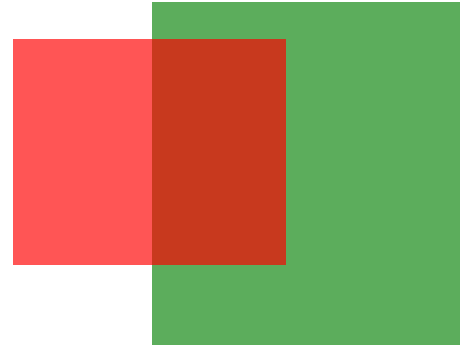


REASONS BEHIND
Asia Pulp and Paper's
Taman Raja &
Kampar Carbon
Reserves

8 November 2011



BACKGROUND

Seemingly indefatigable, Asia Pulp and Paper (APP) is continuing to go all out to convince the global public that the Sinar Mas Group company's pulp and paper operations are committed to the conservation of Indonesia's biodiversity. In fact, just recently APP "challenged" global public opinion through an advertisement it placed in *The New York Times*, inviting the global public to monitor its commitment to biodiversity conservation.

APP also continues to claim that its operations have voluntarily set aside a certain portion of their concessions as an expression of its commitment to biodiversity conservation.

This Greenomics Indonesia report will reveal the true reason why APP's flagship Taman Raja and Kampar Carbon Reserves have been set aside, something that is continually touted to the global public through advertisements as an expression of APP's commitment to biodiversity conservation. In fact, the reason for the two reserves is eminently simple.

This report, supported by official and legal data, sets out the true situation as regards the reason for APP's actions in setting aside the reserves.



TAMAN RAJA RESERVE

APP claims that more than 6,000 hectares of pulpwood plantations operated by PT Rimba Hutani Mas (RHM), an APP supplier located in Jambi Province, have been set aside as a manifestation of APP's commitment to the preservation of the areas rich biodiversity. The key question that arises here is very simple: Is APP's claim true?

The answer is clearly no. In fact, APP's claim is extremely misleading to the public. The Final Report on the Performance Evaluation of PT RHM (2005), which was based on an appraisal conducted by an independent assessor paid by the Ministry of Forestry, contains the following statement (which was scanned from the report):



VERIFIKASI	METODE VERIFIKASI	HASIL VERIFIKASI
Keabsahan informasi tentang kesesuaian lahan	<input checked="" type="checkbox"/> Analisis dokumen. <input checked="" type="checkbox"/> Pengukuran lapangan.	Dari pengamatan visual di lapangan, ditemukan bahwa areal PT. RHM khususnya di areal Blok Sei Dasai dan Blok Deras Bangko, hutan bekas tebangan yang ada memiliki potensi yang ke (hutan rawang). Pada Blok Sei Dasai hampir seluruh areal diperuntukkan sebagai areal hut tanam, sedangkan pada Blok Deras Bangko masih terdapat areal berhutan. Berdasarkan dokumen RKUPHH-HT PT. RHM potensi rata-rata tegakan untuk diameter 20 cm up adalah sebesar 16,96 m ³ /Ha dan diameter 50 cm up 3,52 m ³ /Ha. Potensi tegakan tersebut untuk seluruh jenis pohon. Sedangkan berdasarkan hasil pengukuran lapangan, potensi tegakan yang dihasilkan juga relatif kecil (\pm 10 m ³ /Ha) untuk jenis tegakan dengan diameter diatas 20 cm Sedangkan pada Blok Taman Raja, seluruh areal belum dilakukan kegiatan pemantapan. Kondisi areal masih berupa hutan produksi dengan potensi cukup besar. Tidak terkecuali Blok Taman Raja untuk kegiatan hutan tanam banyak dipengaruhi karena faktor topografi diantaranya kondisi lahan berbukit dan berbatu dengan kemiringan yang terjal. Kondisi tersebut secara teknis tidak memungkinkan untuk dilakukan pemantapan hutan tanam. Akses jalan menuju lokasi areal hanya dapat dilalui satu jalan. Kondisi jalan tidak terawat, lebar jalan sempit dapat oleh tebing yang tinggi dan jurang yang dalam, berlekuk-lekuk dan naik turun.

“In the Taman Raja block, the entire concession area has yet to be exploited, and continues to consist of forest cover with significant potential. The failure to exploit the Taman Raja block for the establishment of forestry plantations is significantly influenced by the topography of the region, which is mountainous and rocky, with steep slopes. From the technical perspective, these conditions do not permit the development of pulpwood plantations.”

The Taman Raja Reserve is located in the Taman Raja block, which forms one of the three blocks in PT RHM's pulpwood plantation concession. Accordingly, it is clear that it is completely disingenuous for APP to say that more than 6,000 hectares of forest in the Taman Raja block have been set aside as the Taman Raja Reserve as an expression of APP's commitment to biodiversity, bearing in mind that technically the Taman Raja block is incapable of being developed for pulpwood plantation purposes.

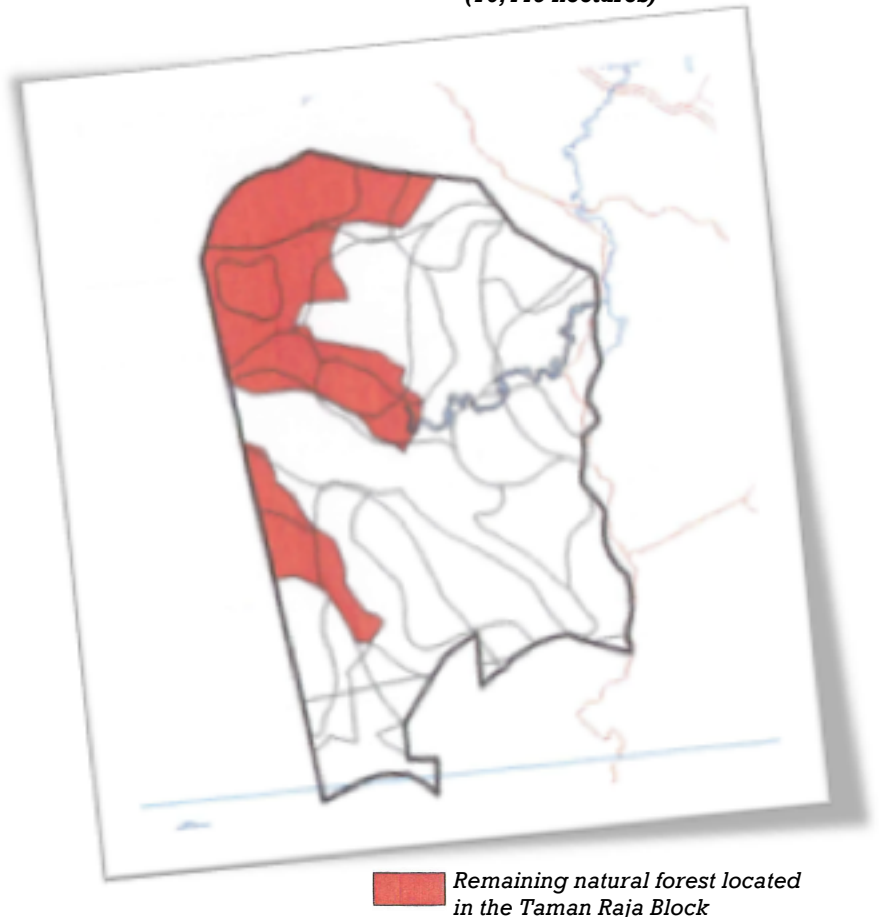
Consequently, it is entirely reasonable that the global public should question APP's claim that it has set aside the said 6,000 hectares as an expression of commitment to biodiversity conservation, or whether it has been forced to leave the land alone as the land is incapable of being developed for pulpwood plantation purposes.

Greenomics Indonesia has in its possession the full assessment report on PT RHM so that APP has no grounds on which to challenge our comments on this matter.

However, we are not relying along on the independent assessment report as the basis for our argument that APP has deliberately attempted to mislead the global public. PT RHM's own Micro Delineation Report (July 2006) – the document that sets out the operational guidelines for the development of its pulpwood plantations – also strengthens our case.

The said Micro Delineation Report clearly states that of the remaining 6,616 hectares of natural forest left in the PT RHM's concession, 5,181 hectares must be retained. The reason is that more than 4,611 hectares of the Taman Raja Block are subject to very steep slopes (>40%).

**The Taman Raja Block
(16,445 hectares)**

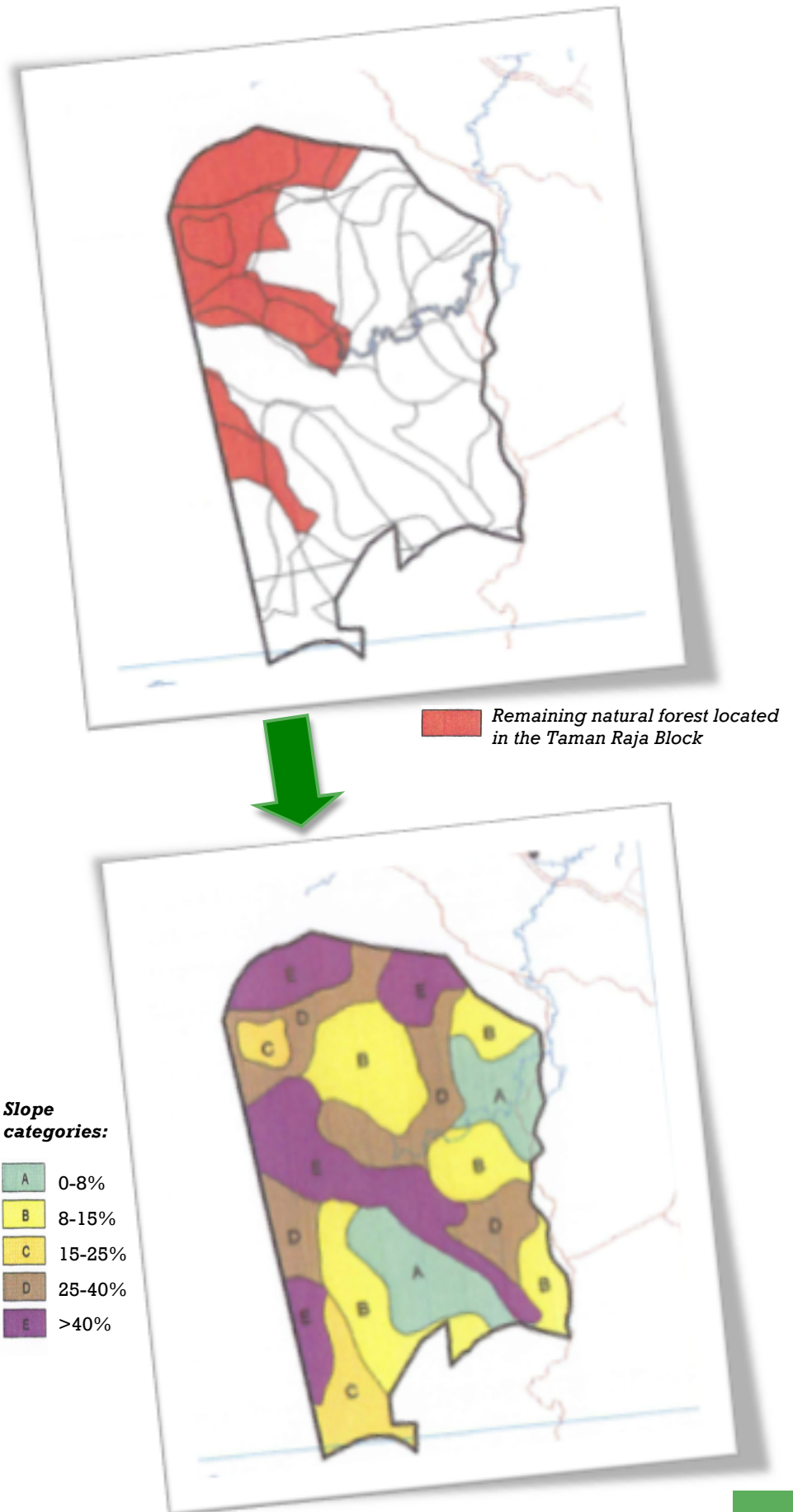


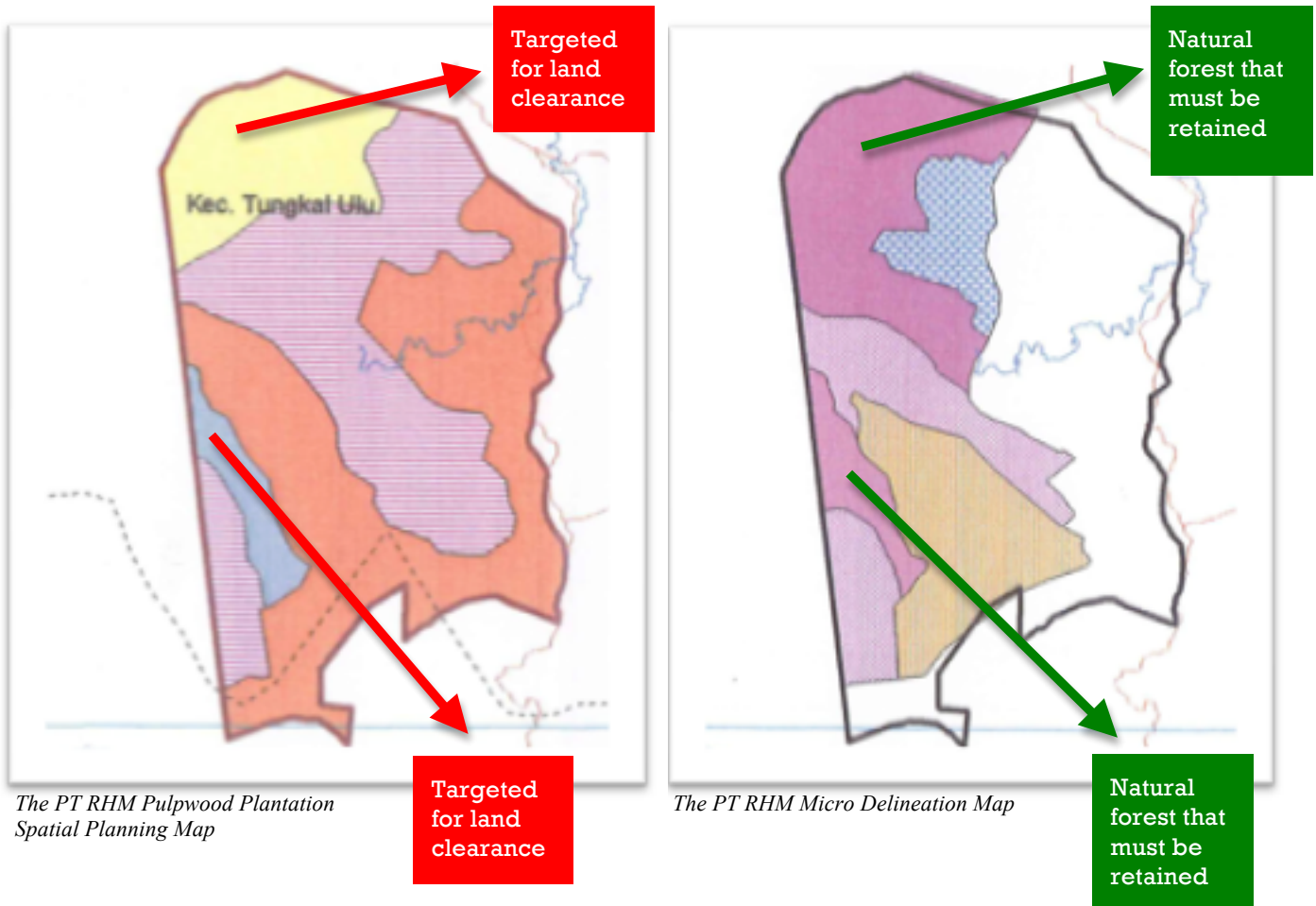
According to the Micro Delineation Report, there is also natural forest extending to an area of 1,435 hectares that is excluded from the natural forest that must be protected found in the Danau Bangko and Sei Dasal Blocks – PT RHM's other two pulpwood plantation blocks.

However, this area has been cleared, with the resulting timber being supplier to PT Lontar Papyrus Pulp and Paper Industry (PT Lontar Papyrus is a member of the APP Group operating in Jambi Province).

These maps clearly show that remaining natural forest in the PT RHM concession is located in the Taman Raja Block, which the bulk of it being concentrated in areas that are characterized by steep slopes (25-40%) and very steep slopes (>40%).

From the technical perspective, it is impossible to develop pulpwood plantations on steep or very steep slopes.





The PT RHM Pulpwood Plantation Spatial Planning Map (prior to the preparation of the micro delineation report) shows that the natural forest in the Taman Raja Block was targeted for clearance by PT RHM. However, the land clearance designation was later changed by PT RHM to “natural forest that must be retained” in the micro delineation report.

Why the change? It clearly had nothing to do with APP’s commitment to conserving natural forest in the Taman Raja Block, but rather because of steep declivity in the area, which, based on the micro delineation criteria, meant that this forest had to be preserved. In other words, it was impossible for PT RHM to develop its pulpwood plantations in this area.

Thus, APP’s claim that it has “set aside” the Taman Raja Block for biodiversity conservation is patently untrue.

This map, which has also been scanned from PT RHM's micro delineation document, shows that the bulk of the Sei Dasal and Sei Danau Bangko blocks have been stripped of natural forest cover, save for 1,435 hectares that can be converted by PT RHM (green color).

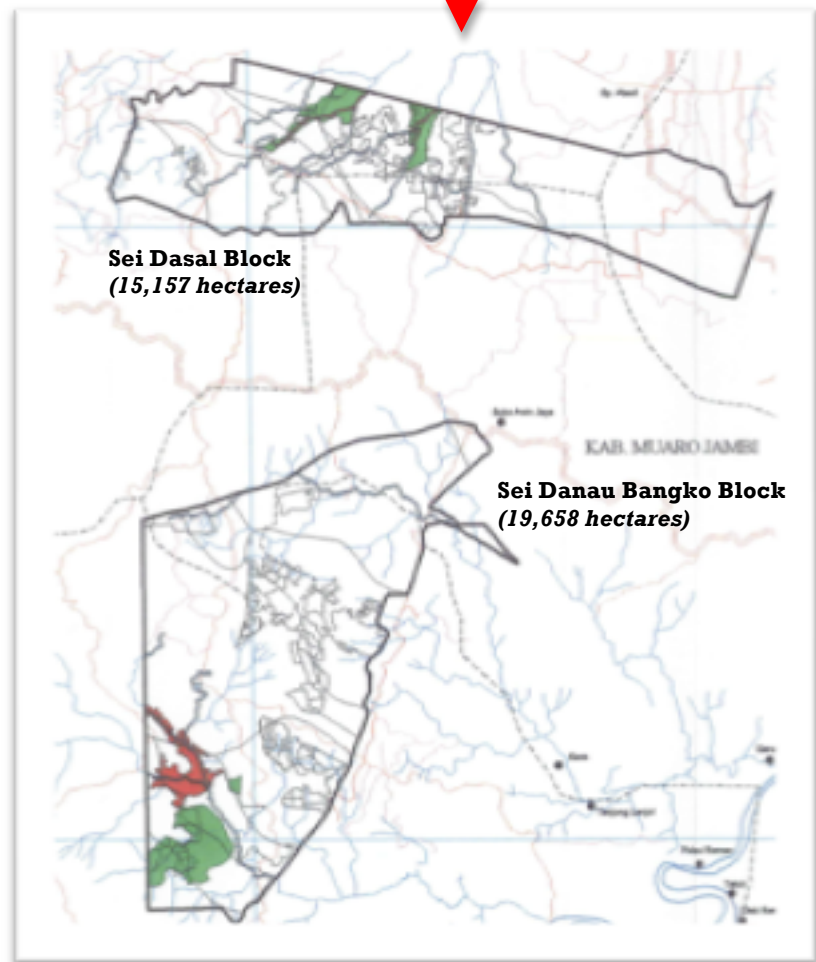
Thus, even the little remaining natural forest has been converted by PT RHM. In fact, however, if we refer to the PT Lontar Papyrus Raw Materials Supply and Realization Plan (2002-2007), PT RHM's natural forest represents an important source of raw materials for PT Lontar Papyrus.

Legal data in the possession of Greenomics Indonesia reveals that in 2002, PT Lontar Papyrus Pulp and Paper Industry used almost 120,000 m³ of timber from natural forest located in the PT RHM concession, while in 2003 it was supplied with 110,000 m³ from the PT RHM concession.

In 2004, PT Lontar Papyrus Pulp and Paper Industry was supplied with 700,000 m³ of timber raw materials from the PT RHM concession, and more than 200,000 m³ in 2005. The volumes fell in 2006 and 2007 on the back of a decline in area of natural forest left in the PT RHM concession.

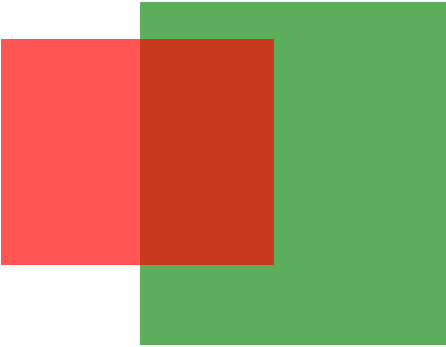
In 2006, PT Lontar Papyrus Pulp and Paper Industry targeted a supply of almost 150,000 m³ of natural forest timber from the PT RHM, and more than 76,000 m³ in 2007.

These figures are taken from the official evidence on the use by PT Lontar Papyrus Pulp and Paper Industry of natural forest timber sourced from the PT RHM concession.



Thus, it is only reasonable that we should object to the use of the term “set aside” by APP in respect of more than 6,000 hectares of the Taman Raja Block given how APP has already benefitted from the natural forest timber from the PT RHM concession that was supplied as raw materials to PT Lontar Papyrus Pulp and Paper Industry.

Further, the area of more than 6,000 hectares, which is championed as a “conservation icon” by APP, is in fact characterized by steep or very steep slopes, meaning that it cannot be developed for pulpwood plantations under the criteria laid down by law, not to mention that such steep slopes would make it technically impossible to develop pulpwood plantations in the area. **So much for APP's commitment to biodiversity conservation.**



KAMPAR CARBON RESERVE

APP claims that the Kampar Carbon Reserve “involves re-allocating more than 15,000 hectares of deep peat carbon sink from a concession allocated for pulpwood plantation to conservation land located on the Kampar peat dome.” The area in question forms part of the pulpwood plantation concession of PT Putra Riau Perkasa (PT PRP), which extends to 15,640 hectares and is located in Riau province. In respect of this claim, the global public would do well to study the following paragraph from PT PRP’s 2008 micro delineation report:



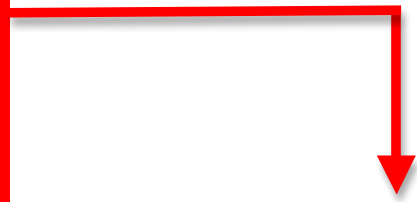
“Although this area (the PT PRP concession) was previously designated as a selective logging concession (HPH), having regard to the stunted nature of the forest with low timber potential, there would only be a very slim possibility that it could be exploited by a HPH company. At this time, there is no illegal logging taking place on the ground. Besides its lack of potential, this area is also very difficult to access, as it is far removed from the nearest roads or drains. Most of the rivers in the area are small, and many are clogged by vegetation. The only access into the area is on foot, with the journey taking between 1 and 3 days, that is, along the corridor of PT RAPP (a subsidiary of APRIL) or Selat Panjang.”



This paragraph has been scanned from the official micro delineation document of PT PRP.

We have deliberately highlighted this paragraph from the PT PRP micro delineation document as it clearly shows the reason behind APP “re-allocating more than 15,000 hectares of deep peat carbon sink from a concession allocated for pulpwood plantation to conservation land located on the Kampar peat dome.”

On 30 September 2004, PT PRP submitted a proposal for the clearing of 3,000 hectares of its concession as part of its 2005 operations. On 28 December 2004, the said proposal was approved by the Head of the Riau Provincial Forestry Agency. According to the approval, the volume of timber that would result from such clearance was estimated at 159,444.50 m³. This figure is an official figure taken from the said approval.



KEPUTUSAN KEPALA DINAS KEHUTANAN PROVINSI RIAU
NOMOR : KPTS 622.2/PK/2004-35

TENTANG

PENGESAHAN RENCANA KERJA TAHUNAN
 USAHA PEMANFAATAN HASIL HUTAN KAYU PADA HUTAN TANAMAN
 TAHUN 2005 An. PT. PUTRA RIAU PERKASA

KEPALA DINAS KEHUTANAN PROVINSI RIAU

Membaca : Usulan Rencana Kerja Tahunan Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman PT. PUTRA RIAU PERKASA sesuai surat Nomor 003/PRP-10/IX/2004 tanggal 30 September 2004.

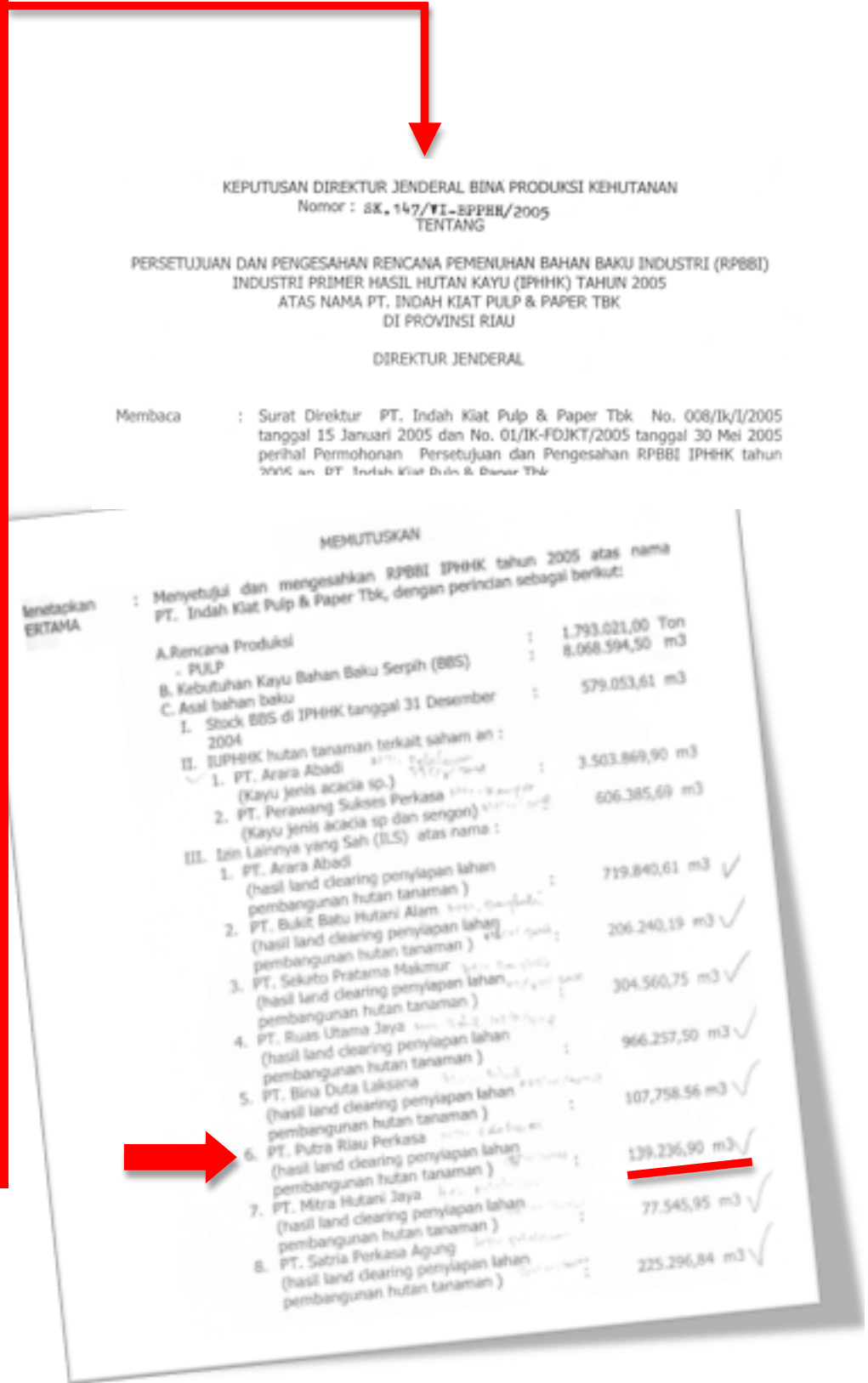
3. Target Produksi Hutan Alam Di Areal Land Clearing Penyiapan Lahan Penanaman
 Seluas 3.000,00 Ha.

No	Jenis Kayu	Pohon Ø ≥ 30 cm (M ³)	Kayu Kategori KBK (M ³)				Cebang Ø > 30 cm	Jumlah (4+5+6+7+8)	Jumlah (3+9) (M ³)
			Pohon Ø 20-29 cm (M ³)	Pohon Ø 10-19 cm	Pecah growong	Cebang Ø < 30 cm			
1	2	3	4	5	6	7	8	9	10
I.	Kel. Meranti	-	-	-	4.229,70	2.819,80	804,30	7.853,80	7.853,80
1.	Meranti	2.712,50	2.808,00	13.708,00	-	-	-	16.516,00	19.228,50
2.	Dufan	488,00	631,00	3.085,00	-	-	-	3.716,00	4.204,00
3.	Kel. Meranti lainnya	6.658,20	6.905,00	33.709,00	-	-	-	40.614,00	47.282,20
	Jumlah I	9.858,70	10.344,00	50.502,00	4.229,70	2.819,80	804,30	68.699,80	78.569,10
II	Kel. Kayu Campuran	-	-	-	4.430,70	2.953,80	927,60	8.312,10	8.312,10
1.	Keliat	3.238,90	3.354,00	18.375,00	-	-	-	19.729,00	22.967,90
2.	Geronggang	1.423,10	1.534,00	7.487,00	-	-	-	9.021,00	10.444,10
3.	Kempas	696,50	902,00	4.402,00	-	-	-	5.304,00	6.000,50
4.	Bintangur	1.687,70	1.818,00	8.878,00	-	-	-	10.696,00	12.383,70
5.	Korn. Lain- lain	3.292,10	2.969,00	14.506,00	-	-	-	17.475,00	20.767,10
	Jumlah II	10.338,50	10.677,00	51.548,00	4.430,70	2.953,80	927,60	70.537,10	80.875,40
	JUMLAH I+II	20.197,20	20.921,00	102.150,00	8.660,40	5.773,60	1.731,90	139.236,90	159.444,50

On 29 June 2005, the Ministry of Forestry approved the use of 139,236.90 m³ of timber resulting from land clearing in the PT PRP concession as raw materials by PT Indah Kiat Pulp and Paper (IKPP/APP group) in 2005. Once again, this is the official figure taken from the ministry's approval.

However, PT PRP's planned clearance of the 3,000 hectares was never realized. This is clear from PT IKPP's 2005 raw materials realization report.

The reason for this was very simple – the difficulty in accessing the PT PRP area, as acknowledged by PT PRP itself in its micro delineation report of 2008.



In simple language, the deep peatlands located in the PT PRP concession were ultimately saved from land clearing, but not because of APP's commitment to biodiversity conservation, but rather because there were too inaccessible. **In other words, APP was not able to get its hands on them.**

So, PT PRP had fulfilled all the legal formalities and requirements needed so as to be able to clear its concession, the bulk of which consisted of peatdome. This was despite the fact that the land was not suitable for the development of pulpwood plantations under both technically and under the forestry legislation. So, how was it possible that official approval for such clearance was granted in the first place?

After the failure of its land clearing plans in 2005, the Ministry of Forestry renewed the forestry plantation concession that had already been granted to PT PRP by the local regent in 2006.

After renewal of the concession, and follow-up action on the micro delineation, in April 2008 PT PRP produced its micro delineation document (micro delineation documents are required by the Ministry of Forestry as operational guidelines for the development of pulpwood plantations). This micro delineation document concluded that not one hectare of the PT PRP concession was capable of being developed as a pulpwood plantation. In fact, the document stated that the entire PT PRP concession constituted a high conservation value forest.

Should the PT PRP concession have been easily accessible, there is no doubt that the fate of its peatdome would have been very different. Strangely, APP claims that the saving of the peatdome represents an expression of APP's biodiversity commitment. The public should be very thankful that PT PRP's concession was so inaccessible.

That PT PRP's concession was so inaccessible has given APP the opportunity to tout the concession as "the world's first pulpwood plantation REDD+ project."

This is what the global public needs to realize, and what APP itself needs to realize.



CONCLUSION

The extent of APP's biodiversity commitment, and how it evolved, is clear to be seen from the Taman Raja and Kampar Carbon Reserve cases. The evolution of this "commitment" clearly shows that it is in reality no commitment at all, but was rather forced upon APP as a result of steep and very steep declivity and inaccessibility, thus making land clearing and pulpwood plantation development impossible. Consequently, it is inappropriate for APP to tout its so-called commitment to the global public through advertising and the media.

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