

# Time is running out for APP

Friday 20 February 2004

**A Sustainability Action Plan (SAP) by one of the world's biggest paper companies, APP (Asia Pulp and Paper) to ensure its wood supply is environmentally sustainable, has fallen short on several counts, after a six month negotiation effort with WWF ended without agreement.**

The plan was developed following a letter of intent signed by APP and its parent company, the Sinar Mas Group (SMG) with WWF in August 2003. The companies agreed to prepare an action plan for the next 12 years on the sustainability and legality of APP's wood supplies, the resolution of land disputes with local communities, and the conservation of forests of high social and environmental significance.

The plan shows that APP has intergrated some of WWF's demands but disappointingly has not addressed some of the organisation's basic concerns. The following issues, in particular, have not been adequately addressed.

- Protection of forests with high conservation values
- Use of third party mediators in social conflicts
- Long-term sustainability

WWF is concerned that the companies only assessed the human impact on the degradation of forests and failed to consider the crucial role they play in watershed protection, climate regulation and as habitats for key endangered species. WWF argues that the conservation value of most of Indonesia's forests would be underestimated if the only criteria used was human-induced degradation. It is also concerned that the companies failed to give commitments on the appointment of an independent mediator in land disputes with local communities.

Furthermore, APP's plan to have sustainable wood supply from plantations in 2007 will be achieved at the expense of 180,000 hectares of Sumatran natural forest. The company has refused to put these forests under temporary moratorium while credible conservation assessments are carried out.

"WWF firmly believes APP and SMG are in a position to deliver a credible SAP that could help save Sumatra's remaining forests while maintaining a sustainable wood supply. Unfortunately the

companies failed to do so," said Mubariq Ahmad, WWF Indonesia's Executive Director. "The time is running out. It's time that APP delivers concrete action".

Based on APP's past performance, WWF is worried that many more natural forests may be cleared because the company will be unable to meet what WWF considers are overly ambitious plantation productivity and planting targets.

"APP and SMG have failed to deliver on some of the key issues agreed with WWF last August," said Chris Elliot, Director of WWF International's Forest Programme. "While this is disappointing, there have been some conservation gains, such as adding 17,500 hectares to the 58,500 hectares already protected."

WWF is calling on APP customers and creditors to take action. It wants them to put pressure on the company to immediately improve its sustainability action plan, and to review their business relations if APP fails to do this. According to WWF, responsible customers and creditors can ensure that APP improves on its environmental and social responsibility.

Meanwhile, WWF will continue working with the authorities, NGO's and local communities in Sumatra's Riau Province to fight for the protection of forests for the benefit of people and nature.