

August 2006 Investigative Report



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

Walhi - Jikalahari - WWF

January, 2007

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
Libo Block	Agustus 2005	5000 ha	28-35 ton	<p>Time/date : 11:00 AM 8/22/2006</p> <p>License plate # BK 8800 BP BK 9184 BU</p>	<p>Stopping Site 1 : KM 71 Kandis 00 52 58 N 101 14 52 E</p> <p>Time/date: 03:50 PM 8/22/2006</p> <p>License plate # BK 8800 BP BK 9184 BU</p> <p>Stopping Site 2 : Desa Baru Restaurant 00 24 11 N 101 31 30 E</p> <p>Time/date: 10:30 PM 8/22/2006</p> <p>License plate # BK 9184 BU</p>	<p>Final destination 1 : 00 24 51 N 101 51 29 E</p> <p>Time/date: 09:10 AM 8/23/2006</p> <p>License plate # BK 8800 BP</p> <p>Final destination 2 : 00 24 51 N 101 51 29 E</p> <p>Time/date: 09:25 AM 8/23/2006</p> <p>License plate # BK 9184 BU</p>	RAPP	Link to analys

Analysis – August 2006 Investigative Report

Summary Score Card

Red color 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 Bina Daya Bintara
	Timber Buyer	APRIL pulp mill
Legality criteria	Is the concession license issued by Provincial Governor or District Head?	YES
	Has the concession license received mandatory approval (<u>verification</u>) by the central government?	NO
	Has the logging license in the concession received restricted approval (exemption) by the central government?	YES
	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?	YES
	Is the concession located on peat soil with a depth of more than 3 metres?	YES
	Does the concession overlap with a valid selective logging license?	NO
HCVF destruction criteria	Has a detailed FMU level HCVF assessment been conducted?	YES
	Has the HCVF assessment been shared with local stakeholders?	NO
	Have the stakeholders had an opportunity to provide input to the HCVF delineation?	NO
	Has WWF agreed to the HCVF delineation?	NO
	Are the concession potentially important habitat of the Sumatra Elephant?	YES
	Does the concession include potential/actual habitat of the Sumatran Tiger?	YES

Libo Block (B8009; Maps 1, 2, 3 and 4)

Eyes on the Forest (EoF) Investigation in August 2006 inside Libo forest block has found that about 5,000 hectares of natural forests had been clearcut in a concession of **PT Bina Daya Bintara**, associated with **Asia Pacific Resources International Holdings (APRIL)** ([Map 1](#)). The logging in this concession started in August 2005. EoF observed logging activities being carried out by four contractors to PT BDB on 22 August 2006 and followed the wood from the logging sites until the receipt on 23 August 2006 by **PT Riau Andalan Pulp and Paper (RAPP)**, belonging to APRIL (Table 1, [Map 2](#)).

This is the EoF's second investigation to find the involvement of PT Bina Daya Bintara/APRIL in allegedly illegal activities inside Libo forest block as reported by [EoF Investigative Report of March 2006](#). The difference is that this time the company who fell the timber actually received them. In March 2006 investigation, EoF found that **PT Indah Kiat Pulp and Paper (PT IKPP)**, a pulp mill of **Asia Pulp & Paper (APP)**, received and stored timber from natural forest clearcutting in the same concession.

Eyes on the Forest considers that these logging and wood purchasing operations are allegedly illegal.

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

- PT Bina Daya Bintara has an IUPHHK-HT (Industrial Timber Plantation) license by Decree Number 02/IUPHHK/I/2003 dated 18 January 2003. The area size of the concession where logging is happening is 8,000 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 27 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 Bina Daya Bintara had been awaiting the issuance of its license verification, the Ministry provided an exemption to the company to secure its logging operation by 2006 in an attempt to avoid the suspension of Industrial Timber Plantation development. **Considering the above, as of 2007, PT Bina Daya Bintara/APRIL should not have continued the operations in this concession.**

Until the making of this report, PT Bina Daya Bintara is still verified and has no permanent approval by the Ministry of Forestry for its license. Unless verification by the Ministry of Forestry proves this license to be legal, PT Bina Daya Bintara/APRIL should 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 Bina Daya Bintara 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 April 2005, the time before the concession started to be cleared (Map 3). Map 4 shows that even in August 2006, the remaining natural forest are 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. **Provincially protected "Protection Area" (Kawasan Lindung).** Protection Area as per the currently active Riau Land Use Planning (RTRWP 1994) should not be converted.
3. **Peat soil depth of 2 – 3 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 1)

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. Bina Daya Bintara 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 and calls PT Bina Daya Bintara/APRIL to stop the forest clearance in this concession 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”. Libo forest block, where PT Bina Daya Bintara’s concession is located, is one of the last remaining habitats for Sumatran elephants in Central Sumatra.

In March 2006, human-elephant conflicts and inhumane capture and death of elephants occurred around 30-40km away from the logging site of PT. Bina Daya Bintara (read: ["Interactive Map on Elephant Distribution and Conflict in Riau, Sumatra"](#) and ["Forest to Paper, Forest to Palm Oil and No Place to Live for Riau's Elephants"](#) by EoF, ["Riau's Elephant: The 2006 Tragedy"](#) by WWF). Based on these tragedies and the March Investigation findings, EoF called PT Bina Daya Bintara and APRIL to immediately stop controversial logging operations. [Answering this call, APRIL committed to halt logging in this concession](#) in April, however, EoF has found that the logging actually continued in this concession. Conversion in Libo including in PT BDB concession will force elephants surrounding the block to be refugee species as they are now also threatened by existing deforestation. It is possible that a threatened population of Sumatran elephant is using the forest in this concession.

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 by PT Bina Daya Bintara violate APRIL’s own public policy that APRIL does ["not source fiber from areas of high conservation value."](#)

Indeed, the clearcutting is conducted following HCVF assessment implemented by APRIL, however it was a company’s internal assessment that unverified and not reviewed by other stakeholders. **Therefore, EoF considers that the HCVF report is unacceptable and 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:

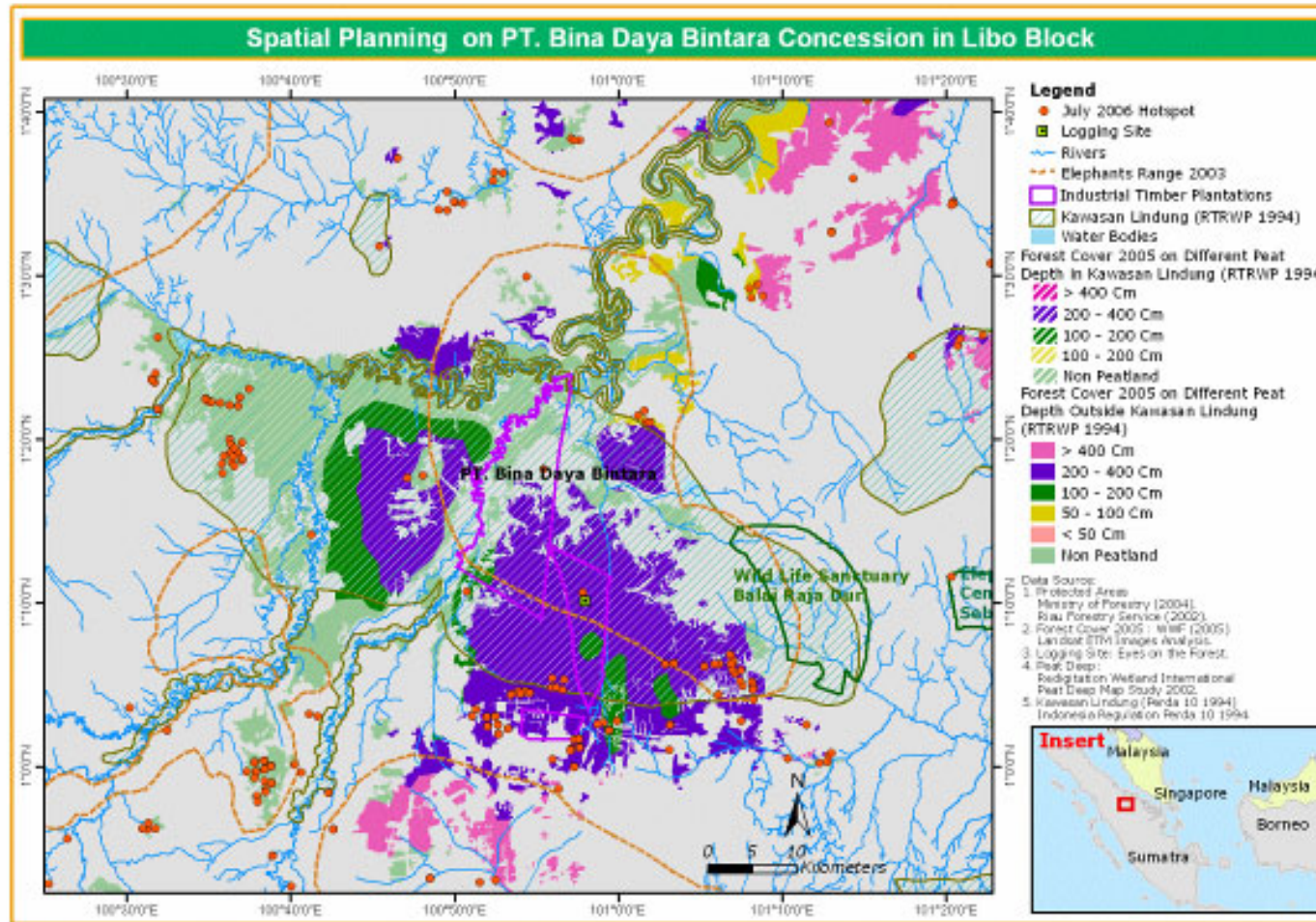
Eyes on the Forest Editor

Afdhal Mahyuddin

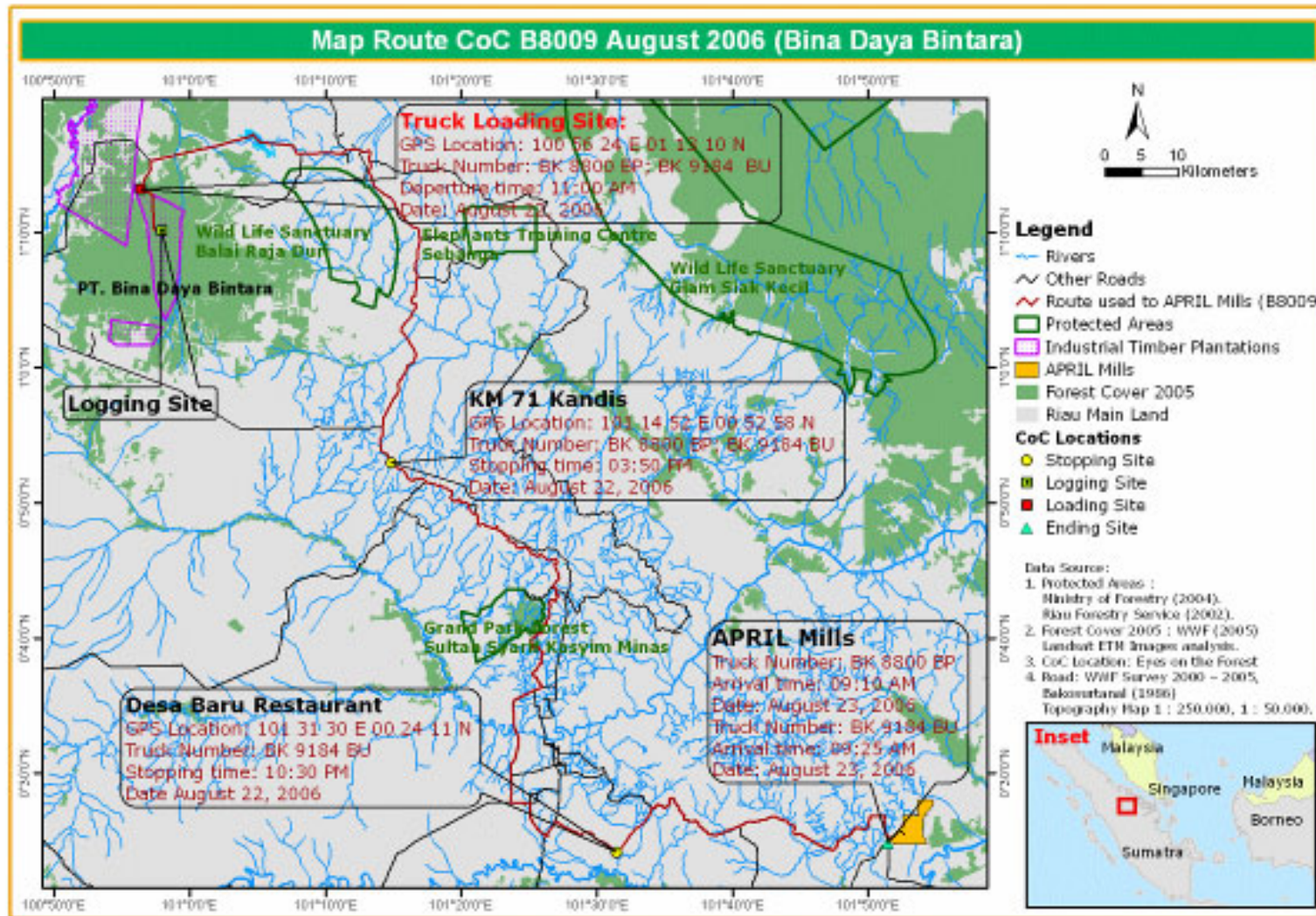
Ph: 62-815 9910 734

Email: eof@eyesontheforest.or.id

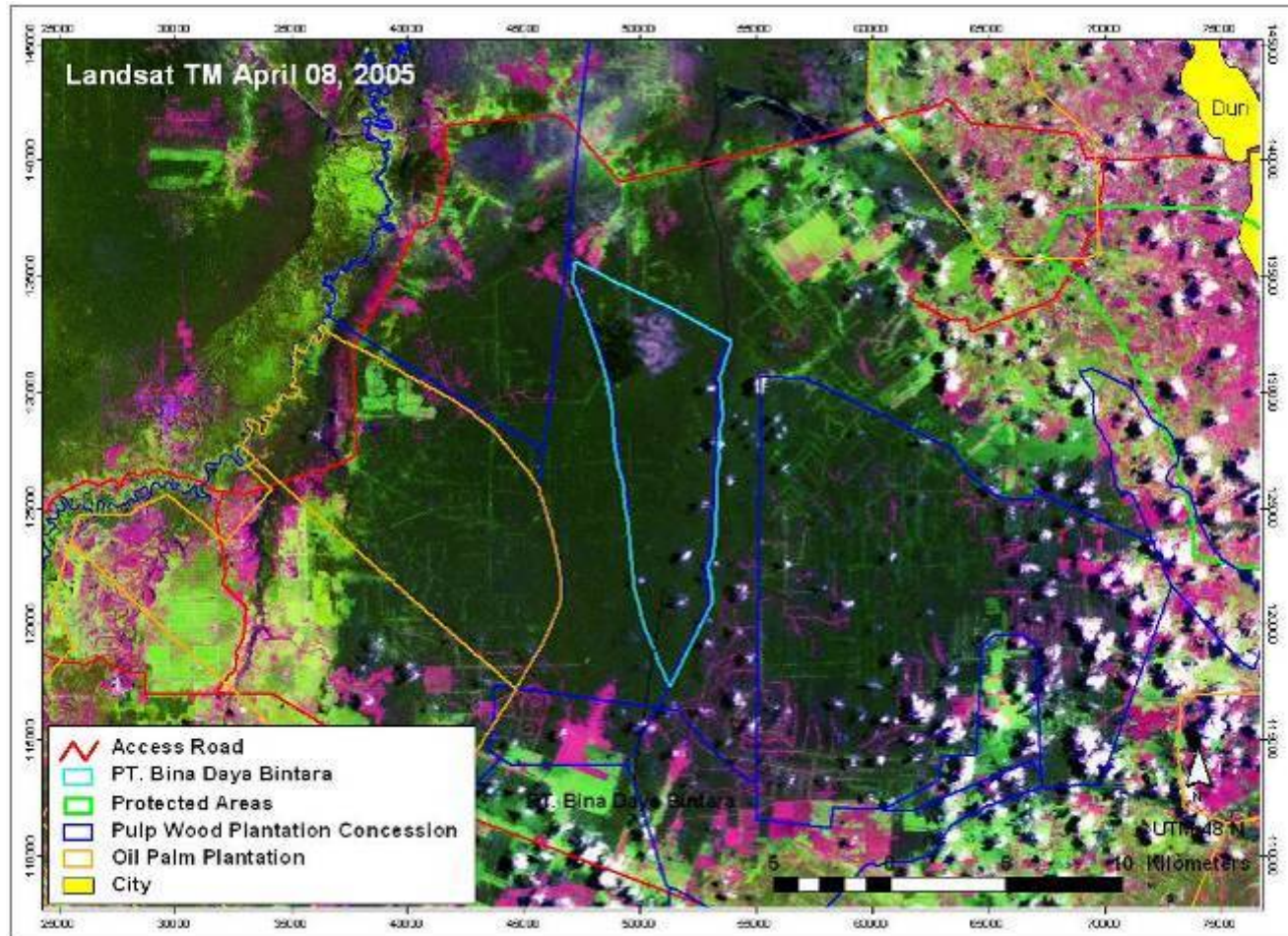
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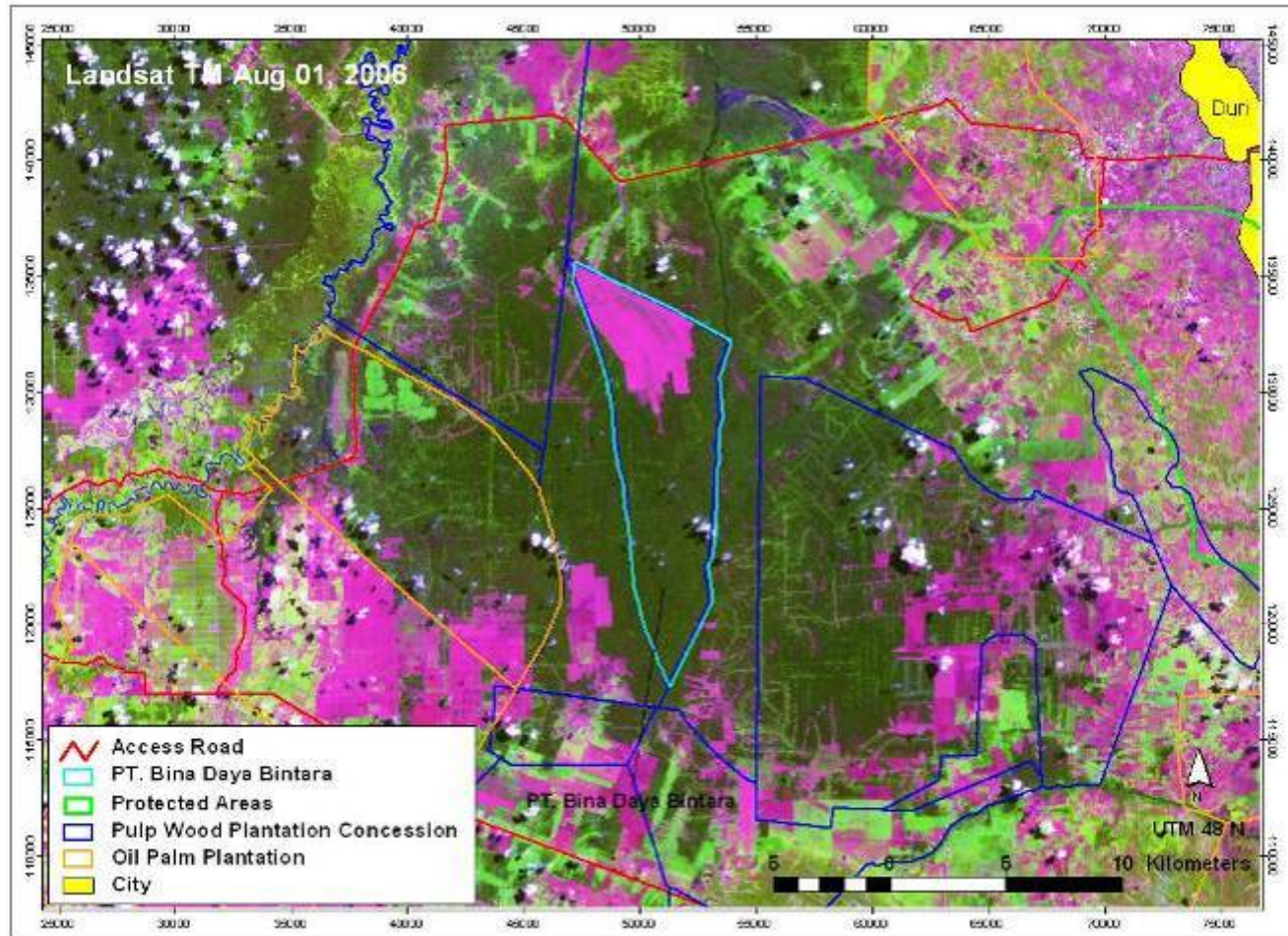
Map 1. PT Bina Daya Bintara concession in Libo forest block and forest cover 2005. Forest cover 2005 is shown in different colors depending on the depth of peat soil (pink and purple areas indicate forest cover 2005 on top of peat soil of more than 4 meters or between 2 and 4 meters, respectively). Some of them are inside Protection Area (hatched areas) as per the currently active Riau Land Use Planning (RTRWP 1994).



Map 2. Chain of Custody from PT Bina Daya Bintara concession to PT RAPP/APRIL pulp mill.



Map 3. Natural forest condition of PT Bina Daya Bintara concession (light blue boundary) according to Landsat Satellite Image of April 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. This maps shows that the concession in question contained large area of still healthy natural forest before the logging started.



Map 4. Natural forest condition of PT Bina Daya Bintara concession (light blue boundary) according to Landsat Satellite Image of August 2006. 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 maps shows the area where healthy natural forests had been cleared as well as still remaining healthy forests inside the concession.