

HCV Assessment Report

PT Satria Perkasa Agung -Serapung

Riau, Indonesia

Asia Pacific Consulting Solutions

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FINAL



ACKNOWLEDGEMENTS

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WWF Indonesia

WWF International

HCVRN Indonesia

HCVRN International

Forest People’s Program

Eyes on the Forest

The Forest Trust

WALHI

and many others at the local level

Thank you all!!

EXECUTIVE SUMMARY

The HCV Assessment in Riau province focused on five (5) concessions comprising PT Arara Abadi (AA), PT Satria Perkasa Agung (SP), PT SPA Serapung (SPA), PT SPA Koperasi Tani Hutan (KTH) Sinar Merawang (SM) and PT Riau Abadi Lestari (RAL) of all of which provide timber supply to the Asia Pulp & Paper (APP) Group. This particular report presents finding from PT SPA Serapung (SPA).



PT SPA Serapung is a forest management enterprise managing an industrial plantation located in *Kabupaten Pelalawan* within Riau Province. The majority of the area is plantation pulpwood forests (planted forests) with a larger block of natural forest remaining in conservation forest and *tanaman unggulan* in the northern and northeastern portion of the concession.

Project Ownership

This project was commissioned by Asia Pulp and Paper Group. Asia Pulp and Paper Group (APP) is a trade name for a group of pulp and paper manufacturing companies in Indonesia and China. The APP group of companies is one of the world's largest vertically integrated pulp and paper companies, with an annual combined pulp, paper, and converting products capacity of over 18 million tons. APP-Indonesia and APP-China currently market their products in more than 120 countries across six continents. Asia Pulp & Paper's Indonesian administrative office is located at Sinarmas Land Plaza, Jalan Thamrin, Jakarta, Indonesia.

At the time of this report, the pulp mills of the Asia Pulp and Paper Group (APP) receive pulpwood from the HTI concessions of 38 suppliers located on the islands of Sumatra and Borneo. This project covers one (1) of those supplies on the island of Sumatra.

Concession Historical Aspects

PT SPA Serapung's work area is based on the Decree of the Pelalawan Regent No. 552.21/IUPHHKHT/I/2003/013 dated 29 January 2003 and is for 12,000 ha. As the area development continues, based on the Decree of Minister of Forestry No. SK.102/Menhut-II/2006 on Business License for Timber Forest Product Utilization from Industrial Forest (IUPHHK-HTI) in PT Satria Perkasa Agung (Serapung) plantation forest dated 11 April 2006 scaled 1:100,000, the area became 11,830 ha.

Assessment Findings

In an effort to provide APP a result that could be more easily utilized, this report is prepared at the concession (Forest Management Unit) level. The concession report provides:

- identification of the team members and background,
- details on HCV descriptions according to the HCVF Toolkit for Indonesia (2008),
- a discussion of the methodology used to identify potential sites where HCV might exist,
- a landscape perspective in which the concession is operating within,
- results of the assessment,
- Management and monitoring recommendations, and
- Barrier should the company choose to pursue third-party certification in the future.

The following descriptions summarise the results of the HCV identification process:

HCV 1 Areas with Important Levels of Biodiversity

HCV 1.1 Areas that Contain or Provide Biodiversity Support Function to Protection or Conservation Areas

There is no area of PT SPA Serapung that directly connects with a protected area. The presence of HCV 1.1 within the management unit is protected areas designated internally by the management unit. The extent of the protected area based on the spatial plan of PT SPA Serapung is around 1,731.03 ha or 14.43 % of the total area. There are three internal protected areas, which are comprised of: A) river buffer zone (Apung River), B) beach buffer zone (Long Coast), and C) a peat swamp forest ecosystem in the middle of the concession. Based on the GIS calculation of the protected areas, they have a total area of 1,291ha. The function of protected areas to maintain the population sustainably will increase if all protected areas are united. At present, those three protected areas are still intact, but if we look at their designation, the middle protected area will be separate from the rest. *Tanaman unggulan* area will buffers the protected areas from becoming one large patch of forest. If the *tanaman unggulan* area is designated to have protected function, thus total of the management unit's protected area will be around 2,870.86 ha. All of those natural forest areas have been logged, so the remaining trees are generally less desirable commercial trees or trees protected by law.

The ecosystem type of the management unit area is peat swamp forest and succession after logging. Therefore, the vegetation type can be categorized into shrubs, peat swamp shrubs, swamp, or secondary peat forest.

HCV 1.2 Critically Endangered Species

Within the area of PT SPA Serapung, flora and fauna species meeting the category of Critically Endangered (**CR**) in the IUCN Red List were not found. But there was indication that Sumatran Tiger (*Panthera tigris sumatrae*) might be present. Information on the presence of tiger was also obtained through interviews with community and the staff of PT SPA Serapung Management Unit. Also, the north-west part of the management unit area is included in the Kuala Kampar-Kerumutan TCL (**TCL: Tiger Conservation Landscape**). This was confirmed with the secondary data of Sumatran Tiger habitat from Greenpeace and WWF.

HCV 1.3 Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species

Within PT SPA Serapung visited areas, it is found some species of vegetation and wildlife with conservation status considerably protected such as IUCN RedList, CITES Appendix I and II, protected by the government (PP 7/1999) and endemic. In HCV 1.3, is to identify habitat in the FMU and surrounding areas where **viable population** of critical, endangered, endemic, or protected species. HCV 1.3 is emphasized to **preserve species 'population'** hence it is necessary to pay attention to the assessment on the population viability within the landscape of the area assessed. The assessment found 9 species of flora, 7 species of mammals, 14 species of birds and 9 species of herpetofauna within the concession, thus there is HCV 1.3 present.

HCV 1.4 Areas that Contain Habitat of Temporary Use by Species or Congregations of Species

During the main assessment, three species of migratory birds were found to only use the area of PT SPA Serapung and its surrounding area as temporary shelter. These birds also search for food and temporarily rested in the areas. The area of PT SPA Serapung is included in the Important Bird Area (IBA) of Siak-Kampar Peat Swamp Forest (Birdlife 2013). In this area, bird species with relatively wide roaming capabilities but experiencing significant decreases in population were found, such as bangau tongtong. Bangau tongtong roams a wide area but return to specific locations to reproduce. There are also birds that only use the area for temporary settlement such as kuntul cina; this bird searches for food on the wetland area of Siak-Kampar. The IBA area of Siak-kampar is included in the category A.1 which means that it has important bird population globally, while category A.3 means that the bird is typical in the region. Other key habitats as required in high conservation value 1.4 are places to reproduce or nesting areas, such as caves of habitat for bats and swallow, salt sources for wildlife (*saltlick*) were not found in the field.

HCV 2 Natural Landscapes and Dynamics

HCV 2.1 Large Natural Landscapes with Capacity to Maintain Natural Ecological Processes and Dynamics

PT SPA Serapung does not have an intact or compact forest block with a core zone of more than 20,000 Ha as required by HCV 2.1. However, the management unit is

still part of Semenanjung Kampar Landscape, therefore, at the FMU level; all management unit activities should avoid disturbing the dynamic process of natural ecology as much as practical. Attention towards biodiversity should be aimed at the western part where it borders with other forest management units. Another process to be concerned about relates with the dynamics of minerals and water, as the concession is part of hydro-ecological system of Kampar Peninsula landscape. The operation in PT SPA Serapung concession will affect the Kampar Peninsula forest landscape from the standpoint of hydro-ecological, which will be explained further within HCV 4 category on the environmental services.

HCV 2.2 Areas that Contain Two or More Contiguous Ecosystems

Three approaches used to identify HCV 2.2 i.e. contiguous forest ecosystems were based on (1) *differences in elevation*, (2) *contiguous swamp and non-swamp ecosystems* and (3) *presence of kerangas forest*. Based on the first and third approach, none of the area in the management unit meets the category. For the ecosystem difference based on land, as obtained from RePPPProT maps, there is a transition of ecosystem between mangrove forest (located outside the concession area) and peat swamp forest; an area adjacent with Selat Panjang beach. The extent of the area is not very large, but if the ecosystem of mangrove beach and other protected areas within the management unit is maintained, then the continuity of the ecotone will be maintained. The management unit should understand the importance of this area to be designated as ecotone protected area.

HCV 2.3 Areas that Contain Representative Populations of Most Naturally Occurring Species

The area of habitat necessary to maintain minimum viable population (MVP) varies greatly between species. Nevertheless, large areas that are not fragmented and cover various ecosystem types have greater potential for sustaining various species than those that are smaller and fragmented with a limited variety of ecosystem types. This condition cannot be met in most districts in the PT Satria Perkasa Agung (SPA) Serapung concession. The landscape area of Semenanjung Kampar or Siak-Kampar has been fragmented; therefore, even though there are areas that are interconnected with the larger natural landscape, it cannot be categorized as HCV 2.3.

HCV 3 Rare or Endangered Ecosystems

To establish which ecosystems are threatened or rare in HCV 3 areas inside the PT Satria Perkasa Agung (SPA) Serapung concession, research was conducted by using physiographic analysis approach.

From RePPPProT (2008/2010), based on a physiographic approach Sumatra is divided into four regions: **the Western Coastal Foothills and Plains, Barisan Mountains, Eastern Plains and Hills, and the Eastern Coastal Swamps** (see Figure 35). The concession area of PT SPA Serapung is located in the South-Eastern Coastal Swamps region. Most of the **South-Eastern Coastal Swamp** region was formed from alluvial sediment in shallow sea and more recently from quaternary peat deposits formed behind mangrove forests. Most of the region still consists of swamps with occasional rocky outcrops in dry lowland areas where base sedimentary rock has been pushed up. This region contains one of the largest tropical peat swamps. Almost the entire region was once covered by peat swamp forest, swamp forest or riparian forest linked to rivers and flood plains, and lowland dipterocarp forest in areas with dry mineral soil. In general, all PT SPA Serapung area can be categorized as peat area, even though there is a difference between the Reppprot Data and the result of measurement in the field on the peat depth. In the Indonesia HCV toolkit (2010), ecosystems that meet one or more of the following criteria are considered endangered in the HCV 3 definition: (1) if within a single physiographic region an ecosystem has declined in extent by 50% or more; (2) if it is expected to decline by >75% under future scenarios of forest conversion assuming all conversion areas in prevailing spatial plans can be converted. Ecosystems meeting the following criteria can be considered rare ecosystems: If, as a result of natural factors or human intervention, an ecosystem constitutes less than 5% of a physiographic region. Based on the physiographic analysis approach there is HCV 3 present within the PT SPA Serapung concession area.

HCV 4 Environmental Services

HCV 4.1 Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream communities

The entire SPA Serapung peatlands serves as a water catchment which protects the peat dome hydrological system. Based on the position of SPA Serapung, which lies between the peat dome in the western part and the natural levee of mangrove forest in the eastern part, the area regulates the water balance by functioning as a water catchment and water storage area. Therefore, the entire SPA Serapung area is designated as HCV4.1

HCV 4.2 Areas Important for the Prevention of Erosion and Sedimentation

The entire peatlands in the SPA Serapung area is in water saturated conditions thus providing effective support for the peat dome by reducing the risk of collapse. It also has the function to support the natural levee and mangrove forests in the eastern part of the area that can stabilize the landscape forms and reduce the risk of abrasion and accretion in the region. Pertaining to the HCV4 context, this area has important functions and provides services in natural erosion control which can thus be designated as HCV4.2.

HCV 4.3 Areas that Function as Natural Barriers to the Spread of Forest or Ground Fire

In the natural condition, peatland always is water logged so it can act as a deterrent to the spread of fire. The entire peatlands in SPA Serapung area is in a saturated soil moisture condition which will be effective as a natural firebreak to prevent the spread of destructive fires. The trigger for fires in this area can be caused naturally by drought to the peatland and also due to human intervention from land clearing. Land clearing activities already take place in the eastern part (natural levee and mangrove forests) which contains low mineral soil. Based upon this finding, this area can be defined as HCV4.3.

HCV 5 Natural Areas Critical for Meeting the Basic Needs of Local People

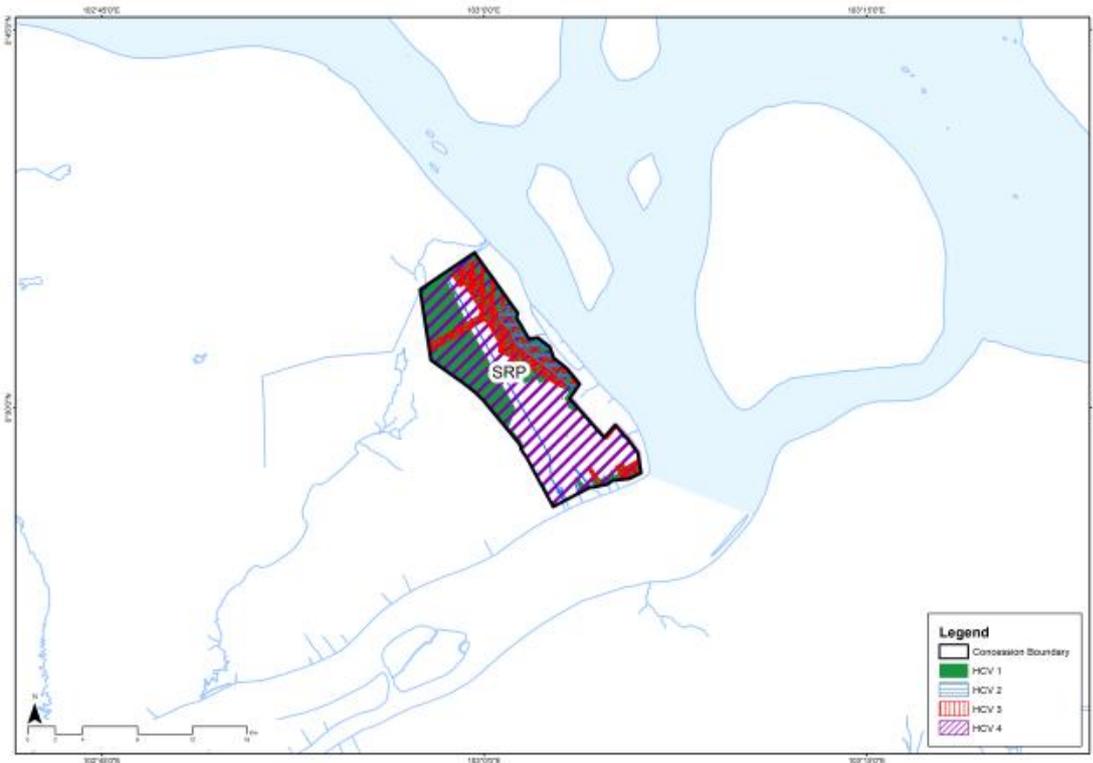
There is no HCV 5 found within the concession area of PT SPA Serapung. The community access within the concession area is only for illegal logging, and the activity is not a sustainable natural resources management activity, and cannot be included in the context of designation for HCV 5.

HCV 6 Areas Critical for Maintaining the Cultural Identity of Local Communities

There is no HCV 6 found within the concession area of PT SPA Serapung. The community settled surrounding the concession area does not have cultural connectivity with the PT SPA Serapung area in terms of idea or cultural objects. There are no indigenous people in Serapung village.

The following table and map summarizes the HCV management areas identified by the assessment team:

Type of HCV	HCV area (Hectare)
	SPA SERAPUNG
HCV 1.1	1,687.45
HCV 1.2	2,968,05
HCV 1.3	1,373.15
HCV 1.4	3,478.55
HCV2.1	Not Present
HCV 2.2	726.16
HCV 2.3	726.16
HCV 3	2,452.13
HCV 4.1	11,803.84
HCV 4.2	11,803.84
HCV 4.3	Not Present
HCV 5	Not Present
HCV 6	Not Present



Management and Monitoring Recommendations

APP has stated an intention to conduct an extensive “landscape management planning” process upon completion of HCV, HCS and social impact assessments that will provide a clear, holistic approach to dealing with all of the pertinent issues identified. The stated goal is to conduct extensive stakeholder consultations with government, universities, neighboring landusers, civil societies and communities during that process. **As a result management and monitoring recommendations provided in this report, as well as indicative High Conservation Management Areas (HCVMA) are provided in a generic framework to be used as a “guide” to help develop management prescriptions during this more extensive planning process.** HCV category and sub-category recommendations are provided in the full report and the following major generic recommendations have been provided without specific reference to HCV category or sub-category:

- Additional data for all HCV needs to be collected to supplement that from the assessment team, particularly relating to species presence, locality and potential population since due to time and budget constraints only a small fraction of the total area was able to be sampled;
- All final HCV management areas must be delineated on the ground and adequately protected from encroachment to protect and enhance HCV values present with the use of an appropriate buffer;

- Natural areas, particularly riparian zones and those areas that could be part of a larger concession wide wildlife corridor system connecting protected areas inside and outside the concession areas, need to be rehabilitated and restored with natural, indigenous species;
- Consultation with experts on specific species need to occur to determine when management activities have the most and least adverse effect on disturbance as well as what specific habitat needs are required;
- Hunting and encroachment of HCVMA must be controlled and prohibited, either using company staff, community patrols, government enforcement, civil society or a combination;
- Public education at the community level must occur to stress the importance of the HCV values, what they mean to the people living near the concession and why it is critical to protect and enhance these values;
- Designated staff responsible for HCV management should be assigned within each concession (at minimum concession level) and all field staff and contractors need training sessions explaining HCV values present and the importance of protecting and enhancing them;
- Areas with high populations of HCV 1.2 and 1.3 species should be considered for potential restoration as conservation areas;
- Collaboration with neighboring land users, particularly that can negatively influence HCV values within the concession and at the landscape level, must be undertaken in an effort to protect and enhance these values;
- Alternative species that require less intensive water management for survival and productivity need to be examined for peat soils to reduce the negative impact this has on the soil, hydrology and carbon emissions;
- HCV management prescriptions should be based on best practices instead of business as usual, summarized and made publically available;
- Identification of specific environmental values to monitor in order to determine the health of each HCV value and effectiveness of management programs must be developed and monitored on a regular basis; and
- Periodic (minimum annually) summaries of monitoring results must be prepared and should be made publically available.