

One of Wilmar's largest palm oil suppliers is constructing a canal to clear deep forested peatlands in Borneo, Indonesia



Google Earth 9/23/2013

Is it possible that the construction of the canal, which appears to being carried out professionally, on the Wilmar supplier's concession could be the work of encroachers?

Background

On 23 June 2014, *Mongabay.com* covered a Greenomics Indonesia spatial analysis which revealed that a Wilmar supplier, PT Sumatera Jaya Agro Lestari (SJAL) was clearing orangutan habitat in Indonesian Borneo, West Kalimantan Province.

In the TFT-Wilmar Third Update Report (July-September 2014), SJAL was included in the "engagement and supply chain mapping" category. The Greenomics spatial analysis was conducted on one of SJAL's two blocks.

It came as a major surprise to us when it was found that SJAL had commenced the construction of a canal to clear deep forested peatlands in another block (Block II). We say "surprise" as SJAL was stated by TFT-Wilmar's Third Update Report to be included in the "engagement and supply chain mapping" category.

Of course, the big question that arises now is, what precisely is meant by TFT-Wilmar's version of "engagement and supply chain mapping," given the construction of the canal through deep forested peatlands – meaning most assuredly that the said deep forested peatlands will soon be cleared?

As an update, SJAL is one of the largest palm oil suppliers to Wilmar-Indonesia, at least according to the 2015 Wilmar's Second Quarter Report (April-June 2015). On this basis, TFT-Wilmar need to explain how it is possible that the canal is being constructed so professionally, as can be clearly seen from the satellite images?

Further, how could such construction work occur on the concession of such an important supplier of Wilmar, affecting deep forested peatlands, as it does. This report provides conclusion and recommendations as input for the attention of TFT-Wilmar.

Methodology

The report uses only USGS Landsat 8 images to show the professional construction work of the canal on the SJAL concession. The information contained in the report on peatland distribution and depth is based on data from Wetlands International. The report also avails of official 2013 land-cover data from the Ministry of the Environment and Forestry.

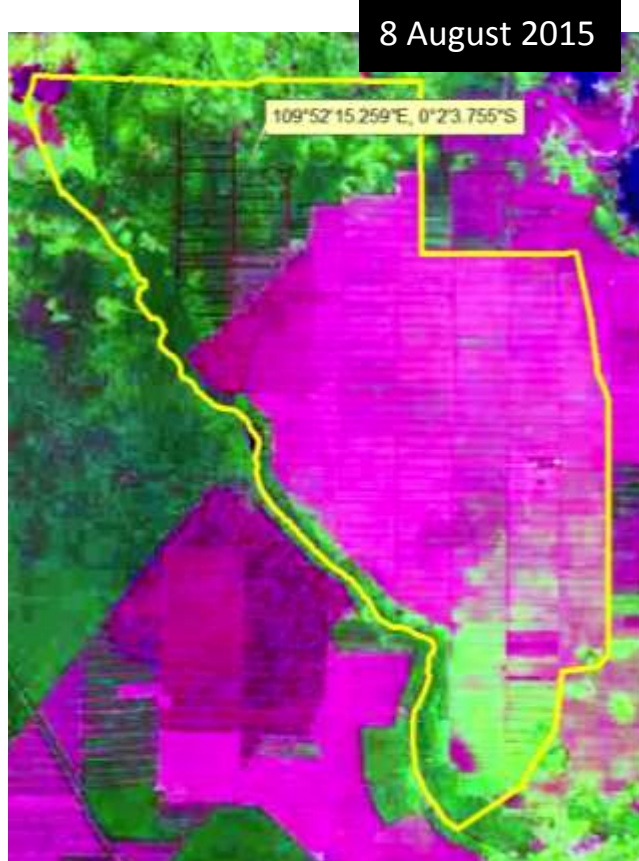
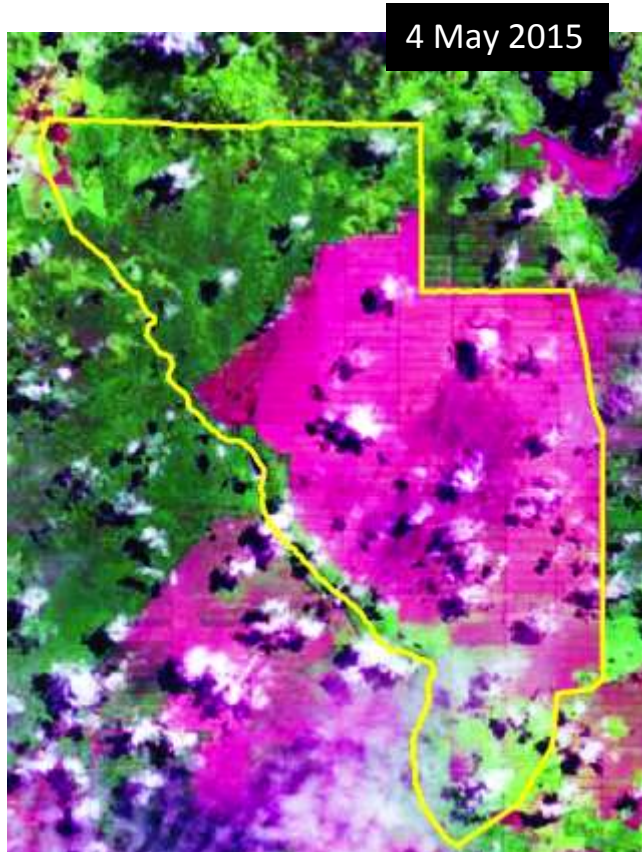
The construction of the canal on the SJAL concession forms part of the effort to continue the development of oil palm plantations that have not been completed.



Findings

Is the construction of the canal through deep forested peatlands in accordance with Wilmar's Zero Deforestation Policy and IPOP?

The USGS Landsat 8 images presented below (which were taken on 4 May 2015 and 8 August 2015) clearly show that SJAL resumed oil palm plantation development by constructing a canal and making preparations to clear deep forested peatlands of between 200 and 400 meters in depth. Based on the 2013 land-cover data from the Ministry of the Environment and Forestry, the canal was built in secondary swamp forests.



As one of the largest suppliers of Wilmar-Indonesia, does the construction of the canal in deep forested peatlands not constitute a violation of Wilmar's Zero Deforestation Policy? Wilmar, as one of the signatories of IPOP, needs to explain whether the construction of the canal is in line with IPOP? Does Wilmar permit its suppliers to clear HCS forests and peatlands up until the end of 2015? Wilmar needs to provide clear and unequivocal answers to these three questions.

Is the construction of the canal on the concession of Wilmar's largest supplier being carried out by encroachers?

Given that SJAL was included in the "engagement and supply chain mapping" category in TFT-Wilmar's Third Update Report last year, it is to be expected that TFT-Wilmar will conduct ground checks so as to ascertain whether encroachers are involved in the construction of the canal on the SJAL concession.

If indeed encroachers are involved, TFT-Wilmar needs to provide a clear explanation to the public. The same applies if the construction of the canal is being carried out by SJAL.

This report confidently concludes that the canal is being constructed by SJAL, not by encroachers. If indeed the canal is being constructed by encroachers, naturally TFT, Wilmar and SJAL will need to prove this.


This report relies solely on USGS Landsat 8 images to prove that the construction of the canal does not involve encroachers.

Conclusion

The monitoring conducted for the TFT-Wilmar Third Update Report (July-September 2014) must be questioned given that the canal is being constructed through deep forested peatlands on the SJAL concession.

Recommendations

- TFT-Wilmar need to conduct a ground check on the construction of the canal on the SJAL concession, as well as check the legal documents related to the canal's construction, bearing in mind that land clearing in forested areas for the development of oil palm plantations requires a permit from the local government, a copy of which permit must be forwarded to the Ministry of the Environment and Forestry.
- The findings of the ground check and verification of the legal documents must be revealed to the public by TFT-Wilmar. Similarly, they must come clean as to whether or not encroachers are involved in the construction of the canal.
- If the construction of the canal is based on HCV and HCS assessments, TFT-Wilmar will also need to provide explanations to the public, given that common sense dictates that the construction of such a canal through deep forested peatlands should be off-limits to a Wilmar supplier under Wilmar's zero deforestation policy.

An aerial photograph of a peatland landscape, showing a dense grid of rectangular drainage canals. The canals are filled with water, reflecting the sky, and are separated by raised earthen ridges. The overall color palette is dominated by the brownish-grey of the peat and the blue-grey of the water.

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IPOP-OBSERVER – an initiative by Greenomics Indonesia to identify the extent to which IPOP is being implemented in Indonesia – uses the results of spatial monitoring, field observations and legal analysis to question the extent of the role played by IPOP signatories in providing solutions to their suppliers in their efforts to fulfill one of the objectives of IPOP, namely, to find solutions for sustainable palm oil that is deforestation free. The main purpose of IPOP-OBSERVER is to share lessons learned from the implementation of IPOP.

For further discussion please contact:

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