



WWF Monitoring Brief October 2006:
Asia Pulp & Paper (APP)

Hiding Destruction Behind False Advertisements:
*APP continues to ignore calls for conservation beyond “legal compliance”,
and even fails on the latter*

Executive Summary

WWF-Indonesia

In an August 7th advertisement published in two major international newspapers, Asia Pulp and Paper (APP), one of the most destructive forces behind forest loss on the Indonesian island of Sumatra, falsely portrayed itself as a company that protects forests and wildlife and is committed to “conservation beyond compliance.”

WWF’s field work in Riau Province on the Indonesian island of Sumatra shows that the real situation is far different from what APP claims in the advertisement. In fact, APP continues large scale destruction of forests that are critically important to conservation. These forests are specifically defined as forests of outstanding and critical importance due to their environmental, socio-economic, cultural, biodiversity and landscape values and are known as High Conservation Value Forests or HCVFs.

WWF recommends that readers read the full report for detailed explanations and data on each of the facts below as well as a list of WWF’s calls to pulp and paper buyers worldwide. Download the full report at: <http://www.wwf.or.id/index.php?fuseaction=newsroom.detail&id=NWS1161151678&language=e>

Fact versus Fiction

APP Claim: “APP is committed to protecting high conservation value forests...”

Fact: APP has consistently proved that it is NOT protecting HCVFs, rather it continues indiscriminately clear-cutting these forests. Since it began operations in the 1980s, APP has pulped close to a million hectares of natural forests in Riau Province, on the island of Sumatra. Not only does APP destroy Riau’s forests, but very possible also those in the neighboring province of Jambi and possibly forests in South Sumatra, West and East Kalimantan and countries outside of Indonesia as well. All of the forests cleared by APP may include high conservation values.

APP Claim: “Just 3% of the total forest area in Indonesia has been designated for pulpwood farms. And that 3% represents just a fraction of the area designated as least valuable forests and wastelands. The government has set aside 40% of Indonesia’s forest as permanent, natural forest conservation areas.”

Fact: The figures cited are misleading because they refer to all of Indonesia and dilute APP’s impact on the forests in their center of operation in Riau Province. Between 1988 and 2005 Riau’s forest cover was reduced from 68 percent to 33 percent. APP was responsible for 29 percent of this loss.

APP Claim: APP states that the Indonesian government policy allows the establishment of timber plantations only on barren land, grasslands, bush, degraded forest or “least valuable forests and wastelands.”

Fact: According to inspections of company operations and satellite images, APP has been converting healthy and productive natural forests with high conservation values rather than “least valuable forests and wastelands.” Indonesia’s Government Regulation (PP 34 of 2002) signed by then President Megawati, allows only barren land, grasslands and bush to be converted for timber plantations.

APP Claim: “The forest that is designated to become pulpwood farms is further subjected to a number of rigorous biodiversity assessments. This process identifies and sets aside at least 30% of the pulpwood land as high conservation value forests. In addition, APP conducts a high conservation value assessment prior to

making a final determination of the areas that will be used for pulpwood farms and those that will be conservation set-asides.”

Fact: APP cites a requirement that plantation developers are to set aside 30 percent of their areas for conservation, however, satellite photos of land concessions associated with APP show that the concessions had much less than the required 30 percent of natural forests set-aside, proof that APP cleared more forest than was allowed by what APP called “legal compliance.” APP has done nothing resembling a FSC-based high-conservation-value assessment in most of its concessions. According to APP’s auditor, Rainforest Alliance’s SmartWood Program, APP is even failing to maintain conservation values in the areas it claims to have set aside for protection. Public Summary Verification Reports by SmartWood are available upon request.

APP Claim: “APP has joined forces with concession holders, the Indonesian Ministry of Forestry, local Governments and the Sumatran Tiger Conservation Program to create and help fund the Senepis-Buluhala Tiger Conservation Area. This 100,000 hectare-plus reserve, situated in the Senepis forests of northern Riau, contains one of the highest densities of tigers in Sumatra.”

Fact: Almost all of the 100,000 hectare-plus reserve APP advertises as having set aside for tiger conservation belongs to another company, which has been certified under FSC and LEI (Ecolabel Institute of Indonesia). In reality, APP offered to set aside a small fraction (about 15,000 hectares) of tiger habitat through its two joint venture forest concessionaires, but failed to mention that it will clear-cut nearly 50,000 hectares of tiger habitat inside these two concessions.

APP Claim: “In collaboration with the Riau Forest Department, APP is moving forward with plans to establish the Riau Biosphere Reserve, under the auspices of UNESCO. The proposed reserve will encompass an area of about 800,000 hectares, of which some 172,000 are conservation forests. The Biosphere Reserve will be unique due to the inclusion of a large swath of pristine peat swamp forest, and will have a high level of flora and fauna diversity.”

Fact: After promising to protect this Riau Biosphere Reserve in 2004, APP did not move forward with the plan. In the meantime, the peat swamp forest system that was to have made up the reserve has been left to degrade without any conservation management or protection. Peat swamp forest is good tiger habitat and serves as an important carbon sink. APP has concessions in four additional peat swamp forests which are being clearcut.

APP Claim: “We also go beyond our legal obligation to suppress fires on our lands, and maintain world-class fire fighting resources, including fire fighting helicopters, which are made available to both the government and the communities in times of need.”

Fact: Over the last five years, an average of 14% of all Riau’s forest and land fires burned in timber concessions associated with APP. The fires and their direct correlation with clearing of lands for plantations prompted several local and international conservation organizations to jointly call on the Indonesian Government to stop granting concessions for conversion and land clearing on peat swamp forests.

APP Claim: “APP has put sophisticated “chain-of-custody” systems in place to ensure that no illegal wood enters our mills....”

Fact: APP's "chain-of-custody" system provides no guarantee that its mills are free of illegally harvested wood fiber.

APP Claim: “APP believes that the protection of endangered species and the conservation of biodiversity are key tenets of responsible forest management. And sustainable, responsible forest management is, simply, good business. As users of the forest, we have an obligation to be good stewards of the forest and all that dwell in it.”

Fact: The facts listed above clearly show that APP DOES NOT believe that protecting endangered species and conserving biodiversity are key tenets of responsible forest management. Nor does APP respect its obligation to be good stewards of the forest and all that dwell in it. APP’s future “sustainable forest management program” clearly depends on today’s destruction of natural forests, including HCVFs. Any company buying products from

APP today is contributing to the devastating loss of the last natural forests not only in Riau but in other provinces where APP operates, pushing the wildlife that the forests support ever closer to extinction.