

Eyes on the Forest

December 2006
Investigative Report



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

Walhi - Jikalahari - WWF
June, 2007

Analysis – December 2006 Investigative Report

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 Timber buyer	HTI concession of PT Arara Abadi APP pulp mill
Legality criteria	Is the concession license issued by Provincial Governor or District Head?	unidentified
	Has the concession license received approval by the central government?	NO
	Has the logging permit on concession received approval for HTI?	NO
	Does the concession overlap with natural forests in good condition?	YES
	Does the concession contain forests protected by the currently active provincial land use plan?	NO
	Is the concession located on peat soil with a depth of more than 3 meters?	YES
	Does the concession overlap with a valid selective logging license? (Minister of Forestry Decree number 109/Menhut-IV/1998 dated 28 March 1998 for 97,500-ha size as official data from Ministry of Forestry 2005 (http://www.dephut.go.id))	YES
HCVF destruction criteria	Has a detailed FMU level HCVF assessment been conducted by the company?	NO
	Has the HCVF assessment been reviewed by local stakeholders?	NO
	Have the stakeholders had an opportunity to provide input to the HCVF delineation?	NO
	Has the stakeholders agreed to the HCVF delineation?	NO
	Does the concession include potential/actual important habitat of the Sumatra Elephant?	NO
	Does the concession include potential/actual habitat of the Sumatran Tiger?	YES



Kampar Peninsula Block (Map 1, 2, 3, 4, and 5)

Eyes on the Forest investigation in December 2006 has found that about 4,500 hectares of natural forest had been illegally clearcut in concession of **PT Arara Abadi (AA)**, subsidiary of **Sinar Mas Group**, associated with **Asia Pulp & Paper (APP)**. The logging in this concession started in 2005. PT Arara Abadi and contractor **PT Sinar Hasta Lestari** clearcut natural forest in this concession, despite EoF coalition has not found any company received and sourced felled timber for the industrial timber plantation (HTI) development in such a concession.

Based upon the field observation, EoF analyzed the alleged involvement of **PT Indah Kiat Pulp and Paper (PT IKPP)**, associated to **APP** in Riau, in receiving and sourcing timber from PT Arara Abadi. *EoF* could not find the plan to develop HTI by PT Arara Abadi in this concession, despite around 3,000 ha has been planted acacia and other 1,500 ha has already been clearcut by September 2007. In this concession, EoF has found PT Arara Abadi ha has planted acacia aging 4 months ([see photo](#)).

Eyes on the Forest has not found yet natural forest logging license for PT Arara Abadi to develop its acacia plantation or HTI development. The official data released by Riau Province Forestry Service 2005-2006 do not specify any HTI concession in the location where EoF found, but:

- Official data by the Ministry of Forestry in 2005 (<http://www.dephut.go.id>) say that concession where acacia plantation developed by PT Arara Abadi is concession held by **PT Triomas FDI** which has selective logging one (IUPHHK-HA or HPH).
- This HPH license is issued based on the Minister of Forestry Decree Number 109/Menhut-IV/1998 dated 28 March 1998. The size of the concession where logging is occurring is 97,500 hectares.

Through its response to this EoF's investigation (May 2007), APP failed to specify any legality basis for logging operation that conducted by PT Arara Abadi, **showing that APP and its partner allegedly conducted illegal logging in Kampar Peninsula forest block.**

EoF Investigation in December 2006 has also found logging road development conducted by PT Arara Abadi through acacia plantation area of **PT Uniseraya**. It is estimated that the logging road development has reached a 3-km length from log pound that used 3 units of excavator.

Beside the logging operation overlaps with concession of another forest utilization, the land clearing for developing acacia plantation (HTI) by PT Arara Abadi in Kampar Peninsula forest block also violate several existing agreements:

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 ([Satellite image map 1](#)). [Image maps 2 and 3](#) indicate that in August 2005 and August 2006 the condition of remaining natural forests in this concession worsen due to conversion for acacia plantation (see [red dots](#)).**

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 (PP 34/2002, article 30 point 3), 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). The identical criteria are also stipulated on 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 4](#)).

3. Still valid and not expired selective logging concession (HPH) of PT Triomas FDI, with a license based on Minister of Forestry Decree Number 476/Menhut-IV/1998 dated 28 March 1998 with total size of 97,500 hectares ([Map 5](#)). Based on Minister of Forestry Decrees Number 10.1/2000 and 21/2001, forest area that is available for Industrial Timber Plantation proposal is barren land inside production forest or/and forest area that converted into production forest which is not entitled by other rights.

PT IKPP of APP allegedly has purchased the illegal timber from this concession and PT Arara Abadi breached existing regulations on criteria of planted forest allocation by destroying natural forest. PT Arara Abadi should respect the existing laws in Indonesia and stop the illegal logging in this concession immediately. EoF also calls on PT IKPP and APP to halt to source wood originating from such unlawful 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 Arara Abadi /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”. Kampar Peninsula forest block is considered to maintain various High Conservation Values, one of them being a critically endangered species, Sumatran Tiger (*Panthera tigris sumatrae*).

Sumatran Tiger Conservation Program & Sumatran Tiger Trust (June 2005) conducted a rapid field survey of Sumatran Tiger in January-February 2005, as a part of an HCVF assessment by Rainforest Alliance’s SmartWood Programme (February 2005) of a forest management unit (FMU) of Asia Pulp & Paper, which is located immediately to the south of the concession of PT Triomas

FDI/APRIL, and its adjacent peat swamp forests. The study identified two adult male tigers and an adult female. A female tiger with 2 juveniles was also reliably sighted in late 2004, confirming that a breeding population of tigers is present in and around this FMU. The study concluded that the peat swamp forests in and around this FMU, although modified by canals, previous HPH logging operations and ongoing illegal logging, provides an excellent habitat for tigers, with abundance of prey and tiger secondary signs at least comparable to other lowland forest types. The rate of photo-capture for all cameras both inside and outside the FMU was the highest rate achieved by any published study on the Sumatran tiger in Indonesia, greater than capture rates from the high-density tiger population in Way Kambas NP and comparable to capture rates achieved in the exceptionally high tiger density areas of India and Nepal's flagship national parks (including Kaziranga, Nagarhole and Chitwan).

A technical assessment report "Setting Priorities for the Conservation and Recovery of Wild Tigers: 2005-2015" recently published by WCS, WWF, Smithsonian and NFWF-STF identified Kampar Peninsula as a Tiger Conservation Landscape of Class II: landscapes that have sufficient habitat for 50 tigers, moderate levels of threat, and a basis for conservation that needs improvement (Figure 6.2 Tiger landscape classification on page 96 of the report) and of Regional Priority: moderate probability of persistence of tiger populations over the long term (Figure 6.4 Tiger landscape prioritization in page 98).

In order to prevent local extinction of Sumatran Tigers and more tiger-human conflicts, forest connectivity should be maintained and an extensive, landscape level conservation area should be established in Kampar Peninsula. A large area of this peninsula, including the area of this concession, has been proposed to be protected by both Jikalahari ([proposal submitted to the MoF in December 2005](#)) and WWF Indonesia ([proposal submitted to the MoF in February 2006](#)).

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, to implement its own public policy properly.

EoF considers that acacia plantation developed by PT Arara Abadi pose a threat to buffer zone or Tasik Belat Wildlife Reserve therefore it is needed a widely-acceptable HCFV assessment in the unit as well as an implementation of logging moratorium in such a concession.

For further information please contact:

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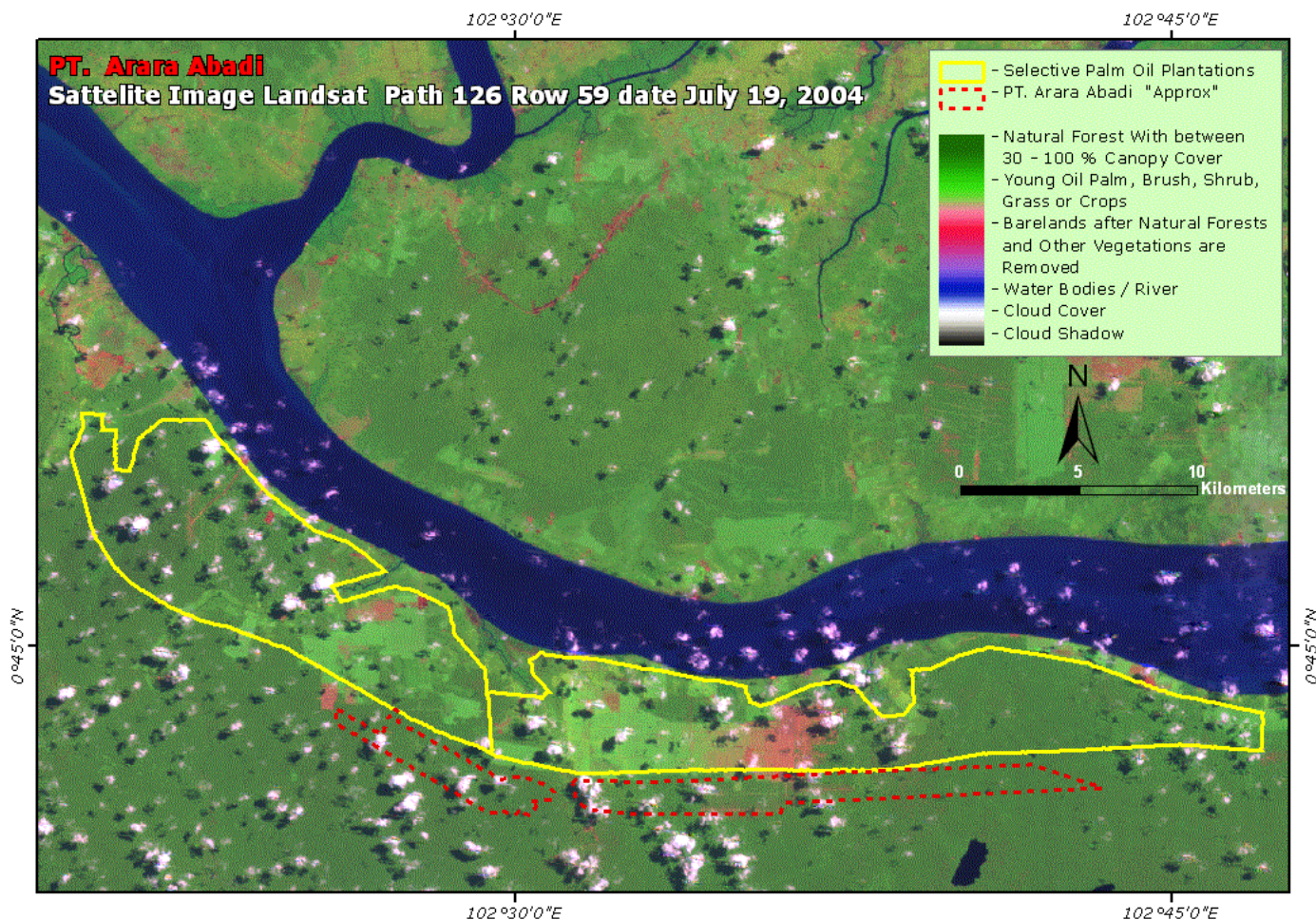


Image Map 1. PT Arara Abadi acacia plantation (red dots) as shown by Landsat satellite image of July 2004 (before conversion). In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.

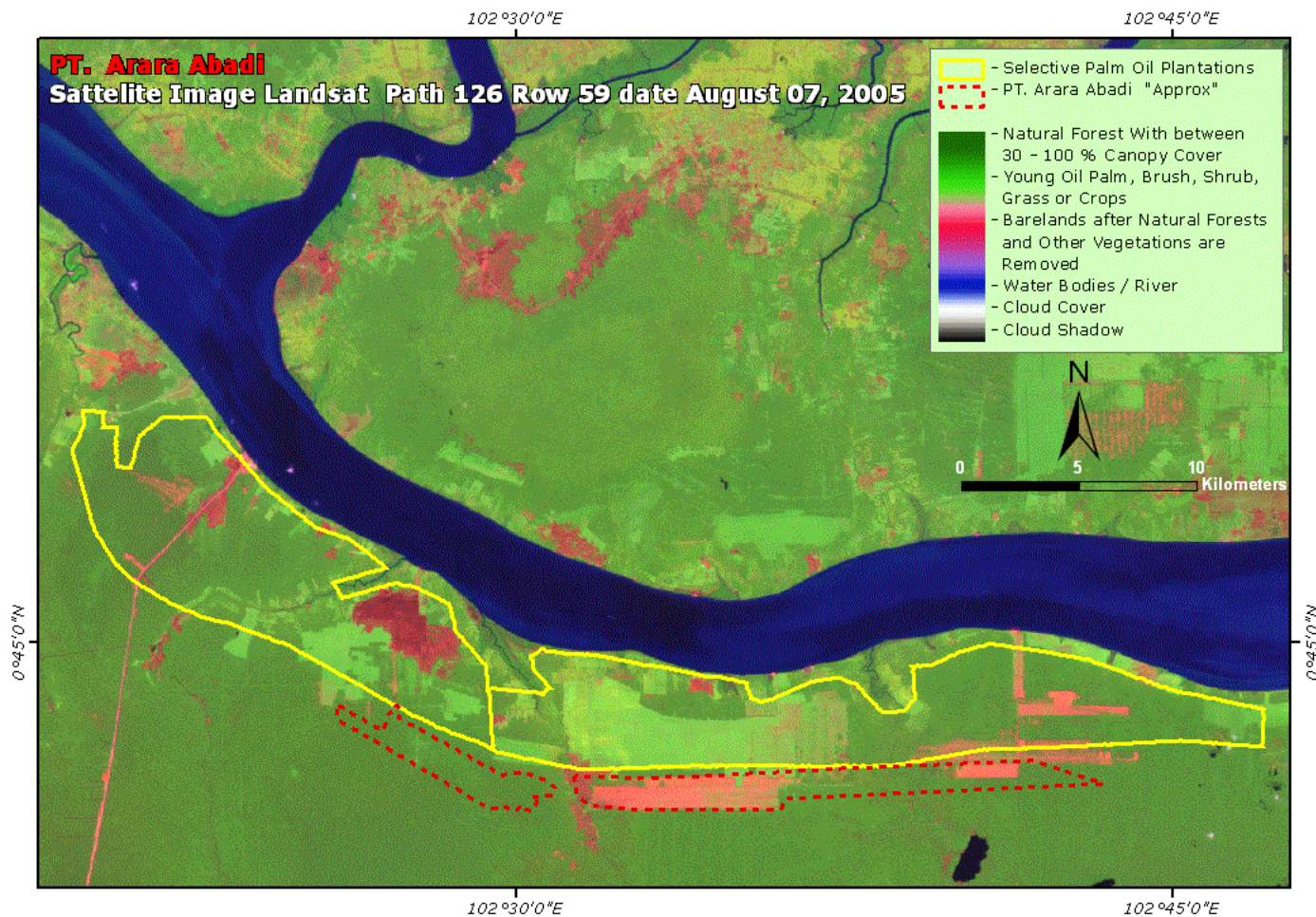


Image map 2. PT Arara Abadi acacia plantation (red dots) as shown by Landsat satellite image of August 2005 which shows conversion is occurring. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.

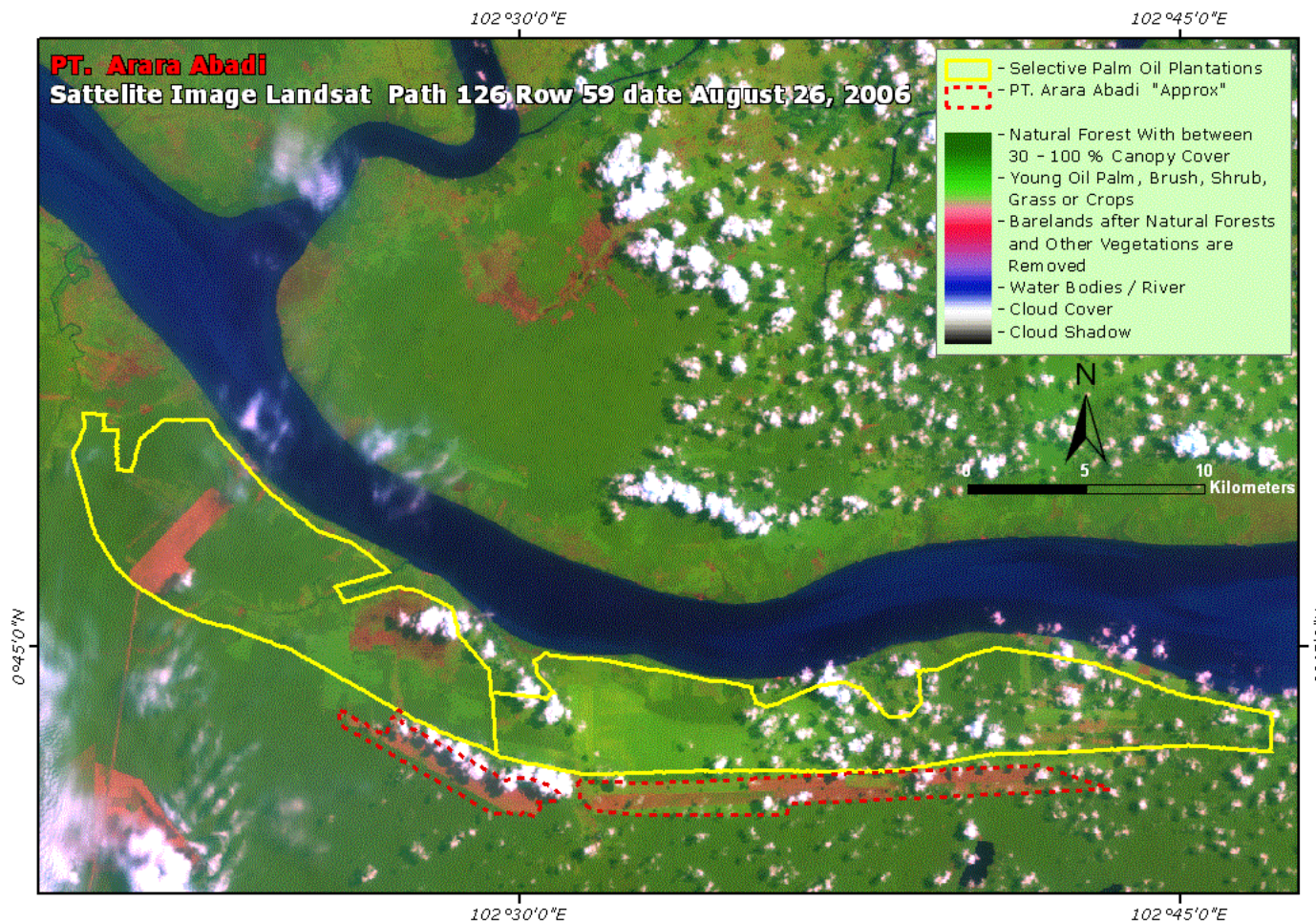
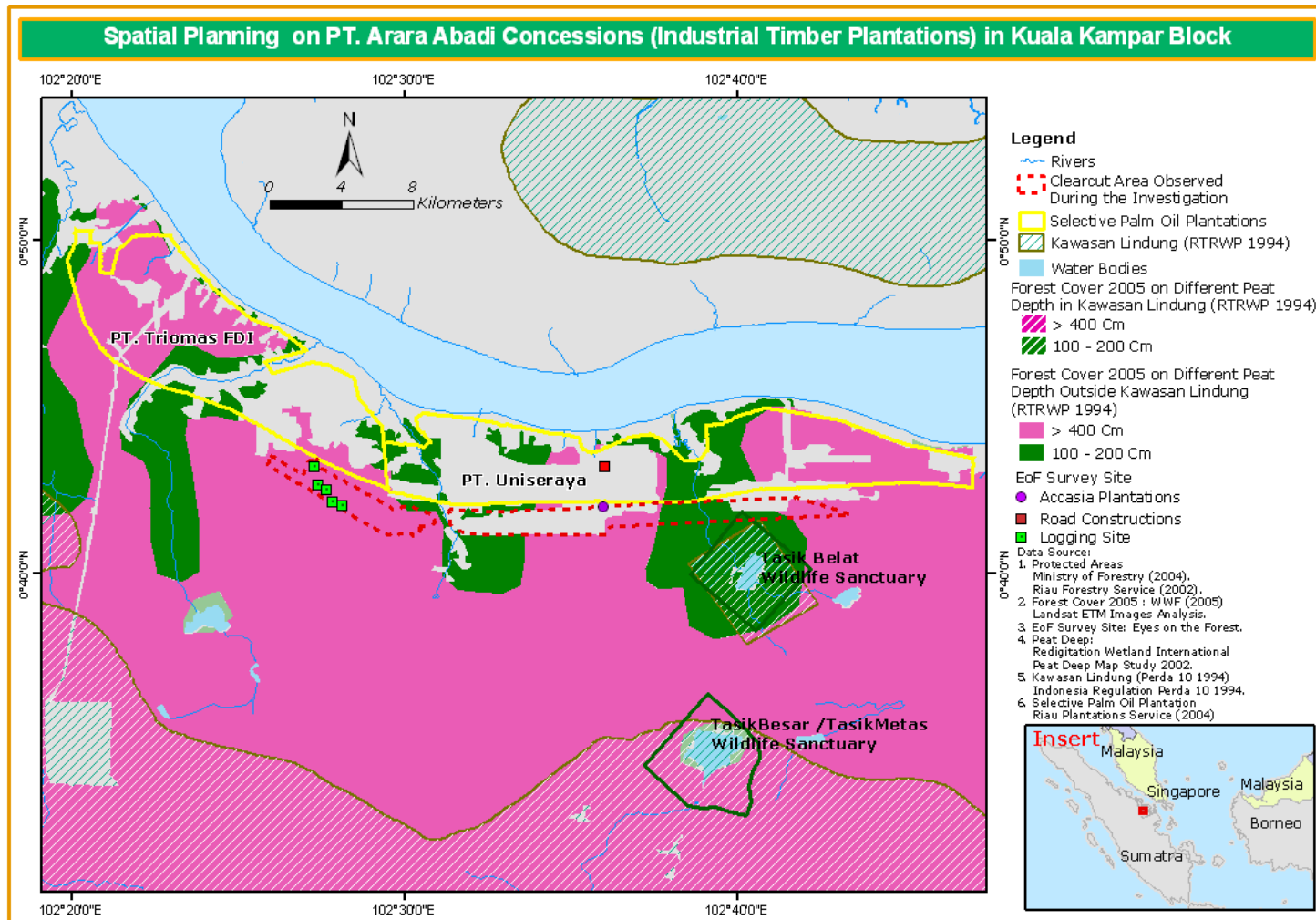
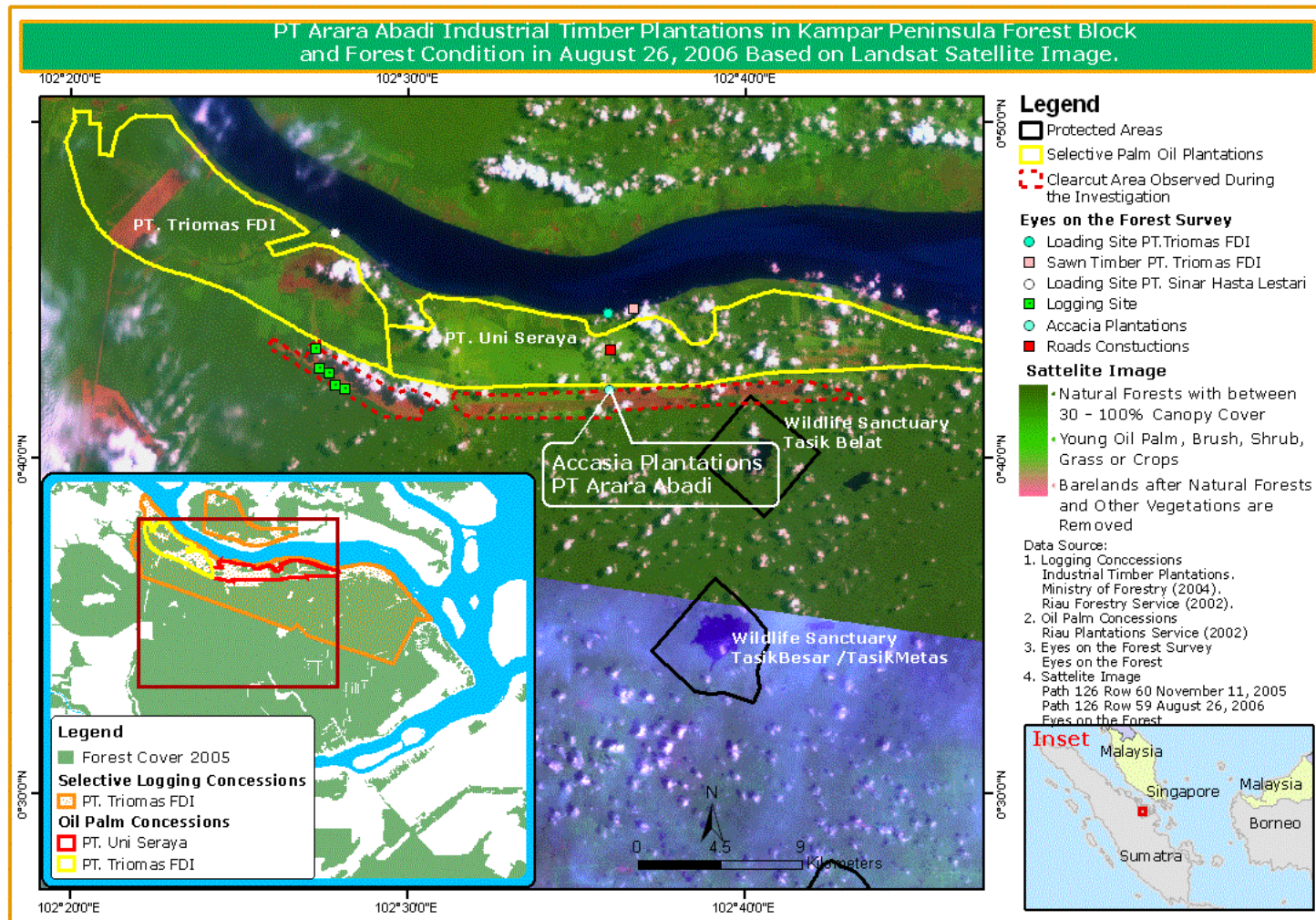


Image Map 3. PT Arara Abadi acacia plantation (red dots) as shown by Landsat satellite image of August 2006 which shows conversion is getting larger than previous year. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.



Map 4. Concession of PT Arara Abadi related to peat soil depth more than 3m.



Map 5. PT Arara Abadi acacia plantation and forest condition in August 2006 based on Landsat Satellite Image. Insert shows the overlapping of PT Arara Abadi with other concession. 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.



Photo 1. PT Arara Abadi acacia plantation billboard saying "Thank You for Not Smoking..."