

*Jikalahari*



Pekanbaru, 14 November 2016

To:  
**Credit Suisse Bank**  
in  
**Switzerland**

Dear Sir/Madam,

We are writing to share some concerns over what happened on the ground relating to APRIL activities in Riau Province. As you remember, we have met with some of you in Switzerland in April 2015 to inform you about the situation in the villages of Pulau Padang. After that, we had great hope for substantial improvements by APRIL and its subsidiary in Riau, especially when they launched their improved sustainability commitment in June 2015. Recent situation in Riau has showing difference of what they promised to commit and what is occurring at the field. With this letter we share with you a number of unresolved issues associated with APRIL group in Riau province:

1. APRIL group and its subsidiary PT RAPP still not comply with regulation in Indonesia regarding peat protection and peat management. They keep building canals and destroying peatland although Government regulation prohibit them from carrying out activity on peatland, as recently happened in Pulau Padang.
2. In some areas, our findings reveal that instead of restoring burned peatland, they continue planting acacia in the area.
3. Later, in Sept. 2016 Security officers of PT. RAPP/APRIL prevented Head of Peat Restoration Agency (BRG) from conducting an inspection in Pulau Padang. This case is well known, and we really think it is a blatant violation of their SFMP.
4. Recent study by Deltares and Wetland International in one of the most rich peatland area in our province has showed that even with the good sound technology called "eco hydro", plantation draining will inevitably lead to peat degradation, subsidence and flooding, and it is just a matter of time to see the Kampar Peninsula destroyed.
5. APRIL group and its subsidiary failed to resolve conflicts with the communities in Riau province. Conflicts in Pulau Padang remain unsolved. Though some meetings have been held and resulted in some initial agreement, APRIL and its subsidiary ignore these agreements and continue to operate in the area they claimed as the company's concession. An area of 72 ha community land has been cleared and developed in plantation or canals. Yet, they still have not implemented Indonesia's regulation on concessionaries area division, according to which 20% of the

concession should be partnered with local community for livelihood trees (Tanaman Kehidupan) for community benefit. We estimate the implementation of Tanaman Kehidupan is less than 7%.

6. Even more, their permit for Restoration Ecosystem project in Riau is also conflicting with local community. As an example, area of 400 ha overlap with community's land in Serapung, Pelalawan where community plan to manage it collectively through Social Forestry scheme.
7. APRIL Group and its subsidiary have been recorded for having massive fires in their concessions which amongst other companies contributed to big Haze in 2015 that caused the death to 5 Riau resident; 3 of them were kids, and more than 87.000 people suffered from respiratory diseases. Currently, 6 of their subsidiaries have been investigated by Police Department in relation with fires.
8. In the past, APRIL subsidiaries have been involved in a corruption permit case that has put 6 public officials into prison including 1 former Riau governor, 2 former Head of District, and 3 former Head of District/Provincial of Forestry. Following the corruption case however, these APRIL subsidiaries have not been verified by the Ministry of Forestry which means that their permit has to be considered as non-procedural.

Considering the above, and considering that your bank committed to play an important role to help APRIL move into the suggested direction, we recommended as follow:

1. To urge APRIL and its subsidiaries and suppliers to fully comply with Indonesia regulations, with no exceptions, and adjust their General Annual Working Plan according to the existing regulations.
2. To urge APRIL and its subsidiaries and suppliers to respect and allow space for local community for living, according away space for community management and for community livelihood.
3. To suggest to APRIL and its subsidiaries and suppliers to fully implement their sustainability commitment, allowing civil society to monitor this implementation on the ground, and increase transparency in its development.
4. Urge APRIL and its subsidiaries and suppliers to protect peat and prevent the recurrence of fires in their concessions. Where fires occurred, they should restore the peat land, blocked canals, and follow all regulation related fires prevention and fire control.
5. To urge APRIL to immediately phase out from Semenanjung Kampar to avoid worse loss in the future.

We do really hope you consider all the above issue wisely and incorporate into both policy and action that may lead to better changes.

Sincerely Yours,

**Woro Supartinah** (Coordinator of Jikalahari)

**Isnadi Esman** (Secretary General of JMGR)

Jikalahari is a networking NGO comprising of 21 member organizations based in Pekanbaru, Riau, JMGR; Community Peat Association is a community association among local communities in all peat district in the Riau Province