

## Jelai Hulu/Tumbang Titi Landscape

### LANDSCAPE

Jelai Hulu and Tumbang Titi are two districts in Ketapang that have suffered some of the worst flooding in recent years. The area where these two subdistricts meet is dominated by six corporate concessions: four oil palm, one industrial tree and a logging concession. The central concession in this landscape is the 15,945 ha oil palm concession PT Falcon Agri Persada owned by First Resources. Running through PT Falcon Agri Persada is the Jelai river and on either side of it lies two villages, Riam Danau Kanan, located within PT Falcon Agri Persada and Kesuma Jaya located within the Djarum-owned industrial tree concession PT Wana Hijau Pesaguan (80,000 ha). These two villages have been the two worst affected by flooding in the area (see sustainability challenges). Djarum also own the concession adjacent to PT Wana Hijau Pesaguan, the 40,959 ha PT Agra Primera Plantation. To the south west of PT Agra Primera Plantation is the oil palm plantation PT Umekah Sari Pratama (16,608 ha), owned by the Fangiono family and to the west of PT Umekah Sari Pratama lies PT Bangun Nusa Mandiri (18,153 ha), owned by Golden Agri Resources. To the north west of PT Bangun Nusa Mandiri is the oil palm concession PT Andes Sawit Mas (13,738 ha), owned by Cargill.

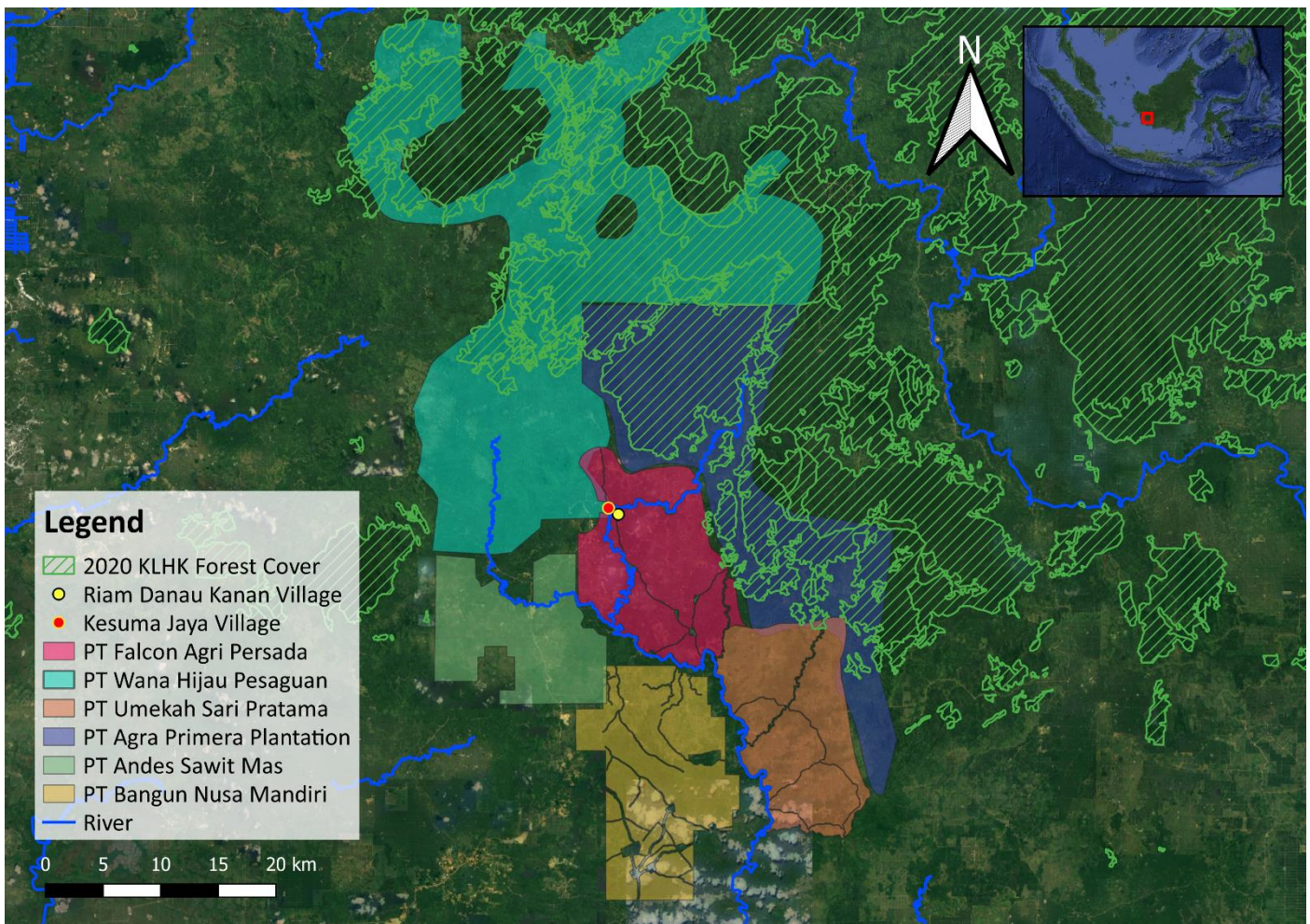


Figure 1. Company concession in district of Jelai Hulu and Tumbang Titi

### CONCESSION OVERVIEW

#### PT Falcon Agri Persada

The concession owned by PT Falcon Agri Persada was formerly known as PT Fangiono Agro Plantation. The company obtained a HGU permit in 2009. PT Falcon Agri Persada is a subsidiary of the First Resources group. In 2015, First Resources [purchased all shares](#) owned by PT Falcon Agri Persada from a group of companies also based in Singapore, namely Pacific Agri Resources Limited. The First Resources Group is based in Singapore, where the Chief Executive Officer (CEO) is Ciliandra Fangiono and the deputy is Fang Zhixiang (Sigih Fangiono). Both are part of the Fangiono family,

which also has other affiliated groups, namely FAP (Fangiono Agri Plantation) Agri and Ciliandry Anky Abadi. First Resources is currently the subject of an RSPO [complaint](#) due to unclear ownership between the two groups and the FAP-Agri affiliate group.

Concession Area	IUP Area	Forest Cover 2014	Forest Cover (Perda no.7) 2018	Forest Cover 2022	Peatland within concession	Forest within Orangutan Habitat	Number of fire alerts 2015-2021
16,680 ha	15,823 ha*	273 ha	46 ha	42 ha	0 ha	0 ha	178

PT Falcon Agri Persada statistics: PT FAP Agri has only 42 ha of forest remaining, the rest of the concession has been entirely cleared and planted with oil palm. Between 2015 and 2021, there were 178 fire alerts within the concession.

#### PT Wana Hijau Pesaguan

PT Wana Hijau Pesaguan is owned by the cigarette company [Djarum](#), which is controlled by the brothers Robert Budi Hartono and Michael Bambang Hartono. The Hartono brothers also own PT Hartono Plantations Indonesia (HPI Agro) which has an oil palm landbank of more than [100,000](#) ha and their concessions have featured in [numerous](#) NGO reports documenting various [environmental and social](#) issues.

Concession Area	Forest Cover 2016	Forest Cover (Perda no.7) 2018	Forest Cover 2022	Forest Cover within Orangutan Habitat	Number of fire alerts 2015-2021
80,000 ha	40,413 ha	38,933 ha	36,678 ha	35,988	1,059

PT Wana Hijau Pesaguan statistics

#### PT Umekah Sari Pratama

PT Umekah Sari Pratama is a 16,608 ha oil palm concession owned by the Fangiono family.

#### PT Agra Primera Plantation

PT Agra Primera Plantation is a 40,959 ha logging concession owned by Djarum.

#### PT Andes Sawit Mas

PT Andes Sawit Mas is a 13,738 ha oil palm concession owned by Cargill.

#### PT Bangun Nusa Mandiri

PT Bangun Nusa Mandiri is a 18,153 ha oil palm concession owned by Golden Agri Resources

## SUSTAINABILITY CHALLENGES

### Local Regulation (Perda) No.6 2018

PT Falcon Agri Persada only had 46 ha of forest remaining when Perda No.6 2018 was introduced. Part of this regulation dictates that oil palm concessions must have at least 7% of their concession assigned for conservation area and it should not be cut down. In the case of PT Falcon Agri Persada, they already had less than 7% when the perda was introduced. What does that mean for PT Falcon Agri Persada?

### Flooding

In recent years, Jelai Hulu and Tambang Titi have been two of the subdistricts worst affected by flooding in Ketapang. In June 2020, severe floods occurred which affected 12 villages in the Jelai Hulu sub-district. The head of the Jelai Hulu sub-district head said that there were [1,302 houses](#) and thousands of residents were forced to evacuate. The water level of the floods was between 1.5 and [3.5-meters](#). Based on information from the Head of the Jelai Hulu Sector Police, the flood submerged [hundreds of houses](#) with the [worst affected villages](#) being Riam Danau Kanan and Kusuma Jaya village which had 300 and 215 houses submerged by the floods respectively.

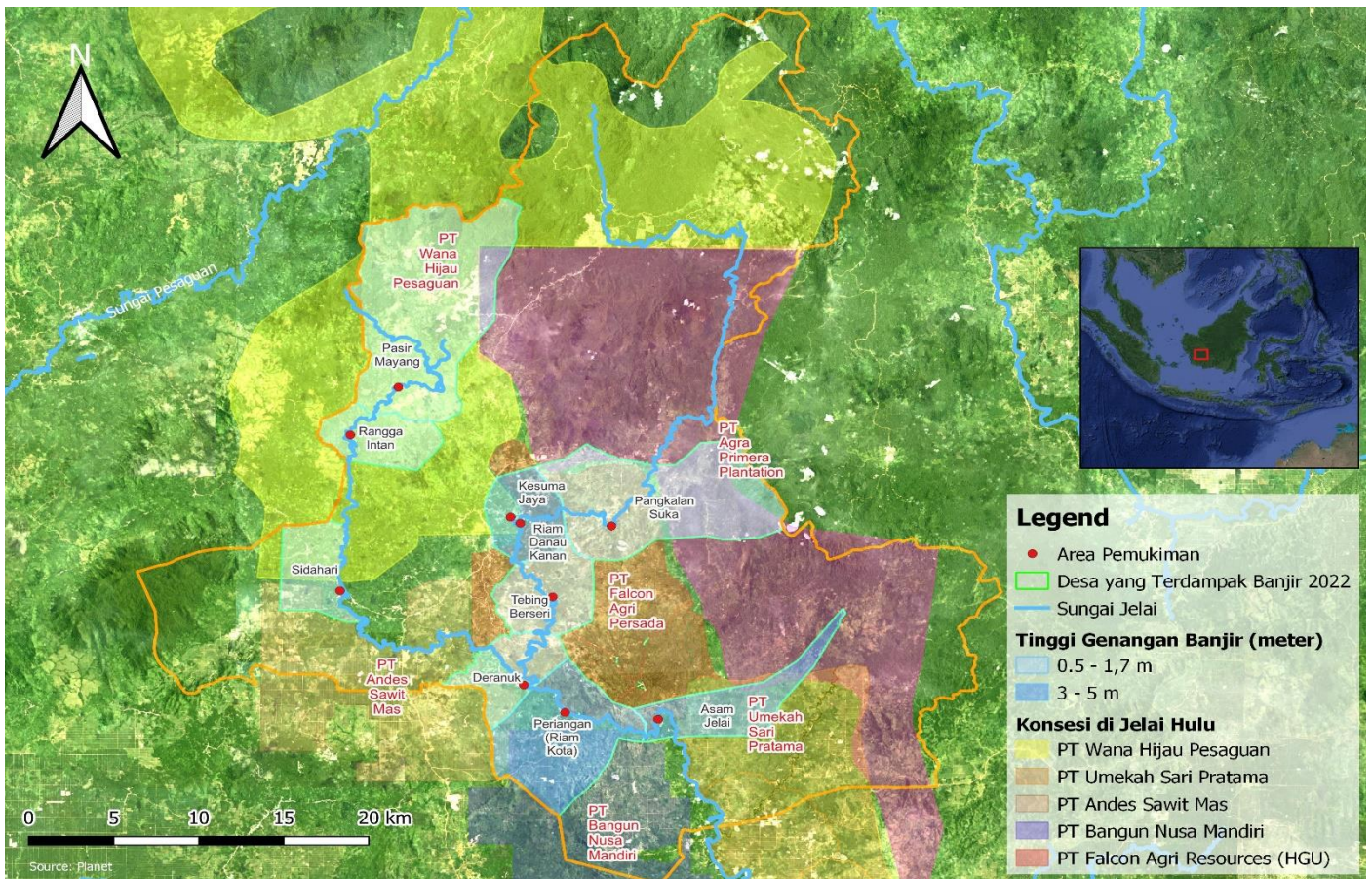


Figure 2. Flooding map and Concessions nearby with the affected villages in Jelai Hulu District

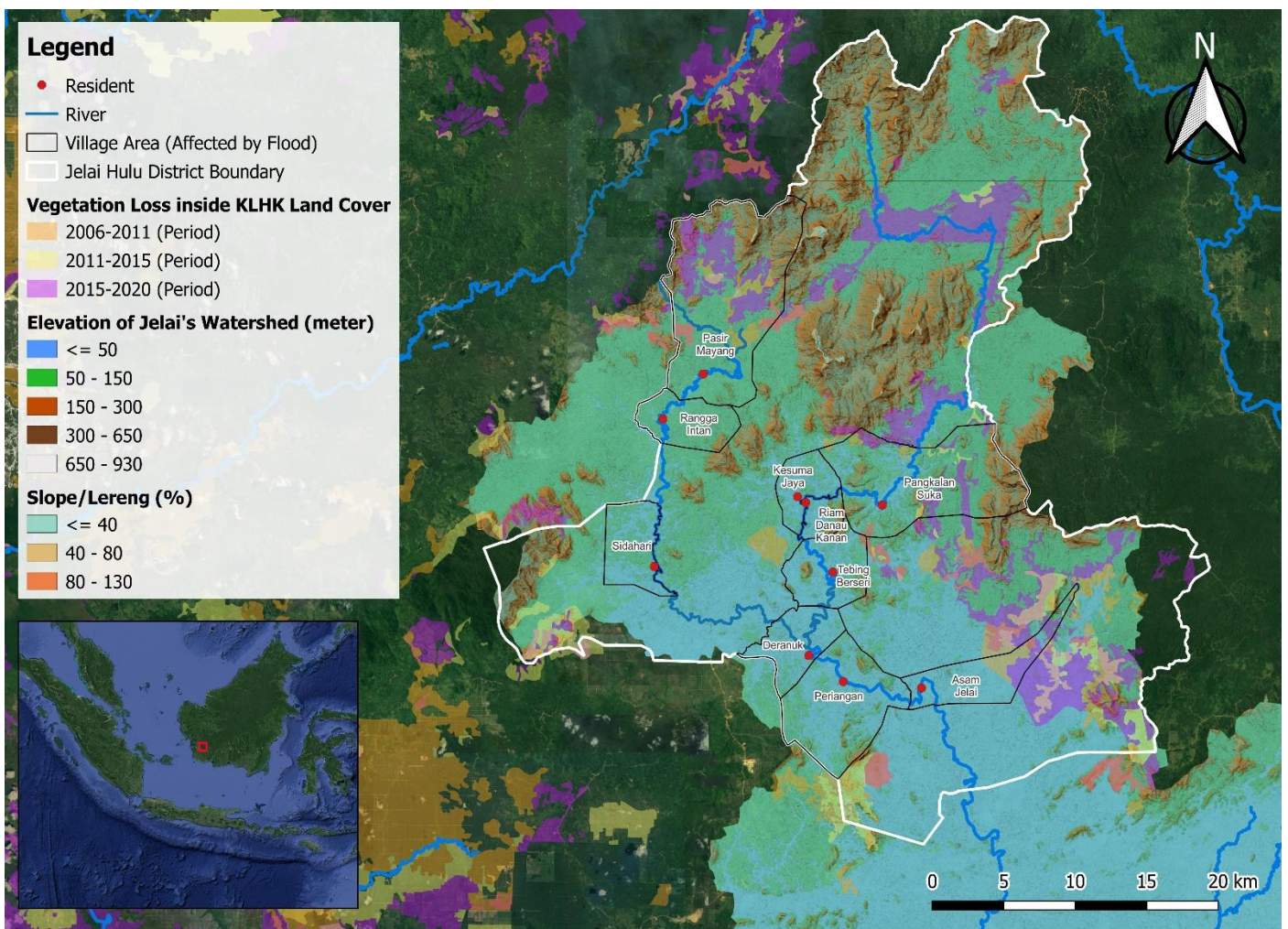


Figure 3. Vegetation Loss 2006-2020, Elevation and Slope within Jelai's Watershed

The cause of the floods requires a proper investigation to be determined. However, from our own analysis it appears that deforestation within PT Wana Hijau Pesuguan and PT Falcon Agri Persada on the steep hillsides would very likely be contributing to worsening floods in the area.

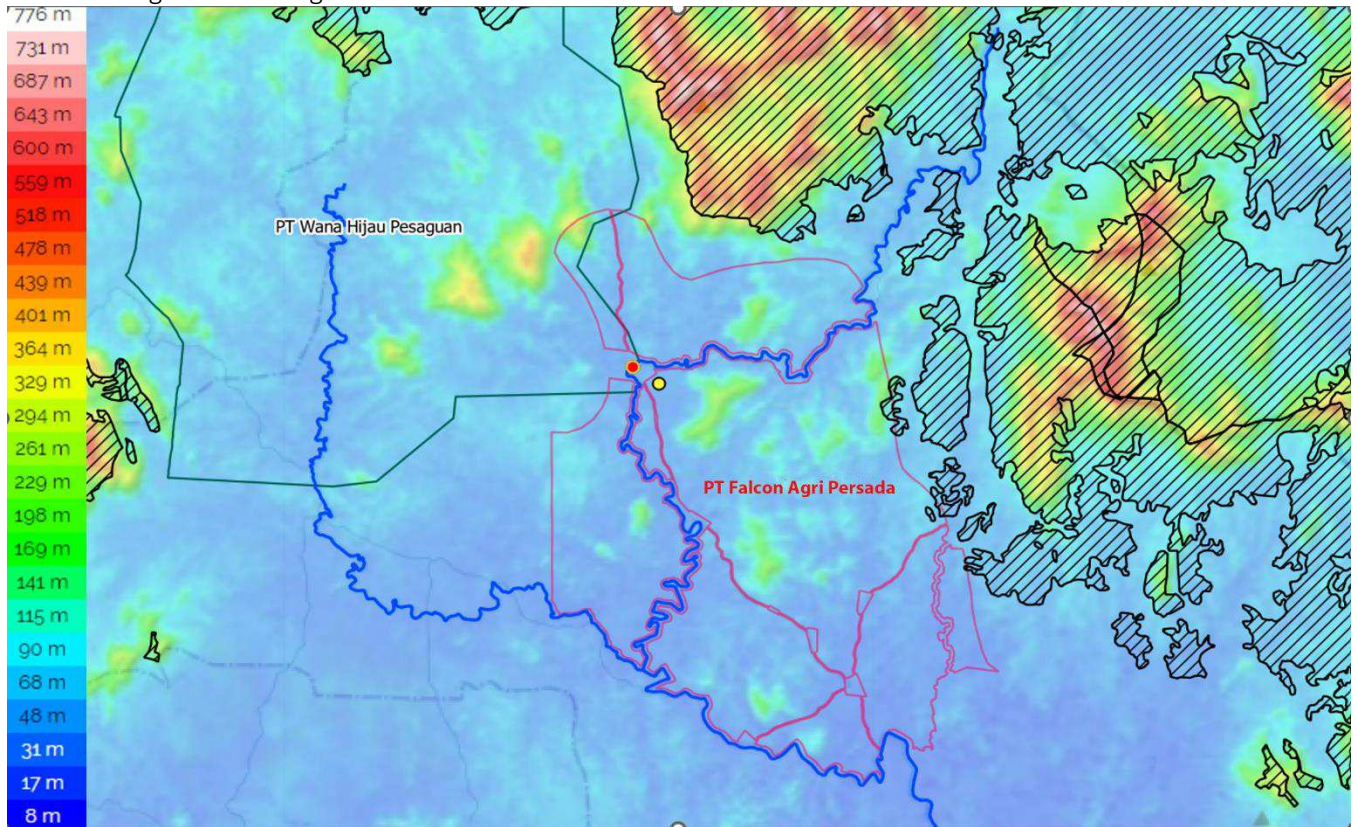


Figure 4. Elevation map of the demonstrating 2020 KLHK Forest Cover is the black chequered areas. The villages of Kesuma Jaya (Red dot) and Riam Danau Kanan (Yellow dot) are shown on the banks of the Jelai River. Notice how on both sides of these villages there are hilly areas of between 200m and 600m which contain no forest cover.



Figure 5. Appearance of Kesuma Jaya and Riau Danau Kanan Village via google earth

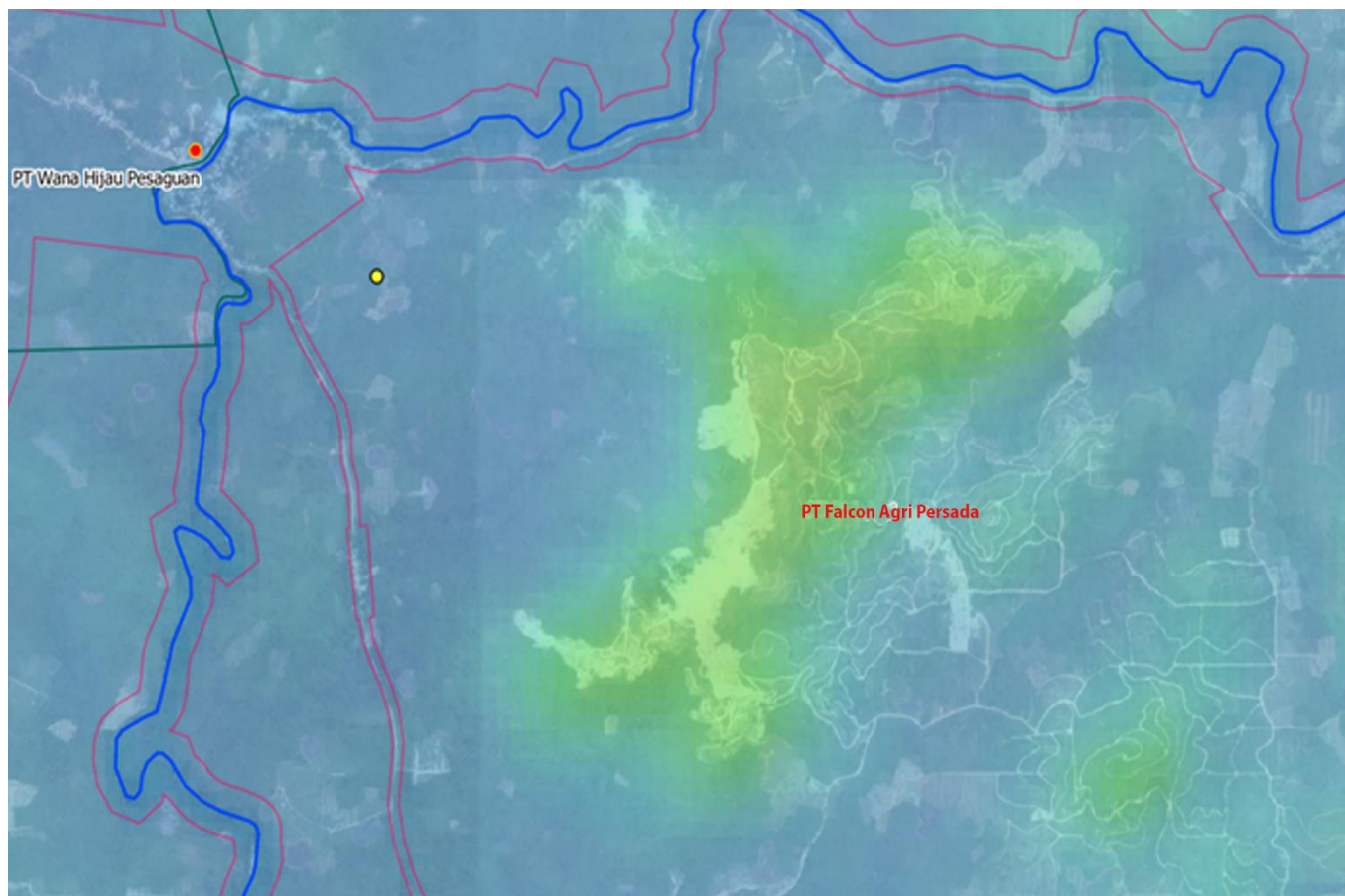


Figure 6. Appearance of Kesuma Jaya and Riau Danau Kanan Village

Yellow marker indicates the Jelai River between Kesuma Jaya and Riam Danau Kanan villages. You can see on both sides of the river there are large hills which are part of PT Wana Hijau Pesaguan (on the northern side of the river) and PT FAP Agri on the southern side of the river. Both of these areas have had all of their forest removed and it is very likely that runoff from these areas is causing intensified flooding in the Jelai River

It can be seen clearly here that the higher elevation areas nearby Riam Danau Kanan within PT Falcon Agri Persada have been completely cleared

### Forest Cover Decreased

After obtaining the license in 2008, PT Falcon Agri Persada (formerly PT Fangiono Agro Plantation) started to clear their land that derived the forest cover lost. One of the most severe flooding villages in 2020 was Danau Riam Kanan. It can be seen by land cover change image that the Forest cover is disappeared in the area between PT Falcon Agri Persada concession and Danau Riam Kanan.

The figure 5 shows the forest cover lost is close to the villages that impacted by severe flooding in 2020, called Riam Danau Kanan Village and Kesuma Jaya Village.

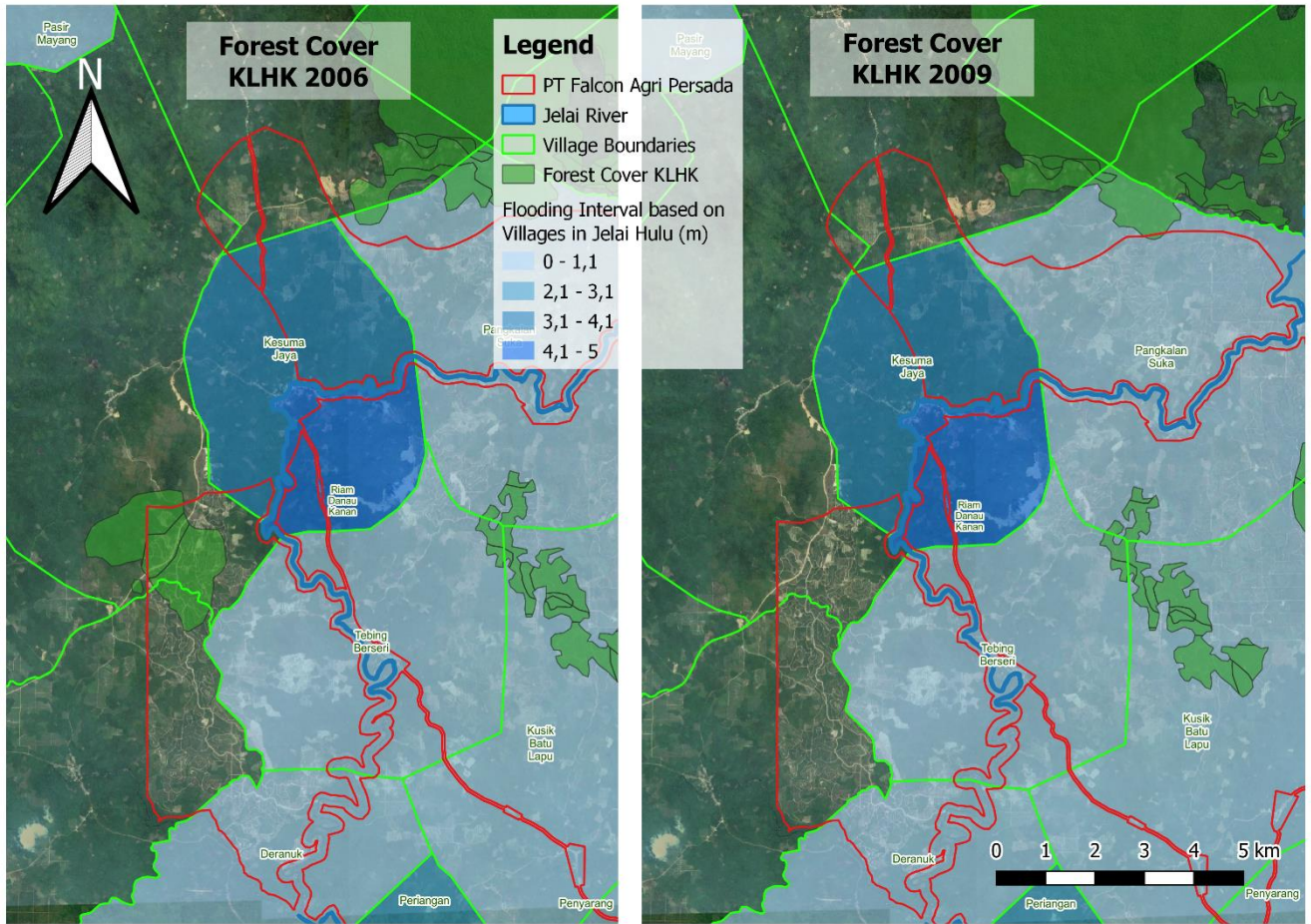


Figure 7. Forest cover KLHK in 2006 and 2009 inside PT Falcon Agri Persada

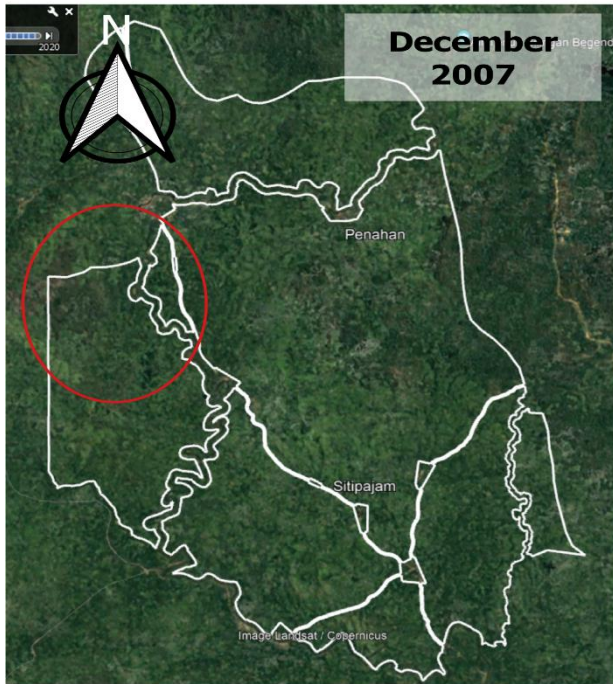


Figure 8. PT Falcon Agri Persada Land Transformation (Clearing occurred close to the Jelai River bent and the villages with severe flooding 2020)

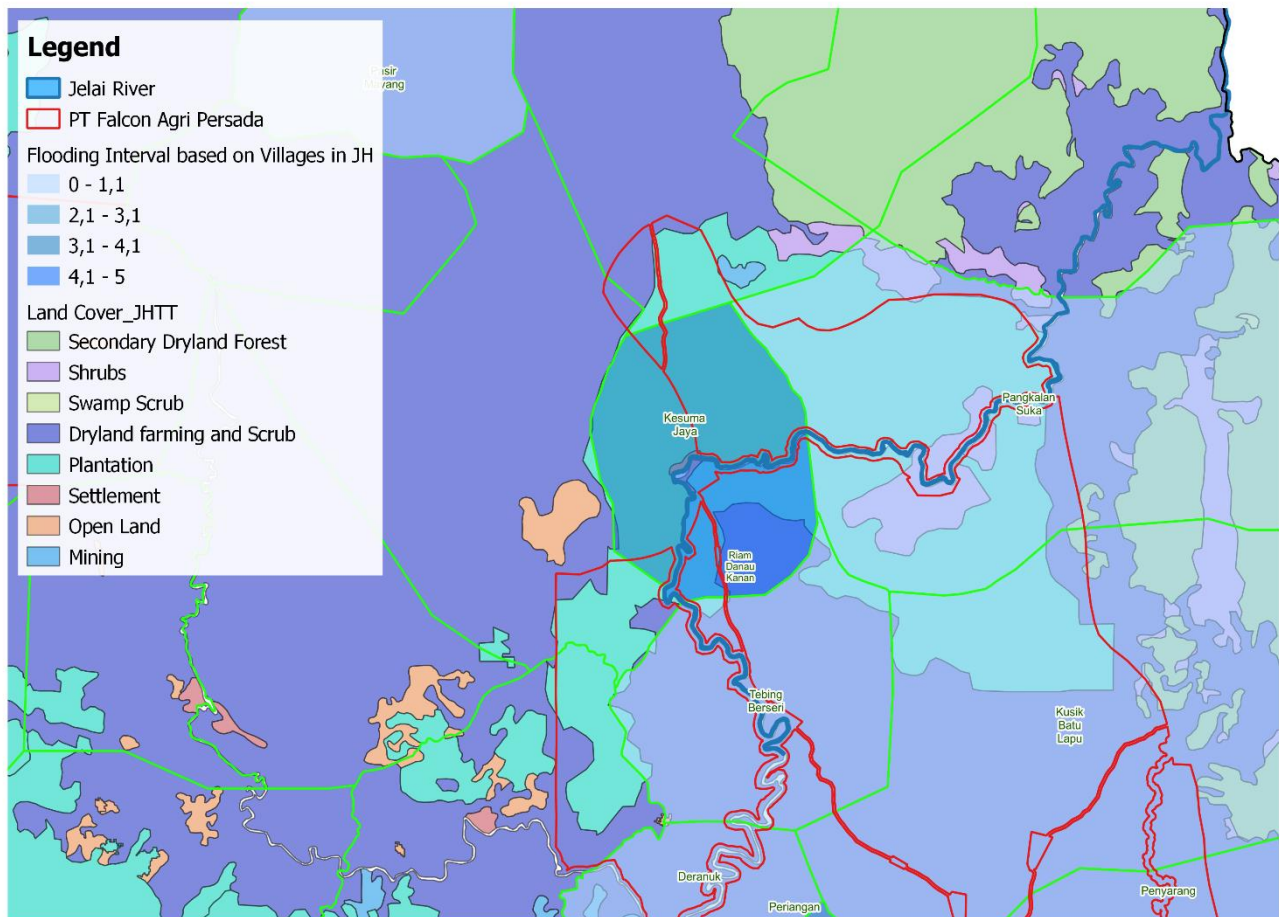


Figure 9. Land Cover Map in 2018 shows that the area is becoming a plantation land

The locations of the two villages of Kesuma Jaya and Riam Danau Kanan are in a lowland area surrounded by surrounding highlands (see figure 8). This has the potential to run off from upland flows and be accommodated in low-lying areas (see figure 9). The flow of water can be seen from the direction of the arrow which symbolizes the direction of the slope and the flow of water.



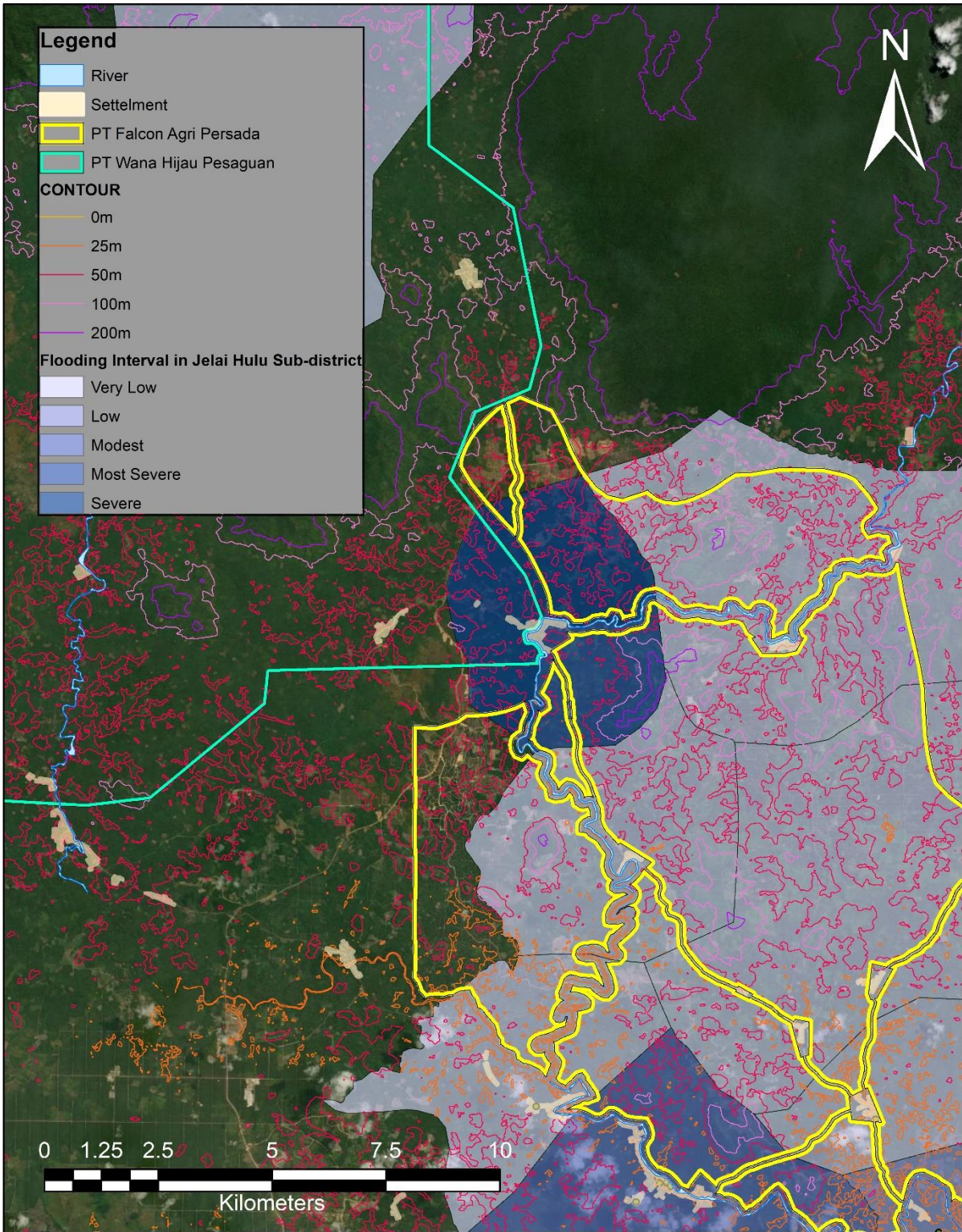


Figure 10. Contour Map of Jelai Hulu

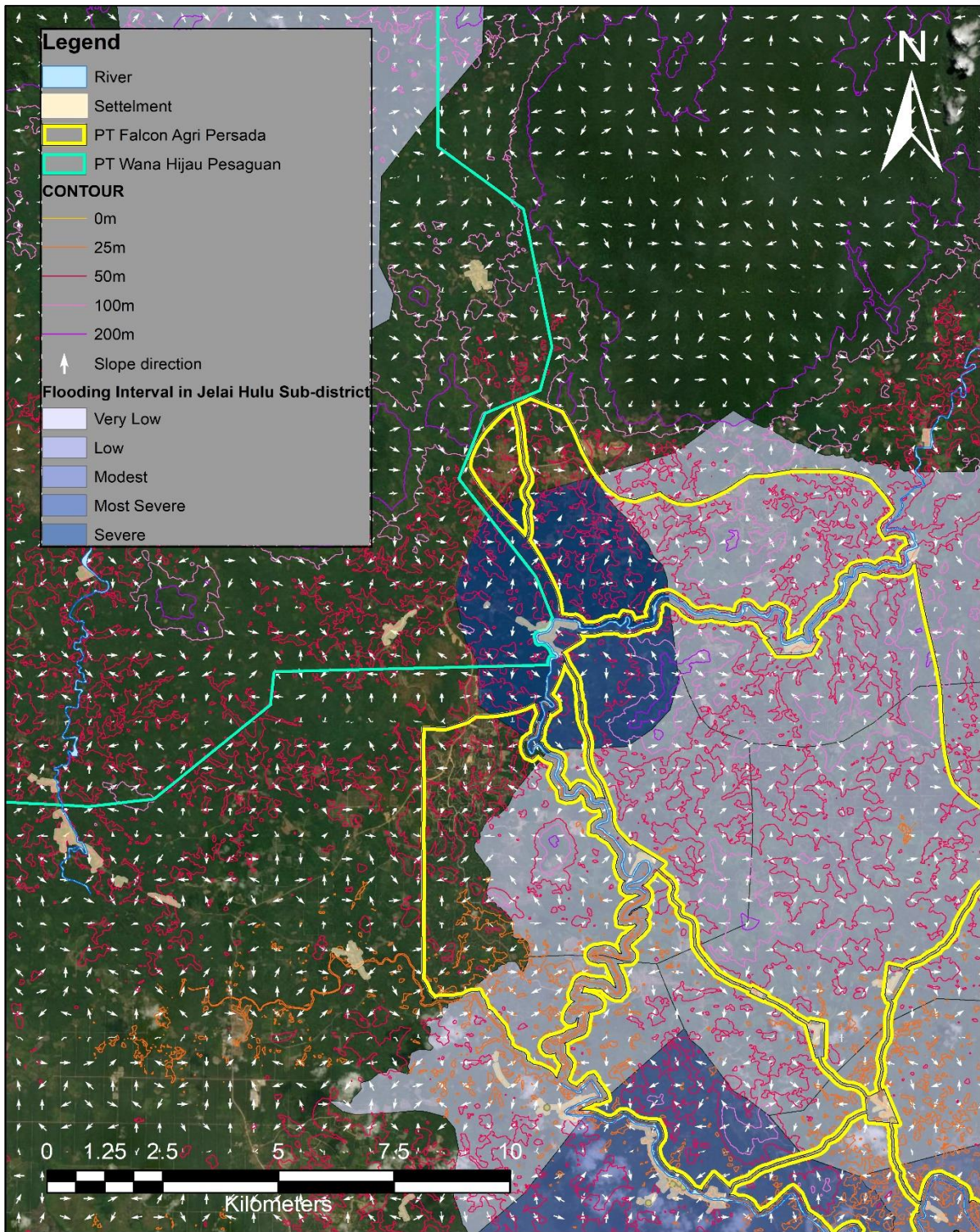


Figure 11. Slope Direction Map of Jelai Hulu

It has a low land and is located on a river bend, accelerating the occurrence of flooding in the area of Riam Danau Kanan Village and Kesuma Jaya Village. This can be seen from the slope direction map which shows the direction of the arrow (slope direction) that rotates in the area and causes run off to quickly inundate the area (blue area).

#### Historical Precipitation Trend

Rainfall data compiled by Indonesia Statistic Agency (BPS) since 2009 shows a significant increase in June and July in 2020 (see figure 10). At that time there was a big flood as shown in the flood illustration map (see figure 11).

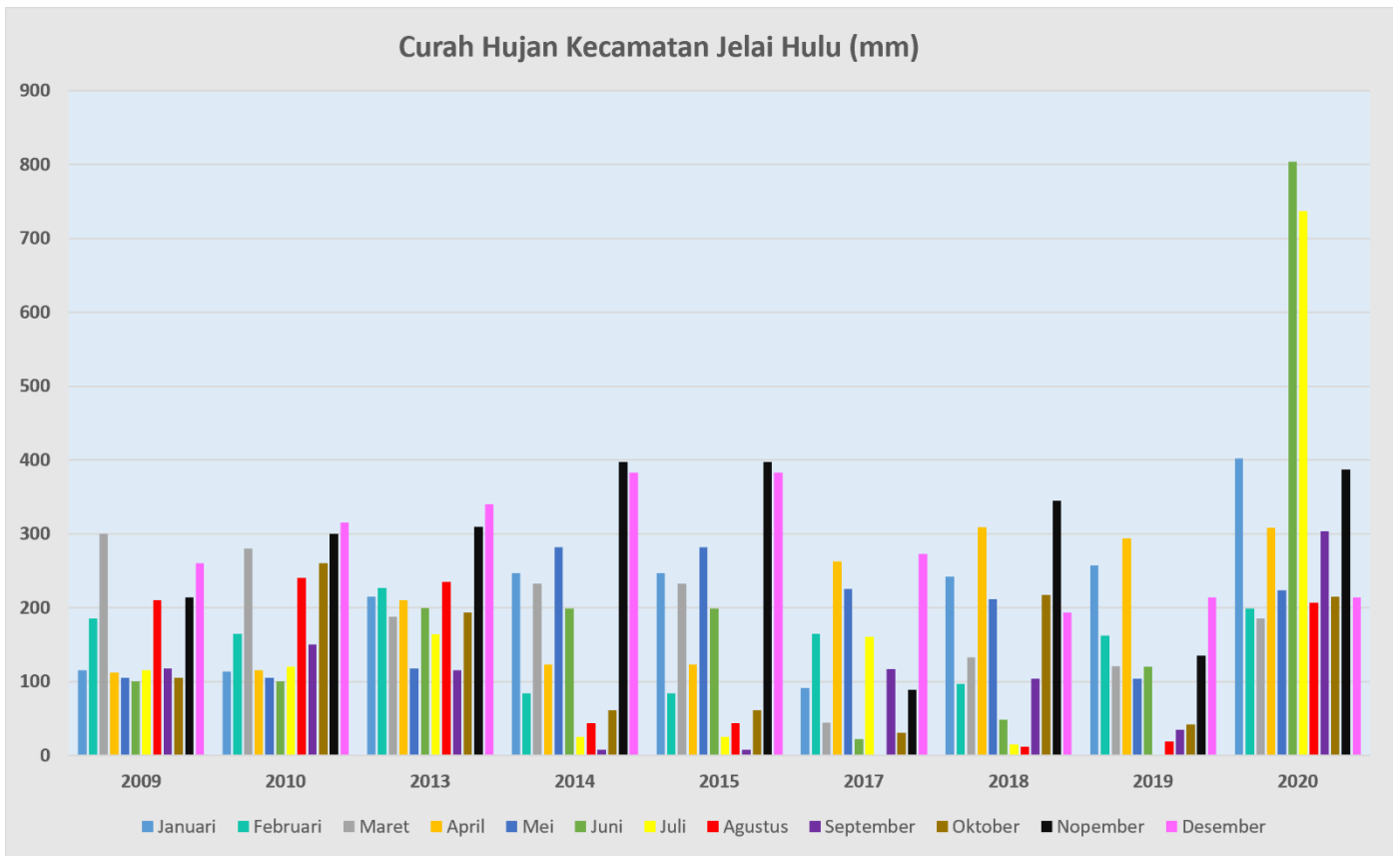


Figure 11. Historical Precipitation in Jelai Hulu subdistrict from 2009 until 2020 by BPS

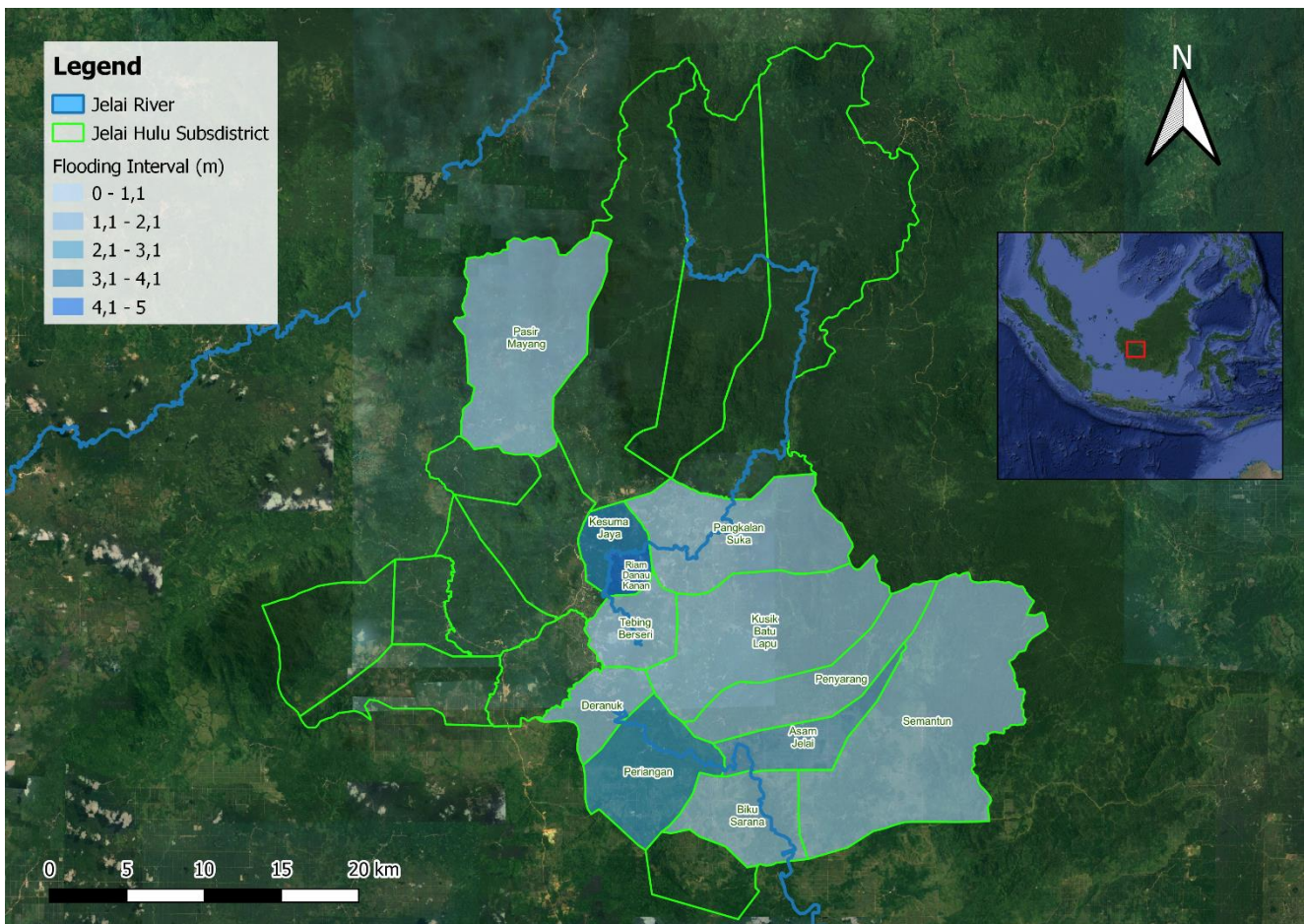


Figure 12. Jelai Hulu Flooding Map

Between 2016 and 2021, PT Wana Hijau Pesaguan had 3,735 ha of deforestation. There have also been 1,059 fire alerts between 2015 and 2021. with over 150 alerts in 2019 being the worst, apart from the high of 545 alerts in 2015.

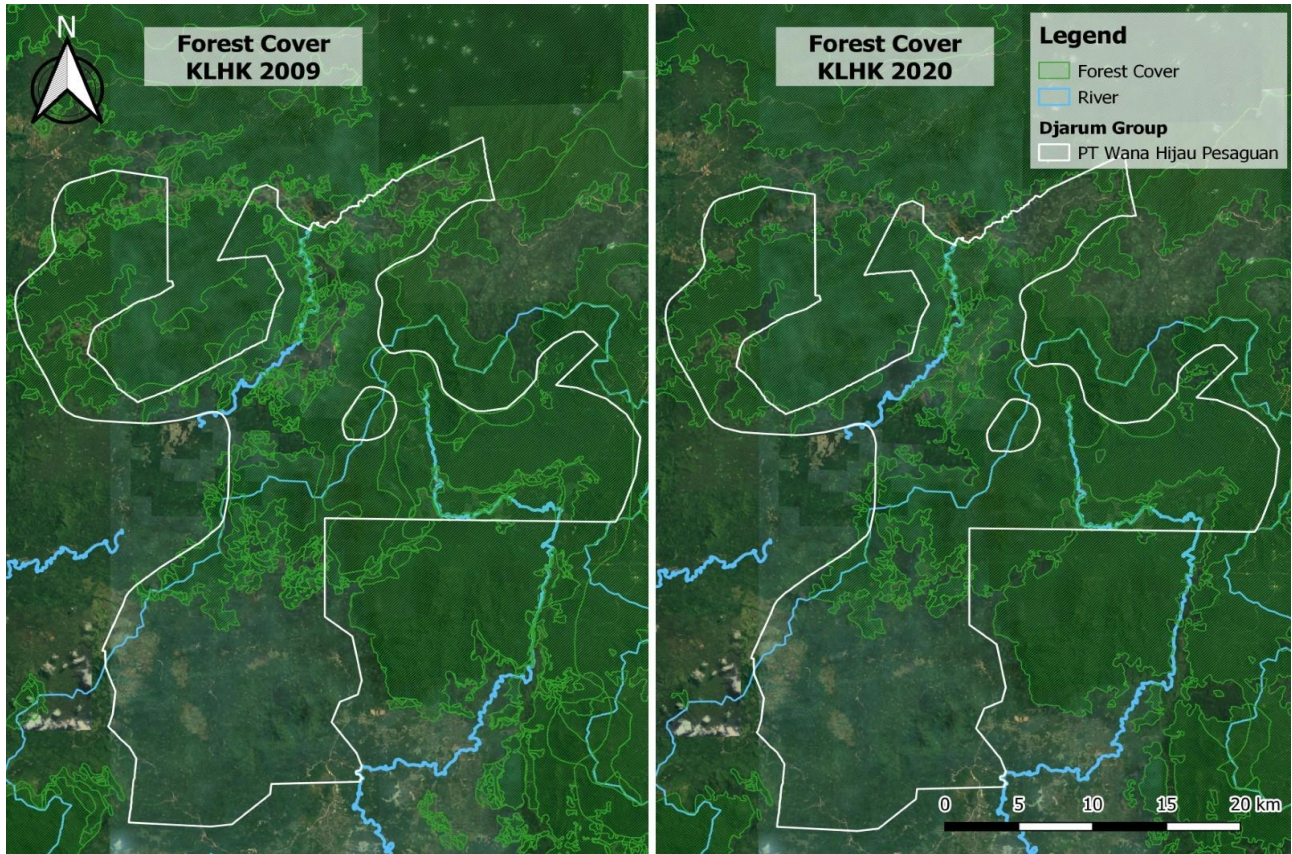


Figure 13. Transformation of KLHK Forest Cover witjin PT Wana Hijau Pesaguan

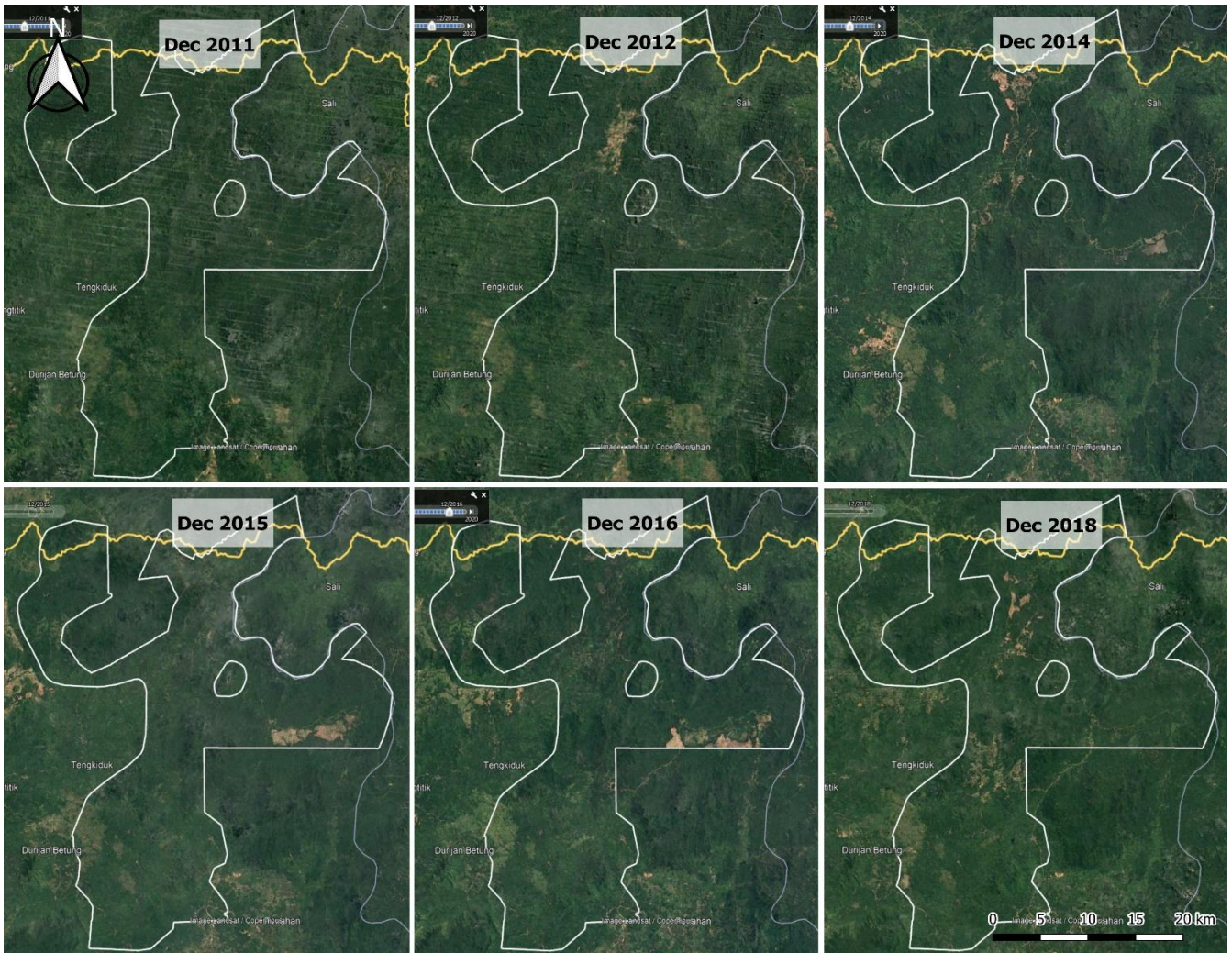


Figure 14. Forest Cover Change inside PT Wana Hijau Pesuguan



Figure 15. Forest Loss Data from Global Forest Watch (GFW) from Jan 2001- Oct 2022

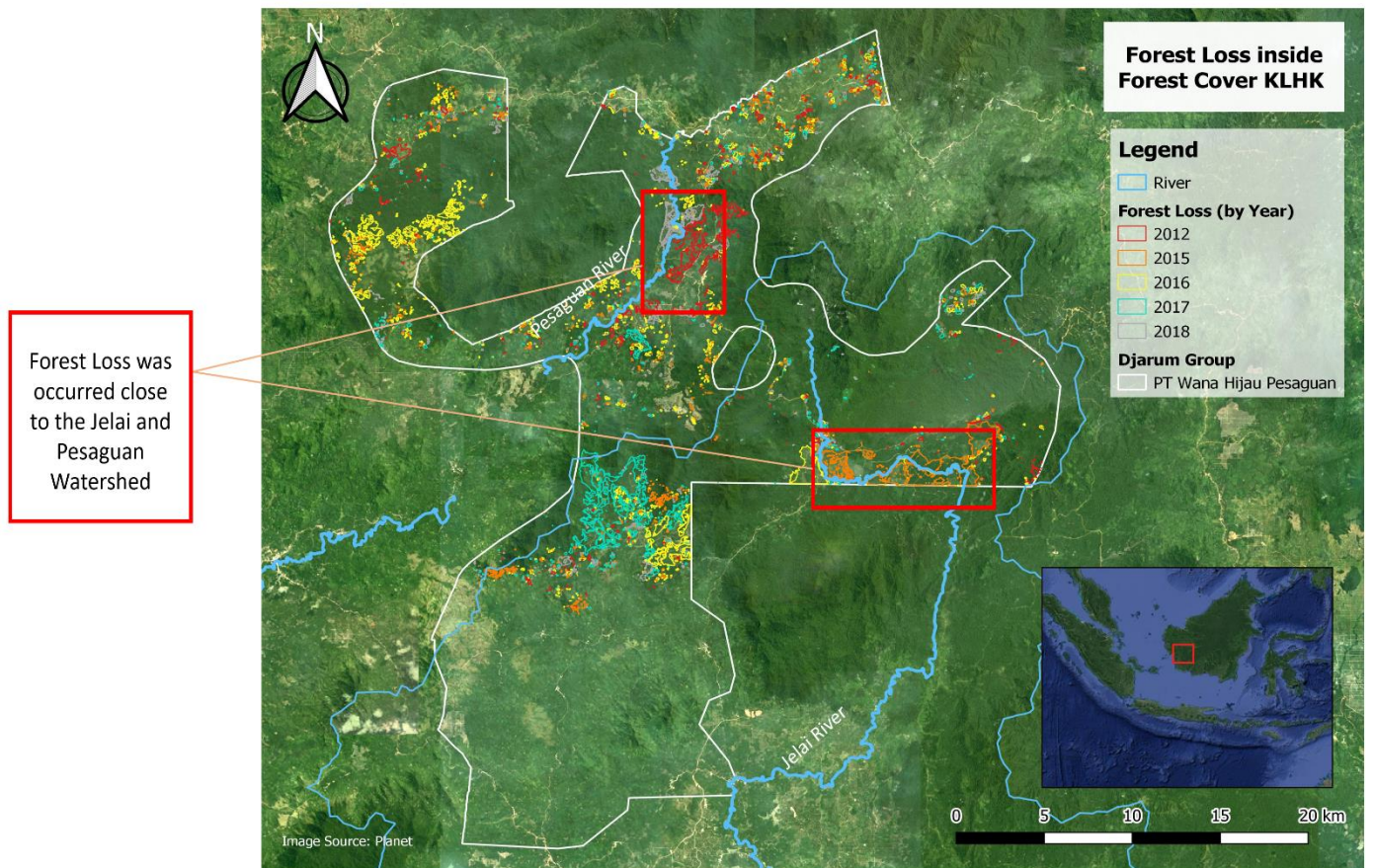


Figure 16. GFW Forest Loss data Classified by Year

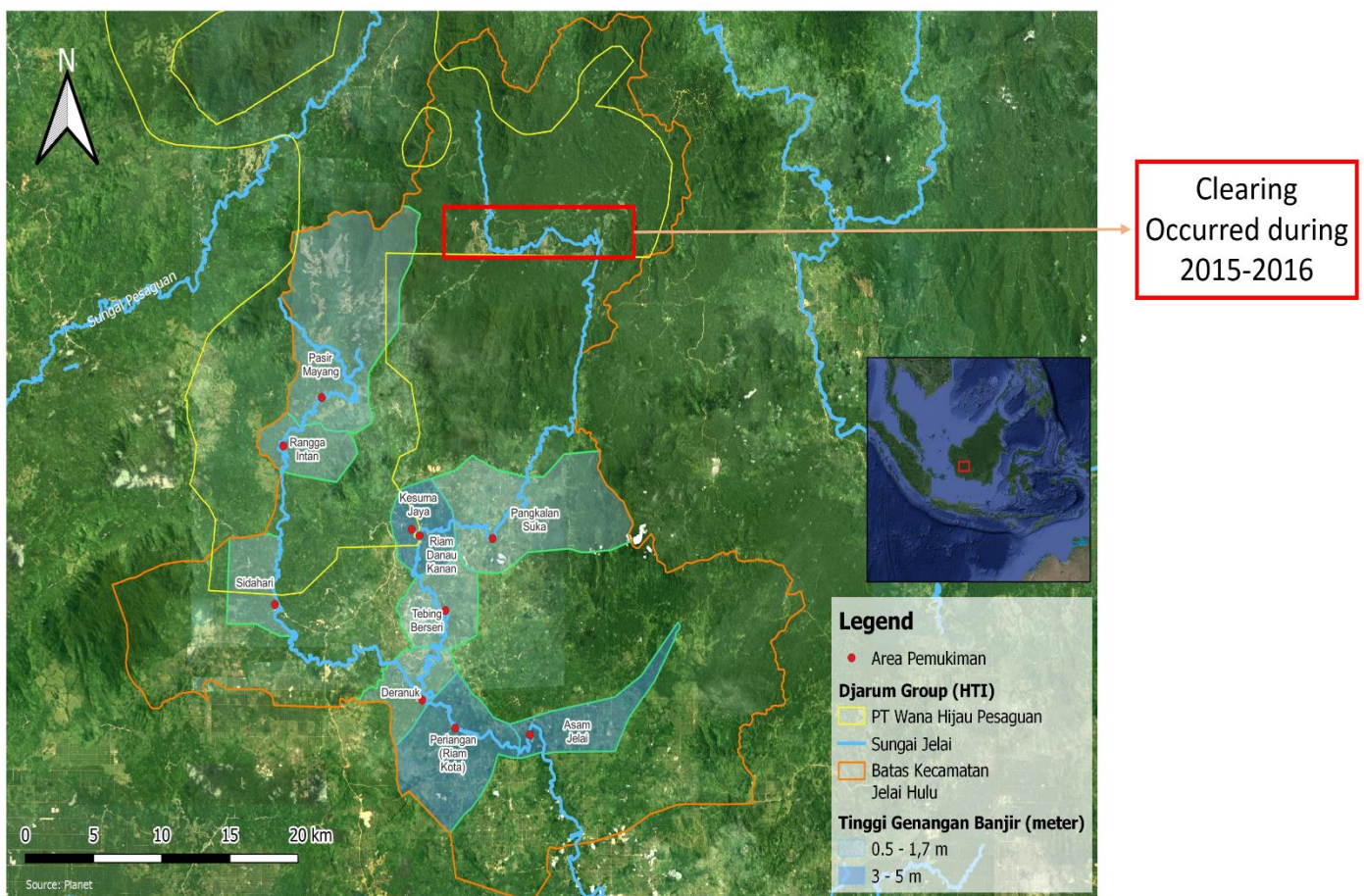


Figure 17. Satellite Imagery of Land Clearing

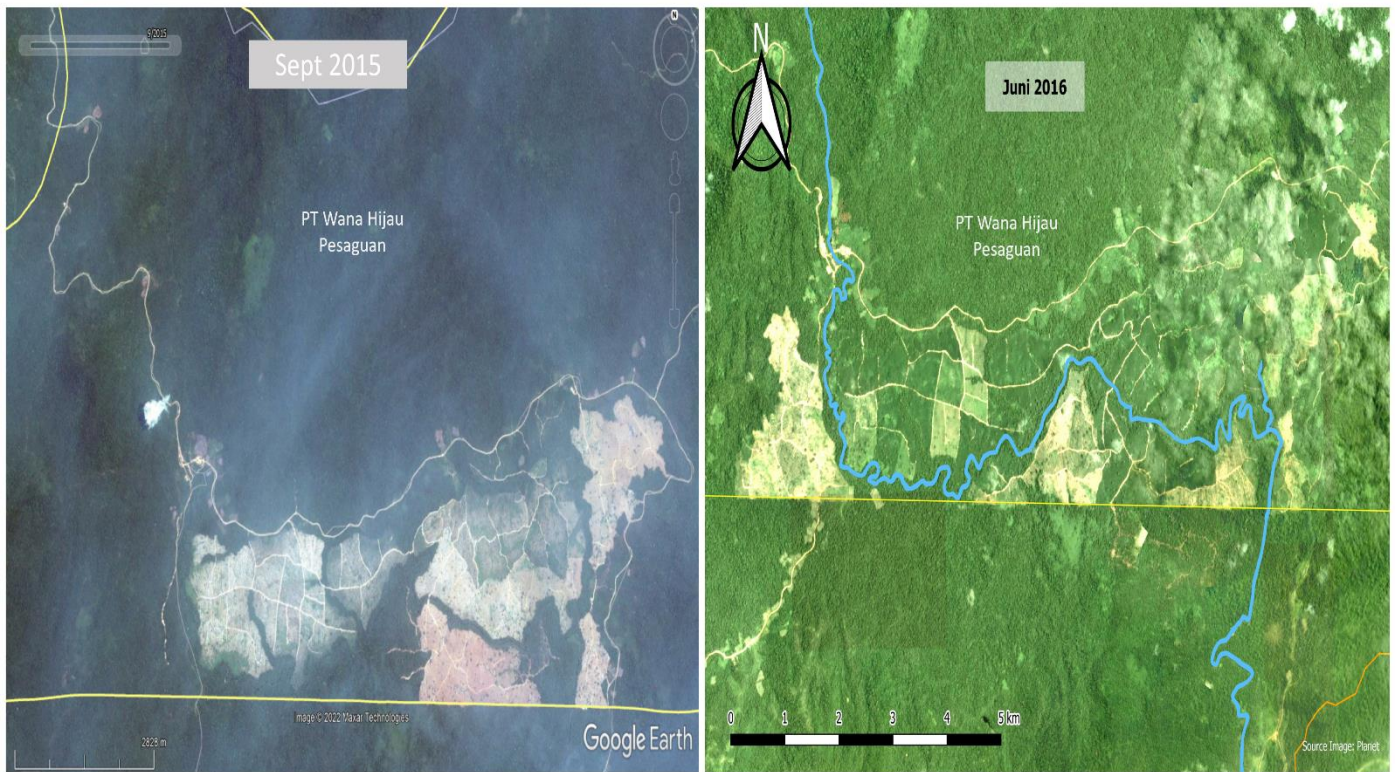


Figure 18. Transformation Land Clearing from Sept 2015 to June 2016

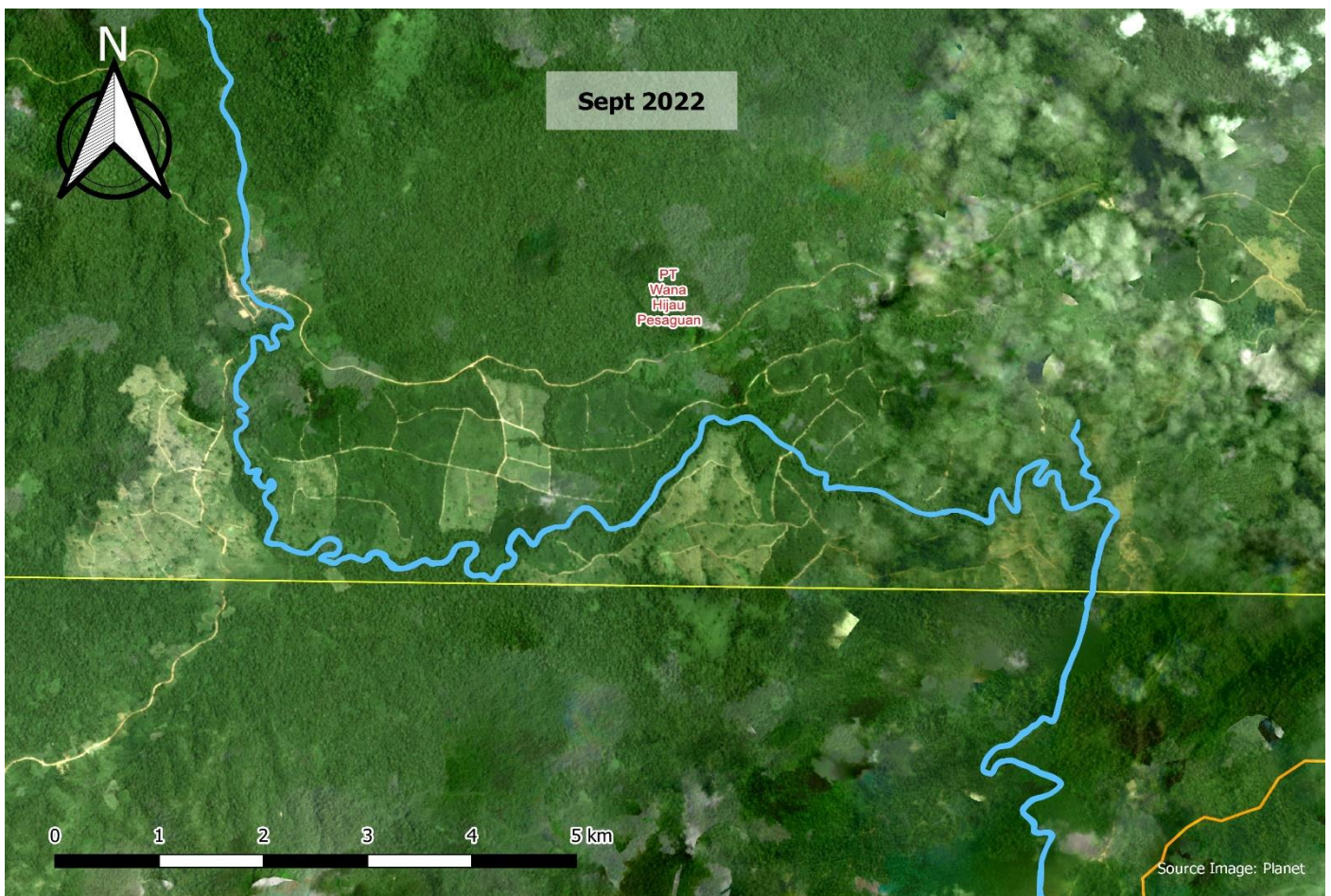


Figure 19. Satellite Imagery of the Existing Land Cover



Figure 20. Clearing within PT Wana Hijau Pesagan, image from February 2021.

### **PT FAP Agri & Ciliandry Anky Abadi operations appear to circumvent First Resources NDPE commitment**

There is a [substantial evidence](#) that connects PT FAP Agri, First Resources and Ciliandry Anky Abadi (CAA) and all three are owned by members of the Fangiono Family. The Fangiono family group has a very opaque [corporate structure](#), where they employ the use of [shadow companies](#) and secrecy jurisdictions to hide ownership information. This is believed to be a deliberate tactic in order to distance their flagship company, First Resources, from being linked to illegal activities, thus invalidating the terms of its NDPE and RSPO membership commitments. For example, in the time that First Resources has been both a member of the RSPO and been committed to an NDPE policy, [FAP Agri and CAA have cleared an estimated 60,000 ha](#) of forest and Ciliandry Anky Abadi have had conflicts with local communities [in all but one](#) of their subsidiaries. Neither FAP Agri nor Ciliandry Anky Abadi have NDPE commitments. This means anyone sourcing palm oil from First Resources could have unknowingly had illegal deforestation and land conflicts within their supply chain whilst believing their sourcing to be compliant and ethical.

### **First Resources**

Despite First Resources denying it for over a decade, definitive connection between them and FAP Agri was proven in December 2020 when FAP Agri became [listed on the Indonesian stock exchange](#) and Wirastuty Fangiono was revealed to be the beneficial owner. First Resources is [majority owned](#) by Eight Capital Inc. which is in turn owned by Martias Fangiono's six children from his first marriage, including Wirastuty Fangiono. This provides a definitive link between PT FAP Agri and First Resources and means in terms of NDPE policy, they should be viewed as part of the same group.

### **Ciliandry Anky Abadi**

[There is also substantial evidence](#) that links First Resources linked to Ciliandry Anky Abadi, which First Resources continues to deny. Ultimately, Ciliandry Anky Abadi's true ownership is currently unknown as it is hidden within a secrecy jurisdiction. Ciliandry Anky Abadi is majority owned by Sima Investasi Bersama, whose beneficial owners are believed to be Ciliandry and Wiras Anky Fangiono, children of Martias and Silvia Caroline Fangiono. Ciliandry Fangiono even describes himself as the non executive chairman of the group [on LinkedIn](#).