

ROBIN WOOD



CLEARCUT PAPER

APP, APRIL and the End of the Rainforest in Sumatra's Riau Province

Results of ROBIN WOOD research

Jens Wieting, revised version, July 2004

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Rainforest in Northern Sumatra (at Barastagi)

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Abbreviations:

APP	Asia Pulp & Paper
APRIL	Asia Pacific Resources International Holdings Ltd
CAPPA	Community Alliance for Pulp-Paper Advocacy
IKPP	Indah Kiat Pulp & Paper, APP factory in Riau
MTH	Mixed Tropical Hardwoods
RAPP	PT Riau Andalan Pulp & Paper, APRIL factory in Riau
RGM	Raja Garuda Mas, parent corporation of APRIL
TPL	Toba Pulp Lestari (previously Indorayon)

This report and more information at www.robinwoode.de/sumatra

1. Introduction

In January 2004 the ROBIN WOOD activists Jens Wieting and Kirsten Zickfeld traveled to the Indonesian island of Sumatra, to observe the activities of the pulp and paper industry, and to talk with environmental groups, affected individuals and corporate representatives. The focus was on the conglomerates APP and APRIL, whose factories in the Riau province are some of the biggest in the world.

The boom of the pulp and paper industry in Indonesia has catastrophic ecological and social consequences. Fed by loans and government export credits in the billions, some from Germany, the corporations are destroying the natural riches and aggravating the poverty of the country. They are responsible for expulsion and repression in many areas, they have contributed to Indonesia's indebtedness, and they are destroying the rainforest.

The surface area of lowland rainforest in Sumatra shrunk 60 percent between 1990 and 2002. The responsibility lies mainly with the pulp, palm oil and timber industries as well as the government, which is not exercising any control. Of all the participants, the pulp industry has the largest appetite for wood. In Indonesia, between 1988 and 2000 around 120 million cubic meters of wood were turned into pulp. Only 10% of that amount derived from plantations.

In the past years, different organisations have produced several studies shedding light on APP and APRIL's responsibility for environmental destruction, human rights violations and financial scandals. In order to get a broader picture, readers are also encouraged to read the reports from Friends of the Earth, Urgewald, WWF, Human Rights Watch und Swedwatch. Watch Indonesia in Berlin reports regularly on current developments (see Sources, page 12).

New research seemed necessary to ROBIN WOOD, as both companies recently announced that they had learned from past mistakes and wanted to get involved in forest protection. This report concerns itself primarily with the present extent of rainforest destruction that both companies carry out, and the validity of their claims.

The research is directed particularly at the paper trade and its factories as consumers of pulp and paper, as well as ministries and financial institutions which require independent information as a basis for their purchase and financial policies. The bitter experiences in Sumatra show that all participating actors in this conflict must apply binding minimum ecological and social standards, in order to avoid becoming jointly responsible for the catastrophic consequences of large scale industrial projects of this kind.

The situation in Sumatra was more disconcerting than the ROBIN WOOD visitors expected. In the lowlands of Riau Province, the natural forest ecosystems have, with the exception of some small areas, completely disappeared. Nevertheless, the deforestation continues unabated. It almost seems as if there is a heated race for the last tree stands, and no one believes that even a single tree will still be left standing tomorrow. The land is covered with monotone oil palm and acacia plantations, or lies razed. In the areas around industries and housing settlements, there are serious impacts on water, soil and air.

Although Riau is rich in oil, gas and timber, the exploitation of natural resources has brought no benefits to the majority of its current 5 million inhabitants. On the contrary, the environmental destruction endangers the survival of especially the poorer sections of the population, who still depend directly on clean rivers and intact forests. They complain that they have lost the basis of their traditional livelihood to environmental pollution and land theft, and that they are thus forced to participate in illegal logging.

Yet APP and APRIL continue turning the rainforest into paper. They still draw around two thirds of their raw material from natural forests, which are the habitat of rare animals and plants, play an important role in world climate, and whose valuable functions and diverse utilities for the Indonesian people are being irrevocably lost.

Paper factories, trade companies, and banks and governments who decide on export credits must no longer allow themselves to be complicit in this catastrophe. Representative of many Indonesians, Harry Oktavian of the Hakiki Foundation asks "How long shall this tragedy continue?"

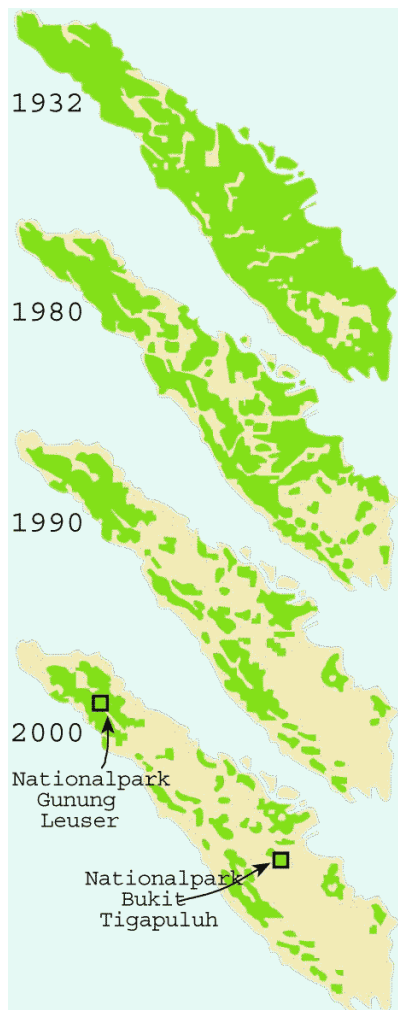
ROBIN WOOD thanks the employees of CAPPA, Hakiki, Walhi and WWF in Sumatra for their support on location, and Misereor for their financial support of this research.

It is worth acknowledging that APP and especially APRIL allowed ROBIN WOOD to look into their destructive forest use practices.

Jens Wieting, Berlin, March 2004

2. The destruction of the rainforest in Indonesia

The exploitation of forests in Indonesia is out of control. From the time of dictator Suharto's regime until 1998 approximately 70% of the country's forests were already obliterated. In recent years, the speed of destruction has even increased. Logging is even conducted in protected areas and national parks. According to the Indonesian Environmental Ministry, the rate of deforestation has reached a record level of 2.4 million hectares per year. Indonesia is contributing like no other country to the destruction of the world's forests. Environmental groups estimate the yearly rate of destruction is even higher, with the area of remaining intact forests at 40 million hectares. According to these groups, only a fifth of the original forest covers the once green island realm. Already in the coming year, says a study from the World Bank, no large lowland rainforest areas will remain in Sumatra.



Deforestation in Sumatra (GEO 2003)

The rainforest destruction in Indonesia can be divided in many areas into three phases. First all utilisable wood is logged for round wood or log exports and for the furniture and plywood industries. Remaining wood in the degraded areas are used by the pulp industry as cheap raw material. In conjunction, the same conglomerates convert the razed areas into acacia and oil palm plantations.

Thus the species diversity of the forest disappears for ever, the humus layer is washed away, local climate and water cycles are changed. With plantations there is no "sustainable forestry", as the industry likes to claim, as the wood does not grow back without human effort, as it would in a natural or semi-natural forest. In contrast, Acacias and Eucalyptus are planted with the application of pesticides and fertilizers.

A main cause of the uncontrolled logging is the failure of the Indonesian government to control its natural resources. Supervision by the public authorities does not take place, or is avoided through corruption. The military is involved in many illegal timber deals. Day and night, on Riau's roads and rivers valuable illegally logged trunks are transported to the saw mills; remaining and plantation timbers are transported to pulp factories.

The portion of illegally logged timber countrywide is estimated to be around 73-88%; the Forestry Ministry places the damages arising at 3.7 billion a year. The wood use by industry is above 73 million cubic meters per year (Carius 2004). The forest minister disclosed at the end of 2003 that the amount of logging permitted on the basis of sustainability would be curtailed from 6.7 million cubic meters to 5.7 million cubic meters. The actual requirements of industry are 13 times that amount.

In Riau, APP and APRIL alone use around 18 million cubic meters of wood annually, around 12 million of which has come from natural forests so far. Like the pulp industry, all other companies are continuing their production unabated, legally or illegally, and are robbing their own future means of existence.

In practice, legal logging inside concession areas has the same devastating effect as illegal logging - valuable ecosystems are either overused or completely destroyed for conversion to plantations. The companies also commit flagrant violations of forestry laws within their concession areas. More trees are logged than permitted, well-stocked forests are converted to plantations, erosion-prone slopes and riparian zones are cleared, and protected tree species such as Ramin are logged. The conversion of ecologically sensitive peat forests with which APP and APRIL are currently pushing ahead must be considered particularly catastrophic

Chaotic circumstances predominate in the distribution of concessions, as logging licenses are granted at both the national and local levels. The central government has retracted the authority it had previously given to

districts to grant concessions, but many companies continue to work in these areas. At the national level, five ministries share jurisdiction for the use and protection of forests, which creates additional conflicts (Carius 2004). Corporations such as APP and APRIL obtained the majority of their concession areas during the dictatorship of Suharto, when the population, for fear of repression, didn't yet dare to protest against the violations of their rights (Harwell 2003).



Two of the world's largest pulp factories in a country with ever decreasing forests: IKPP (left, photo Happe) and RAPP (right).

3. The Results of APP and APRIL: debts, expulsion, repression, environmental destruction

3.1 Asia Pulp & Paper (APP)

Based in Singapore, the Asia Pulp & Paper Company Ltd. (APP) houses all pulp and paper factories of the corporate group Sinar Mas. The largest of these is the Indah Kiat Pulp & Paper (IKPP) in Riau Province. One of the largest conglomerates in Indonesia, Sinar Mas is active in the palm oil business, amongst many others, and is controlled by the ethnic Chinese family Widjaja.

APP produces 2.3 million tons of pulp in Indonesia, as well as 5.7 million tons of paper and packaging in Asia, and is one of the top ten producers worldwide (Glastra 2003). APP was only able to build up its industrial infrastructure by obtaining export credits and loans from all over the world, thereby becoming at the end of 2003 the most indebted company in Asia with 13.4 million dollars in debts. From Germany, APP received credits from the Commerzbank, the Deutsche Bank, and the Dresdner Bank. The German federal government authorised export credits, of which more than 600 million Euros are still unpaid.

At the start of 2001, APP declared that it was bankrupt. At the end of 2003, an agreement was reached with most of the creditors, who are writing off a portion of the loans, and allowing APP more time to repay the remaining debts. Non-governmental organisations are accusing the creditors of accepting rainforest destruction and the repression of inhabitants so that the loans are repaid (Human Rights Watch 2003). Concurrently APP is pursuing plans for expansion in China, where the corporation intends to run paper factories supplied with pulp from Indonesia. German companies have probably renewed their applications for export credits, in order to earn money from these projects (TAZ 2004). In Riau, APP owns the majority of the pulp and paper production from Indah Kiat Pulp & Paper, with a production capacity of 1.8 million tons of pulp and 654,000 tons of paper.

Unresolved land rights conflicts exist on 50,000 to 60,000 hectares of APP concessions. Since the end of the Suharto regime, people are increasingly protesting against the conglomerate's appropriation of their land despite ongoing repression. It is in this context that the corporation is accused of grave violations of human rights. Three cases from 2001 have been documented, in which security forces of the forestry company Arari Abadi terminated peoples' protests against the appropriation of their land with brutal violence. In one of these interventions, five people were heavily injured, houses were destroyed and fifty eight people were arrested. The corporations and the state organs clearly cooperate closely. The Perawang police station was supposedly financed by APP and the personnel from Arari Abadi were trained by the police (Harwell, Swedwatch 2003). According to information from WAHLI Riau, during the conflicts with APP in 1999 and 2000, the interference of security personnel also caused deaths.

IKPP uses bleaching processes (ECF) in production that do not match current technical standards, and that lead to heavy effluent pollution. The population close to the river Siak, which draws drinking water for 11,000 people, complains of skin diseases and the decline of fishing populations (Swedwatch 2003).

3.2 Asia Pacific Resources International Holdings Ltd. (APRIL)

The APRIL corporation also has its base in Singapore, and belongs to Sukanto Tanoto and his family's corporate empire Raja Garuda Mas (RGM). Alongside pulp and paper production, this corporate group is also active in the palm oil and logging business. APRIL runs the pulp factory Riau Andalan Pulp & Paper (RAPP) in Riau which has an annual capacity of 2 million tons of pulp, and the paper factory Riau Andalan Kertas (RAK), which has an annual production of 350,000 tons. Eighty thousand tons of paper and ten percent of the pulp is exported to Europe (APRIL 2004).

The production facilities were built with international financial support in the form of loans, export credits, shares and bond issues. By the end of the 1990s, the corporation had run into solvency problems. Currently APRIL has debts of around 1.2 billion dollars. One example of the financial acrobatics of APRIL owner Tanoto is the case of Unibank. In 2001, the state Indonesian Bank Restructuring Agency (IBRA) had to jump in with 230 million dollars' worth of assistance when the Unibank, part of the RGM empire, went bankrupt. Tanoto could not be prosecuted, as he had gotten rid of his shares in the bank in good time (Glastra 2003).

According to information from APRIL, there are unresolved conflicts throughout 11,730 hectares in Riau (APRIL 2002). APRIL pushed the expansion of its infrastructure in Riau against the protest of the local population, who considered their land rights violated. In 1997 there were injuries and arrests. Later the corporation paid damages to the villages, but did not return their land (Matthew 2002). Since then, according to the corporation's own information, APRIL spends 5 million dollars each year for a Community Development Programme (APRIL 2004). APRIL also uses chlorine-based bleaching (ECF) but the facilities and processes of RAPP are more modern than those of IKPP. Still there is contradictory information regarding consequences of the outlet. While a survey of the National University of Singapore concluded that skin diseases are the same upstream and downstream of the factory, a representative from Sering explained to ROBIN WOOD that he believed that skin diseases have increased in the village and fish populations decreased due to water pollution.

The Toba Pulp Lestari pulp factory in Porsea also belongs to RGM, and it has a yearly production of 240,000 tons at Asahan, the outlet of the lake Toba in North Sumatra. This facility was built in 1984 under the name Indorayon, and discharges substantial pollution into the local environment. Under Suharto, the police and military suppressed the local population's opposition. In 1999 the protests reached their peak, two people were shot and many injured. Thereafter President Habibie ordered the industry's closure. At the beginning of 2003, pulp production, newly named PT Toba Pulp Lestari was restarted under police protection despite ongoing protest. The protests are again beaten down with violence (Matthew 2002, Swedwatch 2004).



The pollution from pulp production from Toba Pulp Lestari threatens the cultural landscape at Asahan (left); the population of Porsea is resisting and demanding the closure of TPL with large writing on many house walls "Tolak TPL" (close TPL).

4. Rainforest destruction by APP and APRIL in Riau

The pulp and paper factories IKPP (APP) and RAPP (APRIL) in Riau province are probably the largest single users of natural forest wood worldwide. The sensitive forest ecosystems at the equator, which are irreversibly destroyed by clearcutting for the factories' production, belong to the most species-rich forests in the world. Altogether, the pulp industry in Sumatra has destroyed at least 835,000 hectares of forest (Glastra 2003), which is more than ten times the surface area of Hamburg. In addition, the corporations render many areas accessible for the first time to illegal loggers through their road construction, so that they are indirectly responsible for destruction of much larger rainforest areas. Between 1995 and 1999, the pulp producers derived around 40% of their raw materials from illegal sources (Glastra 2003).

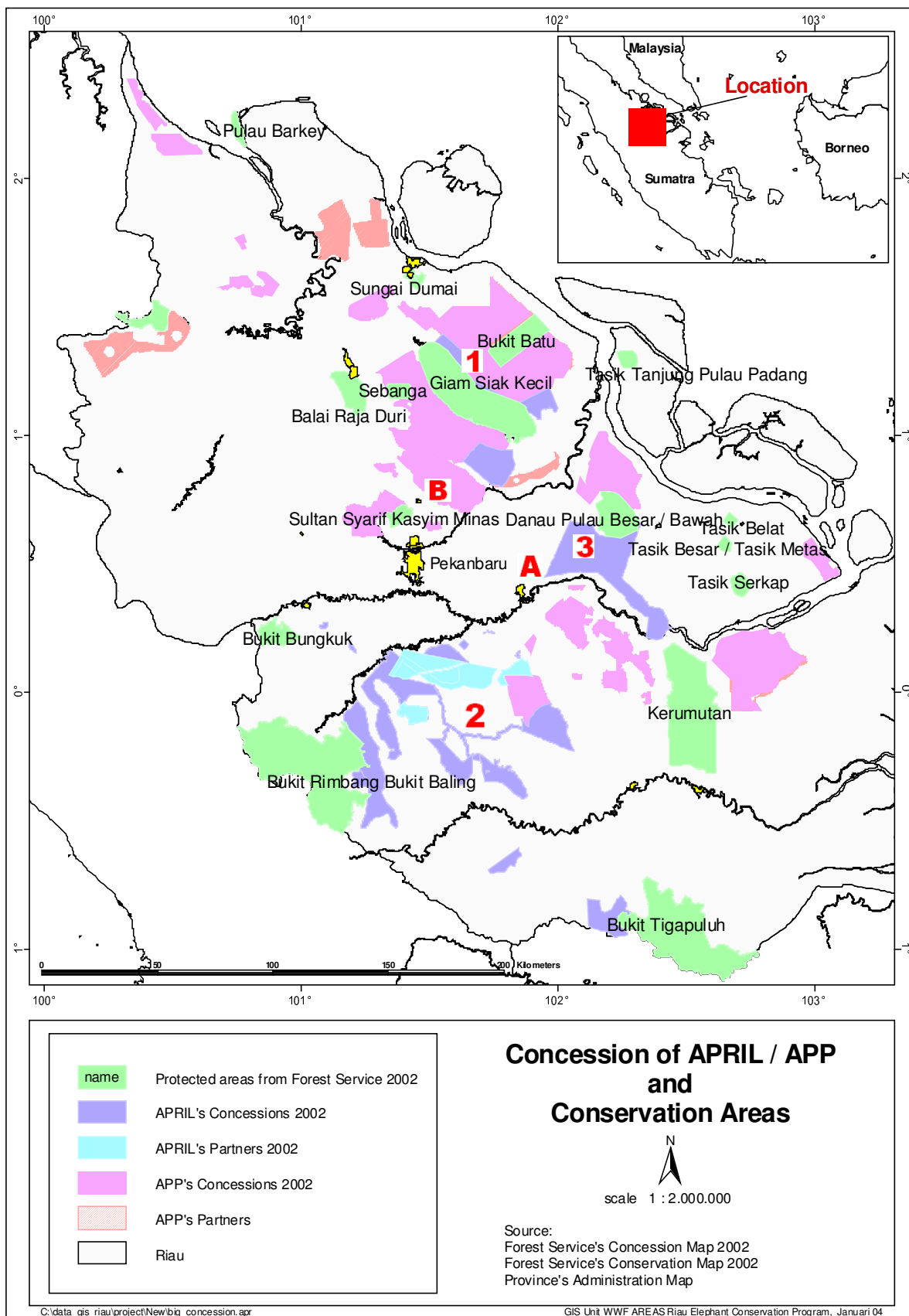
APP and APRIL use around 9 million cubic meters of wood annually for their yearly production capacity of just under two million tons pulp each. They still draw around two-thirds of these amounts from natural forests, which are subsequently converted to Acacia plantations. APP has up to now destroyed at least 300,000 hectares of rainforest in Riau. The main supplier is the company Arara Abadi, which also belongs to Sinar Mas, and controls over 300,000 hectares of rainforest concessions. APRIL is managing 330,000 hectares of concession areas (190,000 plantable). Joint Venture Partners of APRIL hold 250,000 hectares of concession areas (138,000 plantable) and Smallholder Tree Farms are supposed to plant 20,000 hectares of plantations, totaling 350,000 hectares of plantations. Approximately 200,000 hectares of plantations have been planted by the end of 2003 (APRIL 2002/2004). The total area of rainforest destroyed to supply raw material for RAPP by APRIL, their Joint Venture partners and illegal suppliers is probably much bigger.



Remnant forest in the APP concession area (left); homeless elephant in a training camp in an APP Acacia plantation (right)

According to figures from the Forestry Ministry, which ROBIN WOOD has obtained, APRIL will convert another 200,000 hectares of natural forests into plantations by 2009. APP plans the destruction of another 180,000 hectares rainforest by 2007 (WWF 2004). In conjunction, production will be run solely with raw materials from plantations, according to the corporations. Then, at the very latest, there won't be any substantial timber stands in natural forests left in the vicinity of the factories anyway. Experts doubt that APP and APRIL can hold to the timetable for conversion to plantation wood (Glastra 2003). But plantations cannot substitute for the ecological and social functions of the natural forests. The species diversity and their use potential for the population are lost forever, and water and climate cycles are endangered (see chapter 4.3).

In the recent past, under the pressure of international protests, both corporations have taken various steps to improve their image. To counter the accusation that they use illegal wood, they cancelled contracts with a series of suppliers. Through a WWF initiative, both corporations declared they were ready to exclude certain valuable areas from use. Moreover, the corporations repeatedly claim that they only would log degraded forests. These claims will be examined more closely below.



Map of APP and APRIL concession areas in Riau (Map from the WWF office in Riau).

1. APP Moratorium areas
2. Tesso Nilo
3. Pelalawan sector (APRIL)

- A. Location of RAPP (APRIL)
 - B. Location of IKPP (APP)
- Addendum by the author

4.1 From illegal to legal rainforest destruction?

Today it is hardly disputed any longer that APP and APRIL met most of their enormous demand for raw material with illegally logged wood. Here it is primarily a matter of supplies from so-called third parties, that is to say local companies, whose wood is taken without any serious checking of sources. Using APP suppliers as an example, Swedwatch describes how so-called 'brokers' obtain the documents necessary in order to supply the corporations with illegal wood (Swedwatch 2004). WWF and WAHLI have repeatedly investigated how illegal wood from valuable forests in Tesso Nilo or protected areas was delivered to APP and APRIL (Glastra 2003). Due to the pressure from environmental organisations, in the last two years both factories terminated their dealings with a series of suppliers who had been proven to have sold illegally logged timber.

When ROBIN WOOD representatives visited APRIL, the corporation demonstrated the inspection of wood deliveries. The impression was given to the ROBIN WOOD representatives that the corporation had since, with a computer-assisted system, established a certain amount of control over the amounts and sources of the wood delivered. According to APRIL's claim, all areas that are destined for logging are checked before, during and after logging. APRIL employees estimate the portion of potentially illegal wood now to be around 1-2% (APRIL 2004).

At APP, despite repeated queries from ROBIN WOOD representatives, ostensibly no one was available who could demonstrate the control measures. The only information obtainable was that until now, no computer was applied to wood deliveries. ROBIN WOOD merely learned, in response to a question about the checking of sources at the loading dock, that this procedure occurs when the ships are loaded. A representative of APP conceded that the corporation could not at that time guarantee that wood from protected areas would not end up in the factory (APP 2004).



According to the environmental organisation Walhi, APP is the main party responsible for the almost complete deforestation of the Tahura (Sultan Syarif Kasyim) protected area in the vicinity of the factory at Minas. Until the beginning of 2003, wood from this area was supplied to IKPP. According to information from Hakiki, only 800 of 6000 hectares retain forest cover.

Around 30% of APP's concession area was granted at district level. Admittedly, the central government declared these licenses invalid a while ago, in order to slow down the overuse of forests. Accordingly, any APP logging in these areas is illegal (Geiger 2004). In a context in which over 70% of wood is illegally logged, the only guarantee that raw material is legally obtained is when the route of each tree trunk can be traced back to the forest. Both corporations are a long way away from such guarantees. Alongside the illegal logging outside the concession areas, logging inside the authorized areas involves widespread violations of forestry laws. This applies also to APP and APRIL.

Regulations for logging in Indonesia do not permit logging on the banks of flowing waterways and slopes. In areas destined for conversion, 20% of the area must remain protected. Since 2001, logging of the endangered species Ramin (*Gonystylus* spp.) is no longer permitted. Moreover, productive forest areas that hold more than 20 cubic meters of commercially valuable species per hectare cannot be converted to plantations (Laws PP 7/1990, SK 162/ 2003, SK 200/ 1994, Geiger 2004). The same applies to peat forests in areas with a peat horizon of more than 3 meters (Law PP 47/ 1997, Geiger 2004).

During a visit to the APRIL concession area Tesso East it became clear that not all slopes were covered with natural vegetation and gullies in which probably perennial streams run before the forest was disturbed presented only remnants of vegetation. In the peat forest concession of Pelalawan, over twenty percent of the surface area was ostensibly exempted from conversion to plantations, but these were predominantly areas whose economic use was not possible anyway, as they were too low and therefore damp (below the 7 meter contour line, APRIL 2004). At least there were the beginnings of compliance to some regulations.

When ROBIN WOOD representatives viewed the forestry company Ararari Abadi of APP, the employees could not name a single example of protected forest area inside the concession. They presented a merely 80-hectare sized relatively intact remnant forest. One employee explained that this forest had wood reserves of approximately 250 cubic meters per hectare, and was therefore an example of forest areas that APP converted into plantations (APP 2004). During the visit, the ROBIN WOOD representatives gathered the impression that APP employees did not know the forestry regulations and that these were not obeyed.

Both APP and APRIL contravene Indonesian laws by clearcutting in Riau's peat forest areas. The affected forests throughout the entire area probably hold more than 20 cubic meters of commercially valuable species per hectare, and therefore are productive forests which should not be converted to plantations.

The forest areas in Pelalawan that the ROBIN WOOD representatives were able to examine hold wood volumes of 200 cubic meters per hectare. This is also shown by data from the University of Bogor, which indicate a volume of 170 - 244 cubic meters of wood (Bogor 2003).

APP and APRIL's peat forest concession areas probably have a peat layer of more than 3 meters. APRIL also clears the species Ramin, which is clearly protected under the law, from the peat forests. The same probably applies to the APP areas, as the east of Riau is one of the last areas where this tree species occurs in great numbers.



Peat forest in APRIL's Pelalawan concession (left), the clearcutting of these forests is against Indonesian law, as they are 'productive' forests. The sensitive moist areas are being extensively destroyed (right).

4.2 Newly protected areas out of the companies' hands?

WWF Indonesia has long been trying to protect forest areas of high conservation value from destruction through agreements with both corporations. APP was able to improve its image last year through an agreement with WWF. APRIL also announced in November 2003 on its corporate website that it would join together with WWF and the Forestry Ministry, to protect the Tesso Nilo area and against illegal logging.

According to WWF information, Tesso Nilo displays the largest plant diversity yet identified worldwide. APRIL converted valuable rainforest into plantations in this area until 2001, after which the corporation announced a temporary logging moratorium there (Glastra 2003).

Yet whilst the government has so far neglected to place even a single part of Tesso Nilo under official protection the remaining forest is being destroyed day by day by illegal loggers who continue their work. The loggers use APRIL's well built unpaved roads, which cut through the forest area, for transport and as starting points for their own road construction. Though APRIL checks the corporate ferry across the Kampar in the vicinity of Tesso Nilo, in order to prevent illegal transports along this route, it does not stop the trucks. These vehicles haul the wood out of the area via detours. The core area of Tesso Nilo is cut up with transport routes built by APRIL in 2001. These roads, which are lined with planted acacia strips 500 meters wide on each side, were built without showing authorizations, according to WWF (Glastra 2003). APRIL told ROBIN WOOD that it was hoped the plantations would prevent the illegal loggers. This is not the case, as the loggers build routes through the planted strips and continue their destructive lumbering behind the strips unchallenged.

Although APP and APRIL have committed themselves to refusing any wood from suppliers from Tesso Nilo, ROBIN WOOD ascertained on location that wood for pulp production is still being transported from Tesso Nilo. WWF experts estimate that the Tesso Nilo area will be almost completely deforested by 2006 if no effective measures are taken (Glastra 2003). Up until now no such measures are visible.



A road built by illegal loggers in the Tesso Nilo area (left); wood supply for pulp production (right), recognisable by its low quality (hollow and thin trunks).

In a Memorandum of Understanding in August 2003, WWF and APP agreed that APP would place parts of its concession areas under a moratorium that would put production on a legal and ecologically justifiable basis in the future, and would resolve land rights conflicts with the local population. Six months later WWF deflatedly discovered that according to the APP Action Plan provided to them, the corporation will clear another 180,000 hectares of forest over the next two years without checking whether the forests are of high conservation value. The corporation is also not fulfilling the agreements in regard to legal aspects of the operation and the resolution of land rights conflicts. The areas that APP intends to place under protection were designed as a reserve by the province ten years ago, and are not economically useful to the corporation, as they are bog areas (WWF 2004, Financial Times 2004, Geiger 2004).

The area that APP will withdraw from use lies between the protected areas Bukit Batu and Siak Kecil. According to the experts asked by ROBIN WOOD, these areas will also continue to be plundered by illegal loggers, who

will build canals with heavy machinery to transport out the logs. Concurrently APP is destroying ecologically sensitive peat forests in neighboring concessions. According to statements made by a company representative, it cannot be ruled out at this time that the corporation has overstepped the boundaries of the Bukit Batu protected area, as ostensibly different map versions of this reserve exist (APP 2004).

4.3 Clearcutting in the peat forest

APP and APRIL claim that they would only clear "degraded" forests for conversion to plantations. In actual fact the corporations primarily destroy rainforest with high species diversity. Even the secondary forest that has recovered from past logging offers habitat for many endangered plants and animals who cannot survive in the plantations.

Both corporations presently draw a large part of their raw material from peat forest areas in the east of Riau. ROBIN WOOD was able to observe how several barges from APP concessions near the protected areas of Bukit Batu and Siak Kecil supplied tropical wood to the factory. According to APP data, around 20,000 tons of wood are unloaded from 16-18 ships per day. In order to convert rainforest in the peat areas to plantations, the corporation is building a network of canals to control water levels and transport wood out of the area.

New examinations of the Indonesian peat forests have established that interference in this ecosystem drastically increase the danger of forest fire and contribute to climate change. The peat layers can reach 18 meters in this ecosystem. They grew over a period of 20,000 years and store enormous amounts of carbon. Up to 120 tree species have been identified within one hectare of such forests, whose largest individuals can reach a height of 50 meters. The catastrophic emissions from the 1997/98 forest fires had their origins predominantly in the fires from disturbed moist forests in Indonesia. Of the carbon dioxide emissions released at that time, which were the equivalent of 13-40 percent of the world emissions from fossil fuels in the same time period, over 80 % came from burning peat. The increase in the carbon concentration of the atmosphere doubled in 1997 (Spektrum der Wissenschaft 2004).

Drainage and clearcutting of peat forest areas are associated with an unjustifiable risk of uncontrollable fires that not only threaten human lives and the last of these forests, but also contribute significantly to global climate change. An APP representative explained to ROBIN WOOD that recently fires have broken out in the concessions near Bukit Batu, something which the corporation could not prevent (APP 2004).

APRIL allowed ROBIN WOOD a visit to its nearly 80,000 hectares Pelalawan concession, in which the majority of the area has already been converted into plantations. Although APRIL has given Bogor University a research contract to examine the ecological importance of this area, the results were not made available to the public. APRIL merely permitted ROBIN WOOD to have some excerpts. Corporate employees maintain that in this area no species would become extinct, as around 23 % of the area is exempted from use. This claim is most certainly false.

As APRIL employees explained, the forest in this area was undisturbed for a long time and was almost inaccessible. The research by the University indicates that at least 78 bird species (e.g. hornbill), 8 species of reptiles, 20 mammal species, including 5 species of monkeys (gibbons and macaques amongst others), and the Sumatra Tiger (*P. Tigris Sumatrensis*) are present here as well as seven protected tree species (Ramin amongst others). Until now around 50,000 hectares of rainforest in this concession have been completely destroyed, and a canal network of 800 kilometers to run the Acacia plantations has been built.

The isolated patches of remnant forest that have been exempted from use are not large enough to ensure the survival of these species. The border areas and wind breaks are already strongly impaired by neighboring forestry practices. Examining comparable interference in tropical forests, scientists have ascertained that the temperature in the forest at the edge of wastelands rises over 4.5°C, and air humidity sinks 20 percent. These changes are still measurable deep in the middle of the forest (Wolters 1990).

In the APRIL concession it is clearly evident that many trees in the border areas of the remnant forest patches are dying or losing their foliage. Animal species that live under closed canopies cannot adjust to these changed conditions.

The biologists' rule of thumb is that the reduction of an original habitat area by ninety percent entails a halving of the number of species. Even if several thousand hectares of remaining forest were to remain intact, not counting the heavily affected border areas in the Pelalawan sector, these areas would not suffice to ensure the survival of species with low population densities, such as those of monkeys, cats, or raptors over the middle to long term.

Many tree species in the moist tropical rainforests have a distribution density of one tree per 3-5 hectares, and the minimum viable population requires an intact area of 15,000 to 20,000 hectares (Wolters 1990). It is still unclear how the disturbance of large areas of the natural water cycle affects the rest of the original ecosystem.



The wind breaks in the APRIL concession in Pelalawan (left) are impaired by dessication and are insufficient to retain the species diversity, which is being destroyed by clearcutting and dehydration (right).

The sensitivity of peat forest vegetation is evident from the condition of the 50 meter wide wind breaks that the corporation has not cleared. Only some individual trees with little foliage stand in these strips, and they suffer from desiccation and wind. The strips are not suited as corridors for most of the forest animals.

On top of this comes the disturbance in the water cycle, the high danger of forest fires in disturbed peat forests, as well as the risk of illegal logging when loggers enter the area using the corporations' roads or canals. The Acacia plantations hardly offer habitat for plants and animals, and even these areas are harvested approximately every seven years with clear cut methods, and replanted with the application of fertilizers and pesticides such as 'Roundup'.

Just as in Tesso Nilo, APRIL has now largely destroyed and parceled off a contiguous area of forest in the east of Riau, and thereby accelerated the extinction of plants and animals in Sumatra. There is still no end of this development in sight, as rumors are circulating that APRIL wants to expand eastwards: another 50,000 hectares of forest are to become plantations. Also rumored is the building of a road connection along the Kampar River to the east coast to permit the export and import of wood in the future. It is to be feared that APRIL will then import tropical wood from Borneo for its factories.

Even APP is expanding its infrastructure in the coastal area, and is probably following similar plans, to draw on wood imported over great distances. For now the corporation also still uses the lowland rainforests of Sumatra. As an employee admitted to ROBIN WOOD, the corporation is planning to log forests to which environmental organisations would probably assign a high conservation value, but which could probably not be protected from illegal loggers due to their location (APP 2004).

5. ROBIN WOOD- Demands and Actions

The bitter truth of ROBIN WOOD's research in Sumatra: while APP and APRIL present themselves to their business partners as nature conservationists using the newly putative 'protected areas', the clearcutting of rainforest continues unabated in the neighboring concession areas.

The areas under the moratorium are still being illegally logged, and are not yet under official protection. In part, wood from these areas still arrives at pulp factories. The negotiations with both corporations, initiated by WWF Indonesia with significant effort, have not saved a single actual square meter of rainforest. The only solution would be for the corporations to stop logging in the remaining natural forests and to reduce their production to the yields of the existing plantations.

APP and APRIL have been making profits for too long at the expense of the natural inheritance of humankind. Together with Indonesia environmental organisations, ROBIN WOOD demands that paper factories, paper traders and consumers decline pulp and paper from Indonesia so long as clearcutting in rainforests continues.

Paper from the APP and APRIL corporations are sold on the German market. ROBIN WOOD is following the trail of products coming from rainforest destruction in German trade. ROBIN WOOD is protesting against paper derived from clearcutting and is promoting recycled paper products. Karstadt; the department store chain Kloppenburg; the German Postal Service, with their subsidiary McPaper; the trade group Dohle, and their supplier Schreyer, have all followed ROBIN WOOD's call, and taken products from APP and APRIL off the shelves. Paper Union, the largest German paper trade company and probably the largest European importer of APRIL Paper (15,000 of 80,000 tons), has restricted itself to taking only paper from plantation wood, and as such continues to be jointly responsible for the conversion of species rich rainforest into unnatural monocultures.

The ROBIN WOOD Paper campaign

The destruction of rainforests and the abuse of local peoples' land rights in Sumatra is only one example of many worldwide showing the social and ecological consequences of our paper consumption. The use of paper in industrial countries is a typical example of unsustainable consumption behavior at the cost of global natural resources. Each German used on average 226 kilograms of paper in 2001. Thus Germany is amongst the world's top paper-wasters. In one year here, each of us uses the same amount of paper products as a person in India uses over a fifty year period. Paper use has increased seven times since 1950, and the rate continues to grow.

One logged tree in five is used for paper production worldwide. Around 90 percent of the pulp necessary for paper production in Germany is imported. The majority of imports comes from Northern forests, but the share of pulp and paper imports from the tropics is increasing. Germany is therefore in large part jointly responsible for the destruction of forests and the abuse of local peoples' rights.

ROBIN WOOD demands that:

- The paper industry should increase the use of recycled paper in paper production and the use of pulp from forests whose use is proven to be ecologically and socially sound.
- Companies, state entities and private households should reduce their paper consumption and use recycled paper
- The paper trade should offer recycled paper products and exclude from their selection papers made from new fibers originating from ancient forest destruction and land rights abuses.
- The federal government should commit the foreign trade promotion for the paper industry to minimum ecological and social standards, and forbid the import of wood and wood products that originate from destructive forest use.

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Above left: Successful ROBIN WOOD protest at Karstadt 2002: APP clearcut paper out, recycling paper in.
 Above center: ROBIN WOOD visit to PAPIER UNION, one of APRIL's most important European customers, 2002.
 Above right: ROBIN WOOD in front of the Frankfurt Trade Fair "Paperworld", the largest European paper trade fair, 2004.
 Below left: protest against government agency export credits for APP in front of the Ministry of Economy, November 2003
 Below right: Protest at the Deutsche Post against repeated purchase of paper from rainforest destruction, 2004
 (Photos: ROBIN WOOD)



Voices from Indonesia:



"Pulp and Paper Industries in Indonesia destroy forests and communities livelihood, and brings disaster and hard suffering for future generations. The pulp industry has increased the financial debt of Indonesia and made our country poorer."

Rivani Noor, Community Alliance for Pulp-Paper Advocacy (CAPPA), Indonesia



"Millions of hectares of rain forests have been lost, millions of Indonesians have lost their land for plantations and infrastructure of the pulp and paper industry. We ask: how long shall this human tragedy continue?"

Harry Oktavian, Hakiki Foundation, Indonesia



"The pulp paper industries must stop immediately to cut the Indonesian rain forest and to pollute our environment. Don't buy paper from our forest!"

Rully Syumanda, WALHI Riau, Indonesia