

Deforestation and social conflict

A summary of recent monitoring of Asia Pacific Resources International Limited (APRIL)'s impacts in Indonesia

February 2015

APRIL is the second largest pulp and paper company in Indonesia. APRIL claims to plant 150 million trees every year, but these are mostly in industrial pulp plantations established after clearing rainforests. This process involves the complete destruction of the natural ecosystem and replacement by a monoculture, causing biodiversity loss, emissions of greenhouse gases from high-carbon peatland soils and in many cases conflicts with local communities. In 2015 APRIL suppliers are still clearing natural forests, and APRIL's forest policy allows the company to keep using natural forest fibre until 2020.

APRIL insufficient policy and poor implementation:

In 2014 APRIL announced a new forest policy, but it fails to address APRIL's destructive practices.

- It fails to protect High Conservation Value (HCV) forests until proper HCV assessments (complying with the Indonesian HCV Toolkit – e.g. peer-reviewed by the HCV Network) have been carried out. In fact APRIL and its suppliers are continuing to clear precious HCV rainforests, in some cases using poor quality HCV assessments conducted by APRIL staff and in other cases even without any assessment at all.¹
- It fails to establish a comprehensive moratorium on forest and land clearance, or to identify and protect (High Carbon Stock) HCS areas.
- It fails to commit to stop further drainage, expansion or development on peatlands. APRIL and its suppliers are continuing to establish plantations on deep forested peatland in Sumatra and Kalimantan.
- It fails to make a commitment to stop using mixed tropical hardwood (MTH) or natural forest fibre in APRIL mills (until 2020)².
- It fails to make a commitment not to acquire or buy fibre from companies that do not meet its policy.
- It fails to make a commitment to reconstitute lands and or provide compensation to the local communities for the land obtained without Free Prior Informed Consent (FPIC) in the past.
- The policy's language relating to FPIC is unclear (commitment to respect FPIC principles "in the Indonesian Context"³).
- It fails to establish a proper grievance procedure for complaints.
- The policy doesn't apply to APRIL sister company inside or outside the Royal Golden Eagle (RGE) Group conglomerate. The policy only applies to APRIL and its pulp producer PT RAPP.

¹ In the first half of 2014, APRIL received some 50,000m³ of rainforest fibre from concessions that had not had any HCV assessment, as stated by a KPMG auditing. Source: KPMG, Specified Auditing Procedures on SFM Policy Implementation, 8 December 2014. Report not public, but has been leaked and posted in <http://www.docdroid.net/q7nk/kpmg-audit-of-april-policy.pdf.html>.

² In the first six months of 2014, APRIL's Sumatra mill pulped 1.3 million cubic metres of mixed tropical hardwood timber from Indonesia's rainforests, as stated by a KPMG auditing. Source: KPMG, Specified Auditing Procedures on SFM Policy Implementation, 8 December 2014.

³ In Indonesia the State claims the ownership of the land, and local communities customary rights are not protected by the law. In this framework, mentioning the FPIC principles "in the Indonesian Context" is confusing, and could lead to the blatant violation of these FPIC principles,

Not only is the policy weak, APRIL's implementation of the policy is far from effective, as stated by an audit done by KPMG⁴:

- Forest areas obtained before 2005 are still being cleared without any HCV assessment.
- Where HCV has been assessed, they have not been properly peer-reviewed by the HCV Network, and the quality of these assessments is challenged by environmental organisations. As an example, KPMG auditors observed two IUCN red listed species in one of the sites proposed for logging.
- Contracts with fibre suppliers have not been updated to comply with the new policy.
- The commitment not to accept any natural fibre from long-term suppliers has not been implemented
- There are no standard operational procedures in place to implement the FPIC principles, nor to suspend any development in controversial areas until conflict resolution.
- A weak chain of custody system make it difficult to assure legality.

Field inspection by NGOs identified more cases of APRIL suppliers violating the theme of the policy. Here are some cases highlighted by NGOs after field investigations.

- In April 2014 an investigative report released by Riau environmental coalition Eyes on the Forest revealed that an APRIL supplier, PT Triomas Forestry Development Indonesia, logged high conservation value forest (HCVF) in the Kampar Peninsula that APRIL had already committed to protect in 2005.⁵
- In June 2014, GAPETA Borneo, Kalimantan Forest Monitoring NGOs (RPHK) and WWF-Indonesia East Kalimantan released a joint report revealing that AHL has continued to clear natural forest on protected peat after APRIL issued its Sustainable Forest Management Plan (SFMP) in January 2014. AHL cleared even High Conservation Value Forest (HCVF) identified by an APRIL commissioned assessment.⁶
- These findings have been confirmed in July 2014 by a joint team of the authoring NGOs, APRIL, AHL and APRIL's long-term HCV assessor, Tropenbos Indonesia⁷.
- In October 2014, according to Riau Community Peatland Network, APRIL violated its self-declared Sustainable Forest Management Policy (SFMP) commitment as it continued natural forest clearance in Bagan Melibur village of Padang Island, Riau province. The forest clearance occurred inside the village's area even though prior mediation on social conflict between PT Riau Andalan Pulp & Paper (RAPP), APRIL's timber supplier, and the local community had resulted in an agreement to halt any company's operations in the village until there is a final resolution of the conflict.⁸
- In November 2014 an Eyes on the Forest investigative report⁹ exposed an APRIL supplier (and sister company) PT Riau Andalan Pulp Paper (RAPP) still clearing natural forests in Pulau Padang in breach of one or more government regulations and thus in violation of its

⁴ KPMG, Specified Auditing Procedures on SFM Policy Implementation, 8 December 2014.

⁵ Eyes on the Forest, APRIL clears high conservation value forest in Sumatra's Kampar Peninsula, as it breaks its own commitment, April 2014, [http://www.eyesontheforest.or.id/attach/EoF%20\(April2014\)%20Investigative%20Report%20Triomas%20APRIL%20Finals_20140811060840.pdf](http://www.eyesontheforest.or.id/attach/EoF%20(April2014)%20Investigative%20Report%20Triomas%20APRIL%20Finals_20140811060840.pdf)

⁶ RPHK, APRIL supplier confirmed continue forest clearance without proper HCV assessment, June 2014, <http://pantauhutan.org/april-supplier-confirmed-continue-forest-clearance-without-proper-hcv-assessment/>

⁷ RPHK, APRIL supplier confirmed continue forest clearance without proper HCV assessment, June 2014, <http://pantauhutan.org/april-supplier-confirmed-continue-forest-clearance-without-proper-hcv-assessment/>

⁸ Minister of Forestry Decree No. 180/Menhut-II/2013

⁹ Eyes on the Forest, APRIL/RGE continues deforestation PT. RAPP operations violate government regulations and its own sustainability policy in Pulau Padang, Riau, Sumatra, November 2014,

<http://www.eyesontheforest.or.id/attach/EoF%20%2820Nov14%29%20APRIL%20RGE%20continues%20deforestation%20-%20grievance%20submitted%20to%20APRIL%20SAC%20EN%20final.pdf>

own policy. The company was still clearing land in Conservation Value Forest (HCVF), forested peatlands and areas claimed as customary by local communities.

APRIL's heritage of environmental impacts

APRIL started its forestry activities in 1993 and commercial pulp production in 1998. Since then, its paper production has grown at the cost of Indonesian rainforests. The conversion of natural rainforests into tree plantations inevitably reduces the habitat of these species, driving them to extinction. As an example, in 2005 APRIL started to clear the precious rainforests of in Bukit Tigapuluh and Kerumutan landscapes, some of the last habitat of the Sumatran Tiger.¹⁰

APRIL has been promising for almost a decade that it will stop logging natural forests, but then breaking its promises. In 2004, APRIL announced that by 2009 it would not source from natural forests: "By the year 2009 we will have sufficient Acacia from our own and our partners' fiber plantations to produce 2 million tons of pulp which is the production capacity of our mill."¹¹ In 2009 and 2010 however, the company applied for – and obtained – new cutting permits for 74,099 and 71,125 hectares respectively. These forests, all located in Sumatra, have an average official timber yield of 118 and 90 m³/ha, respectively, showing that this is not degraded land, but good natural forests, from which the company planned to harvest 8.5 and 6.3 million m³ of timber respectively. Such amount represent 84% and 50% of the wood fibre needs of APRIL's Riau mill.

Not caring much for its own commitment in 2004, the company admitted that "significant conversion of forests to plantations is an essential step for APRIL Indonesia in our process of establishing renewable plantation fiber supplies".¹² This means that its commitment made in 2004, to only rely on sustainable fiber by 2009, was just greenwashing. The reality however is much worse: according to the maps produced by Eyes on the Forest, APRIL has access to pulpwood supply concessions covering more than 10% of Riau province's landmass (940,000 hectares) and it continues to rely on clearance of natural forest for its pulping business. According to their satellite images, APRIL suppliers cleared at least 140,000 hectares of natural forests between 2008-9 and 2011. More than a quarter of all forest loss in the Riau province has been done to provide wood for APRIL mills.¹³

The 250,000 hectares of High Conservation Value Forest (HCVF) claimed to be set aside for conservation, needs to be compared with the HCVF deliberately cleared to establish pulp plantations: 800,000 hectares of HCVF¹⁴ in the Kampar Peninsula alone, most of which is in areas that should be protected by the Indonesian law since it is located on deep peat. APRIL also built an ecologically devastating logging road that split Kampar peninsula's peat ecosystem in half.¹⁵

In late 2010, while a two-year moratorium on new forest concessions was already announced by Indonesian President, APRIL and its competitor APP obtained 17 new licenses to drain peat soil and clear natural forest: 112,914 hectares of natural forest in Riau Province will be cleared to

¹⁰ Eyes on the Forest, APRIL clear-cuts natural forest in Bukit Tigapuluh and Kerumutan blocks, March 2005, [http://www.eyesontheforest.or.id/attach/Eyes on the Forest%20\(Mar%202005\)%20APRIL%20clearcuts%20natural%20forest%20in%20Bukit%20Tigapuluh%20and%20Kerumutan%20blocks.pdf](http://www.eyesontheforest.or.id/attach/Eyes%20on%20the%20Forest%20(Mar%202005)%20APRIL%20clearcuts%20natural%20forest%20in%20Bukit%20Tigapuluh%20and%20Kerumutan%20blocks.pdf)

¹¹ APRIL, 2004 Sustainability Report, 2005, Moving Forward. http://www.aprilasia.com/pdfs/sreport_yr2004.pdf

¹² Eyes on the Forest, APRIL: Riau, Sumatra's biggest forest pulper 2009 to 2012 - questionable legality, social conflicts and global warming, [http://www.eyesontheforest.or.id/attach/EoF%20\(20Dec12\)%20APRIL%20Riau%20Sumatras%20biggest%20forest%20pulper%2009%20to%202012.pdf](http://www.eyesontheforest.or.id/attach/EoF%20(20Dec12)%20APRIL%20Riau%20Sumatras%20biggest%20forest%20pulper%2009%20to%202012.pdf)

¹³ Eyes on the Forest, APRIL: Riau, Sumatra's biggest forest pulper 2009 to 2012 - questionable legality, social conflicts and global warming, [http://www.eyesontheforest.or.id/attach/Eyes on the Forest%20\(20Dec12\)%20APRIL%20Riau%20Sumatras%20biggest%20forest%20pulper%2009%20to%202012.pdf](http://www.eyesontheforest.or.id/attach/Eyes%20on%20the%20Forest%20(20Dec12)%20APRIL%20Riau%20Sumatras%20biggest%20forest%20pulper%2009%20to%202012.pdf)

¹⁴ ¹⁴ Tropenbos HCV Full Assessment of the Kampar Peninsula BICC-6 May 2010. Public consultation, 6 May 2010, <http://www.tropenbos.org/news/high+conservation+value+assessment+for+the+kampar+peninsula+landscape+>

¹⁵ Eyes on the Forest, News: APRIL's New Road Threatens Natural Forest in Kampar Peninsula, 27 May 2005, <http://www.eyesontheforest.or.id/index.php?page=news&action=view&id=11>

generate 10.4 million cubic meters of mixed tropical hardwood (MTH), used to produce pulp for paper.¹⁶

APRIL's climate impact

APRIL's contribution to global climate change is significant. The rapid destruction of Sumatra's natural rainforest – much of which lays on carbon-rich peat-lands – to supply APRIL's pulp mills, releases huge quantities of greenhouse gases. The clearing of dense natural forest and draining of deep peat to produce pulp and establish plantations undermines the Indonesia global commitment to reduce the country's emissions by up to 41%. These emissions mostly relate to land use change (LULUCF) and peat drainage. By the Indonesian government's own calculations peat-land is responsible for almost 40 per cent of the country's total emissions.¹⁷

A scientific study released by the University of Helsinki, shows that APRIL's Acacia plantations on peatland in Sumatra release around 80 tons of carbon dioxide per hectare per year.¹⁸

Most of the new concessions obtained by APRIL subsidiaries are located on deep peat, such as those in the Kampar peninsula, which is one of the largest and most precious peat deposits in the tropics. APRIL built its mega pulp mill PT. RAPP there to better exploit the area, and its affiliated wood suppliers applied for licenses for concessions in more than a third of the Kampar peninsula, which at the time was almost completely covered with dense tropical forest. To transport the logs to its mill and its pulp to the harbour, APRIL also built an ecologically devastating logging road that split Kampar peninsula's peat ecosystem in half.¹⁹

Since 2009 APRIL has also sourced large volumes of MTH from deep peat forests in Kerumutan²⁰ and from coastal islands in Riau's Meranti District²¹, which had until then been safe from deforestation by the paper industry. APRIL accelerated peat soil drainage and peat forest pulping in Kampar and Kerumutan since 2009 leading to a steep, long-lasting increase of GHG emissions.

APRIL has been implicated as one of the companies responsible for the massive forest fires that plague the Riau province. Based on NASA Modis Fire monitoring in the period of 13-19 February 2014²², Eyes on the Forest identified 891 hotspots inside APRIL affiliated companies' concessions.²³ In the first days of March there were still 359 hotspots in these concessions. Forestry in Riau province is linked to bad forest practices, especially in the highly inflammable drained peat soil. The impact of these fires has been massive and devastating: around 50,000 people experienced respiratory infection diseases, 3 people died, 221 people lost their home farms and livelihood or have been displaced. The haze was so intensive that it caused cancellation of flights, impacted nearby countries and paralysed economic and social activities in impacted areas.

APRIL's social impact

¹⁶ Eyes on the Forest, Investigative report, November 2010,

[http://eyesontheforest.or.id/attach/EoF%20\(30Nov10\)%20Riau%20RKT%202010%20natural%20forest%20and%20peat%20conversion%20EN%20FINAL.pdf](http://eyesontheforest.or.id/attach/EoF%20(30Nov10)%20Riau%20RKT%202010%20natural%20forest%20and%20peat%20conversion%20EN%20FINAL.pdf), assets.panda.org/downloads/appsenepisreport_oct08_final.pdf

¹⁷ Dewan Nasional Perubahan Iklim, Indonesia, Indonesia Greenhouse Gas Abatement Cost Curve, August 2010,

http://www.dnpi.go.id/report/DNPI-Media-Kit/reports/indonesia-ghg_abatement_cost_curve/Indonesia_ghg_cost_curve_english.pdf

¹⁸ J. Jauhainen¹, A. Hooijer², and S. E. Page, Carbon dioxide emissions from an Acacia plantation on peatland in Sumatra, Indonesia, University of Helsinki, 2012,

https://helda.helsinki.fi/bitstream/handle/10138/34598/Jauhainen_et_al_2012_bg_9_617_2012.pdf?sequence=2

¹⁹ Eyes on the Forest, News: APRIL's New Road Threatens Natural Forest in Kampar Peninsula, 27 May 2005,

<http://www.eyesontheforest.or.id/index.php?page=news&action=view&id=11>

²⁰ Eyes on the Forest, August 2009, <http://www.eyesontheforest.or.id/index.php?page=news&action=view&id=211>

http://www.eyesontheforest.or.id/index.php?option=com_docman&task=doc_download&gid=170&Itemid=20

²¹ Eyes on the Forest, APRIL's supplier PT SRL protested in islands, 21 Oct 2011,

<http://www.eyesontheforest.or.id/index.php?page=news&action=view&id=498>

²² <https://earthdata.nasa.gov/data/near-real-time-data/firms/active-fire-data>

²³ Eyes on the Forest, In a week Riau hotspots notches 1605 as 474 found in pulp concessions, February 2014

<http://www.eyesontheforest.or.id/?page=news&action=view&id=698>

Indonesia's rainforests offer shelter, livelihoods and cultural identity to around 40 million Indonesians, while millions of others have indirect benefits from them. The economic value of the benefits from intact forests to these people is unquantifiable, but likely to total billions of dollars in food, jobs and other cultural benefits. APRIL has a long history of conflicts with indigenous people and local communities. Since the beginning of its activity, conflicts with local communities have been part of the operational reality of APRIL subsidiaries. The claimed 76,000 hectares allocated for community livelihood projects are nothing if compared with the size of APRIL's supplier concessions and with the amount of the company's land grabbing at the expense of local communities.

Conflicts arise alongside concession expansion by APRIL's subsidiaries, involving villages such as Teluk Meranti and Teluk Binjai, the villages in the Pulau Rangsang area, Rupa island, The villages in Lubuk Jering and Gunung Sahilan, in the Kampar Peninsula. APRIL operations in Pulau Padang created also conflicts among villagers, compromising the harmony inside the community. In different places, APRIL's subsidiaries cleared gardens, destroyed community forests, sent the police to arrest for encroachment villagers living in their areas for generations, assaulted villagers and used bulldozers to destroy villagers' motorbikes (the only transportation means in the area)²⁴. Furthermore, in April 2014, Eyes on the Forest documented child labour at the PT Triomas (an APRIL supplier) timber plantation, in blatant violation of national and international legislation.²⁵

One year after APRIL announced its new policy, social conflicts remain. As an example, in January 2015, the people of four villages of Pulau Padang were still protesting against PT RAPP and blocking 20 excavators digging canals deep in the peat forests to establish new plantations.²⁶

A comprehensive list of past social conflicts (up to 2012) can be found in the Eyes on the Forest report *Asia Pacific Resources International Limited (APRIL): Riau, Sumatra's biggest forest pulper 2009 to 2012 questionable legality, social conflicts and global warming*.²⁷

APRIL's Certifications

APRIL can claim a number of certifications, but no one serious certification of responsible forest management. Its PEFC certification is only for Chain of Custody, this mean there is no APRIL plantation certified under this scheme²⁸.

In 2010 APRIL lost its prestigious certification by Forest Stewardship Council (FSC). The certification was suspended by SmartWood, an independent forest management certifier, after the paper giant was found to have violated FSC's controlled wood standard, including prohibitions against conversion of rainforests to create paper plantations, destruction of High Conservation Value Forests, including peatlands, and conflicts with communities²⁹.

²⁴ Eyes on the Forest, NGOs blast APRIL for violence, March 2012, <http://www.eyesontheforest.or.id/?page=news&action=view&id=523>

²⁵ Eyes on the Forest, APRIL clears high conservation value forest in Sumatra's Kampar Peninsula, as it breaks its own commitment, April 2014, [http://www.eyesontheforest.or.id/attach/EoF%20\(April2014\)%20Investigative%20Report%20Triomas%20APRIL%20Finals_20140811060840.pdf](http://www.eyesontheforest.or.id/attach/EoF%20(April2014)%20Investigative%20Report%20Triomas%20APRIL%20Finals_20140811060840.pdf)

²⁶ Pulau Padang Memanas, Warga Usir Eskavator PT RAPP, January 2015, <http://metroterkini.com/berita-12717-pulau-padang-memanas-warga-usir-eskavator-pt-rapp.html>

²⁷ Eyes on the Forest, Asia Pacific Resources International Limited (APRIL): Riau, Sumatra's biggest forest pulper 2009 to 2012 questionable legality, social conflicts and global warming, 2009, [http://www.eyesontheforest.or.id/attach/EoF%20\(20Dec12\)%20APRIL%20Riau%20Sumatras%20biggest%20forest%20pulper%202009%20to%202012.pdf](http://www.eyesontheforest.or.id/attach/EoF%20(20Dec12)%20APRIL%20Riau%20Sumatras%20biggest%20forest%20pulper%202009%20to%202012.pdf)

²⁸ PT. Riau Andalan Pulp and Paper, CoC Certificate No.10000312, see [http://www.pefc.org/find-certified/certified-](http://www.pefc.org/find-certified/certified-certificates/advanced-)

[certificates/advanced-search?organisation_name=Riau+Andalan+Pulp+and+Paper&certificate_number=&licence_number=&certification_body_notification=0&country=ID+%28Indonesia%29&certificate_status=0&industry_sector=0&product_category=0&product_name=&action=search&searchtype=advanced_search](http://www.pefc.org/find-certified/certified-certificates/advanced-search?organisation_name=Riau+Andalan+Pulp+and+Paper&certificate_number=&licence_number=&certification_body_notification=0&country=ID+%28Indonesia%29&certificate_status=0&industry_sector=0&product_category=0&product_name=&action=search&searchtype=advanced_search)

²⁹ Forest Stewardship Council Certificate FSC certificate holder listing Code SW-CW/FM-003712 FSC License Code: FSC-C009657. PT. Riau Andalan Pulp and Paper Forestry Division (Riaufiber). <http://info.fsc.org/PublicCertificateDetails?id=a0240000005sSmMAAU>; Rainforest Alliance SmartWood Program, Forest

The legality certification PHPL/SVLK held by APRIL is questionable, since some of the certified companies have been involved in the corruption case with district/provincial leader (see below).

Legality

APRIL is operating in concessions that have been illegally awarded and has been caught paying for illegal logs: it paid at least 6.4 billion Rupiah (US\$684,800) to exploit forests using illegal permits issued by Pelalawan Regent Tengku Azmun Jaafar. Six officials involved in this have been sentenced by the Anti-corruption Court to prison sentences ranging from 4 and half years to 14 years.

In March 2014, Former Riau Governor Rusli Zainal was sentenced to 14 years in prison for forestry corruption. According to the prosecutors, he allowed logging permits to be issued to a number of plantation companies (Mitra Tani Nusa Sejati, Rimba Mutiara Permai, Selaras Abadi Utama, Bhakti Praja Mulia, Putri Lindung Bulan, Mitra Hutani Jaya, Satria Perkasa Agung and Seraya Sumber Lestari) supplying giant pulp companies Indah Kiat Pulp and Paper (APP) and Riau Andalan Pulp and Paper (APRIL)³⁰.

The concessions however have been not withdrawn, and they are still supplying APRIL pulp mills, despite the result of the court case, which found the company to be a partner in crime, with the final decision announced by the judges stating that the defendants were found guilty in collaborating with companies to cause losses to State³¹.

In March 2013, PT Sumatera Riang Lestari (another APRIL affiliated company) was caught cutting down Ramin (*Gonystylus spp*), a threatened tree species protected by Indonesian legislation and by the International convention of endangered species (CITES).³²

Management Controlled Wood Surveillance Audit 2009 Report for: PT. Riau Andalan Pulp and Paper Forestry Division (Riaufiber) in Pangkalan Kerinci, Riau Province, Indonesia, 26 May 2010,

<http://info.fsc.org/servlet/servlet.FileDownload?retURL=%2Fapex%2FPublicCertificateDetails%3Fid>

³⁰ The Jakarta Globe, Ex-Riau Governor Gets 14 Years Over Logging Permit, National Games Corruption Cases, March 2014, <http://thejakartaglobe.beritasatu.com/news/ex-riau-governor-gets-14-years-logging-permit-national-games-corruption-cases/>

³¹ Eyes on the Forest, Riau Governor named suspect in a land conversion bribery case, October 2014, <http://www.eyesontheforest.or.id/?page=news&action=view&id=758>

³² Eyes on the Forest, PT Sumatera Riang Lestari, affiliated company to APRIL, clear-cuts natural forests in Rupert Island, eliminates endangered Ramin habitat, threatens indigenous Suku Akit and degrades peat ecosystem in the small island, February 2011 http://www.eyesontheforest.or.id/attach/EoF_Inv_Report_PT_SRL_Feb2011_eng_FINAL.pdf

Eyes on the Forest, APRIL supplier PT SRL still fells Ramin in Rupert Island, April 2012

<http://www.eyesontheforest.or.id/?page=news&action=view&id=532>

Eyes on the Forest, APRIL menebangi hutan bernilai konservasi tinggi di Semenanjung Kampar, melanggar komitmennya sendiri, April 2014,

[http://www.eyesontheforest.or.id/attach/Laporan%20EoF%20\(April2014\)%20APRIL%20menebangi%20HCVF%20Kampar%20PT%20Triomas_20140811070856.pdf](http://www.eyesontheforest.or.id/attach/Laporan%20EoF%20(April2014)%20APRIL%20menebangi%20HCVF%20Kampar%20PT%20Triomas_20140811070856.pdf)