

## Eyes on the Forest

March 2005 Investigative Report



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

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**Summary Table: Chains of Custody (CoC) from Natural Forest Blocks to Buyers**

COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Wood supplied (m3)	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
<a href="#">B3002</a>	PT. MRA, a contractor of CV. Alam Lestari (40 people operating in the field)	<b>Logging site :</b> 00 29 55 N 102 16 46 E <b>Loading site :</b> 00 29 39 N 102 16 25 E	Kuala Kampar Block			-	100	<b>Time/date :</b> 04:20:00 PM 3/15/2005 <b>License plate #</b> BM 9472 CA	-	<b>Final destination :</b> 00 26 58 N 101 54 8 E <b>Time/date:</b> 05:30:00 PM 3/15/2005 <b>License plate #</b> BM 9472 CA	<b>APRIL (RAPP)</b>	<a href="#">Link to analysis</a>
<a href="#">B4001</a>	PT. Merbau Pelalawan Lestari (100 people operating in the field)	<b>Logging site :</b> 00 08 54 S 102 22 20 E <b>Loading site :</b> 00 09 13 S 102 13 56 E	Kerumutan Block	2002	2000	-	-	-	-	-	-	<a href="#">Link to analysis</a>
<a href="#">B4002</a>	PT.Mitra Taninusa Sejati (20 People operating in the field)	<b>Logging site :</b> 00 00 35 N 102 25 31 E <b>Loading site :</b> 00 00 00 S 102 24 51 E	Kerumutan Block	October-03	1000	-	30	<b>Time/date :</b> 01:45:00 PM 3/21/2005 <b>License plate #</b> BK 9678 BE	<b>Stopping site :</b> 00 06 04 S 102 07 44 E <b>Time/date:</b> 04:20:00 PM 3/21/2005 <b>License plate #</b> BK 9678 BE	<b>Final destination :</b> 00 24 51 N 101 51 29 E <b>Time/date:</b> 08:30:00 PM 3/21/2005 <b>License plate #</b> BK 9678 BE	<b>APRIL (RAPP)</b>	<a href="#">Link to analysis</a>

COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Wood supplied (m3)	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
<b>B4003</b>	PT. Mitra Kembang Selaras (50 people operating in the field)	<b>Logging site :</b> 00 14 20 S 102 21 19 E <b>Loading site :</b> 00 16 46 S 102 18 14 E	Kerumutan Block	2002	5000	-	30	<b>Time/date :</b> 10:05:00 AM 3/17/2005 <b>License plate #</b> BK 9132 BG	<b>Stopping site :</b> 00 00 57 N 102 06 42 E <b>Time/date:</b> 11:45:00 PM 3/17/2005 <b>License plate #</b> BK 9132 BG	<b>Final destination :</b> 00 24 52 N 101 51 29 E <b>Time/date:</b> 02:20:00 PM 3/17/2005 <b>License plate #</b> BK 9132 BG	<b>APRIL (RAPP)</b>	<a href="#">Link to analysis</a>
<b>B5001</b>	PT. TTI, PT. JWJ, PT. AYU, PT. SDR, contractors of PT. Citra Sumber Sejahtera	<b>Logging site :</b> 00 45 39 S 101 57 19 E <b>Logging site :</b> 00 45 47 S 101 57 21 E <b>Loading site :</b> 00 45 39 S 101 57 19 E	Bukit Tigapuluh Block	April-04	2000	-	30	<b>Time/date :</b> 01:35:00 PM 3/21/2005 <b>License plate #</b> BA 8288 JA	<b>Eight Stopping sites in total, details are shown in the Map 5</b>	<b>Final destination:</b> 00 24 52 N 101 51 29 E <b>Time/date:</b> 05:30:00 PM 3/22/2005 <b>License plate #</b> BA 8288 JA	<b>APRIL (RAPP)</b>	<a href="#">Link to analysis</a>

COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Wood supplied (m3)	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
<a href="#">B5002</a>	PT.RKPP, PT.SPA, PT.ATECH, contractors of PT. Bukit Betabuh Sei Indah	<b>Logging site :</b> 00 42 59 S 102 05 14 E  <b>Logging site :</b> 00 42 58 S 102 05 16 E  <b>Logging site :</b> 00 42 47 S 102 05 09 E  <b>Logging site :</b> 00 43 20 S 102 03 54 E  <b>Loading site:</b> 00 43 02 S 102 04 44 E	Bukit Tigapuluh Block	June-04	2000							<a href="#">Link to analysis</a>

COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Wood supplied (m3)	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
<a href="#">B8002</a>	Group "PI" (2 people operating in the field) Leader identified as "St"	<b>Logging site :</b> 01 20 13 N 101 01 29 E <b>Loading site :</b> 01 20 17 N 101 02 55 E	Libo Block		14	1120	30	<b>Time/date :</b> 05:15:00 PM 3/17/2005 <b>License plate #</b> BM 8790 CU	<b>Stopping site(1)</b> 01 16 04 N 101 11 46 E <b>Time/date:</b> 07:30:00 PM 3/17/2005 <b>Stopping site(2)</b> 00 52 36 N 101 15 18 E <b>Time/date:</b> 11:30:00 PM 3/17/2005 <b>License plate #</b> BM 8790 CU	<b>Final destination :</b> 00 40 24 N 101 35 35 E <b>Time/date:</b> 07:30:00 AM 3/18/2005 <b>License plate #</b> BM 8790 CU	<b>APP (IKPP)</b>	<a href="#">Link to analysis</a>

## Legal Analysis of Forestry Law Violations by the Chain of Custodies Investigated

*Eyes on the Forest* investigates forest conversion, logging and fires in the eight large forest blocks remaining in Riau. Some of these activities are also illegal. Below is our legal analysis of each CoC we identified in February.

### Kuala Kampar Block Chain of Custody (B3002, [Map 1](#))

CV. Alam Lestari possesses the license of Industrial Timber Plantation (IUPHHK-HT) issued by the Head of Pelalawan District on 30 January 2003. With this license, the logging company believes they are allowed to harvest timber and convert the natural forest into industrial timber plantation.

However, the *Eyes on the Forest* investigations found several inconsistencies of this logging operation with the Indonesian laws, namely:

1. Government Regulation No.34/2002 article 42: under this law, the license of Industrial Timber Plantation (IUPHHK-HT) can only be issued by the Minister of Forestry, based on the recommendations of Governor or Head of District.
2. Government Regulation No.34/2002 article 30 clause (3), Ministry of Forestry Decree No.21/Kpts-II/2001 of 31 January 2001 (Criteria and Standard of Industrial Timber Plantation or IUPHHK-HT): industrial timber plantations can only be developed in bareland, grassland or shrubland, while field investigation found that the logging sites were located inside productive natural forest. The Ministry Decree further asserts that any productive forest cannot be converted for timber plantation. The criteria of productive forest is that all trees above 10 cm diameter are more than 5 m<sup>3</sup> per hectare, or the number of seedlings of dominant tree species are more than 200 seedlings per hectare.
3. Forestry Law No. 41/1999 article 50: which prohibits anyone to harvest timber without proper license from the authorized government body.



*Eyes on the Forest* investigation confirmed that PT. Riau Andalan Pulp and Paper (RAPP), a pulp subsidiary of Asia Pacific Resources International Holdings Limited (APRIL) in Riau, received and stored timber from the logging site of CV. Alam Lestari (see CoC B3002 and Map 1).

#### **Kerumutan Block Chain of Custody (B4001, [Map 2](#) ; B4002, [Map 3](#) and B4003, [Map 4](#))**

Three logging companies hold Industrial Timber Plantation (IUPHHK-HT) licenses in Kerumutan Block: PT. Merbau Pelalawan Lestari (B4001, Map 2), PT. Mitra Taninusa Sejati (B4002, Map 3) and PT. Mitra Kembang Selaras (B4003, Map 4). All licenses were issued by the Heads of District more than five months after the Government Regulation No.34/2002 was made effective. Therefore, *Eyes on the Forest* concludes that these three companies have illegally logged productive natural forests according to the laws referred to the Kuala Kampar Block CoC.

*Eyes on the Forest* confirmed that RAPP purchased the timber from PT. Mitra Taninusa Sejati and PT. Mitra Kembang Selaras. Unfortunately, *Eyes on the Forest* could not follow the full CoC of the wood harvested by PT. Merbau Pelalawan Lestari to its final destination. However, since these three logging companies are all APRIL's Joint Venture Partners, *Eyes on the Forest* suspects that the wood harvested by PT. Merbau Pelalawan Lestari was also supplied to RAPP mill.

#### **Bukit Tigapuluh Block Chain of Custody (B5001, [Map 5](#) and 5002, [Map 6](#))**

Two logging companies hold Industrial Timber Plantation (IUPHHK-HT) licenses in Bukit Tigapuluh Block: PT. Citra Sumber Sejahtera and PT. Bukit Batabuh Sei Indah. The companies had licenses from the Head of District in November 2002, again, five months after the national law which stated that the License of Industrial Timber Plantation (IUPHHK-HT) can only be issued by the Minister of Forestry, based on the recommendations of Governor or Head of District. Therefore, *Eyes on the Forest* concludes that these three companies have illegally logged productive natural forests according to the laws referred in the Kuala Kampar Block and Kerumutan Block CoCs.



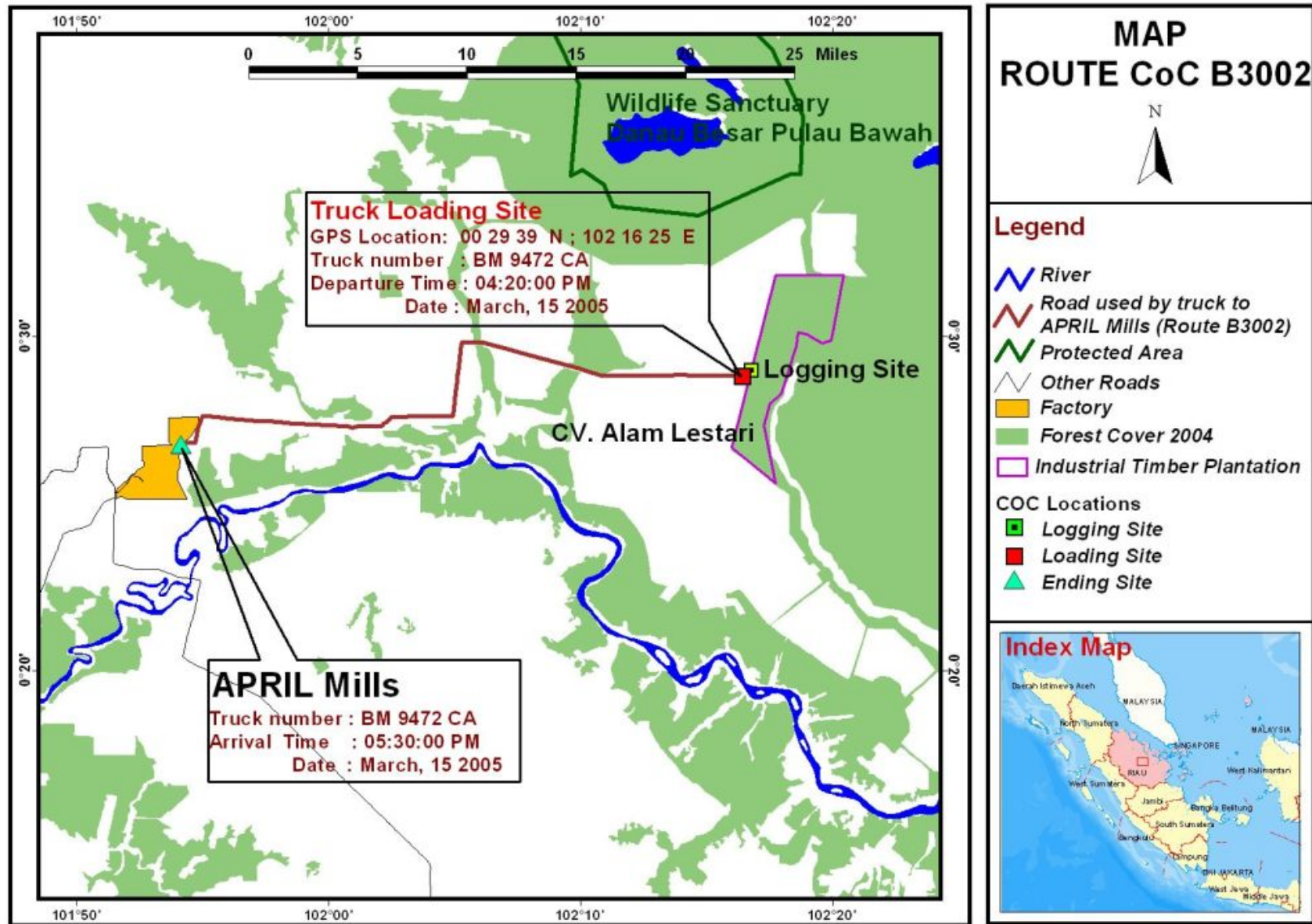
*Eyes on the Forest* confirmed that RAPP purchased the timber from PT. Citra Sumber Sejahtera. Unfortunately, *Eyes on the Forest* could not follow the full CoC of the wood harvested by PT. Bukit Batabuh Sei Indah until the final destination. However, since these two logging companies are both APRIL's Joint Venture Partners, *Eyes on the Forest* suspects that the wood harvested by PT. Bukit Batabuh Sei Indah was also supplied to RAPP mill.

#### **Libo Block Chain of Custody (B8002, [Map 7](#))**

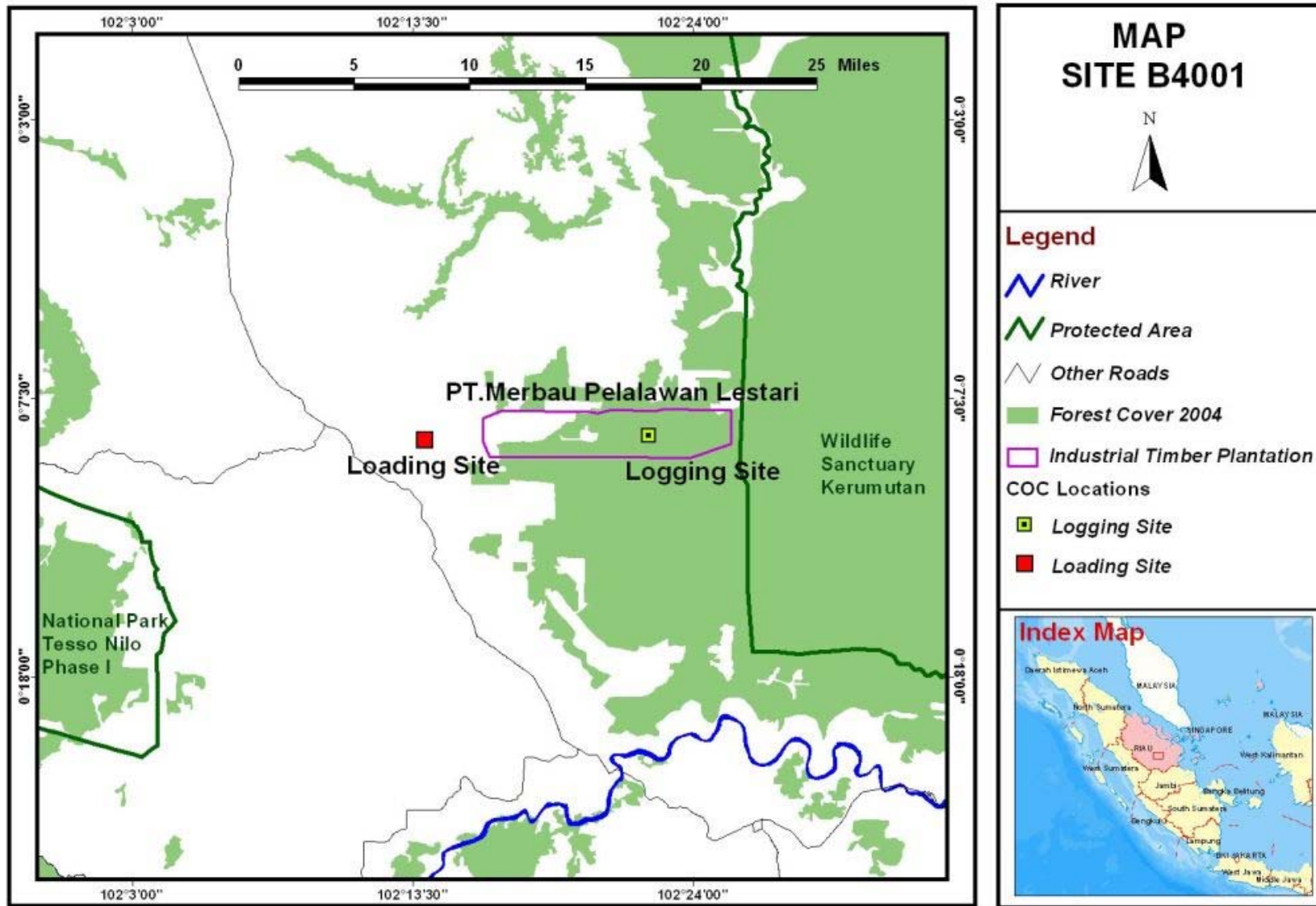
Group 'Pl' is logging inside the natural forest without having any logging permit from the government. The company is thus violating Forestry Law No.41 Tahun 1999, article 50 clause (3) point (e) which prohibits logging or harvesting forest products inside forest without proper permit or license from the authorized government body, article 78 clause (5) about penalties for those who violate the law mentioned in article 50 clause (3) point (e).

*Eyes on the Forest* confirmed that the pulp producer PT Indah Kiat Pulp and Paper, owned by Asia Pulp and Paper's (APP) in Riau purchased the timber from this supplier who did not have any proper permit. These operations violate Forestry Law No.41 Tahun 1999 article 50 clause (3) point (f) which prohibits accepting, purchasing or selling, exchanging, storing, or possessing forest product known or suspectedly known illegal.

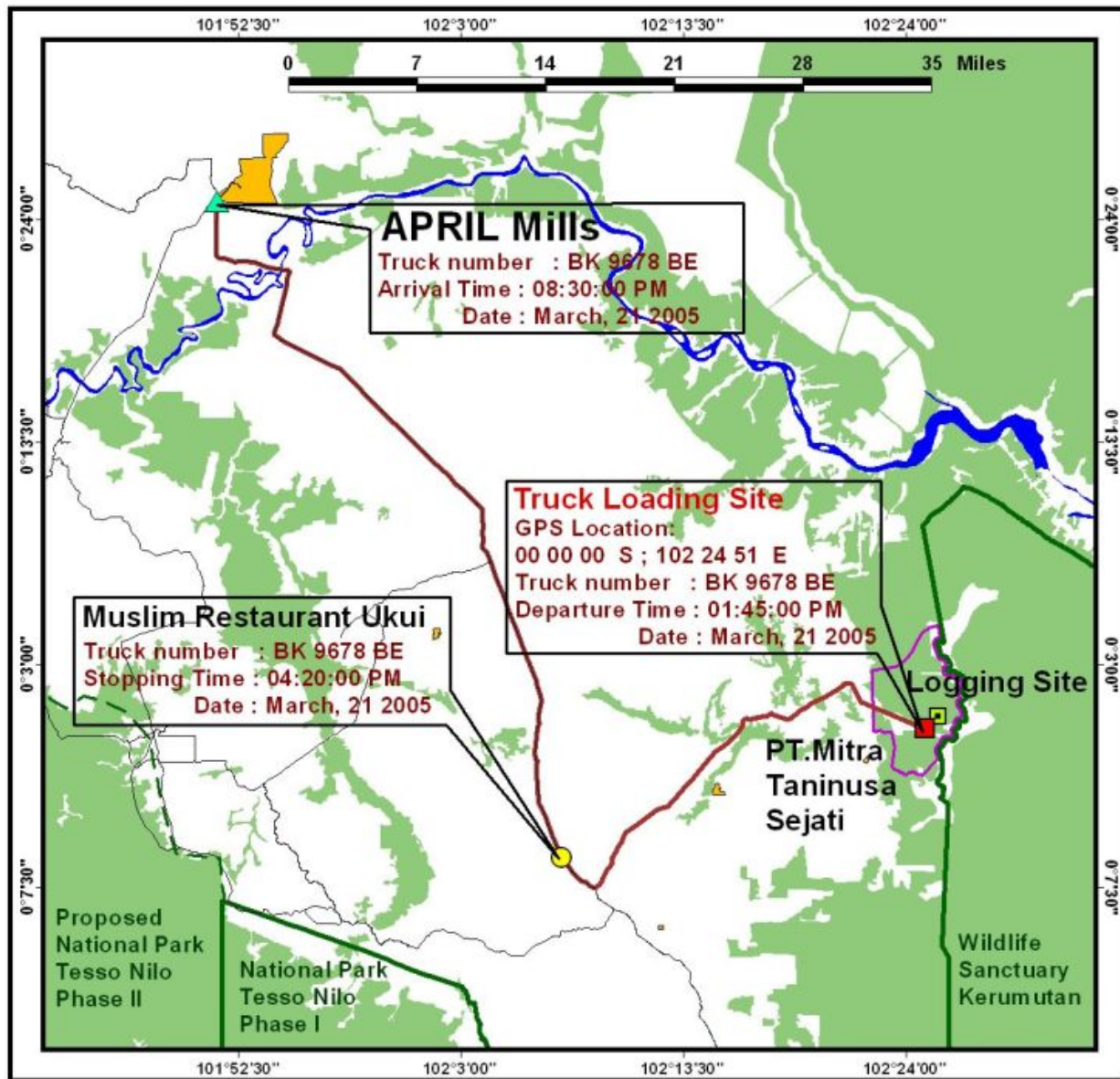




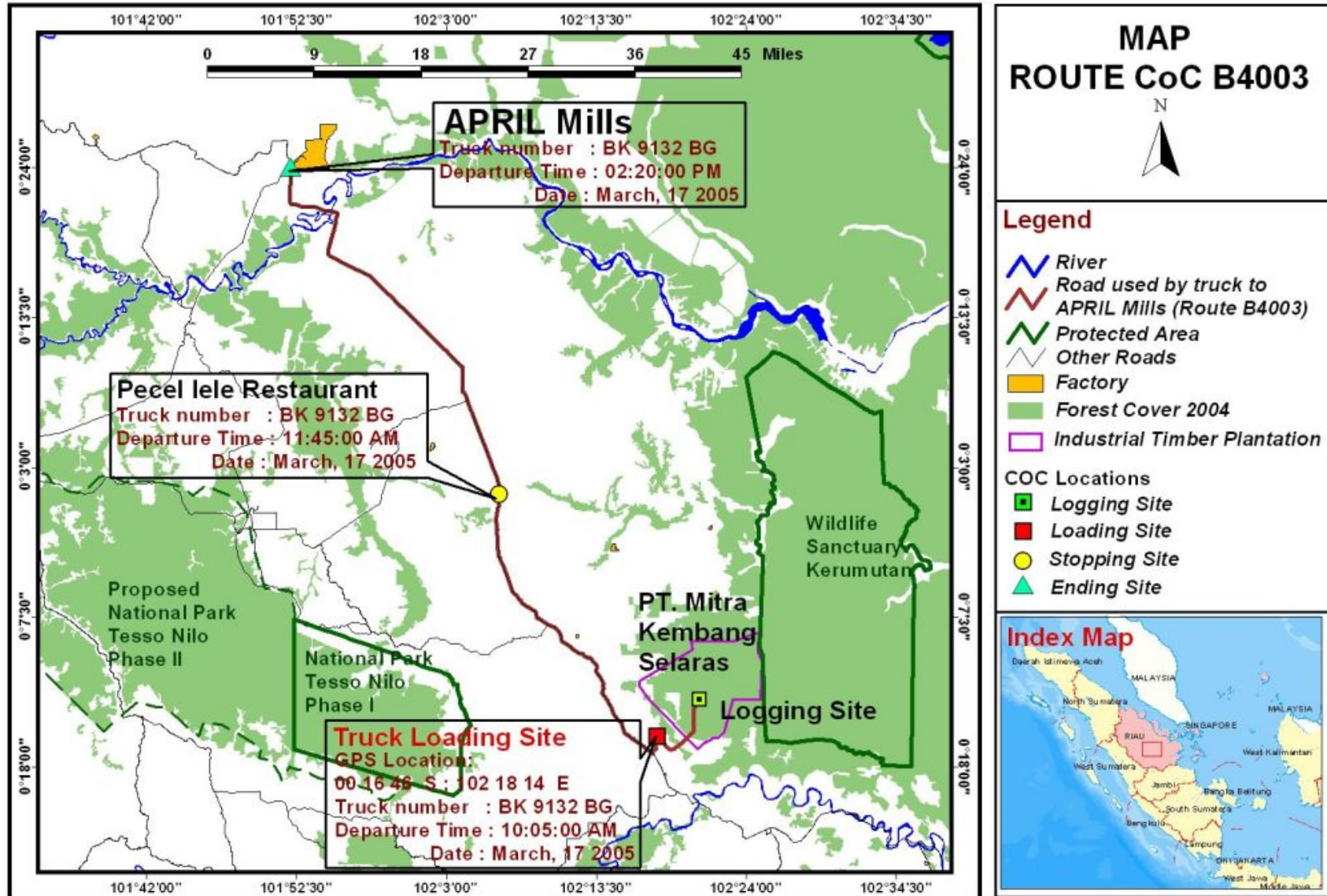
Map 1. Kuala Kampar Block Chain of Custody



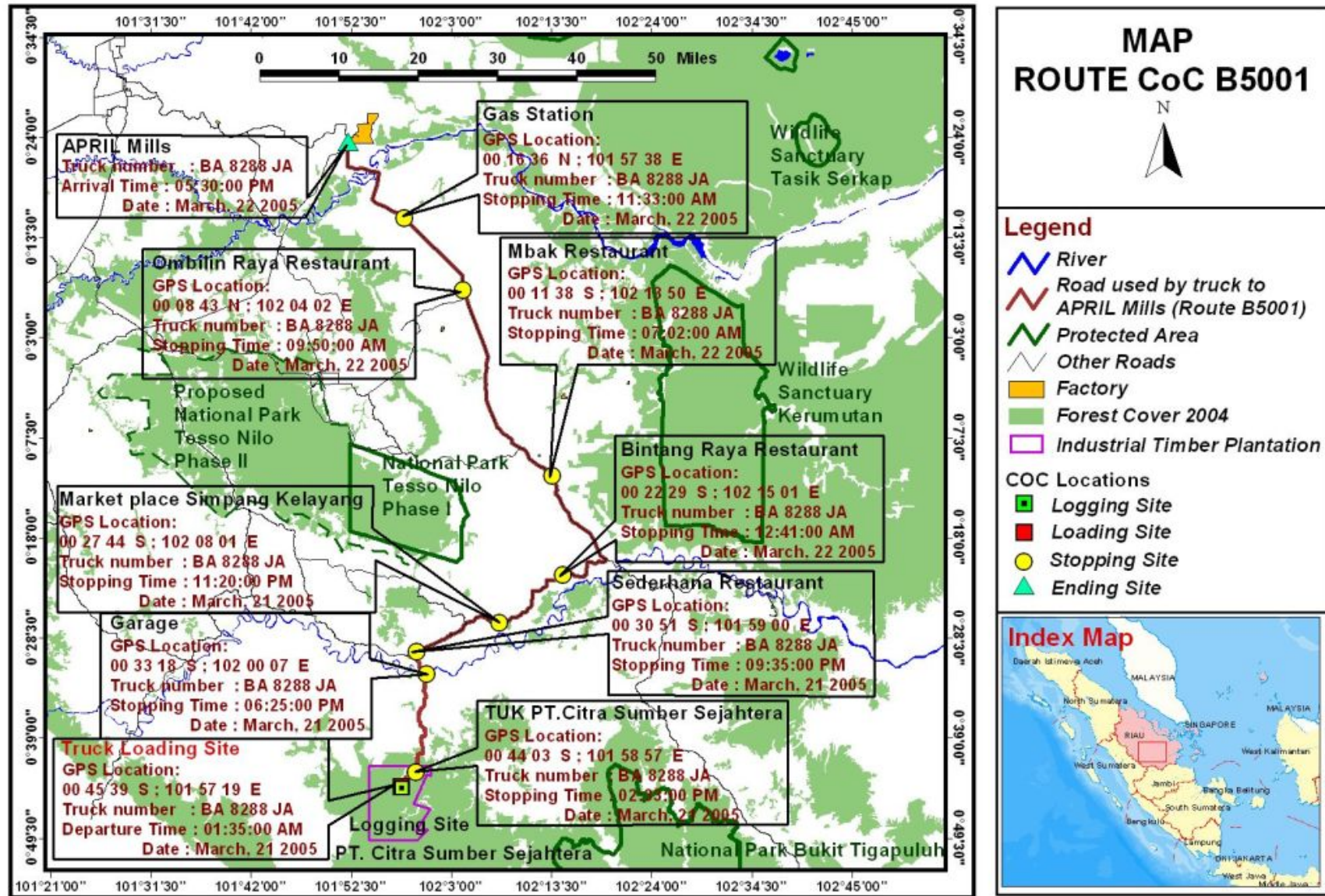
Map 2. Kerumutan Block



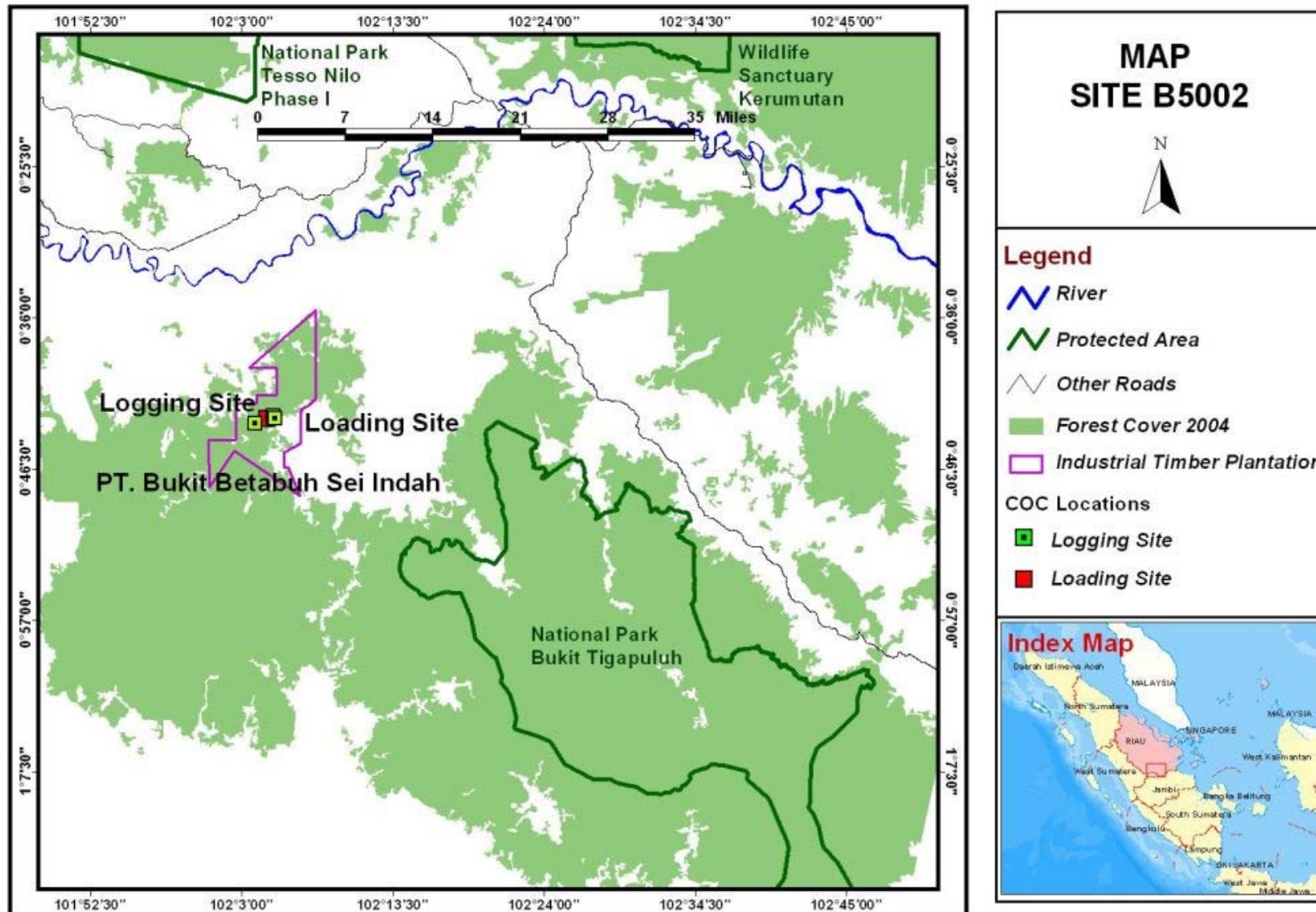
Map 3. Kerumutan Block Chain of Custody



Map 4. Kerumutan Block Chain of Custody

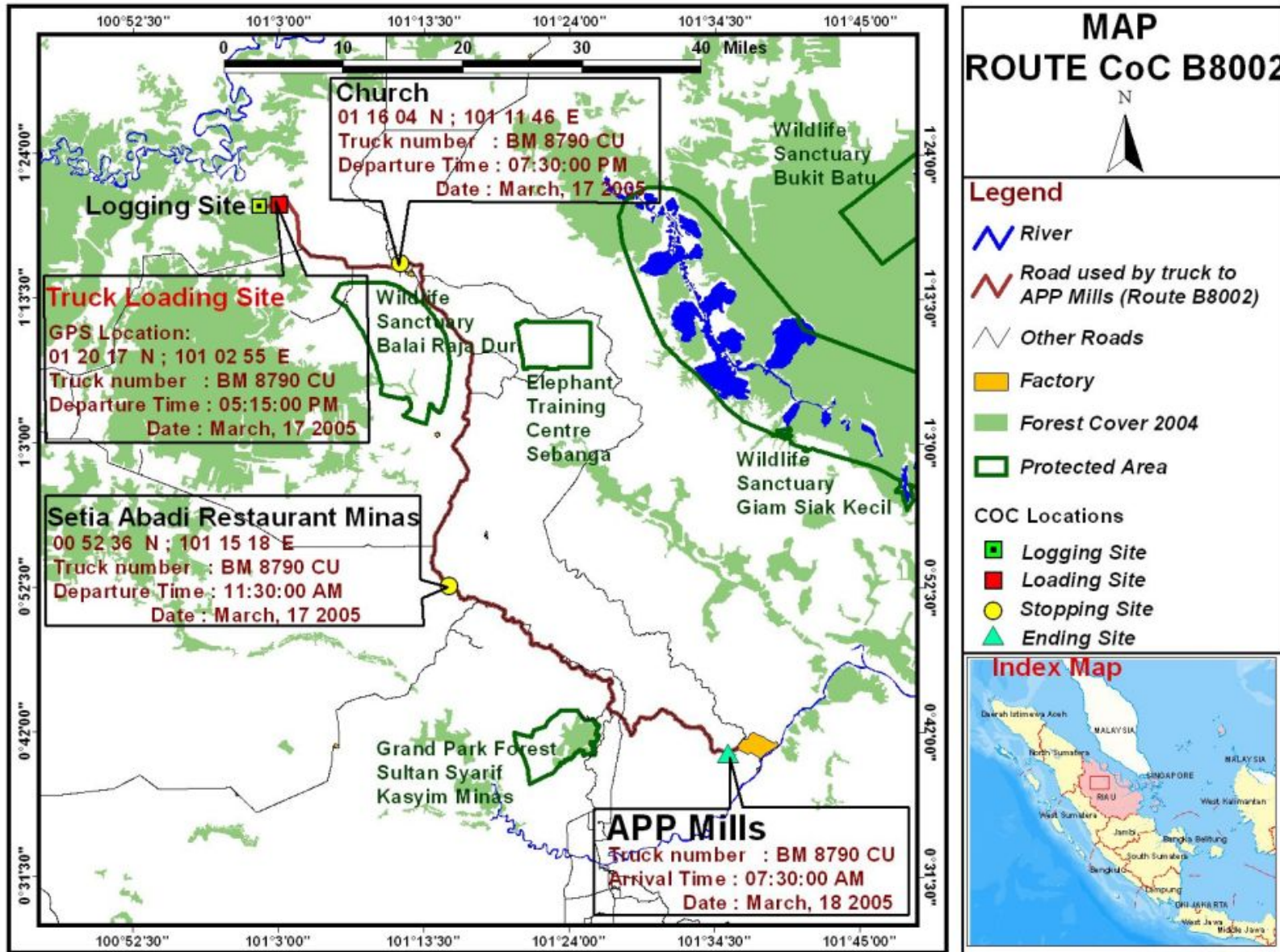


Map 5. Bukit Tigapuluh Block Chain of Custody



**Map 6. Bukit Tigapuluh Block**





Map 7. Libo Block Chain of Custody