonesia and protect the concession --where it holds rights-- from any illegal activities. EoF also calls on PT. IKPP to immediately stop sourcing wood originating from such illegal operations.

Blok Kerumutan (B4007, Map 6)

Eyes on the Forest (EoF) Investigation in May 2006 in Kerumutan forest block has found that PT Rimba Mutiara Permai ([B4007, Map 5](#)) source merely natural logs without having commitment to plant acacia (point 3 on Map 4). PT RMP allows its part of concession to be left uncultivated which consequently encouraged residents living nearby to plant crops on its cleared land (point 2). Referring to Forest Cover 2005, as monitored by Landsat image of 7 August 2005, PT. RPM has converted natural forest into acacia plantation by 3,000 out of the planned 9,000 ha.

Through observation used GPS technology, EoF found that several sites of PT RPM concession have been utilized by villagers for plantation. From entire areas where logging conducted by RPM, some planted with acacia ([points 1, 4,5,8](#)), other areas remains unplanted with acacia, meaning it is vacant. On its boundary to natural forest, RPM planted acacia trees ([points 6,7,9](#)). Forestry Law number 41/1999 article 48 clause 4 stipulates that "Forest protection within right forest shall be undertaken by the holder of rights."

Based upon EoF's investigation, PT RPM's concession license in this area is issued by the Head of Pelalawan District:

- PT. Rimba Mutiara Permai has an IUPHHK-HT license (Industrial Timber Plantation License) by decree No 522.21/IUPHHKHT/2003/008 dated 27 Januari 2003. The area size of the concession where logging is happening is 9,000 hectares.



- The Ministry of Forestry (MoF) is on the process of reviewing the validity of IUPHHK-HT licenses issued by Provincial Governors or Heads of Districts (Forestry Minister Decree No P.03/Menhut-II/2005 dated 18 January 2005). Since 25 July 2005, *Eyes on the Forest* has been calling on all companies who are clearcutting natural forests based on Industrial Timber Plantation Licenses (IUPHHK-HT) issued by Governors or Heads of Districts to immediately issue a moratorium on all such operations. The coalition also called on all companies sourcing timber from such activities to immediately stop all deliveries (see [EoF PR on 25 July 2005](#)).

PT. Rimba Mutiara Permai should not have started the operations in this concession and should therefore immediately stop its logging activities. PT Riau Andalan Pulp & Paper (RAPP), associated to Asia Pacific Resources International Limited (APRIL), which has joint venture with this company, should not purchase timber logged by PT RMP until its written legal verification is issued by the MoF.

In addition to the legal review by the MoF, President of Indonesia through a Presidential Decree (Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor's decree (No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) order to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws.

The concession of PT RMP overlaps with the following area, thus violate existing law:

- Natural forests which was still in good condition, as shown by Landsat Image for the area in 2005. Forestry Minister Decree Number 10/2000 in connection with 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that 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.

PT. Rimba Mutiara Permai should respect the existing laws in Indonesia and protect the concession --where it holds rights-- from any illegal activities. *EoF* also calls on PT. RAPP to immediately stop sourcing wood originating from such illegal operations.

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