



Business as Usual in Riau, Sumatra: Pulp Industry Undermines Indonesian President's Historic Commitment to Dramatic GHG Emissions Reductions

Press Release -- for immediate release -- 8 July 2010

PEKANBARU, INDONESIA -- Two of the world's largest paper companies, Shanghai-based Asia Pulp & Paper (APP) and Singapore-based APRIL, undermine the recent agreement between Indonesia and Norway "to contribute to significant reductions in greenhouse gas emissions from deforestation, forest degradation and peatland conversion" – an investigation by Eyes on the Forest found.

The two companies together pulped five percent of the remaining natural forest in Sumatra's Riau Province, twice the size of Indonesia's capital Jakarta, an analysis of 2009's annual cutting licenses (RKT) shows that these licenses were issued for the extraction of high timber volumes per hectare. Most of the clearance of these high quality forests occurred on peat soil more than three meters deep in violation of existing law. Draining of peat soil and clearing of natural forests has been the main source of Indonesia's huge greenhouse gas emissions.

"APP and APRIL are undermining our President's commitment to reduce the country's emissions by up to 41 percent. We call on APP and APRIL to immediately stop using any timber associated with the conversion of tropical rainforest and draining of peatlands," said Ian Kosasih of WWF Indonesia. Both companies have advertised for years that they would no longer use natural forest fiber for their pulp production by 2009. But Eyes on the Forest estimates that the 2009 permits they acquired to clear natural forest in Riau alone may represent up to 40% and 84% of the raw material needs of APP's and APRIL's Riau pulp mills, respectively. "Customers should take the intensive green washing campaigns by both companies exactly for what they are, expensive PR stunts designed to fool the world," he added, said Santo Kurniawan, coordinator of Jikalahari, an NGO network in Riau.

In his agreement with Norway, the President committed to institute a two year moratorium on all new concessions for conversion of peat and natural forest from January 2011. Yet immediately following the commitment, the Indonesian Ministry of Forestry issued new permits to drain deep peat and clear natural forest in Riau. The new licenses may represent up to 29% and 50% of APP's and APRIL's Riau mill's raw material needs. APP and APRIL seem to be in a great hurry to clear Riau's remaining forests before the moratorium starts, putting the President into a very embarrassing position. This is just what he had feared when he spoke to the media immediately after the signing of the Oslo agreement in May this year. It appears the announcement of the moratorium has been a signal to clear even more forests even faster.

"We call on the Ministry to back up our President's historic commitment to reduce Indonesia's carbon emissions, by retracting all new annual cutting licenses," said Santo Kurniawan. "Since the agreement with Norway was signed many in the world have doubted that Indonesia was serious and believed business-as-usual would continue. Let us prove them to be wrong."

"APP and APRIL affiliated companies continue to clear natural forests and drain deep peat while issues of license legality and corruption are being investigated by Indonesia's Corruption Eradication Commission and Presidential task forces," said Hariansyah Usman of Walhi Riau. "We urge our government to put on hold all existing licenses and investigate their legality and sustainability. Any forest loss resulting from the irregular issuance of a license is irrevertable and thus has to be avoided."

The Eyes on the Forest investigation found irrefutable photographic evidence exposing APP and APRIL's environmental claims as shameless green washing campaigns. The 2009 and early 2010 operations by the two companies have cleared tropical rainforest and drained peat soils. They destroyed high conservation values areas, protected peatlands, the outer isles of the province, communities' livelihoods and the habitats of endangered species.

APP has been draining peat and clearing natural forests in Riau's UNESCO Biosphere Reserve while advertising globally its full support for the reserve. APP has been clearing crucial habitats of the critically endangered Sumatran tiger increasing the often deadly conflicts between people and tigers, while widely advertising its contribution to tiger conservation in the same area in this "Year of the Tiger". APP has been clearing High Conservation Value Forests that it had publicly committed to protect, while promoting its commitment to protect high conservation value forests in its PR campaigns.

APRIL has been clearing High Conservation Value Forests in deep peat areas, which WWF had delineated and the company had agreed to protect. By doing so APRIL broke the agreement with its international auditor, Rainforest Alliance's SmartWood Program, who suspended the company's FSC Controlled Wood certificate.

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Notes to editors:

- Eyes on the Forest May 2010 Investigative Report published today is available for download at: <http://www.eyesontheforest.or.id>
- Photographic evidence of natural forest clearance by APP and APRIL are collected at Gallery of evidences: deforestation by:
APP (1) at:
http://eyesontheforest.or.id/index.php?option=com_content&task=view&id=302&Itemid=1
APP (2) at:
http://eyesontheforest.or.id/index.php?option=com_content&task=view&id=303&Itemid=1
APRIL (1) at:
http://eyesontheforest.or.id/index.php?option=com_content&task=view&id=304&Itemid=1

APRIL (2) at:

http://eyesontheforest.or.id/index.php?option=com_content&task=view&id=305&Itemid=1

- The Letter of Intent between the Indonesian and Norwegian governments is available at: http://www.regjeringen.no/upload/SMK/Vedlegg/2010/Indonesia_avtale.pdf.
- The majority of Indonesia's greenhouse gas emissions come from the clearing of natural forests often standing on deep peat soil.
- Riau Province's peat forests are believed to contain the largest store of peat carbon in Southeast Asia. They might just be the world's most valuable carbon stores per hectare at a time when global governments and industries are increasingly willing to pay for the avoidance of carbon emissions.
- Riau, Sumatra is an epicenter of global pulp and palm oil production. It is the main resource extraction base of the two global pulp & paper giants Asia Pulp & Paper (APP) headquartered in Shanghai, China and Asia Pacific Resources International Holdings (APRIL) headquartered in Singapore, and it has plantation of the who-is-who of the country's palm oil producers. See WWF (2008) Deforestation, Forest Degradation, Biodiversity Loss and CO₂ Emissions in Riau, Sumatra, Indonesia. WWF Indonesia Technical Report, Jakarta, Indonesia.
<http://www.worldwildlife.org/who/media/press/2008/WWFPresitem7596.html>
- Norway pledged to pay Indonesia \$1 billion for reducing carbon emissions through rain forest and peat preservation. Riau province, considered by many to have the highest annual GHG emissions from deforestation, forest degradation and peat in Indonesia, is listed as one of the candidates for a REDD+ pilot province.
- Riau still has some of the most species-rich forests on Earth. The province contains one of just two "global priority tiger conservation landscapes" identified by leading tiger scientists in 2006 as critical for the long-term survival of the Sumatran tiger.
- On legality and corruption issues associated with APP and APRIL, see Eyes on the Forest December 2009 Investigative Report:
http://eyesontheforest.or.id/index.php?option=com_content&task=view&id=295&Itemid=1