

**The Forests Dialogue  
Field Dialogue on *Understanding 'Deforestation-Free'*  
Pekanbaru, Riau, Indonesia 29<sup>th</sup> April – 2<sup>nd</sup> May 2015**

**Briefing Note for Field Visits**

**Introduction:**

This briefing note provides some basic information to prepare dialogue participants for the field trip portion of the Riau TFD. It is designed to contextualize and supplement the information that will be shared by dialogue participants and those we visit and is not presented as a complete summation of all the relevant facts.

**Area History**

The eastern seaboard of Sumatra has experienced a long history of deforestation and migration since the 1870s. Prior to that, the majority of the area was densely forested. The region has a long history recording the rise and fall of the powers of coastal trading States and empires, dating back to the 8<sup>th</sup> century, when the Srivijaya Empire based in what is now South Sumatra and Jambi emerged as a strong regional power. The political economy was focused on control of the sea lanes and the regional trade between India and China which passed through the Straits of Malaka.

In the pre-colonial period, the forests and those who inhabited them were also integral to the regional economy, trading valued resins, horn, ivory, dyes, basts, rattans and precious woods. The coastal sultanates, which from the 12<sup>th</sup> century began to adopt Islam, asserted power over the inland forests and peoples through domination of the trade, the receipt of tributes in the form of forest products and the appointment of customary leaders (*batin*) to represent them. The sultans had similar relations with the mobile sea peoples who lived from the rich marine resources in the myriads of islands in the Straits. By and large, the Sultans did not intervene in the daily affairs of the inland and sea peoples. They were allowed to manage their own affairs, control their own forests and seascapes, exercise their customary laws and maintain their traditional rituals and beliefs.

Commencing in the 1870s, the first land concessions were granted by Malay sultans to foreign investors to establish tobacco estates, and later other cash crops, in what is now North Sumatra. Under Dutch influence and the policy of indirect rule, the sultans leased very extensive areas of land to these foreigners while largely ignoring the rights of their subjects. The economic 'boom' which followed attracted investors from many parts of Europe and USA. Communities' objections and resistance were reduced by allowing shifting cultivation on lands left behind as the tobacco farms moved from one area to the next. The planters also imported thousands of Chinese and Javanese laborers to work on the steadily expanding estates.

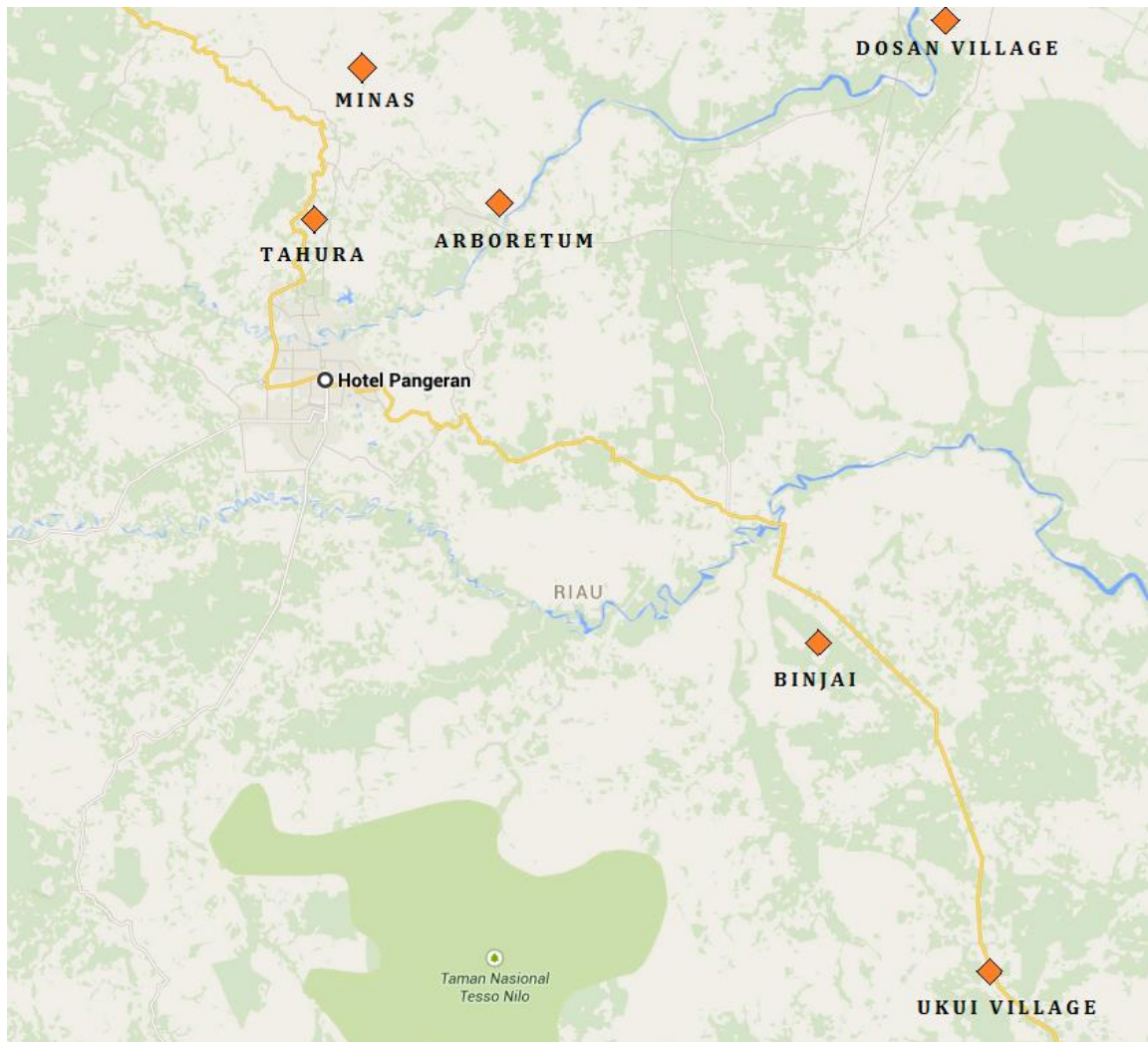
As the workers' numbers and their families increased, pressure on lands and forests within and between the estates intensified, as the people sought to supplement their meager wages with subsistence crops. Since independence, this pressure on land has steadily increased due to population growth, further spontaneous migration into the region, government-sponsored Transmigration projects, the increased

mechanization of harvesting of crops and trees, and the choice of less labor-intensive estate crops. Since the expanding plantations sector employs fewer and fewer workers, people have been forced to seek livelihoods elsewhere.

During the colonial phase, there was strong resistance to the colonial plantations by Batak and Garo 'tribes' which had to be put down by force. During the 1920s-1930s, in the Malay areas, peasant movements emerged which challenged the authority of the Malay sultans to hand out land to foreigners. Sumatra was thus the first area, after the revolution which led to independence, where Malay rulers were officially removed from office owing to popular resentment of these rulers and their collaboration with the Japanese army. These social movements for land reform, now reinforced by descendants of Javanese and other migrants and by the inland forest peoples made landless by plantations and conservation schemes, remain vigorous.

The field visits will allow us to get snapshots of some of the communities that are descendants of these peoples. The visits will also demonstrate:

- Operational challenges associated with deforestation-free commitments, including implementation, communication along supply chains, and monitoring and verification
- The relationship between land tenure (in)security and conflict, smallholder commodity production, and deforestation-free policies
- Insights on key challenges, and potential solutions, to ensure that deforestation-free initiatives both deliver positive outcomes in Indonesia and inform policy design and implementation at the global scale.



### Site #1 Tahura Forest Management Unit of Minas Taman Hutan Raya

In December 2013, Minas Tahura Forest Management Unit (FMU), which is only 25 Km from Pekanbaru, was established by the Ministry of Forestry Decree (number SK. 765/Menhut-II/2012) for Limited Forest Production (HPT) and the Sultan Syarif Hasyim Park, a government conservation area. The 146,734 hectare FMU overlaps the Siak Regency, Kampar Regency, and Pekanbaru City administrative jurisdictions. With respect to forest use, 55.9% of the area is managed for forest plantations by PT. Arara Abadi and PT. Riau Abadi Lestari, subsidiaries of Asia Pulp and Paper (APP), 4.2% is set aside for conservation in the Park and the remaining area is without concession. Based on 2012 Landsat imagery, 62.8% of the area consists of Palm Oil plantations, 33.1 % Acacia plantations, 4.8% settlement, and 1.7% Natural Forest.

Because the Tahura FMU is so close to Pekanbaru and contains natural forests, it has potential for development for tourism and recreational activities. However, there is a huge amount of land encroachment for palm oil plantations due to easily accessible roads throughout the forest areas. Efforts have been made to patrol the area and to undertake legal proceedings against the land encroachment

**Objectives:**

- To learn about the complexity of FMU management and concession allocation and how this can drive deforestation and loss of livelihoods for forest-dependent communities

**Speakers:** Mr. Fredrik Suli and Mr. Prayoto

**Site #2 Arboretum at Perawang**

The arboretum contains a variety of local and native tree species and shrubs. PT. Arara Abadi (a subsidiary of Asia Pulp and Paper or APP), has set aside the 42 hectare Arboretum at Perawang as protected forest which contains wildlife corridors, endemic and endangered species habitat, water catchment and sensitive soil conservation areas and an elephant park. The arboretum also contains a native tree species nursery and seedling bank which is used to restore degraded conservation forest ecosystems in Riau. Local people use the area for Non-timber Forest Products (NTFP) such as honey. While protecting the native species of Riau forest, arboretum is also beneficial as an educational, research and recreational center.

**Objectives:**

- To learn more about the management of the Arboretum and the key challenges of providing benefits for both forest conservation and community livelihoods.
- To experience a small piece of the natural forests which once covered Riau province

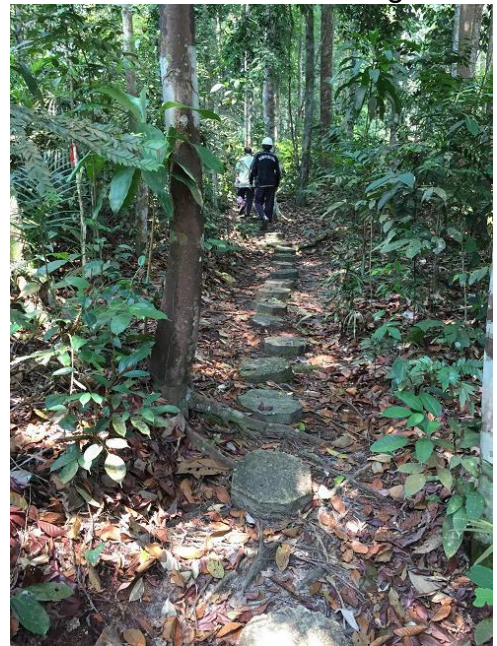
**Speakers:** Mr Syarif Hidayat, Environment and Forest Manager of PT Arara Abadi and Mr Endang Nurzihad, CSR Manager PT of Arara Abadi

### Site #3 Sakai Minas with PT. Arara Abadi

The hamlet of Datu Bosa of Sakai Minas Asal, is part of the administrative village of Minas Barat, in the sub-District of Minas, Siak District, Riau. The particular locale has been inhabited by the indigenous Sakai 'tribe' since at least 1936.

The Sakai indigenous community has been living and farming in the Minas area for many generations, as evidenced by the old cemeteries and former cultivation sites. They depended on the forests that surround their settlements and gardens for timber and non-timber products such as cassava, using traditional sustainable harvesting methods passed down from generations. They also use the forests for medicine, deploying more than 40 species of forest plants for medicinal drugs and in cultural rituals. The Sakai community practiced rotational farming ('shifting cultivation'), moving their villages around within their forested territory. Villages or sections of villages would move when relatives died, creating new settlements in different parts of the forest.

In 1974, a large part of the community was forced to leave Minas because of the unstable political and security situation prevailing in Indonesia at the time, but a few of the Sakai remained. According to information from the community, the areas were subsequently allocated as a logging concession (HPH) to the company PT. ETC. At the time of PT. ETC's operations, there were no serious conflicts with the company and community because the company used selective logging, allowing the inhabitants to continue to utilize non-timber forest products and forest farming to meet their livelihoods.



In 1996, without giving prior notice to the Sakai, the area was included in a 39,420 hectare Timber Plantation Concession (HTI) awarded to PT Arara Abadi, a subsidiary of APP (Ministerial Decree No. 743 / Kpts-II / 1996). The forest was managed much differently under the HTI, where forests were now being converted to *Acacia* or *Eucalyptus* species. At that time, the Sakai were forced to move to other areas but had trouble making a living without their traditional sources of livelihood so returned to their original settlement in Minas Sakai in 2003. Upon their return, they found that they were unable to use their lands to meet their basic needs within the *Eucalyptus* plantations.

PT. Arara Abadi did not recognize the right of the Sakai community to the lands that had become their concession which led to frequent competition for land and conflict between the company and the community. In 2012, the company's security forces evicted the Sakai from their homes and farms (which were located around the old cemetery), causing substantial loss to those affected. In May 2014 the Sakai in partnership with Scale Up sent a letter to APP seeking conflict resolution. In December 2014 Scale Up helped broker discussions between the community and



company, resulting in an agreement to resolve the conflict in a fair and responsible way. However actual progress on the ground has yet to be achieved.

**Objectives:**

- To demonstrate the potential for conflict between companies and communities over land-use in the absence of government recognition of indigenous peoples rights to resources.
- To discuss the social issues that must be addressed within deforestation-free commitments, and the need to co-create solutions that enable communities to continue to use the forests to meet their basic needs.
- To demonstrate conflict resolution initiatives involving independent parties as mediators and voluntary corporate forest conservation commitments

**Speakers:** Mr. Lontai dan Mr. Buyung (Community); Mr. Romes Irawan Putra and Harry Oktavian (Scale Up).

**Site #4 Dosan Vilage**

Dosan village located in Siak District, Pusako, consist of 723 hectares of palm oil smallholder plantation developed by the government and managed by more than 200 families. Plantation sizes are about 2-3 hectares per family. From 2011-2013 TFCA-Sumatera together with Jikalahari facilitated palm oil cooperatives from two villages (Dosan and Teluk Masjid) to register as RSPO members and obtain RSPO sustainable palm oil management certification which is underway.



The village plantations apply best management practices for water management and fertilization. The farmers believe that by implementing RSPO principals their palm oil production has increased with reduced environmental impact. The village government has enacted regulations to protect one of its freshwater resources, Teluk Naga Peat-Lake, along with 400 hectares of forest and is looking for

external support to help in conserving these areas.

**Objectives:**

- To learn how communities can work cooperatively to protect forest resources while at the same time develop economically and integrate into sustainable palm oil trade

**Speakers:** Mr. Jay Jasmi Program Manager of the Elang Foundation, and Mr. Dahlan, a leader of local palm oil farmers

### **Site #5 AMANAH Association**

Smallholders produce more than 40% of Indonesian palm oil but often do not have access to information or agricultural technology to achieve sustainable management. In an effort to address this challenge, the Ministry of Agriculture, Provincial Government of Riau, RSPO, Carrefour Foundation International and PT. ISS Asian Agri (a subsidiary of APRIL) helped WWF Indonesia facilitate the establishment of *Asosiasi Petani Sawit Swadaya* AMANAH or AMANAH independent small-holders farmers association.

The AMANAH partnership pioneered RSPO certification for independent smallholders on lands bordering the Tesso Nilo National Park. The farmers group has received training and coaching on sustainable agriculture from PT. ISS Asian Agri, with whom they have a formal trade relationship. The partnership now covers 1,027 hectares of plantation area and total of 481 independent smallholders. The initiative also demonstrated to smallholders how sustainable agriculture can improve productivity. Currently, the association is the only farmer association in Indonesia that holds the RSPO certification.

#### **Objectives**

- To demonstrate the positive impact that corporate deforestation-free policies can have on local stakeholders, such as independent smallholders.
- To show how deforestation policies are being communicated to the suppliers providing the commodities to local and global markets.
- To illustrate the collaborative effort of various key stakeholders (NGO, company and farmers) in developing the sustainable palm oil business
- To demonstrate direct local community engagement on sustainability practices as a means to influence action and attitude

**Speakers:** Mr. H Narno, CEO of the AMANAH Association, Mr. Edi and local farmers representing the Binjai community

