

Eyes on the Forest

November 2006
Investigative Report



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

Walhi - *Jikalahari* - WWF
April, 2007

Analysis – November 2006 Investigative Report

Summary Score Card [as of November 2006]

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	HPH concession of PT Mutiara Sabuk Khatulistiwa
	Timber Buyer	APP pulp mill
Legality criteria	Is the concession license issued by Provincial Governor or District Head?	unidentified
	Has the concession license received approval by the central government for HPH?	YES
	Has the logging permit on concession received approval for HTI?	unidentified
	Does the concession overlap with natural forests in good condition?	YES
	Does the concession contain forests protected by the currently active provincial land use plan?	NO
	Is the concession located on peat soil with a depth of more than 3 meters?	YES
	Does the concession overlap with a valid selective logging license? (Minister of Forestry Decree number 109/Kpts-II/2000 dated 29 December 2000, 44,595 ha size, as official data from Ministry of Forestry 2005 (http://www.dephut.go.id))	YES
HCVF destruction criteria	Has a detailed FMU level HCVF assessment been conducted by the company?	NO
	Has the HCVF assessment been reviewed by local stakeholders?	NO
	Have the stakeholders had an opportunity to provide input to the HCVF delineation?	NO
	Has the stakeholders agreed to the HCVF delineation?	NO
	Does the concession include potential/actual important habitat of the Sumatra Elephant?	NO
	Does the concession include potential/actual habitat of the Sumatran Tiger?	NO

Kerumutan Block (Map 1, 2 and 3)

Eyes on the Forest (EoF) Investigation in November 2006 has found that about 2,000 hectares of natural forests had been clearcut in a Selective Logging Concession (HPH) of **PT Mutiara Sabuk Khatulistiwa**, by **PT Arara Abadi**, a subsidiary of **Sinar Mas Group (SMG)**, associated with **Asia Pulp & Paper (APP)**. The logging in this concession started in 2006. PT Arara Abadi along with **PT Riau Gemilang Surya Reteh**, **PT Sentra Baja Perkasa** and **PT Belawan Indah** clearcut the forest in PT Mutiara Sabuk Khatulistiwa, which also an APP's partner. This timber felling is prepared to develop a 15,000-ha Industrial Timber Plantation of PT Mutiara Sabuk Khatulistiwa.

This *EoF* investigation did not find who sourced the felled timber for PT Mutiara Sabuk Khatulistiwa; however, based upon the field observation indicating the involvement of PT Arara Abadi, *EoF* believes that **PT Indah Kiat Pulp and Paper (IKPP)**, a pulp mill belonging to APP, has been sourcing timber from the concession of PT Mutiara Sabuk Khatulistiwa.

Eyes on the Forest had not found natural forest logging license for PT Mutiara Sabuk Khatulistiwa that functioned as pulpwood concession, but:

- Official data from the Ministry of Forestry in 2005 (<http://www.dephut.go.id>) said that PT Mutiara Sabuk Khatulistiwa holds a Selective Logging License (HPH), not a Timber Plantation Industry (HTI/IUPHHK-HT) license.
- This HPH license is issued based on Minister of Forestry Decree Number 109/Kpts-II/2000 dated 29 December 2000. The size of the concession where logging is happening is 44,595 hectares.

EoF temporarily has not found substitution of HPH selective logging concession license to HTI one in concession of PT Mutiara Sabuk Khatulistiwa. However, following confirmation requested by EoF to APP (April 2007), the company explained that it had obtained approval by the Minister of Forestry in 2004 for forest management plan through two silvicultural systems (natural forest/Tebang Pilih Tanam Indonesia and land clearing/Tebang Habis Permudaan Buatan), [see APP response](#).

Despite the approval granted by the government as mentioned above, *EoF* refers to 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).

Considering the above, PT Mutiara Sabuk Khatulistiwa should immediately stop its logging activities in natural forest and PT IKPP/APP should stop sourcing timber from such activities.

Beside its license allegedly overlaps with other function, PT Mutiara Sabuk Khatulistiwa overlies 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 July 2004, before concession started to be clearcut ([Map 1](#)).** Satellite images on [Map 2](#) also indicate the difference among condition in July 2004, November 2005 and August 2006 where the remaining natural forest in this concession turned to worse condition.
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](#)).

PT IKPP of APP has purchased the timber from this concession and PT Mutiara Sabuk Khatulistiwa breached existing regulations on criteria of planted forest allocation by destroying natural forest. PT IKPP and APP should respect the existing laws in Indonesia and stop the forest clearance in this concession immediately. EoF also calls on PT IKPP to halt 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 Mutiara Sabuk Khatulistiwa/APP 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".

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. Kerumutan landscape is one of the few remaining large continuous blocks of peat swamp forest (PSF) within what will be referred as the East-Central Sumatran PSF ecoregion. The Kerumutan landscape forest block also importantly conserves many globally significant vertebrate species ([SmartWood HCVF Assessment – Pulau Muda District: 2004](#)).

EoF calls APP 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 pledge properly.



Kuala Kampar Block

Eyes on the Forest (EoF) Investigation in November 2006 has found that about 150 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)**. The size of clearcut forest in this concession increases from 50 ha as EoF found on Investigation September & October 2006. 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.

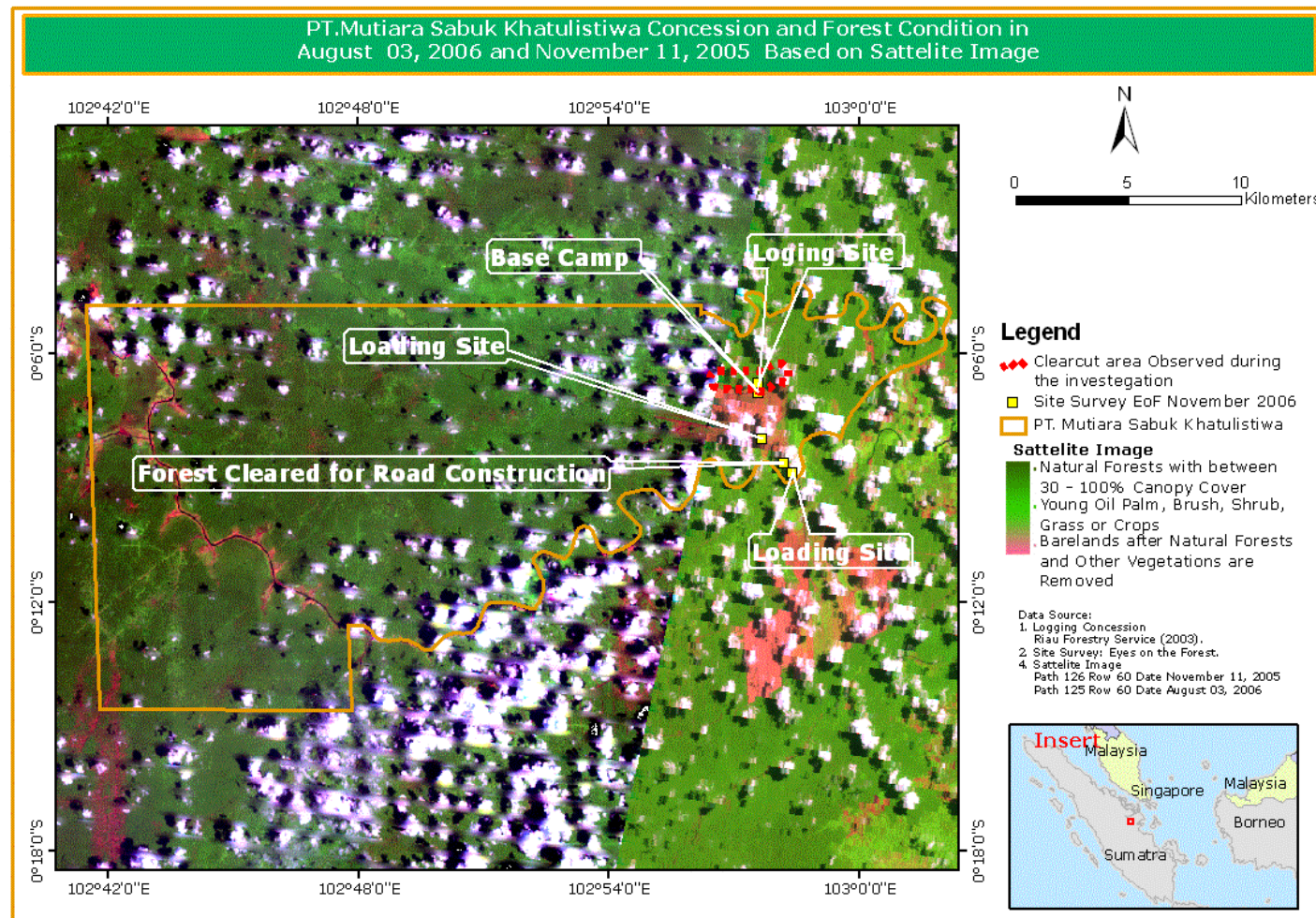
The updated investigation found in this concession is also ongoing logging road development by 2-km length where the acacia seedling found on the ground. Analysis of HTI development by PT Triomas FDI can be found at [Investigative Report September & October 2006](#).

For further information, please contact :

Afdhal Mahyuddin

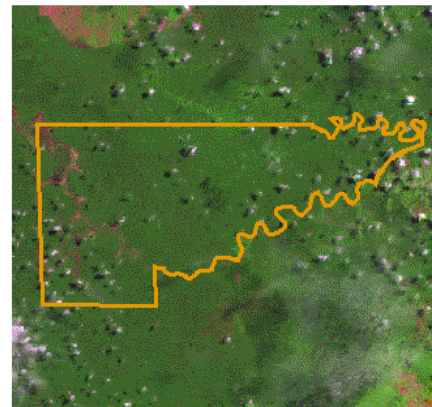
Eyes on the Forest Editor

e-mail: eof@eyesontheforest.or.id

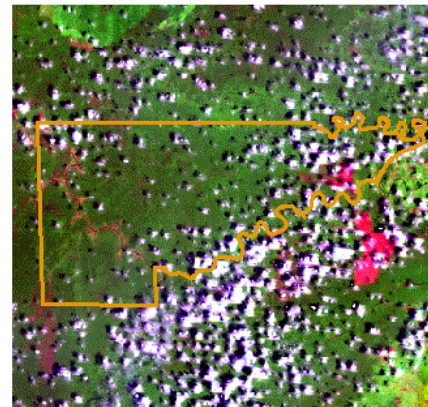


Map 1. Concession of PT Mutiara Sabuk Khatulistiwa and forest condition by Landsat satellite image August 2006 and November 2005. In the satellite image, dark green areas indicate natural forests with between 30 - 100% canopy cover, light green areas indicate young oil palm, brush, shrub, grass or crops and pink to purple areas indicate barelands after natural forests and other vegetations are removed.

Sattelite Image Different Between 2004 - 2005 - 2006
 Selective Selective Logging Concession PT Mutiara Sabuk Khatulistiwa



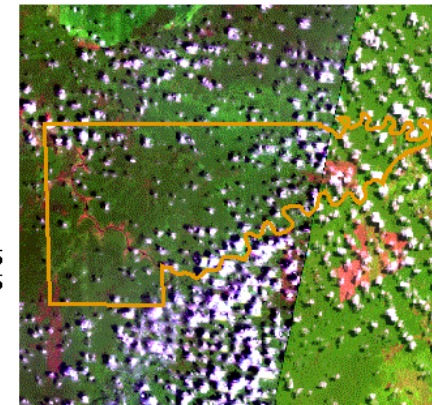
Sattelite Image Landsat 2004
 Path 126 Row 60 Date July 19, 2004



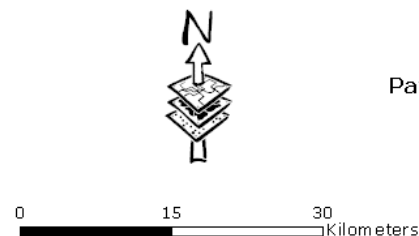
Sattelite Image Landsat 2005
 Path 126 Row 60 Date November 11, 2005

Legend

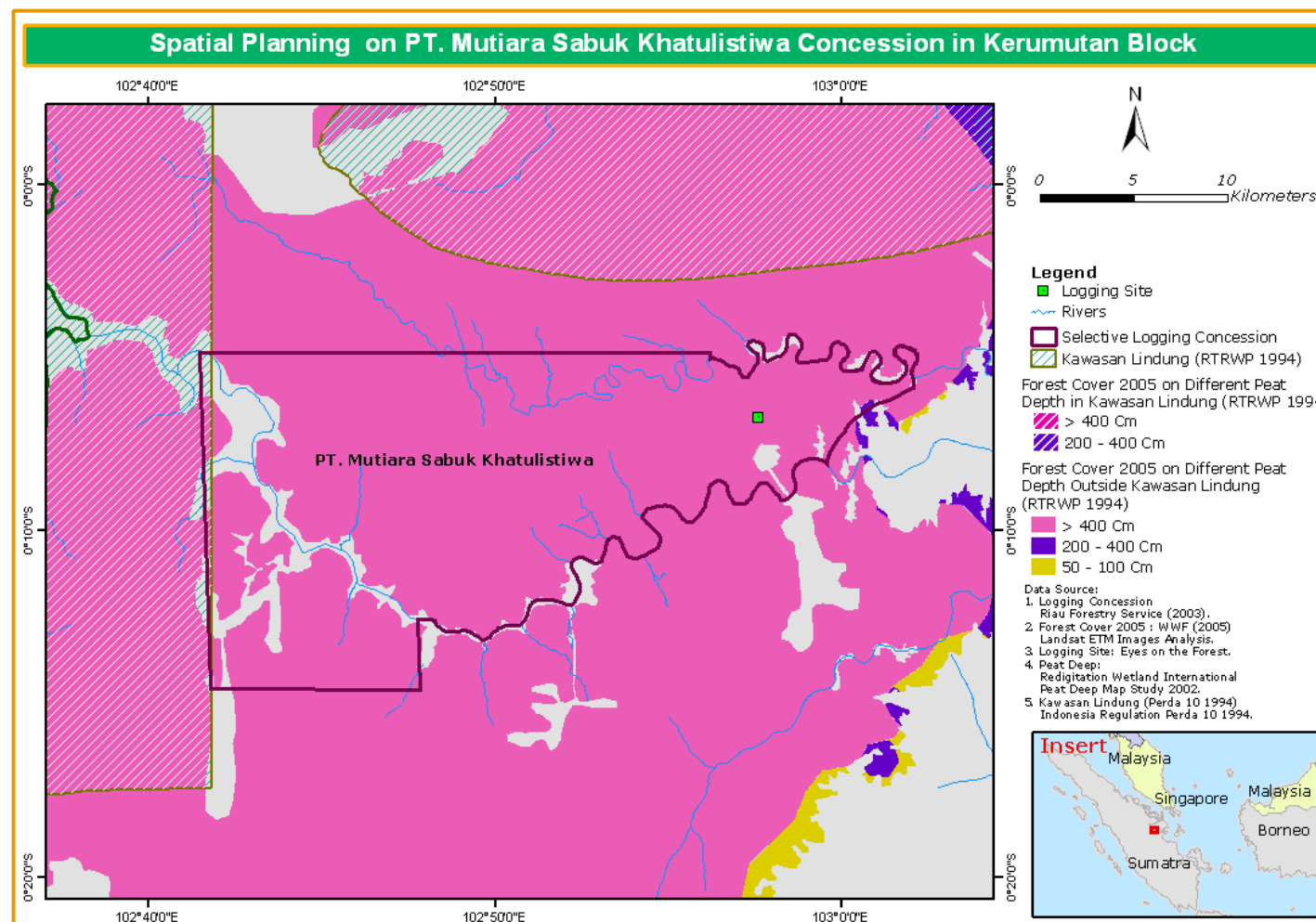
- Selective Logging Concession Boundary
- PT. Mutiara Sabuk Khatulistiwa
- Natural Forest With between 30 - 100 % Canopy Cover
- Young Oil Palm, Brush, Shrub, Grass or Crops
- Barelands after Natural Forests and Other Vegetations are Removed
- Water Bodies / River
- Cloud Cover
- Cloud Shadow



Sattelite Image Landsat 2006
 Path 125 Row 60 Date August 03, 2006
 Path 126 Row 60 Date November 11, 2005



Map 2. Difference of forest condition in the HPH concession of PT Mutiara Sabuk Khatulistiwa as shown by Landsat satellite image of July 2004, November 2005 and August 2006. 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.



Map 3. Concession of PT Mutiara Sabuk Khatulistiwa related to peat soil depth more than 3 m.