

TRUTH AND CONSEQUENCES

*Palm Oil Plantations Push Unique
Orangutan Population to Brink of Extinction*



AN EXPOSE BY RAINFOREST ACTION NETWORK

Ecological Catastrophe

In the Tripa Rainforest of Sumatra



A manmade inferno inside the globally renowned Tripa rainforest in Aceh, Indonesia is pushing this forest's unique population of Sumatran orangutans to the brink of extinction. Destruction inside palm oil plantation leases is driving the end of this great lowland forest, despite years of efforts by local communities to defend their forests and livelihood.

In the final week of March 2012, more than 90 fires swept through Tripa's controversial palm oil plantation leases, destroying the tropical forest canopy and its diverse inhabitants underneath it.

The fires have been devastating not just for the critically endangered orangutans and other iconic species, including tigers and elephants, but also for the surrounding communities of traditional fisher people whose livelihoods are dependent on the forest's rich resources. Conservationists from Sumatran Orangutan Conservation Program estimate that as many as 100 of Tripa's orangutans have been killed in the fires so far.

The timing and location of the fires in Tripa, unknown to burn naturally, casts enormous suspicion on the agribusiness companies active in the area. Using fire to clear forests in Indonesia is illegal. Unfortunately, the survival of Indonesia's valuable forests is at risk at the hands of profit hungry agribusiness companies that clear rainforests for palm oil and plantation timber production.

Palm oil plantations have been converting forest in Tripa for years; with

only one-third of this unique rainforest remaining. But a new palm oil plantation lease signed in 2011 by Aceh's then-governor, Irwandi Yusuf, a self-proclaimed conservationist and friend of local communities, may have placed the final fate of the Tripa rainforest in the hands of Indonesian agribusiness company, PT Kallista Alam. Following the lease signing, Tripa drew international attention, as an example of the link between worldwide consumption of commodity crops, the production of palm oil and the heavy ecological and social toll resulting from the deforestation of tropical rainforests.

Communities desperate to hold onto their rainforests and forest-dependent livelihoods and conservationists outraged at the global environmental tragedy unfolding were shocked by Yusuf's decision to sign the PT Kallista Alam concession into law. The new plantation is in clear violation of Indonesia's high-profile national moratorium on deforestation along with multiple other regional and national laws that have given protected-area status to Tripa and the surrounding Leuser Ecosystem. Facing such a clear example of illegality in the Indonesian agribusiness company, a coalition of impacted parties took the rare step in Indonesia of filing a criminal complaint against the management of PT Kallista Alam, as well as a lawsuit against the provincial government of Aceh.

Just a week after the outbreak of the Tripa fires, the Aceh Administrative court handed down a "no-decision," refusing to rule on the cases until the defenders of the Tripa forest made a goodwill effort to

negotiate a solution with Tripa's developers and destroyers. The decision was not surprising: Indonesia's courts are notorious for their corruption and regular refusal to rule on important cases. The plaintiffs have vowed to appeal and consider the ruling absurd. Tripa's forest communities and their environmental advocate allies have in fact spent years attempting to negotiate with the four agribusiness companies that wield control of Tripa. After hundreds of meetings, letters and protests in surrounding cities, Tripa's forests continue to be destroyed at an increasing rate, leaving critically endangered orangutans with nowhere to flee and communities with no land to plant crops, fish in the once-flooded forests or gather forest honey.

The dire situation in Tripa contradicts commitments made by the Indonesian government and the agribusiness industry to break the link between deforestation and palm oil production. In 2011, Indonesia adopted a moratorium on deforestation. Agribusiness companies followed with official policies and voluntary certification efforts of their own to clean up plantations and palm oil supply chains in effort to make them more environmentally sensitive, transparent and accountable. Yet now, despite



local community objections, widespread international concern and government acknowledgment that the Tripa forest should be protected, international palm oil traders, like Cargill, continue to give the palm oil produced in Tripa access to the global market.

The dire situation in Tripa contradicts many commitments made by the Indonesian government and international agribusiness to break the link between deforestation and palm oil production.



Tripa:

A Globally Significant Forest Ecosystem



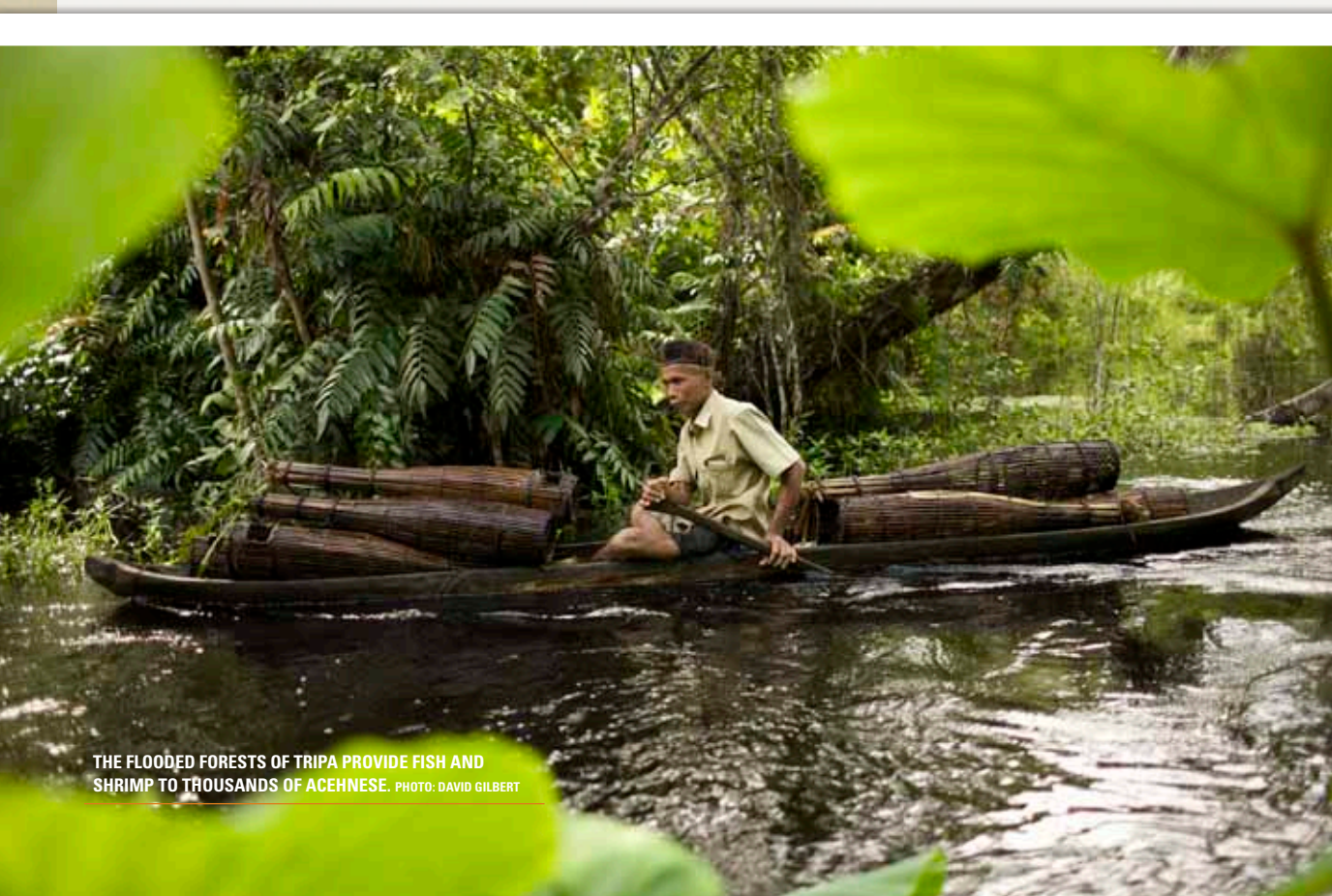
Tripa is a forest of special value. Its towering canopy and flooded forest floor have provided Indonesians livelihoods for generations. The flooded forest's stores of freshwater act as an aquatic nursery, producing large catches of fish that feed families and provide incomes to fulltime fishermen. At the forest's edge, spread along the banks of the Tripa, Seuneuam and Batee Rivers, generations of forest communities have paddled dugout canoes into the forest's black waters to place handmade catfish and shrimp traps. Other forest products also contribute to locals' incomes, like the forest honey that can be found in Tripa's canopy, and *damar*, a valuable resin that can be tapped from one of the more common mature rainforest tree species in the forest. Small scale, artisanal logging in the forest provides communities their canoes, houses and fuel for cooking.

Locals, facing the loss of their livelihoods provided by the forest, have written letters, met with government representatives and formed activist groups in an effort to have their community lands excluded from the plantation boundaries—without luck. Even in the most well established settlements, community members are now required to report to company security when they need to pass through the plantation on a daily basis. Harassment and demands to see identification are common. The palm oil companies strictly enforce their boundaries, using armed private security

and Indonesian military special forces police to keep villagers out of areas once managed as community forests.

Orangutans, perhaps Sumatra's most emblematic forest species, have lived in Tripa for many thousands of years. Known in Bahasa Indonesian as the "people of the forest," Tripa's richly productive ecosystem has allowed these orangutans to become especially social. Unlike other groups of orangutans that rarely interact and live in semi-isolation, Tripa's orangutans fascinate scientists by spending a significant proportion of their time in groups, interacting with one another, while they forage through the forest. Researchers believe it is these social interactions that have allowed the Tripa orangutans to develop their culture of using tools for feeding, their habits of food sharing and their complex communications.

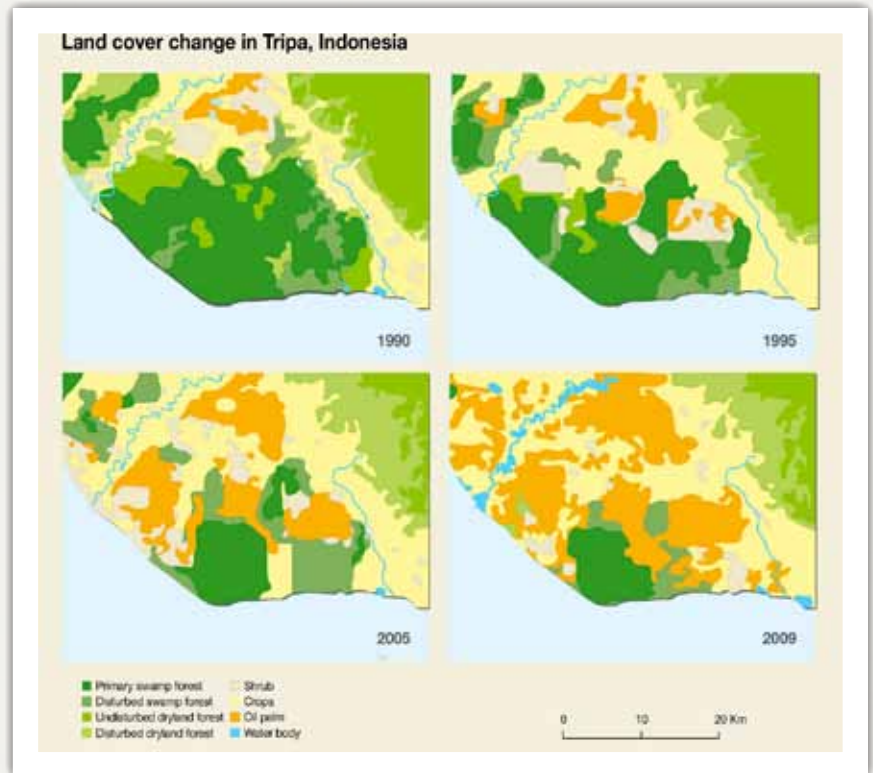
The International Union for the Conservation of Nature (IUCN) "red list" categorizes the Sumatran orangutan (*Pongo abelii*) as critically endangered, meaning this species faces the highest possible threat of extinction. *The Tripa orangutan population, once as many as 2,500 or more, is now down to an estimated 250 individuals, with most living in*



THE FLOODED FORESTS OF TRIPA PROVIDE FISH AND SHRIMP TO THOUSANDS OF ACEHNESE. PHOTO: DAVID GILBERT

the largest remaining intact area of the Tripa that is now under imminent threat of destruction.

Tripa is a tropical peat swamp forest, the single most important terrestrial ecosystem for the regulation of greenhouse gases that contribute to climate change. Over time, accumulation of tree and plant matter has formed peat soil, a spongy black, rich substrate made up almost entirely of carbon. Locked away and prevented from decomposing in the atmosphere because it has remained continuously flooded, the Tripa peat forest holds a carbon store of significant importance; estimates of the amount of carbon stored in Tripa's three peat domes range from 50 to 100 million tons, an amount equal to the carbon emitted by the use of air conditioning in the whole of the United States in a year. An estimated one million tons of carbon a year are being emitted by the burning and draining of Tripa's forests and peat soils.



THE STORY OF LAND COVER CHANGE IN TRIPA IS ONE OF DEFORESTATION TO MAKE WAY FOR AGRIBUSINESS EXPANSION. WICH ET AL. 2011

Locals, facing the loss of their livelihoods and forest, have written letters, met with government representatives and formed activist groups in an effort to have their community lands excluded from the plantation boundaries - without luck. Even in the most well established settlements, community members are now required to report to company security when they need to pass through the plantation on a daily business. Harassment and demands to see identification are common.



LEFT: A HANGING BROMELIAD IN THE TRIPA FLOODED FOREST. THE INUNDATED PEAT SOILS THAT GIVE THE WATER ITS CHARACTERISTIC BLACK COLOR ARE THE RESULT OF THOUSANDS OF YEARS OF ACCUMULATION OF THE RICH PLANT LIFE OF THE FOREST. RIGHT: ACEHNESE CHILDREN LOOK OUT FROM THEIR HOME NEARBY THE FLOODED PEAT FOREST OF TRIPA, INDONESIA. PHOTOS: DAVID GILBERT

The Tripa Forest & Palm Oil Development: A History of Social Conflict and Rainforest Destruction

Up until 1990, the Tripa ecosystem covered approximately 60,700 hectares, an area the size of Singapore. But in the early 90's five licenses were allocated by the central government without community consent to convert the unique Tripa rainforests to oil palm plantations. Indonesia's corrupt dictator, Suharto, had begun dividing up Sumatra's rainforests and local community lands for palm oil, logging and pulp wood development. Tripa, despite its importance to local communities and its high conservation value, was subjected to a slate of aggressive development in which more than 250 palm oil concessions were given out in a period of less than five years in the surrounding province of Aceh.

In 2007, Astra International, of which a 50 percent share is controlled by UK-listed investment firm Jardine Matheson, took over one of Tripa's palm oil concessions, PT Surya Panen Subur. Through their subsidiary, PT Astra Agro Lestari, Astra International began clearing immediately. From 2007 to 2009, 8,000 hectares of rainforest was lost in Tripa, of which 5,000 hectares was in Astra Agro's concession. In two years, this habitat lost 25 percent of the area of peatland forests it held in 2007.

Despite multiple national laws that mandate a "Zero-Burn" policy for palm oil companies, satellite analysis carried out by the environmental group, Koalisi Penyelamatan Rawa, Tripa showed over thirty detectable fires inside Astra Agro Lestari's palm oil plantations from 2007 to 2009.

Smoke from the smoldering peatlands was so intense that thick haze overwhelmed cities hundreds of kilometers away and local community members had to seek medical treatment for smoke inhalation. However, the company was never forced to account for or redress these impacts.

A 2007 province-wide moratorium on forest logging, signed by Aceh's then governor Irwandi Yusuf, should have made Astra International's clear-cutting for oil palm illegal. Then, a new, nation-wide spatial plan developed in 2008, "Peraturan Pemerintah 26/2008," prohibited further damage to the Tripa ecosystem because of its location inside the Leuser Ecosystem, a UNESCO World Heritage Biosphere Reserve deemed by the Indonesian government to have special "conservation and strategic value."

Smoke from the smoldering peatlands was so intense thick haze overwhelmed cities hundreds of kilometers away and local community members had to seek medical treatment for smoke inhalation, but the company was never forced to account for or redress these impacts.



Indonesia's Forest and Palm Oil Commitments: A Bold New Path or (Agri)Business-as-Usual?

In May 2011, Indonesia's president established a nation-wide moratorium on deforestation in a high profile effort to slow forest loss and tackle climate change. The moratorium defined specific forest areas held by the government as off limits to new palm oil and pulp wood plantations and other forms of forest degradation and conversion. As part of the moratorium, the Ministry of Forestry produced a map that delineated areas covered by the Presidential decree. The map clearly marked the remaining natural rainforest and peatland areas in Tripa, recently licensed to PT Kallista Alam for conversion to oil palm plantation, as off limits.

If the already existing palm oil plantations in Tripa could not be annulled, as many Indonesian community representatives and environmental advocates had called for, there was hope that the national moratorium would at least protect the last of Tripa's rainforests and peatlands that had not been licensed for conversion to oil palm plantations. It was surprising then, in August 2011, when Aceh's then-governor, Irwandi Yusuf, granted PT Kallista Alam permission to clear and develop a new palm oil plantation over most of the remaining natural forests and peatlands of Tripa—an area supposedly off-limits to any new development under the moratorium. The palm oil concession is, in the words of Indonesia's Ministry of Forests secretary general, "clearly a violation because the area in question is a peat forest." The ministry quickly promised an "intensive probe" into the controversial permit.

As the case gained wide exposure, a local environmental group, The Coalition for the Protection of Tripa (*Koalisi Penyelamatan Rawa Tripa*), produced evidence that PT Kallista Alam had begun clearing the forest in January 2010, more than 18 months before the company had permits to do so. In addition, they alleged that the legally required environmental impact statement for the concession was incomplete and pointed to repeated reports of illegal land clearing in the area that had been filed with the provincial police and ignored.

Despite contrary evidence, former Governor Yusuf has maintained his position that PT Kallista Alam is fully in compliance with Indonesian law. In response to the loud protests by 21 Tripa communities over the loss of their ancestral forests and farms, Yusuf has said that it is up to the plantation company and the communities to work out an agreement—a sentiment echoed by Judges in the March 2012 ruling—which brushes aside the likely social conflicts and ecological mayhem of the decision.

Then, in December 2011, the Ministry of Forests and the Ministry of Agriculture did an about-face on their previous positions and, following the lead of former Governor Yusuf, authorized the destruction of Tripa. Without public explanation or comment, the area of PT Kallista Alam was removed from the moratorium map, along with almost nine million acres of additional primary and peat forests throughout the country. By doing so, the Indonesian government called into question their commitment to the moratorium, emissions reductions and the rule of national law.



FIRES RAGING ACROSS TRIPA DURING MARCH OF 2012. PHOTOS: CARLOS QUILLES

Running out of Time:

Vested Interests Allow Indonesia's Environmental Toll to Rise

Indonesia, listed alongside Nigeria and North Korea, now has the highest rate of deforestation in the world. The country has lost, on average, 3.7 million acres of rainforest a year over the past 20 years.

Indonesia's forests and their industrial exploitation has been a source of "unlimited corruption," according to Chandra Hamzah, deputy chairman of Indonesia's Corruption Eradication Commission. Such institutional corruption helps explain why the Indonesian government's promises to slow deforestation have been unrealistic, inconsistent and ineffective, and why agribusiness companies seem to have free reign in forests like Tripa.

Certain palm oil producers have attempted to deflect local and international concern over the environment as an unreasonable goal imposed by foreign interests that will cause great economic harm. But the truth is that the loudest public outcry around the fate of Tripa's

forests has been from local communities and Indonesian organizations, and no one is calling for the end of the palm oil industry. Also, it is worth mentioning that many of the companies destroying Indonesia's rich natural resources are foreign-owned.

The case of Tripa shows that even the most important and supposedly protected forests are not safe from agribusiness expansion. The moratorium clearly falls far short of what is needed to address carbon emissions. But Tripa demonstrates that, even with all of its shortcomings, the moratorium is not being implemented, suggesting that reformers in the Indonesian government and palm oil companies do not yet have the influence needed to overcome the powerful elite, who reap the most benefits from Indonesia's rainforest destruction for the sake of palm oil expansion.



International Market Links and Commitments Regarding the Destruction of Tripa

As forest clearing and peatland drainage continues at PT Kallista Alam and the other palm oil plantations, a lack of agribusiness transparency prevents a full understanding of Tripa's internationally distributed palm oil chain. Astra Agro Lestari produced and exported palm oil from Tripa until 2010, when it sold its Tripa plantation to another agribusiness based in Jakarta, the Triputra Group.

Trade data held by Rainforest Action Network shows that Cargill shipped at least 4,000 tons of crude palm oil produced by Astra Agro Lestari from the island of Sumatra in 2009. It is highly likely that at least some of this 4,000 tons was from Tripa, making a direct link between the destruction Tripa and the US consumer impossible to ignore. Cargill Inc., one of the largest traders and importers of palm oil and its derivatives into the United States, operates its own palm oil plantations in Sumatra and Borneo and trades palm oil produced by at least fifteen Indonesian palm oil producers. Cargill's relationships with Astra Agro Lestari, or other plantation companies with operations in Tripa, highlights the lack of safeguards on the quarter of the world's palm oil the company trades.

Trade data also shows that Astra Agro Lestari also sells millions of dollars of palm oil a year to industry giants Wilmar, Unilever and Sinar Mas, demonstrating that customers around the world have purchased Tripa's palm oil and are helping to drive the destruction associated with it. All of these companies have made specific commitments to avoid deforestation in their palm oil supply chains. However, through their links to Tripa, they continue to violate these commitments.

Plantation ownership in Tripa, as in much of Indonesia, is an ever-changing shell game where ownership shifts often, illegal operations are frequent and establishing direct supply chain links is very challenging.

While it is very difficult to get transparent customs data, Cargill holds the records and answers to the questions raised by those concerned with the situation unfolding in Aceh. The bottom line remains that Cargill cannot ensure that it is not trading palm oil from Tripa or parent companies profiting from the destruction of Tripa because it has no safeguards in place to prevent it.

It is past time for Cargill to adopt safeguards on the palm oil it trades without outsourcing its values to RSPO membership to guarantee that it is not profiting from situations like Tripa across Indonesia and Malaysia.



TOP: A BULLDOZER AMONGST NEWLY PLANTED OIL PALM ON THE EDGES OF THE TRIPA FOREST IN 2009. PHOTO: DAVID GILBERT
ABOVE: FIRES RAGING ACROSS TRIPA DURING MARCH OF 2012. PHOTOS: CARLOS QUILLES

Taking Responsibility To Clean up the Palm Oil Industry

The widespread devastation of Tripa's rainforests is, unfortunately, just one example of the destructive practices of the palm oil industry. With the government unable, or unwilling, to take the steps needed to break the link between palm oil production and critical issues such as deforestation, climate catastrophe, the extinction of the Sumatran orangutan and land conflicts, palm oil buyers must take responsibility for the palm oil they consume.

SAVING TRIPA

Even after 20 years of destruction, thousands of acres of priceless Tripa forest survive. Today, the forest holds five percent of the Sumatran orangutans surviving in the wild and the area's peat soils still contain millions of tons of carbon. We must ensure that it is not too late for Tripa as this unique rainforest continues to represent a major opportunity for forest conservation.

If you use or consume palm oil, it is time to join the international effort to protect Tripa rainforest and the Leuser ecosystem:

- » Call for the immediate revocation of the palm oil permit issued to PT Kallista Alam, and a permanent ban on any additional clearing in the Tripa forest or Leuser ecosystem.
- » Voice support for the prosecution of PT Kallista Alam and other palm oil companies found in violation of Indonesian law in the clearing of the Tripa rainforest.
- » Demand that Cargill, Wilmar and other traders immediately stop trading with palm oil companies profiting from destruction of the Tripa rainforest.

PREVENT THE NEXT TRIPA

If you consume palm oil, but do not want to support human rights violations, social conflict and environmental devastation, you can help prevent the next Tripa.

By adopting safeguards around palm oil entering international markets, we have an opportunity to protect other critical ecosystems before catastrophes occur, as they did in Tripa:

- » Work with Rainforest Action Network and other stakeholders to adopt a palm oil policy that makes explicit your company's values around conservation and human rights.
- » Avoid outsourcing your values to certifications schemes that cannot currently guarantee all of your values will be met. Instead use Roundtable on Sustainable Palm Oil (RSPO) certification in addition to other tools that can help ensure you are not connected to social conflict or forest loss. If you use certification as a tool then it is important to engage with the RSPO to help ensure the standard continues to improve.
- » Take responsibility for understanding your supply chain and pressure your supplier to improve palm oil plantations on the ground. Traders such as Cargill must adopt safeguards on the palm oil they supply to international markets. Necessary supplier safeguards include:
 - » **Social Safeguards**
A commitment to resolve social and land rights tenure conflicts, a no-trade position for growers using child or slave labor, adherence to obtaining free, prior, and informed consent (FPIC) of forest-dependent communities before lands are acquired or developed, and a commitment to implement the United Nations "protect, respect, and remedy" framework for human rights.
 - » **Environmental Safeguards**
A commitment to reduce biodiversity loss and greenhouse gas emissions by ending the expansion of palm oil plantations into High Conservation Value (HCV) areas including critical habitat, peatlands and High Carbon Stock forests, and other natural forests and ecosystems.
 - » **Commitment to Public Transparency**
A commitment to transparent and consistent reporting of metrics and targets as well as regular stakeholder and rights-holder engagement.



Endnotes

Antara News. 2011. Orang utan Rawa Tripa mencari "rumah baru." December 29. <http://www.antaraneews.com/berita/1325095001/orang-utan-rawa-tripa-mencari-rumah-baru> (accessed April 12, 2012).

Burhanudin, Mohamad, and Agus Mulyadi. 2011. Izin Perkebunan di Aceh Bermasalah Harus Dicabut. *Kompas*, December 12. http://regional.kompas.com/read/2011/12/12/21503988/Izin_Perkebunan_di_Aceh_Bermasalah_Harus_Dicabut (accessed April 12, 2012).

Daily Aceh. 2011. Aceh Governor Irwandi Bela Kalista Alam. December 24. <http://sindikasi.inilah.com/read/detail/1811303/gubernur-aceh-irwandi-bela-kalista-alam> (accessed April 12, 2012).

Faizal, Elly Burhaini. 2011. Govt seeks to overturn Aceh's granting of forest clearing permit. *The Jakarta Post*, December 10. <http://www.thejakartapost.com/news/2011/12/10/govt-seeks-overturn-aceh-s-granting-forest-clearing-permit.html> (accessed April 12, 2012).

Fogarty, David. 2011. Special Report: How Indonesia hurt its climate change project. *Reuters*, August 16. <http://www.reuters.com/article/2011/08/16/us-indonesia-carbon-idUSTRE77F0IK20110816> (accessed April 12, 2012).

Forest Watch Indonesia. 2011. *Press Release: Portrait of Indonesia's Forests: 15.2 million Ha Forest Has Gone*. July 27. <http://fwi.or.id/english/?p=170> (accessed April 12, 2012).

Indonesia Today. 2011. Wilmar and Sinarmas, Biggest Customer of Astra Agro. July 27. <http://www.theindonesiatoday.com/news/resources/agriculture/12892-wilmar-and-sinarmas2c-biggest-customer-of-astra-agro.html> (accessed April 12, 2012).

PanEco. 2008. *How palm oil plantations at Tripa increase disaster risk, contribute to climate change and drive a unique Sumatra-orangutan population to extinction*. November.

Primanita, Arientha. 2011. Yudhoyono Criticizes Foreign Environmental NGOs. *Jakarta Globe*, December 22. <http://www.thejakartaglobe.com/nvironment/yudhoyono-criticizes-foreign-environmental-ngos/486417> (accessed April 12, 2012).

Satriastanti, Fidelis E. 2011. Ministry to Probe Aceh Forest Clearing Permit. *Jakarta Globe*, December 14. <http://www.thejakartaglobe.com/nvironment/ministry-to-probe-aceh-forest-clearing-permit/484331> (accessed April 12, 2012).

Satriastanti, Fidelis E. 2011. Yudhoyono Signs Decree to Reduce Greenhouse Gas Emissions. *Jakarta Globe*, September 26. <http://www.thejakartaglobe.com/nvironment/yudhoyono-signs-decree-to-reduce-greenhouse-gas-emissions/467797> (accessed April 12, 2012).

Tim Koalisi Penyelamatan Rawa Tripa. 2011. *Tripa Truths*. Medan, Indonesia.

Van Schaik, C. P., Deaner, R. O., and M. Y. Merrill. 1999. The conditions for tool use in primates: implications for the evolution of material culture. *Journal of human evolution* 36(6): 719-41.

Wich, S. A., Meijaard, E., Marshall, A. J., et al. 2008. Distribution and conservation status of the orang-utan (*Pongo spp.*) on Borneo and Sumatra: how many remain? *Oryx* 42 (03): 329-339.



Credits:

Written by David Gilbert
Photos: David Gilbert and Carlos Quiles
Design: Toben Dilworth / RAN

David Gilbert is a political ecologist who has lived and worked in Indonesia's forests since 2007.

Cover Photo: Carlos Quiles



221 Pine Street #500
San Francisco, CA 94104
T: (415) 398-4404 | RAN.org