



Deforestation continues in SMG/APP supplier concession in Sumatra

**Natural forest cleared on deep peat
in tiger habitat after moratorium**



Investigative Report

Eyes on the Forest

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Eyes on the Forest (EoF) is a coalition of environmental NGOs in Riau, Sumatra: Friends of the Earth "Walhi" Riau Office, Jikalahari "Riau Forest Rescue Network" and WWF-Indonesia, Riau Program. EoF monitors the status of the remaining natural forests in Sumatra's Province of Riau and disseminates the information worldwide.

For more news on Eyes on the Forest, go to: <http://www.eyesontheforest.or.id>

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Front cover

Long queue of MTH stacks at the southern edge of natural forest in PT Riau Indo Agropalma (RIA) concession waiting for transport by trucks heading to its jetty of logyard. Photo taken by Eyes on the Forest at 0°4'34.98"N, 102°57'0.79"E (location 4 in Map 1) on 6 April 2013.

Introduction

The Sinar Mas Group's Asia Pulp & Paper (SMG/APP) published its "Forest Conservation Policy (FCP)" on 5 February 2013 announcing "an end to the clearing of natural forest across its entire supply chain in Indonesia, with immediate effect"¹. The policy states:

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

SMG/APP prepared various protocols to implement this policy, including a Clearance Moratorium Protocol. The draft Protocol presented on February 13 during the first "Focus Group Discussion" with NGOs stipulated:

- **"Logging and land clearing was discontinued after January 31, 2013. Either in areas of natural forest stands, areas of Open Land (LT) and Young Scrub (BM) until there is verification".**
- **"All heavy equipment (A2B) which are used for logging activities, land clearing, road and canal development (corresponding to the list that has been submitted) will be stored in pre-determined areas".**

In a letter to Mongabay, in answering a question "if it is the case that natural forest can still be cleared if it does not meet High Conservation Value (HCV) or High Carbon Stock (HCS) criteria.", APP said:

- **"The short answer is no. Under no circumstance can natural forest be cleared under the new policy. To achieve identification and therefore protection, we are using HCV assessment and HCS classification. This is more complex than simply dividing land into one type or another, as there are in fact six classifications, which are identified using both field work and satellite analysis. In descending order of value they are high density forest, medium density forest, low density forest, old scrub, and young scrub and cleared or open land. The first four currently fall into the HCS classification. Prior to the completion of our HCS study, it is only the last two that are available for clearance or usage by APP and its suppliers, and then only when HCV and peat land assessments have been completed."**²

Are all suppliers of SMG/APP complying with these policy and protocol provisions?

Our short answer is no.

In March 2013, West Kalimantan NGOs found two local suppliers of SMG/APP to be violating the above policy and protocol provisions³. Early April, APP consultant The Forest Trust (TFT), against recommendation by the NGOs, conducted a "verification audit" alone, and confirmed that forest clearing and peat canal construction took place as alleged during the moratorium period. TFT claimed that the suppliers did not breach the APP moratorium as the activities were done by holders of overlapping licenses. TFT "overlooked" the suppliers' legally required responsibility to protect the concessions^{4, 5}. TFT also stated "The plan to construct the canal to access the felled wood, that is wood that had been felled prior to February 1st 2013, had been discussed and agreed between TFT, ATP and APP in February 2013. In summary – no new forests were felled and there's no breach of APP's Forest Conservation Policy." TFT thus confirmed that a secret deal was made after the announcement of the new policy and without peer reviewed published HCV, HCS and peat assessments recommending that canals in peat soils could be built⁶.

In April 2013, investigations by Eyes on the Forest (EoF) found that a supplier in Riau

Province of Sumatra, PT. Riau Indo Agropalma (RIA), to be violating SMG/APP's above policy and protocol provisions.

Findings

EoF investigation between 5 and 8 April 2013 found PT. Riau Indo Agropalma (RIA), an "independent" supplier to SMG/APP, to be felling natural forest trees in the Kerumutan block. The supplier is supposed to be implementing the "moratorium" instituted by SMG/APP.

At least seven excavators were observed actively clearing natural forest inside the concession (photo 1, taken in location 10 in Map 1). A video of the excavators felling trees is published at: <https://vimeo.com/66048150>.

Examination of Landsat images with limited cloud cover over the investigation area revealed that the forest clearance area increased in size between March 6 and April 23. An EoF team walked along the south-western boundary of the concession based on the Ministry of Forestry data and observed the large open land after deforestation and many stacks of mixed tropical hardwood (MTH), cut into short segments (see photos in Map 1) and waiting for transport by trucks to PT RIA jetty in Sungai Simpang Kanan.

The peat soil of the area is estimated to be more than 4 meters deep⁷, thus according to the spatial laws of PP 26 2008 are protected areas and the forest must not be not be cleared⁸. The Kerumutan block, including the PT. RIA concession area, is considered as a key Sumatran tiger habitats by global tiger experts^{9, 10}. According to the second progress report by TFT on 7 May, there is no completed independent High Carbon Stock or High Conservation Value assessment which would confirm that such forest clearance does not violate APP's FCP¹¹. In February 2009, three Sumatran tigers were poached in a village next to this PT RIA concession. The two perpetrators were sentenced with light punishment, criticized by environmentalists.^{12, 13, 14}



Photo 1.—Three excavators were caught red handed in this photo, felling trees of natural forest in PT. RIA concession. Photo taken by Eyes on the Forest at location 10 in Map 1 (0°4'38.93"N, 102°57'4.18"E) on 8 April 2013. See also the video published at: <https://vimeo.com/66048150>



Map 1.—Deforestation and stacks of MTH logged after March 6 along forest edge, PT. RIA concession.

Conclusions

An “independent” supplier of SMG/APP in Riau Province, Sumatra continued to clear natural forest after the start of SMG/APP’s forest clearance moratorium on 1 February in violation of the company’s FCP and protocol provisions (see Introduction). SMG/APP did not complete “independent HCVF, HCS, peat expert assessments” prior to these activities¹⁵.

Eyes on the Forest Recommendations for SMG/APP

On 24 April, eleven civil society groups and networks sent a joint letter to Asia Pulp & Paper (APP), explaining the substantial social and conservation issues APP has failed to address adequately in its FCP and associated protocols¹⁶. The findings presented in this investigative report reinforce the the CSOs’ concerns about potential continued deforestation and sourcing of MTH in violation of the FCP due to the refusal of APP to stop all MTH supply to all mills, combined with apparently incomplete, weak, non-transparent and not independent monitoring.

Among their many recommendations, the CSOs suggested the following in regard to the issues described in this investigative report:

1. Stop accepting all tropical forest fiber at all mills by 5 May 2013, the date of the first quarterly report on the new FCP to close all potential loopholes for abuse and make the monitoring of full implementation of the new FCP straightforward and without doubt.
2. Provide detailed information on all existing and past suppliers’ concessions including information on concession boundaries, land cover, High Conservation Value (HCV) and High Carbon Stock (HCS) areas identified by SMG/APP contractors, and provide civil society with access to all concessions and facilities to allow truly independent stakeholder monitoring of the FCP.
3. Provide information on new concession areas and mill expansion plans in Indonesia to allow CSOs to independently evaluate future conservation benefits of the FCP.

Eyes on the Forest recommendation to APP buyers and other business partners

Do not buy SMG/APP’s products until truly independent monitoring by EoF has confirmed that the company

- has committed to restore selected forests and rehabilitate peat soils it cleared or damaged in the past in HCV, HCS and protected areas in its concessions,
- has stopped accepting tropical forest wood at all mills,
- has provided CSOs with all the data necessary for truly independent monitoring, and
- has demonstrated a proven track record of successful implementation of the above and its improved forest conservation policy for a period of time.

END

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