

PRESS RELEASE - January 9th, 2014

Palm Oil Company fined Millions as Indonesian Court delivers historic ruling against illegal destruction of Tripa Peat Swamp Forests.

[Banda Aceh / Indonesia] Setting a landmark new precedent, Indonesian courts yesterday found palm oil company PT Kallista Alam guilty of illegally burning forests within the Tripa Peat Swamps, part of the protected Leuser Ecosystem, resulting in a fine of 114 billion Rupiah, approximately 9 million US dollars.

“This is a clear message to companies working in Aceh who think they can destroy protected forests and get away with it” said Muhammad Nur, Chairman of WALHI Aceh (Friends of the Earth Indonesia).

According to Senior Judge, Rahmawati SH, PT Kallista Alam was found in breach of National Law No 32/2009 on Environmental Protection and Management, for illegal use of fire to clear forests, and ordered to pay Rupiah 114.3 billion (approx. USD 9.5 million) as compensation and Rupiah 251.7 billion (almost 21 USD million) for restoration of the affected forests.

Kamaruddin, a lawyer working with communities in the Tripa region reiterated, “This decision should serve as a wake up call to any company thinking of investing within the Leuser Ecosystem, a National Strategic Area, that they could suffer the same fate as PT Kallista Alam. It should also be a reminder to others who deliberately burn forests or allow forest burning within their concessions, regardless of whether or not they are working inside the Ecosystem’s boundaries, that they could also be prosecuted. The Judge’s decision in this case clearly illustrates a move towards improved law enforcement against environmental offenders in the region.” He added.

The company, PT Kallista Alam, first came to international attention in August 2011, when former Governor of Aceh Province, Irwandi Yusuf, issued a new 1,605 ha oil palm concession permit within the legally protected Leuser Ecosystem, an area renowned for hosting the highest densities of orangutans found anywhere on earth, sparking an international outcry.

Subsequently, over 1.5 million people signed online petitions calling for greater protection of Aceh’s Forests, currently under enormous threat due to a controversial new spatial planning law issued by Aceh’s Parliament on December 27th. These petitions are further supported by some of the world’s leading scientists and conservation experts, who have written to Aceh’s present Governor, Zaini Abdullah, urging him to nominate the Leuser Ecosystem as a World Heritage Site, due to its unique and irreplaceable biodiversity. The Leuser Ecosystem is the only place on earth where tigers, elephants, rhinos and

orangutans can be found living together in the wild and was listed by the World Conservation Union (IUCN) as one of the 'World's Most Irreplaceable Protected Areas' in an article in the journal *Science*, in November 2013.

Dr Ian Singleton, Director of the Sumatran Orangutan Conservation Programme, highlighted the critical importance of the area. "Tripa is one of only 3 remaining peat swamp forests left containing orangutans in Sumatra and it's impossible to overstate the importance of protecting every last hectare of each of them. Orangutan densities can reach as high as 8 per square kilometer in these areas, compared to an average of around only 1 or 2 per square kilometer in dryland forests. These peat swamps have justifiably been referred to as the 'orangutan capital of the world'. The Leuser Ecosystem too, offers the only real hope of survival for Sumatra's other key iconic megafauna, the Sumatran tiger, rhino and elephant, as well as its orangutans. Yesterday's ruling is of course extremely welcome, but the level of interest in Tripa and the Leuser Ecosystem worldwide shows clearly just how seriously concerned the international community is right now about the fate of these forests and their globally important biodiversity", he emphasised.

"The Leuser Ecosystem provides countless locally and globally important environmental services too", explained Graham Usher, Landscape Protection Specialist with the Swiss based PanEco Foundation. "For Aceh alone these have been valued in excess of 400 million dollars per year, and the region's contribution to mitigating climate change, through its carbon sequestration function probably stretches into billions of dollars. It is very encouraging that companies and decision makers destroying these services in Indonesia are finally being held accountable for the economic damage their illegal activities cause, and all credit is due to the Ministry of the Environment for their efforts in prosecuting this case. The court's decision is indeed a huge victory, and represents one significant step in the right direction. But I think many more such steps are needed before we will really see a change in the behaviour of companies and officials." added Usher.

"Aceh's Parliament is right now pushing a new spatial land use plan which they recently legalised with a new Provincial Government Regulation, known locally as the Qanun RTRW Aceh". Explained Muhammad Nur. "The Qanun completely ignores the protected status of the Leuser Ecosystem, simply so they can open up large areas of protected forests for road building, mining, palm oil and timber concessions. This will, in effect, end Aceh's chances for long-term sustainable development, as it will cause further destruction of critical watersheds, leading to ever more frequent flash floods, landslides, and other environmental disasters. The companies lobbying for this new plan, and the Aceh Government themselves, should be held accountable for all the damage that will ensue. We hope yesterday's result will serve as a strong warning that if you destroy our forests, we are not afraid to fight back" he stressed. "We thank the judge for delivering a just and fair verdict in this case, and all the people around the world who have been calling for enforcement of National Laws protecting the Leuser Ecosystem. This will be a long battle, but it is one we simply cannot afford to lose, no matter what the cost." He concluded.

Yesterday's groundbreaking verdict is the result of just one of several civil and criminal prosecutions underway against PT Kallista Alam and four other oil palm companies with concessions in Tripa, namely PT. Surya Panen Subur II, PT. Dua Perkasa Lestari, PT. Gelora Sawita Makmur and PT. Cemerlang Abadi. Each faces the possibility of serious financial consequences as a result of their illegal clearance, burning and drainage of Tripa's unique peat swamp ecosystem. Some of the company Directors and senior management also face the prospect of prison terms in cases against them for their actions on the ground.

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MEDIA CONTACTS:

1. Dr Ian Singleton, Director - Sumatran Orangutan Conservation Programme. Tel: +62-811650491, Email: mokko123@gmail.com
2. Muhammad Nur, Executive Director - WAHLI Aceh. Tel: +62-8126970494, Email: mnur.walhiaceh@gmail.com
3. Graham Usher, Landscape Protection Specialist, PanEco Foundation. Tel: +62-87766394260, Email: kimabajo1@gmail.com
4. Kamaruddin, Lawyer. Tel : +62-8116700118, Email: kamaruddinaceh@yahoo.co.id

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PHOTOGRAPHS:

- attached showing illegal fires within the Tripa peat swamps, Leuser Ecosystem in June 2012 (copyright SOCP). Filenames are self explanatory.