



Forest Peoples Programme

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Kusnan Rahmin, President Director
and
Jouko Virta, President, Global Fiber Supply,
APRIL Management Pte Ltd.
Singapore

20th May 2010

Dear Mr Rahmin and Mr Virta,

Further to our letter of 23rd November 2009, we are again writing to seek clarification, and to express our continuing concerns, about APRIL's operations in Riau especially the planned expansion in the Kampar Peninsula. We have a number of matters which we would like to raise with you.

1. Lack of response on basic question: does APRIL respect the right to FPIC?

Since May 2009, we have been seeking clarification of APRIL's policy towards the local communities in the Kampar peninsula. In verbal communications, APRIL has repeatedly assured us of its commitment to the principle of 'Free, Prior and Informed Consent' and we note that in a public letter to customers dated October 2009, APRIL continues to insist that it remains '*committed to the highest standards of sustainable best practice*'. However, so far, we have not received an explicit written assurance that APRIL is committed to FPIC. We would therefore like to ask once again:

- Does APRIL / PT RAPP have a policy of respecting the right of indigenous peoples/ local communities to 'Free, Prior and Informed Consent'?
- What procedures does APRIL / PT RAPP use to ensure its field operators respect this right?
- Can you please clarify who are the responsible and suitably authorised persons in APRIL / PT RAPP that the communities should deal with to secure recognition of their lands and other rights and ensure that FPIC is adhered to?
- Can you please share with us the Standard Operating Procedures currently being used by PT RAPP in dealing with local communities?

2. Continuing dissent in the Kampar communities:

Meanwhile according to reliable local reports there continue to be major problems in the Kampar Peninsula itself. It remains the case that the majority of the community members feel excluded from any discussions that may be ongoing between APRIL/PT RAPP and community leaders. Petitions from large sections of Teluk Binjai, Teluk Meranti and Kuala Panduk have been sent to the company expressing their opposition to the current plans, their concerns about unresolved land disputes and the lack of free, prior information and negotiation.

Whereas the communities have appealed to PT RAPP / APRIL to suspend its operations in the peninsula until information about the companies' plans are provided and a process of negotiations has been agreed, instead APRIL/PT RAPP seems to be pressing ahead with its operations regardless.

3. Certification suspension:

You are of course aware that on 15th April 2010, the independent certification body Rainforest Alliance / Smartwood (RA/SW) suspended APRIL / PT RAPP's FSC certificate for 'controlled wood'. The disciplinary action came after APRIL was found to have violated FSC's controlled wood standard, including prohibitions against conversion of rainforests to create paper plantations, destruction of High Conservation Value Forests, including peatlands, and conflicts with communities. After giving the company ample leeway to improve its performance, Smartwood was obliged to suspend APRIL certificate on the grounds that:

...the most recent RA/SW auditing does not find APRIL to be in conformance with either FSC Controlled Wood requirements or HCVF conservation requirements...¹

The note of clarification issued jointly by APRIL and RA/SW five days later notes that there are complex matters to be addressed and states:

One key issue is the field-level definition of HCVFs, and APRIL's actions to protect those HCVFs... In the very near term, there needs to be much clearer alignment on the HCVF definitions going forward, and APRIL's HCVF protection obligations, before APRIL's Controlled Wood certification can resume. In addition, there are continuing challenges for APRIL to establish and maintain consistency on HCVF protection internally and with suppliers and improvement in relations with affected communities.²

Therefore we would like to know:

- What actions does APRIL / PT RAPP propose to undertake to bring it into conformity with these certification requirements?

¹ Memo from Rainforest Alliance/ Smartwood 15th April 2010.

² Joint statement from Rainforest Alliance and APRIL 20th April 2010.

4. HCV process:

Agreed best practice for High Conservation Value assessments requires that companies carry out full assessments of all six high conservation values of which values 5 and 6 can only be ascertained through on the ground inclusive consultations with local communities in order to establish the areas crucial for their livelihoods and cultural identities. To date, only a truncated and very preliminary HCV assessment process has been undertaken by Tropenbos the conclusions of which have been disputed by the communities.

In its assessment of HCV 5 Tropenbos concluded that the land use of the community extends only 1.5 kilometres inland from the Kampar River, when in fact the community makes use of an area that far exceeds even three kilometres inland, especially for people who hunt and utilize non-timber forest products.

We also note that the HCV assessment concluded that the villagers in Teluk Meranti, Teluk Binjai and Pulau Muda are not indigenous people but migrants. This is disputed by the peoples themselves many of whom were resident in the area long prior to 1960 and well before PT RAPP acquired concessions in the area. Dutch maps of 1936, for example, demonstrate the existence of communities along the left bank of the Kampar river.

On the other hand, we note the conclusions of the Tropenbos rapid assessment study that:

From this rapid assessment, as shown in Table 2, a strong indication that the whole FMU area has HCVs due to the presence of HCV 1, HCV 3 and potentially HCV 2.³

We likewise note that:

Followed FPIC principle, further negotiation with local communities in Teluk Meranti need to be carried out toward best fit agreement on allocated area of HCV5 (sic.).⁴

Most importantly we note the final recommendations of the rapid assessment. This includes the general recommendation that:

A full re-assessment is needed. The need for full assessment was identified during the rapid assessment. The full assessment should be implemented with better sampling design, appropriate effort of field data collection and mapping for the whole Kampar Ring landscape.⁵

And the specific recommendation that APRIL should:

Accommodate as much as possible HCV 5 in west part of Meranti Estate, through implementation of FPIC principle.⁶

An unbiased reading of the report thus confirms that the assessors feel that much more needs to be done by APRIL in terms of open discussion with the communities to ascertain which areas are needed to sustain their livelihoods.

We would therefore like to know:

³ Tropenbos 2009, *Kampar HCVs: rapid risk assessment report (Meranti and T. Belat Estate)*. Ms.:11.

⁴ Tropenbos 2009:12.

⁵ Tropenbos 2009:26.

⁶ Tropenbos 2009:26 and see also page 38 and page 39 which emphasises the need for FPIC in other parts of the proposed 'Kampar ring'.

- What actions does APRIL / PT RAPP propose to undertake to rectify the deficiencies in its HCV assessment procedures?

5. SSL Case:

We also remain concerned about the lack of resolution of the land conflict between the villagers of Bangun Purba and your supplier PT Sumatera Sylva Lestari (PT SSL) in which several people were killed. Following the incident, APRIL gave assurances that it would expect its suppliers to conform to best practice standards. In this respect, we are pleased to note that PT SSL has just paid compensation (indemnity) to the families of people killed and injured following a demonstration. We understand this compensation amounted to IDR 10 m (US\$10,000) each to the families of the three men who died and IDR 2.5 m (US\$2,500) to the 16 people who were injured. PT SSL has also promised to pay the tuition costs of the children of those who died. However, the land disputes between the community and PT SSL remains unresolved, and it seems the company is not prepared to return the disputed land to the community as they have requested.

We would therefore like to know:

- What actions does APRIL / PT RAPP propose to undertake to ensure that PT SSL and other suppliers resolve the land disputes in their production areas?

6. Conclusions:

It is clear to us from our own observations, corroborated by independent assessors looking into APRIL conformance with FSC Controlled Wood Standard and HCWF requirements and emphasised by the continuing problems with suppliers such as PT SSL, that APRIL is still a long way from compliance with best practice standards.

We would therefore appreciate receiving clear replies responding directly to the questions highlighted in all the bullet points above.

Yours sincerely



Dr. Marcus Colchester
Director
Forest Peoples Programme



Ahmad Zazali
Director
Scale Up

Cc.

1. Mulya Nauli, Director of RAPP
2. Neil Franklin, Director of Sustainability
3. Dian Novarina, Stakeholder Relations Manager
4. TFD Steering Committee
5. World Business Council for Sustainable Development
6. HCVResource Network
7. NGOs.