

Eyes on the Forest

September & October 2006
Investigative Report



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

Walhi - *Jikalahari* - WWF

March, 2007

COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Truck(s) Wood capacity (m3)	Departure time/date/ license plate # of the truck (s)	Stopping sites /time/date /truck(s)	Final destination/ time/date/ truck(s)	Buyer	Likely violated laws
B3009	7 Companies [PT CIS, PT IJB (Instati Jaya Bersama), PT SARINDO, PT MKR, PT SBP (Satria Baja Perkasa), PEC TECH, PT RPM (Rimba Permata Mas)] as a Contractors PT National Timber & Forest Product (19 units Excavators + 6 units Pompong + 4 units Speed + 20 units pontoon @25 ton + 15 Truck logging)	<p>Logging Site : 00 40 48 N 102 22 12 E</p> <p>Loading Site : 00 41 30 N 102 20 37 E</p>	Kuala Kampar Block	Apr-06	5000 ha	100 - 110 m3	<p>Time/date : 03:00 PM 9/19/2006</p> <p>License plate #1 : BM 9382 CF</p> <p>Time/date : 02:25 PM 10/11/2006</p> <p>License plate # 2 : BM 9327 CF</p> <p>Time/date : 02:50 PM 10/11/2006</p> <p>License plate # 3 : BM 9563 CF</p>		<p>Final destination : 00 26 57 N 101 54 06 E</p> <p>Time/date: 05:08 PM 9/19/2006</p> <p>License plate # 1 : BM 9382 CF</p> <p>Time/date: 04:50 PM 10/11/2006</p> <p>License plate # 2: BM 9563 CF</p> <p>Time/date: 05:06 PM 10/11/2006</p> <p>License plate # 3 : BM 9327 CF</p>	RAPP	Link to Analys

Analysis – September & October 2006 Investigative Report

Summary Score Card

Red colour means the operation violates existing laws, regulations or agreements. Blue means in compliance with existing laws, regulations or agreements. For details, see the texts.

	Timber source	HTI concession of PT Triomas FDI	HTI concession of PT National Timber & Forest Product
	Timber Buyer	APRIL pulp mill	APRIL pulp mill
Legality criteria	Is the concession license issued by Provincial Governor or District Head?	YES	YES
	Has the concession license received mandatory approval (verification) by the central government?	NO	NO
	Has the logging permit on concession received conditional approval (dispensation/relaxation)?	NO	YES
	Does the concession overlap with natural forests in good condition?	YES	YES
	Does the concession contain forestes protected by the currently active provincial land use plan?	NO	YES
	Is the concession located on on peat soil with a depth of more than 3 metres?	YES	YES
	Does the concession overlap with a valid selective logging license?	YES	NO
HCVF destruction criteria	Has a detailed FMU level HCVF assessment been conducted by the company?	YES	NO
	Has the HCVF assessment been reviewed by local stakeholders?	YES	NO
	Have the stakeholders had an opportunity to provide input to the HCVF delineation?	YES	NO
	Has WWF agreed to the HCVF delineation?	underway	NO
	Does the concession include potential/actual important habitat of the Sumatra Elephant?	NO	NO
	Does the concession include potential/actual habitat of the Sumatran Tiger?	YES	YES

Kampar Peninsula Block (B3007; Maps 1, 2 and 3)

Eyes on the Forest (EoF) Investigation in September 2006 has found that about 50 hectares of natural forests had been clearcut in an Industrial Timber Plantation (HTI) concession of **PT Triomas FDI**, associated with **Asia Pacific Resources International Holdings (APRIL)** (B3007; Map 1). The logging in this concession started in July 2006. This *EoF* investigation did not identify any company which sourced the felled timber. However, *EoF* believes that **PT Riau Andalan Pulp and Paper (RAPP)**, a pulp mill belonging to APRIL, has been sourcing the timber clearcut by PT Triomas FDI based on other field observations.

PT Triomas FDI is a partner of APRIL as *EoF* analyzed a PT RAPP's Letter Number 26/RAPP-J/V/2006 dated 8 May 2006, on "Dispensation Study on Annual Working Plan (RKT) Year 2006 to IUPHHKHT license of PT RAPP's partners" which the company submitted to Ministry of Forestry through Director General of Forestry Production Management.

Based on *EoF*'s investigation, the concession license of PT Triomas FDI was a Principal license issued by the Head of Pelalawan District:

- PT Triomas FDI has an IUPHHK-HT (Industrial Timber Plantation) license by Decree Number 522.21/IUPHHKHT/1/2003/012 dated 29 January 2003. The size of the concession where logging is happening is 9,625 hectares.
- This IUPHHK-HT license is issued based on Ministry of Forestry Decree number 10.1/2000 and 21/2001 where the Central Government delegated authority to Governor and District Head/ Mayor to issue such a license.

However, since the Government Regulation Number 34/2002 dated 8 June 2002 has come into effect, IUPHHKHT license can be issued only by Minister of Forestry based upon recommendation given by District Heads or Mayors or Governors (clause 42 Government Regulation 34/2002). This is also reaffirmed in clause 102 of Government Regulation Number 34/2002. **Therefore, referred to Government Regulation number 34/2002, Provincial Governors and District Heads/Mayors have no more authority to issue IUPHHKHT licenses, such as the one issued for this concession, although Ministry of Forestry Decrees number 10.1/2000 and 21/2001 have not been revoked.**

The Ministry of Forestry (MoF) has been in the process of reviewing validity of IUPHHKHT licenses issued by Provincial Governors or District Heads (Forestry Minister Decree No P.03/Menhut-II/2005 dated 18 January 2005) and banning Provincial Governors and District Heads to issue any more IUPHHKHT licenses. Since 25 July 2005, *Eyes on the Forest* has been calling on all companies that are clearcutting natural forests based on such licenses to immediately issue a moratorium on all forest clearance operations. The coalition also called on all companies sourcing timber from such activities to immediately stop all deliveries (see [EoF PR on 27 July 2005](#)).

EoF's call for moratorium above is in line with a recommendation from Director General of Forestry Production Management of Ministry of Forestry, Hadi S. Pasaribu, through his letter dated 13 June 2006, regarding relaxation of the rules for RKT (annual working plan) Study year 2006 for PT. RAPP. The letter recommended that, in a bid to ensure both legal and business certainties, the RKT administrative service for eleven IUPHHKHT licenses (including this particular concession) should await verification approval from Minister of Forestry. **Until the making of this report, PT Triomas FDI is under verification and has no such approval and dispensation yet from Minister of Forestry for its license.**

Through a similar letter Number ND.130/VI-BPHP/2006 dated 13 June 2006, the Director General of Forestry Production Management said that the Ministry has not verified yet the IUPHHKHT license of PT Triomas FDI that allegedly overlaps its own selective cutting license (HPH) Number 476/Menhut-IV/1998 dated 28 March 1998 with size 97,500 hectares. Based upon Minister of Forestry through Letter number S.439/MENHUT-VI/2006 dated 17 July 2006, PT Triomas FDI is not allowed to obtain administrative recognition service such as a logging license. The Minister reaffirmed the recommendation made by the Director General of Forestry Production Management as PT Triomas FDI has not been verified and its operation allegedly overlaps to other function.

Considering the above, PT Triomas FDI should not have started the operations in this concession. Unless verification by the Ministry of Forestry was issued to prove this license to be legal, PT Triomas FDI should immediately stop its logging activities and PT RAPP/APRIL should stop sourcing timber from such activities.

In addition, President of Indonesia (through a Presidential Decree: Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor (through Riau Governor Decree: No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) have called to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws. **EoF investigation shows that the concession held by PT Triomas FDI overlaps with the following areas, thus violate existing laws:**

1. **Natural forests which were still in good condition, as shown by Landsat Image for the area in August 2005, before concession started to be clearcut (Map 2). The Map 2 also shows that even in August 2006, the remaining natural forest in this concession was still in good condition.** Several forestry legislations issued by the government have stipulated clearly that IUPHHKHT or HTI development should not be granted in natural forest, but should only be granted in barren land, grassland or bushes in production forest (PP 34/2002, article 30 point 3), or on vegetation of non-forest or formerly clearcut area which are degraded where the area should not have vegetation of more than 10cm diameter trees for all kinds of species with potential timber density less than 5 m³ per hectare or number of sub-species of dominant species less than 200 trees per hectare (MoF decree 10.1/2000, article 3). The identical criteria are also stipulated on MoF decree 21/2001, point (b), MoF decree 33/2003, article 5 clause (2) letter c); MoF decree 32/2003, article 4 clause (2) point a); and MoF regulation 05/2004, article 5 clause (1).
2. **Peat soil depth of more than 4 meters (Wetlands International & Canadian International Development Agency 2003: Map of Area of Peatland Distribution and Carbon Content 2002 Riau Province).** According to the Presidential Decree Number 32/1990, natural forests located on peat soil with depth of 3 meter or more situated in upstream and swamp should be maintained (Map 3).
3. **Still valid and not expired selective logging concession (HPH) of the same company, PT Triomas FDI, with a license based on Minister of Forestry Decree Number 476/Menhut-IV/1998 dated 28 March 1998 with total size of 97,500 hectares (see insert maps in Map 1, large concession with yellow boundary).** Based on Minister of Forestry Decrees Number 10.1/2000 and 21/2001, forest area that is available for Industrial Timber Plantation proposal is barren land inside production forest or/and forest area that converted into production forest which is not entitled by other rights.

PT RAPP of APRIL has purchased the timber from this concession and therefore has violated [Forestry Law No. 41/1999](#) article 50 clause (3) point (f) in conjunction with article 78 clause (4) which prohibit anybody to receive, buy or sell, receive as an exchange, receive as an



entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way. **PT Triomas FDI should respect the existing laws in Indonesia and stop the forest clearance in this concession immediately. EoF also calls on PT RAPP to cancel its plan to source wood originating from such operation.**

In addition to legality questions, **EoF considers that clearcutting of natural forests in this concession destroys potential High Conservation Value Forests and calls PT Triomas FDI/APRIL to stop the forest clearance in this concession and sourcing of felled timber immediately.**

Forest Stewardship Council (FSC) defines High Conservation Value Forests as “forests of outstanding and critical importance due to their environmental, socio-economic, cultural, biodiversity and landscape values”. Kampar Peninsula forest block is considered to maintain various High Conservation Values, one of them being a critically endangered species, Sumatran Tiger (*Panthera tigris sumatrae*).

Sumatran Tiger Conservation Program & Sumatran Tiger Trust (June 2005) conducted a rapid field survey of Sumatran Tiger in January-February 2005, as a part of an HCVF assessment by Rainforest Alliance’s SmartWood Programme (February 2005) of a forest management unit (FMU) of Asia Pulp & Paper, which is located immediately to the south of the concession of PT Triomas FDI/APRIL, and its adjacent peat swamp forests. The study identified two adult male tigers and an adult female. A female tiger with 2 juveniles was also reliably sighted in late 2004, confirming that a breeding population of tigers is present in and around this FMU. The study concluded that the peat swamp forests in and around this FMU, although modified by canals, previous HPH logging operations and ongoing illegal logging, provides an excellent habitat for tigers, with abundance of prey and tiger secondary signs at least comparable to other lowland forest types. The rate of photo-capture for all cameras both inside and outside the FMU was the highest rate achieved by any published study on the Sumatran tiger in Indonesia, greater than capture rates from the high-density tiger population in Way Kambas NP and comparable to capture rates achieved in the exceptionally high tiger density areas of India and Nepal’s flagship national parks (including Kaziranga, Nagarhole and Chitwan).

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

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

The concept of HCVF was first developed by [the Forest Stewardship Council \(FSC\)](#) in 1999 as their [“Principle 9: Maintenance of High Conservation Value Forests”](#). To ensure that High Conservation Values are protected, FSC Principle 9 states that: [“Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.”](#) In practice this means that no forests

should be cleared without prior assessment of High Conservation Values in the forest and its surrounding landscape combined with identification of the measures needed to maintain and enhance such values. EoF considers that the forest clearance inside and wood sourcing operations from PT Triomas FDI violate APRIL's own public policy that APRIL does "[not source fiber from areas of high conservation value](#)". **EoF calls APRIL to identify High Conservation Value Forests in collaboration with stakeholders prior to starting to log any natural forest inside and/or purchase any felled timber from this or any other concessions, to implement its own public policy properly.**

Kampar Peninsula Block (B3009; Maps 4,5 , and 6)

Eyes on the Forest (EoF) Investigations in September and October 2006 have found that about 5,000 hectares of natural forests had been clearcut illegally in a new concession of **PT National Timber & Forest Product (B 3009; Map 4)**, previously unknown to *EoF*. The logging in this concession started in April 2006. *Eyes on the Forest* has monitored this concession for two periods, September and October 2006. *EoF* observed logging activities being carried out by PT National Timber & Forest Product and followed the wood from the logging sites until the receipt by **PT Riau Andalan Pulp and Paper (RAPP)**, belonging to **Asia Pacific Resources International Holdings (APRIL)**.

Eyes on the Forest considers that these logging and wood purchasing operations are allegedly illegal as well as damaging High Conservation Value Forests as explained later.

Based on EoF's investigations, the concession license in this area was a Principal license issued by the Head of Siak District:

- PT National Timber & Forest Product has an IUPHHK-HT (Industrial Timber Plantation) license by Decree Number 06/IUPHHKHT/II/2003 dated 3 February 2003. The area size of the concession where logging is happening is 8,200 hectares.
- This IUPHHK-HT license is issued based on Ministry of Forestry Decree number 10.1/2000 and 21/2001 where the Central Government delegated authority to Governor and District Head/ Mayor to issue such a license.

However, since the Government Regulation Number 34/2002 dated 8 June 2002 has come into effect, IUPHHKHT license can be issued only by Minister of Forestry based upon recommendation given by District Heads or Mayors or Governors (clause 42 Government Regulation 34/2002). This is also reaffirmed in clause 102 of Government Regulation Number 34/2002. **Therefore, referred to Government Regulation number 34/2002, Provincial Governors and District Heads/Mayors have no more authority to issue IUPHHKHT licenses, such as the one issued for this concession, although Ministry of Forestry Decrees number 10.1/2000 and 21/2001 have not been revoked.**

The Ministry of Forestry (MoF) has been in the process of reviewing validity of IUPHHKHT licenses issued by Provincial Governors or District Heads (Forestry Minister Decree No P.03/Menhut-II/2005 dated 18 January 2005) and banning Provincial Governors and District Heads to issue any more IUPHHKHT licenses. Since 25 July 2005, *Eyes on the Forest* has been calling on all companies that are clearcutting natural forests based on such licenses to immediately issue a moratorium on all forest clearance operations. The coalition also called on all companies sourcing timber from such activities to immediately stop all deliveries (see [EoF PR on 27 July 2005](#)).



EoF's call for moratorium above is in line with a recommendation from Director General of Forestry Production Management of Ministry of Forestry, Hadi S. Pasaribu, through his letter dated 13 June 2006, regarding relaxation of the rules for RKT (annual working plan) Study Year 2006 for PT. RAPP. The letter recommended that, in a bid to ensure both legal and business certainties, the RKT administrative service for eleven IUPHHKHT licenses (including this particular concession) should await verification approval from Minister of Forestry.

A Letter of Minister of Forestry number S. 439/Menhut-VI/2006 dated 17 July 2006 pointed out that while PT National Timber & Forest Product had been awaiting the issuance of its license verification, the Ministry provided a dispensation to the company to secure its logging operation continuance by end of 2006 in an attempt to avoid the suspension of Industrial Timber Plantation development.

Considering the above, PT National Timber & Forest Product/APRIL should not have continued the operations in this concession. Unless verification by the Ministry of Forestry was issued to prove this license to be legal, PT National Timber & Forest Product should immediately stop its logging activities and PT RAPP/APRIL should stop sourcing timber from such activities.

In addition, President of Indonesia (through a Presidential Decree: Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor (through Riau Governor Decree: No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) have called to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws. **EoF investigation shows that the concession held by PT National Timber & Forest Product overlaps with these following areas, thus violate existing laws:**

1. **Natural forests which were still in good condition, as shown by Landsat Image for the area in August 2005, before clearcutting started in this concession (Map 5). Map 5 shows that even in August 2005, the remaining natural forest in this concession were still in good condition.** Several forestry legislations issued by the government have stipulated clearly that IUPHHKHT or HTI development should not be granted in natural forest, but should only be granted in barren land, grassland or bushes in production forest (PP 34/2002, article 30 clause 3), or on vegetation of non-forest or formerly clearcut area which are degraded where the area should not have vegetation of more than 10cm diameter trees for all kinds of species with potential timber density less than 5 m³ per hectare or number of sub-species of dominant species less than 200 trees per hectare (MoF decree 10.1/2000, article 3). The identical criteria are also stipulated on MoF decree 21/2001, point (b), MoF decree 33/2003, article 5 clause (2) letter c); MoF decree 32/2003, article 4 clause (2) letter a); and MoF regulation 05/2004, article 5 clause (1).
2. **Peat soil depth of more than 4 meters (Wetlands International & Canadian International Development Agency 2003: Map of Area of Peatland Distribution and Carbon Content 2002 Riau Province).** According to the Presidential Decree Number 32/1990, natural forests located on peat soil with depth of 3 meter or more situated in upstream and swamp should be maintained (Map 6).
3. **Provincially protected "Protection Area" (Kawasan Lindung).** Protection Area as per the currently active Riau Land Use Planning (RTRWP 1994) should not be converted.

PT RAPP of APRIL has purchased the timber from this concession and therefore has violated [Forestry Law No. 41/1999](#) article 50 clause

(3) point (f) in conjunction with article 78 clause (4) which prohibit anybody to receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way.

PT. National Timber & Forest Product should respect the existing laws in Indonesia and stop the forest clearance in this concession immediately. EoF also calls on PT RAPP to immediately stop sourcing wood originating from such operation.

In addition to legality questions, **EoF considers that clearcutting of natural forests in this concession destroys potential High Conservation Value Forests.** This concession is also considered to include important habitats for Sumatran Tiger as the Industrial Timber Plantation concession of PT Triomas FDI (B3007 above). **Therefore, EoF calls PT National Timber & Forest Product/APRIL to stop the forest clearance in this concession and sourcing of felled timber immediately. EoF calls APRIL to identify High Conservation Value Forests, particularly at Forest Management Unit (FMU) level, in collaboration with stakeholders prior to starting to log any natural forest inside and/or purchase any felled timber from this or any other concessions, to implement its own public policy properly.**

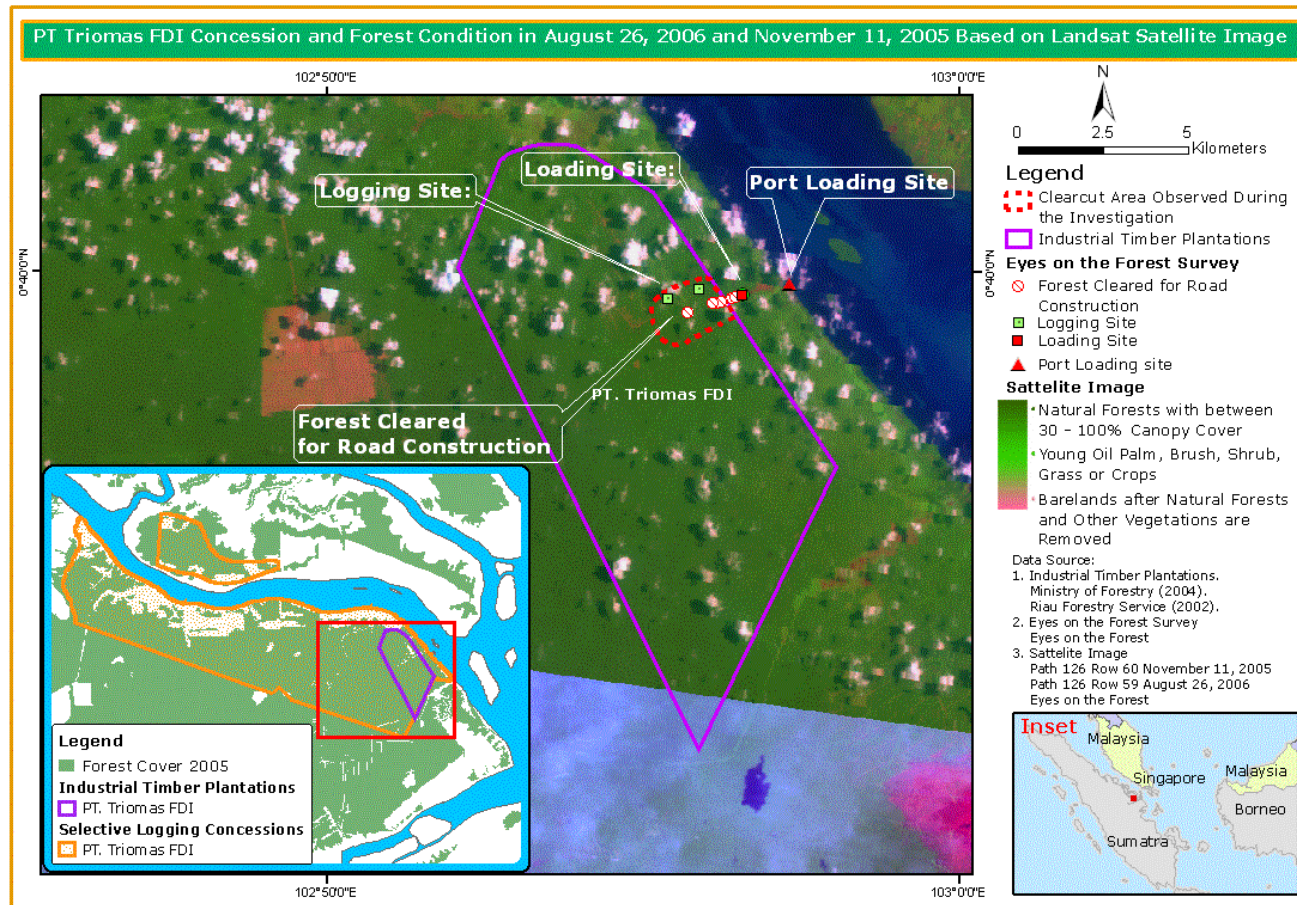
The concept of HCVF was first developed by [the Forest Stewardship Council \(FSC\)](#) in 1999 as their "[Principle 9: Maintenance of High Conservation Value Forests](#)". To ensure that High Conservation Values are protected, FSC Principle 9 states that: "[Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.](#)" In practice this means that no forests should be cleared without prior assessment of High Conservation Values in the forest and its surrounding landscape combined with identification of the measures needed to maintain and enhance such values. EoF considers that the forest clearance inside and wood sourcing operations from PT National Timber & Forest Product violate APRIL's own public policy that APRIL does "[not source fiber from areas of high conservation value.](#)" **HCVF assessment at FMU level is not conducted by APRIL yet, therefore EoF urges APRIL to identify High Conservation Value Forests in collaboration with stakeholders prior to starting to log any natural forest inside and/or purchase any felled timber from this or any other concessions, to implement its own public policy properly.**

For further information and queries, please contact:

Eyes on the Forest Editor

Afdhal Mahyuddin

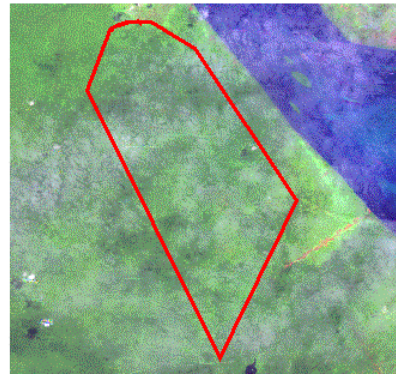
E-mail: eof@eyesontheforest.or.id



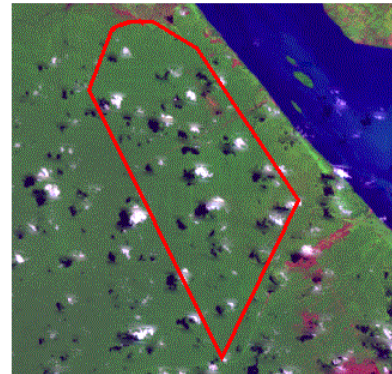
Map 1. PT Triomas FDI concession and forest condition in August 2006 and November 2005 based on Landsat Satellite Image. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.



Sattelite Image Different Between 2004 - 2005 - 2006
Industrial Timber Estate PT Triomas FDI



Sattelite Image Landsat 2004
Path 126 Row 60 Date July19, 2004



Sattelite Image Landsat 2005
Path 126 Row 60 Date August 07, 2005

Legend

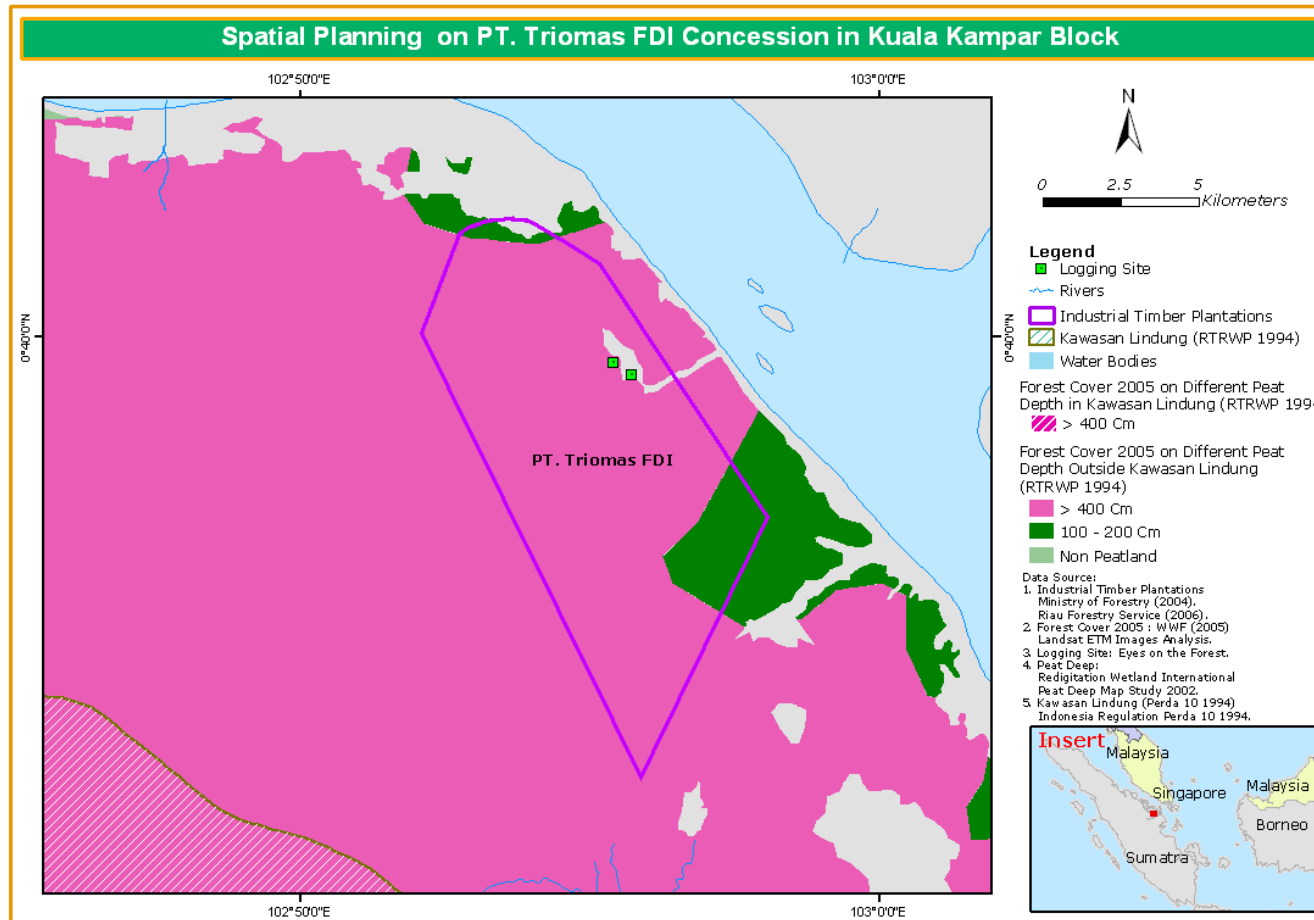
- ◻ Industrial Timber Estate Boundary
- ◻ PT. Triomas FDI
- Natural Forest With between 30 - 100 % Canopy Cover
- Young Oil Palm, Brush, Shrub, Grass or Crops
- Barelands after Natural Forests and Other Vegetations are Removed
- Water Bodies / River
- Cloud Cover
- Cloud Shadow



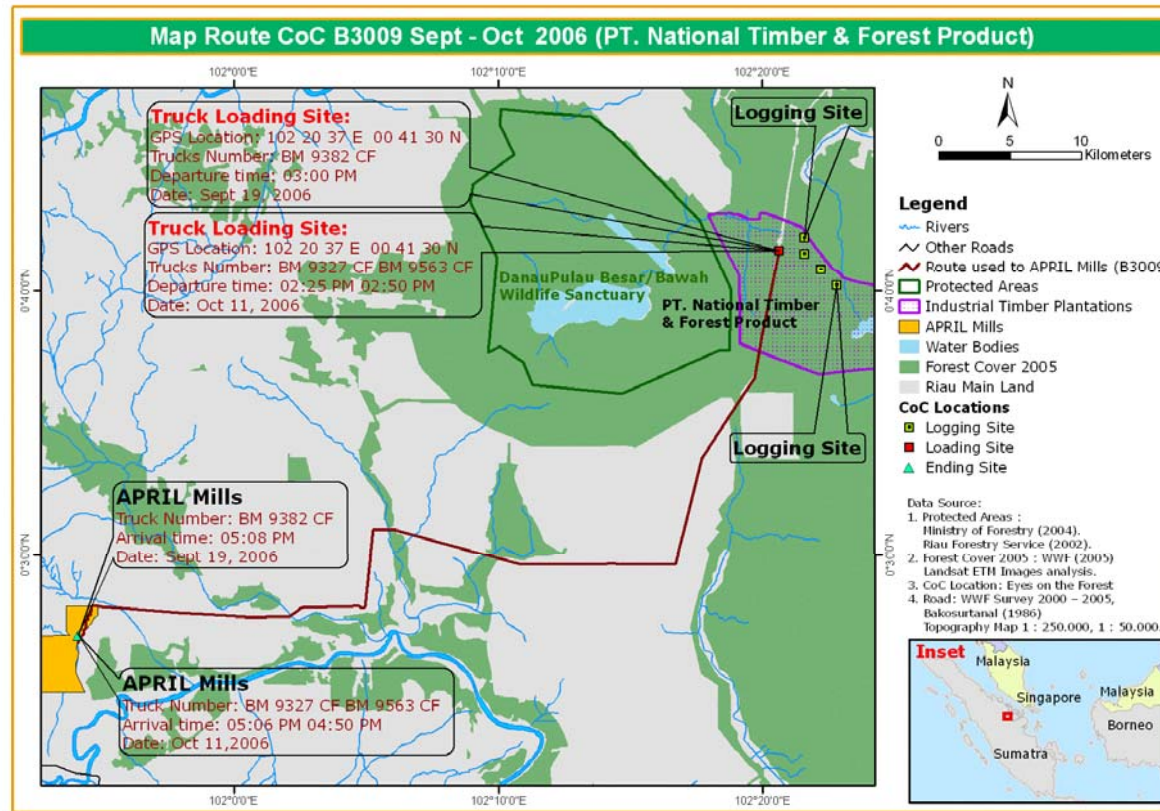
Sattelite Image Landsat 2006
Path 126 Row 59 Date August 26, 2006
Path 126 Row 60 Date August 07, 2006



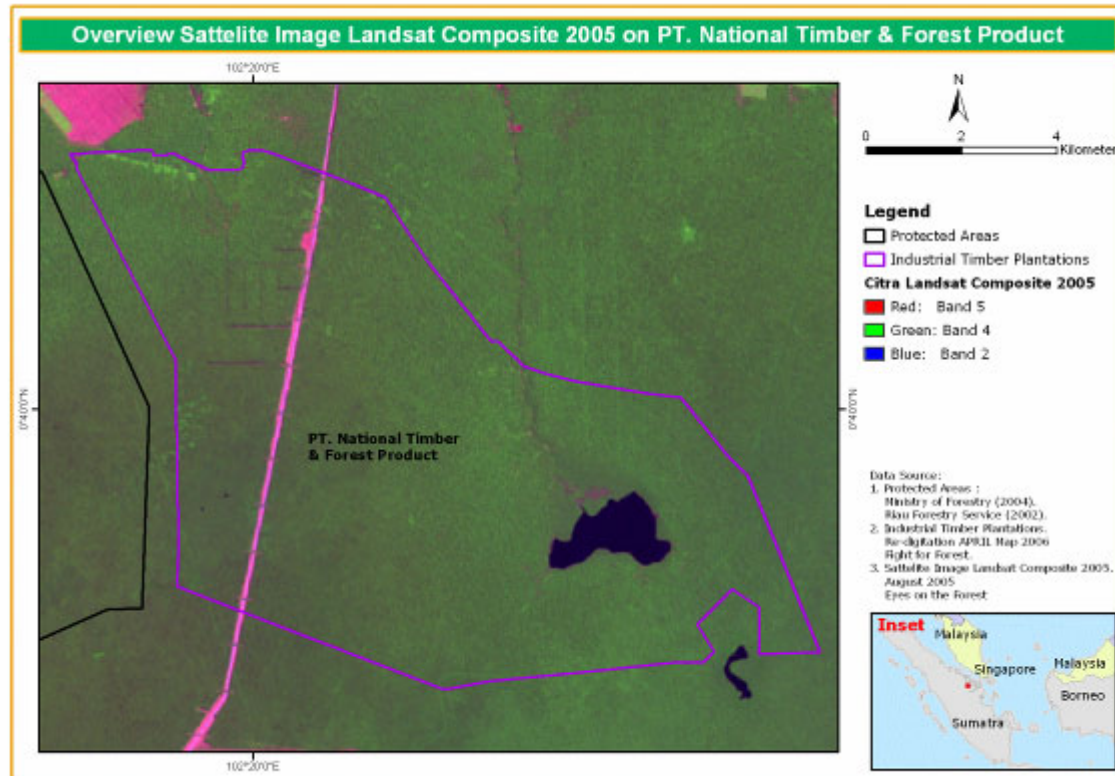
Map 2. PT Triomas FDI concession and forest condition difference in July 2004, August 2005 and August 2006 based on Landsat Satellite Image. In the satellite images, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed. These images show that the concession area was almost fully covered by healthy natural forests from July 2004 to August 2006, though there are some canals visible.



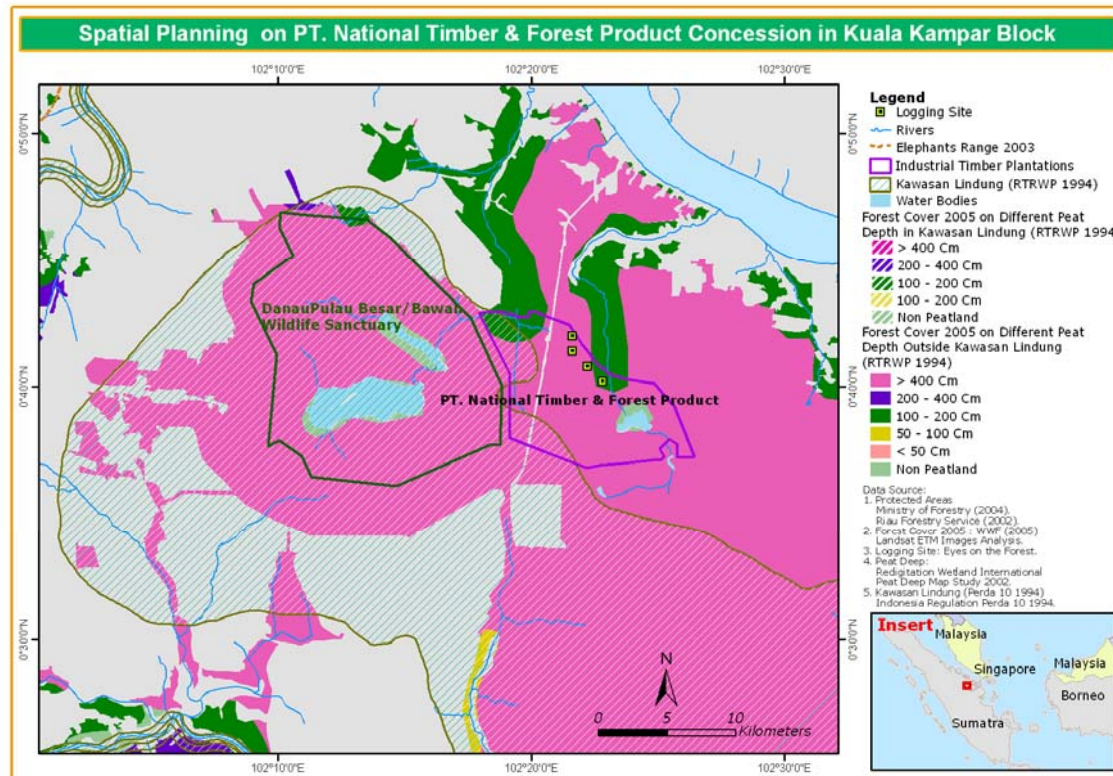
Map 3. PT Triomas FDI concession in and forest cover 2005 related to peat soil depth.



Map 4. PT National Timber & Forest Product concession and Chain of Custody of felled timber until APRIL mill.



Map 5. PT National Timber & Forest Product concession and forest condition in August 2005 based on Landsat Satellite Image. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed. This map shows that the concession area was almost fully covered by healthy natural forests, with the exception of a logging road opened by APRIL and some canals/roads and encroachment branching off from it.



Map 6. PT Triomas FDI concession in and forest cover 2005 related to peat soil depth.

--End--