

Bloomberg Businessweek



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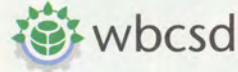


What are Paul Krugman and the entire country of Estonia brawling about? Spending, inflation, stereotypes, and the future of the global economy p48



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SUSTAINABLE MOMENTUM

Rio+20 didn't deliver all the action that was hoped for, but it did result in greater awareness of the global sustainability crisis, and a blueprint to move forward

Humanity will traverse an extraordinarily fragile course if the governments and businesses of the world continue to put off—or simply disregard—the pressing issue of global sustainability. To doubt that is to ignore the obvious, and engage in a naive game of Russian roulette with the lives of future generations. The potential disintegration of the world is no game.

Disintegration? While some might say that characterization smacks of overstatement, designed to cultivate attention and sensational headlines, the science is entirely neutral, and it tells an ominous story. If comprehensive action to achieve sustainable development isn't initiated globally, swiftly and broadly, little else will matter. If the world waits until it's too late, well, then it will be too late.

Fortunately for future generations, the need to address global sustainability isn't going entirely unheeded by governments. Attendees at the U.N. Conference on Sustainable Development (Rio+20), June 20–22, were determined to see the issues addressed.



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With more than 50,000 attendees in Rio de Janeiro to discuss the long-term well-being of the Earth and world economies, Rio+20 was hosted by U.N. Secretary General Ban Ki Moon and the Brazilian government. Not unexpectedly, the summit didn't spare a degree of suspense, as only an 11th-hour decision helped convert looming uncertainty into much-needed success, with 193 governments agreeing on a declaration called "The Future We Want."

Despite widespread rumblings that the negotiated text lacked teeth and enforceable commitments, the World Business Council for Sustainable Development (WBCSD) President Peter Bakker insists the fact that text was simply agreed upon at all should be roundly viewed as a major victory. "The text confirms that the world still has a platform to look for common solutions," says Bakker. "Without that, the very important message to the outside public—beyond what I call the Rio bubble—on the urgency of sustainability and the need for required changes would have been very hard to make."

Furthermore, Bakker points out that the text includes clear references to the "green economy," the development of sustainable development goals (SDG) and the need to strengthen sustainability reporting, both at company and national levels. "From that point of view, the document provides a decisive launching point from which businesses can initiate action," says Bakker.

Several things became clear in Rio, according to Bakker, and among them were the reasons why sustainable development must be addressed, what must be done to address the issues and the fact that these things must be done now. "Further delay could burden the planet and its inhabitants beyond their capacity to survive," warns Bakker, adding that businesses worldwide simply must step up to the challenge.

"Only one global force other than government has the potential to drive the changes at the scale and the speed needed, and that is business," says Bakker. Recent studies jointly conducted by GlobeScan and SustainAbility, and presented during the Rio+20 Business Day in Rio, underlined the recognition of this leadership role for business in sustainable development.

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— Peter Bakker, President, World Business Council for Sustainable Development

Despite his fervent stance, Bakker also is acutely aware that worldwide economic and financial conditions play first fiddle on the global stage. "Therefore, it's essential to build coalitions at a more local level, with individual countries and cities," says Bakker.

For his part, Bakker has formulated a four-point action plan that he aims to perfect over the next four months. The WBCSD will focus on sector and cross-sector coalitions, dialogue with governments, and encouraging more companies to join the progressive business camp. "There's no point saying business isn't doing its best, or that some are trying to sabotage change," says Bakker. "Life is very simple. There are good people and bad people, and good companies and bad companies."

A BUSINESS THAT'S TAKING ACTION

Despite the clear need for business to do more regarding sustainability, many firms and sectors have been proactive in the arena. Particularly in countries locked in political intransigence, those businesses that are moving the sustainability needle are making a difference. Indonesia-based

Asia Pulp & Paper (APP), one of the world's largest pulp and paper companies, is one of those businesses that has plotted its own sustainability strategy. (APP is not a WBCSD member company.)

In June, APP announced its Sustainability Roadmap for 2020, which outlines an aggressive strategy and establishes sustainability commitments for the next decade and beyond. The Roadmap addresses APP's approach and schedule to improving its environmental performance, biodiversity conservation and protection of community rights.

Programs within the Roadmap are multi-tiered. By 2020, all current APP suppliers will have credible certification for sustainable forest management (SFM), matching global best practices in this field. Additionally, as part of its SFM commitments, APP will introduce carbon measurement and evaluation—above and below ground—for its plantations. The significance of this measure is clear: It will put the company at the forefront of the global pulp and paper industry's contribution in mitigating climate change, firmly in support of Indonesian President Susilo Bambang Yudhoyono's pledge to reduce his nation's greenhouse gas emissions by 26 percent by the end of this decade.

The Roadmap will serve as a case-study guideline for all APP employees, helping the organization realize its commitment to operate strictly in conjunction with the highest international standards and practices. This effort will propel APP's planned objective to become a global leader in sustainable business.

In line with these commitments, APP also is partnering with experts on tropical peat land science to study the impact of plantation forest development on peat land greenhouse gas (GHG) emissions. This follows on the heels of the soon-to-be-completed first comprehensive scientific study on GHG reduction as it relates to plantation forest development on peat land in Indonesia. The preliminary findings indicate that, if managed properly, plantation forests have a positive impact on peat land GHG emissions. Such studies are key to providing further scientific insights that will guide the industry to achieve best practices. —Chuck Green