

ZERO TO ZERO

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**APP's Zero
Deforestation
Policy Saves
Zero Forested
Sumatran Tiger
Habitat**

If APP objects to the statement that its zero deforestation policy will save zero forested Sumatran tiger habitat, Greenomics Indonesia will be very happy indeed. Why? This means that APP will be willing to make public precisely how many hectares of forested Sumatran tiger habitat are contained in its zero deforestation map. And, from that figure, APP will explain what percentage of forested Sumatran tiger habitat has been set aside compared with the area that has been cleared in the pulpwood plantation blocks in the concessions owned by or linked to APP. Precisely what is the percentage - 1%, 2%,...?

However, Greenomics Indonesia believes that APP will never willingly make such figures public as to do so would reveal the lamentable fact that the company's zero deforestation policy will save virtually no forested Sumatran tiger habitat.



104°8'55.037"E 1°43'25.674"S
(November 2013)

This photo shows how this APP supplier (PT TPJ), which has its head office at the headquarters of APP and operates in South Sumatra Province, cleared Sumatran tiger habitat before welcoming the Forest Conservation Policy declaration in early February 2013.

Background

Based on various legal documents produced by pulpwood plantation concessions owned by and linked to Asia Pulp & Paper (APP) and Asia Pacific Resources International Ltd (APRIL) which have been officially submitted to and approved by the Indonesian Ministry of Forestry, it will be seen that the Ministry of Forestry policy that requires pulpwood companies to set aside at least 10% of their concessions to be legally designated as protection areas – including for wildlife protection purposes – is still being availed of by a number of APP and APRIL-related pulpwood plantation concessions so as to set aside forested habitat for critically endangered Sumatran tigers.

APP's Forest Conservation Policy (FCP), based on its "zero deforestation" campaign, was launched in early February, 2013. However, it is clearly not designed to save the remaining forested habitat of the Sumatran tiger. Why?

In the run-up to the announcement of the FCP at the beginning of February, the forested Sumatran tiger habitat that was located within pulpwood concessions owned by and linked to APP that serve as the sources of raw materials (in the form of natural forest fiber) for APP mills was completely cleared.

It can be both spatially and legally proven that the protection areas that the Ministry of Forestry requires to be set aside by the said pulpwood plantations represent, taken together, a last stand for forested Sumatran tiger habitat, although in a number of spots deforestation has occurred due to various factors.

Among the main factors are as follows: in several cases it has been found that the legally protected areas that were set aside – which included Sumatran tiger habitat within them – had already been cleared by the pulpwood concession companies themselves. There were also cases where the legally protected areas that had been set aside were subject to encroachment by third parties.

Even more surprising – apart altogether from the reasons put forward by APP – forested Sumatran tiger habitat continued to be cleared after the FCP started to be implemented by these pulpwood plantation companies, which have their head offices at APP's Jakarta Headquarters.

In addition, there were also legal practices conducted by certain pulpwood plantation companies that resulted in the changing or revision of their operational business plans, leading to certain blocks that had previously been designated as protection areas for Sumatran tiger habitat being earmarked for the development of pulpwood plantations. As a result, the wood from what had previously been forested Sumatran tiger habitat ended up being used as a source of pulp.

These factors are the main ones that have resulted in the loss of forested Sumatran tiger habitat in legally protected areas within pulpwood plantation concessions.

APP's zero deforestation policy, which represents the principal theme of its FCP, is technically irrelevant as there was zero forested Sumatran tiger habitat left in the pulpwood plantation concessions operating under the control of APP/Sinar Mas Forestry when the FCP was announced.

This report spatially and legally demonstrates how the last stands of forested Sumatran tiger habitat was aggressively cleared in the run-up to the announcement of the FCP. This clearly shows that the FCP was not intended or designed to save the remaining stands of forested Sumatran tiger habitat.

There is absolutely nothing worthy of appreciation in the FCP as regards the effort to save forested Sumatran tiger habitat.

Methodology

The report uses legal documents, including the 10-Year Work Plans and Annual Work Plans of pulpwood plantation concessions that supply raw materials to APP and APRIL on Sumatra Island as the basis of analysis.

The expansion of deforestation in these pulpwood plantation concessions is shown by digital data interpreted by the Ministry of Forestry between 2002 and 2011, which is complemented by the USGS (the United States Geological Survey) Landsat data so as to verify the ministry's interpretations. Meanwhile, digital data on the distribution of the Sumatran tiger was provided by WWF-Indonesia.

The APP indicative moratorium map used in this report was developed based on legal documents, particularly the maps prepared for Annual and 10-Year Work Plans, and legal documents relating to the operations of pulpwood plantation companies owned by and linked to the APP and APRIL groups.

Based on these legal documents, it has been possible to identify the areas that have been, are being, and will be developed as pulpwood plantations. This legal and spatial data was then accurately digitized and overlaid with the development of land cover using the USGS Landsat images. Then, undeveloped areas were identified spatially in the blocks allocated for pulpwood plantation development. These undeveloped areas are designated as areas that are subject to the APP moratorium.

The level of accuracy of the APP indicative moratorium area, as used in this report, will be very close to the APP moratorium map as APP developed this moratorium map using the same legal documents that have been used in this report.

The report combines the legal and spatial approaches into one integrated analysis in order to obtain a high level of analytical accuracy. Various technical discussions were also conducted with relevant officials in the Ministry of Forestry.

101°11'31.294"E 1°56'36.882"N
(October 2013)



This aerial photo shows that area of forested Sumatran tiger habitat that had been cleared in the PT Suntura Gajapati concession area at the outset of the Zero Deforestation Policy.

APP's Zero Deforestation Map:

***Clearly not designed to save
forested Sumatran tiger habitat***



This photo shows the remaining forested Sumatran tiger habitat in the PT Suntura Gajapati concession was cleared.

In reality, the FCP announced by APP in early February, 2013, represented an extraordinary opportunity to save remaining forested Sumatran tiger habitat located in a number of pulpwood plantation concessions owned by and linked to APP. However, that opportunity was wasted as the remaining forested Sumatran tiger habitat located in the blocks that are to be developed as pulpwood plantations in the concession areas, was aggressively cleared ahead of the announcement of the FCP. This indicates that the FCP was not designed to save forested Sumatran tiger habitat.

In this report, we discuss a number of case studies that show how the APP Zero Deforestation Map, in so far as it relates to three pulpwood plantation concessions owned by and linked to APP in Riau Province, was clearly not designed to save forested Sumatran tiger habitat.

These case studies present legal and spatial facts that prove that the APP Zero Deforestation Map was not designed to save forested Sumatran tiger habitat as it can be said that, technically speaking, 100% of the area of forested Sumatran tiger habitat that was allocated for the development of pulpwood plantation concessions owned by and linked to the APP group was in fact cleared .

The last stand for forested Sumatran tiger habitat has been shown to not be in those areas saved by APP's Zero Deforestation Policy or FCP, but rather in areas that must be legally set aside as protection areas by each pulpwood plantation concessions – although it has also been found that there are protection areas that failed to serve as last stands for forested Sumatran tiger habitat. Three case studies are discussed below:

See the Greenomics Indonesia report titled: **"APP's Artful Deception: After pulping its remaining forests, APP positions itself as a conservation leader with new policy"** – published on 18 March 2013.

PT Ruas Utama Jaya (RUJ)

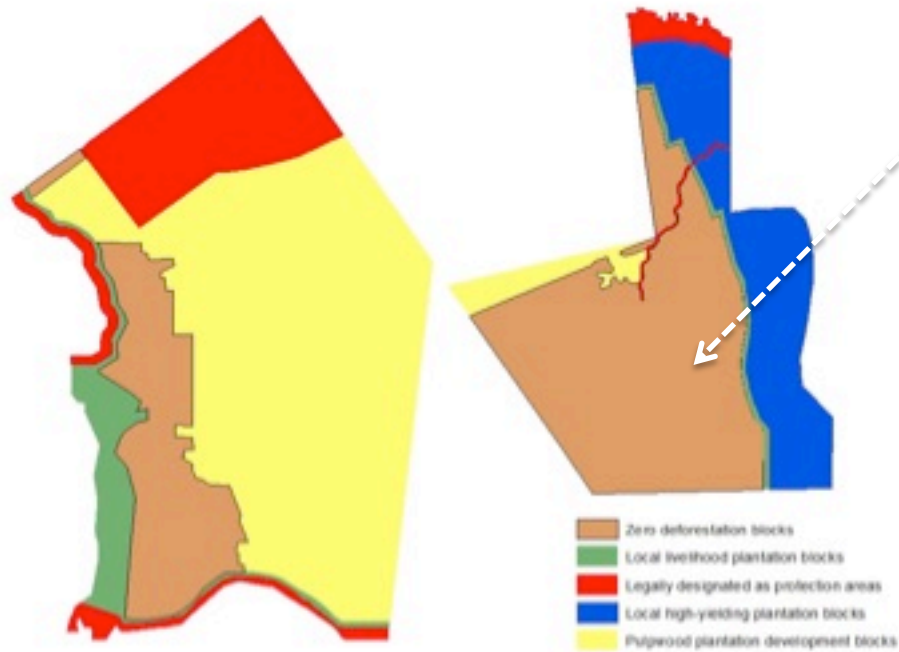
The area that is subject to APP's Zero Deforestation Policy extends to approximately 14,000 hectares out of a total concession area of 44,330 hectares.

The allocation of the remaining forested areas in the RUJ concession can be seen in the map submitted to and approved by the Ministry of Forestry in April 2008. From this legal document it will be seen that of the 15,489 hectares of forested land in the concession area, 4,064 hectares are allocated for protection areas, predominantly for Sumatran tiger habitat. Meanwhile, 11,425 hectares is designated for development as pulpwood plantations, which means, of course, that the land in question was earmarked for clearance. Almost 100% of the said 11,425 hectares has now been cleared.

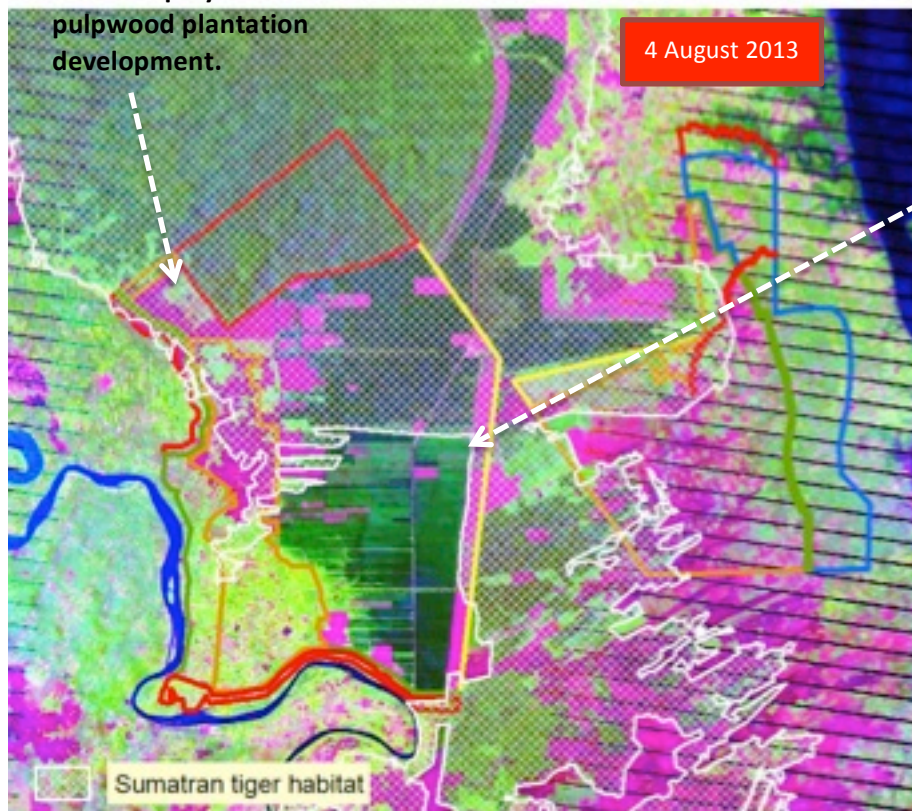
Technically, it may be said that there is no longer any forested Sumatran tiger habitat in the area designated for zero deforestation by APP in this RUJ pulpwood plantation concession. In the legal documents submitted to and approved by the Ministry of Forestry, RUJ stated that it was a subsidiary of the Sinar Mas Group.



101°3'37.08"E 1°50'47.58"N
(November 2013)



Protection areas have been divided up by RUJ for pulpwood plantation development.



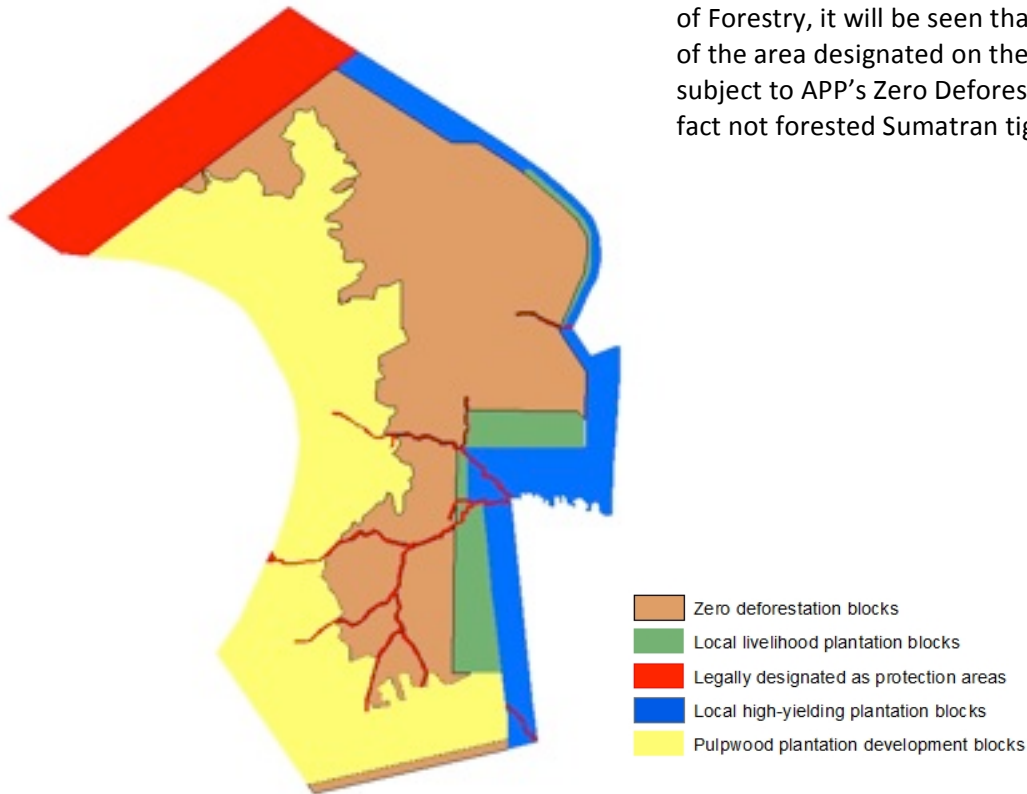
In fact, the remaining forested Sumatran tiger habitat along the length of the block was not to be cleared (local high-yielding plantation block). However, the use of the block was changed to pulpwood plantation development. As a result, it ended up also being cleared shortly before the announcement of the FCP.

RUJ changed the designation of some of the areas that had previously been set aside as legal protection areas for Sumatran tiger habitat so that they could be subsequently used for pulpwood plantation development. In reality, these sub-blocks should have served as protection areas for Sumatran tiger habitat. Instead, however, they were cleared for the development of pulpwood plantations by this APP-owned company.



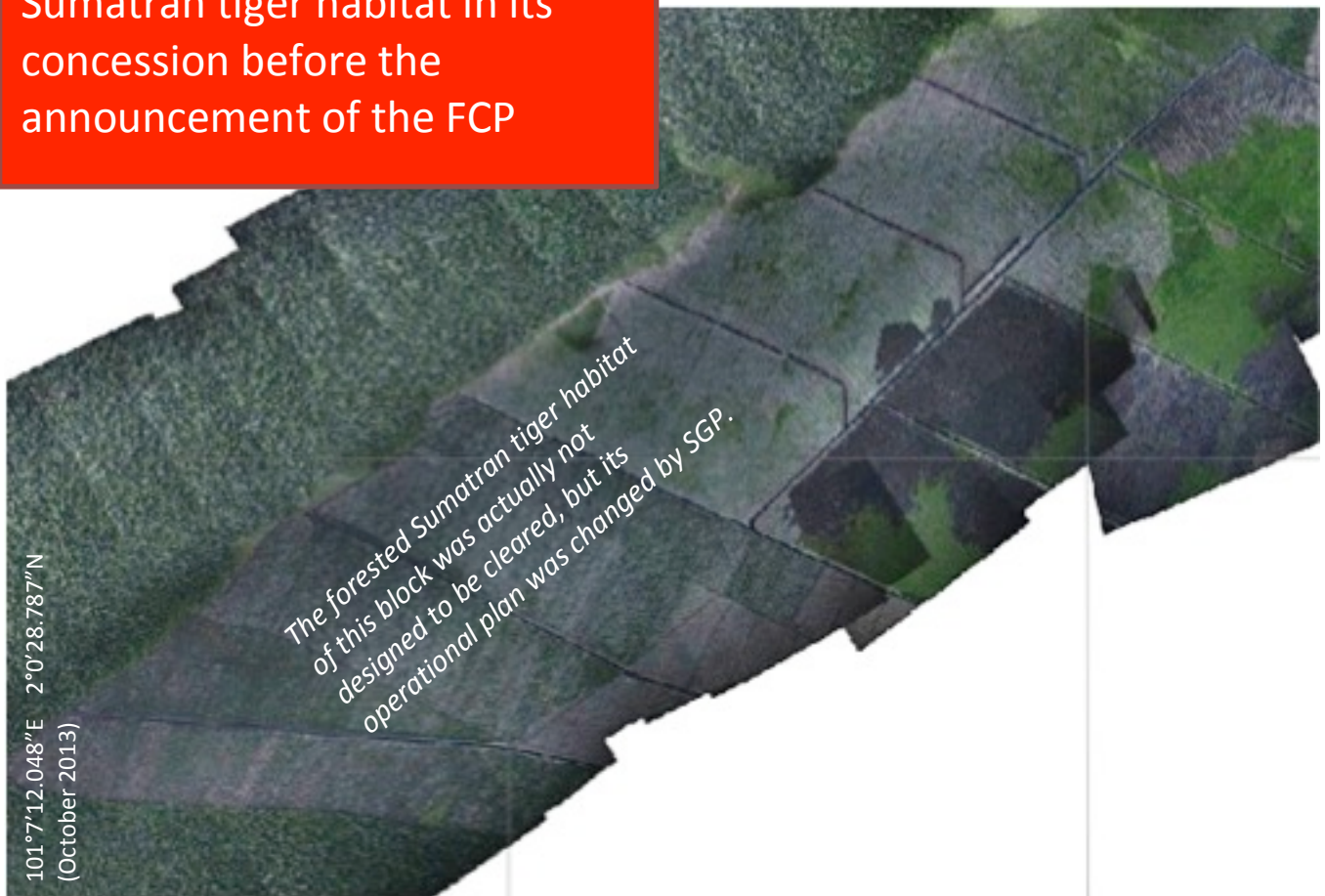
PT Suntara Gajapati (SGP)

SGP has a concession area of 34,792 hectares, of which more than 12,000 hectares is subject to the Zero Deforestation Policy. Based on land-cover map of 6 January 2012 that was submitted by SGP for approval by the Ministry of Forestry, it will be seen that more than 95% of the area designated on the map as being subject to APP's Zero Deforestation Policy is in fact not forested Sumatran tiger habitat.



The forested Sumatran tiger habitat along the length of this block was actually not intended to be cleared (local high-yielding plantation block), but its operational plan was changed by SGP so as to allow it to be cleared, with the resulting wood being used as raw materials by APP.

This aerial photo shows the level of aggressiveness of SGP in clearing remaining forested Sumatran tiger habitat in its concession before the announcement of the FCP



This certainly does not represent a commitment to the protection of forested Sumatran tiger habitat as almost all of the area subject to APP's Zero Deforestation Policy in this particular case actually consists of deforested Sumatran tiger habitat.

PT Bina Daya Bentala (BDB)

Based on legal documents produced by BDB, of its overall concession area of 19,870 hectares, only 4,923 hectares are still forested – as shown by the land-cover map prepared by BDB itself as part of the business operations plan that was approved by the Ministry of Forestry in 2008.

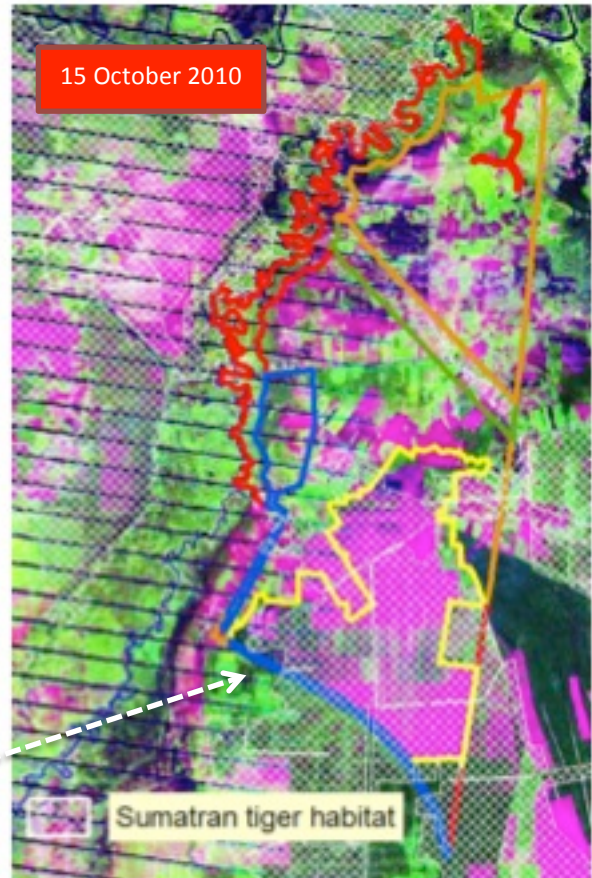


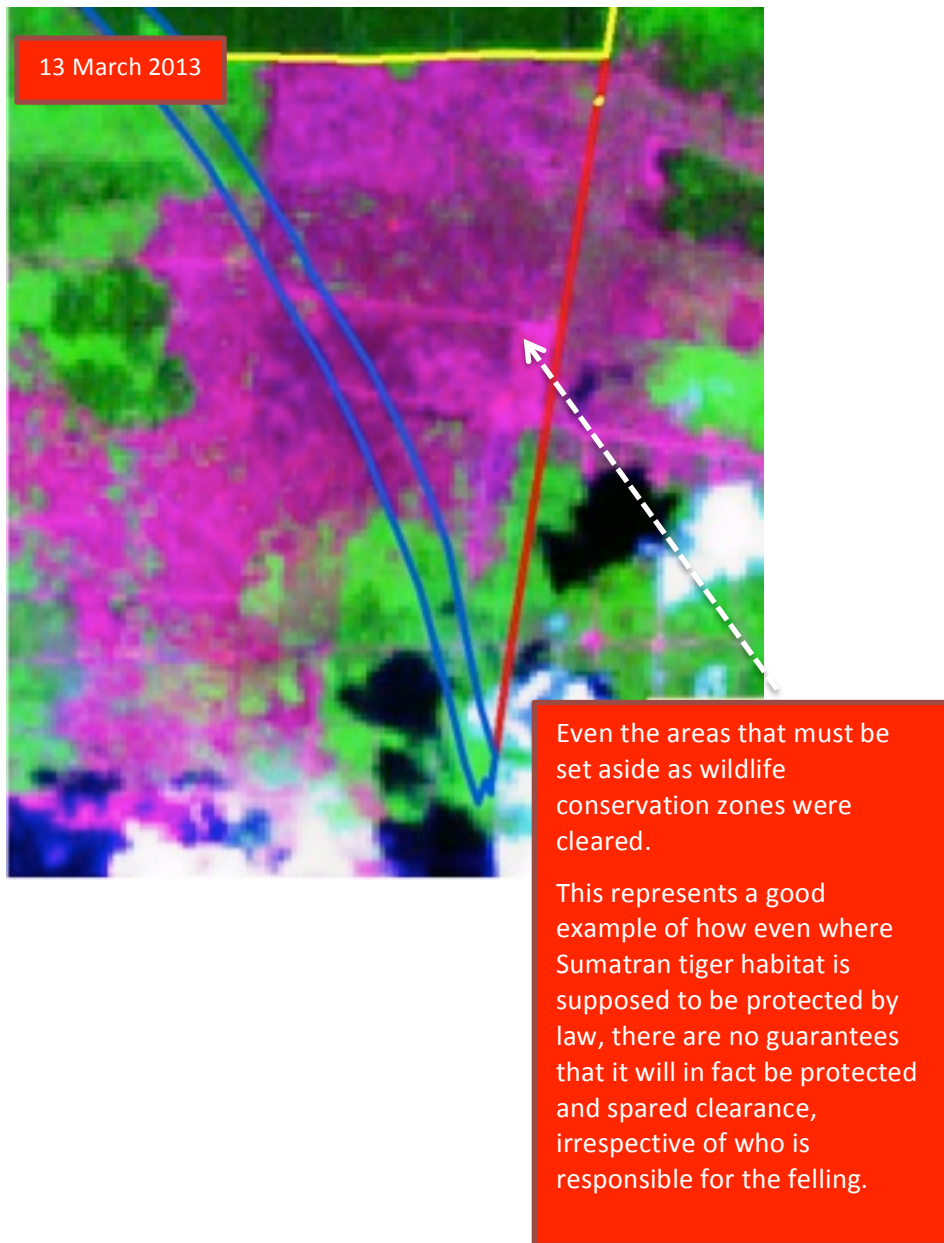
- Zero deforestation blocks
- Local livelihood plantation blocks
- Legally designated as protection areas
- Local high-yielding plantation blocks
- Pulpwood plantation development blocks

When overlaid with data on Sumatran tiger distribution, it turns out that there are forested areas within the BDB concession that constitute Sumatran tiger habitat. However, the reality is that 100% of these forested areas have now been cleared.

If we look at the distribution of forested areas in this BDB land-cover map and then compare them with the areas that are subject to the Zero Deforestation Policy in the indicative moratorium map produced by APP, it will be clear that the APP deforestation area actually consists of deforested land.

In fact, the bulk of the Zero Deforestation Policy area is in fact occupied by third parties – as highlighted by BDB itself in its 2012 Annual Work Plan, which was approved by the Ministry of Forestry in April, 2012.

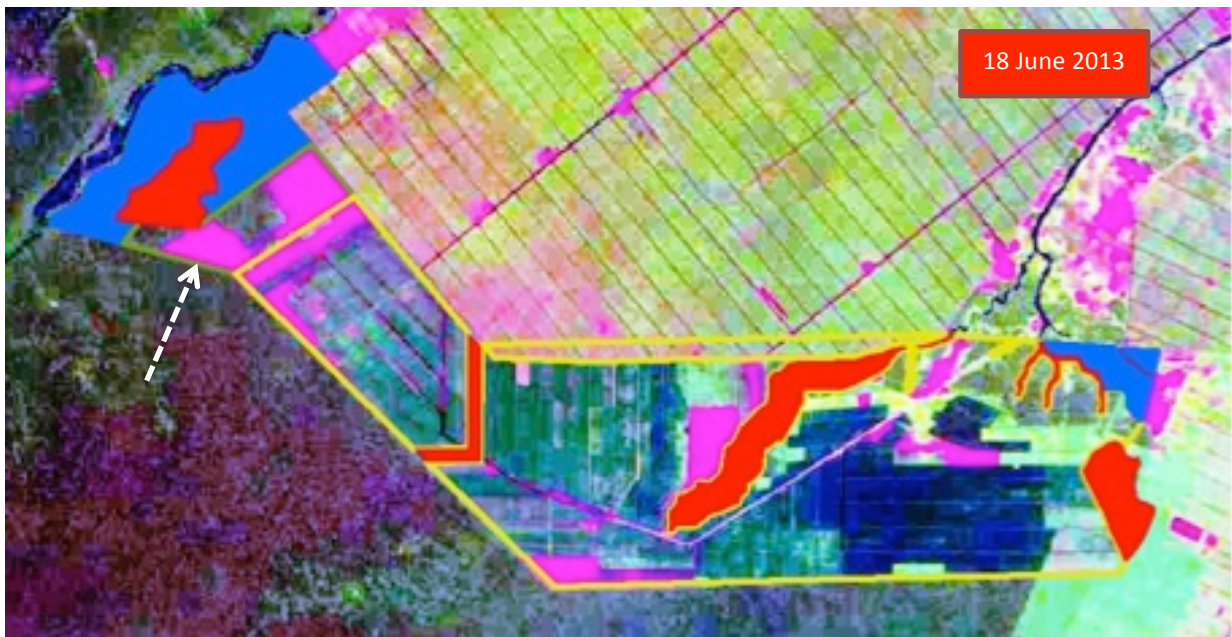




Thus, we have no hesitation in concluding that the zero deforestation map in this concession area is not at all related to the protection of Sumatran tiger habitat. In fact, the forested Sumatran tiger habitat located in those areas allocated for pulpwood plantation development had been 100% cleared before the FCP was announced at the beginning of February 2013. Even if one expected to find last stands of forested Sumatran tiger habitat in those areas that have been set aside for the protection of wildlife, one would be disappointed as these have also been deforested.

***APP suppliers with offices at APP
Headquarters are responsible for clearing
forested Sumatran tiger habitat since the Zero
Deforestation Policy came into effect***

The Eyes on the Forest (EoF) report published on 15 May 2013, which revealed how PT Riau Indo Agropalma (RIA) was involved in clearing forested Sumatran tiger habitat, did a lot to tarnish the credibility of APP's FCP and Zero Deforestation Policy. Although only 70 hectares was involved, the land in question had been allocated for the cultivation of livelihood plantation crops. This shows that there is no more natural forest to be found in those blocks allocated for pulpwood plantation development.



Just imagine what would have happened if the EoF report had not been published. It would have been business as usual for RIA, while at the same time APP would have continued trumpeting its FCP campaign.

These areas were also targeted for clearance but the work was stopped after the publication of the EoF report.



102°57'4.18"E 0°4'38.93"N
(October 2013)

RIA's Timber Legality Verification System document (SVLK) issued in December 2012 included the details of RIA license holders. It was indeed surprising to find that RIA's representative address in Jakarta was the same as a number of pulpwood plantation companies owned by Sinar Mas Group/APP.

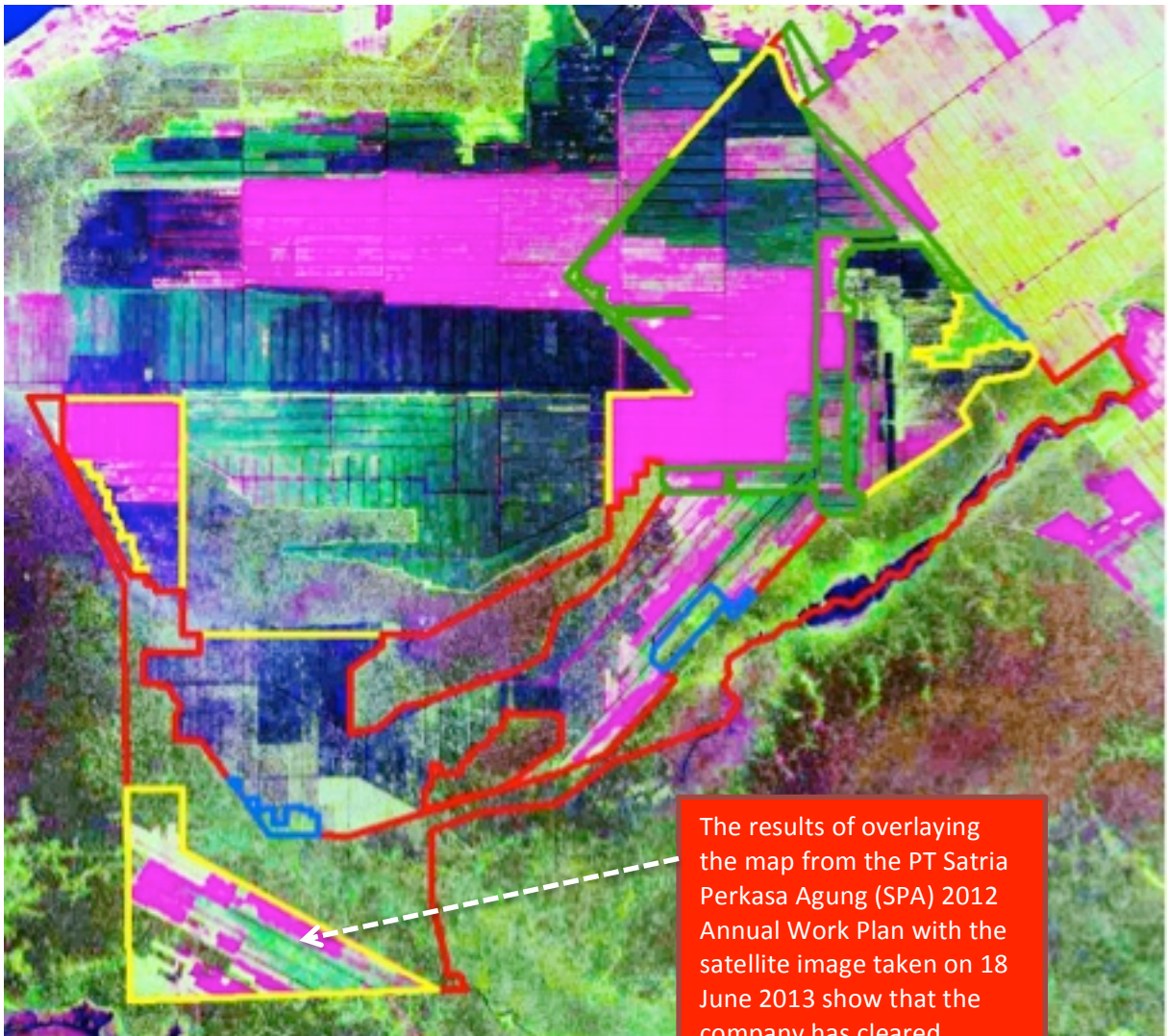
Given that the particulars of these license holders are given in the SVLK document, the legal basis of such particulars may be assumed to be accurate. In the company's 10-Year Work Plan (2008-2017), the address given by RIA on the front cover of this legal document is once again the same as those of a number of other pulpwood plantation companies owned by the Sinar Mas Group.



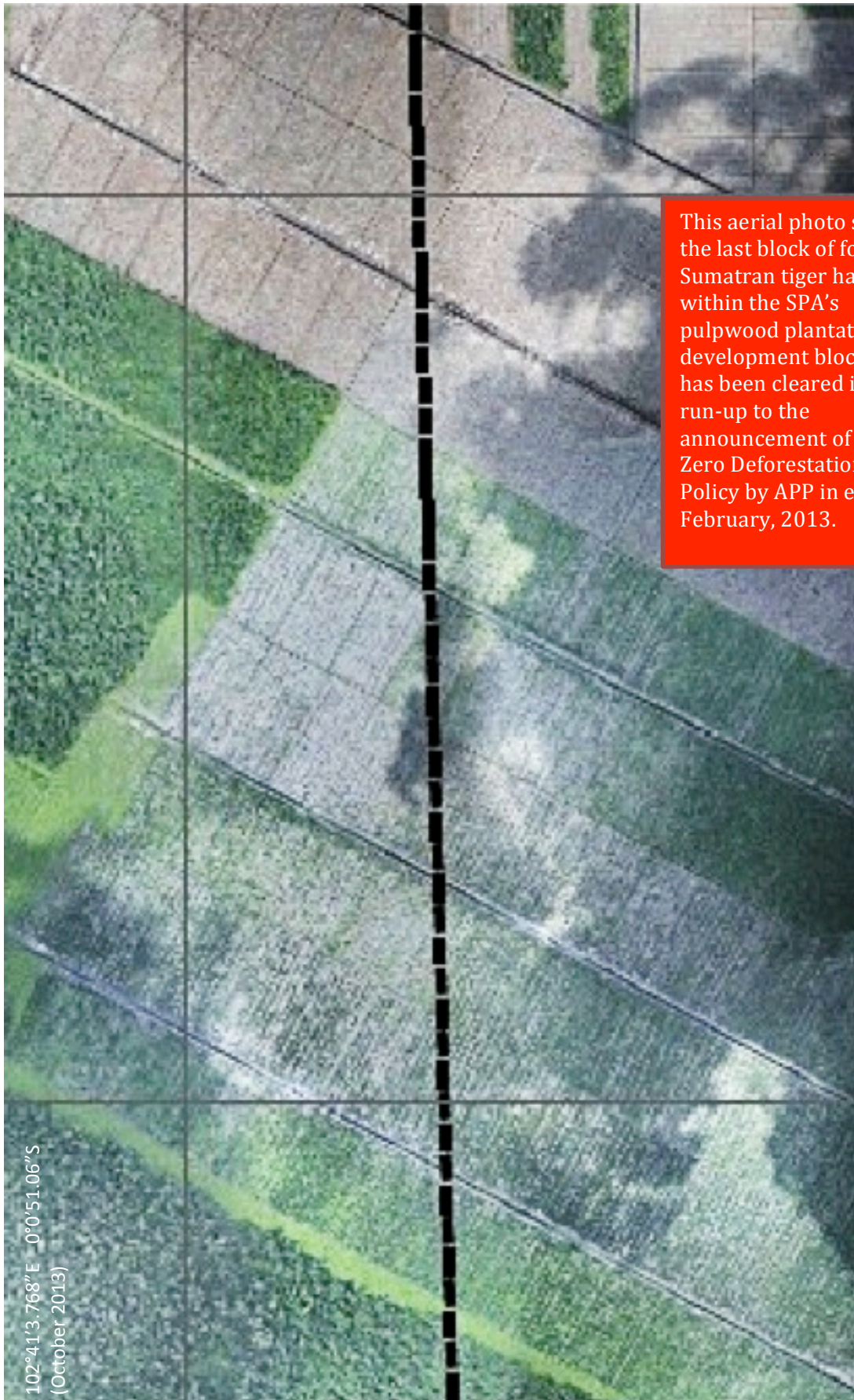
It is not only violations committed by RIA. Violations of the Zero Deforestation Policy covering an area of 27.8 hectares within the concession of APP supplier PT Bina Duta Laksana (BDL) have also occurred, with 100% of the forested Sumatran tiger habitat allocated for pulpwood plantation development in these concessions already having been cleared.

In the legal documents submitted to and approved by the Ministry of Forestry, BDL stated that it was a subsidiary of the Sinar Mas Group.

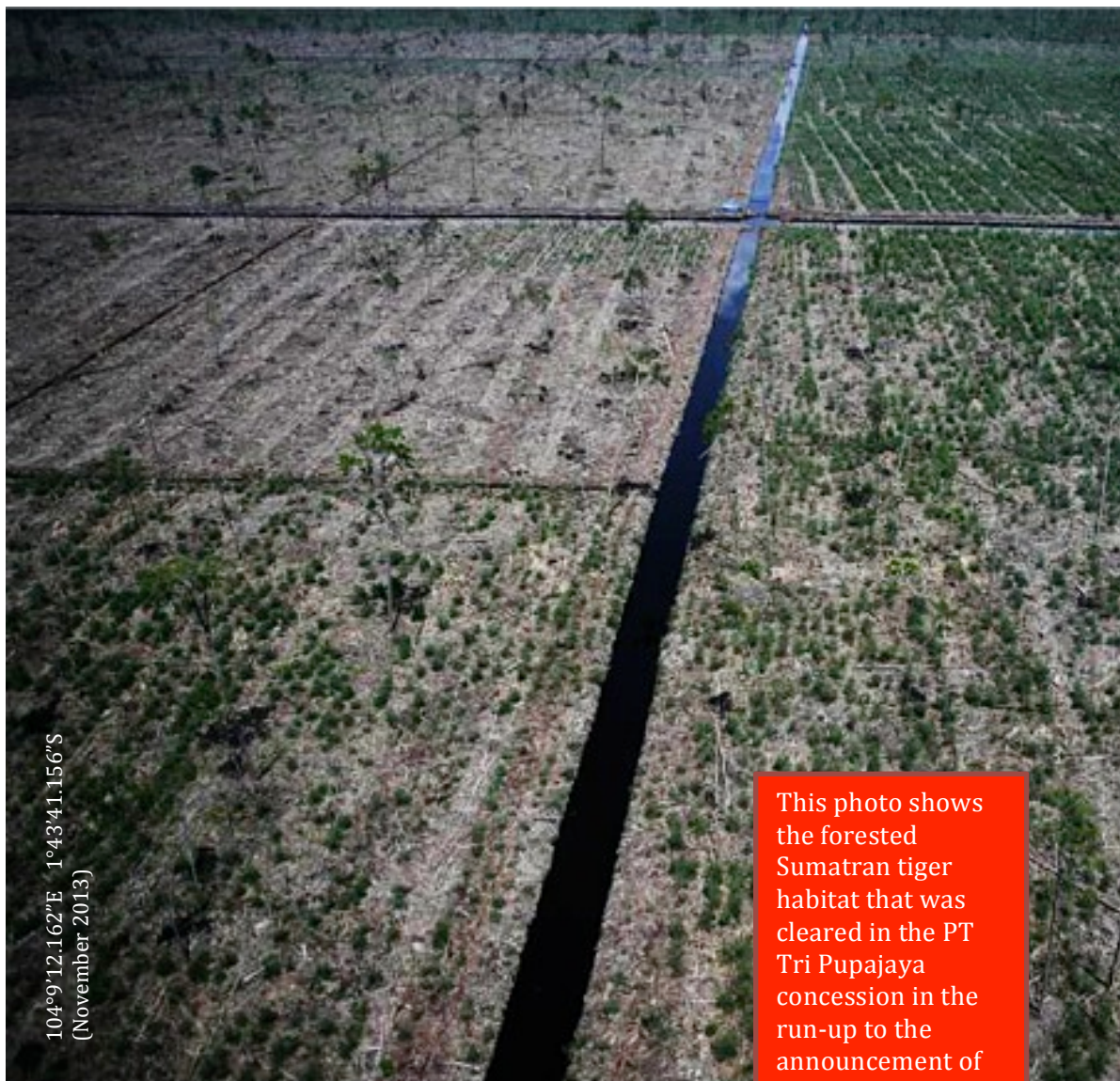
As the announcement of the FCP approached, an APP-owned company cleared its last remaining block of forested Sumatran tiger habitat



The results of overlaying the map from the PT Satria Perkasa Agung (SPA) 2012 Annual Work Plan with the satellite image taken on 18 June 2013 show that the company has cleared almost all of the forested Sumatran tiger habitat in its pulpwood plantation development blocks.



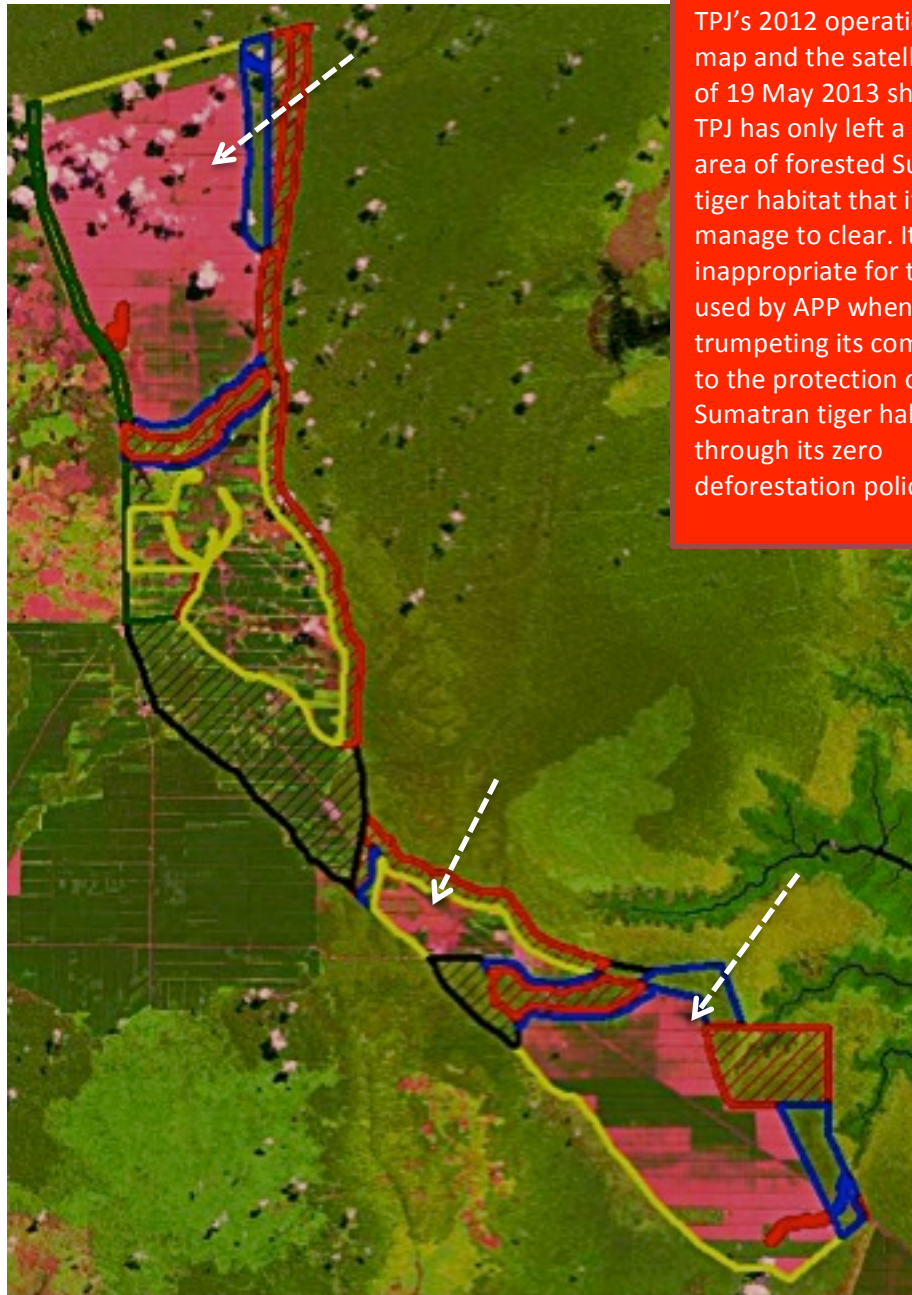
APP supplier, with address at APP Headquarters, cleared forested Sumatran tiger habitat in the province where a large new APP pulp mill, operated by PT OKI Pulp & Paper, is located



104°9'12.162"E 1°43'41.156"S
(November 2013)

This photo shows the forested Sumatran tiger habitat that was cleared in the PT Tri Pupajaya concession in the run-up to the announcement of the FCP, or zero deforestation policy.

PT Tri Pupajaya (TPJ), which has its head office at the headquarters of APP and operates in South Sumatra Province, has cleared almost 100% of the forested Sumatran tiger habitat within its concession, which extends to 21,995 hectares. In 2012, TPJ aggressively completed its land-clearing targets, which destroyed almost all of the forested Sumatran tiger habitat to be found within the concession area allocated for pulpwood plantation development. A large new APP pulp mill, operated by PT OKI Pulp and Paper, is to be located in this province.



The results of the overall of TPJ's 2012 operations plan map and the satellite image of 19 May 2013 show that TPJ has only left a very small area of forested Sumatran tiger habitat that it did not manage to clear. It is highly inappropriate for this to be used by APP when trumpeting its commitment to the protection of Sumatran tiger habitat through its zero deforestation policy.

APRIL, should it adopt FCP to save forested Sumatran tiger habitat?

In the context of preserving forested Sumatran tiger habitat, whether APRIL will adopt the APP's FCP model or not is, of course, up to APRIL itself. However, APRIL should be aware that there is no meaningful relationship between APP's FCP model and saving the last stands of forested Sumatran tiger habitat.

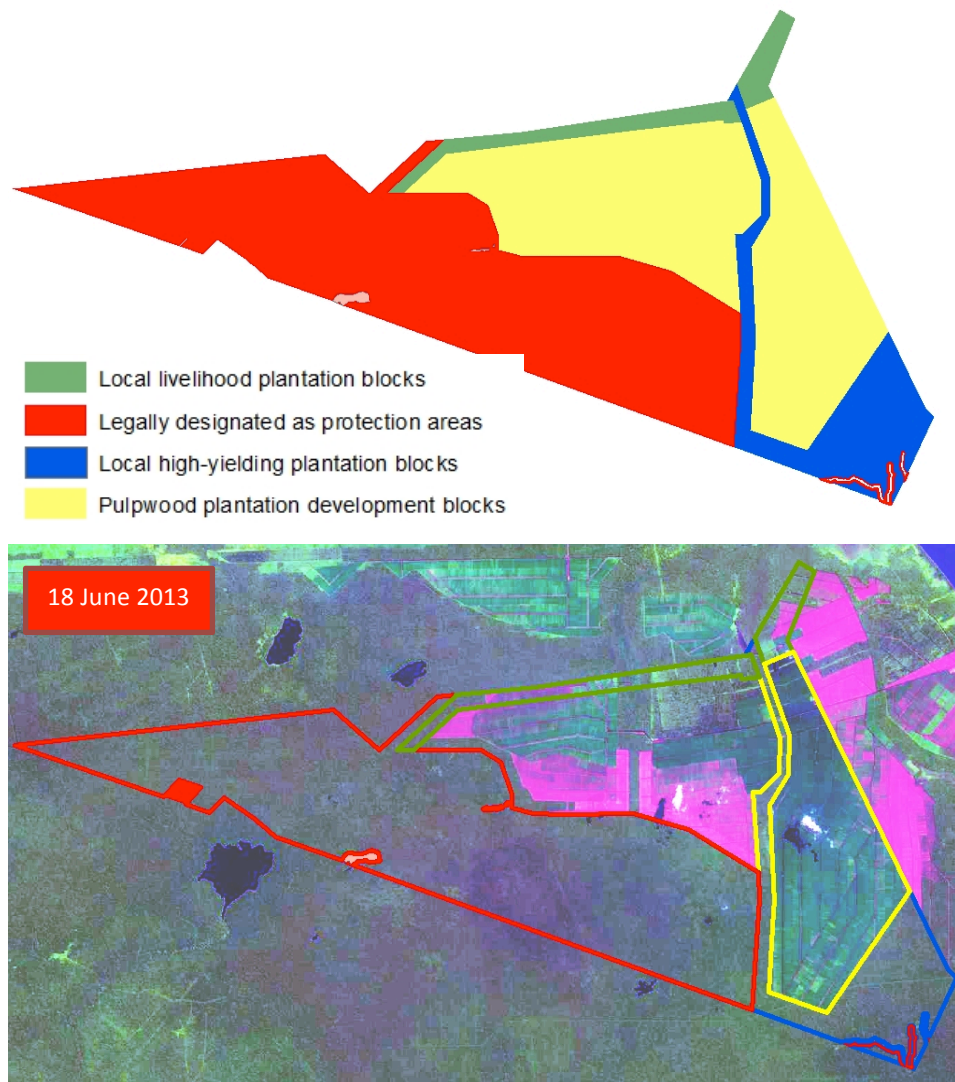
In making a decision on whether to adopt the FCP model or not, the important thing that must be avoided by APRIL is changing its operational business plans so as to convert protection area blocks, especially those which contain Sumatran tiger habitat and which have been legally designated as such, into pulpwood plantation blocks.

In addition, APRIL must avoid changing the designation of local high-yielding plantation blocks that constitute forested Sumatran tiger habitat into blocks earmarked for the development of pulpwood plantations. The actions of APP must not be repeated, namely, converting blocks that contained forested Sumatran tiger habitat into pulpwood plantation development blocks, and then clearing them before the announcement of the FCP.

Thus, APRIL must avoid converting protection areas and local high-yielding plantation blocks into pulpwood plantation development blocks that contain forested Sumatran tiger habitat, especially in those concessions owned by APRIL and its suppliers that are located around the Kerumutan Wildlife Reserve and the Kampar Peninsula Landscape, which areas still constitute forested Sumatran tiger habitat.

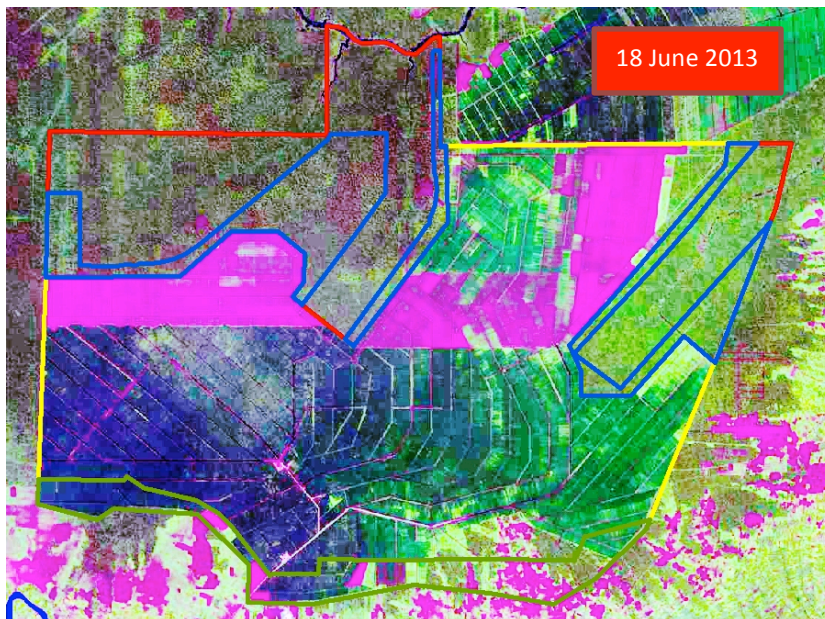
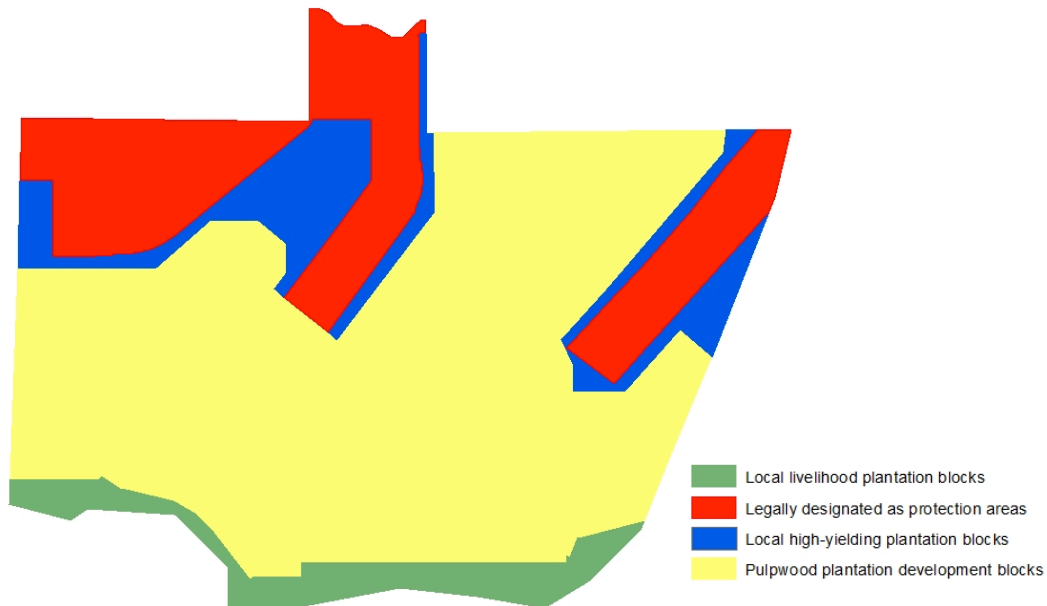
For example, APRIL needs to ensure that its supplier, PT Uniseraya, which has a 33,360 hectare concession in the Kampar Peninsula Sumatran Tiger Landscape, does not convert the protection areas that contain forested Sumatran tiger habitat into pulpwood plantation development blocks. The said protection areas extend to 15,810 hectares, or more than 47% of the total concession. In addition, PT Uniseraya should avoid converting local high-yielding plantation blocks into pulpwood plantation blocks.

By avoiding changes to the operational business plan, more than 19,000 hectares, or more than 57% of the forested Sumatran tiger habitat located within the concession, can be preserved the way it is today.



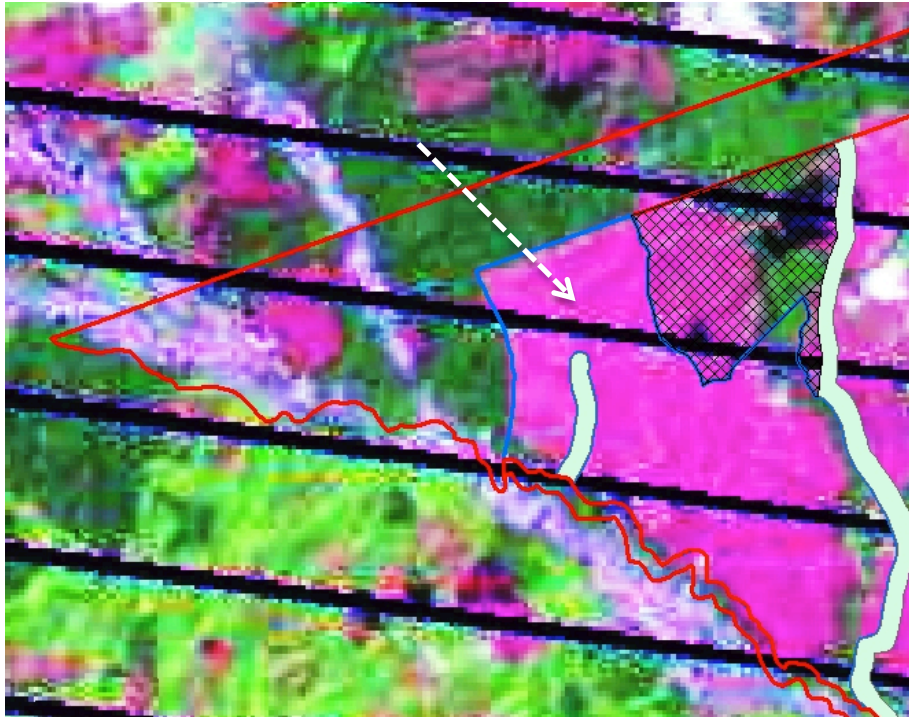
APRIL-owned pulpwood plantation company, PT Riau Andalan Pulp & Paper (RAPP), also does not need to convert the protection areas and local high-yielding blocks in its concessions in the Kampar Peninsula Sumatran Tiger Landscape into pulpwood plantation development blocks. They should let them remain as last stands of forested Sumatran tiger habitat.

In addition, the APRIL-owned pulpwood plantation concessions and its suppliers in the Kerumutan Sumatran Tiger Landscape also have no need to change or revise protection areas and local high-yielding plantation blocks into pulpwood plantation development blocks – **as APP did before the announcement of its FCP**. Take, for example, PT Sumatera Riang Lestari (SRL), Indragiri Hilir Block, which operates in the Kerumutan Sumatran Tiger Landscape. APRIL must ensure that SRL retains its protection areas and local high-yielding plantation blocks, the bulk of which are made up of forested Sumatran tiger habitat, rather than convert them into pulpwood plantation development blocks.



The SRL concession in the Indragiri Hilir block extends to more than 48,000 hectares. Thus, by not changing the land-use designations of protection areas and local high-yielding plantation blocks, nearly 15,000 hectares, or more than 30%, of the forested Sumatran tiger habitat can be preserved in this concession.

Maintaining the integrity of protection areas that constitute forested Sumatran tiger habitat has been shown to be the last stand for forested Sumatran tiger habitat, in addition to forested Sumatran tiger habitat found in local high-yielding plantation blocks.



The forested Sumatran tiger habitat contained in local high-yielding plantation blocks must not be cleared, unlike what happened in the case of PT Tebo Multi Agro (TMA), an APP-controlled supplier in Jambi. This spatial fact can be seen from the overlay of TMA's operational business map and the satellite images of 18 June 2010 and 15 January 2012.

Accordingly, before APRIL decides whether or not to adopt the FCP model applied by APP, it must make sure that protection areas and local high-yielding plantation blocks are retained (and not converted into pulpwood plantation development blocks) in the concessions owned by APRIL subsidiaries and its suppliers where such protection areas and local high-yielding plantation blocks contain forested Sumatran tiger habitat.

In addition, APRIL needs to identify areas of forested Sumatran tiger habitat that are still extant in its pulpwood plantation concessions owned by APRIL subsidiaries and suppliers in order that such areas can be connected to protection areas or local high-yielding plantation blocks so as to save them from clearance.

APRIL must not follow the example set by APP, which changed the status of blocks containing forested Sumatran tiger habitat in order to allow such blocks to be cleared in advance of the FCP's introduction.

Clear message to customers and the global public



101°3'18.3"E 1°51'21.48"N
(November 2013)

Given the embarrassingly small area of forested Sumatran tiger habitat that can be saved by APP's FCP, or Zero Deforestation Policy, it is completely unacceptable for APP to tout this as a substantive policy to save forested habitat for the critically endangered Sumatran tiger as part of its PR campaigns directed at customers and the global public.



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