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**Legally Questionable Forest Clearing by APRIL
Threatens Peat Swamp Forest of Kerumutan,
Critical for Sumatran Tigers, Local People and the Global Climate**

**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 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.

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Executive Summary

A pulpwood plantation (HTI) development company affiliated with Raja Garuda Mas Group's Asia Pacific Resources International Holdings Limited (APRIL), one of the world's largest paper companies, is clearing natural peat swamp forest with likely High Conservation Values under legally questionable circumstances, an Eyes on the Forest (EoF) investigation from May to June 2009 has found.



Photo 1. Cleared logs from natural forest in HTI concession of PT Sumatera Riang Lestari in Kerumutan forest block on coordinate point S. 00 24 38.7 E. 102 46 38.6

A pulpwood plantation development company affiliated with APRIL called PT Sumatera Riang Lestari is operating in the Kerumutan forest block in Riau Province, clearing natural forest and digging canals to drain the peat soil. This logging by the company marks a resumption of natural forest clearing in the Province, following the lifting of a de facto moratorium on natural forest clearing in 2007 and 2008, when Riau Police probed widespread illegal logging by the pulp and paper industry.

PT Sumatera Riang Lestari obtained a new HTI license (Minister of Forestry Decree Number 208/ Menhut-II/2007) for 48,635 hectares of the Kerumutan peat

swamp forest in 2007. The company only began clearing it in February 2009, EoF was unable to determine the size of forest cleared by APRIL since then.

The natural forest clearance operations by APRIL's associated company are legally questionable, based upon existing laws and regulations.

According to the national land use plan by the Ministry of Public Works in 2008, the concession of PT Sumatera Riang Lestari is located in area that has criteria of Protection Forest (Hutan Lindung) – this means that the permit granted for this concession should be reviewed thoroughly and the company should not continue operation prior to detailed identification on protection areas of peatland based upon spatial plan criteria at district level is conducted.

This forest area has peat over 3 meters deep; Presidential Decree Number 32/1990 says that natural forest located on peatlands with a depth of 3 meters or more situated in an upstream swamp area shall be protected.

The natural forest clearance operations by APRIL's associated company violates APRIL's own public commitment to set aside HCVF areas for protection and management, since the Kerumutan peatland forest landscape is an endangered ecosystem (HCV 3) and considered by tiger conservation experts (*Sanderson, et.al, 2006*) as even more important for the critically endangered Sumatra tiger (HCV 1.2) than Riau's Tesso Nilo landscape as habitat. EoF investigation found tracks of a Sumatran tiger (*Panthera tigris sumatrae*) in a community close to the concession of PT Sumatera Riang Lestari. Large-scale natural forest conversion by APRIL's affiliate company is likely to create conflict between the endangered species that are evicted from their habitat and local people.

The natural forest clearing incited severe social conflict between villagers of Harapan Jaya that sits inside the concession and PT Sumatera Riang Lestari. On 8 May 2009, the community of Harapan Jaya village staged a rally protesting the company's forest clearing. The company responded by detaining four villagers of Harapan Jaya, who ultimately ended up in police custody. Social unrest by Harapan Jaya villagers protesting the forest operation by PT Sumatera Riang Lestari indicates that the company, in clearing natural forest for developing acacia plantations, failed to pay attention and consider the existence of community. This is a potential violation of the company's commitment to protected High Conservation Values 4.2, 5 and 6.



Photo 2. An excavator of PT Sumatera Riang Lestari is digging canal in Kerumutan peat swamp forest.

The carbon stored in Kerumutan's forest and deep peat soils is also under threat by PT Sumatera Riang Lestari's operations with potential devastating effects on the global climate.

The EoF coalition calls on APRIL to:

1. Immediately stop all further clearance of natural forest in PT Sumatra Riang Lestari concession due to the questionable legality of their activities, social conflict, threat to critically endangered Sumatran tigers and other High Conservation Values and its potential negative impacts on the climate,
2. stop all further development of canals, roads and other infrastructure to prevent illegal loggers, encroachers and poachers from entering the heart of Kerumutan,
3. dismantle all such infrastructure established to avoid further draining of Kerumutan peat landscape and resultant CO₂ emissions, and
4. set aside the whole concession for conservation, considering its management under a carbon offset scheme.

EoF will continue to monitor APRIL's field operations in Sumatra. EoF calls on business partners of APRIL to continue checking www.eyesontheforest.or.id for updates, and consider EoF information when evaluating APRIL's environmental and social performance and their business relationships with the company.

APRIL exports its pulp around the world and sells the paper brand "*Paper One*". APRIL is part of the Raja Garuda Mas Group and in the province of Riau owns companies like "*Fiber One*", "*Dumai Fiber*". It owns or is a joint partner of many forest management companies, like the one investigated in this report, "PT Sumatera Riang Lestari".

EoF Investigative Findings in Kerumutan

Beginning in 2007, a de facto moratorium on natural forest logging was put in place in Riau Province following a Riau Police initiative to probe widespread illegal logging allegedly conducted by the pulp and paper industry. However, in December 2008 the Riau Police issued a "letter to terminate probing" (SP3) against 13 of the 14 pulpwood companies under investigation. The issuance of an SP3 letter closing the cases indicated that the de facto moratorium would be lifted. HTI companies then started proposing logging licenses, known as annual work plans (RKT), in natural forests within their concessions.

An Eyes on the Forest (EoF) investigation in May and June 2009 found that one of APRIL's associated companies, PT Sumatera Riang Lestari, in the Kerumutan forest block, was clearing natural forest, digging canals and building worker camps under legally questionable circumstances. Reliable information from community members of the nearby Harapan Jaya village said that PT Sumatera Riang Lestari started the logging operation in February 2009.

EoF found 11 Hitachi excavators, several logponds (TPK) for the company's chipwood and two logponds for logging wood. EoF also determined that the company was constructing a main canal to drain peat 12 meters wide and 5 kilometers long and two side canals 10 meters wide and 1 kilometer long. There are an estimated 50 workers conducting those operations.

PT Sumatera Riang Lestari's logging operations are 1. legally highly questionable, 2. creating social conflicts, 3. destroying potential HCVMs and 4. causing significant CO₂ emissions.

1. Natural forest clearing by PT Sumatera Riang Lestari in Kerumutan block is highly questionable legally

Map 1 shows that natural forest inside this concession is in good condition in July 2008 and likely stayed in the same good condition until today since there was moratorium of forest clearance until December 2008. EoF investigators found logs in an open area (Photo 1, the location is shown in Map 1 by red square dot). Photos 2, 3, and 4 show the deforested areas as well as canals that constructed by PT SRL. Indonesian regulation Number 34 year 2002 stipulates that HTI development cannot be conducted in areas with good forest. Therefore, the forest clearance operations conducted in this concession since February 2009 are considered legally questionable.

Most of the Kerumutan forest block has a peat depth of over 4 meters (Map 2). Referring to Presidential Decree Number 32/1990, natural forest located in peatlands with a depth of 3 m or more that are situated in upstream and swamp areas should be preserved.

In addition, the Republic of Indonesia Government Regulation Number 26 Year 2008 Concerning the National Land Use Plan stipulates that the area of PT Sumatera Riang Lestari is "national Protection Forest (Hutan Lindung)." Government Regulation 26/2008 states that peatlands with average peat depths of 3 meters or more that are situated upstream or in a swamp are considered "national Protection Forests." As seen on Map 3, most areas of Kerumutan forest block qualify as a national Protection Forest, since they have peat more than 3 meters deep.



Photo 3. PT SRL digs peat canal in Kerumutan forest on coordinate point S.00 24 38.7 102 46 30.8 which cause significant CO₂ emissions.

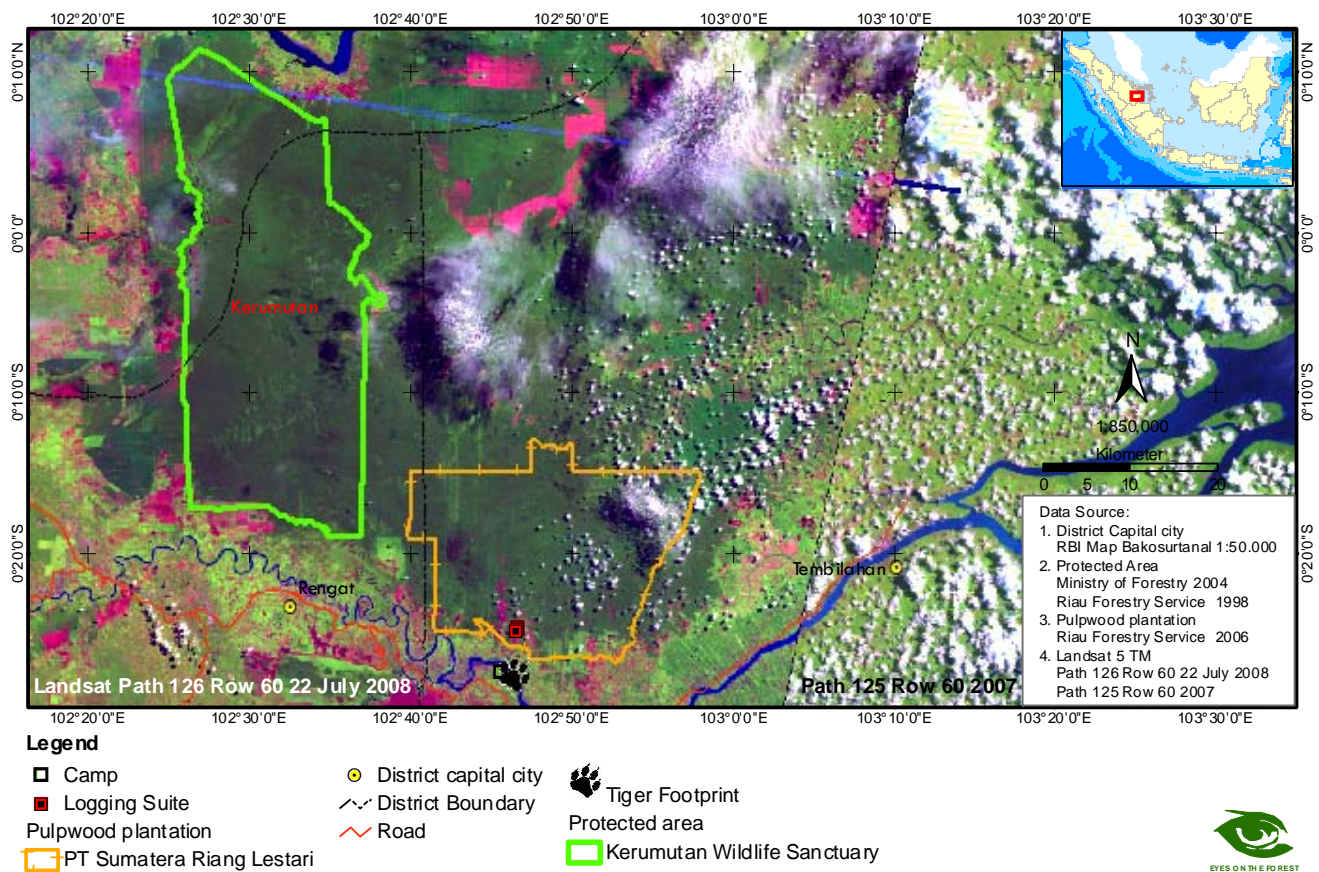
Republic of Indonesia's Constitution Number 26 Year 2007 on Spatial Plan, article 77 subsection (1) states: "As the land use plan is determined, all spatial use that is not aligned to the land use plan should be adjusted to the land use plan through activity of spatial use." Subsequently Article 37 subsection (6) stipulates, "Permits for spatial uses that are not appropriate due to an adjustment of the regional land use plan can be revoked by the Government and local government by providing fair compensation."



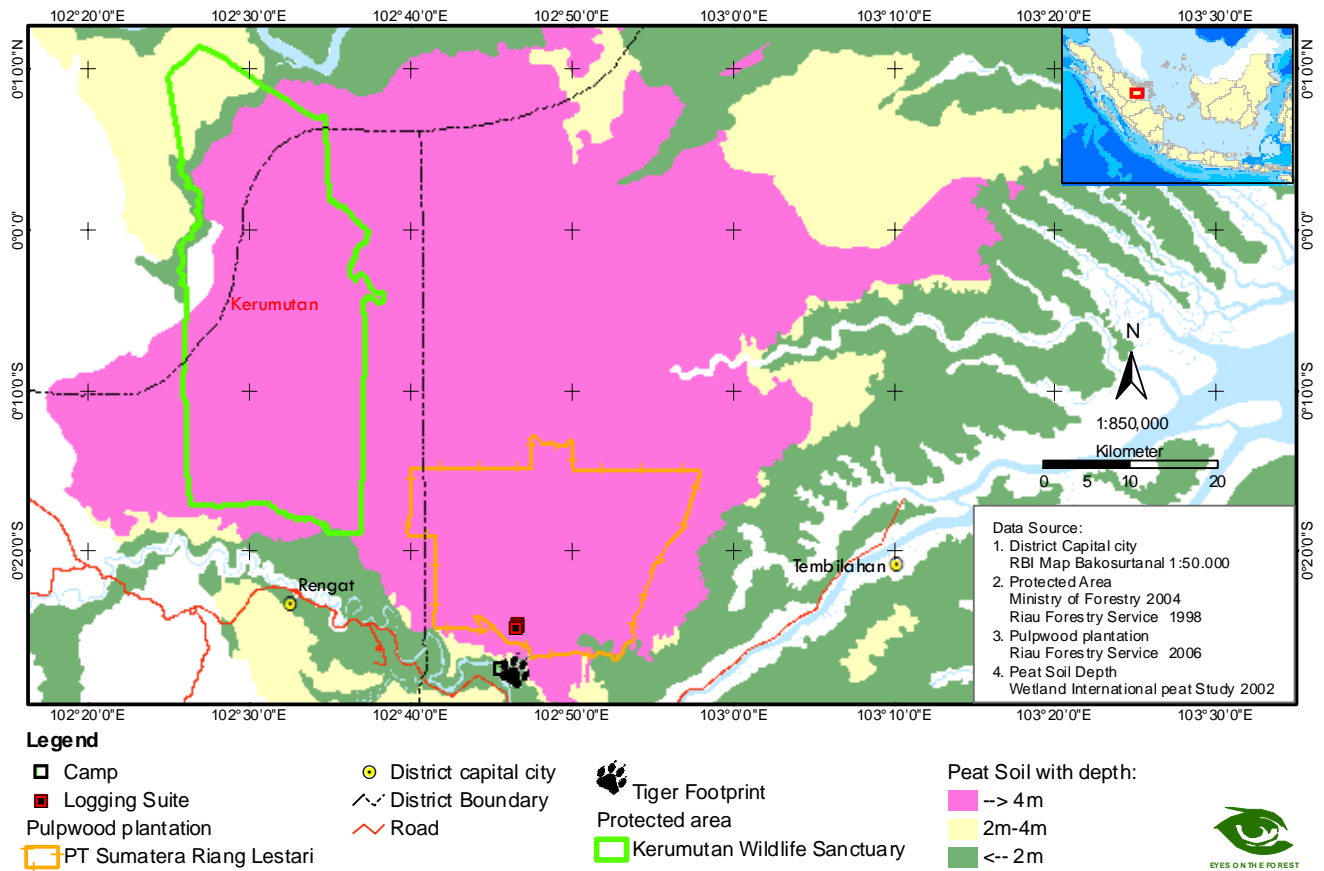
Photo 4. Deforested area in Kerumutan peat forest by PT SRL on coordinate point S.00 24 38.7 102 46 38.6

The HTI concession license granted to PT Sumatera Riang Lestari is no longer in line with the national spatial designation, as it sits in a national protected area. It should thus be annulled by the Government. However, PT Sumatera Riang Lestari has already started conducting natural forest clearing.

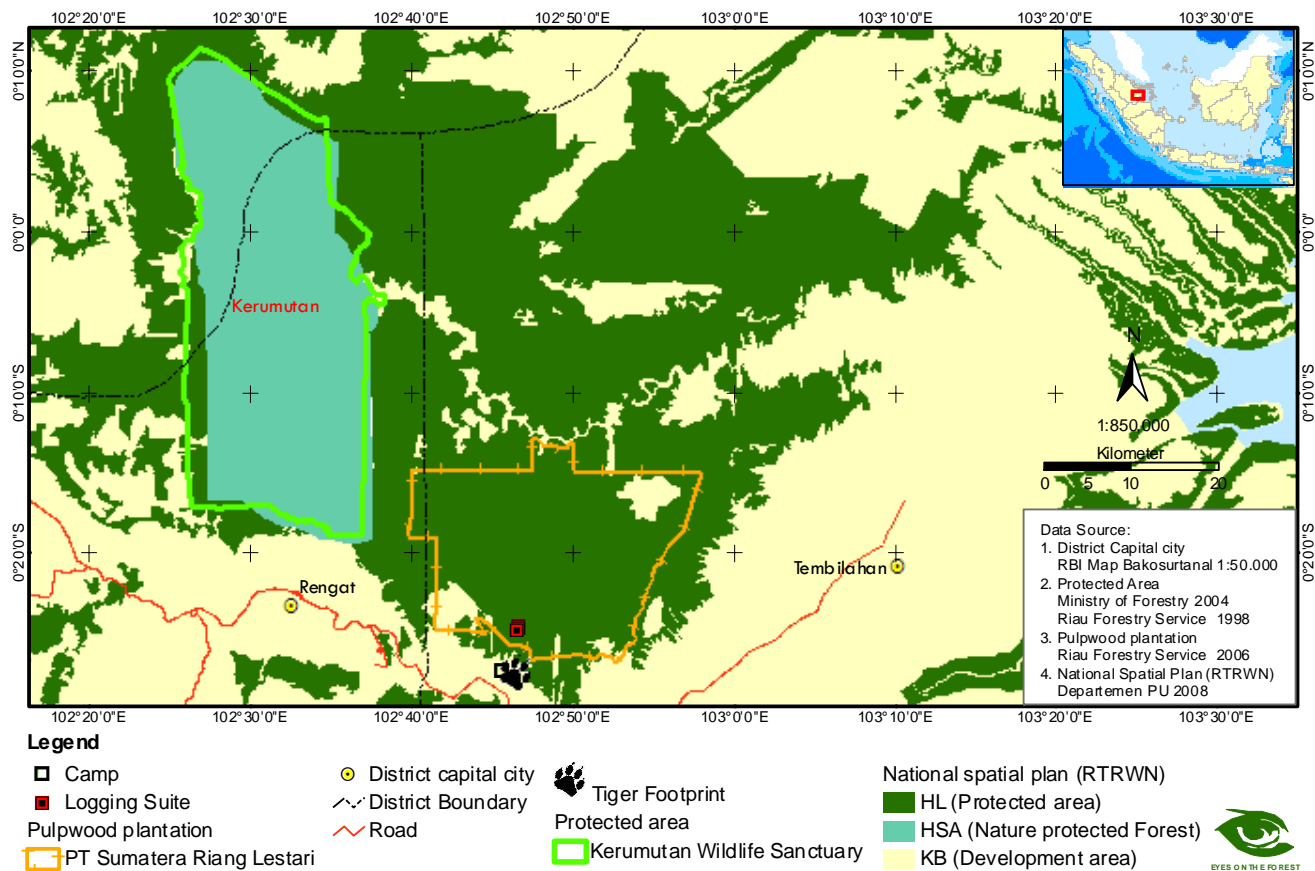
In addition, based upon Database released by Riau Forestry Service in 2006, concession of PT Sumatera Riang Lestari in Kerumutan block was overlapping with reserved HTI concession of PT Soegih Lestari. EoF learns that the reserved HTI concession for PT Soegih Lestari is identical with the concession and area granted to PT Sumatera Riang Lestari.



Map 1. Concession of PT Sumatera Riang Lestari in Kerumutan forest block that overlaid with Landsat image TM 5 year 2008 shows good forest cover that should be preserved.



Map 2. Concession PT Sumatera Riang Lestari in Kerumutan forest block. Peatland with depth of over 4 meter (pink) is dominant in this area, supporting that it should be preserved.



Map 3. Concession of PT Sumatera Riang Lestari in Kerumutan forest block. Referring to National Spatial Designation that issued by the Ministry of Public Works 2008, concession of PT Sumatera Riang Lestari is National Protection Forest (blue color) which is so dominant in the area. The map also shows Sumatran tiger footprint found by villager.

2. Social aspect—Natural forest clearing by PT Sumatera Riang Lestari in Kerumutan block started with conflict against community

On 8 May 2009, a mass protest was staged by about 400 villagers of Desa Harapan Jaya against PT Sumatera Riang Lestari. The protest was instigated by the failure of the company to fulfill its promise to continue negotiating with the community, as both sides had agreed on 5 May 2009.

In this action, the villagers demanded PT Sumatera Riang Lestari stop natural forest clearing in the Harapan Jaya village administration. Related to the rally, on 10 May 2009, four villagers of Harapan Jaya were arrested and detained by the police and were charged with provoking the mass protest on 8 May. The villagers

were released on 17 May. Despite this, as this EoF report is being compiled, the four residents were still being investigated by the police.

Administratively, the HTI concession of PT Sumatera Riang Lestari is located in two districts and four sub-districts, namely Batang Tuaka, Teluk Belengkong, Tempuling (Indragiri Hilir district) and Rengat (Indragiri Hulu district). Several villages have their settlements adjacent to the concession: Desa Harapan Jaya, Pekan Tua, Teluk Kiambang, Mompam and Teluk Jira.

EoF investigation found that the conflict involving the villagers against the PT Sumatera Riang Lestari pulpwood company occurred only with Desa Harapan Jaya, but it's possible that the social conflicts can spread to neighboring villages. EoF found documents and files belong to villagers of Desa Harapan Jaya expressing their objection to the forest activity by PT Sumatera Riang Lestari.

Based upon a Statement Letter by the Community of Desa Harapan Jaya dated 22 April 2009, the concession of PT Sumatera Riang Lestari overlaps with the community's land. On 9 May 2009, the villagers demanded that PT Sumatera Riang Lestari stop its activities, particularly on the land that is considered by village head and community leaders as belonging to the community of Desa Harapan Jaya.

The community of Desa Harapan Jaya charges that PT Sumatera Riang Lestari, in developing the HTI plantation, did not pay attention to nor respect the rights and the existence of the local community. In developing the HTI, the company could have embraced the community as a partner and indirectly helped bolster the community's economy progress, rather than marginalize the villagers.

3. Natural forest in concession of PT Sumatera Riang Lestari in Kerumutan block is potential HCVF

In the ranking of tiger conservation landscapes by world experts (*Sanderson, et.al, 2006*), the Kerumutan landscape is of regional importance as its forest is continuous and of adequate size for tiger movements. An area with any evidence of the critically endangered Sumatran tiger is considered to have High Conservation Value 1.2 according to "2008 HCV Toolkit for Indonesia".

The operations by PT Sumatera Riang Lestari are already starting to have negative impacts on tigers. EoF investigators interviewed villager Sr (40), a resident of Dusun Tunas Baru of Desa Harapan Jaya, who testified that he ran across a Sumatran tiger (*Panthera tigris sumatrae*) in May 2009 and then found its footprint near his plantation. EoF took photos of the footprint of a Sumatran tiger during the investigation (see Photo 5, Map 1,2,and 3 show the location of this footprint sighting). Sr said that since 1981 he had never seen any Sumatran tiger or footprints surrounding of the village. The villager believed that the forestry activity by PT Sumatera Riang Lestari near the village had driven the critically endangered species out of its habitat, as the footprint was found around residents' settlement, an occurrence which is very rare.

Early in 2009 in the Kerumutan block, not far away from concession of PT Sumatera Riang Lestari, was a new hotspot for tiger conflict as four Sumatran tigers were killed and four men injured in two separate incidents in the area. One of the locations of the incident appears to be [adjacent to a pulpwood plantation concession](#) of APRIL's competitor, Asia Pulp & Paper/Sinar Mas Group (APP/SMG). APRIL's conversion of large natural forest in this concession could cause such conflict incidents.



Photo 5. Finding of Sumatran tiger (*Panthera tigris sumatrae*) footprint in Dusun Tunas Baru of Desa Harapan Jaya in surrounding of HTI concession of PT Sumatera Riang Lestari in Kerumutan block in coordinate point S. 00 27 17.2 E. 102 46 22.1

The Kerumutan landscape in the East-Central Sumatran peat swamp forest ecoregion has one of this endangered ecosystem's few remaining large continuous blocks of peat swamp forest (HCV 3). The forest block also conserves many globally significant vertebrate species (see *SmartWood, 2004*). The Kerumutan peat swamp forest ecosystem has water retention and regulation functions and provide economical and environmental services to local communities (HCV 4).

Considering the many high conservation values of the Kerumutan landscape, and based on APRIL's corporate commitment, PT Sumatera Riang Lestari or APRIL should have conducted an assessment of High Conservation Values (HCV) and discussed and got approval of this assessment by stakeholders before clearing any natural forest or developing any canals or other infrastructure.

The 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." APRIL committed to protect HCVFs throughout its global operations.

The concept of HCVF was first developed by the Forest Stewardship Council in 1999 as its "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 has obtained information that APRIL had conducted a HCVF assessment in collaboration with a third party. However, its assessment is unverified and no other stakeholders were consulted during the process. Therefore, EoF considers there is no acceptable HCVF assessment in this concession and that natural forest clearing and logging operation by PT Sumatera Riang Lestari violates APRIL public policy that it pledges to "not source timber from high conservation value areas".

4. Natural forest clearance in concession of PT Sumatera Riang Lestari has big impact on global climate

Kerumutan's forest and especially its deep peat soil are globally significant carbon stores. Simply cutting the trees or disturbing the soil by digging canals or building infrastructures releases enough carbon emissions to impact the global climate.

Eyes on the Forest calls for APRIL and their stakeholders

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END

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