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## Expansion of Pulp and Paper Companies APP and APRIL in Indonesia: More Deforestation and Violence

The track record of pulp and paper companies of massive deforestation, peatland drainage, severe forest fires, agrarian conflicts, and the criminalization and intimidation of grassroots activists in Indonesia has been well documented. The Indonesian NGO WALHI has a long history of campaigning against the expansion of industrial tree plantations, of supporting communities resisting plantation companies to reclaim their land rights and healthy living spaces, as well as of advocating for better national laws for the protection of forests and community lands.

More than 10 million hectares of land in Indonesia are currently controlled by the pulp and paper industry, with two giant corporations as dominant players: Asia Pulp and Paper (APP – the pulp and paper division of the Sinar Mas group) and Asia Pacific Resources International Limited (APRIL). With the support of abundant state facilities and uninterrupted national and multinational funding, the plantation companies' business in Indonesia continues to maintain its economic and political power. (1)

According to the spatial data collected by WALHI in 2018, APP's concessions overlap with 668 villages, while APRIL's concessions with 114 villages. Land conflicts are the most common issue as well as the criminalization of environmental and human rights activists. And problems are not only around the already established industrial plantations.

Despite the companies' 'green' claims to protect forests and peatland, both have been associated with deforestation. Felled trees feed their big pulp mills and the forests get transformed into plantations. An Indonesian coalition of environmental NGOs, evidenced APP's extensive deforestation in 2008 and 2011. In 2018, Greenpeace reported that since APP launched its 'Forest Conservation Policy' in 2013, almost 8,000 hectares have been cleared by APP controlled companies. Another 2019 report showed how APP was sourcing wood from a company involved in large-scale deforestation, which followed a 2020 report exposing the destruction of peatland by APP related companies, even during the Covid-19 outbreak. (2) Likewise, with a similar path, APRIL has been denounced in 2020 to allegedly violate its own 'zero-deforestation' commitment by sourcing wood from a company clearing forests in Indonesian Borneo. (3)

Forest communities not only see their territories seized and destroyed, and their lives violated, but they also bare the impacts of forest fires resulting from the expansion of the pulp and paper and the palm oil industries. APP and APRIL have allegedly contributed to massive-scale forest and land fires, causing residents to experience Acute Respiratory Infections. In Jambi, the victims have reached to 20,471 people, in Central Kalimantan to 15,138, in South Sumatra to 28,000, and West Kalimantan to 10,010 people. (4)

### **APP's Tree Plantations: Devastation, Violence and Criminalization**

The Sinar Mas group is one of the largest conglomerates in Indonesia and is engaged in clearing

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forests and destroying peatlands for their several businesses, including Sinar Mas' APP, which is Indonesia's largest pulp and paper producer.

APP controls 2.6 million hectares in Indonesia, spread over 5 provinces, namely: Riau, Jambi, South Sumatra, West Kalimantan, and East Kalimantan. (5) It operates via 31 subsidiary companies in the different provinces. These large areas covered with industrial tree plantations, mainly of acacia, create serious social and environmental harms to the people living in and around the concessions - with unimaginable losses.

In the province of Jambi, APP has three subsidiary companies: PT. Wirakarya Sakti (WKS), PT. Rimba Hutani Mas (RHM) and Tebo Multi Agro (TMA). These companies' plantations are located in the five regencies of Tanjung Jabung Barat, Tanjung Jabung Timur, Muaro Jambi, Batanghari, and Tebo. There are 120 villages affected by these companies' activities in Jambi and several active conflicts - most related to land disputes. In South Sumatra, APP manages its second biggest concession area in Indonesia of around 789,000 hectares as well as a large pulp mill, impacting at least 80 villages. (6)

To cover up its violent track record, APP launched campaigns and took on commitments for 'forest restoration' while simply ignoring the social and environmental crimes, the conflicts, and the serious violations of human rights that they are responsible for. Widespread criticism and community opposition pushed APP to launch a Forest Conservation Policy (FCP) on February 2013. This Policy included a commitment to 'zero deforestation', with an immediate moratorium on logging in forests and peatlands extended to all its suppliers. The Policy states that the company should protect high conservation value (HCV) areas and high carbon stock (HCS) forests and recognized that Indigenous Peoples and local communities may have customary rights to land overlapping with its pulp plantations. (7)

However, a 2019 report by a coalition of Indonesian organizations, including WALHI, and the Environmental Paper Network, found APP to be involved in hundreds of conflicts with communities across the five provinces. (8)

In 2015, only two years after the Policy was launched, Indra Pelani, a local farmer and activist central in the struggle to reclaim land grabbed by APP in the province of Jambi, was tortured and killed by security personnel employed by WKS, a controlled supplier of APP. (9)

On March 2020, WKS used drones to spray herbicides and poison villagers' crops in Sumatra, resulting in big losses for the peasants. Residents from the Lubuk Mandarsah village denounced that the company sent security officials door to door to scare them into leaving the area, as an intimidation tactic. This village is in conflict with the company since 2007 to reclaim back their land. (10) In October 2021, two residents who were clearing the land of a member of the Sekato Jaya peasant union -which was created in 2013 to organize the resistance to get their land back-, were arrested and detained by company security guards.

Apart from the conflicts and criminalization of activists, pulp and paper companies keep destroying forests and peatlands. In West Kalimantan, there are 41 timber companies with an area of 1,901,491 hectares, and 302,498.59 of them are peatlands. Likewise, in Riau, 803,708 hectares of concessions of APP's affiliated companies are located on peatlands.

Based on an assessment done by WALHI West Kalimantan, there are three business patterns of timber plantation companies:

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- 1) The granting of permits is oriented toward high natural timber potential areas (forests),
  - 2) The granting of permits ignores peatlands and protected animal habitats, and
  - 3) There is an indication that companies are doing 'land banking' due to the uneven comparison between the area of ??given permits and the area of planting. (11)

While the established plantations are amounting to only 45% of the set plans, the pulp mills' capacity is rising up. Forests become then targets to cover for the shortage of raw material to satisfy the demand of the expanding pulp mills.

In South Sumatra, APP's already massive paper mill Ogan Komering Ilir (OKI) is set to grow triple in size, which will certainly create devastating consequences for the people and the environment, particularly peatlands. The escalation of land conflicts, forest fires, and the threat to forests on a large scale will be certain consequences in the near future. This expansion plan might also put pressure on all subsidiaries of industrial tree plantations, as demand will highly increase. This, in the end, will add pressure for further ignoring social and environmental commitments as well as existing rules and legislations.

Furthermore, 'forest restoration' activities on a wide scale actually prolong the chain of conflicts. It is another way of expropriating forests belonging to Indigenous Peoples and local communities in Indonesia. APP's 'green' and 'sustainable' claims are nothing but a greenwashing agenda and a strategy to improve the image of the company. Restoration of areas with important and critical functions, both within and outside the company's concessions, is the responsibility of the permit holders themselves, including APP and APRIL.

## **APRIL: Greenwashing its Expansion**

APRIL is Indonesia's second largest pulp and paper producer and operates one of the world's largest paper mills in Riau Province, Sumatra: Riau Andalan Pulp & Paper (RAPP). Of the 1 million hectares of land APRIL Group manages, 480,000 hectares is used for plantations. Between 2008 and 2011, APRIL suppliers cleared at least 140,000 hectares of forests, mainly to satisfy the wood demand for APRIL's pulp mills. (12)

The Indonesian NGO JIKALAHARI as well as WALHI, contested APRIL's claim of successfully restoring 58.21 hectares and increasing 42 species of flora and fauna with its Riau Ecosystem Restoration (RER) program. APRIL states that the increase in species in the RER concessions, which cover an area of ??130,789 hectares, indicates that forests have regained their biodiversity. However, the activities of 11 companies affiliated to APRIL, which cover an area of ??242,692 hectares on the Kampar Peninsula, including peatlands, have destroyed more flora and fauna when converting these areas into acacia and eucalyptus plantations. (13)

Since 2002, the Kampar Peninsula has slowly been destroyed due to the activities of APRIL. Nine of the 11 companies affiliated to APRIL in the Peninsula were involved in corruption by bribing the Regent of Pelalawan to obtain permits and cut forests. (14)

APRIL also committed to restore 433.49 hectares of burned peat in 2015, which is in line with the legal requirements. Yet, this was never materialized. Instead, APRIL fought the government in court so that the burned areas would not be considered as having peat protection functions. On top of this, APRIL also plans to expand its pulp mill operations in Sumatra's Riau province for 2025. It is estimated that the mill expansion, if fully implemented, would increase APRIL's annual wood consumption in Indonesia by more than 50%. (15)

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APRIL's campaigns and programs for 'restoration' are thus also an attempt to deceive the public and keep expanding their destruction.

## The 'Right to Carbon': Another Land Grabbing Mechanism

In 2021, the Presidential Regulation No. 98 concerning the Implementation of Carbon Economic Values, established that the right to carbon is the authority of the state (Hak Menguasai Negara in Bahasa Indonesian). This means that each licensed entity that would like to get involved in carbon trading must be (non-)regulated through a market mechanism. Those having most access to getting and managing the carbon rights are in the corporate sector, amplified by their capital, networking, market knowledge, etc. The classification of the 'right to carbon' as 'the authority of state' is an attack on Indigenous Peoples and local communities who have been coexisting with, protecting, managing, and owning their customary forests for generations. This is a direct threat for land grabbing as more companies will propose Ecosystem Restoration Permits to get 'the right to carbon' and brand their image in the world market, while gaining abundant profits from carbon trading and land control.

Environmental, 'green' and sustainability commitments embraced by the pulp and paper industry, in particular APP and APRIL, are false commitments; are part of a political image branding or gimmick of the market, which aims to maximize their profits. Those commitments only aim to satisfy the consumers' and investors' consciousness in order to keep buying and investing. Those same commitments allow the same destructive practices to continue and expand, while allowing various unlawful practices and violations of human rights. We cannot rely on market schemes and voluntary instruments. The impunity for corporate crimes must end now.

### Uli Arta Siagian

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<https://www.walhi.or.id/>

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