## An Open Letter about Scientific Credibility and the Conservation of Tropical Forests

## To whom it may concern:

As professional scientists employed by leading academic and research institutions, we are writing to alert the general public about some of the claims and practices being used by the World Growth Institute (WGI) and International Trade Strategies Global (ITS), and their affiliated leadership.

WGI and ITS operate in close association. ITS is owned by Alan Oxley, an Australian industrial lobbyist, former trade representative, and former Ambassador who also heads WGI. According to its website<sup>1</sup>, ITS also has "close associations" with several politically conservative US think tanks, including the American Enterprise Institute, the Competitive Enterprise Institute, and the Heritage Foundation.

In our personal view, WGI and ITS—which are frequently involved in promoting industrial logging and oil palm and wood pulp plantations internationally—have at times treaded a thin line between reality and a significant distortion of facts. Specifically, we assert that:

- ITS is closely allied with, and frequently funded by, multinational logging, woodpulp, and oil palm corporations. The financial supporters of ITS include parent corporations producing paper and wood products under the aegis of 'Asian Pulp & Paper', among others.
- Alan Oxley and ITS have often lobbied in favor of Rimbunan Hijau<sup>2</sup>, one of the world's largest industrial logging corporations. Rimbunan Hijau has been repeatedly criticized for its environmental and human-rights impacts in Papua New Guinea<sup>3,4</sup>.
- WGI frequently lobbies public opinion on the behalf of Sinar Mas holdings, a conglomerate of mostly Indonesian logging, wood-pulp, and oil palm companies that includes Golden Agri Resources, a Singapore-based firm. One of these companies, known as 'SMART', could face expulsion by the Roundtable on Sustainable Palm Oil, an industry-led trade group, for "serious non-compliance with the RSPO Code of Conduct" with respect to its environmental and social sustainability guidelines<sup>5</sup>.
- In an interview with Malaysia's *The Star* newspaper, in which he strongly advocated further oil palm expansion in that country, Mr Oxley refused to answer a direct question as to whether he or WGI was supported by the Malaysian palm oil industry. He dismissed this question as being "immaterial" <sup>6</sup>. We believe that WGI's financial supporters include many of the same industrial sectors for which WGI regularly advocates.
- While routinely accusing several environmental organizations and the Intergovernmental Panel on Climate Change (IPCC) of bias and scientific misrepresentation, WGI and ITS have, in our opinion, advanced a range of biased or distorted arguments themselves. For example, consider an ostensibly "independent"

audit<sup>7</sup> from ITS that sought to exonerate Asian Pulp & Paper from claims of illegal and damaging logging practices in Sumatra, Indonesia. This audit appears to be far from objective in scope, especially given the clear financial links between these two entities, which brings into question its claims to be "independent". Among other claims, the ITS audit broadly understates the scope and gravity of forest loss and degradation in Indonesia, despite that nation having among the world's highest absolute rates of deforestation<sup>8</sup> and being ranked 7<sup>th</sup> worst out of 200 nations in terms of net environmental damage, according to a recent analysis<sup>9</sup>. It also suggests that the palm oil and pulp and paper industries are not important drivers of deforestation and greenhouse gas emissions in Indonesia. Yet recent research has demonstrated that much of the oil palm expansion in Indonesia between 1990 and 2005 came at the expense of native forests<sup>10</sup> (many plantation owners favor clearing native forests over already-degraded lands as they use revenues from logging to offset the costs of plantation establishment<sup>11</sup>). Moreover, the rapid expansion of pulp plantations is a serious driver of native-forest loss in both Sumatra and Kalimantan, Indonesia.<sup>12</sup>

- A recent technical report by ITS concluded that "There is no evidence of substantial deforestation" in Papua New Guinea<sup>13</sup>, a conclusion strongly at variance with quantitative, remote-sensing studies of forest conversion published in the refereed scientific literature <sup>14,15</sup>.
- Reports from WGI and ITS routinely claim that newly established oil palm plantations sequester carbon more rapidly than do old-growth rainforests. This claim, while technically correct, is a distraction from the reality that mature oil palm plantations store much less carbon than do old-growth rainforests (plantations store just 40-80 tons of biomass aboveground, half of which is carbon, compared to 200-400 tons of aboveground biomass in old-growth rainforests <sup>16</sup>). WGI and ITS reports have also in our view dismissed or downplayed other important environmental concerns, including the serious impact of tropical peat-land destruction on greenhouse gas emissions <sup>17</sup> and the impact of forest disruption on threatened species such as orangutans and Sumatran tigers <sup>18,19</sup>. Furthermore, WGI and ITS, we believe, have failed adequately to recognize that many forests of high conservation value are being destroyed and fragmented by plantation development <sup>20</sup>—a process that is mostly driven by corporations, not small holders.
- WGI, ITS, and Alan Oxley frequently invoke "poverty alleviation" as a key justification for their advocacy of oil palm expansion and forest exploitation in developing nations, and it is true that these sectors do offer significant local employment. Yet forest loss and degradation also have important societal costs. There are many examples in which local or indigenous communities in the tropics have suffered from large-scale forest loss and disruption, have had their traditional land rights compromised, or have gained minimal economic benefits from the exploitation of their land and timber resources<sup>4,21</sup>. Such costs are frequently ignored in the arguments by WGI, ITS, and Alan Oxley.
- One of the most serious misconceptions being promulgated by WGI and ITS in our view is that "two-thirds of forest clearance is driven by low-income people in poor countries"
  In fact, the importance of industrial drivers of deforestation—which includes large-scale palm oil and wood-pulp plantations, industrial logging, large-scale cattle ranching, large-scale farming of soy, sugarcane, and other crops, and oil

and gas exploration and development—has risen dramatically in the past 1-2 decades<sup>23,24</sup>. These industrial drivers are largely responsible for the explosive expansion of roads in tropical frontier regions, which facilitates massive forest loss and degradation<sup>25</sup>. Such industries and their lobbyists also create great pressures on the governments of developing nations to allow access to their lands and natural resources, both via legal and illegal means<sup>26,27</sup>. Hence, a crucial and overarching cause of tropical forest loss and degradation today is rapidly increasing industrialization and globalization. We believe WGI either fails to comprehend, or is failing accurately to convey, the real and growing magnitude of industrial drivers as a threat to tropical forests.

In summary, our goal is not to defend any environmental organization or to suggest that environmentally and socially equitable development is not an important objective for developing and transitional nations. Nor we dispute that oil palm plantations, when established on previously deforested or abandoned lands such that they do not contribute either directly or indirectly to deforestation, can have important economic benefits and largely acceptable environmental costs.

However, we do assert that a number of the key arguments of WGI, ITS, and Alan Oxley represent significant distortions, misrepresentations, or misinterpretations of fact. In other cases, the arguments they have presented amount to a "muddying of the waters," which we argue is designed to defend the credibility of the corporations we believe are directly or indirectly supporting them financially. As such, WGI and ITS should be treated as lobbying or advocacy groups, not as independent think-tanks, and their arguments weighted accordingly.

Sincerely,

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<sup>&</sup>lt;sup>1</sup> http://www.itsglobal.net/ourpeople.asp

<sup>&</sup>lt;sup>2</sup> http://www.sourcewatch.org/index.php?title=Alan\_Oxley

<sup>&</sup>lt;sup>3</sup> W.F. Laurance *et al.* (2010) Better governance to save rainforests. *Nature* **467**:789.

<sup>&</sup>lt;sup>4</sup> W.F.Laurance *et al.* (2010) Predatory corporations, failing governance and the fate of forests in Papua New Guinea. *Conservation Letters* (in press).

<sup>&</sup>lt;sup>5</sup> http://www.rspo.org/?q=page/1518

<sup>&</sup>lt;sup>6</sup> http://biz.thestar.com,my/news/story.asp?file=/2010/8/14/business/6853110&sec=business

<sup>&</sup>lt;sup>7</sup> http://www.businesswire.com/news/home/20100926005066/en

<sup>&</sup>lt;sup>8</sup> "Scientists laud forest conservation deal for Indonesia," Press release, Association for Tropical Biology and Conservation, Bali, Indonesia, 23 July 2010 (http://news.mongabay.com/2010/0723-atbc\_resolution.html).

<sup>&</sup>lt;sup>9</sup>C.J.A. Bradshaw *et al.* (2010) Evaluating the relative environmental impacts of countries. *PLOS One* **5**:e10440. doi:10.1371/journal.pone.0010440.

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