

PRESS RELEASE - Jakarta, 17 February 2016

Indonesia's forest area under sustainable forest management steadily increases – 1.6 million ha certified with support from The Borneo Initiative

On 10 December 2015 the Forest Stewardship Council® (FSC®) awarded its certificate for responsible forest management to PT. Gunung Gajah Abadi, a forest concession managing 75,009 ha in Kongbeng Sub District, Kutai Timur District, East-Kalimantan province. This is the 18th FSC-certificate facilitated under The Borneo Initiative, reaching a coverage of 1.6 million ha.

The Borneo Initiative is a capacity building program aimed at boosting sustainable forest management capacity among forest concessions in Indonesia. Forest concessions benefit from better preparation for meeting the Government of Indonesia's national requirements as defined under the SVLK-system. At the same time, they are enabled to be certified under the international standard of the FSC. Funding to The Borneo Initiative is provided by The Sustainable Trade Initiative (IDH) from the Netherlands, and several other donors.

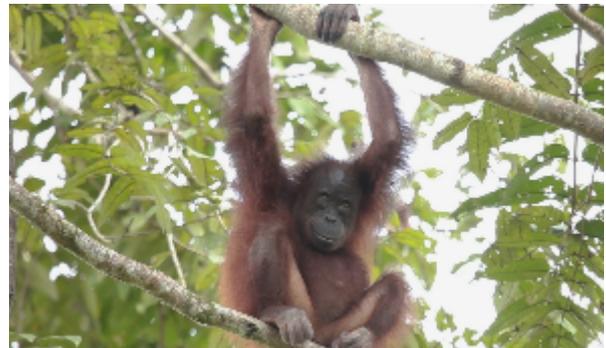
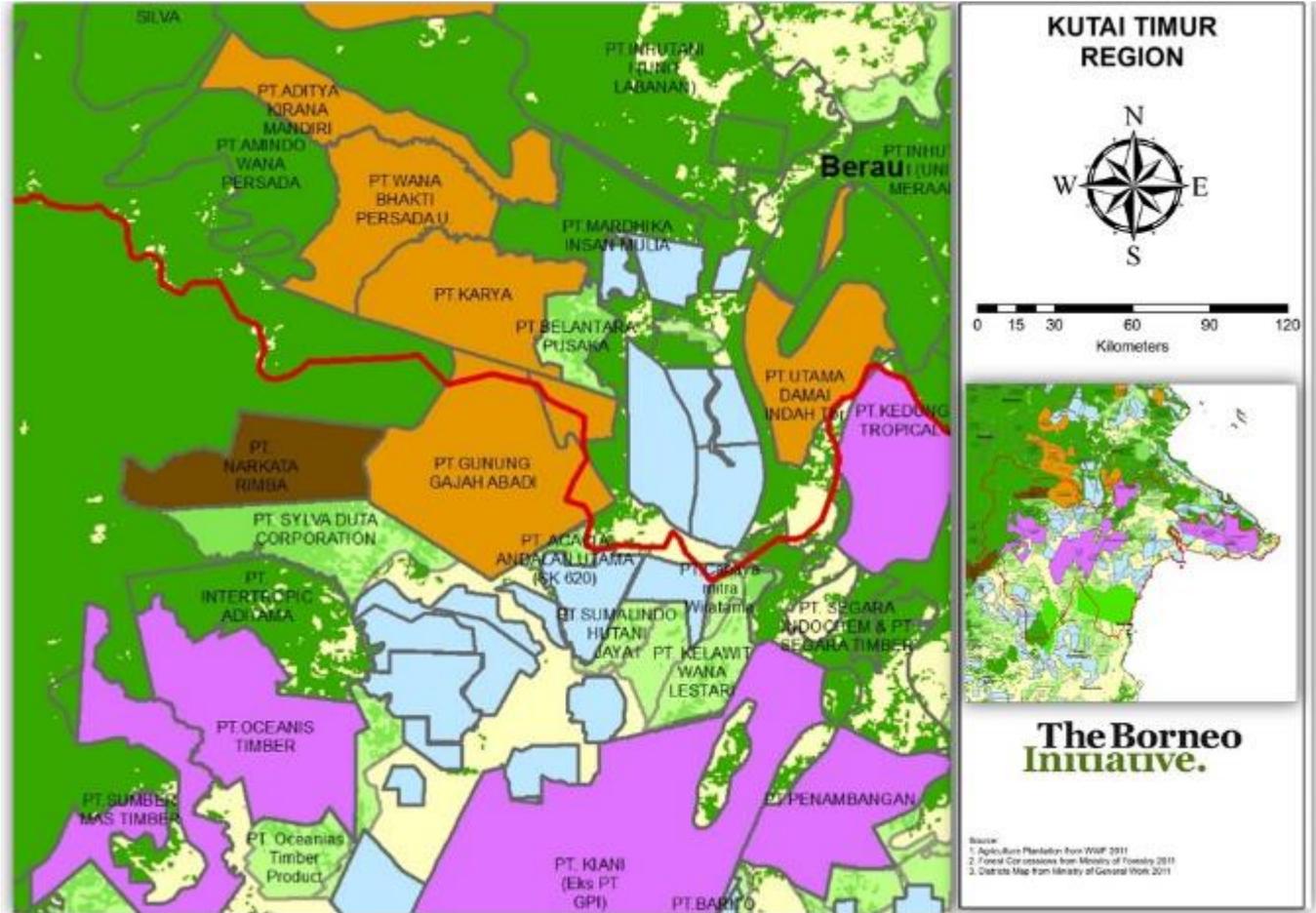
Technical support to the process of certification was facilitated to a large extent by The Nature Conservancy (TNC). In the past 3 years, TNC provided trainings on reduced impact logging in combination with forest carbon assessment, a potential future additional revenue stream. Other entities that provided support to PT. Gunung Gajah Abadi with sustainable forest management include the previous GTZ-SFM Project in East Kalimantan; The Forest Trust (TF) as well as the Faculty of Forestry of Mulawarman University.

Another 14 companies are still implementing the required steps towards FSC-certification with support from The Borneo Initiative, which will bring the total to 3 million ha by the end of year 2016.

Overall, there are now 19 forest companies with FSC certification in Indonesia, covering 2.0 million ha in total. Additionally, there are 7 forest plantations with FSC certification (198,546 ha) and 49 community groups (43,969 ha). There another 3 holders of a FSC controlled wood certificate, with 2.4 million ha.

“We undertook FSC certification based on demand of our main customer, PT. Kutai Timber Industries” explains Mr Soeyitno Soedirman, Director of PT Gunung Gajah Abadi. “Our company employs 115 workers, both technical and administrative staff, and has an annual log harvest area of 2,122 ha with a production volume of 79,040 cu.m. roundwood (mixed hardwood species).” Between 70% and 80% of total production volume is processed by PT. Kutai Timber Indonesia (Sumitomo Forestry), producing plywood mostly for the Japanese market. A lesser share (20% to 30%) of logs are processed in the company's own sawmill for the domestic market.

PT Gunung Gajah Abadi practices low impact logging (reduced impact logging), in order to safeguard the habitat for such endangered species as Orangutan (*Pongo pygmaeus morio*), Bornean gibbon (*Hylobates muelleri*), Sunda clouded leopard (*Neofelis diardi*), Marbled cat (*Pardofelis marmorata*), Leopard cat (*Prionailurus bengalensis*), and Helmeted hornbill (*Buceros vigil*). Moreover, the concession shares borders with another FSC-certified forest concession (PT Narkata Rimba), as with others still in process towards FSC-certification, namely PT. Karya Lestari and PT. Utama Damai Indah Timber, whereby a contiguous range of 253,000 ha in total is sustained under natural forest cover.



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Editorial note: For enquiries or pictures please contact Ms Rosa Widiyarini (widiyarini@theborneoinitiative.org) or contact Mr Soeyitno Soedirman (s_soedirman@yahoo.co.id) or call GGA Office at +62-541-742393

The Borneo Initiative

The Borneo Initiative is a non-profit organisation that promotes sustainable forest management in Indonesia. It operates in close coordination with the Indonesian Association of Forest Concessionaires (APHI). The Borneo Initiative provides financial support to forest concessions, to enhance their management capacity in social aspects, ecology and reduced impact logging.

The forest concessions are trained in reduced impact logging, social impact assessment, high conservation value assessment and health and safety practices. With this, they are prepared for compliance with the mandatory certification system (SVLK) as well as the voluntary certification system (FSC®). Assistance to the forest concessions is provided by a platform of partner organisations such as Tropical Forest Foundation (TFF), Global Forest Trade and Network (GFTN), The Forest Trust (TFT), The Nature Conservancy (TNC), and WanaAksara. The Borneo Initiative receives funding from several donors, including The Sustainable Trade Initiative (IDH; www.idhsustainabletrade.com).

To date, The Borneo Initiative supports a total of 40 forest concessions with 3,692,190 ha under their management – or 25% of all active logging concessions in Indonesia. Of these, 18 forest concessions achieved FSC-certification (1.6 million ha of natural forest). One FSC-certificate was achieved in PNG (148,900 ha) implying an achievement of 17 Indonesian FSC-certificates with 1,438,790 ha. For more information: www.theborneoinitiative.org

Indonesian Association of Forest Concessionaires (APHI)

Association of Indonesian Forest Concessionaires (APHI) is a non-profit organization based in Indonesia which provides a forum for holders of forest concession rights to natural forests (IUPHHK-HA) as well as industrial forest plantations (IUPHHK-HTI). Its mission is to offer guardianship to its members' interests and to participate in improving the welfare of Indonesian society especially for the communities living inside and near the forest, fairly and through the professional management of forests based on the principles of sustainability and economy through proportional engagement of all relevant stakeholders. Its membership includes 274 IUPHHK-HA (24.6 million ha) and 154 IUPHHK-HTI (7.4 million ha). For more information: <http://www.rimbawan.com> or Email: aphi@rimbawan.com

The Nature Conservancy (TNC)

The Nature Conservancy is the leading conservation organization working in 35 countries around the world to conserve the lands and water on which all life depends. In Indonesia, TNC has been working in conservation partnerships with government, communities and the private sector for more than 25 years, advancing solutions for conservation, natural resources management and climate change for the benefit of people and nature. By leveraging science-based natural resources management models, TNC transform practices and informs policies that will result in the increase of landscapes and seascapes under effective management in Indonesia. For more information, please visit www.nature.or.id

Forest Stewardship Council® (FSC®)

FSC is an independent, non-governmental, not-profit organization established to promote the responsible management of the world's forests. Established in 1993 as a response to concerns over global deforestation, FSC is a pioneer forum of responsible forest management.

FSC has defined 10 principles and associated criteria that describe how forests must be managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations.

FSC certification provides a credible link between responsible production and consumption of forest products, enabling consumers and businesses to make purchasing decisions that benefit people and the environment as well as providing ongoing business value. FSC is nationally represented in more than 50 countries around the world.