

TFT/APP Progress Report for February 2013

Date: 20 March 2013

Introduction

This is the first in a series of what will become regular updates from TFT on APP's progress towards meeting its No Deforestation commitment, made on February 5th as part of its ['Sustainability Roadmap: Vision 2020' update report](#).

The company announced an immediate end to all natural forest clearing in its supply chains in Indonesia, effective 1 February 2013. TFT is working on the ground with APP to implement and monitor the work. TFT understands that there is huge interest in APP's progress implementing its new Forest Conservation Policy (FCP) and so rather than wait for quarterly updates, we have decided to report more regularly on the work being done in the field.

Overall

It has, inevitably, been a very intensive month but the encouraging headline news is that the moratorium on forest clearance, agreed by all suppliers, is holding. Additionally the grievance process – designed to allow communities and civil society to report any breach in the policy - has been tested with positive feedback received from the claimant.

In advance of the FCP announcement on Feb 5th, APP and TFT had developed a series of protocols to guide implementation. Early engagement with local civil society in Indonesia was seen as critical to developing a strong multi-stakeholder implementation approach. To that end, APP and TFT teams have participated in a series of Focus Group Discussions (FGDs) across Indonesia, meeting with local civil society representatives. The FGDs have focused on the overall intent and detail behind the policy; the monitoring process and details of what data will be shared. Such meetings will form an on-going part of the work program. The final FGD for the first round of stakeholder consultation will be held on 27 March 2013, where APP and TFT will address all input provided during the regional meetings.

Policy commitment progress

Policy Commitment 1:

High Conservation Value Forests (HCVF) and High Carbon Stock (HCS) Forests
APP and its suppliers will only develop areas that are not forested, as identified through independent HCVF and HCS assessments.

1. Moratorium on forest clearance: TFT, APP and its suppliers' staff have been very active in the field implementing protocols to ensure the moratorium on forest clearance holds. Our teams have:
 - a. marked and recorded clearance boundaries with GPS data for all concessions which were supplying APP with timber from natural forests cleared up to 31 January 2013;

- b. inventoried and mapped the location of all stocks of natural forest logs within APP's supply chain cut before 2013. Over one million cubic meters of fibre wood, located in various log yards, has been recorded. Over the coming months, these stocks will be transported to APP's mills. The target date to have all of this wood in the APP mills is end-August 2013 but this will depend on weather, contractor availability and adequate road infrastructure. Progress against this target will be reported;
 - c. inventoried over 570 wood extraction machines; and
 - d. developed a wood tracking system and trained relevant staff in using the system to ensure that only wood from log yards, recorded as having been harvested prior to Jan 31st, 2013, enters the supply chain.
- 2. HCVF assessments are currently underway for 38 APP suppliers (ranging from open land to remnant natural forest and fully established pulpwood plantations), with completion due in phases between September 2013 and March 2014.
- 3. Because APP will now preserve areas that have previously supplied the company with natural forest fibre, work has also begun on alternative low carbon Industrial Forest Plantation (HTI) development:
 - a. Ground assessments and flyovers have taken place at three concessions in South Sumatra (Sebangun Bumi Andalas, Bumi Mekar Hijau and Bumi Andalas Permai).
 - b. The assessments in these concessions are to identify potential high conservation and carbon stock values on the old scrub/regenerating forest and cleared/open land.
 - c. Focus group discussions at sub-district and village levels were carried out to strengthen data collection processes. Another stakeholder consultation at the district and provincial levels is scheduled to garner input and feedback from relevant stakeholders on the assessment results.
- 4. To support the identification of High Carbon Stock (HCS) forest that must be protected, the team has procured up to date SPOT 5 satellite data. Analysis is underway to classify land across APP's supply base. At this point, data covering 70% of APP's supply base has been processed. The remaining 30% will be processed by the end of May 2013. Where HCS forest has been identified, the team is carrying out a two-tiered process of on-the-ground studies and inventory sampling.
- 5. To support supplier adherence and third party observer monitoring, TFT and APP have developed a set of protocols: Monitoring of Moratoria Implementation, Role of Independent Observers, Grievance, and New Area Development. APP and TFT have sought input on these protocols from Indonesian civil society in Jakarta, Riau, Jambi, West Kalimantan and East Kalimantan regions. Monitoring visits are underway as part of the process to map forest boundaries (see point 1 above) and we anticipate that civil society participation in the monitoring process will commence in April 2013
- 6. A Moratorium Committee has been created to determine the action points and/or the level of disciplinary action for any non-compliance found.

Policy Commitment 2:

Peatland management

APP will support the Government of Indonesia's low emission development goal and its target to reduce greenhouse gas emissions.

1. The leaders of HCVF assessors are forming a team of internationally and nationally recognized peat experts to support the HCVF assessment process. The team will set a protocol, methodology and oversee all work and provide clarity on the recommendations and corrective actions to implement a forest conservation and peatland management plan. The team is due to be in place by April 2013.

Policy Commitment 3:

Social and community engagement

In order to avoid and resolve social conflicts across its supply chain, APP will actively seek and incorporate input and feedback from a wide range of stakeholders, including civil society, and implement principles including Free, Prior and Informed Consent (FPIC) of indigenous people and local communities, respecting human rights.

1. To support FPIC among indigenous people and local communities, initial FPIC training for APP suppliers' staff has been completed in the regions of South Sumatra, Jambi and Riau. The West Kalimantan and East Kalimantan regions are scheduled for the third week of March.
2. To aid the responsible handling of complaints, APP has developed procedures for grievances, and these have been socialized in Jakarta and the Riau, West Kalimantan, East Kalimantan, Jambi and South Sumatra regions. The national level will follow on 27 of March. A South Sumatra and Riau-based NGOs have actively participated in the implementation of APP's Grievance Procedure to resolve a case reported in February – March 2013.
3. TFT and APP have developed a draft procedure for the responsible resolution of conflicts. Relevant modules for conflict mapping training have been developed, and training is completed in the Jambi and Riau regions. A draft has also been shared for further input from stakeholders for socialization in the regions
4. TFT continues to work with APP, Ministry of Forestry teams and local communities and their representatives to resolve conflicts in the Jambi Region. This has included discussions with stakeholders PPJ and the Head of Dinas Kehutanan Jambi. TFT has also begun to support the conflict resolution process in PT. PSPI. TFT has communicated with PT. Arara Abadi, local NGO Scale up and the Indonesia National Forestry Council (DKN).
5. The January 2013 conflict of Pulau Muda in PT. Arara Abadi, an APP-owned concession in Riau, has been resolved, with all parties signing an agreement.
6. APP has reviewed its CSR policy through a social footprint study. Results and recommendations from the study will be used to improve the policy.

Policy Commitment 4:

Third party suppliers

APP sources fibre from all around the world and is developing measures to ensure that this sourcing supports responsible forest management.

1. Majority of the work has so far been focused on implementing the FCP for pulpwood suppliers in Indonesia.
2. Initial supply chain risk analysis has started for APP China.
3. APP has issued letters to inform all its global pulp suppliers to comply with its FCP.
4. APP has conducted a one-day training program for its global suppliers outside pulp regarding its FCP.

Progress in China

APP China and TFT China teams have met with the Greenpeace China team to discuss plans and priorities to roll out the FCP in China. An initial Action Plan has been developed as a result of the discussions and is awaiting final sign off. . Details and progress against the China Action Plan targets will be reported more fully in subsequent reports.