

10 September 2009

Dr Marcus Colchester
Director, Forest Peoples Programme

Dear Marcus

RESPECTING COMMUNITIES' RIGHTS IN THE KAMPAR PENINSULAR

Thank you for the correspondence that has been sent to our RAPP offices in Indonesia.

RAPP appreciates and shares your concerns for the Teluk Meranti community. We have recently received an operating license for the area but we will start operations with good relations with the community. Operational plans are in the process of being finalized, and as such, have not been put forth to the community. However, there has been a long series of consultations and interactions between the company and these communities, and we would like to take this opportunity to clarify our position on this matter.

o RAPP CURRENTLY IN TALKS WITH TELUK MERANTI COMMUNITY and others

RAPP clarifies that we are presently engaging with all villages in the Kampar Peninsular region adjacent to our operational areas, including Teluk Meranti, and other areas. The engagements range from formal dialogues, discussions, village meetings, social activities and discussions on community development programmes.

We have taken every feedback and concern raised by the community and incorporated it in our operational plans. These are part of our on-going efforts to adapt to the needs and requirements of the community and avoid possible miscommunication or any conflicts.

For the Teluk Meranti village, we have been involved in a long series of community engagements, the most recent of which were three formal dialogues - hosted on 12 May, 3 June, and 15 - 16 July 2009.

To date these engagements have yielded no objections from any of these communities. While there were questions, the community has not, at any time, rejected RAPP's proposed plans. The Head of Teluk Meranti village has informed us of his support of our plans to operate in the Kampar area.

RAPP is currently working with the Teluk Meranti community to design a comprehensive community development programme which includes

- o **Integrated Farming System** (training and providing assistance to encourage self-employment),
- o **Education** (scholarships, teaching skills training, educational equipment, and village literacy),
- o **Small and Medium Enterprise support** (to nurture and support local entrepreneurs through business and non-business partnerships),
- o **Community health services and social infrastructure programme** (mosques, schools, sports facilities).

RAPP has committed to training and recruiting local workers to promote development of human resources within this community - previously with very few opportunities for skilled employment. Most importantly RAPP will establish by consensus how the significant area allocated by our company for community involvement can most effectively be utilised to the community's benefit.

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o **RAPP IS COMMITTED TO UPHOLD GOOD PLANTATION PRINCIPLES INCLUDING SOCIAL VALUES**

Our Company is committed to resolving community disputes and land use conflicts. From our own experience of implementation, we recognise the many challenges of implementation specific to the socio-political context in which we operate.

In the Kampar case, our work plan extends to engagement of independent third parties who have carried out High Conservation Value assessments with emphasis on social and community values in the Kampar area. These assessments have been done in parallel with ongoing first phase consultation with the communities, and have provided a clear set of management recommendations for the next phase of extended consultation towards community consensus and on the ground partnership.

We are also currently involved in revising company protocols that integrate social and cultural values of the approach with the principles. The protocols will be reviewed independently, and RAPP will invite participation from key local (Riau) stakeholders in the development process. We hope these stakeholders will include representatives from various NGOs including Jikalahari among others.

The comprehensive community development plan is currently a work-in-progress, and we remain committed to the vision of creating a model for sustainable development and community engagement within the plantation forestry context. We expect to be held fully accountable through ongoing independent audits.

o **RAPP'S OPERATIONS ARE ON PRODUCTION FORESTS DESIGNATED FOR PLANTATION**

RAPP's Kampar operations are fully compliant with the laws of Indonesia, including environmental impact (AMDAL) process and with endorsements from district and provincial level government. Current planning process includes environmental and social assessments, with macro and micro delineation of land enhanced by a management plan based on responsible resource management principles.

A key concern is the management of carbon emissions, and the securing of significant carbon stock within the landscape through responsible management of the plantation ring surrounding the Peninsular.

In summary, it should be emphasized that APRIL has yet to begin any operations in the Kampar area, that we are presently completing assessments and now expanding social consultations in the area. We would welcome the support of third party mediators at this important phase. RAPP will integrate the results of these consultations into operations and community collaboration plans, as required by law, and in line with our commitment to respond to the aspirations and needs of our important community stakeholders.

We recognize the complex stakeholder dynamics in this region and hope that all parties can work together in achieving these goals. We look forward to working with those that share a common vision of achieving a sustainable model in the Kampar region, to protect, conserve and sustainably manage the landscape for present communities and our future generations. The success of this endeavor is as important to the company as it is to the community and well as other concerned stakeholders. Leaving the Kampar Peninsula alone is not an option as we have been witness to the massive destruction to the area due to illegal logging and other forms of encroachment. We hope to gain your



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corporation and support to formulate a sustainable operating method which could set an example for similar development for other areas. We always welcome constructive criticism and remain open to have dialogue with concerned stake holders

Sincerely,

A handwritten signature in black ink, appearing to read "Kusnan Rahmin".

Kusnan Rahmin
President Director

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