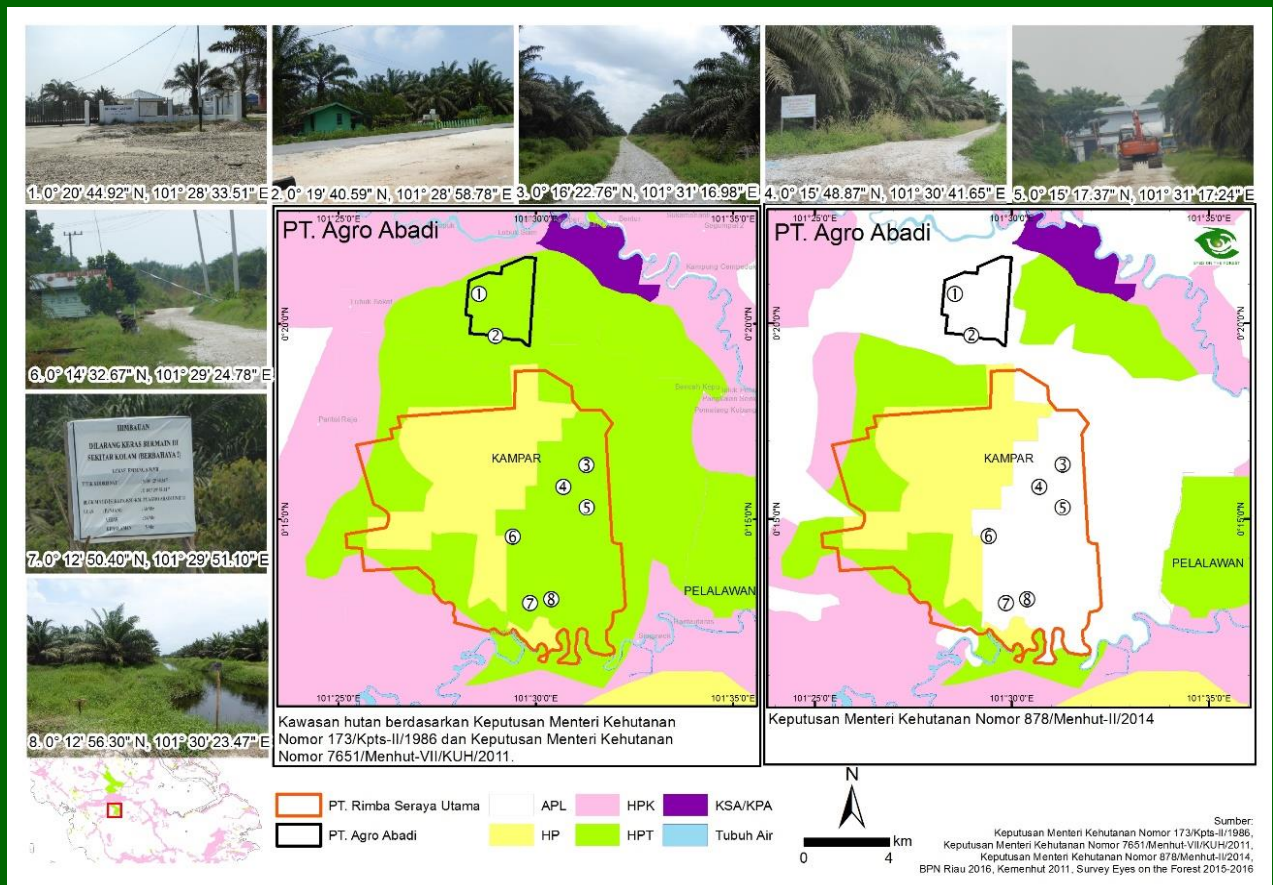




‘Legalization’ of palm oil plantation companies by changing the designation of Forest Estate to Non-Forest Estate in Riau Province

Investigative analysis and Remote Sensing analysis against 26 palm oil plantations



December 2016

Eyes on The Forest (EoF) is a coalition of environmental NGOs in Riau, Sumatra, namely: WALHI Riau, Jikalahari “*Jaringan Kerja Penyelamat Hutan Riau / Riau Forest Rescue Network*” and WWF-Indonesia Central Sumatra Program.

EoF also participates in co-founding organizational membership networks of NGOs in Sumatra and Kalimantan, namely : KKI Warsi, Environmental Law Clinic, Lembaga Gemawan, JARI Indonesia Borneo Barat, Kontak Rakyat Borneo, POINT, Swadiri Institute, Yayasan Titian, Gapeta Borneo and WWF-Indonesia West Kalimantan Program.

EoF monitors deforestation and status of the remaining natural forests in Sumatra and Kalimantan, and disseminates relevant information broadly.

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Front cover

Maps of the result of survey on the plantation of PT Agro Abadi which area is located in *IUPHHK-HT* (Business Permit for Utilization of Timber Forest Products of Industrial Plantation Forest) concession of PT Rimba Seraya Utama in an extent of approximately 4,829 hectares. Such an area was actually a Limited Production Forest but

on September 29, 2014 it enjoyed a conversion to the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, notwithstanding a Palm Oil Mill of PT Agro Abadi which has already been in operation on the area since 2012 and the oil palm crops which has already reached the age of 12 years.

EXECUTIVE SUMMARY

Eyes on the Forest coalition has conducted analysis on certain plantation areas in Riau Province which legality is questionable in an area of 100,093 hectares out of the total area of 1,638,249 hectares, or 0.06 percent of the total area being converted from Forest Estate to Non-Forest Estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014 dated August 8, 2004 regarding Changing of Designation of Forest Estate to Non-Forest Estate.

Eyes on the Forest (EoF) team has examined and observed 26 locations of palm oil plantations in Riau Province in order to collect data and evidences whether or not the areas had already been occupied by palm oil companies or land brokers long before the issuance of the Decree which converted them to non-forest estate. This is in a bid to seek the answer for an allegation that the conversion of the forest estate is just a design to legalize the occupation of the areas by palm oil companies and investors who ran their plantation business thereon. Therefore, EoF has examined 26,611 hectares of Limited Production Forest (HPT), 16,548 hectares of Production Forest (HP) and 57,634 hectares of Convertible Production Forest (HPK). In addition, EoF has also examined the lands based on the status of their permits, namely 18,754 hectares of land with HGU (time-limited land tenure rights for commercial use) and 82,039 hectares with other permits other than HGU, in reference to the data issued by National Land Agency of 2016.

The data obtained from field observations were verified with the data on Forest Estate Release of Riau Province so as to make sure whether or not the identified palm oil companies had obtained the Forest Estate Release Permit up to 2015. If the companies were not listed in the register of companies granted with forest estate release up to 2015, it can be concluded that such companies and their investors had occupied the area long before the issuance of the Decree, or had already planted the area with palm crops in breach of the prevailing regulations.

The findings of EoF reveal that majority of the palm oil plantations being observed did not possess any permit for the release of forest estate to plantation from the Minister of Forestry until 2015. Their names were **neither included** in the progress data of forest estate release for plantation in 2015 nor in the data of conversion of forest estate to plantation set forth in the Forest Spatial Database Book 2015.

Since there are many irregularities and illegalities being found, EoF asks the Ministry of Environment and Forestry (MoEF) to revoke and review the Decree of the Minister of Forestry Number 673/Menhut-II/2014 regarding Changing of Designation of Forest Estate to Non-Forest Estate in a total area of 1,638,249 hectares, and Decree of the Minister of Forestry Number 878/Menhut-II/2014 dated September 29, 2014 regarding Forest Estate in Riau Province.

EoF also recommends MoEF to take action against palm oil companies which have illegally occupied forest estate and developed palm oil plantations therein before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 on Forest Estate in Riau Province.

INTRODUCTION

On August 8, 2014, the Minister of Forestry of the Republic of Indonesia stipulated the conversion of forest estate to non-forest estate in Riau Province under the Decree of the Minister of Forestry Number 673/Menhut-II/2014 regarding Changing of Designation of Forest Estate to Non-Forest Estate in an aggregate extent of 1,638,249 hectares. Such a changing of designation of Forest Estate to Non-Forest Estate comprising the conversion of forest estate to limited production forest: 167,881 hectares, to production forest: 80,437 hectares and to convertible production forest: 1,389,993 hectares.

With regard to adjustment in the utilization of forest space due to the Revision of the Spatial Plan of Riau Province, the Governor of Riau, **HM Rusli Zainal** (now ousted) in 2010 actually proposed for conversion of forest estate to non-forest estate in a total extent of 3,530,696 hectares. When the Minister only approved about 1.6 million hectares, it was below the expectation of Riau Province government.

The Minister of Forestry, Zulkifli Hasan in 2010 formed an integrated team to conduct some relevant researches, and the team gave recommendations, among others, regarding the extent of land which designation may be changed from Forest Estate to Non-Forest Estate, namely 2,736,137 hectares. However, the Minister of Forestry in front of Riau Governor, District heads/Mayors of Riau Province and National Spatial Planning Coordination Board on December 5, 2012 only approved the changing of designation of forest estate to non-forest estate in an aggregate extent of 1,638,249 hectares.

EoF studied the possibility of correlation between partial approvals of the proposal of the Government of Riau Province with the reluctance of the administration to complete the spatial plan of Riau Province until now, even though the Ministry of Forestry has also issued Decree No. 878/Menhut-II/2014, dated September 29, 2014 regarding Forest Estate in Riau Province. Some sources said that Riau Provincial Government still insists that the remaining convertible production forest, approximately 1.2 million hectares, should be converted to become non-forest estate.

Only within the interval of time after the Minister of Forestry issued the Decree Number 673/Menhut-II/2014, on August 8, 2014 regarding the Changing of Designation of Riau Forest Estate to Non-Forest Estate until the issuance of the Decree of the Minister of Forestry No. 878/Menhut-II/2014 on September 29, 2014 regarding Forest estate of Riau Province, on September 25, 2014 the Governor of Riau, **Anas Maamun** (now ousted) apparently caught red-handed by KPK (Corruption Eradication Commission) for allegedly accepting bribes related to the changing of designation of forest estate to non-forest estate.

It is very interesting to take a closer look at the situation 4 days before the Minister of Forestry issued the Decree regarding Forest Estate in Riau Province, namely when the Governor of Riau Province, **Anas Maamun** was caught red-handed by KPK for allegedly receiving bribes from palm oil plantation businessmen and companies in favor of his effort to submit proposal to the Ministry of Forestry for changing the designation of forest estate. According to the testimonies in the trial of the

case, the bribe money was intended for lobbying the Ministry of Forestry for accepting the proposal of palm oil companies and businessmen for a conversion of forest estate to become non-forest estate. But the move of the former Governor to approach the Minister of Forestry was failed for he was already busted by KPK. And four days after the arrest, namely on September 29, 2014 the Minister of Forestry issued the Decree on the Forest Estate of Riau Province. In such corruption case the former Governor of Riau was sentenced to 7 years in prison after having been proven to have received bribery from palm oil companies in the conversion of forest estate to non-forest estate in Riau Province.

The bribery case involving the former Governor of Riau Province, Anas Maamun who is found guilty of receiving an amount of money for lobbying the Ministry of Forestry in the changing of designation of Forest Estate to Non-Forest Estate on September 2014, raises so many questions. Did the 1.6 million hectares conversion of Forest Estate to Non-Forest Estate indicate a similar practice with that of the case of the former governor of Riau? Was the conversion of Forest Estate to Non-Forest Estate designed just for accommodating the interest of palm oil companies and businessmen? Does the reluctance of Riau Provincial Government to complete RTRWP (Provincial Land Use Planning) of Riau Province until now have something to do with the unfulfilled demand for legalization by many palm oil companies and businessmen?

Eyes on the Forest (EoF) team conducted field study and survey in order to seek authentic data and information of whether or not the areas granted with conversion of Forest Estate to Non-Forest Estate have actually been occupied by palm oil companies or land brokers long before the issuance of the decree. This is in a bid to answer the allegation that the conversion of Forest Estate to Non-Forest Estate is just a design to legalize the business of palm oil companies and investors who already have occupied the area, and to find out whether or not such a process of conversion of the Forest Estate of Riau Province indicates corruption and money laundering practices.

The first step done by EoF team was analyzing the maps of 1.6 million hectares of Forest Estate converted to Non-Forest Estate as seen in the Decree of the Minister of Forestry No. 673/Menhut-II/2014. And then overlaid the same with the map of forest estate prescribed in the Decree of the Minister of Forestry No. 878/Menhut-II/2014. This is to make sure that the areas granted with conversion of Forest Estate to Non-Forest Estate are not anymore included as a forest estate.

Furthermore, the 1.6 million hectares area as stipulated in the Decree of the Minister of Forestry No. 878/Menhut-II/2014 are then overlaid with the map of land cover analysis already prepared by WWF Indonesia in 2014. The land cover map indicated the vegetation conditions of the forest estate which have been planted with palm crops, acacias and others.

Then the forest estate cover is analyzed by using historical analysis method with Landsat images. If the history of forest cover shows a regular pattern, it is an indication that palm oil companies or investors in question have been involved in such area. Finally, the team conducts field observations in order to prove whether the forest estate converted to non-forest estate have already been planted with palm crops, and for identification of the ownership, extent of area, age of plants, and any other information relevant thereto.

The results of field observation are verified with data on forest estate release in Riau province to ascertain whether or not the identified palm oil companies have been listed in 140 palm oil companies in Riau that have obtained forest estate release by 2015. If the identified companies are

not included in the list, it can be ascertained that such companies and their investors have been occupying the area long before the issuance of the decrees or have already planted the area with palm crops in breach of the applicable regulations.

Box 1. *Excerpt of the relevant provisions of Law No. 18/2013 regarding “Prevention and Eradication of Forest Destruction”ⁱ resulting from the existing of palm oil plantation in Forest estate and the trading of the products of such plantations (translation in English is provided by FAOⁱⁱ):*

**Chapter IV Eradication of Forest Destruction,
Part Two; Provisions on Forest Destruction Acts,
Article 17**

(2) Anybody shall be forbidden from:

- b. conducting plantation activities in forest estate without a permit from the Minister;
- e. buying, selling and/or processing plantation products from plantations activities in forest estate without a permit.

**Chapter X Penal Provisions,
Article 92**

(1) Anybody who intentionally:

- a. conducts plantation activities in forest estate without a permit from the Minister as provided for in Article 17 paragraph (2) point b; and/or
- b. brings heavy duty equipment and/or other equipment commonly used or allegedly used to conduct plantation activities and/or to transport plantation products in forest estate without a permit from the Minister as provided for in Article 17 paragraph (2) point a;

shall be sentenced to a minimum imprisonment of 3 (three) years and a maximum of 10 (ten) years in jail and be fined a minimum of Rp. 1,500,000,000.00 (one billion and five hundred million Rupiah) and a maximum of Rp. 5,000,000,000.00 (five billion Rupiah).

Article 93

(3) Any Corporation who:

- c. buys, sells and/or processes plantation products from plantation activities in a forest estate without a permit as referred to in Article 17 paragraph (2) point e;

shall be sentenced to a minimum imprisonment of 5 (five) years and a maximum of 15 (fifteen) years in jail and be fined a minimum of Rp. 5,000,000,000.00 (five billion Rupiah) and a maximum of Rp. 15,000,000,000.00 (fifteen billion Rupiah).

The Findings of Investigative Analysis

Table 1. List of Palm Oil Companies and Entrepreneurs whose plantation areas were situated inside the **Forest Estate of Riau Province** according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. Such plantation areas were included in the program of Changing the Designation of Forest Estate to Non-Forest Estate by virtue of the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and thereafter converted to **Areas for Other Uses (APL)** by the Decree of the Minister of Forestry No. 878/Menhut-II/2014, dated September 29, 2014.

No	Companies	Group	Functions of Forest Estate			Age of Palm Crops (years)	HGU (Data BPN 2016)		Palm Oil Mills	
			HPT (ha)	HP (ha)	HPK (ha)		With HGU (ha)	Non HGU (ha)	Production Capacity (ton/hour)	Year of Operation
1	Agro Abadi	Panca Eka	5,797	-	-	12	968	4,829	45	2012
2	PT Meskom Agro Sarimas	Sarimas	10,333	-	535	13	3,868	7,000	45	2013
3	PT Torusganda		9,867	12,522	-	12	-	22,389		
4	PT Riau Agung Karya Abadi		-	-	1,200	11	-	1,200		
5	PT Peputra Supra Jaya	Peputra Masterindo	-	-	9,164	25	-	9,164	45	2014
6	PT Arindo Tri Sejahtera	First Resources	114	-	3,527	24	3,641	-		
7	PT Damara Abadi		-	-	200	20	200	-		
8	PT Jalur Pusaka Sakti Kumala		-	-	500	13	500	-	20	2013
9	PT Kampar Palma Utama	Panca Eka	-	-	500	10	500	-		
10	PT Perdana Inti Sawit Perkasa	First Resources	-	-	4,500	9	3,390	1,110		
11	PT Sawit Unggul Prima Plantation		-	-	600	15	600	-		
12	PT Wasundari Indah		-	-	965	10	965	-	20	2010
13	PT Yutani Suadiri		-	-	300	13	300	-		
14	PT Masuba Citra Mandiri	Bumitama Gunajaya Agro	500	-	2,000	13	-	2,500		
15	PT Kinabalu		-	-	800	17	-	800		
16	PT Percuhu Permai		-	-	800	16	-	800		
17	PT Pesawon Raya		-	-	500	10	-	500		
18	PT Sinar Reksa Kencana		-	-	600	6	-	600		
19	PT Bumi Sawit Perkasa		-	3,770	6,869	10	-	10,639		
20	PT Sinar Siak Dian Permai	Wilmar	-	-	1,000	20	-	1,000	90	2001
21	PT Surya Agrolika Reksa	Adimulya		256	7,968	20	1,724	6,500	60	2001
22	Koperasi Air Kehidupan	Aek Natio			400	12	-	400		
23	PT Wanasari Nusantara/KUD Tupan Tri Bhakti				1,308	25	-	1,308		
24	PT Tri Bhakti Sarimas/KUD Prima Sehati	Sarimas			9,500	18	-	9,500		
25	PT Ramajaya Pramukti	Golden Agri-Resources			3,598	22	2,098	1,500		
26	Koperasi Dubalang Jaya Mandiri				300	12		300		
Total			26,611	16,548	57,634		18,754	82,039		

Source: Results of investigation by the Eyes on the Forest and GIS

The following coverage exposes the plantation areas of palm oil companies and entrepreneurs which location trespassing the Forest Estate of Riau Province stipulated by the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. But then the designation of such Forest Estate was altered to Non-Forest Estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and thereafter converted to **Areas for Other Uses (APL)** by the Decree of the Minister of Forestry No. 878/Menhut-II/2014, dated September 29, 2014.

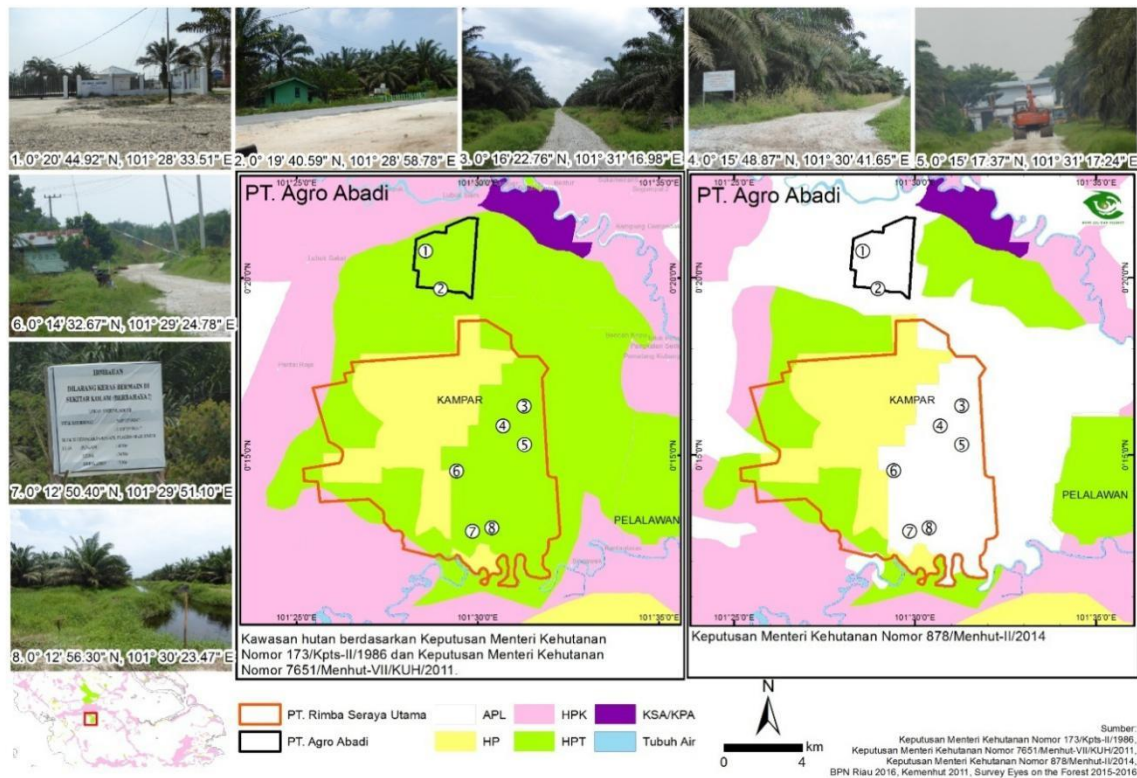
1. PT. Agro Abdi

PT. Agro Abadi is a palm oil plantation company subsidiary of Panca Eka Bina Plywood Industries (PEBPI). According to the data on conversion of forest estate to plantation, and based on Forest Spatial Database Book 2015, **there was no release** of forest estate to PT Agro Abdi. However, according to *BPN* (National Land Agency) Data 2016, PT Agro Abadi has already obtained *HGU* (time-limited land tenure rights for commercial use) for 968 hectares of land in the area. If the map of the land is overlaid with the map of the forest estate stipulated by the Decrees of the Minister of Forestry No. 173/Kpts-II/1996 and No. 7651/Menhut-VII/KUH/2011, it shows that the land with *HGU* of PT Agro Abadi is actually a Limited Production Forest. It is not clear when the *HGU* was issued, whether before or after the Decree of the Minister of Forestry No 878/Menhut-II/2014 regarding Forest Estate in Riau Province, dated September 29, 2014. However, after the issuance of Decree No. 878/Menhut-II/2014 the *HGU* area of PT Agro Abadi was converted from Limited Production Forest to the Area for Other Uses (*APL*), notwithstanding that PT Agro Abadi has already planted palm crops which have reached the age of 12 years thereon, including a Palm Oil Mill which has been in operation since 2012 with a capacity of 45 tons/hour. The Palm Oil Mill is located at coordinate point of N 0°20'44.92 "E 101°28'33.51", Lubuk Sakat Village, Perhentian Raja Subdistrict, Kampar District.

PT Agro Abadi developed palm oil plantation not only in the 968 hectares forest estate but also in the area under *IUPHHK-HT* (Business Permit for Utilization of Timber Forest Products of Industrial Plantation Forest) of PT Rimba Seraya Utama, a company which is also a subsidiary of Panca Eka Bina Plywood Industries, and both areas were developed before the stipulation of the Decree No 878/2014. Based on Forest Spatial Database Book 2015 the *IUPHHK-HT* concession of PT Rimba Seraya Utama was still effective under SK 599/Kpts-II/19 dated September 16, 1996 covering an area of 12,600 hectares. It is estimated that PT Agro Abadi exploited 4,829 hectares of concession area of PT Rimba Seraya Utama for palm oil plantation. According to an online media Bertuahpos.Com, Wednesday, October 29, 2014, the *IUP* (Plantation Business Permit) of PT Agro Abadi was issued by the District head of Kampar District, Jeffry Noer under *IUP* No. 88A Year 2006 dated April 29, 2006 and SK No. 430 of 2006 dated September 4, 2006.

Information from local villagers and results of observation on the age of the crops in the plantation area reveal that PT. Agro Abadi established and replanted the plantation in 2004 and 2011 as indicated by the age of the palm crops which have reached 5 to 12 years. In addition, PT Agro Abadi also engaged in plantation partnership scheme with local people by initiating a nucleus-plasma plantation called KKPA (Primary Credit for Cooperative Members) with KSU (Multi-Businesses Cooperative) Karya Mentulik in an area of 1,000 hectares.

The stipulation of Decree No. 878/Menhut-II/2014, dated September 29, 2014 regarding Forest Estate of Riau Province, according to the results of analysis by GIS, has prompted the conversion of the area under *IUPHHK-HT* concession of PT Rimba Seraya Utama which previously functioned as Limited Production Forest (*HPT*) to become the Area for Other Uses (*APL*) in an extent of approximately 4,829 hectares.



Map 1. Photos 1 and 2 show a Palm Oil Mill of PT Agro Abadi which has been in operation since 2012 and the palm crops which have reached the age of 12 years. Before the issuance of the Decree No. 878/Menhut-II/2014, dated September 29, 2014, the area shown in the photos was still a Limited Production Forest (HPT), but then converted to the Area for Other Uses (APL) after the stipulation of such Decree. According to the data of BPN Riau 2016 the Company has obtained HGU (time-limited land tenure rights for commercial use) for 968 hectares of such area. Photos 3 to 8 show the palm oil plantation of PT Agro Abadi in IUPHHK-HT concession area of PT Rimba Seraya Utama in an approximate extent of 4,829 hectares which, by virtue of the same Decree, were converted to become the Area for Other Uses.

2. PT Meskom Agro Sarimas

PT. Meskom Agro Sarimas is a palm oil plantation subsidiary of Sarimas Group. In the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, or IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture in 2003ⁱⁱⁱ, PT Meskom Agro Sarimas is recorded as the holder of IUP No. 1462/Disbun.482/XI/2003, dated November 13, 2003 for an area of 11,000 hectares. PT Meskom Agro Sarimas is located in Bengkalis District, Subdistricts of Bengkalis and Bantan, covering some villages such as Meskom, Simpang Ayam, Jangkang, Pedekik, Teluk Lantak and other villages. The coordinate points of this area among others: N1°34'26.53 "E102°5'17.53", N1°34'27.40 "E102°5'17.33", N1°31'51.58 "E102°4'53.50" and N1°31'39.23 "E102°4'44.61".

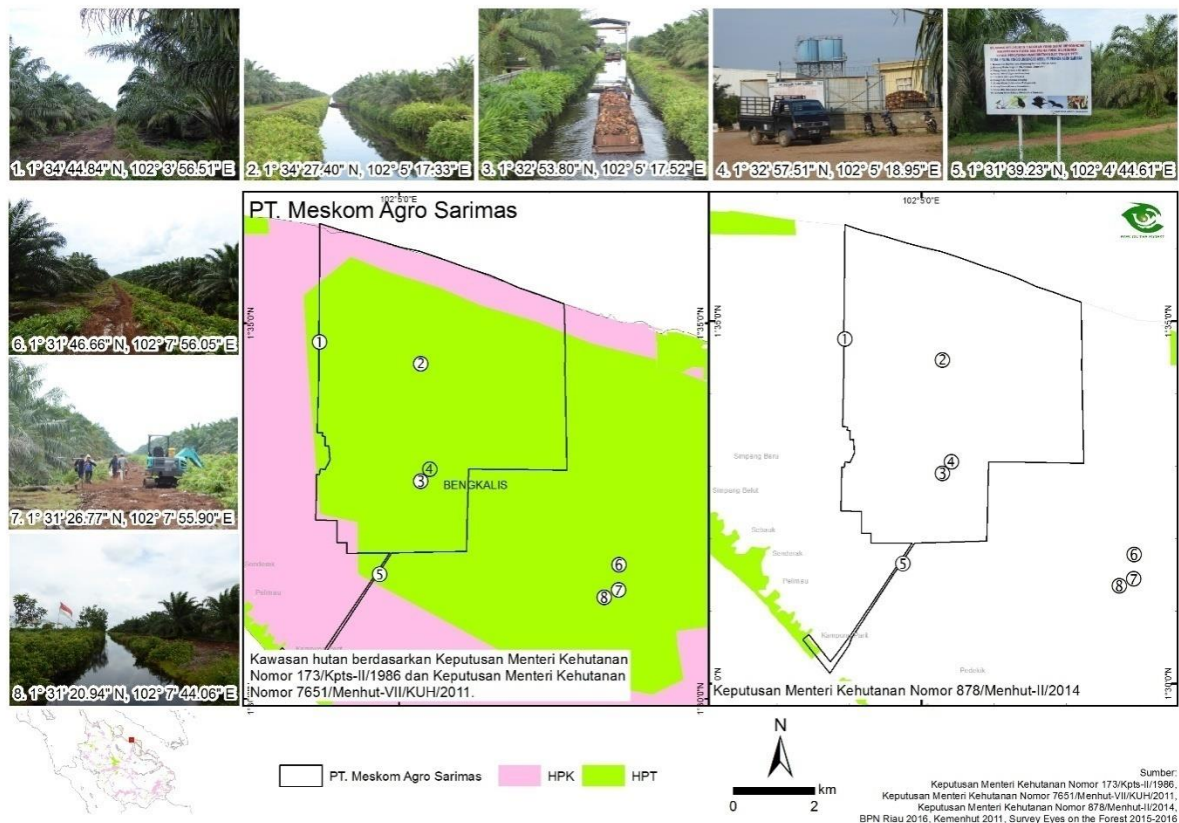
According to the data on conversion of forest estate to plantation and based on Forest Spatial Database Book 2015, **there was no** release of forest estate to PT Meskom Agro Sarimas. However, based on BPN Data 2016, 3,868 hectares of land of PT Meskom Agro Sarimas have been granted *HGU* (time-limited land tenure rights for commercial use). Nevertheless, if the map of such area is overlaid with the map of the forest estate stipulated under the Decrees of the Minister of Forestry No. 173/Kpts-II/1996 and No. 7651/Menhut-VII/KUH/2011, then most of the area with HGU of PT Meskom Agro Sarimas was actually a Limited Production Forest. It is not clear when the HGU was

issued, whether before or after the Decree of the Minister of Forestry No 878/Menhut-II/2014 regarding Forest Estate in Riau Province, dated September 29, 2014. As a matter of fact, after the issuance of the Decree No. 878/Menhut-II/2014 the area with HGU of PT Meskom Agro Sarimas enjoyed a conversion from Limited Production Forest to the Area for Other Uses, notwithstanding the fact that the palm crops therein have reached the age of 5 – 13 years.

Interview by EoF investigation team with the workers of PT. Meskom Agro Sarimas and villagers in the surrounding area of the plantation reveals that PT Agro Sarimas started cutting down the forest in 2002 and then planted the area in 2003. The field observation also discovers that the palm crops have reached the ages of 3 to 13 years. In addition, according to the workers and the villagers, there is also a plantation under nucleus partnership scheme in an area of approximately 3,186.77 hectares, including a Palm Oil Mill erected at the coordinate point of N1°32'57.51 "E102°5'18.95" in Pangkalan Batang Village, Bengkalis Subdistrict having a production capacity of 45 tons/hour. Interview with palm crops traders around the factory reveals that the said Palm Oil Mill commenced its operations since 2013.

PT Meskom not only developed corporate estate plantation in said Limited Production Forest (HPT) prior to the issuance of the Decree No. 878/Menhut-II/2014, but also initiated a nucleus-plasma scheme plantation by applying KPPA (Primary Credit for Cooperative Members) with local people in an area of 7,000 hectares. Such a partnership with smallholder lots (plasma) plantation was commenced since 2003. Field observation finds that the ages of the plants in the plasma plantation range between 5 to 13 years. Some of the coordinate points of the plasma plantations among others are: N1°34'44.84" E102°3'56.51", N1°31'46.66" E102°7'56.05", N1°31'26.77" E102°7'55.90" and N1°31' 20.94" E102°7'44.06".

PT. Meskom Agro Sarimas on June 10, 2016 submitted an application to *PT. Mutu Indonesia Strategis Berkelanjutan* for obtaining ISPO Certificate as a plantation company conducting plantation cultivation business integrated with renewable processing system and energy in accordance with the regulation of the Minister of Agriculture No. 11/Permentan/OT.140/3/2015 regarding Indonesia's sustainable palm oil certification system. The total area proposed for ISPO Certification was 3,186.77 hectares and 1 unit of Palm Oil Mill having a production capacity of 45 tons/hour, which average annual production (in 2015) was CPO: 24,501 and PK: 6.363^{iv}.



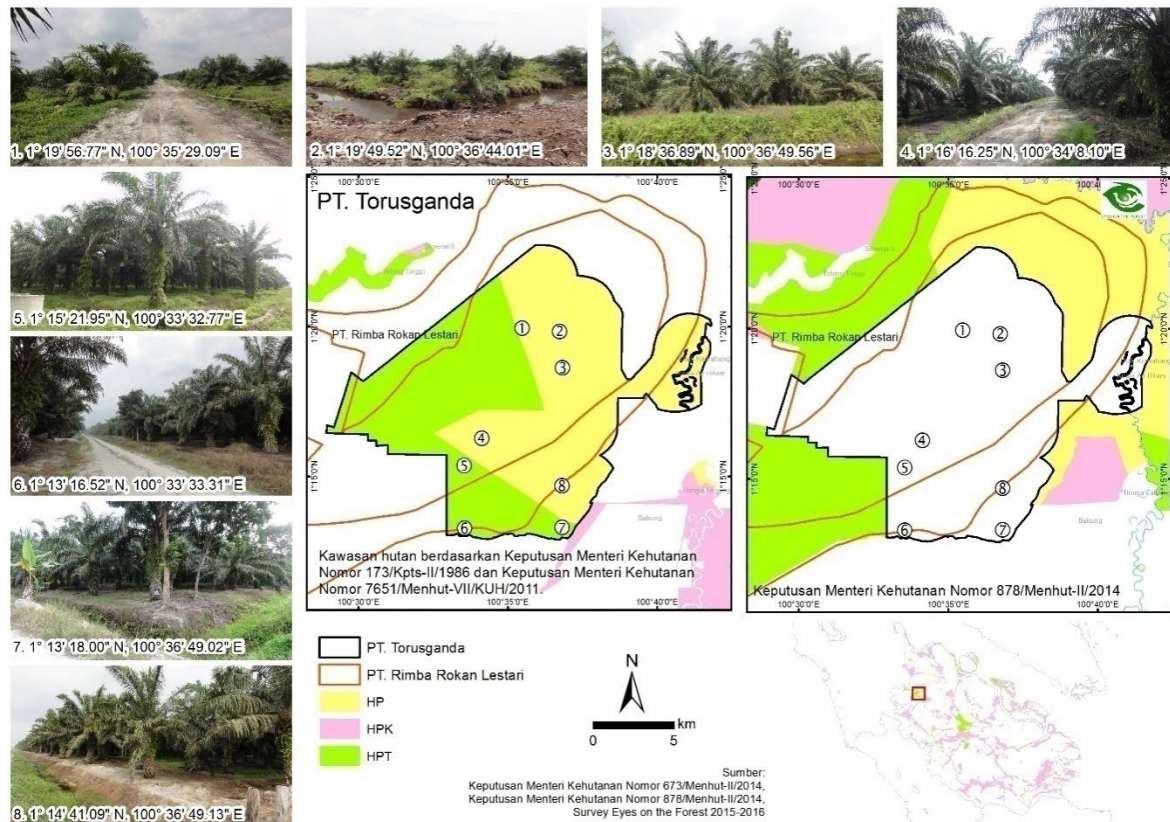
Map 2. Photos 1, 2 and 3 are the corporate estate (nucleus) plantation of PT Meskom Agro Sarimas, the crops planted therein are estimated to have reached the ages between 5 to 13 years. Photo 4 is the Palm Oil Mill of PT Meskom Agro Sarimas which has been in operation since 2013. Before the issuance of the Decree No. 878/Menhut-II/2014, dated September 29, 2014, the area of plantation and Palm Oil Mill was a Limited Production Forest, but after the issuance of the Decree such area was converted to the Area for Other Uses, and based on the data of BPN (National Land Agency) Riau of 2016, 3,868 hectares of said area had been granted HGU (time-limited land tenure rights for commercial use). Photos 6, 7 and 8 show that PT Meskom Agro Sarimas also developed palm oil plantation in Limited Production Forest (HPT) in an estimated area of approximately 7,000 hectares where the plants therein have reached the age of 13 years. The Decree No. 878/Menhut-II/2014, dated September 29, 2014 thereafter converted the area to become the Area for Other Uses.

3. PT Torusganda

PT Torusganda is found developing a palm oil plantation in the administrative region of East Tambusai Village, Tambusai Subdistrict, Rokan Hulu District, Riau Province. Observation on crop's age and interview with East Tambusai villagers reveal that PT Torusganda started planting the oil palms in 2004 which means that the crops have now reached the age of 12 years in an approximate area of 22,389 ha.

The name of PT Torusganda **was neither found** in the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, or IUP) in the Directorate General of Plantation of the Ministry of Agriculture in 2003, **nor** in the Data of Conversion of Forest Estate to Plantation 2015 based on Forest Spatial Database Book 2015, **nor** in the list of HGU holders at BPN Riau of 2016.

If reference is made to the Decree of the Minister of Forestry Number 173/Kpts-II/1986, dated June 6, 1986 and Decree of the Minister of Forestry Number 7651/Menhut-VII/2011, dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Torusganda was actually inside a forest estate functioned as Production Forest in an area of 12,522 hectares and as Limited Production Forest in an area of 9,867 hectares. But the Decree of the Minister of Forestry Number 673/Menhut-II/2014 converted such Forest Estate to become Non-Forest Estate, and by virtue of the Decree No. 878/Menhut-II/2014, dated September 29, 2014, it became the Area for Other Uses (APL).



Map 3. Photos 1 to 8 show the palm crops of PT Torusganda which have reached the age of 12 years and existing in the forest estate of Riau Province (Limited Production Forest and Production Forest) stipulated in the Decree of the Minister of Forestry Number 173/Kpts-II/1986, dated June 6, 1986 and Decree of the Minister of Forestry Number 7651/Menhut-VII/2011, dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. But then the plantation area was included in the Conversion of Forest Estate to Non-Forest Estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and thereafter became the Area for Other Uses by the Decree No. 878/Menhut-II/2014, dated September 29, 2014.

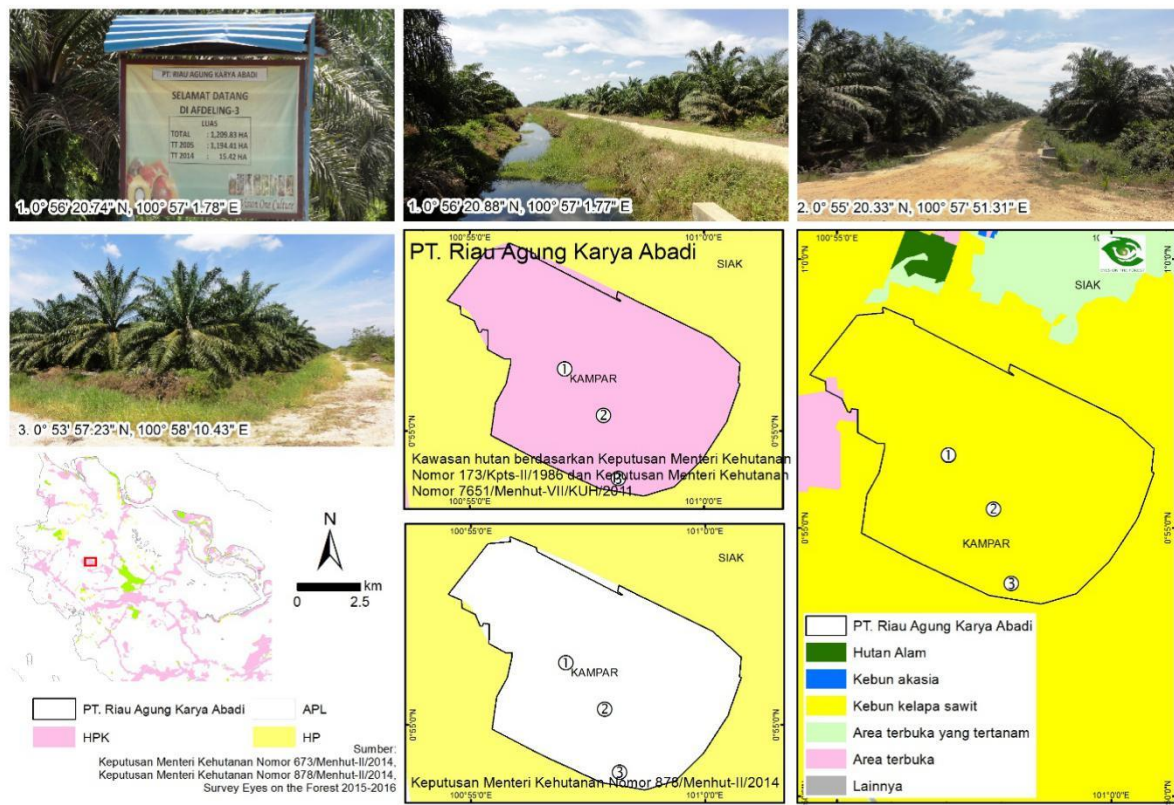
4. PT Riau Agung Karya Abadi

PT Riau Agung Karya Abadi (RAKA) is located in Danau Lancang Village, Tapung Hulu Subdistrict, Kampar District, Riau Province. According to the media riaouterkini.com^v, the Local Government of Kampar District has never issued any permit for the plantation area of PT Riau Agung Karya Abadi.

PT RAKA **was neither found** in the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture, **nor** in the Data of Conversion of Forest Estate to Plantation according to the Forest Spatial Database Book 2015, **nor** in the list of HGU holders issued by BPN Riau of 2016.

Interview with the villagers of Danau Lancang revealed that PT RAKA started planting the oil palms in 2005 in an area of 1,200 hectares and the crops have already reached the age of 11 years. This Plantation Company lies in the following coordinate points: N0°56'20.74" E100°57'1.78", N0°56'20.88" E100°57'1.77", N0°56'20.88" E100°57'1.77", N0°53'57.31" E100°58'10.37", N0°56'20.78" E100°57'1.77", N0°53'57.37" E100°58'10.72".

Results of the coordinate points taking and delineation of land cover in 2014 show that the plantation of PT RAKA covers an area of 1,200 hectares. In accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the area where PT RAKA developed its plantation was actually a forest estate having function as Convertible Production Forest. But then the designation of the forest estate was changed to become non-forest estate by virtue of the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then converted to become the Area for Other Uses by Decree No. 878/Menhut-II/2014, dated September 29, 2014.



Map 4. Photo 1 to 3 show palm oil plantation of PT Riau Agung Karya Abadi which crops have reached the age of 11 years and existing in a Forest Estate (namely Convertible Production Forest/HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. But then such area is included in the conversion of Forest Estate to Non-Forest Estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then converted to become the Area for Other Uses by Decree No. 878/Menhut-II/2 dated September 29, 2014.

5. PT Peputra Supra Jaya

PT. Peputra Supra Jaya is a palm oil plantation subsidiary of PT Peputra Masterindo Group. According to the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture, PT Peputra Supra Jaya possesses IUP Number HK.350/E5.155/0397 dated May 7, 1997 in an area of 3,895.00 hectares, in Padang Luas Village, Langgam Subdistrict, Pelalawan District, Riau Province.

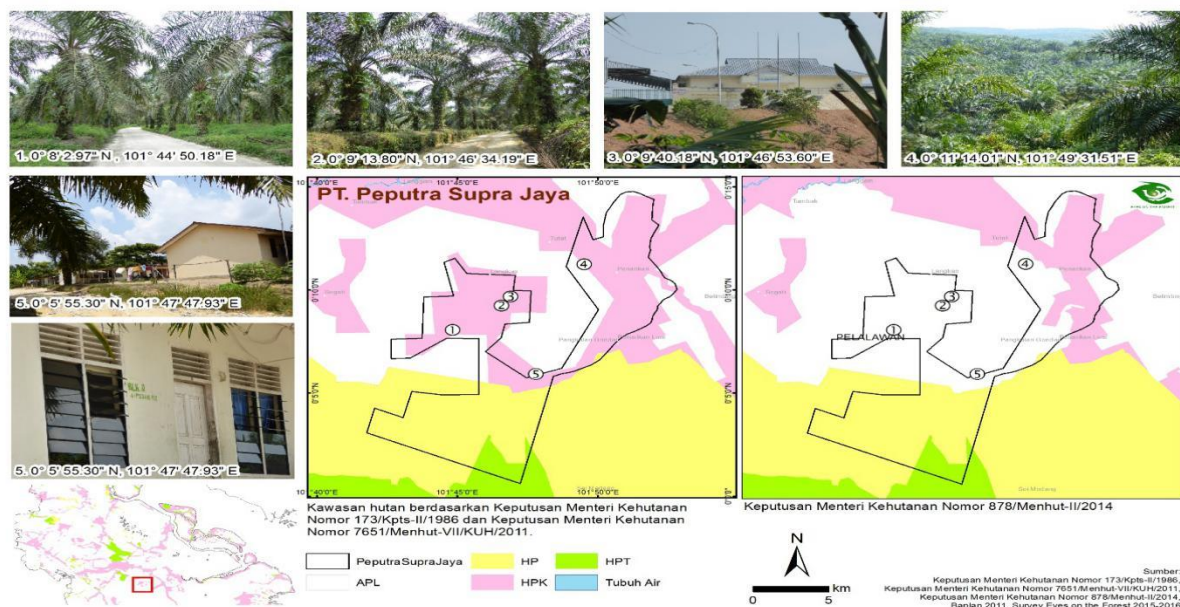
Based on the data in the Ministry of Forestry, namely BAPLAN 2011, the area of PT Peputra Supra Jaya is 17,544 hectares, but based on the Forest Spatial Database Book 2015 the name of PT Peputra Supra Jaya **is not found** in the Data of Conversion of Forest Estate to Plantation. It means that the Ministry of Forestry up to the year of 2015 had never given any permit for the Release of the Area for plantation purposes to PT Peputra Supra Jaya.

Interview with the villagers of Langgam Village reveals that PT Peputra Supra Jaya's palm plantation covers an area of approximately 9,000 hectares and the palm crops therein has reached the age of 25 years. The extent of such area is similar to that proposed by PT Peputra Supra Jaya in the document for obtaining ISPO Certification for Palm Oil Mill from PT AJA Sertifikasi Indonesia. The document also exposes that the Palm Oil Mill is supplied by the plantation of PT Peputra Supra Jaya in an area of 9,164 hectares. However, investigation by the Special Committee of Riau Provincial Council in 2015 found that the area of PT Peputra Jaya was even larger, namely approximately 10,665 hectares.

Another finding is that in Peputra Supra Jaya's palm oil plantation there is 1 unit of Palm Oil Mill at the coordinate point of N0°9'40.22" E101°46'53.62" established since March 2014 with a capacity of 45 ton/hour, in Langkan Village, Langgam Subdistrict, Pelalawan District, Riau Province.

If using the data from the Ministry of Forestry, BAPLAN 2011, out of 17,544 hectares area of PT Peputra Supra, 5,672 hectares are Production Forest: 693 hectares are Limited Production Forest, 8,610 hectares are Conversion Production Forest: and 2,569 hectares are the Area for Other Uses, in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province.

Analysis by GIS found that 5,395 hectares of the plantation area of PT Peputra Supra Jaya was included the conversion of Forest Estate to Non-Forest Estate by the Decree of Minister of Forestry Number 673/Menhut-II/2014. Therefore, the Total Area for Other Uses of PT Peputra Supra Jaya based on the Decree No. 878/Menhut-II/2014, dated September 29, 2014 was approximately 7,964 hectares.

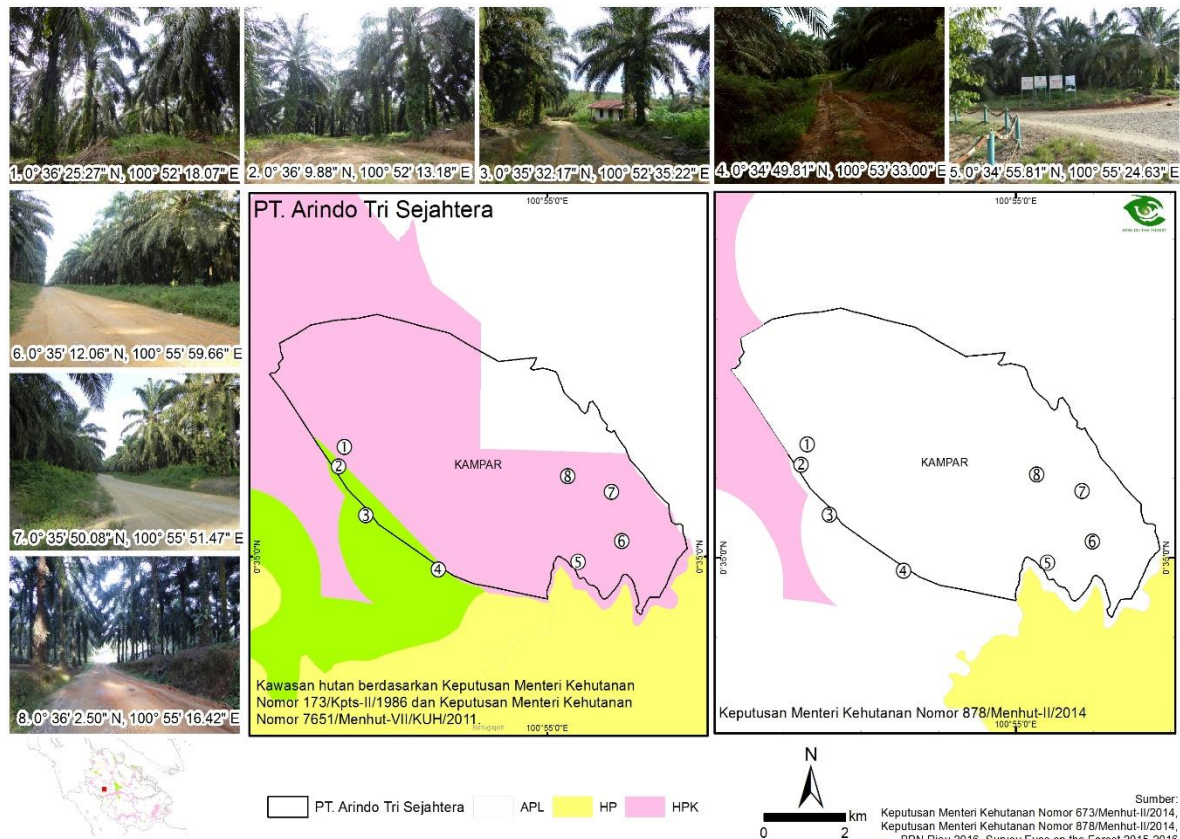


Map 5. Photos 1, 2 and 4 are the palm oil plantations of Peputra Supra Jaya which crops are estimated to have reached the age of 25 years. Photo 4 shows the Palm Oil Mill of PT Peputra Supra Jaya which has been in operation since 2014. Before the issuance of the Decree of the Minister of Forestry No. SK 878/Menhut-II/2014I, dated September 29, 2014, location of plantation and Palm Oil Mill of PT Peputra Supra Jaya was a Convertible Production Forest (HPK), but then the Decree No. 878/Menhut-II/2014, dated September 29, 2014 changed the designation of the area to become the Area for Other Uses.

6. PT Arindo Tri Sejahtera

PT Arindo Tri Sejahtera is a plantation company subsidiary of Surya Dumai Group, a member of First Resources Group. The field observation reveal that PT Arindo Tri Sejahtera has two blocks of plantation. EoF observed the second block where the area in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, was actually located in a forest estate functioned as Convertible Production Forest (HPK) of approximately 3,527 hectares and as Limited Production Forest of 114 hectares. But then the designation of such forest estate was altered to Non-Forest Estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then converted to become the Area for Other Uses by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Based on the data of BPN Riau of 2016, PT Arindo Tri Sejahtera has obtained HGU for 3,641 hectares of the area. It is not known when PT Tri Arindo Sejahtera obtained such HGU, whether after the area became non-Forest estate or after the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014.

Results of observation to the age of the crops and information obtained from the villagers reveal that the palm oil plantation of PT Arindo Tri Sejahtera was established in the year of 1992 and the age of the palm crop has reached 24 years. The coordinate points of PT. Arindo Tri Sejahtera among others are: N0°35'39.91 "E100°53'16.77", N0°36'0.18 "E100°53'46.85", N0°36'25.27 "E100°52'18.07", N0°36'9.88 "E100°52'13.18", N0°34'56.75 "E100°53'27.46".



Map 6. Photos 1 - 8 show palm oil plantation of PT Arindo Tri Sejahtera which crops are estimated to have reached the age of 24 years. In reference to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Arindo Tri Sejahtera was located within a forest estate functioned as Convertible Production Forest (HPK) and Limited Production Forest (HPT). But then such area was converted to become the Area for Other Uses by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau of 2016, PT Arindo Tri Sejahtera has obtained HGU for 3,641 hectares of the area.

7. PT Damara Abadi

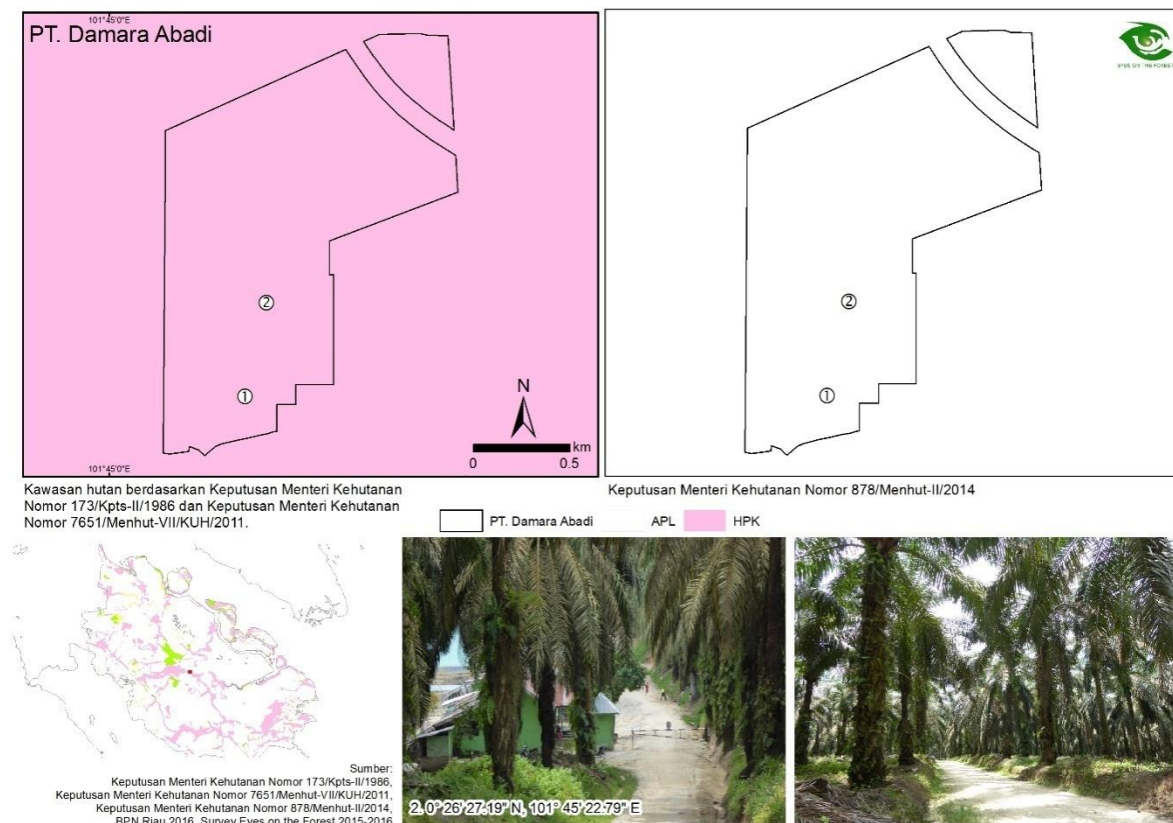
PT Damara Abadi according to the information obtained in the field of observation is owned by a businessmen from Pekanbaru initials A. Based on the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture, PT Damara Abadi is the holder of IUP-B Number IV/896/IP.01/10.94, dated October 08, 1994 covering an area of 185 hectares. The coordinate points of the plantation company are: N0°27'20.50 "E101°46'51.74", N0°26'59.93 "E101°46'7.54", N0°26'42.88" E101°45'26.42" and N0° 25'34.52 "E101°44'57.87".

The name of PT Damara Jaya **is not found** in the Data of Conversion of Forest Estate to Plantation as set forth in the Forest Spatial Database Book 2015. This means that the Ministry of Forestry up to the year of 2015 had never given any permit for the release of forest estate for plantation to PT Damara Jaya.

In reference to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest

Estate in Riau Province, the plantation area of PT Damara Jaya's was actually located inside a forest estate functioned as Convertible Production Forest (HPK) of approximately 200 hectares. But then the designation of the forest estate was altered to Non-Forest Estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then converted to become the Area for Other Uses by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau of 2016, PT Damara Jaya has obtained HGU for 200 hectares of the area. It is not known when PT Damara Jaya obtained such HGU, whether after the area became non-forest estate or after the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014.

The field observation reveal that oil palm crops planted therein are estimated to have reached the age of 20 years, and there are several barracks for the workers located at the coordinate points of N0°26'59.98" E101°46'1.06" and N0°26'27.19" E101°45'22.79" which also serve as guard posts and residential complex for the employees.



Map 7. Photos 1 and 2 show the palm oil plantation of PT Damara Jaya which is estimated to have reached the age of 20 years. The plantation area of PT Damara Jaya according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, was actually a forest estate functioned as Convertible Production Forest (HPK), but then it was converted to the Area for Other Uses by the Decree of the Minister of Forestry Number 878/Menhut-II/2014. And according to the data of BPN Riau of 2016, PT Damara Jaya has obtained HGU for 200 hectares of its area.

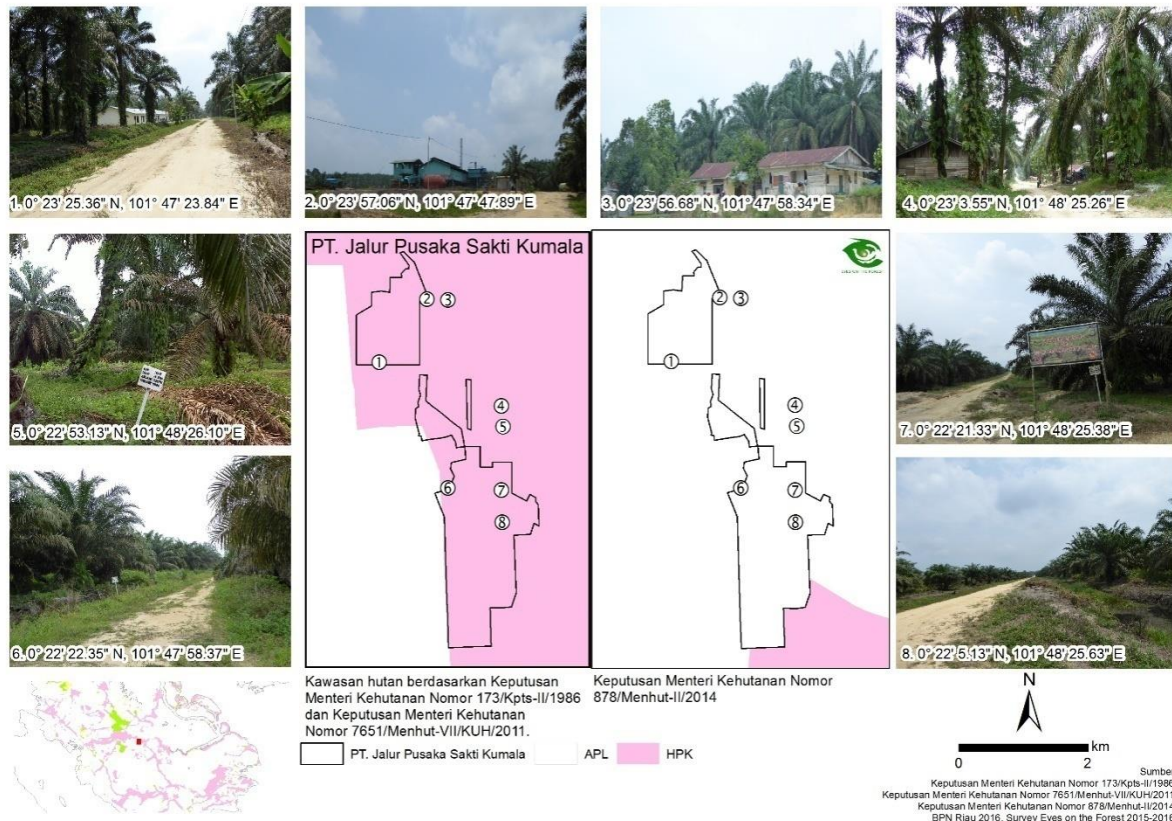
8. PT Jalur Pusaka Sakti Kumala

PT Jalur Pusaka Sakti Kumala is, as rumor has it, owned by an entrepreneur initials IS who also owns a gas station at KM 55 of Pangkalan Kerinci Pelalawan roadway. The plantation of PT Jalur Pusaka Sakti Kumala is located in Langgam Subdistrict, Pelalawan District. Information According to the field information and results of observation on the condition of oil palms, the crops were planted in the year of 2003 - 2006 which means that the age of the plant has reached 10 - 13 years by now. It is estimated that the plantation covers an area of 500 hectares.

In the area of PT Jalur Pusaka Sakti Kumala there is also a Palm Oil Mill located in the administrative area of Lubuk Ogung Village, Bandar Sekijang Subdistrict, Pelalawan District at the coordinate points of: N0°23'59.05 "E101°47'48.20" having a capacity of 20 tons/hour, which has been in operation since 2013.

The name of PT Jalur Pusaka Sakti Kumala is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of the Forest Estate for Plantation to Jalur Pusaka Sakti Kumala.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the area of PT Jalur Pusaka Sakti Kumala was actually a forest estate functioned as Convertible Production Forest (HPK). However, the designation of such forest estate was altered to Non-Forest Estate by the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then converted to become the Area for Other Uses by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau 2016, PT Jalur Pusaka Sakti Kumala has obtained HGU for 500 hectares of its area.



Map 8. Photos 1, 6, 7 and 8 show the palm oil plantation of PT Jalur Pusaka Sakti Kumala which crops are estimated to have reached the age of 10-13 years. The area of PT Jalur Pusaka Sakti Kumala according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province was actually a forest estate functioned as Convertible Production Forest (HPK). However, the area enjoyed a conversion to become the Area for Other Uses by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau 2016, PT Jalur Pusaka Sakti Kumala has obtained HGU for its 500 hectares area. Photo 2 shows a Palm Oil Mill having a capacity of 20 tons/hour which has been in operation since 2013. Photos 3, 4 and 5 show the palm oil plantation of PT Jalur Pusaka Sakti Kumala outside the HGU area. There is indication that the extent of the palm oil plantation area of PT Jalur Pusaka Sakti Kumala is more than 500 hectares.

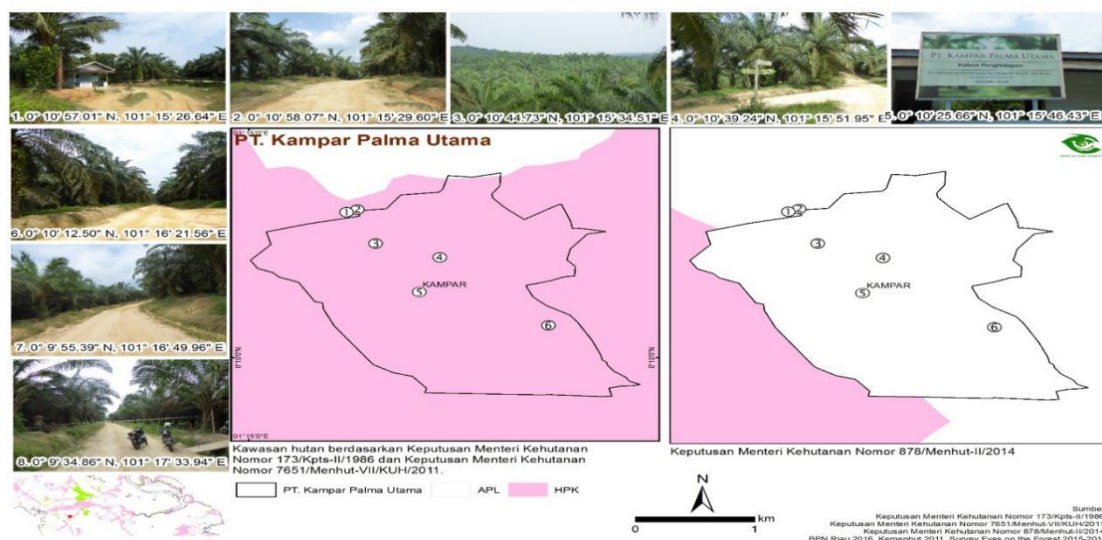
9. PT Kampar Palma Utama

PT Kampar Palma Utama is a subsidiary of Panca Eka Bina Plywood Industries (PEBPI). The company is indicated to have developed a palm oil plantation since 2006 which means that the crops have already reached the age of 10 years. Based on the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by the Directorate of Plantation of the Ministry of Agriculture, PT Kampar Palma Utama is the holder of IUP-B license No. 218 TH 2005, dated August 16, 2006 for an area of 500 Ha. The plantation is located in Penghidupan Village, Kampar Kiri Tengah Subdistrict, Kampar District, Riau Province.

Field observation shows that PT Kampar Palma Utama has a site office and barracks for its workers at the coordinate points of N0°10'25.66" E101°15'46.43". All access to the plantation area are guarded with three security posts at the coordinate points of N0°9'34.86 "E101°17'33.94", N0°10'19.53" E101°15'19.93" and N0°10'57.01" E101°15'26.64".

Based on the Forest Spatial Database Book 2015, the name of PT Kampar Palma Utama is not found in the Progress Data on the Release of Forest Estate for Plantation of 2015 or in the Data on Conversion of Forest Estate to Plantation. It means that the Ministry of Forestry until 2015 had never given any permit to release the forest estate for plantation to PT Kampar Palma Utama.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Kampar Palma Utama was actually a forest estate functioned as Convertible Production Forest (HPK). But then the designation of the forest estate was changed to become non-forest estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then converted to become the Area for Other Uses by Decree No. 878/Menhut-II/2014, dated September 29, 2014. And based on data of BPN Riau 2016, PT Kampar Palma Utama has obtained HGU for its 500 hectares of land.



Map 9. Photos 1 - 6 show palm oil plantation of PT Kampar Palma Utama which is estimated to have reached the plant age of 10 years. If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the area of PT Kampar Palma Utama was actually a forest estate functioned as Convertible Production Forest (HPK). Thanks to the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014, such an area is converted to the Area for Other Uses. And based on the data of BPN Riau of 2016, 500 hectares of the land of PT Kampar Palma Utama have received HGU (time-limited land tenure rights for commercial use).

10. PT Perdana Inti Sawit Perkasa II

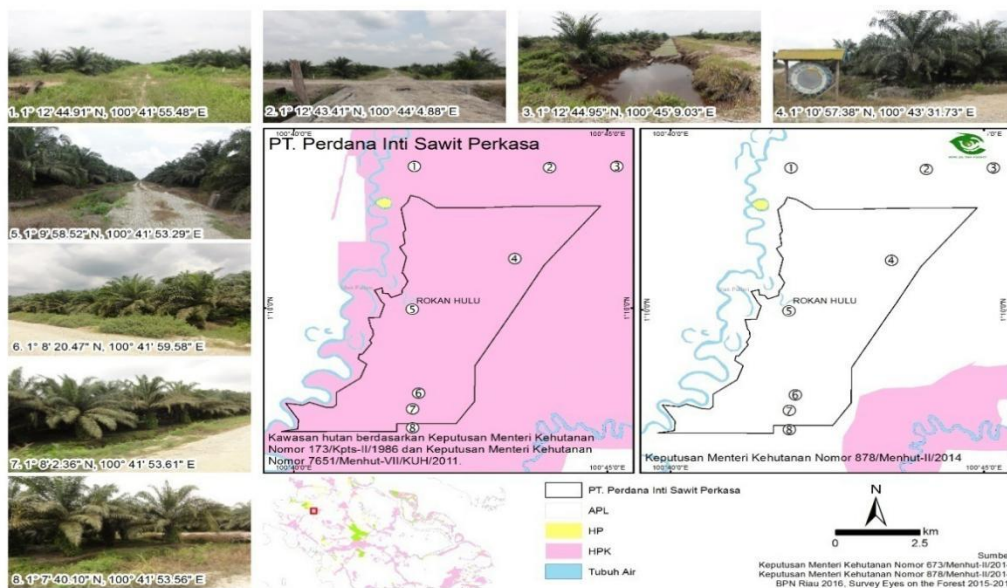
PT Perdana Inti Sawit Perkasa II is a subsidiary of First Resources Ltd in Riau. The plantation is located in Bonai Village, Bonai Darusalam Subdistrict, Rokan Hulu District, Riau Province. The field observations and interviews with the villagers of Bonai revealed that PT Perdana Inti Sawit Perkasa II has an area of approximately 4,500 hectares and the crops therein has reached the plant age of 9 years.

The name of PT Perdana Inti Sawit Perkasa II is **neither found** in the Progress Data on the Release of Forest Estate for Plantation 2015 **nor** in the Data on Conversion of Forest Estate to Plantation as provided for in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until

2015 had never given any permit for a release of Forest Estate for Plantation to PT Perdana Inti Sawit Perkasa II.

If reference is made to the Decree of the Minister of Forestry Number 173/Kpts-II/1986, dated June 6, 1986 and Decree of the Minister of Forestry Number 7651/Menhut-VII/2011, dated December 30, 2011 on Forest Estate Designation in Riau Province, the plantation area of PT Perdana Inti Sawit Perkasa II was categorized as a forest estate functioned as Convertible Production Forest (HPK). but then the designation of the forest estate was changed to become non-forest estate by the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 the area was converted to become the Area for Other Uses . And according to the data of BPN Riau 2016, PT Perdana Inti Sawit Perkasa II has obtained HGU (time-limited land tenure rights for commercial use) for 3,390 hectares of its area.

It was found that PT Perdana Inti Sawit Perkasa II did not only develop the palm oil plantation in the area inside the HGU but also outside the HGU area, as indicated by the extent of the area which exceeds the HGU area of 3,390 hectares.



Map 10. Photos 1, 2 and 3 show the palm oil plantation of PT Perdana Inti Sawit Perkasa II which location is outside its HGU area. Photos 4 to 8 show the palm crops of PT Perdana Inti Sawit Perkasa II which is estimated to have reached the age of 9 years. If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the area of PT Perdana Inti Sawit Perkasa II was actually a forest estate functioned as Convertible Production Forest (HPK). Thanks to the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014, such an area is converted to the Area for Other Uses. And based on the data of BPN Riau 2016, PT Perdana Inti Sawit Perkasa II has obtained HGU (time-limited land tenure rights for commercial use) for 3,390 hectares of its area.

PT Sawit Unggul Prima Plantations is located in Sail Village, Tenayan Raya Subdistrict, Pekanbaru City. Results of field observation reveal that the crops in the plantation has reached the age of 15 years and spread in an area of approximately 600 hectares. Some of the coordinate points of the plantation are: N0°30'38.67" E101°34'25.02", N0°30'4.60" E101° 34'1.79" and N0°31'29.60" E101°34'35.19".

Based on the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Sawit Unggul Mitra Plantations was classified as a forest estate functioned as Convertible Production Forest (HPK), but by virtue of the Decree of the Minister of Forestry No. 673/Menhut-II/2014 the designation of such forest estate was altered to become non-forest estate in such a way that the plantation area of PT Sawit Unggul Mitra Plantations was eligible to be converted to become the Area for Other Uses as stipulated in the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau 2016, PT Sawit Unggul Mitra Plantations has obtained HGU for 600 hectares of its area.



Map 11. Photos 1 to 4 are the palm oil plantation of PT Sawit Unggul Prima Plantations which crops are estimated to have reached the age of approximately 15 years. The area of PT Sawit Unggul Prima Plantations in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province was classified as a forest estate functioned as a Convertible Production Forest (HPK), but by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 it was converted to become the Area for Other Uses (APL). And based on the data of BPN Riau 2016, PT Sawit Unggul Prima Plantations has obtained HGU for 600 hectares of its area.

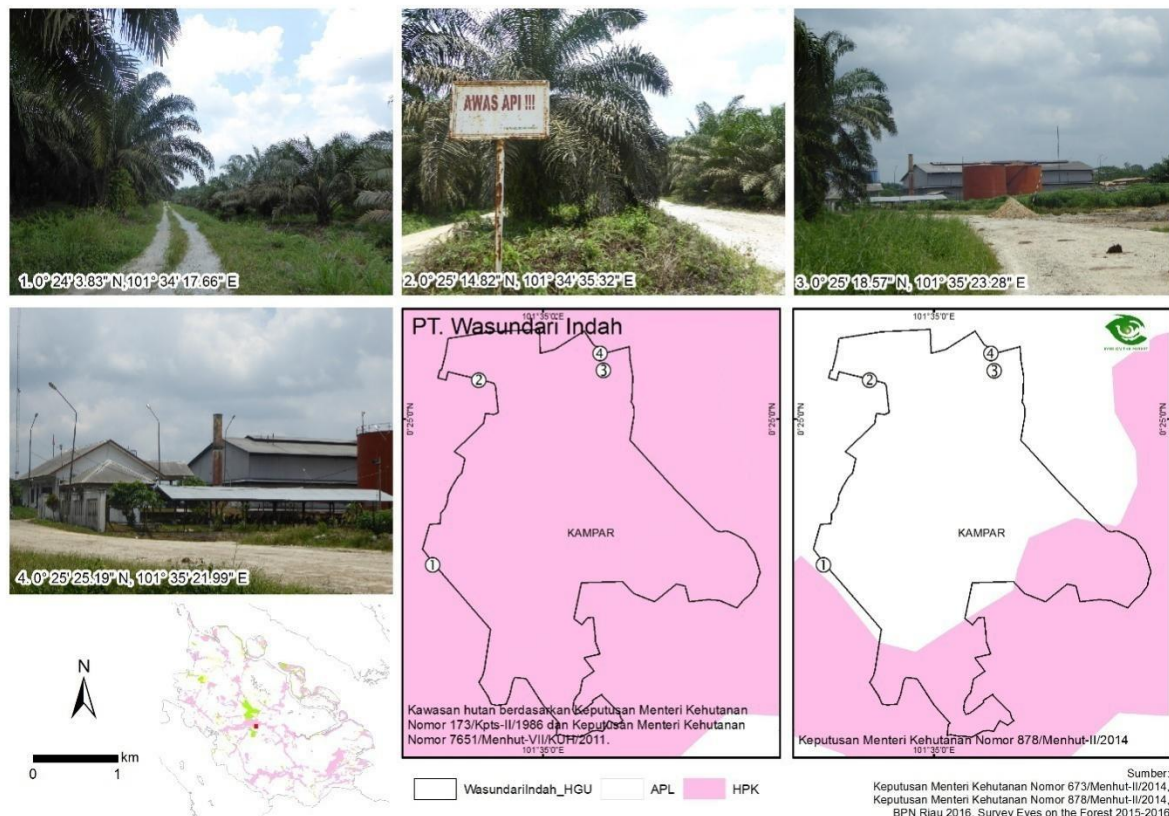
12. PT Wasundari Indah

Results of field observations and interviews reveal that **PT Wasundari Indah** is the operator of a palm oil plantation in an area of 1,000 hectares located in Kampar District, Siak Hulu Subdistrict, Pangkalan Baru Village. It is estimated that the age of the crops in the plantation has reached 10 years. Based on the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by Directorate General of Plantation of the Ministry of Agriculture, PT Wasundari Indah has license No. 525/Disbun/108/08 dated August 10, 2008. The coordinate points of the plantation area are as follows: N0°25'14.82" E101°34'35.32" and N0°24'3.83" E101°34'17.66".

In the plantation area of PT Wasundari Indah there is a Palm Oil Mill of PT Pangkalan Baru Indah (PT PBI) at the coordinate points of N0°25'18.57" E101°35'23.28". The Palm Oil Mill was established in 2008 and started its operation in 2010 with a production capacity of 20 tons/hour.

The name of PT Wasundari Indah is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Wasundari Indah.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Wasundari Indah was actually a forest estate functioned as Convertible Production Forest (HPK). However, the designation of the forest estate was altered to non-forest estate by virtue of the Decree of the Minister of Forestry No. 673/Menhut-II/2014, and then approximately 732 hectares of the area of PT Wasundari Indah was converted to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau 2016, PT Wasundari Indah has obtained HGU (time-limited land tenure rights for commercial use) covering an area of 965 hectares, meanwhile 233 hectares of such HGU area were still within a forest estate functioned as Convertible Forest.



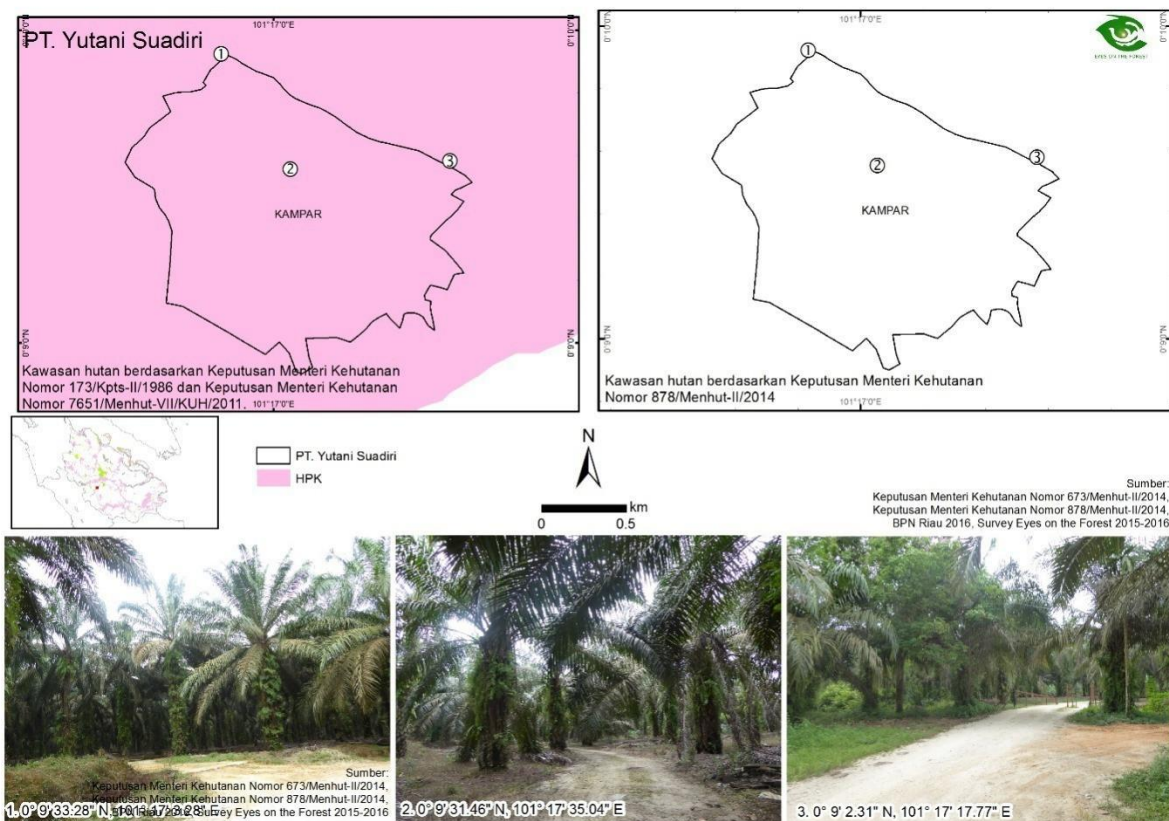
Map 12. Photos 1 and 2 show the palm oil plantation of PT Wasundari Indah which crops are estimated to have reached the age of 10 years. If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Wasundari Indah was actually a forest estate functioned as Convertible Production Forest (HPK), but then it is converted to the Area for Other Uses by the Decree of the Minister of Forestry Number 878/Menhut-II/2014. And according to the data of BPN Riau of 2016, PT Wasundari Indah has obtained HGU (time-limited land tenure rights for commercial use) in an area of 965 hectares.

13. PT Yutani Suadiri

PT Yutani Suadiri Palm Oil Plantation is located in Penghidupan Village, Kampar Kiri Tengah Subdistrict, Kampar District, Riau Province. Based on the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture, PT Yutani Suadiri is recorded as the holder of IUP-B Number IV/1199/IP. 05/03.09 dated March 4, 1999 having a total plantation area of 199 hectares. Result of observation to the plant age and interviews with the villagers around the plantation show that the area of PT Yutani Suadiri reaches 300 hectares and the age of oil palms is around 10-13 years. The coordinate points of the plantation company are: N0°9'33.28" E101°17'3.28", N0°9'2.31" E101°17'17.77" and N0° 9'31.46" E101°17'35.04".

The name of PT Yutani Suadiri is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Yutani Suadiri.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Yutani Suadiri was categorized as a forest estate functioned as Convertible Production Forest (HPK). However, the designation of the forest estate was altered to Non-Forest Estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then approximately 300 hectares of the area of PT Yutani Suadiri was converted to become the Area for Other Uses by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the data of BPN Riau 2016, PT Yutani Suadiri has obtained HGU (time-limited land tenure rights for commercial use) for 300 hectares of its area.



Map 13. Photos 1 to 3 show PT Yutani Suadiri's palm oil plantation which is estimated to have reached the age of 10-13 years. If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Yutani Suadiri was actually a forest estate functioned as Convertible Production Forest (HPK), but then it is converted to the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And according to the data of BPN Riau of 2016, PT Yutani Suadiri has obtained HGU for 300 hectares of its area.

14. PT Masuba Citra Mandiri

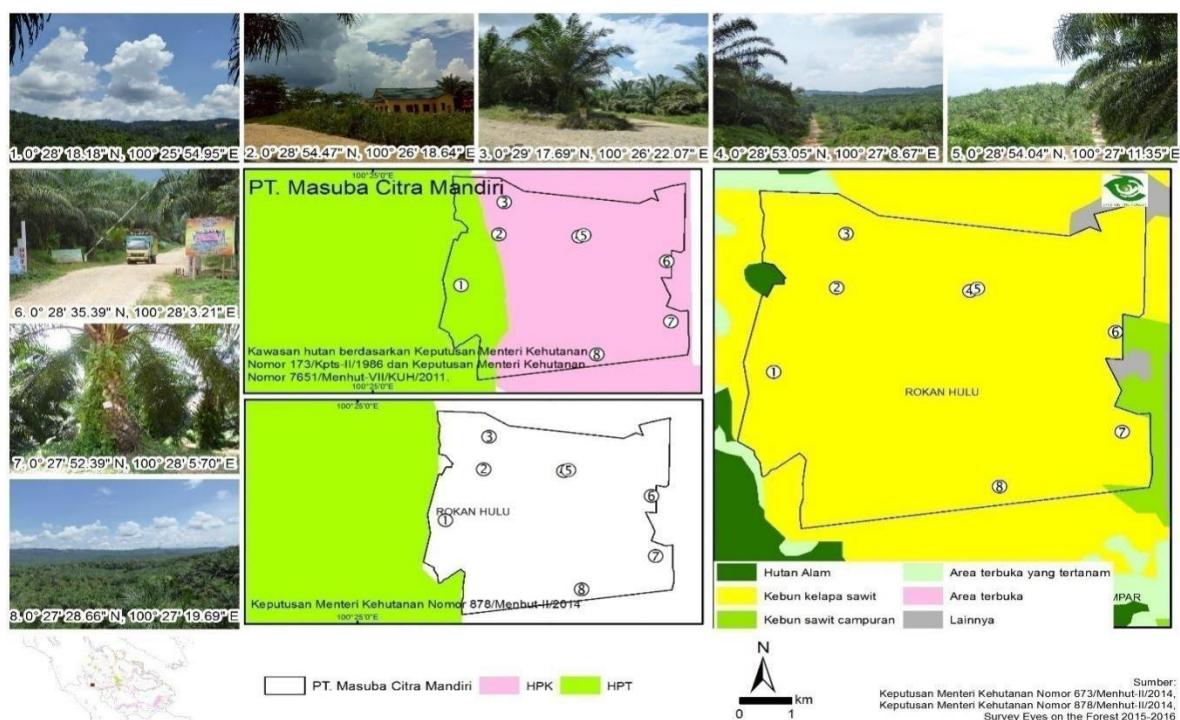
PT Masuba Citra Mandiri's plantation is located in the administrative region of Pendalian Village, Pendalian IV Koto Subdistrict, Rokan Hulu District, Riau Province. PT Masuba Citra Mandiri is a subsidiary of PT. Bumitama Gunajaya Agro Group.

Based on the information from local residents and workers of the company, PT Masuba Citra Mandiri is known to have developed the plantation in an area of 2,500 hectares since 2003, the age of the crops also indicates that the oil palms have been planted since 13 years ago. Some of the coordinates points of the plantation are: N0°28'7.89" E100°27'28.30", N0°27'28.66" E100°27'19.69", N0°28'39.09" E100°25'43.77". The following coordinate points are the progress of the plantation from 2007, 2008 and 2012, namely: (in 2007) N0°27'52.39" E100°28'5.70", N0°29'17.69", E100°26'22.07", (in 2008) N0°29'17.68" E100°26'22.21" and (in 2012) N0°28'11.79" E100°27'13.10", N0°28'53.05", E100°27'8.67 ".

Based on the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P, and IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture, PT Masuba Citra Mandiri has obtained IUP-B license No. Kpts.505/Disbun/III/2006/001, dated May 10, 2006 for an area of 4,000 hectares.

The name of PT Masuba Citra Mandiri is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Masuba Citra Mandiri.

Based on the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Masuba Citra Mandiri was classified as a forest estate functioned as Convertible Production Forest (HPK) in an area of 2,000 hectares and as Limited Production Forest in an area of 500 hectares. Such forest estate was altered to non-forest estate by virtue of the Decree of the Minister of Forestry No. 673/Menhut-II/2014. And then there is indication that almost all such areas or approximately 2,500 hectares were converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And according to BPN Riau of 2016 PT Masuba Citra Mandiri had not yet obtained any HGU (time-limited land tenure rights for commercial use).



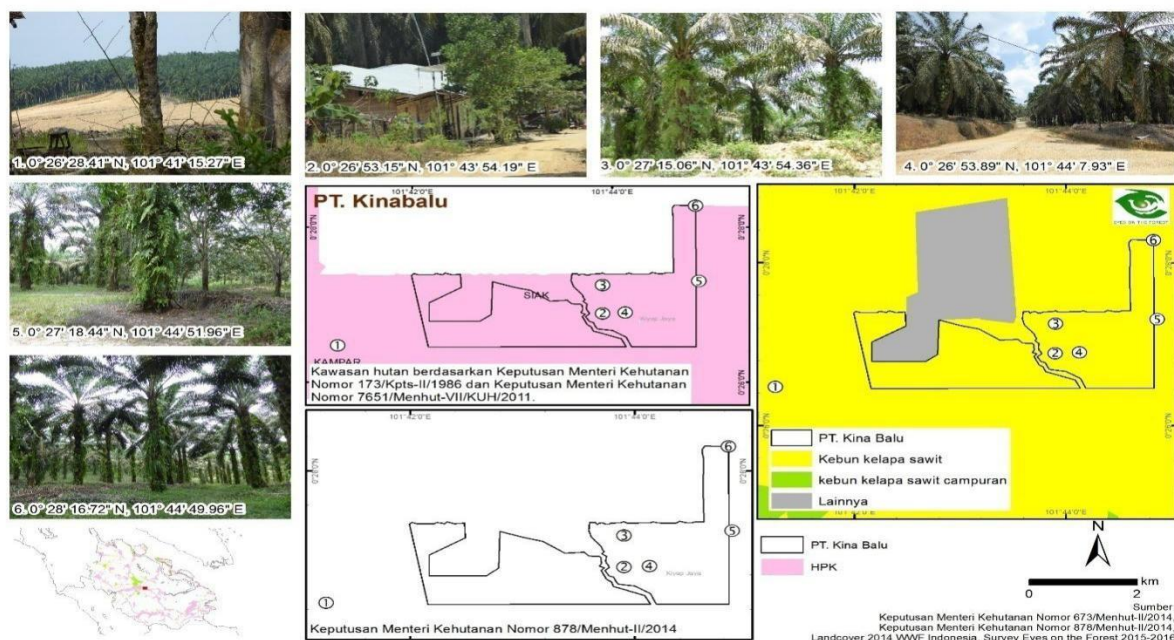
Map 14. Photo 1 shows the palm oil plantation of PT Masuba Citra Mandiri which is located in a Limited Production Forest, and photos 2 to 8 show the oil palm crops which have reached the age of 4-13 years and located inside a Convertible Production Forest set forth in the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. Such a Forest Estate was then converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. PT Masuba Citra Mandiri did not have any HGU according to the data of BPN Riau 2016.

15. Kinabalu

Palm oil plantation of **PT Kinabalu** is located in Kiyab Jaya Village, Bandar Sekijang Subdistrict, Pelalawan District, Riau Province. Based on the information from Kiyab Jaya villagers and results of observation on the age of the crops, PT Kinabalu is known to have developed the plantation since 1999 and the crops therein are estimated to have reached the age of 17 years in an area of approximately 800 hectares. The coordinate points of the plantation, among others: N0°27'18.44" E101°44'51.96" and N0° 26'28.41" E101°41'15.27".

The name of PT Kinabalu is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Kinabalu.

Based on the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Kinabalu was classified as a forest estate functioned as Convertible Production Forest (HPK). Such forest estate was altered to non-forest estate by virtue of the Decree of the Minister of Forestry No. 673/Menhut-II/2014. And then there is indication that almost all such plantation area of PT Kinabalu or approximately 800 hectares were converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And according to BPN Riau of 2016 PT Kinabalu had not yet obtained any HGU (time-limited land tenure rights for commercial use).



Map 15. Photos 2 to 6 show the palm oil plantation of PT Kinabalu the crops of which is estimated to have reached the age of 17 years and existing in Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, the plantation area was thereafter converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Whereas according to data of BPN Riau 2016, PT Kinabalu was not recorded to have obtained any HGU.

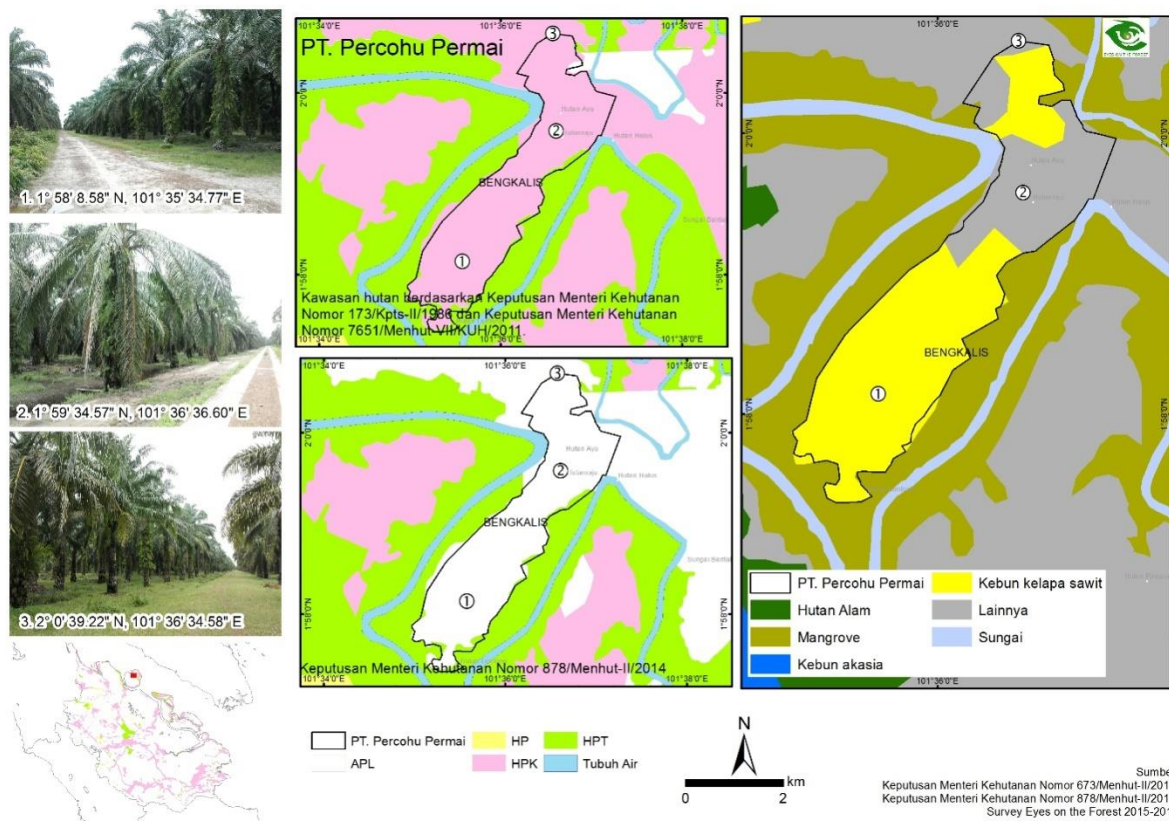
16. Percohu Permai

PT Percohu Permai is a company carrying on plantation business since 1999 in Hutan Ayu Village, Rupert Subdistrict, Bengkalis District. It is estimated that the crops in the plantation has reached the age of 16 years. The coordinates points of the plantation of PT Percohu Permai, among others, are: N1°59'34.57" E101°36'36.60", N1°58'8.58" E101°35'34.77", N1°59'19.76" E101°35'49.39" and N1°59'34.57" E101°36'36.60".

Results of interviews with the villagers around the plantation reveal that the extent of the plantation of Percohu Permai reaches approximately 800 hectares. This area is similar to the result of land cover analysis and field observation to the plantation in 2014 which was 800 hectares.

The name of PT Percohu Permai is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Percohu Permai.

Based on the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Percohu Permai was classified as a forest estate functioned as Convertible Production Forest (HPK). The designation of such a forest estate was altered to non-forest estate by virtue of the Decree of the Minister of Forestry No. 673/Menhut-II/2014. And then almost all such plantation area of PT Percohu Permai or approximately 800 hectares were converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And according to BPN Riau of 2016 PT Percohu Permai has not yet obtained any HGU (time-limited land tenure rights for commercial use).



Map 16. Photos 1 to 3 show the palm oil plantation of PT Percohu Permai where the crops are estimated to have reached the age of 16 years and existing in a Convertible Production Forest (HPK) according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 such plantation area was converted to become the Area for Other Uses (APL). The data of BPN Riau of 2016 reveals that PT Percohu Permai has not yet obtained any HGU (time-limited land tenure rights for commercial use).

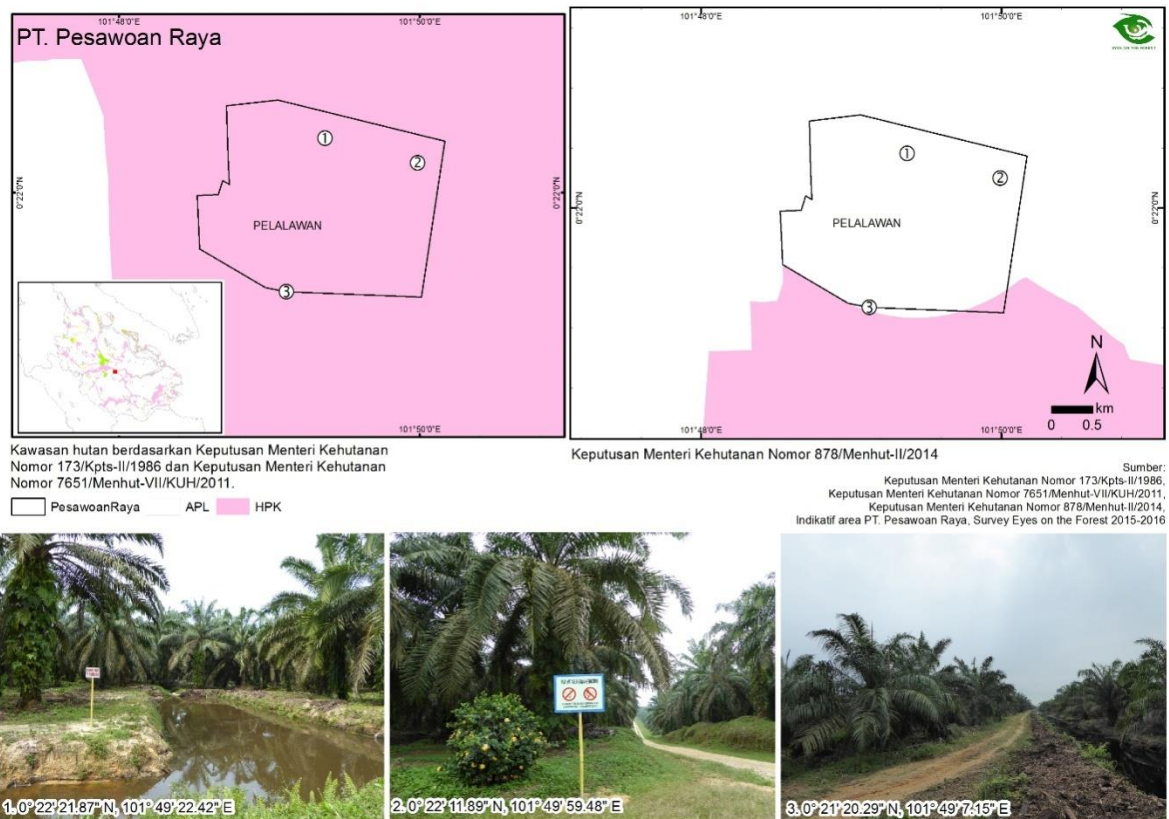
17. Pesawoan Raya

Palm oil plantation of PT Pesawoan Raya is located in Langgam Village, Pangkalan Kerinci Subdistrict, Pelalawan District. The age of the crops in the plantation is varied, namely between 8 to 10 years. The interviews with the workers of PT Pesawoan Raya and result of field observation reveal that the plantation area is approximately 500 hectares.

The name of PT Pesawoan Raya is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Pesawoan Raya.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Pesawoan Raya was actually a forest estate functioned as Convertible Production Forest (HPK). The plantation area was then converted to non-forest estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And there is indication that almost all area of PT Pesawoan Raya or approximately 500 hectares had been converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry

Number 878/Menhut-II/2014, dated September 29, 2014. And according to the data of BPN Riau of 2016 PT Pesawoan Raya has not yet obtained any HGU (time-limited land tenure rights for commercial use).



Map 17. Photos 1 to 3 show the palm oil plantation of PT Pesawoan Raya which crops have reached the age estimated between 8 to 10 years existing in a Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, the plantation area was then converted to the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. PT Pesawoan Raya has no HGU (time-limited land tenure rights for commercial use) according to the data of BPN Riau in 2016.

18. Sinar Reksa Kencana

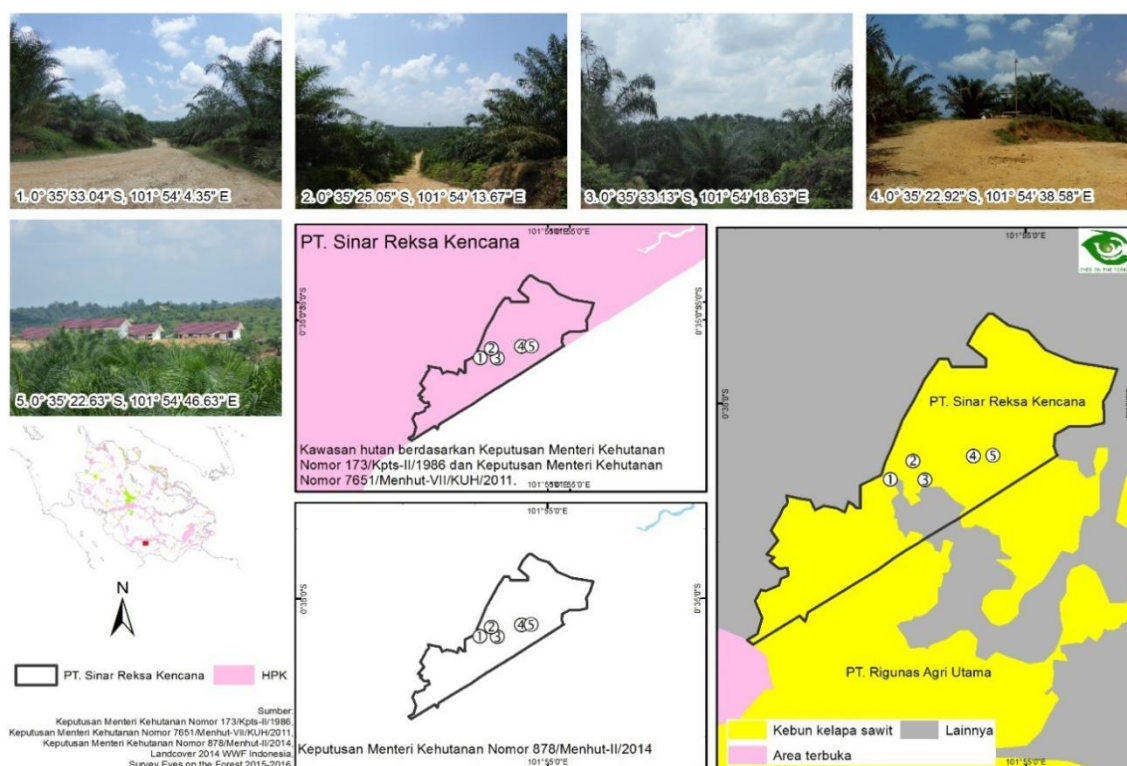
Plantation of PT Sinar Reksa Kencana is located in Punti Kayu Village, Batang Peranap Subdistrict, Indragiri Hulu District. Interview with Puntikayu villagers reveal that the oil palms in the plantation of PT Sinar Reksa Kencana were planted from 2010 to 2014. The coordinates points of the plantation after the survey are: $S0^{\circ}35'32.48''$ $E101^{\circ}54'15.35''$, $S0^{\circ}35'33.04''$ $E101^{\circ}54'4.35''$, $S0^{\circ}35'25.05''$ $E101^{\circ}54'13.67''$. The survey team also found the barracks for the workers located at the coordinate point of $S0^{\circ}37'0.62''$ $E101^{\circ}52'29.54''$ and site office $S0^{\circ}35'22.63''$ $E101^{\circ}54'46.63''$.

The interview also revealed that the area which has been planted by PT Sinar Reksa Kencana was more than 600 hectares. This area is similar to the result of analysis on land cover and field observation in 2014, namely 600 hectares.

The name of PT Sinar Reksa Kencana is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 nor in the Data on Conversion of Forest Estate to Plantation set forth in

the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Sinar Reksa Kencana.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Sinar Reksa Kencana was actually a forest estate functioned as Convertible Production Forest (HPK). However, such area was then converted to non-forest estate by virtue of the Decree of the Minister of Forestry No. 673/Menhut-II/2014. And there is indication that almost all area of PT Sinar Reksa Kencana or approximately 800 hectares was converted to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. PT Sinar Reksa Kencana has no HGU (time-limited land tenure rights for commercial use) according to the data of BPN Riau of 2016.



Map 18. Photos 1 to 5 show the palm oil plantation of PT Sinar Reksa Kencana where the crops are estimated to have reached the age of 2 - 6 years and located in a Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, such a plantation area of PT. Sinar Reksa Kencana was thereafter converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Whereas according to data of BPN Riau 2016, PT. Sinar Reksa Kencana has no HGU at all. The results of analysis by WWF Indonesia 2014 on land cover shows that PT. Sinar Reksa Kencana is indicated to have planted 600 hectares of land with oil palms.

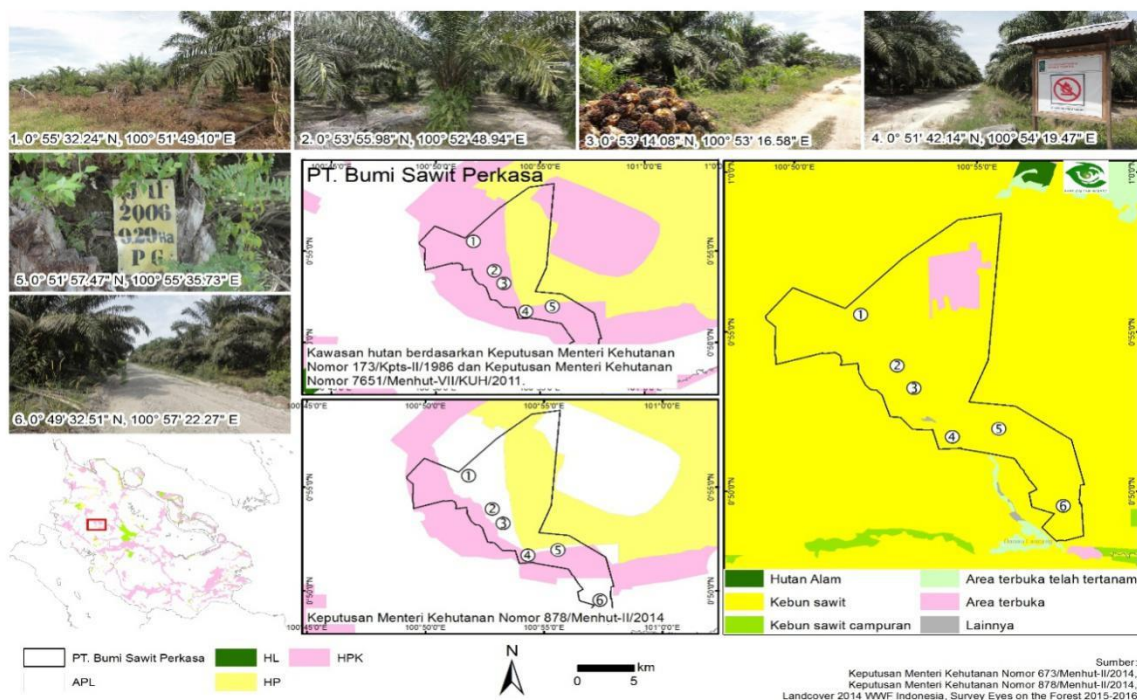
19. PT Bumi Sawit Perkasa

PT Bumi Sawit Perkasa is located in Sei Tamaluku of Danau Lancang Village, Tapung Hulu Subdistrict, Kampar District, Riau Province. Based on the interviews with the villagers of Danau Lancang , PT Bumi Sawit Perkasa started planting the oil palms around the year of 2006 which means that the age

of the crops has reached 10 years. The plantation area of PT Bumi Sawit Perkasa lies in an area of approximately 10,639 hectares. The extent of this area is no different from the results land cover analysis and field observation in 2014. Several coordinate points of the plantation of PT Bumi Sawit Perkasa: N0°51'42.14" E100°54'19.47", N0°54'34.11" E100°49'56.61", N0°55'54.88" E100°49'56.57", N0°54'21.18 " E100°51'5.50", N0°51'57.44" E100°55'35.66", N0°51'42.17" E100°54'19.41", N0°54'34.01" E100°49'56.53", N0°53'13.99" E100°53'16.48".

The name of PT Bumi Sawit Perkasa is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Bumi Sawit Perkasa.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Bumi Sawit Perkasa was actually a forest estate functioned as Convertible Production Forest (HPK) in an area of 6,869 hectares and Production Forest (HP) in an area of 3,770 hectares. However, there is indication that approximately 3,869 hectares HPK in the area of PT Bumi Sawit Perkasa was converted to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014, while the remaining areas, namely 3,000 hectares of Convertible Production Forest and 3,770 hectares of Production Forest are still maintained as the forest estate pursuant to the Decree of the Minister of Forestry Number 878/Menhut-II/2014. As a matter of fact, the results of land cover analysis 2014 by WWF Indonesia indicated that such a forest estate in an area of approximately 6,770 hectares are still exploited by PT Bumi Sawit Perkasa as palm oil plantation.



Map 19. Photos 1 to 6 show the palm oil plantation of PT Bumi Sawit Perkasa which crops are estimated to have reached the age of 10 years and planted in Production Forest (HP) and Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau

Province. However, some of such forest area, approximately 3,869 hectares, were converted to the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. while the remaining areas, namely 3,000 hectares of Convertible Production Forest and 3,770 hectares of Production Forest are still maintained as the forest estate pursuant to such the Decree of the Minister of Forestry Number 878/Menhut-II/2014. But the results of land cover analysis in 2014 by WWF Indonesia shows that such a forest estate in an area of approximately 6,770 hectares are still exploited as palm oil plantation by PT Bumi Sawit Perkasa.

20. PT Sinar Siak Dian Permai

PT Sinar Siak Dian Permai is a subsidiary of Wilmar Group in Riau Province. The plantation area of PT Sinar Siak Dian Permai is located in the administrative area of Muda Setia Village, Bandar Sikijang Subdistrict, Pelalawan District, Riau Province. Results of field observations and interviews with the villagers of Bandar Sekijang Village reveal that PT Sinar Siak Dian Permai started planting the oil palms in 1996 which means that the crops have reached the age of 20 years. Some of the coordinate points of the plantation area are: N0°27'30.63" E101°39'57.46", N0°27'18.01" E101°40'22.89" and N0°29'16.03" E101°39'50.95".

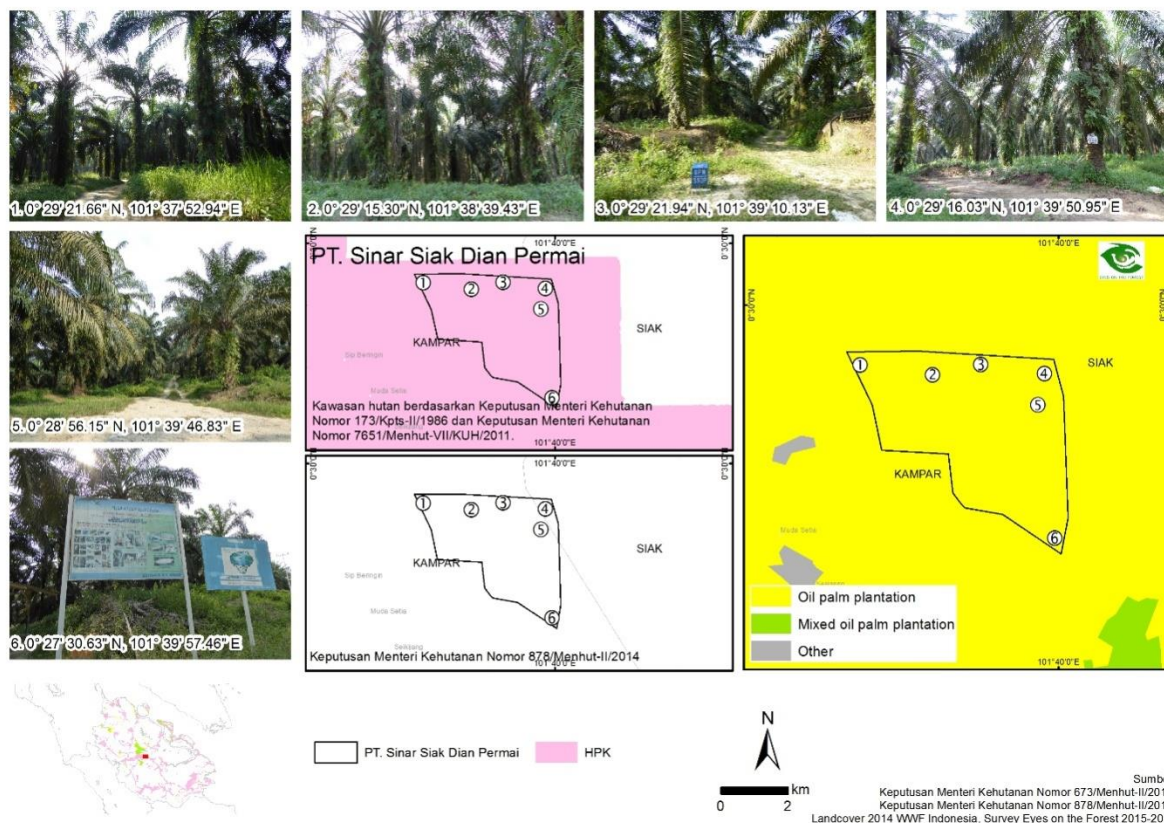
The observation team also found that in the area of PT Sinar Siak Dian Permai there is a Palm Oil Mill located at the coordinate point N0°26'29.98" E101°37'11.08" located at Jalan Lintas Timur KM 32, Muda Setia Village, Bandar Bandar Subdistrict, Pelalawan District, Riau Province. This Palm Oil Mill started its operation in April 2001 and has the production capacity of 90 tons/hour.

Results of field observations and interviews with the villagers of Bandar Sekijang reveal that the Palm Oil Plantation of PT Sinar Siak Dian Permai covers an area of approximately 1,000 hectares. Based on the Register of Plantation Companies Having Plantation Business Licenses (IUP-B, IUP-P and IUP) issued by the Directorate General of Plantation of the Ministry of Agriculture, PT Sinar Siak Dian Permain is the the holder of IUP No. 218.a/Hk/Kpts/2006, dated September 11, 2006 for an area of 1,113 hectares. This area is more or less similar to the result of land cover analysis and field observation in 2014, namely 1,000 hectares.

The name of PT Sinar Siak Dian Permai is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 nor in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Sinar Siak Dian Permai.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Sinar Siak Dian Permai was actually a forest estate functioned as Convertible Production Forest (HPK). However, the designation of such forest estate was altered to become non-forest estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then it is indicated that almost all area of PT Sinar Siak Dian Permai or approximately 1,000 hectares were converted again to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014.

PT Sinar Siak Dian Permai is **also not found** to have obtained HGU (time-limited land tenure rights for commercial use) according to the data of BPN Riau of 2016. But the result of land cover analysis in 2014 by WWF Indonesia reveals that such a forest estate in an area of approximately 1,000 hectares have already been used as palm oil plantation by PT Sinar Siak Dian Permai.



Map 20. Photos 1 to 6 show the palm oil plantation of PT Sinar Siak Dian Permai where the crops are estimated to have reached the age of 20 years and located in a Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forforest Estate in Riau Province. However, such a plantation area of PT Sinar Siak Dian Permai was thereafter converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Whereas, based on the results of land cover analysis by WWF Indonesia 2014, all such areas have been planted with oil palm crops.

21. PT Surya Agrolika Rekza

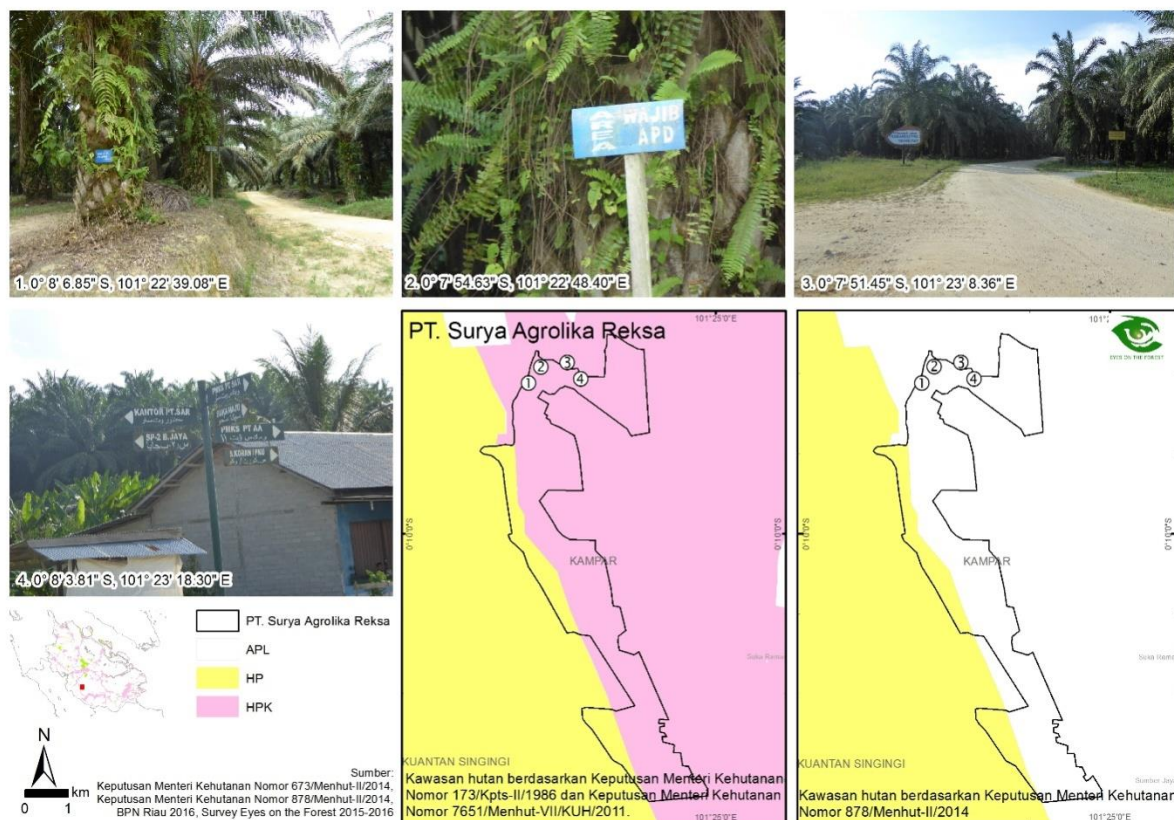
PT Surya Agrolika Rekza is a private company established by Adimulya Group in 1995 and developed the plantation in Beringin Jaya Village, Singingi Hilir Subdistrict, Kuantan Singingi District. The company started the palm oil plantations in 1996, and it is estimated that the age of the crop has reached 20 years. According to the Register of Plantation Companies Having Plantation Business License (IUP-B, IUP-P, and IUP) issued by Directorate General of Plantation of the Ministry of Agriculture, PT. Surya Agrolika Mutual is the holder of IUP Number HK.350/E5.646/09.95, dated September 12, 1995, in an area of 1,500 hectares and license Number 525./EK/1742 dated July 2, 1997 in an area of 5,532.0 hectares.

PT Surya Agrolika Rekza has a Palm Oil Mill which is located in Beringin Jaya Village, Singingi Hilir Subdistrict, Kuantan Singingi District, Riau Province at coordinate point of 00°8'21.3"LS 101°23'51.2"BT with production capacity of 60 tons/hour.

The name of PT Surya Agrolika Rekza is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in

the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Surya Agrolika Reksa.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Surya Agrolika Reksa was actually a forest estate functioned as Convertible Production Forest (HPK) in an area of 1,468 hectares and Production Forest (HP) in an area of 256 hectares. However, there is indication that approximately 1,293 hectares of HPK in the area of PT Surya Agrolika Reksa was converted to the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014, while the remaining areas, namely 256 hectares of Production Forest (HP) are still maintained as the forest estate pursuant to such the Decree of the Minister of Forestry Number 878/Menhut-II/2014. As a matter of fact, such 256 hectares of Production Forest (HP) are included in the land with HGU (time-limited land tenure rights for commercial use) as issued by BPN Riau 2016 in an aggregate area of 1,724 hectares.



Map 21. Photos 1 to 4 show the palm oil plantation of PT Surya Agrolika Reksa which crops are estimated to have reached 20 years and planted on a Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However such an area was converted to the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. According to the data of BPN 2016, PT Surya Agrolika Reksa has obtained HGU (time-limited land tenure rights for commercial use) for 1,549 hectares area. It is not yet known whether the HGU was issued before or after the Decree Number 878/Menhut-II/2014.

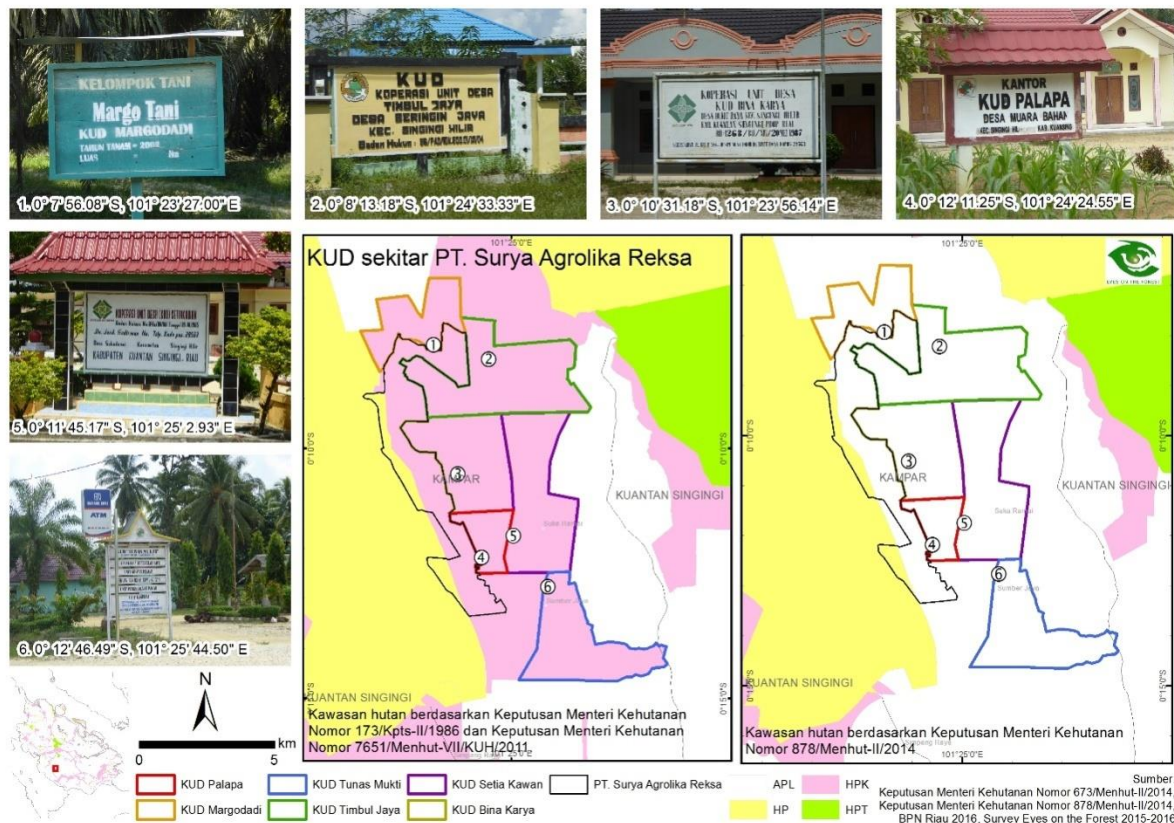
PT Surya Agrolika Reksa also developed plantation by applying KKPA scheme

PT Surya Agrolika Reksa also applied partnership scheme called KKPA (Primary Credit for Cooperative Members) in its plantation. The scheme is aimed at giving local villagers opportunity to make use of their unproductive land for plantation purposes. The villagers who have idle lands and unable to cultivate the same may submit the land to the company to be further planted with oil palms under a profit sharing system mutually agreed.

The findings of EoF reveal that PT Surya Agrolika Reksa engaged in partnership under KKPA scheme with 6 KUDs (Village Unit Cooperatives) in the surrounding villages of the plantation, but the plantation was developed not in an the unproductive or idle lands but it was within the forest estate functioned as Convertible Productive Forest. The KUDs among others are: Koperasi Bina Karya, KUD Margodadi, KUD Palapa, KUD Setia Kawan, KUD Timbul Jaya and KUD Tunas Mukti. The results of analysis and field monitoring by GIS discover that the total area under KKPA scheme with the six KUDs reaches approximately 6,500 hectares. The field observations and interviews with the member KUDs of KPPA scheme revealed that the plantation under KKPA scheme was initiated in the period of 2000 - 2002. It is estimated that the age of the plant has reached approximately 14 - 16 years.

The plantation of PT Surya Agrolika Reksa in partnership with 6 KUDs under KKPA scheme is, as a matter of fact, **neither found** In the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Surya Agrolika Reksa with its KKPA scheme.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Surya Agrolika Reksa which developed additional plantation under KKPA scheme with 6 KUDs was actually a forest estate functioned as Convertible Production Forest (HPK). However, there is indication that all area of partnership between PT Surya Agrolika Reksa and the 6 KUDs under KKPA scheme, or approximately of 6,500 hectares, was converted to the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. In addition, such plantation area developed under KKPA Scheme between PT Surya Agrolika Reksa and 6 KUDs **is also not found** to have obtained HGU according to the data of BPN Riau 2016.



Map 22. Photos 1 to 6 show the palm oil plantation and the office of KKPA of PT Surya Agrolika Reksa which crops are planted on a Convertible Production Forest (HPK) according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However such an area was converted to the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014.

22. Air Kehidupan Cooperative

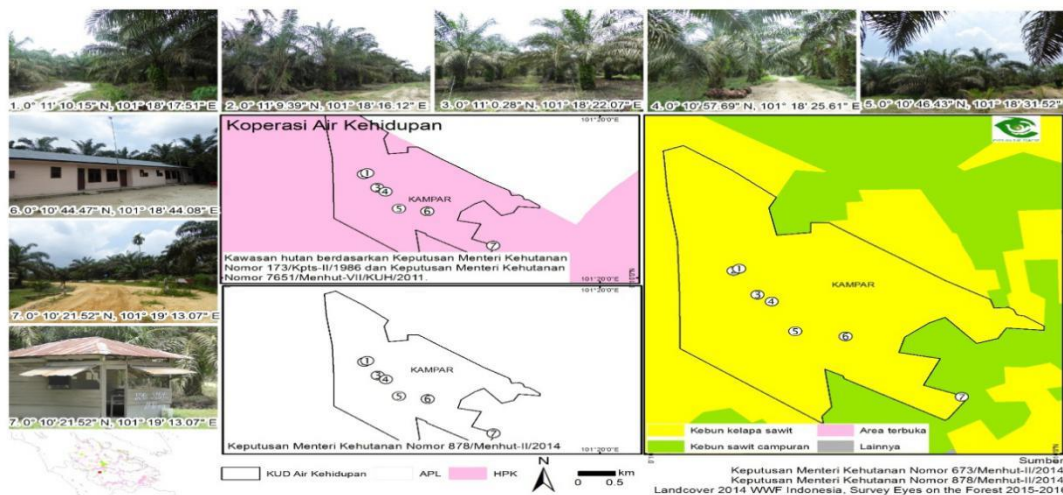
Palm oil plantation of Air Kehidupan Cooperative lies in the administrative area of Penghidupan Village, Kampar Kiri Tengah Subdistrict, Kampar District, Riau Province. Based on interviews with plantation workers of the Air Kehidupan Cooperative, the plantation reaches an area of approximately 400 hectares. This area is rather similar to the result of field observation which thereafter is overlaid with the result of land cover analysis by WWF Indonesia. Still according to the workers, the Air Kehidupan Cooperative also has a plantation in Sam-Sam Village of Duri Subdistrict and Tualang Subdistrict of Siak District. The Air Kehidupan Cooperative is a subsidiary of AEK NATIO GROUP allegedly owned by Mr. SH, an entrepreneur having address in Pekanbaru.

Air Kehidupan Cooperative started planting the area in 2004 up to 2012. It is estimated that the plant age has reached approximately 4 – 12 years. An access to enter the plantation is found at the coordinate point of N0°10'21.52" E101°19'13.07".

Air Kehidupan Cooperative is **neither found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 nor in the Data on Conversion of Forest Estate to Plantation set forth in the

Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to Air Kehidupan Cooperative.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of Air Kehidupan Cooperative was actually a forest estate functioned as Convertible Production Forest (HPK). However, such area was then converted to non-forest estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then it is indicated that almost all area of Air Kehidupan Cooperative or approximately 400 hectares were converted again to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Air Kehidupan Cooperative has not yet obtained any HGU (time-limited land tenure rights for commercial use) according to the data of BPN Riau of 2016.



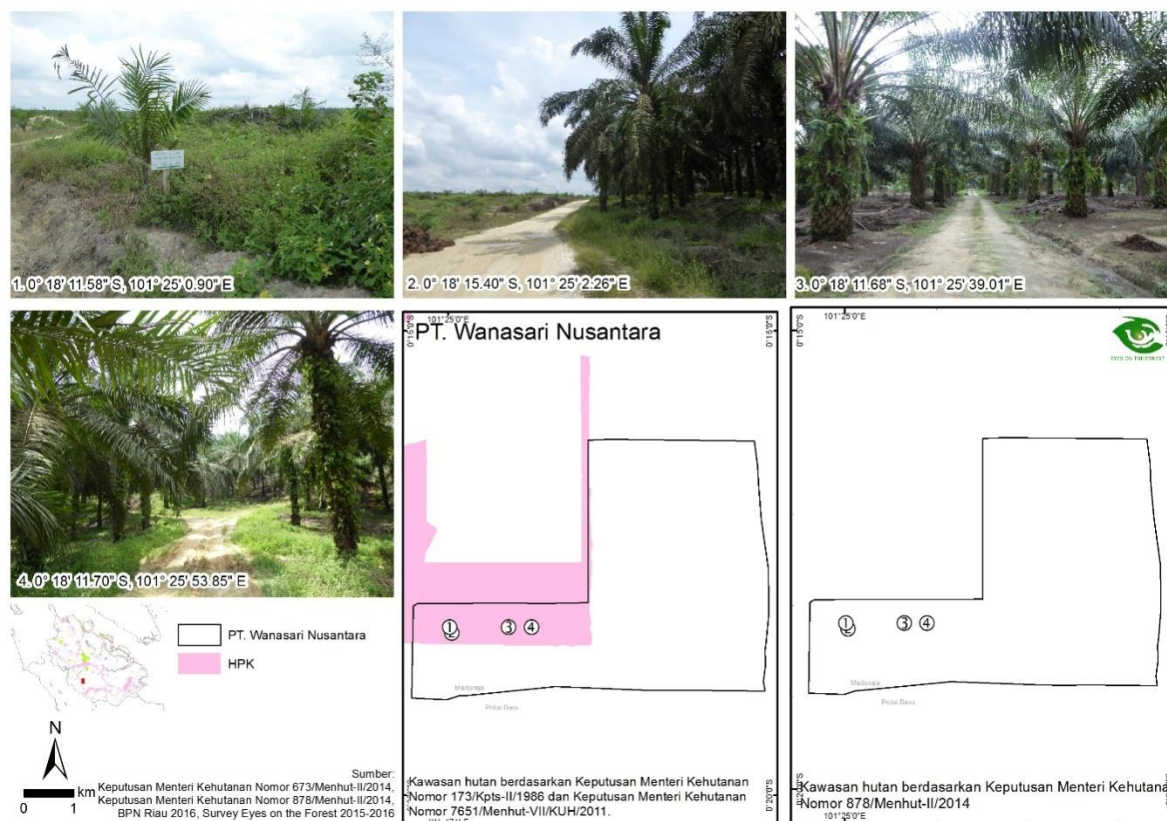
Map 23. Photos 1 to 6 show the palm oil plantation of Air Kehidupan Cooperative where the crops are estimated to have reached the age of 4 - 12 years and located in a Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, such a plantation area of Air Kehidupan Cooperative was thereafter converted to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Based on the results of land cover analysis by WWF Indonesia 2014 all such area have been planted with oil palms.

23. Wanasari Nusantara

PT Wanasari Nusantara according to the data of BPN 2016 holds HGU (time-limited land tenure rights for commercial use) for 2,368 hectares area. If such area is overlaid with the map of Forest Estate under the the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011, 308 hectares of such area are still categorized as a forest estate functioned as Convertible Production Forest. The field observation found that such 308 hectares area have been planted with oil palms and the crops have already reached the age of 21 years. The area have even been replanted.

The 308 hectares forest estate was then converted to Non-Forest Estate by virtue of the Decree of the Minister of Forestry Number 673/Menhut-II/2014, and then converted again to become the Area

for Other Uses (APL) under the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014.



Map 24. Photos 1 to 4 show a palm oil plantation in the area of PT Wanasari Nusantara which lands have obtained HGU (time-limited land tenure rights for commercial use) and which oil palms have reached the plant age of 25 years and now under re-plantation process. As a matter of fact 308 hectares of the HGU lands of PT Wanasari Nusantara were still a forest estate functioned as Convertible Production Forest (HPK) in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 such are were converted to the Area for Other Uses (APL).

PT Wanasari Nusantara developed plantation by applying KKPA scheme

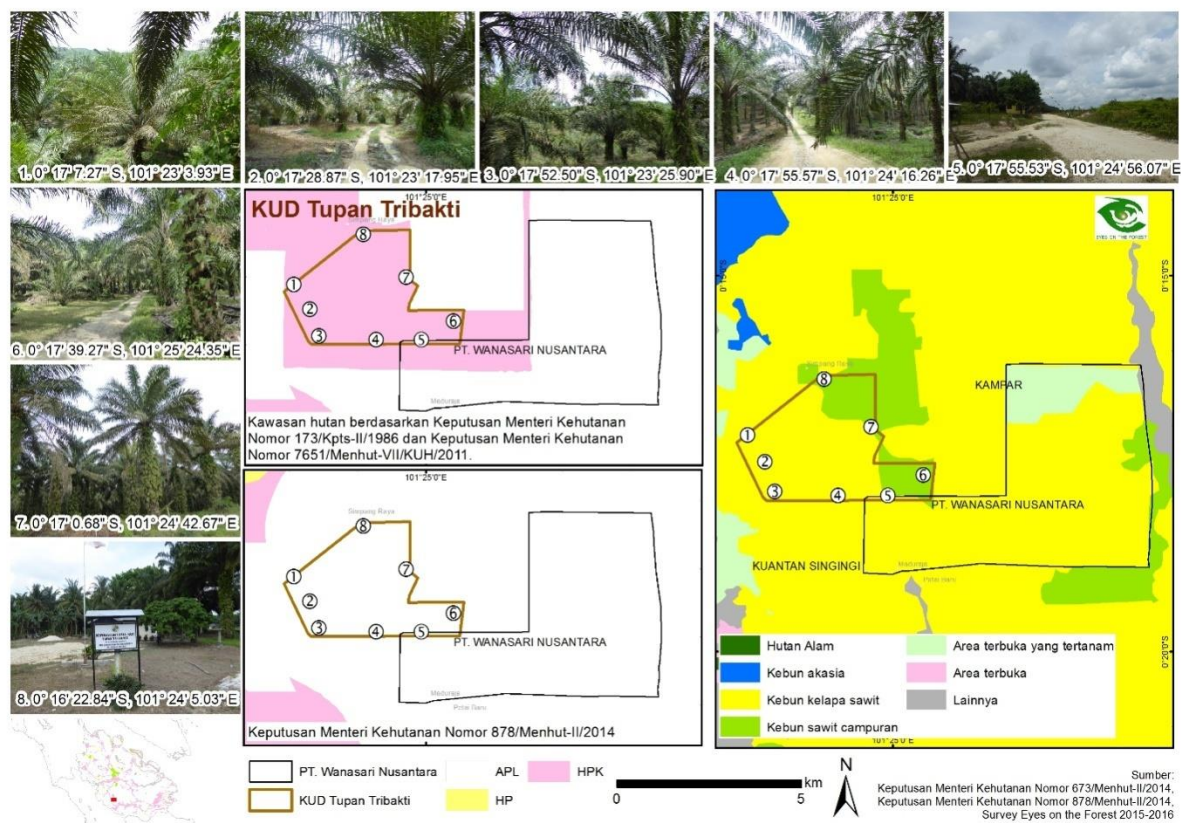
In the year of 1998, **PT Wanasari Nusantara engaged in partnership with KUD Tupan Tri Bhakti** in Simpang Raya Village, Singingi Hilir Subdistrict, Kuantan Singingi District, Riau Province for developing Palm Oil Plantation by applying KKPA (Primary Credit for Cooperative Members) involving 501 members and in approximately 1,000 hectares area.

The findings by EoF reveal that PT Wanasari Nusantara developed 1,000 hectares of plantation under KKPA scheme within a forest estate functioned as Convertible Productive Forest. This area is similar to the result of field observation which has been overlaid by using GIS map.

The plantation of PT Wanasari Nusantara and KUD Tupan Tri Bhakti is **not found** In the Progress Data on the Release of Forest Estate for Plantation of 2015 or in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of

Forestry until 2015 had never issued any permit for the release of Forest Estate for Plantation to PT Wanasari Nusantara and KUD Tupan Tri Bhakti.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of PT Wanasari Nusantara and KUD Tupan Tri Bhakti was actually a forest estate functioned as Convertible Production Forest (HPK). However, such area was then converted to non-forest estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then it is indicated that almost all area of PT Wanasari Nusantara and KUD Tupan Tri Bhakti or approximately 1,000 hectares were converted again to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014.



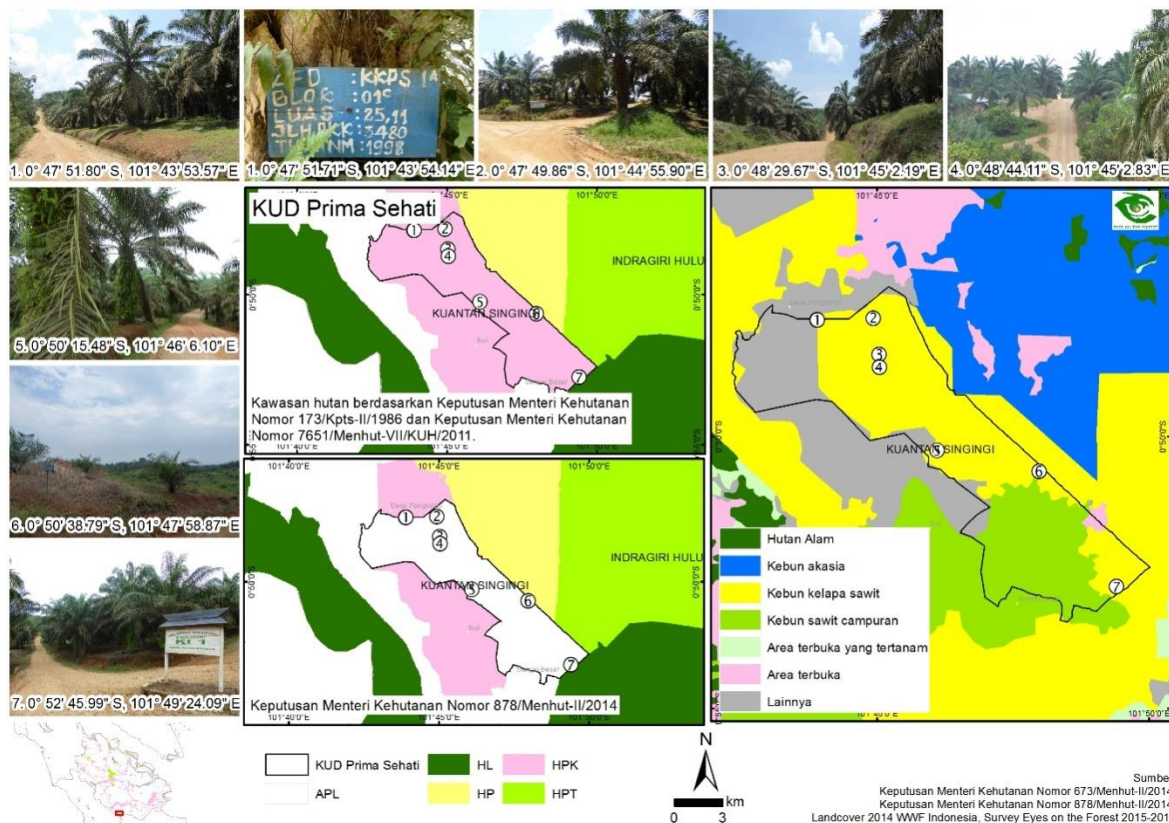
Map 25. Photos 1 to 8 show palm oil crops inside the plantation under KKPA (Primary Credit for Cooperative Members) of KUD Tupan Tri Bhakti and PT Wanasari Nusantara estimated to have reached the age of 21 years and covering an area of 1,000 hectares which location was still a Convertible Production Forest according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 such area is converted to become the Area for Other Uses (APL).

24. PT Tri Bhakti Sarimas

PT Tri Bhakti Sarimas developed palm oil plantation in cooperation with **KUD Prima Sehat** in Mudik Subdistrict, Kuansing District by applying KKPA (Primary Credit for Cooperative Members) in an area

approximately 9,500 hectares. Investigation of EoF focus on the information regarding palm oil plantation under KKPA between PT Tri Bhakti Sarimas and KUD Prima Sehati which is still inside Forest Estate according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, however pursuant to the Decree No. 878/Menhut-II/2014, September 29, 2014 the Convertible Production Forest was converted to the Area for Other Uses (APL).

The findings of EoF reveal that the area has been planted with oil palms since the year of 1998 up to 2014. It means that the crops in the area has reached the age between 2 and 18 years. It is estimated that the area being investigated reaches 5,000 hectares.



Map 26. Photos 1 to 7 show the palm oil plantation under KKPA scheme between PT Tri Bhakti Sarimas and KUD Prima Sehati which crops have reached the age of 2 -18 years which location was still within Convertible Production Forest according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 such area is converted to become the Area for Other Uses (APL). Based on land cover analysis 2014 by WWF Indonesia, all such area have been planted with oil palms.

25. PT Ramajaya Pramukti

PT Ramajaya Pramukti is a subsidiary of Golden Agri-Resources Ltd (“GAR”) group in Riau. Based on the List of Plantation Companies Obtaining Plantation Business Permit (IUP-B, IUP-P, and IUP) issued by the Directorate General of Plantation of the Ministry Agriculture, PT Ramajaya Pramukti is the

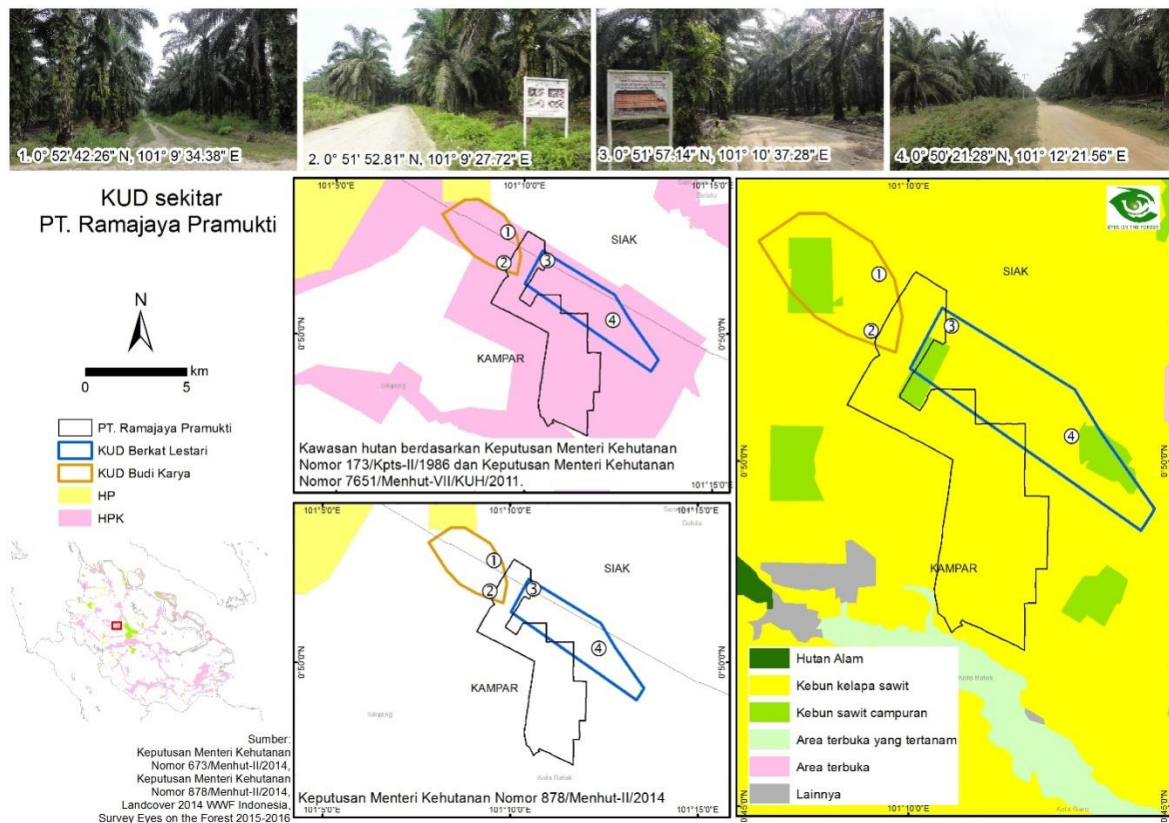
holder of IUP Permit Number KB.320/Mentan/V/1988 dated June 8, 1988 for 10,000 hectares of land. Based on BPN data of 2016, PT Ramajaya Pramukti owns HGU (time-limited land tenure rights for commercial use) in an extent of 2,098 hectares. However, PT Ramajaya Pramukti is **neither found** In the Progress Data on the Release of Forest Estate for Plantation of 2015 **nor** in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to PT Ramajaya Pramukti. Based on observation, the oil palms of PT Ramajaya Pramukti have reached the crop age of 22 years.

PT Ramajaya and PT. Buana Wira Lestari Mas, subsidiaries of Golden Agri-Resources Ltd Group in Riau, develop palm oil plantation by applying KKPA scheme in partnership with Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative

PT. Ramajaya and PT. Buana Wira Lestari Mas developed palm oil plantation by applying KKPA scheme in partnership with Berkati Lestari Cooperative in an area of 500 hectares and Kopsa Budi Karya Cooperative in an area of 1.000 hectares. Such palm oil plantation under KKPA scheme was initiated in the year of 1994 or it is estimated that the age of the the crops have reached 22 years.

Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative are **not found** In the Progress Data on the Release of Forest Estate for Plantation of 2015 or in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation areas of Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative were actually a forest estate functioned as Convertible Production Forest (HPK). However, such areas were then converted to non-forest estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then it is indicated that almost all areas of Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative or approximately 1,500 hectares were converted again to become the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. According to the data of BPN Riau 2016, Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative **are not detected** to have obtained HGU (time-limited land tenure rights for commercial use). But based on the land cover analysis 2014 by WWF Indonesia, there is indication that the forest estate or approximately 1.500 hectares area have been planted with oil palms by PT Ramajaya and PT. Buana Wira Lestari Mas in cooperation with Berkati Lestari Cooperative and Kopsa Budi Karya Cooperative under KKPA scheme.



Map 27. Photos 1 and 2 show the palm oil plantation under KKPA Scheme of PT Ramajaya and PT. Buana Wira Lestari Mas in partnership with Kopsa Budi Karya Cooperative where the crops have reached the age of 22 years. Photos 3 and 4 show the plantation under KKPA Scheme of PT Ramajaya and PT. Buana Wira Lestari Mas in partnership with Berkat Lestari Cooperative.

The areas of PT Ramajaya Pramukti, Kopsa Budi Karya Cooperative and Berkat Lestari Cooperative before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 were classified as a Plantation Estate (Convertible Production Forest). Based on the result of land cover analysis 2014 by WWF Indonesia, all these areas have been planted with oil palms.

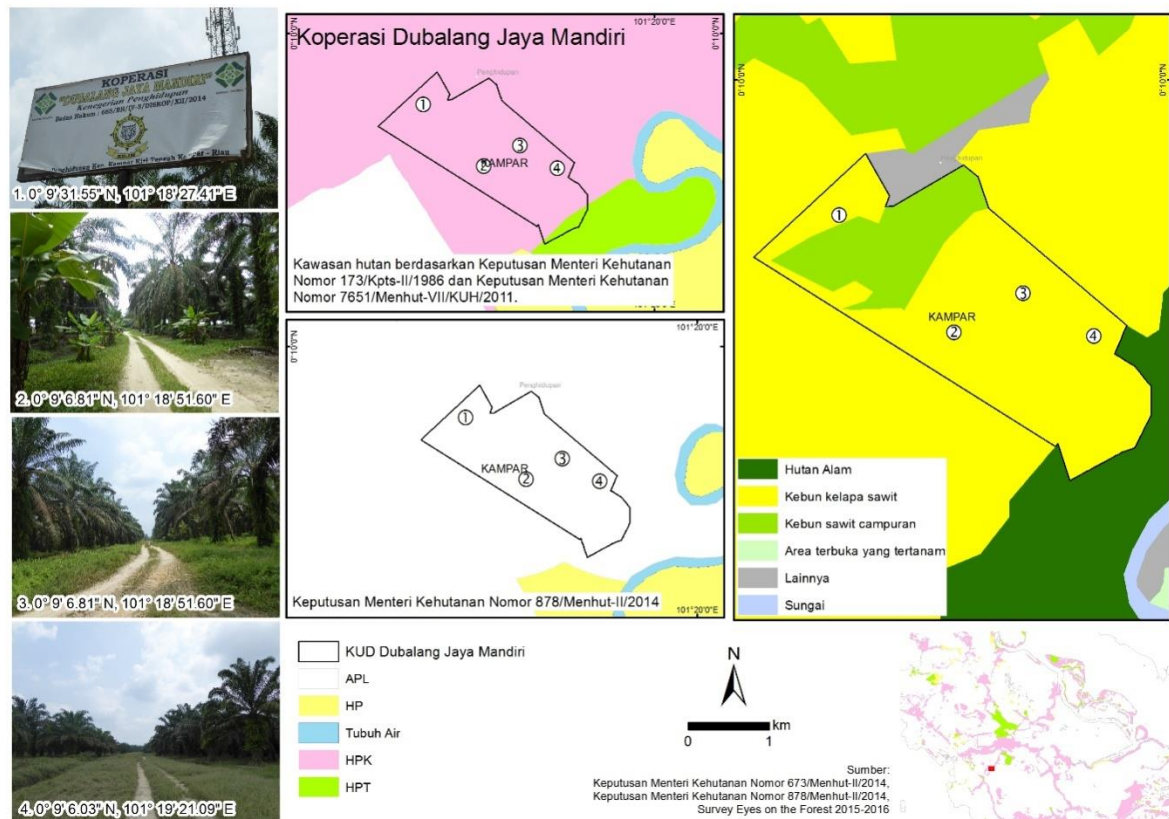
26. Dubalang Jaya Mandiri Cooperative

The plantation of **Dubalang Jaya Mandiri Cooperative** is located in the administrative region of Penghidupan Village, Kampar Kiri Tengah Sub-District, Kampar District, Riau Province. There are several coordinate points being found with regard to the plantation area owned by Dubalang Jaya Cooperative: N0°9'6.81" E101°18'51.60", N0°9'6.03" E101°19'21.09", N0°9'15.03" E101°19'6.12" and N0°9'38.84" E101°19'11.17". Results of field observation estimate that the plants have reached the age between 10 to 12 years in an area of 300 hectares.

Dubalang Jaya Mandiri Cooperative **is not found** in the Progress Data on the Release of Forest Estate for Plantation of 2015 or in the Data on Conversion of Forest Estate to Plantation set forth in the Forest Spatial Database Book 2015. It means that the Ministry of Forestry until 2015 had never given any permit for the release of Forest Estate for Plantation to Dubalang Jaya Mandiri Cooperative.

If reference is made to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province, the plantation area of Dubalang Jaya Mandiri Cooperative was

actually a forest estate functioned as Convertible Production Forest (HPK). However, such area was then converted to non-forest estate by virtue of the decree of the Minister of Forestry No. 673/Menhut-II/2014. And then it is indicated that almost all area of Dubalang Jaya Mandiri Cooperative or approximately 300 hectares were converted again to become the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Dubalang Jaya Mandiri Cooperative is also **not found** to have obtained HGU (time-limited land tenure rights for commercial use) according to the data of BPN Riau 2016. Based on land cover analysis 2014 by WWF Indonesia, all such area have been planted with oil palms.



Map 28. Photos 1 to 4 show the palm oil plantation of Dubalang Jaya Mandiri Cooperative which crops are estimated to have reached the age of 10 to 12 years and existing in a Convertible Production Forest in accordance with the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. But then such area is converted to the Area for Other Uses (APL) by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. Based on the result of land cover analysis 2014 by WWF Indonesia all such area has been planted with oil palms.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion of the Eyes on the Forest

There are indications that the Decree of the Minister of Forestry Number 673/Menhut-II/2014 regarding the Changing of Designation of Forest Estate to Become Non-Forest Estate in an area of 1,638,249 hectares, the Alteration of the Functions of Forest Estate in an area of 717,543 hectares and the Designation of Non-Forest Estate to become Forest Estate in an area of 11,552 hectares in Riau Province, as well as the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 regarding Forest Estate in Riau Province **WERE ISSUED TO MERELY 'LEGALIZE' the Palm Oil Companies. Such indications are detected based on the following findings:**

1. **PT Agro Abadi** owns a Palm Oil Mill which has been in operation since 2012 and oil palm crops which have reached the plant age of 12 years. Meanwhile, the area where such plantation was developed, before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014, was actually a Limited Production Forest and overlapped with IUPHHK-HT concession of PT Rimba Seraya Utama. The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, PT Agro Abadi has obtained HGU (time-limited land tenure rights for commercial use) for an area of 968 hectares.
2. **PT Meskom Agro Sarimas** owns a palm oil plantation which crops are estimated to have reached the age between 5 to 13 years, including a Palm Oil Mill which has been in operation since 2013. Meanwhile, before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation area and the Palm Oil Mill location of PT Meskom Agro Sarimas were actually a Limited Production Forest. The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, PT Agro Abadi has obtained HGU (time-limited land tenure rights for commercial use) for an area of 3,868 hectares. PT Meskom Agro Sarimas also develops a palm oil plantation in a Forest Estate functioned as Limited Production Forest in an estimated area of 7,000 hectares where the crops therein have reached the age of 13 years, but by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014, such an area has been converted to the Area for Other Uses (APL).
3. **PT Torusganda** owns a palm oil plantation which crops have reached the age of 12 years in the area of 20,000 hectares. Before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the area of this plantation was a Limited Production Forest and Production Forest (HPT and HP).
4. **PT Riau Agung Karya Abadi** owns a palm oil plantation in an area of 1,200 hectares which crops have reached the age of 11 years. Before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation area of PT Riau Agung Karya Abadi was a Convertible Production Forest (HPK).
5. **PT Peputra Supra Jaya** is estimated to have a plantation in an area of 9,164 hectares which crops have reached the age of 25 years. It also has a Palm Oil Mill which has been in operation since 2014. Before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation areas of PT Peputra Supra Jaya comprised of Production Forest (HP): 5,672 hectares, Limited Production Forest (HPT): 693 hectares, Convertible Production Forest (HPK): 8,610 hectares and the Area for Other Uses (APL): 2,569 hectares.

6. **PT Arindo Tri Sejahtera** owns a palm oil plantation which crops are estimated to have reached the age of 24 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation area of PT Arindo Tri Sejahtera comprised of Convertible Production Forest (HPK): 3,527 hectares and Limited Production Forest (HPT): 114 hectares. And based on the data of BPN Riau 2016, PT Arindo Tri Sejahtera has obtained HGU (time-limited land tenure rights for commercial use) for an area of 3,641 hectares
7. **PT Damara Jaya** owns a palm oil plantation in an area approximately of 200 hectares where the crops are estimated to have reached the age of 20 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation location of PT Damara Jaya was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 200 hectares.
8. **PT Jalur Pusaka Sakti Kumala** owns a palm oil plantation in an area approximately of 500 hectares where the crops are estimated to have reached the age of 10 to 13 years. It also has a Palm Oil Mill having a capacity of 20 tons/hour which has been in operation since 2013. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation area of PT Jalur Pusaka Sakti Kumala was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 500 hectares.
9. **PT Kampar Palma Utama** owns a palm oil plantation in an area approximately of 500 hectares where the crops are estimated to have reached the age of 10 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation area of PT Kampar Palma Utama was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 500 hectares.
10. **PT Perdana Inti Sawit Perkasa** owns a palm oil plantation in an area approximately of 4,500 hectares where the crops are estimated to have reached the age of 9 years. Before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation area of PT Perdana Inti Sawit Perkasa was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 3,390 hectares. According to the observation there is indication that PT Perdana Inti Sawit Perkasa develops palm oil plantation outside the HGU.
11. **PT Sawit Unggul Prima Plantations** owns a palm oil plantation in an area approximately of 600 hectares where the crops are estimated to have reached the age of 15 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation location of PT Sawit Unggul Prima Plantations was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 600 hectares.
12. **PT Wasundari Indah** owns a palm oil plantation in an area approximately of 1,000 hectares where the crops are estimated to have reached the age of 10 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation location of Wasundari

Indah was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 965 hectares.

13. **PT Yutani Suadiri** owns a palm oil plantation in an area approximately of 300 hectares where the crops are estimated to have reached the age of 10 to 13 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation location of PT Yutani Suadiri was actually a forest estate functioned as Convertible Production Forest (HPK). The company did not possess any Permit for the Release of Forest Estate from the Minister, but based on the data of BPN Riau 2016, it has obtained HGU (time-limited land tenure rights for commercial use) for an area of 3000 hectares.
14. **PT Masuba Citra Mandiri** owns a palm oil plantation in an area approximately of 2,500 hectares where the crops are estimated to have reached the age of 4 – 13 years. Before the Decree of the Minister of Forestry Number 878/Menhut-II/2014, the plantation location of PT Masuba Citra Mandiri was actually a forest estate functioned as Convertible Production Forest (HPK). According to the data of BPN Riau 2016 the company did not possess any HGU (time-limited land tenure rights for commercial use).
15. **PT Kinabalu** owns a palm oil plantation in an area approximately of 800 hectares where the crops are estimated to have reached the age of 17 years. The area, according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 and Number 7651/Menhut-VII/2011 or before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, was located inside a Convertible Production Forest (HPK). According to the data of BPN Riau 2016 PT Kinabalu did not possess any HGU (time-limited land tenure rights for commercial use).
16. **PT Percohu Permai** owns a palm oil plantation in an area approximately of 800 hectares where the crops are estimated to have reached the age of 16 years. The area according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 and Number 7651/Menhut-VII/2011 or before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 was located inside a Convertible Production Forest (HPK). According to the data of BPN Riau 2016 PT Percohu Permai did not possess any HGU (time-limited land tenure rights for commercial use).
17. **PT Pesawoan Raya** owns a palm oil plantation in an area approximately of 500 hectares where the crops are estimated to have reached the age of 8 to 10 years. The area according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 and Number 7651/Menhut-VII/2011 or before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 was located inside a Convertible Production Forest (HPK). According to the data of BPN Riau 2016 PT Pesawoan Raya did not possess any HGU (time-limited land tenure rights for commercial use).
18. **PT Sinar Reksa Kencana** owns a palm oil plantation in an area approximately of 500 hectares where the crops are estimated to have reached the age of 2 - 6 years. The area according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 and Number 7651/Menhut-VII/2011 or before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 was located inside a Convertible Production Forest (HPK). According to the data of BPN Riau 2016 PT Sinar Reksa Kencana did not possess any HGU (time-limited land tenure rights for commercial use). The result of land cover analysis 2014 by WWF Indonesia indicates that that there are approximately 600 hectares of lands being planted with oil palms by PT. Sinar Reksa Kencana.

19. **PT Bumi Sawit Perkasa** owns a palm oil plantation in an area approximately of 10,000 hectares where the crops are estimated to have reached the age of 10 years. The area according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 and Number 7651/Menhut-VII/2011 or before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 was located inside a Production Forest (HP) and Convertible Production Forest (HPK). Based on the Decree of the Minister of Forestry Number 878/Menhut-II/2014 part of the area or approximately 3,869 hectares are converted to the Area for Other Uses (APL), whereas 3,000 hectares shall remain a Convertible Production Forest (HPK) and 3,770 hectares shall remain a Production Forest (HP). Nevertheless, the result of land cover analysis 2014 by WWF Indonesia indicates that there are approximately 6,770 hectares of lands having been planted with oil palms by PT. Bumi Sawit Perkasa.
20. **PT Sinar Siak Dian Permai** owns a palm oil plantation in an area approximately of 1,000 hectares where the crops are estimated to have reached the age of 20 years. The area according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 and Number 7651/Menhut-VII/2011 or before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 was located inside a Convertible Production Forest (HPK). According to the data of BPN Riau 2016 PT Sinar Siak Dian Permai did not possess any HGU (time-limited land tenure rights for commercial use).
21. **PT Surya Agrolika Reksa** owns a palm oil plantation which crops are estimated to have reached the age of 20 years and existing in a Convertible Production Forest (HPK) according to the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 the Convertible Production Forest (HPK) is converted to the Area for Other Uses (APL). According to the data of BPN Riau 2016 PT Surya Agrolika Reksa has obtained HGU (time-limited land tenure rights for commercial use) for 1,549 hectares area, It is not yet known whether the HGU was issued before or after the Decree Number 878/Menhut-II/2014. PT Surya Agrolika Reksa also also initiated a nucleus-plasma scheme plantation by applying KPPA (Primary Credit for Cooperative Members) in cooperation with 6 KUDs (Village Unit Cooperatives) in a forest estate the crops of which have reached the age of 14-16 years. Nevertheless, by virtue of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 such Convertible Production Forest (HPK) was converted to the Area for Other Uses (APL).
22. **Air Kehidupan Cooperative** owns a palm oil plantation which crops are estimated to have reached the age of 4 to 12 years and located in a Convertible Production Forest (HPK) as provided for in the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. But then such area was converted to the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014. And based on the results of land cover analysis by WWF Indonesia 2014 all such area have been planted with oil palms.
23. **PT Wanasari Nusantara** is found to have a plantation in an area of approximately 308 hectares, and the oil palms therein have reached the age of 21 years, located inside a Convertible Production Forest (HPK) as provided for in the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. But then such area was converted to the Area for Other Uses (APL) by the Decree of the Minister of Forestry Number 878/Menhut-II/2014,

dated September 29, 2014. PT Wanasari Nusantara also developed a palm oil plantation under KPPA scheme with KUD Tupan Tri Bhakti the crops of which are estimated to have reached the age of 21 years in an area of approximately 1,000 hectares. Such a plantation area of KUD Tupan Tri Bhakti in cooperation with PT Wanasari Nusantara under KPPA scheme was actually inside a Forest Estate. Nevertheless, the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 converted such area from Convertible Production Forest (HPK) to the Area for Other Uses (APL).

24. **KKPA PT Tri Bhakti Sarimas and KUD Prima Sehati** which oil palms have reached the age of 18 years have a plantation inside a Convertible Production Forest (HPK) determined by the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. Nevertheless, the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 converted such plantation area from Convertible Production Forest (HPK) to the Area for Other Uses (APL). And based on the results of land cover analysis by WWF Indonesia 2014 all such area has been planted with oil palms.
25. **KKPA PT Ramajaya and PT. Buana Wira Lestari Mas** in partnership with Berkat Lestari Cooperative and Kopsa Budi Karya Cooperative developed palm oil plantation which crops therein have reached the age of 22 years. Before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014 the area was a Forest Estate (Convertible Production Forest (HPK)). And based on the results of land cover analysis by WWF Indonesia 2014 all such area has been planted with oil palms.
26. **Dubalang Jaya Mandiri Cooperative** owns a palm oil plantation which crops therein are estimated to have reached the age of 10 to 12 years and located within a Convertible Production Forest (HPK) determined by the Decrees of the Minister of Forestry Number 173/Kpts-II/1986 dated June 6, 1986 and Number 7651/Menhut-VII/2011 dated December 30, 2011 regarding Designation of Forest Estate in Riau Province. However, the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 converted the Convertible Production Forest (HPK) to the Area for Other Uses (APL). And based on the results of land cover analysis by WWF Indonesia 2014 all the area has been planted with oil palms.

Recommendation of the Eyes on the Forest

- The Eyes on the Forest gives advice to the Ministry of the Environments and Forestry to revoke and review the Decree of the Minister of Forestry Number 673/Menhut-II/2014 regarding the Changing of Designation of Forest Estate to Non-Forest Estate in an aggregate area of 1,638,249 hectares and the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 regarding the Forest Estate in Riau Province.
- The Eyes on the Forest asks the Ministry of the Environments and Forestry to conduct inquiry and investigation and to take action against palm oil companies which have developed palm oil plantation within the forest estate before the issuance of the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 regarding the Forest Estate in Riau Province.
- The Eyes on the Forest asks the Ministry of Agriculture and the Ministry of Agrarian Affairs and Spatial Planning to conduct inquiry and investigation and to take action against palm oil companies which have obtained HGU (time-limited land tenure rights for commercial use)

within the forest estate and developed palm oil plantation outside the HGU having been granted to them.

- The Eyes on the Forest asks the Corruption Eradication Commission to conduct investigation against State Apparatus and Corporations over allegations of corruption in the process of changing the designation of the forest estate to non-forest estate as provided for in the Decree of the Minister of Forestry Number 673/Menhut-II/2014 regarding the Changing of Designation of Forest Estate to Non-Forest Estate in an aggregate area of 1,638,249 hectares and the Decree of the Minister of Forestry Number 878/Menhut-II/2014, dated September 29, 2014 regarding the Forest Estate in Riau Province.

ⁱ Undang-Undang Republik Indonesia Nomor 18 Tahun 2013 tentang Pencegahan Dan Pemberantasan Perusakan Hutan. http://www.dpr.go.id/dokjdi/document/uu/UU_2013_18.pdf
English translation "The Prevention and Eradication of Forest Destruction (Law No. 18/2013 dated August 6, 2013) is available at: <http://faolex.fao.org/docs/pdf/ins137703.pdf>

ⁱⁱ <http://faolex.fao.org/docs/pdf/ins137703.pdf>

ⁱⁱⁱ <http://ditjenbun.pertanian.go.id/pascapanen/tinymcpuk/gambar/file/Riau.pdf>

^{iv} http://www.ispo-or.id/images/notifikasi/442_33.%20PT.%20Meskom%20Agro%20Sarimas.pdf

^v <http://riauterkini.com/hukum.php?arr=48724>