



# Peat fires raging as Indonesian Government turns back the clock on restoration

**Gov rewards paper giants for lack of action to restore peat in their vast empires**



**An investigative report by Eyes on the Forest**

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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.

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### Front cover

This 3-4 months old canal block was found by EoF team inside a concession of PT Sumatera Riang Lestari, affiliated to Asia Pacific Resources International Limited (APRIL). Based on the "Restoration Priority Zoning" map by Indonesia's Peat Restoration Agency (BRG) published in 2016, the area is a "Restoration Priority of Protected Peat Dome with Canal". It is also indicated for Protection by Minister of Environment and Forestry Decree Number SK 130 issued in 2017. Image taken on 17 August 2018 at N1°49'56.00" E101°38'35.00" by Eyes on the Forest.

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## EXECUTIVE SUMMARY

Indonesia's infamous forest and peat fires of 2015 devastated 2.6 million hectares of land in Riau and other provinces according to the Indonesian Ministry of Environment and Forestry (MoEF)<sup>1</sup>. The World Bank estimated that the 2015 fires costed Indonesia at least 16.1 billion US dollars (IDR 221 trillion), equivalent to 1.9% of the country's 2015 GDP.<sup>2</sup>

As the haze continued to affect millions of people in the region, Indonesia's President finally announced *"You will see results soon and in three years we will have solved this"*<sup>3</sup>. Four years later, the President's words sound hollow as peat fires are once again raging in Indonesia, pumping greenhouse gas into the atmosphere and blanketing the region with haze<sup>4</sup>.

After many haze years without action, the 2015 catastrophe had finally prompted Government to take steps towards peat protection and restoration. It founded a Peat Restoration Agency (BRG) in 2016 to coordinate and facilitate restoration of around 2 million hectares of peatlands by 2021; it zoned peat areas to be protected identified in a 2016 BRG map and in MoEF's 2017 Decree Number SK.130/MenLHK/Setjen/PKL.0/2/2017 on Setting Map on National Peat Ecosystem Function; it issued Government Regulation (PP) Number 57 Year 2016, amending PP Number 71 Year 2014 to allow no more clearing of un-developed peat areas and set up criteria for protection, water level management and other restoration activities and sanctions for non-compliance; and it issued a Minister of Environment and Forestry regulation to provide technical guidelines for forestry companies to implement the above Government Regulations (P.16/MENLHK/SETJEN/KUM.1/2/2017).

According to MoEF, 72% of the Peat Ecosystems indicated for Protection Function (hereafter FLEG) are in government designated Conservation Areas. Most others are in commercial areas covered by Industrial Timber Plantation (HTI) licenses (11.8%, 1,426,678 ha) or oil palm plantation licenses (8.8%, 1,061,679 ha)<sup>5</sup>.

Yet, it is not clear if anything actually happened. There is a complete lack of transparency on the performance of the companies responsible for implementing the new regulations. It is also unclear which agency has what responsibility and authority to supervise HTI concession holders on peat protection and restoration. BRG admits<sup>6</sup> that it has no access to supervise peat restoration efforts in concessions and has long been waiting for a MoEF regulation on supervision of peat restoration in HTI concessions.

To create at least some form of transparency on the issue and evaluate the restoration performance by both HTI concession holders and government in the country's top peat province of Riau during the 3 years the President had asked for, EoF surveyed HTI concessions with drones and on the ground between July and December 2018. The HTI concessions surveyed covered 12% (149,142 ha) of the peatlands mapped as Protection Function Peat Ecosystems (FLEG) by the Ministry of Environment and Forestry (MoEF) inside concessions affiliated with Asia Pulp & Paper/Sinar Mas Group (APP/SMG) and APRIL/Royal Golden Eagle group (APRIL/RGE). The concessions surveyed also covered 6% (167,810 ha) of all FLEG areas in Riau Province, which has the largest area of FLEG in the country. The objective of the monitoring was to evaluate the pulp & paper giants, APP/SMG and APRIL/RGE, and the MoEF's own compliance with and progress in implementing Indonesian government regulations on peat protection and restoration (see MONITORING OBJECTIVES & METHODS chapter).

EoF found (see Summary table below and MONITORING FINDINGS chapter):

- Poor efforts made by APP/SMG and APRIL/RGE affiliates to restore peatlands zoned for protection by MoEF and/or BRG in some of the concessions investigated.

- Alleged violation of Minister of Environment and Forestry Regulation P16/2017 by all four APP/SMG and APRIL/RGE affiliated companies in all except one HTI concessions investigated by way of replanting acacia after harvesting the old plantation instead of restoring the peatlands with native species as required.
- Alleged violation of Government Regulation number 45 Year 2004 Article 8 Point 2 on Forest Protection by an APRIL/RGE affiliate (PT Sumatera Riang Lestari) for not protecting the HTI concession area from planting of oil palm plantations by outsiders (the local community, investors, land speculators).
- Apparent lack of government supervision of these companies for non-compliance with government regulations.
- Lack of restoration efforts by the MoEF in one concession for which the Ministry had revoked a license in 2016.

**Summary of findings of EoF investigations in FLEG by MoEF SK 130 map and/or three classes of Restoration Priority Zones by BRG 2016 map<sup>1</sup> inside HTI concessions.**

Company / block where applicable	Affiliation	Restoration efforts	Violation of P16/2017
PT Sumatera Riang Lestari, Block IV – Pulau Rupert	APRIL/RGE	Poor (no replanting with native vegetation, poorly maintained canals)	Found (replanting of acacia)
PT Sumatera Riang Lestari, Block III – Kubu	APRIL/RGE	Poor (no replanting with native vegetation, poorly maintained canals)	Not found (EoF found that oil palm plantations but no acacia plantation in the area investigated)
PT Satria Perkasa Agung	APP/SMG	Poor (no replanting with native vegetation, poorly maintained canals/water gates)	Found (replanting of acacia)
PT Sakato Pratama Makmur – Humus District	APP/SMG	Poor (poorly maintained canals)	Found (replanting of acacia)
PT Sakato Pratama Makmur – Hampar District	APP/SMG	Poor - canals used for transporting timber during harvest	Found (replanting of acacia)
PT Bukit Batu Hutani Alam	APP/SMG	Poor (poorly maintained canals/water gates)	Found (replanting of acacia)
PT Rimba Rokan Perkasa	License revoked by MoEF as PIPPIB (areas banned from new licenses/moratorium zone)	Poor	Not found (EoF found that oil palm plantations but no acacia plantation in the area investigated)

MoEF claimed that it had supervised peat restoration in 2.2 million of HTI concessions and 884,000 ha of palm oil concessions<sup>7</sup>. However, it failed to disclose any details, such as the locations and the

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<sup>1</sup> Restoration Priority of Post Burning 2015; Restoration Priority of Canal Peat Dome (Protection Zone); and Restoration Priority of Non-Canal Peat Dome (Protection Zone).

concession holders' names. BRG claimed that it had restored 78,649 hectares of peatlands including non-concession peatland in Riau province by 2018<sup>8</sup> and 242,260 hectares in forestry and plantation concessions from October 2018 to April 2019<sup>9</sup>. In light of these EoF investigations the MoEF and BRG claims are seriously questionable.

While lack of evidence in the field and unverifiable claims of restoration actions made us doubt the seriousness of government to implement its own policy to protect and to restore peatland as globally announced after the 2015 fires, the recent issuance of Minister of Environment and Forestry Regulation (P.10/2019<sup>10</sup>) seems to confirm it in writing.

EoF legal analysis finds that this new MoEF regulation seriously contradicts its higher law (PP71/2014 & PP57/2016), MoEF's own preceding regulation (P16/2017), and itself (see Discussions chapter and Appendix 1). EoF concludes that the new regulation seems to be designed to provide a way out for both companies and government to no longer be legally required to protect and restore peatlands, except for a few small peat areas called "Peat Dome Peaks". The regulation reduces the areas of actual protection and restoration from FLEG to some, but not even all, Peat Dome Peaks inside FLEG. It allows all peat lands outside the Peat Dome Peaks to be managed as before the 2015 catastrophe with an "obligation to maintain Peat hydrological function", whether inside FLEG of FBEG. This means companies can clear natural forest and build new canals in FLEG zones as long as they are outside Peat Dome Peaks.

EoF concludes that the Indonesian government failed to make HTI concessions follow its own peat regulations and with the release of P10/2019 now allows them to return to pre-2015 operations - without having done a thing except sit to wait for the storm to blow over and lobby for a return to business as usual. Is this what the President promised its citizens, neighbours and the world?

Eyes on the Forest calls on Government, in particular MoEF, to:

- Reevaluate regulation P10/2019 which substantially contradicts with PP71/2014 & PP57/2016 and P16/2017 and implicitly provides opportunities for pulpwood companies and palm oil plantation to utilize FLEG with an exception of small areas of Peat Dome Peaks.
- Issue a Ministerial Decree that clarifies MoEF's supervision of peat protection and restoration in HTI supplier concessions.
- Diligently supervise peat restoration in HTI concessions as stipulated by PP71/2014 & PP57/2016 Article 31B.
- Ensure accountability and provide transparency of peat protection and restoration in Indonesia by publicly disclosing information on the performance of HTI companies in protecting and restoring peat, for example, publishing the required revised RKTs and the steps taken to implement them in each polygon of FLEG.
- Enforce peat protection and restoration regulations and take legal actions against violations by HTI concession holders based on EoF findings in this report.

Eyes on the Forest calls on BRG to:

- Supervise peat restoration in HTI plantation concessions effectively and comprehensively as BRG's Restoration Priority Zones overlap considerably with HTI concessions whose peat restoration performance has been very poor.
- Implement a peat restoration monitoring program for HTI concessions through partnerships with civil society organizations.
- Publish annual targets for peat restoration in each HTI concession overlapping with BRG's Restoration Priority Zones.

- Provide the Indonesian public with a time bound and geo-referenced peat protection and restoration plan for each HTI concession inside BRG's Restoration Priority Zones prior to the end of BRG tenure in 2020 to allow crowd monitoring of companies' compliance.

## INTRODUCTION

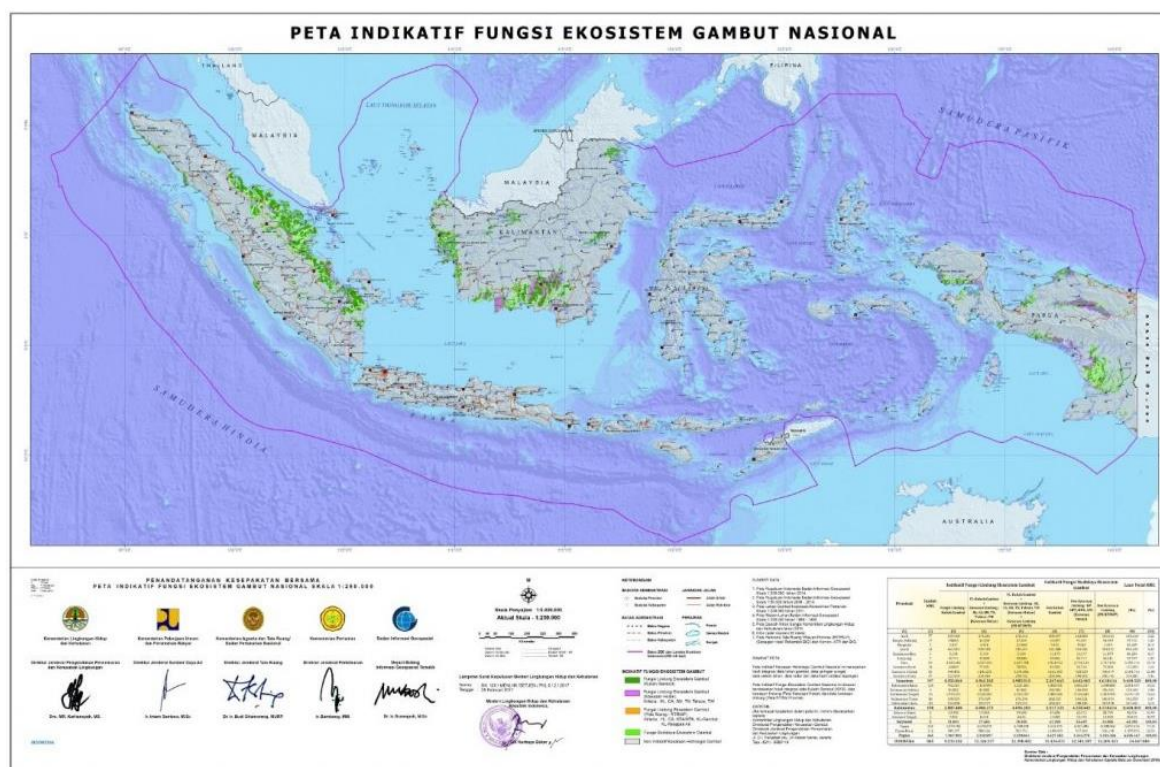
In 2015, serious peat fires in Indonesia sent smoke across the region and contributed significantly to global climate change<sup>11, 12</sup>. "You will see results soon and in three years we will have solved this", stated Indonesia's President as the haze continued<sup>13</sup>, and the national and global outcry continued. The following year, the President established Peatland Restoration Agency (BRG) to coordinate and facilitate restoration of around 2 million hectares of peatlands by 2021<sup>14</sup>. BRG was to focus on 7 provinces including Riau where Eyes on the Forest (EoF) has been monitoring peat destruction by two pulp & paper giants, Asia Pulp & Paper/Sinar Mas Group (APP/SMG) and APRIL/Royal Golden Eagle group (APRIL/RGE) since early 2000s<sup>15</sup>.

In 2016, BRG published a map (hereafter "BRG 2016 map"<sup>16</sup>) of its Peat Restoration Target Areas<sup>2</sup> of 2.5 million hectares, divided into its top Restoration Priority Zones:

- **Restoration Priority of Post Burning 2015;**
- **Restoration Priority of Canal Peat Dome (Protection Zone);**
- **Restoration Priority of Non-Canal Peat Dome (Protection Zone);** and
- **Restoration Priority of Canal Peat (Cultivation Zone).**

In 2017, Minister of Environment and Forestry (MoEF) issued a "National Peat Ecosystem Function Map" (hereafter "SK 130 map")<sup>17</sup> to divide the country's Peat Hydrological Units (KHG) into (Map 1):

- **Indicative Protection Function Peat Ecosystem (FLEG):** peat area that has been well protected and has a balanced hydrology in need of protection to continue functioning as carbon storage and biodiversity reserve; and
- **Indicative Cultivation Function Peat Ecosystem (FBEG):** peat area that can be cultivated as long as the activities can maintain peat ecosystem functions and productivity.



**Map 1.—National Peat Ecosystem Function Indicative Map (MoEF SK.130/2017).**

<sup>2</sup> BRG 2016 map divides Peat Restoration Target Areas into three classes: Protection Zone, Licensed Cultivation Zone, and Unlicensed Cultivation Zone.



According to MoEF, 72% of FLEG are in government designated Conservation Areas, however, most others are in commercial areas covered by industrial timber plantation (HTI) licenses (11.8%, 1,426,678 ha) or oil palm plantation (HGU) licenses (8.8%, 1,061,679 ha)<sup>18</sup>. According to BRG, 17% (2.2 million ha) of the 12.9 million hectares of its Peat Restoration Priority Areas and 37% (993,062 hectares) of its 2016-2020 peat restoration targets (2.67 million hectares) in Indonesia are situated in HTI licensed areas, and more than half (519,471 ha) of the 2016-2020 peat restoration target areas in HTI concessions are in Riau Province<sup>19, 20</sup>.

Peat Ecosystems by SK 130 map and Restoration Priority Zones by BRG 2016 map overlap with many HTI license areas in Sumatra and Kalimantan which are given to pulpwood suppliers of APP/SMG and APRIL/RGE, who have deforested and drained these peatlands with networks of peat canals for a long time, in some cases for over two decades.

A 2017 regulation issued by Minister of Environment and Forestry (hereafter “P16/2017”<sup>21</sup>) provides technical guidelines for HTI concession and other forestry business license holders to implement Indonesia’s key Government Regulations regarding peat restoration (PP71/2017, as amended by PP57/2016<sup>22</sup>). However, there is no regulation that clarifies which government body has what responsibility to supervise these companies. This has led to a confusion as the two maps by BRG and MoEF have overlapping areas of protection and restoration priorities.

For example, P16/2017 obliges companies with concession areas overlapping with FLEG (Article 8, Point 1) to revise their long-term Business Work Plans (RKU) and Annual Work Plans (RKT) to either protect un-developed peat domes or restore already cultivated peat domes after harvesting the plantation which existed at the time of the regulation issuance (Article 4 Points 1, 2 and 3). NGOs welcomed the regulation as an important move towards realizing the President’s pledge to restore peat. However, there is a complete lack of transparency even on this first step and there is no public information on which companies actually have revised these plans, where and how they plan to protect and restore. In February 2019, MoEF claimed that they had secured peat restoration in HTI concessions (2.2 million hectares) and in oil palm concessions (884,000 hectares)<sup>23</sup>. However, the agency never disclosed any information on the locations and the names of concessions.

EoF and many NGOs have been demanding that both APP/SMG and APRIL/RGE respect their own commitments and the government regulations to restore peat. However, they have also been warning that implementation of these regulations would cause significant reduction in their plantation areas (30% and 25% reduction of APP and APRIL suppliers’ total concession areas were zoned for protection, respectively) and may result in deforestation in non-peatlands to fill the wood supply gaps<sup>24</sup>. As expected, EoF have subsequently saw signs that companies tried to delay their implementation of the regulations as much as possible<sup>25 26</sup> and in some cases even allegedly violated them outright<sup>27, 28</sup>.

In April 2019, MoEF answered NGOs’ warnings just at the time and in the way they had feared. Before the Indonesian Presidential Election, the Minister of Environment and Forestry issued a new regulation (P.10/2019<sup>29</sup>) asking companies to revise their RKUs once again. But this time, they were asked to protect only “peat dome peaks”, a tiny fraction of what the previous peat regulations zoned for protection and restoration. All remaining areas of peat could be developed as before (Article 8 point 2). This effectively wastes all efforts for peat restoration by Government since the President committed to solve the peat issue once and for all within 3 years after the catastrophic fires. Instead of solving the peat issue Government now legally allows companies to go back to business as usual as if 2015’s global haze emergency never happened.

The three years in which the President promised to solve the country's peat haze issue have long passed. Yet, what was actually achieved? What peat restoration efforts were made by HTI license holders? Did the President and BRG achieve their peat restoration targets? Has the progress MoEF claims to have made really happened? And, what will happen to Indonesia's peat after P10/2019?

## MONITORING OBJECTIVES & METHODS

According to a GIS analysis by the Anti Forest-Mafia Coalition of NGOs of which EoF is a member, APP/SMG<sup>3</sup> and APRIL/RGE<sup>4</sup> have 793,293 ha and 418,670 ha of HTI concession areas inside Indicative Protection Function Peat Ecosystems (FLEG) on the SK 130 map<sup>30</sup>. This means, together the two companies manage 10% of the country's FLEG and their peat restoration efforts are essential for Indonesia to manage haze.

The majority of APP/SMG and APRIL/RGE HTI concession areas in FLEG is located in Riau Province. The province has the largest portion of Indonesia's Peat Ecosystems (22%) mapped by SK 130 (Map 1) with 2.6 million ha of FLEG and 2.7 million ha of Indicative Cultivation Function Peat Ecosystem (FBEG). Unlike Indonesia's second largest peat province Papua (21% of Indonesia's Peat Ecosystems), Riau's Peat Ecosystems have been heavily developed and drained over many years especially by APP/SMG and APRIL/RGE and need serious restoration.

EoF decided to conduct GIS analysis and drone and field monitoring to check the progress of peat restoration in selected APP/SMG and APRIL/RGE affiliated HTI concession areas in Riau until the end of 2018 in:

1. FLEG ("Indikatif Fungsi Lindung E.G." in Bahasa Indonesia in map captions) areas shown in the SK 130 map.
2. Three out of the four classes of BRG's top Peat Restoration Priority Zones shown in BRG 2016 map:
  - a. Restoration Priority of Post Burning 2015 ("Prioritas Restorasi Pasca Kebakaran 2015" in Bahasa Indonesia in map captions);
  - b. Restoration Priority of Peat Dome with Canal in Protection Zone ("Prioritas Restorasi Kubah Gambut berkanal (zona lindung)" in Bahasa Indonesia in map captions); and
  - c. Restoration Priority of Peat Dome without Canal in Protection Zone ("Prioritas Restorasi Kubah Gambut tidak berkanal (zona lindung)" in Bahasa Indonesia in map captions).

Prior to the field monitoring, a desktop GIS analysis overlaid SK 103, BRG 2016 and HTI concession maps to identify the above mentioned zoning in the selected sample concessions. Then EoF investigators went to the field to:

1. Assess land covers in each zone in HTI areas, whether there were pulpwood plantation (age of plantation? Harvesting status?), natural forest (primary, secondary), shrub or other land covers.
2. Record restoration efforts, such as condition of peat canal, water reservoir, water basin, canal dams and/or pumping and revegetation and natural succession.

Based on the field observations, EoF evaluated whether each concession implemented or violated the P16/2017, especially the stipulations extracted in Table 1.

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<sup>3</sup> Based on APP's list of "continuous approved suppliers", downloaded from the company's sustainability website on January 22, 2019. The analysis does not include community suppliers, of which there were three as of May 2018, according to the APP website. Nor does the analysis include 17 "approved one-time suppliers", many of which are wood chip supply companies located outside of Indonesia, or two other "continuous approved suppliers", which are wood chip mills located outside of Indonesia.

<sup>4</sup> Based on the "List of APRIL suppliers", updated on December 31, 2018 and downloaded from the company's sustainability website. The analysis does not include the community suppliers included on APRIL's supplier list

**Table 1.—Key Articles of P16/2017.**

<b>P 16/2017</b> (Official English translation <sup>31</sup> )
<p><b>Article 4</b></p> <p>(3) The Peatland Dome located within a cultivated business area shall be a Peatland ecosystem with protection functions, can still be harvested, prohibited from replanting after harvesting, and must be restored.</p> <p><b>Article 6</b></p> <p>(1) The person in charge of business and / or activity shall perform the restoration of the Peatland Ecosystem functions within 30 (thirty) days since the date of damage.</p> <p>(2) The person in charge of business and / or activity shall perform the restoration of the Peatland Ecosystem functions due to fire.</p> <p><b>Article 14</b></p> <p>(1) The restoration by means of rehabilitation as referred to in Article 13 paragraph (1) letter a shall be conducted by revegetation or replanting in the following areas:</p> <ol style="list-style-type: none"> <li>burned areas;</li> <li>logged-over,</li> <li>open to rare vegetation conditions;</li> <li>burned areas that have undergone natural succession (according to need and after technical assessment); and / or</li> <li>selective logging.</li> </ol> <p>(2) Rehabilitation activities shall be carried out by prioritizing native plant species and by taking into account the following:</p> <ol style="list-style-type: none"> <li>land suitability;</li> <li>environmental aspect;</li> <li>social aspect; and</li> <li>economic aspects.</li> </ol> <p>(3) The types of native plants as referred to in paragraph (2) that may be used for rehabilitation activities shall be listed in the Appendix which shall be an integral part of this Ministerial Regulation.</p>

EoF also checked whether MoEF is taking its one responsibility to supervise peat restoration in HTI concessions clearly stipulated by PP71/2014 & PP57/2016 (Article 31B, see Table 2):

**Table 2.—Key Article of PP71/2014 & PP57/2016.**

<b>PP71/2014 &amp; PP57/2014</b> (Official English translation <sup>32</sup> )
<p><b>Article 31B</b></p> <p>(1) In case of peat burning in the business and / or activity permit area, the Government shall take rescue action and temporarily takeover the fire area.</p> <p>(2) The temporary takeover of the fire area shall be carried out for verification by the Minister.</p> <p>(3) The verification results can be:</p> <ol style="list-style-type: none"> <li>further measures by the responsible business and / or activity; and</li> <li>reduction of the business and / or activity permit area.</li> </ol> <p>(4) The provisions concerning the procedure for expropriation of the area of fire by the Government as referred to in paragraph (1) shall be governed by a Ministerial Regulation.</p>

## MONITORING FINDINGS

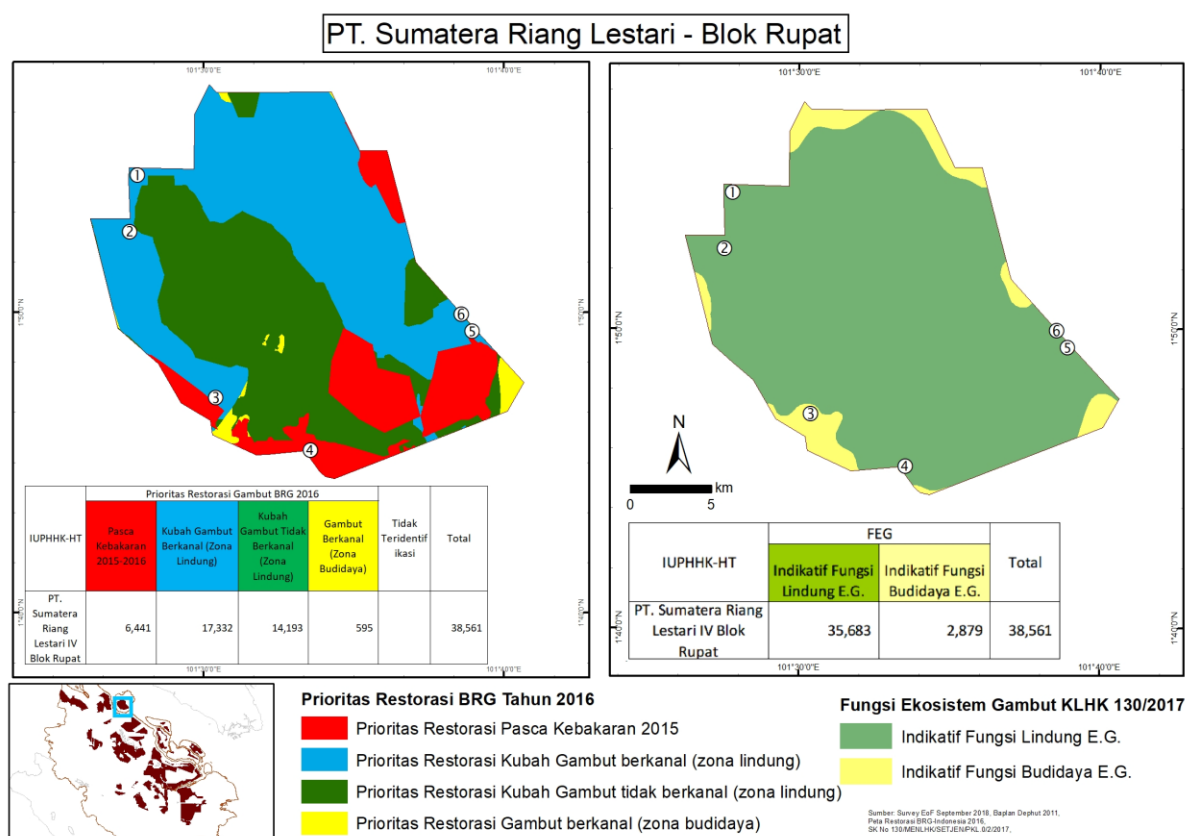
In the period of July to December 2018, EoF team conducted drone and field surveys of the following industrial timber plantation (HTI) concessions covering 12% of FLEG areas in APP/SMG and APRIL/RGE supplier areas (149,142 ha) or 6% of Riau's FLEG areas (167,810 ha). They are managed by:

- **APRIL affiliates:** PT Sumatera Riang Lestari (Blok IV Pulau Rupert concession and Blok III Kubu concession).
- **APP affiliates:** PT Satria Perkasa Agung, PT Sakato Pratama Makmur (Hampar District and Humus District concessions) and PT Bukit Batu Hutani Alam.
- **MoEF revoked the license:** PT Rimba Rokan Perkasa (former APP affiliate), the area is for moratorium

The following EoF monitoring findings reveal that peat restoration efforts by companies and government in the sample concessions zoned for peat protection and restoration by BRG 2016 and/or SK 130 maps have been poor. Some companies have allegedly violated P16/2017 by replanting acacia after harvesting old plantations, instead of restoring the area with native species as required.

### 1. PT Sumatera Riang Lestari (APRIL affiliate) Block IV – Pulau Rupert

The BRG 2016 and SK 130 maps require the majority (98% and 93%, respectively) of PT Sumatra Riang Lestari Block IV – Pulau Rupert HTI concession (PT SRL Block Rupert) to be protected and restored (Map 2).



**Map 2.**—Peat zoning of PT Sumatera Riang Lestari Block IV – Pulau Rupert concession in the BRG 2016 and SK 130 maps.

#### 1.1. Acacia replanting in FLEG and/or BRG Restoration Priority Zones



EoF found areas where acacia plantations had been freshly harvested on peat zoned for protection in both BRG 2016 and SK 130 maps (Figure 1 and 2). In some areas, acacia had already been replanted in the harvested areas in alleged violation of P16/2017 (Figure 2).



**Figure 1 (survey point 1, Map 2):** Acacia trees harvested in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 16 August 2018 at N1°54'33.13" E101°27'48.32" © EoF.



**Figure 2 (survey point 2, Map 2):** About 3 months old acacia found in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 16 August 2018 at N1°52'40.30" E101°27'32.63" © EoF.

EoF drone and field surveys of “Post Burning 2015” areas in BRG 2016 map at two areas (Figure 3 and 4) found that large areas were harvested or replanted with acacia and rubber trees, in some cases mixed together, around 3 to 4 years ago.



**Figure 3 (survey point 3, Map 2):** These “Restoration Priority of Post Burning 2015” areas in BRG 2016 map and SK 130 map’s FBEG were replanted with rubber 3-4 years ago (left) and harvested but not restored (right), respectively. Image taken on 2 September 2018 at N1°47'9.22" E101°30'24.85" © EoF.



**Figure 4 (survey point 6, Map 2):** This peat area in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG and was planted with rubber and acacia about 3 years ago. Image taken on 17 August 2018 at N1°49'22.00" E101°38'57.00" © EoF.

## 1.2. Poor restoration efforts

EoF checked several peat canal blocks and found only two canal blocks which seemed to still have some function to regulate water levels (Figure 5 & 6). EoF did not survey the full concession to identify all canal blocks and did not analyse the remaining impact of the identified canal blocks for restoration of the Peat Ecosystem. All canal blocks observed seemed to have been built a long time ago, except one (Figure 6) which EoF estimated was built about 3-4 months prior to the field visit.

No other sign of restoration was observed in the areas EoF visited.



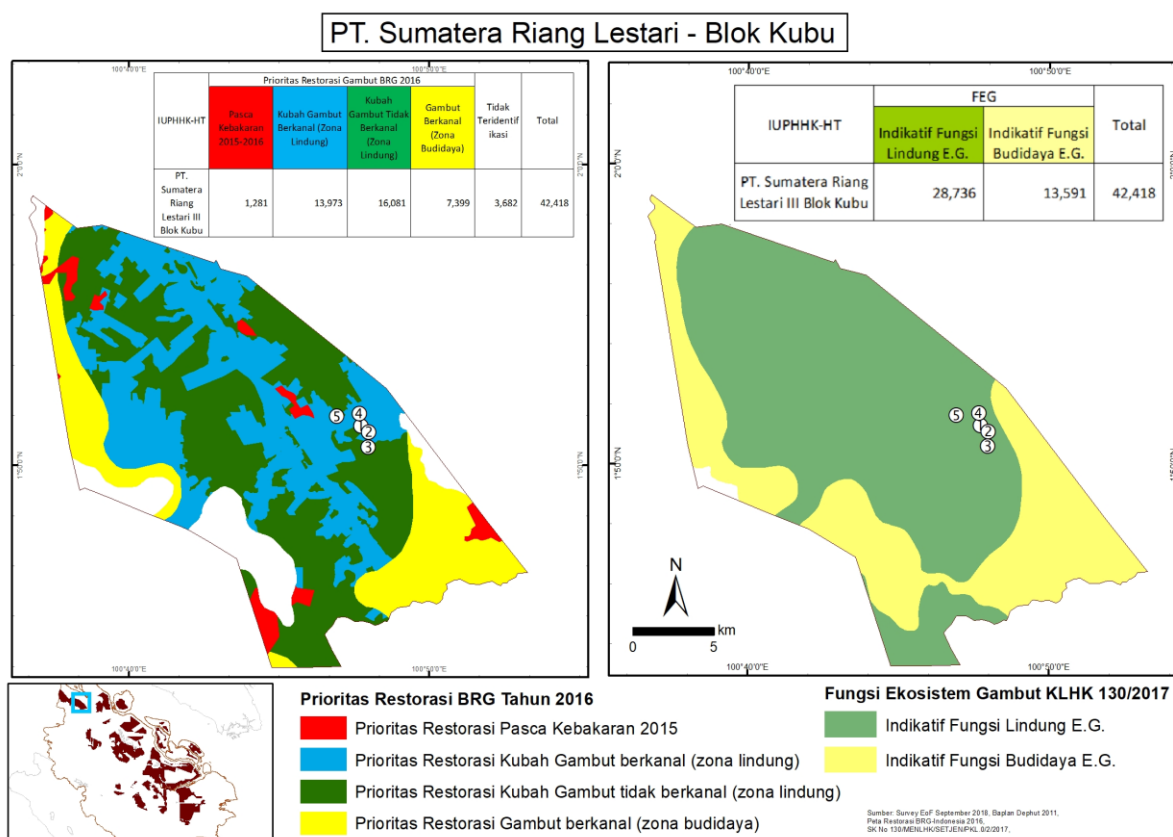
**Figure 5 (survey point 4, Map 2):** This canal block seemed to have been built a long time ago and is no longer maintained in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 18 August 2018 at N1°45'24.00" E101°33'34.00" © EoF.



**Figure 6 (survey point 5, Map 2):** This 3-4 months old canal block appears to be no longer maintained in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 17 August 2018 at N1°49'56.00" E101°38'35.00" © EoF.

## 2. No restoration in PT Sumatera Riang Lestari (APRIL affiliate) Block III - Kubu

The BRG 2016 and SK 130 maps require the majority (74% and 68%, respectively) of the peat area licensed to PT Sumatra Riang Lestari Block III-Kubu concession (PT SRL Kubu) to be protected and restored (Map 3).



**Map 3.**—Peat zoning of PT Sumatera Riang Lestari Blok III - Kubu concession in the BRG 2016 and SK 130 maps.

In August 2018, EoF drone and field surveys showed the PT SRL Kubu concession to be mostly planted with oil palm, supposedly owned by outside investors and/or land speculators. EoF found burning peat in “Restoration Priority of Peat Dome with Canal” areas in BRG 2016 map’s Protection Zone (Figure 7-11).

Teluk Bano 1 Village, Bangko Pusako Sub-District, Rokan Hilir District, informed the fire started in the oil palm plantation inside the PT SRL Kubu concession in July 2018 and continued until the EoF investigation in August. EoF estimated that about 40 ha of peatland burnt. EoF did not find any indication that PT SRL tried to safeguard the Kubu concession area from encroachment and cultivation by outside investors and/or land speculators.

EoF also did not find any sign that the company had initiated peat restoration efforts in ex-burned areas or anywhere else.





**Figure 7 (survey point 1, Map 3):** Peat land burnt in the PT SRL Blok III-Kubu concession in Teluk Bano Village 1 in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 18 August 2018 at N1°51’18.44” E100°47’44.44” © EoF.



**Figure 8 (survey point 2, Map 3):** Burnt shrubs and oil palm plantation in the PT SRL Blok III-Kubu concession in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG’s 2016 map and in SK 130 map’s FLEG. Image taken on 31 August 2018 at N1°51’6.19” E100°47’59.17” © EoF.



**Figure 9 (survey point 3, Map 3):** Burnt land that had been cleared and is ready to be planted with oil palm oil in the PT SRL Blok III-Kubu concession in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG’s 2016 map and in SK 130 map’s FLEG. Image taken on 31 August 2018 at N1°50’36.52” E100°47’58.03” © EoF.



**Figure 10 (survey point 4, Map 3):** 4 to 5 years old oil palm plantation burnt in the PT SRL Kubu concession in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 18 August 2018 at N1°51'43.33" E100°47'41.05" © EoF.

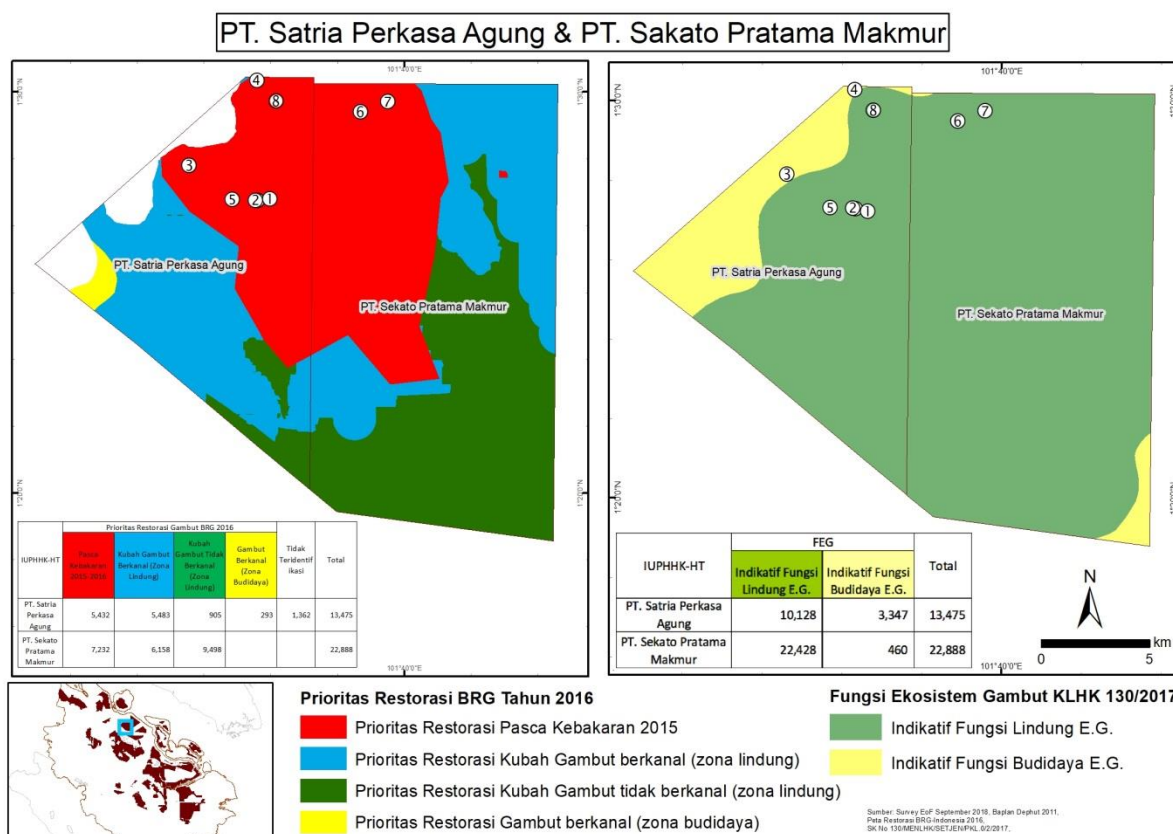


**Figure 11 (survey point 5, Map 3):** Forest remaining behind burnt peatland in the PT SRL Kubu concession in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 18 August 2018 at N1°51'38.34" E100°46'55.44" © EoF.



### 3. PT Satria Perkasa Agung and PT Sakato Pratama Makmur Humus District (APP affiliates)

The BRG 2016 and SK 130 maps require the majority (95% and 90%, respectively) of a contiguous peat area licensed to PT Satria Perkasa Agung (PT SPA) and PT Sakato Pratama Makmur in Humus District (PT SPM Humus) to be protected and restored (Map 4). These concessions had quite extensive areas burnt in 2015 (12,664 ha).



**Map 4.**—Peat zoning of PT Satria Perkasa Agung and PT Sakato Pratama Makmur Humus District concessions in the BRG 2016 and SK 130 maps.

#### 3.1. Acacia replanting in FLEG and/or BRG Restoration Priority Zones

Based on drone and field surveys, and examination of information boards and condition of acacia plantings in the field (Figure 12-14) in “Post Burning 2015” areas in BRG 2016 map’s Restoration Priority and in SK 130 map’s FLEG and FBEG in the PT SPA concession, EoF concludes that the whole area was not restored as required by regulations but re-planted with acacia in alleged violation of regulations based on expired Annual Work Plans (RKT in Bahasa Indonesia) of 2016, 2017 and 2018.

In the PT SPM concession in Humus District, EoF found areas replanted with acacia about 6 months and 1 year ago (Figure 15 and 16).



**Figure 12 (survey point 1, Map 4):** Large area burnt in 2015 in PT SPA concession, also zoned as FLEG by SK 130 map, was replanted with acacia between 2016 and 2018 in alleged violation of P16/2017. Image taken on 14 November 2018 at N1°27'17,727" E101°36'20.757" © Eyes on the Forest.



**Figure 13 (survey point 4, Map 4):** This part of PT SPA's peat area in "Restoration Priority of Post Burning 2015" area in BRG 2016 map and SK 130 map's FBEG was re-planted with acacia following the RKT for 2018. Image taken on 7 November 2018 at N1°30'17,610" E101°36'20,070" © EoF.



**Figure 14 (survey point 2, Map 4):** This part of PT SPA's peat area in "Restoration Priority of Post Burning 2015" area in BRG 2016 map and SK 130 map's FLEG was re-planted with acacia following the RKT for 2016. Image taken on 14 November 2018 at N1°27'17,897" E101°36'17,231" © EoF.





**Figure 15 (survey point 6, Map 4):** 6 months old acacia plantation in a “Restoration Priority of Post Burning 2015” area in BRG 2016 map and in SK 130 map’s FLEG in the PT SPM Humus concession. Image taken on 7 November 2018 at N1°29'30.430 "E101°38'54,840" © EoF.



**Figure 16 (survey point 7, Map 4):** One year old acacia plantation in a “Restoration Priority of Post Burning 2015” area in BRG 2016 map and in SK 130 map’s FLEG in the PT SPM Humus concession. Image taken on 7 November 2018 at N1°29'45,800" E101°39'35,460" © EoF.

### 3.2. Poor restoration efforts

EoF tracked several peat canals in the PT SPA concession and found three sluice gates (at N1°29'13.23" E101°35'51.87", N1°29'13.37" E101°35'52.28" and N1°29'46.44" E101°36'48.03") which were supposedly built to regulate water flow between larger and smaller canals. Unlike in other concessions, EoF found nobody monitoring water flow at these gates (see Figure 17 as one example). EoF also found some canal blocks, built a long time ago (Figure 18 and 19). EoF did not conduct a full concession survey to map the total number and locations of sluice gates and canal blocks to estimate the full extent of restoration efforts, nor did it evaluate the impact of the identified gates and canal blocks in influencing the water levels and restoration of the whole Peat Ecosystem.



**Figure 17 (survey point 8, Map 5):** One of three sluice gates found without personnel monitoring the actual water flow in the PT SPA concession in a “Restoration Priority of Post Burning 2015” area in BRG 2016 map and in SK 130 map’s FLEG. A fisherman was using the gate as a clothes hanger. Image taken on 10 November 2018 at N1°29'46.44" E101°36'48.03" © EoF.



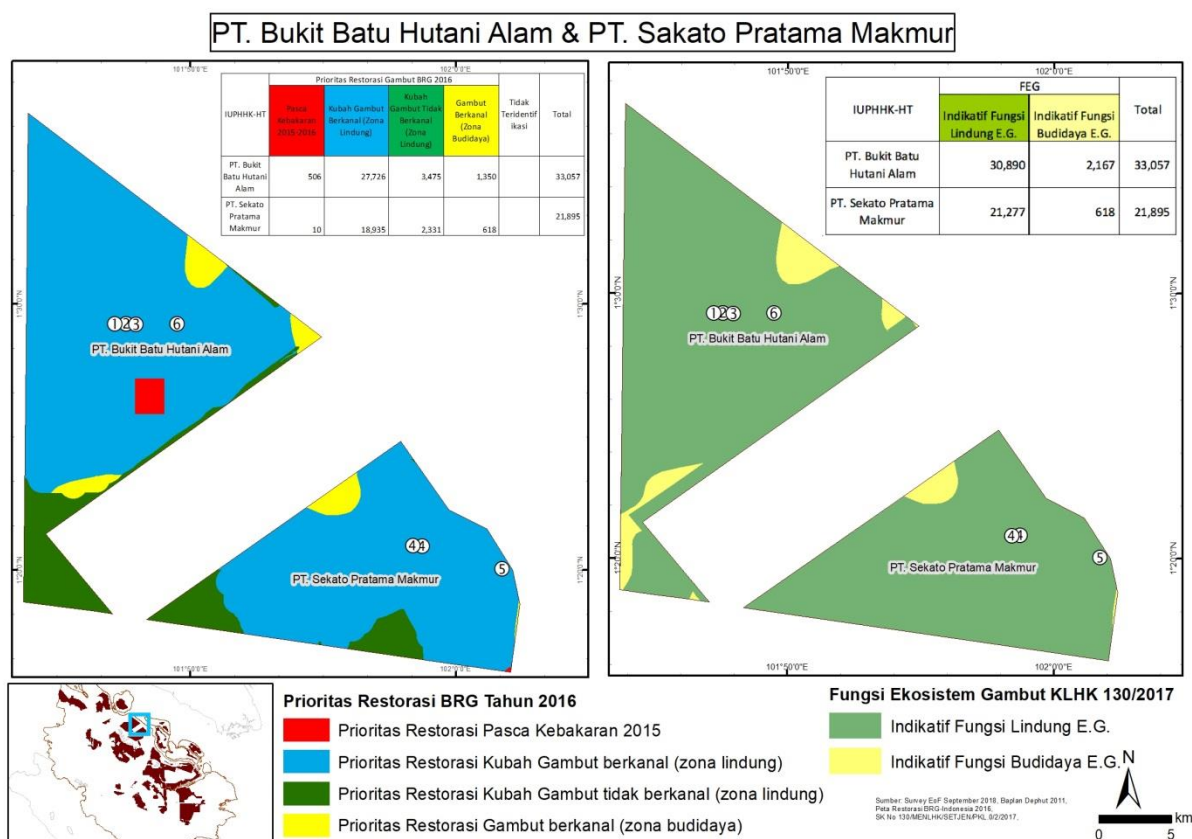
**Figure 18 (survey point 3, Map 5):** One of the canal blocks found in a “Restoration Priority of Post Burning 2015” area in BRG 2016 map and in SK 130 map’s FLEG in the PT SPA concession. Image taken on 7 November 2018 at N1°28'9,860" E101°34'37,900" © EoF.



**Figure 19:** Another canal block found in a “Restoration Priority of Post Burning 2015” area in BRG 2016 map in the PT SPA concession. Image taken on 10 November 2018 at N1°27'19.11" E101°35'42.64" © EoF.

#### 4. Acacia replanting in PT Sakato Pratama Makmur Hampar District and PT Bukit Batu Hutani Alam (APP affiliates)

The BRG 2016 and SK 130 maps require the majority (96% and 95%, respectively) of a combined peat area licensed to PT Bukit Batu Hutani Alam (BBHA) and PT SPM Hampar District to be protected and restored (Map 5).



**Map 5.**—Peat zoning of PT Bukit Batu Hutani Alam concession and PT Sakato Pratama Makmur concession in Hampar District by the BRG 2016 and SK 130 maps.

EoF discovered recent or ongoing acacia harvesting in three areas (Figure 20 to 22) ranging from 30 hectares to 40 hectares in the PT BBHA concession, in a “Restoration Priority of Peat Dome with Canal Protection Zone” area in BRG’s 2016 map and SK 130 map’s FLEG. EoF found evidence (soil and lines prepared for replanting) that one harvested area (Figure 22) would be replanted with acacia soon; and another harvested area (Figure 23) was newly planted with about 2 months old acacia seedlings.





**Figure 20 (survey point 1, Map 5):** Acacia harvesting in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in PT BBHA concession. Image taken on 16 August 2018 at N1°29'14.05" E101°47'34.95" © EoF.



**Figure 21 (survey point 2, Map 5):** Heavy equipment harvesting acacia in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in PT BBHA concession. Image taken on 16 August 2018 at N1°29'14.16" E101°47'35.40" © EoF.



**Figure 22 (survey point 3, Map 5):** Newly cleared land prepared for replanting with acacia in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in PT BBHA concession. Image taken on 16 August 2018 at N1°29'13.97" E101°47'58.59" © EoF.



**Figure 23 (survey point 6, Map 5):** Acacia seedlings estimated to be planted 2 months previously in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in PT BBHA concession. Image taken on 16 August 2018 at N1°29'14.33" E101°49'30.55" © EoF.

During a field survey of the PT SPM Hampar concession on 3 October 2018, EoF found an area estimated >30 ha (Figure 24) planted with acacia about 1 month previously; and documented by drone a large area of newly planted acacia (Figure 25) in a “Restoration Priority of Peat Dome with Canal Protection Zone” area in BRG 2016 map and SK 130 map’s FLEG.



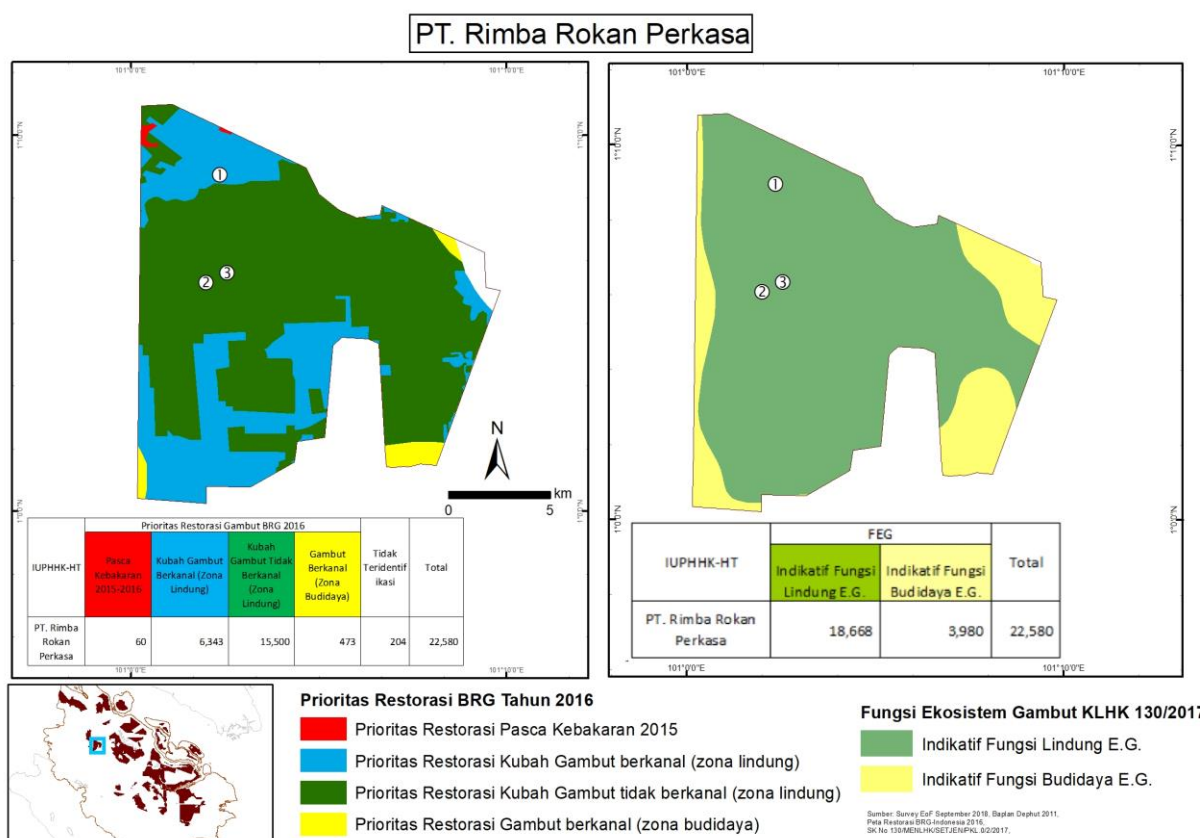
**Figure 24 (survey point 4, Map 5):** 1 month-old acacia seedlings planted in the PT SPM Hampar concession in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 3 October 2018 at N1°20'53.00" E101°58'45.00" © EoF.



**Figure 25 (survey point 5, Map 5):** Newly planted acacia seedlings in the PT SPM Hampar concession in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG. Image taken on 3 October 2018 at N1°20'2.36" E102°1'44.68" © EoF.

## 5. No restoration in PT Rimba Rokan Perkasa (taken over by MoEF)

In 2017 MoEF informed that the concession license of PT Rimba Rokan Perkasa (PT RRP, a former APP/Sinar Mas affiliate) was revoked in October 2016. Both, the BRG 2016 and SK 130 maps require that the majority (97% and 82%, respectively) of this concession needs to be protected and restored (Map 6).



**Map 6.**—Peat zoning of PT Rimba Rokan Perkasa concession in the BRG 2016 and SK 130 maps.

In August 2018, EoF drone and field surveys of BRG's 2016 map's Protection Zones and SK 130 map's FLEG found the surveyed areas to have no acacia plantation but mostly shrub or oil palm planted by the local community, outside investors and/or land speculators. During the EoF survey, the PT RRP concession had peat fire and many canals were dried up (Figures 26-30). The local community informed that the fires had started in July and continued until the time EoF visited the site a month later. The full extent of burning was not assessed by the team. EoF surveys did not find any reforestation efforts except a police banner announcing an investigation into burning of 25 ha area in Buluh Apo Village, Pinggir Sub-District, Bengkalis District (Figures 28-30).





**Figure 26 (survey point 1, Map 6):** Burning peatland in a “Restoration Priority of Peat Dome with Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG inside the PT RRP concession. Image taken on 30 August 2018 at N1°8'57.01" E101°2'22.05" © EoF.



**Figure 27 (survey point 2, Map 6):** Burnt area in a “Restoration Priority of Peat Dome without Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in the PT RRP concession. The area had some oil palm and was said to be controlled by outside investors and land speculators. Image taken on 30 August 2018 at N1°6'4.56" E101°2'0.29" © EoF.



**Figure 28 (survey point 3, Map 6):** Dried out canal in a “Restoration Priority of Peat Dome without Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in the PT RRP concession. Image taken on 16 August 2018 at N1°6'20.30" E101°2'33.62" © EoF.



**Figure 29 (survey point 3, Map 6):** Peat continues to burn behind a police banner on an investigation of fire in 25 hectares in Buluh Apo Village, Bengkalis District in a “Restoration Priority of Peat Dome without Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in the PT RRP concession. Image taken on 16 August 2018 at N1°6'19.83" E101°2'33.71" © EoF.



**Figure 30 (survey point 3, Map 6):** Local community’s burned oil palm plantation in a “Restoration Priority of Peat Dome without Canal in Protection Zone” area in BRG 2016 map and in SK 130 map’s FLEG in the PT RRP concession. Image taken on 30 August 2018 at N1°6'27.02" E101°2'29.03" @ EoF.



## DISCUSSION

**2015's devastating peat fires produced nothing but hot air. No action followed the strong words and regulations on protecting and restoring peat** - until even these were taken back to ensure a comforting return to business as usual.

EoF found that the HTI concessions monitored between August and December 2018 had made no or not sufficient effort in restoring peat. In some cases, they even allegedly violated P16/2017 and continued to commercially use FLEG areas by replanting harvested areas with acacia.

EoF's surveys did not determine "who in the government was responsible to supervise and enforce peat protection and restoration regulations in HTI concessions". On the ground, EoF saw only very limited if any government enforcement despite the obvious lack of restoration in these concessions. In MoEF's own PT RRP concession, which the agency itself was supposed to restore, EoF did not see any sign of restoration as the area now has become an open access area with no clear management over it.

During the writing of this report, almost as an encore to the depressing findings of this investigation, the Minister of Environment and Forestry issued a new regulation (P.10/MENLHK/SETJEN/KUM.1/3/2019) concerning Definition, Determination and Management of Peat Dome Peak Based on Peat Hydrological Units. The new regulation seems to provide a way out for both companies and government by no longer legally requiring them to protect and restore peatlands, except a few small peat areas now called "Peat Dome Peaks". The regulation reduces the areas of actual protection and restoration from all of FLEG to some, but not all, Peat Dome Peaks inside these FLEG. All other peat areas can be used as before whether they are inside FLEG or FBEG or not.

As if the lack of action on the ground was not enough, it seems that with this new regulation the Government has decided to relegate the tougher laws that were passed since the devastating peat fires of 2015 to quietly allow a return to business as usual in commercial peat development.

EoF believes P10/2019 can be legally contested because it has serious contradictions with (Appendix 1):

1. A higher law on peat restoration - Government Regulation Number 71 of 2014 concerning Peat Ecosystem Protection and Management, as amended by Government Regulation Number 57 of 2016 (hereafter "PP71/2014 & PP57/2016"), and
2. The same Minister's own previous regulation P.16/MENLHK/SETJEN/KUM.1/2/2017 concerning Technical Guidelines for the Restoration of Peatland Ecosystem Functions (hereafter "P16/2017"), for the implementation of the above Government Regulations.
3. Also itself, by having articles contradicting each other.

## RECOMMENDATIONS

Eyes on the Forest calls on Government, in particular MoEF, to:

- Reevaluate regulation P10/2019 which substantially contradicts with PP71/2014 & PP57/2016 and P16/2017 and implicitly provides opportunities for pulpwood companies and palm oil plantation to utilize FLEG with an exception of small areas of Peat Dome Peaks.
- Issue a Ministerial Decree that clarifies MoEF's supervision of peat protection and restoration in HTI supplier concessions.
- Diligently supervise peat restoration in HTI concessions as stipulated by PP71/2014 & PP57/2016 Article 31B.
- Ensure accountability and provide transparency of peat protection and restoration in Indonesia by publicly disclosing information on the performance of HTI companies in protecting and restoring peat, for example, publishing the required revised RKTs and the steps taken to implement them in each polygon of FLEG.
- Enforce peat protection and restoration regulations and take legal actions against violations by HTI concession holders based on EoF findings in this report.

Eyes on the Forest calls on BRG to:

- Supervise peat restoration in HTI plantation concessions effectively and comprehensively as BRG's Restoration Priority Zones overlap considerably with HTI concessions whose peat restoration performance has been very poor.
- Implement a peat restoration monitoring program for HTI concessions through partnerships with civil society organizations.
- Publish annual targets for peat restoration in each HTI concession overlapping with BRG's Restoration Priority Zones.
- Provide the Indonesian public with a time bound and geo-referenced peat protection and restoration plan for each HTI concession inside BRG's Restoration Priority Zones prior to the end of BRG tenure in 2020 to allow crowd monitoring of companies' compliance.

The responses of BRG and MoEF are listed in Appendix 2.

#END#

## Appendix 1: Key contradictions of P10/2019 identified by the EoF's legal analysis

Relevant legal text was extracted in Table 1, 2 and 3:

**Contradiction 1.** PP71/2014 & PP57/2016 requires protection and restoration of each FLEG as a whole and allows only a few low impact activities for FLEG utilization (Article 21, paragraph 1). In contradiction, **P10/2019 requires protection and restoration of only Peat Dome Peaks that are part of FLEG. It allows the same business utilization activities under the same same “obligation to maintain Peat hydrological function” for FBEG and for areas outside Peat Dome Peaks in FLEG** (Article 1, 4 and 8).

**Contradiction 2.** P16/2017 (see Article 4, paragraph 3 in Table 1) requires restoration efforts to be conducted immediately after harvesting without replanting in cultivated business license area of a FLEG as a whole. In contradiction, **P10/2019 requires rectoration of cultivated areas after harvesting plantations only inside Peat Dome Peaks in FLEG** (Article 4).

**Contradiction 3.** PP71/2014 & PP57/2016 (Article 45) stipulates that business and/or activity permits with actual field operation in FLEG starting before the PP71/2014 & PP57/2016 issuance are allowed to continue the operation until expiration of the permits, however, business and/or activity permits without any field operation in FLEG before the regulation issuance are required to maintain peat hydrological function, i.e. protection of the area without utilization. However, P10/2019 contradicts this by not specifying the presence or absence of operations before any regulation issuance. Thus **P10/2019 provides a loophole that could allow business and/or activity to convert natural forest and other un-developed areas in FLEG as long as the areas are outside Peat Dome Peaks.**

**Contradiction 4.** PP71/2014 & PP57/2016 (Article 45) stipulates that only business and/or activity permits in FLEG that were issued before the regulation issuance remain valid. However, P10/2019 (Article 8, point 3) contradicts this by not specifying the timing of permit issuance at all. Thus, **P10/2019 provides a loophole that could allow business and/or activity to conduct operations outside Peat Dome Peaks, whether inside FLEG or FBEG, as long as they have any permits issued any time, even in the future.**

**Contradiction 5.** PP71/2014 & PP57/2016 P10/2019 (Article 9, paragraph 3) stipulates *“The Minister shall determine the protection function of the Peat Ecosystem of at least 30% (thirty percent) of the total area of the Peat Hydrological Unity which shall be located starting from 1 (one) or more Peat Dome Peaks”*. In contradiction, P 10/2019 (Article 7, paragraph 1 and 2) stipulates that business and/or activity can continue the existing utilization in Peat Dome Peaks in a Peat Hydrological Unity as long as the peat hydrological function of these Peat Dome Peaks can be replaced by other Peat Dome Peaks. This also contradicts with Article 4, paragraph 2 of P 10/2019, which stipulates that all Peat Dome Peaks in FLEG are areas that are banned to be cultivated again after harvesting, for industrial timber plantation utilization or for agricultural plantation development. So, **P10/2019 could provide a loophole that could allow business and/or activity to continue utilization even in some of the Peat Dome Peaks in FLEG.**

**Contradiction 6.** P10/2019 has contradiction in itself: Article 2 writes the scope of the regulation to regulate two things, determination of KHG-based Peat Dome Peaks and their management, however, other Articles actually have stipulations for management of FLEG outside Peat Dome Peaks.

**Table 3.**—*Relevant text of PP71/2014 & PP57/2016 and P10/2019. Some key texts are underlined by EoF.*

PP71/2014 & PP57/2016 (official translation <sup>33, 34)</sup> )	P10/2019 (EoF translation)
<p><b>Article 9</b></p> <p>(3) The Minister shall determine the protection function of the Peat Ecosystem of at least 30% (thirty percent) of <u>the total area of the Peat Hydrological Unity which shall be located starting from 1 (one) or more Peat Dome peaks.</u></p> <p>(4) In case that beyond the 30% (thirty percent) of the total area of the Peat Hydrological Unity as referred to in paragraph (3) there are:</p> <ol style="list-style-type: none"> <li>Peat with a thickness of 3 (three) meters or more;</li> <li>specific and / or endemic germplasm;</li> <li>protected species in accordance with the laws and regulations; and / or</li> <li>Peat ecosystem located in a protected area as defined in the spatial plan, protected forest area, and conservation forest area, the Minister shall determine it as protection functions of the Peat ecosystem.</li> </ol> <p><b>Article 21</b></p> <p>(1) The utilization of the Peat Ecosystem at a Peat Ecosystem with protection functions as referred to in Article 20 paragraph (2) may be limited to the following activities:</p> <ol style="list-style-type: none"> <li>research;</li> <li>Science;</li> <li>education; and / or</li> <li>environmental services.</li> </ol> <p><b>Article 45</b></p> <p>At the time this Government Regulation takes effect:</p> <ol style="list-style-type: none"> <li>business and / or activity permits to utilize the Peat Ecosystem at Protection functions of a Peat Ecosystem <u>issued before the entry into force of this Government Regulation and have been in operation</u> shall be declared to remain in effect until the expiration of the permit.</li> <li>With regard to the activity of utilizing a Peat Ecosystem with protection functions which has obtained <u>business permit with no activity at the location</u>, the business permit shall remain valid with the</li> </ol>	<p><b>Article 1</b></p> <p>5. Peat Dome Peak is an area in the peat dome that has the highest topography of the surrounding area that determines water balance based on the principle of water balance.</p> <p><b>Article 2</b></p> <p>The scope of this Ministerial Regulation regulates:</p> <ol style="list-style-type: none"> <li>Definition and determination of KHG-based Peat Dome Peaks; and</li> <li>Management of KHG-based Peat Dome Peaks.</li> </ol> <p><b>Article 4</b></p> <p>(1) The results of determining the Peat Dome Peak as referred to in Article 3 are used as a basis to:</p> <ol style="list-style-type: none"> <li>determine Peat Dome Peak;</li> <li>determine water carrying capacity of the Peat Ecosystem;</li> <li>give direction in preparing the plan for protection and management of Peat Ecosystems; and</li> <li>plan and implement the restoration of Peat Ecosystem functions.</li> </ol> <p>(2) Peat Dome Peak as referred to in paragraph (1), letter a, is:</p> <ol style="list-style-type: none"> <li>part of protection function Peat Ecosystem;</li> <li>areas that must be used as protection areas; and</li> <li>areas that are banned to be cultivated again: <ol style="list-style-type: none"> <li>after harvesting, for industrial timber plantation utilization; or</li> <li>after expiry date of permit, for agricultural plantation business.</li> </ol> </li> </ol> <p><b>Article 7</b></p> <p>(1) In case there are more than 1 (one) Peat Dome Peak inside 1 (one) Peat Hydrological Unity (KHG), Peat Dome Peaks that have been utilized can continue to be utilized by replacing the hydrological function of Peat from other Peat Dome Peaks.</p> <p>(2) The provisions as referred to in paragraph (1) only apply to KHG that meet the criteria for the protection function of a Peat Ecosystem</p>

<p><u>obligation to maintain the hydrological function of the peat.</u></p> <p>c. in case that the permit holder perform the obligation to maintain the hydrological function of the Peat as referred to in letter b for 2 (two) years, the business permit shall be revoked by the party granting the permit.</p>	<p>with an area of at least 30% (thirty percent) of the total area of KHG.</p> <p><b>Article 8</b></p> <p>(1) Areas outside Peat Dome Peaks can be located in:</p> <p>a. Protection Function Peat Ecosystem; and</p> <p>b. Cultivation Function Peat Ecosystem.</p> <p>(2) Areas outside Peat Dome Peaks as referred to in paragraph (1) can be utilized.</p> <p>(3) Utilization of areas outside Peat Dome Peaks as referred to in paragraph (2) that hold permits can be conducted until the expiry of permits with the obligation to maintain Peat hydrological function.</p>
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## Appendix 2. Responses to this report

The EoF coalition shared the final draft of this Investigative Report with Ministry of Environment and Forestry (MoEF) and Peat Restoration Agency (PRA/BRG). Both welcomed the publication of this report and shared their respective comments on the findings and recommendations in the draft report.

Our summary of key responses by BRG:

1. BRG has implemented peat restoration supervision of palm oil plantations where restoration may significantly reduce forest and fire occurrence. (BRG did not elaborate on this statement, i.e. providing data on owners, locations, sizes, numbers). BRG believes similar actions can be executed in HTI concessions.
2. BRG welcomes EoF recommendations urging clarity on how peat restoration in HTI concessions will be monitored and supervised.

Our meeting with the Secretary General of MoEF and the staff, at MoEF office generated several key points:

1. MoEF supervised peat restoration in some HTI concessions, including in Riau province.
2. MoEF supervised peat restoration efforts in HTI concessions based on documents on restoration proposed by companies, which need approval from the Ministry.
3. MoEF prepared technical guidelines relating to peat restoration supervision in HTI concessions.
4. Issuance of Minister of Environment and Forestry's Regulation Number 10 Year 2019 confirms that HTI companies must revise Business Work Plan (Rencana Kerja Usaha, RKU) again.
5. MoEF is confident that the new regulation on peat restoration will not reduce the size of protected peat ecosystem that must be preserved based on previous regulations.
6. MoEF says there is no difference between peat domes (previous regulations) and peat dome peaks as the P10/2019 specified.

EoF also shared the draft report with APP and APRIL, however, received no response.

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- <sup>8</sup> Pantau Gambut (31 January 2019) Restorasi 2 juta hektar lahan gambut dalam 5 tahun <https://pantaugambut.id/pantau-komitmen/restorasi-2-juta-hektar-lahan-gambut-dalam-5-tahun?progres=title=676.901-hektar-lahan-gambut-terestorasi>
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- <sup>10</sup> Minister of Environment and Forestry Regulation P.10/MENLHK/SETJEN/KUM.1/3/2019 concerning Definition, Determination and Management of Peat Dome Peak Based on Peat Hydrological Units. [http://www.pantaugambut.id/uploads/default/komitmen/resources/3bdbdad5f68395a38681e4e6163684e0\\_Permen%20LHK%20P.10%20TAHUN%202019%20KHG.pdf](http://www.pantaugambut.id/uploads/default/komitmen/resources/3bdbdad5f68395a38681e4e6163684e0_Permen%20LHK%20P.10%20TAHUN%202019%20KHG.pdf)
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- <sup>15</sup> Reports by EoF and other NGOs on the two giants are collected at: <http://www.eyesontheforest.or.id>
- <sup>16</sup> Head of Peat Restoration Agency Decree SK.05/BRG/Kpts/2016 Regarding Determination of Indicative Peat Restoration Map. Dated 14 September 2016. [http://arsip.rimbawan.com/images/stories/aturan-pdf/2016/SK.05\\_BRG\\_KPTS\\_2016\\_20161114\\_Peta%20Indikatif%20Restorasi%20%20%20Gambut.pdf](http://arsip.rimbawan.com/images/stories/aturan-pdf/2016/SK.05_BRG_KPTS_2016_20161114_Peta%20Indikatif%20Restorasi%20%20%20Gambut.pdf)
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[nomor-71-tahun-2014-tentang-ppe-gambut/](#) and <https://gambut.oirto.com/en/pp-nomor-57-tahun-2016-tentang-perubahan-ppe-gambut/>

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<sup>30</sup> Koalisi Anti Mafia Hutan (February 2019)

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