

Chain of custody report on natural timber movement in PT Mitra Kembang Selaras, a timber supplier affiliated to APRIL, to its Riau pulp mill, PT Riau Andalan Pulp & Paper (RAPP) in Pangkalan Kerinci,



Investigative Report Published by Eyes on the Forest

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Eyes on the Forest (EoF) is a coalition of environmental NGOs in Riau, Sumatra: WALHI Riau, Jikalahari "Riau Forest Rescue Network", and WWF-Indonesia, Riau Program. EoF monitors the status of natural forest in Riau Province, Sumatra and disseminates the information to readers around the world.

For more information about Eyes on the Forest, go to http://www.eyesontheforest.or.id
Email: eof@eyesontheforest.or.id

Background

This report is an investigation conducted by Eyes on the Forest (EoF) in May 2010. EoF's investigation in this period have proved that PT Mitra Kembang Selaras clearcutting of natural forest in area which identified as High Conservation Value Forest based on the analysis by WWF.

This investigation is aimed at monitoring the condition of natural forest in Riau and proved the delivery of the woods felled from natural forest to a company that uses them. The activity conducted by EoF which well-known as Chain of Custody (CoC) is applying a direct field observation method and interviews on the spot with several workers, field supervisors in the observed location. The collected data is to prove that the delivery of woods from the logging site, from loading site until they will be received by PT RAPP pulp mill (APRIL) in Pangkalan Kerinci.

PT Mitra Kembang Selaras, a developer of industrial timber plantation (HTI), which is affiliated to PT RAPP and APRIL, in 2009, clearcut natural forest covering an area of 3,420 hectares with the potential mixed tropical hardwoods of 365,849, cubic meter which allowed by the Decree 07/BPHT-3/2009, dated 02 April 2009. In 2010, this company continue to clearcut natural forest covering an area of 2,436 hectares with potential mixed tropical hardwood of 249,960 cubic meter on the basis of Annual Work Plan (RKT) issued by the Ministry of Forestry through the Decree of Director of Industrial Plantation Development, SK. 14/BPHT-3/2010, dated 25 March 2010.

APRIL's breach against HCVF Protection

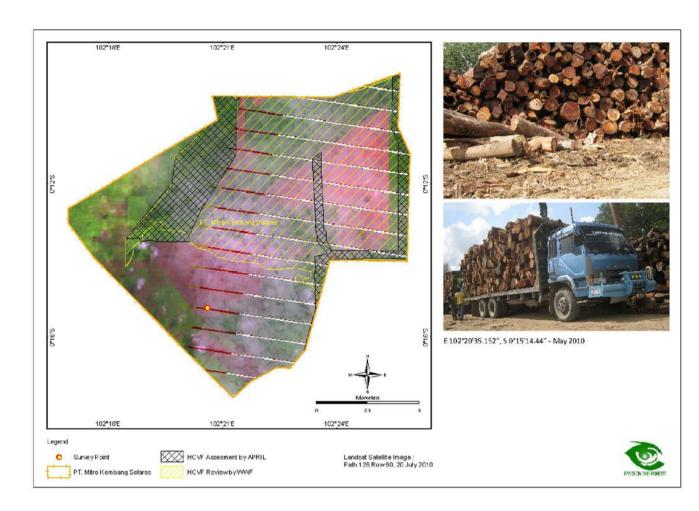
APRIL has committed to its buyers, investors and the general public to protect High Conservation Value Forests (HCVF) professionally and independently identified following the stakeholder driven HCVF Toolkit for Indonesia (APRIL's Fact Sheet http://www.aprilasia.com/images/stories/hcvf.pdf).

In August 2005, APRIL conducted a review of HCVF in the concession of PT Mitra Kembang Selaras and followed by WWF Indonesia's HCVF review in the same year. HCVF studies by APRIL and WWF in this concession until this report is published, there hasn't been any agreement on delineation by multi-stakeholders. In 2008, APRIL has signed a contract with the Rainforest Alliance not to clear natural forest in the absence of any professional HCVF assessment as well as a disputed delineation of HCVF by stakeholders which haven't been agreed yet. PT Mitra Kembang Selaras is one of parts which is referred to this contract not to clear natural forest before the delineation is agreed.

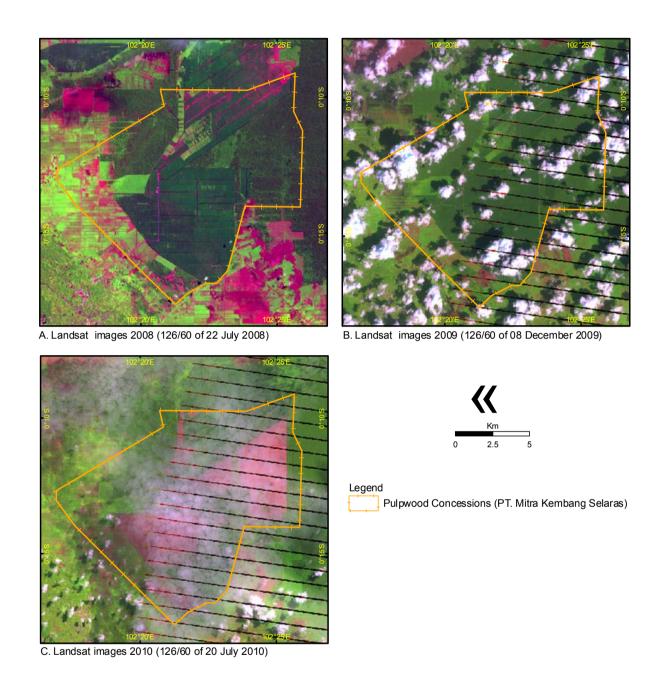
However, by 2009 and 2010, APRIL kept clearcutting and received raw materials from natural forest clearance which potentially contained HCVF. In 2010, the Rainforest Alliance suspended an interim FSC Controlled Wood certificate that has been submitted to the Forestry Division of PT Riau Andalan Pulp & Paper, owned by APRIL (reference: SmartWood SW-CW/FM-003712).

In May 2010, Eyes on the Forest proved that PT Mitra Kembang Selaras clearcut natural forest in area identified as High Conservation Value Forest based upon WWF's analysis (map 1). PT Mitra Kembang Selaras is located in Kerumutan landscape which is an important one for tiger conservation that is recognized globally in addition to Kampar Peninsula, Bukit Tigapuluh and Senepis-Buluhala.

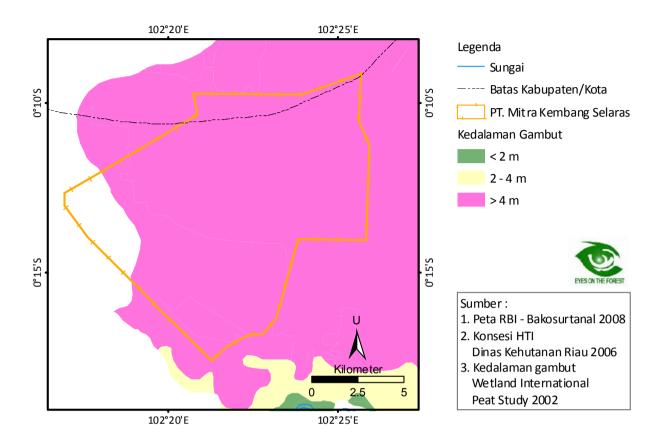
EoF investigation showed that APRIL is not committed to its promise to protect HCVF and not to use timber for raw material from areas that contain HCVF. Therefore, Eyes on the Forest calls on the business partner of APRIL to consider cooperation with APRIL and not believe in their claims of sustainability.



Map 1. Logging of natural forest by PT Mitra Kembang Selaras shown by red color in Landsat image in July 2010. Whereas, the area is indicated by the WWF as HCVF. On the other hand, since 2005, APRIL is committed to its buyers, investors and the public to protect the High Conservation Value Forest (HCVF).



Map 2A. Map shows the natural forest cover in 2008 with the "status before RKT 2009-2010 issuance". Natural forest is shown in green color. Map 2B and 2C show satellite images 2009-2010 illustrating the area in the already logged site, indicated in pink color. This indicates that the areas in the state "after RKT 2009 and 2010 issuance". Natural forest with green color, while the already logged site seemed without main vegetation appears in pink color.



Map 3. Concession of PT Mitra Kembang Selaras on Kerumutan forest block. Peat lands with depth of more than 4 meters (pink) dominate this area; it supports suggestion that this area should be protected. Government Regulation (PP) 26/2008 confirmed that peat soil with average depth of 3 meters or more located in the upstream river or wetlands regarded as "National Protected Forest Area". Logging of natural forest in the concession area by PT Mitra Kembang Selaras has a huge impact to global climate. Kerumutan forest and peatlands, especially, are a globally significant carbon basin. Cutting down trees or destroying the land by draining peat canals or constructing building the infrastructures will release carbon emissions that affect global climate.

Eyes on the Forest reported the delivery of timber from loading site of PT Mitra Kembang Selaras untill received by PT RAPP pulp mill in Pangkalan Kerinci.

Timber transportation from loading site of PT Mitra Kembang Selaras concession to the pulp mill of PT RAPP in Pangkalan Kerinci was operated by using logging trucks with capacity approximately 30 tones or about 35 cubic meter. In this investigation, EoF team followed secretly logging truck with police number BK 9665 BJ and side code number 238-162.

Here it is the chronology of delivery of timber from HTI PT Mitra Kembang Selaras to the mill of PT RAPP-Pangkalan Kerinci.

a) Loading

On 5 May 2010, there were found 4 (four) units of logging trucks on TPN site and TPK logpound in PT Mitra Kembang Selaras concession, where EoF team just focused on movement of truck BK 9665 BJ and side code 238-162.

- At 2:50 pm, on 5 May 2010, the truck with police number BK 9665 BJ and side code 238-162 loaded logs by using one unit of excavator, Komatsu brand, with the identity CA 35. Loading site is at the GPS position S. 00 13 29 967 E. 102 20 39 498.
- ❖ At 3:40 pm, on 7 May 2010, the BK 9665 BJ truck departed from the site heading to Pangkalan Kerinci town, where APRIL's pulp mill located. At 3:51 pm, it was crossing safety gate of PT Mitra Kembang Selaras at GPS position S.00 15 44 473 E. 102.19.25.831.
- ★ At 3:59 pm, on 7 May 2010, the BK 9665 BJ truck arrived at the eastern highway of Sumatra at GPS position S.00 17 57 133 E 102 17 58. 029

b) The truck stopped for a break

❖ At 4:11 pm, 7 May 2010, the truck that followed by EoF investigators or one with police number BK 9665 BJ and side code 239-162 stopped at a

- restaurant in Banjar Balam village, but a few moments later the truck with continued its trip.
- ❖ At 4:18 pm, on 7 May 2010, the BK 9665 BJ truck stopped in the yard of forestry service checkpoint in Banjar village of Pelalawan District at the GPS position S.00 11 27. 447 E 102 13 48. 013. Then the truck driver submitted a report to the checkpoint of forestry service before the truck continued its trip.
- At 5:57 pm, May 7, 2010, the truck of BK 9665 BJ number and side code 239-162 was passing Sorek market in GPS position N. 00 7 50. 221 E. 102 4 24. 641
- ❖ At 7:42 pm, on 7 May 2010, the BK 9665 BJ truck stopped at a restaurant at the coordinate point N. 00 18 53 034 E. 54 101 16.071
- ❖ At 8:10 pm on 7 May 2010, the BK 9665 BJ truck continued its journey.
- ❖ At 9:00 pm, on 7 May 2010, the truck with police number BK 9665 BJ and side code 239-162 entered PT RAPP pulp mill in Pangkalan Kerinci.

Photos and Documents which found by EoF team during the delivery of woods from logging site of PT Mitra Kembang Selaras until they were received at PT RAPP, an APRIL pulp mill in Pangkalan Kerinci, Riau Province



Photo 1. TPN and TPK location of PT Mitra Kembang Selaras at GPS position S. 00 13 29 967 E. 102 20 39 498.



Photo 2. Truck with police number BK 9665 BJ and side code 238-162 was loading logs using a unit of excavator heavy equipment, Komatsu brand, with the identity CA 35. Loading site at the GPS position S. 00 13 29 967 E. 102 20 39 498.



Photo 3. At 3:59 pm, on 7 May 2010, truck with police number BK 9665 BJ and side code 239-162 arrived at the eastern Sumatra highway to PT RAPP's pulp mill in Pangkalan Kerinci. Photos at the GPS position S.00 17 57 133 E 102 17 58. 029



Photo 4. At 4:18 pm, on 7 May 2010, the BK 9665 BJ truck stopped in front of the forestry service checkpoint in Banjar village of Pelalawan District at GPS position S.00 11 27. 447 E 102 13 48. 013.



Photo 5. At 5:57 pm, on 7 May 2010, the truck with identity BK 9665 BJ and 239-162 was passing Sorek market at the GPS position N. 00 7 50. 221 E. 102 4 24. 641

See map below

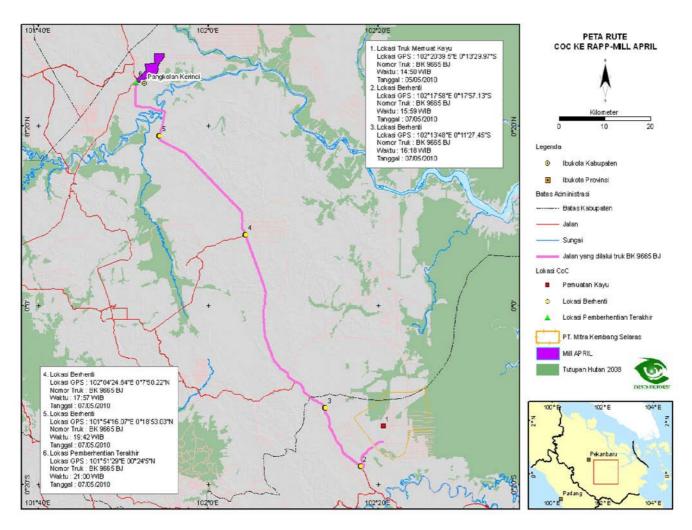
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For further information, please contact :

Editor of Eyes on the Forest

Afdhal Mahyuddin

Email: eof@eyesontheforest.or.id



Map 4 has proved how the logged timbers from natural forest by PT Mitra Kembang Selaras were delivered and received by PT Riau Andalan Pulp and Paper (PT RAPP) pulp mill, belongs to APRIL in Pangkalan Kerinci, Riau Province.