



## Press Release

*For immediate circulation*

# Local environmental groups sound alarm over Turkish energy company's plans to destroy key region of Indonesian World Heritage Site

**Local environmental groups in Aceh and North Sumatra have today called on Indonesia's Ministry of Forestry and Environment to immediately reject plans to destroy a critically important region of the 'Sumatran Tropical Rainforest Heritage - World Heritage Site'.**

A consortium of local environmental groups have responded to a recent study by Gadjah Mada University funded by Hitay Holdings, a Turkish company behind a major new geothermal plant being proposed in the Leuser Ecosystem and in the heart of the Tropical Rainforest Heritage of Sumatra World Heritage Site, stating that the study falls far short of a proper scientific assessment and makes broad sweeping recommendations based on wholly inadequate data.

The area in question is currently designated as 'Zona Inti' or *Core Area* of the Gunung Leuser National Park since it meets all the necessary criteria to qualify. In order for the project to be legally permissible this status would have to be downgraded by Indonesia's Ministry of Environment and Forestry, from *Zona Inti* to 'Zona Pemanfaatan' or *Utilisation Zone*. The groups warn that if rezonation is granted, and the project is allowed to go ahead it would have major consequences for the survival of several critically endangered species that depend on this corridor for movement and reproduction.

Farwiza Farhan, Chairperson of Forest, Nature and Environment Aceh (HAKA), explained, "Researchers from UGM presented a report on December 8th 2016, recommending the reclassification of protected forests which are part of the Tropical Rainforest Heritage of Sumatra World Heritage Site. This would enable a geothermal energy project to destroy a core conservation zone right in the heart of the Leuser Ecosystem, as clearly already recognised by the government due to its current zona inti status."

Following the company's proposal to develop a geothermal project in the Kappi Plateau region, a core area and critically important biodiversity corridor within the Gunung Leuser National Park, Aceh Governor, Zaini Abdullah, has written to Indonesia's Minister of Environment and Forestry to request the rezoning of nearly 8,000 hectares of protected forest. The Leuser forests are home to some of the last remaining viable wild populations of Sumatra's most iconic species such as the Sumatran tiger, rhinoceros, elephant and orangutan. The Kappi region is the core of the only remaining major habitat corridor connecting the eastern and western forest block of the National Park, which is part of the Tropical Rainforest Heritage of Sumatra World Heritage Site and part of the larger Leuser Ecosystem, a National Strategic Area further protected under Indonesian Law for its environmental function.

"The site being proposed for the geothermal project is designated as Zona Inti (core area)" explained Acehnese environmentalist T.M. Zulfikar. "In order for the geothermal project to go

ahead, the area would need to be re-zoned as *Zona Pemanfaatan* (utilisation area). However, the results of the UGM study are wholly inadequate to support such a move, and given that the site fully meets the requirements of Zona Inti status there is no justification for downgrading it, or any other part of the National Park. The methods used in the surveys by UGM are totally unclear and the results and conclusions they draw are not adequately supported by the little data they obtained in such a short study. The UGM team themselves even acknowledge that much more detailed surveys are needed to form any real conclusions and make sufficiently justifiable recommendations. The UGM report could at best only be taken as a quick preliminary assessment of the area and cannot realistically be used as a basis for recommending such a far-reaching and potentially devastating high impact project as that being proposed by Hitay Holdings,” he emphasised.

Panut Hadisiswoyo, Director of the Orangutan Information Centre stated, “Previously we have seen some positive statements from Government regarding this project. The Ministry of Environment and Forestry’s Director for Conservation, Tachrir Fathoni, in September confirmed that the Minister had received a letter from the Aceh Governor requesting the status change and told media that “from socialization and public consultation, the result was disagreement with the rezoning, so that’s that. The plan stops there,” - but now we see the company continuing with their plans and still trying to get Government support to rezone a part of a globally important World Heritage Site and turn it into a geothermal plant. We are confused and extremely concerned by the conflicting messages coming from the Ministry who are supposed to be protecting this area,” Panut stressed. “We completely oppose the rezoning request.”

Efendi Isma, Spokesperson of KPHA, added, “Aceh’s own department of mining and energy’s website shows the potential of geothermal energy in the Leuser forests is very small relative to the potential in other parts of Aceh. It clearly shows that there are at least 14 alternative locations in 7 Districts for geothermal projects in the province, capable of producing a combined output of over 950 MW, compared to just 142 MW from the proposed Gunung Kembar site and other potential sites in Gayo Lues District. Most of these alternatives are also much closer to Aceh’s main human population hubs, and hence closer to the demand and more efficient. It seems ridiculous that this alternative potential is not exploited first, and that the first project to be developed could end up right in the middle of Aceh’s most precious and irreplaceable protected area,” he exclaimed.

The consortium is urging Indonesia’s Ministry of Forestry and Environment to immediately reject the possibility of downgrading the status of the Kappi Plateau region and reaffirm their commitment to retaining its Zona Inti status.\*\*\*\*\*

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#### Additional Information

##### **The Leuser Ecosystem:**

The 2.6 million ha Leuser Ecosystem is the last place on earth where orangutans, rhinos, tigers and elephants still live together in the wild, and they are already at serious risk of extinction in our lifetime. Even minor disturbance threatens their survival. Panut Hadisiswoyo said “The major forest clearance that would be needed for this project, which includes roads and lots of additional associated infrastructure, and the potential for massive widespread encroachment that inevitably follows such projects once access is opened up, could easily condemn these species to the history books. This part of Indonesia is so special that it has been recognised as a World Heritage Site. It is of global importance and an irreplaceable part of our heritage, and therefore it is our duty to protect it for generations to come.”

##### **Zona Inti status:**

The area currently proposed for development lies within an area of the Gunung Leuser National Park, part of the Sumatran Tropical Rainforest Heritage UNESCO World Heritage Site and also part of the larger Leuser Ecosystem. Its current designated status within the National Park is *Zona Inti* (core area), since it fulfils all of the criteria outlined in Ministerial Decree No P.76/MenLHK-Setjen/2015 TENTANG KRITERIA ZONA PENGELOLAAN TAMAN NASIONAL DAN BLOK PENGELOLAAN CAGAR ALAM, SUAKA MARGASATWA, TAMAN HUTAN RAYA DAN TAMAN WISATA ALAM.

##### **Environmental services and economic value of the area:**

A major EU study was launched this week which revealed the immense value of Aceh's forests. If fully conserved their Total Economic Value is over USD 1 billion dollars per year in the form of ecosystem services such as water supply and mitigation of disasters and pests.

As just one example, a World Bank report on floods in Aceh in 2006 concluded that flooding in just 19 days resulted in damage amounting to 210 million USD of flooding. Much of this was in areas known to have inappropriate and often illegal activities in the forests higher up in the watersheds suggesting Aceh's people seldom benefit economically from such projects, with the bulk of revenues generated always leaving the local area, leaving only the significant costs behind for the local and provincial economies to bear.

"Kappi is the very heart of an ecosystem which is providing vast benefits to Aceh's people every year absolutely free. To destroy this heart means to begin to unravel the rest of the ecosystem. Why would we needlessly throw away billions of dollars worth of services for the sake of a small amount of power for which far better alternatives already exist elsewhere? We respectfully urge the Ministry of Forestry and Environment to reject the request to reclassify this core area of our World Heritage Site and protect it for the sake of our communities and global heritage for future generations to come." concluded Farwiza.

**Impacts on local communities:**

Claims of local community support for the project were also mentioned at a meeting hosted by the Gunung Leuser National Park Authority on December 8th to present the results of the UGM study, attended by a select group of invited NGO's, but we seriously question whether local people have really been made sufficiently aware what the real impacts of the proposed project will be on their lives and livelihoods from the destruction of such an environmentally sensitive area. Indeed there was no data presented at all at the meeting on any socio-economic studies. Data was only presented on the biodiversity and geology of the proposed project area, the legal issues that would need to be addressed to allow it to go ahead (namely rezoning the Zona Inti to Zona Pemanfaatan) and what would be needed to "harmonize" conflicting interests to ensure it could be implemented. In fact, and extremely worryingly, there was no discussion whatsoever concerning the impact the proposed development will actually have on local people.