



Stakeholder Advisory Committee (SAC) on APRIL's Sustainable Forest Management Policy (SFMP 2.0)

17TH SAC Meeting

Jakarta, Indonesia, 5th - 6th December 2019

SAC MEMBERS	<ol style="list-style-type: none"> 1. Mr. Joseph Lawson (<i>Chair</i>) 2. Bapak Al Azhar 3. Prof. Jeffrey Sayer 4. Dr. Neil Byron 5. Ibu Erna Witoelar
TOPICS OF DISCUSSION	
<p>Opening Remarks SAC Chair opened the meeting by citing key areas to cover in the meeting, among other updates:</p> <ul style="list-style-type: none"> • Response to a recent report on land claims in APRIL's and suppliers' concessions • SFMP 2.0 assurance process in 2020 • Collaboration with the Independent Peat Expert Working Group • Setting the dates for SAC meetings in 2020 	
<p>1. Regulatory Update APRIL updated the SAC on the recent Government regulations, issued in the form of a Ministerial Decrees. These new Decrees are:</p> <ul style="list-style-type: none"> • P.62/2019: Regulation of Minister of Environment and Forestry No. P.62/MENLHK/SETJEN/KUM.1/10/2019 on Development of Industrial Forest; • P.65/2019: Regulation of Minister of Environment and Forestry No. P.65/MENLHK/SETJEN/KUM.1/10/2019 on Resolving Residential Areas within Forest; • P.54/2019: Regulation of Minister of Environment and Forestry No. P.54/MENLHK/SETJEN/KUM.1/9/2019 on Compliance Audit on Concession Holders <p>APRIL presented the scope and mechanism of the Ministerial Decrees and what they mean for APRIL's operation. APRIL informed the SAC that some of the Decrees have yet to come with detailed implementing guidelines.</p> <p>SAC Response</p> <ul style="list-style-type: none"> • The SAC appreciated the update provided by APRIL on new Ministerial Regulations. • The SAC acknowledged that P.65/2019 would be an important guideline for addressing land conflict areas in APRIL-managed concessions. 	
<p>2. Updates on 2019 fire incidents and FFVP APRIL updated the SAC on fire incidents in 2019, during the two cycles of the fire season (March-April and July-October). The fires that occurred on PT. Sumatera Riang Lestari – Block</p>	

III (Supply Partner) and PT RAPP concession in Dayun (Siak District) were discussed, in light of the actions taken by the Ministry to isolate portions of these concessions for investigation. APRIL explained that these areas had not been operated previously due to ongoing land disputes with local communities. In addition, updates on factors that affected fire risks including wind direction, and rainfall in Riau were also provided to the SAC.

APRIL informed the SAC on the status and progress of APRIL's Fire Free Village Program (FFVP). As at December 2019, the program covered around 750,000 ha comprising 25 villages of which five had some fires. APRIL also shared lessons from five years of implementing the FFVP, including the challenge of engaging newcomers in the villages and the need for ongoing intensive engagement, noting that any reduction in support has historically shown a correlation with increased cases of burning.

SAC Response

- The SAC acknowledged that the fires on PT SRL Block III and PT RAPP concession in Dayun occurred in a limited portion of the concessions which have been historically, heavily encroached and that the fires were started by third parties. Due to encroachment activity, neither the Block III nor Dayun sites have been operated by PT SRL or RAPP.
- The SAC noted that APRIL continues to work with community and government to find resolutions to the land conflicts.

SAC Recommendations

- The SAC encouraged APRIL to communicate lessons learned about fires with stakeholders, including to the Government.
- The SAC suggested that APRIL continues to strengthen its community engagement initiatives so the communities could be empowered to come up with their own solutions to reducing the use of fire for land clearing.
- The SAC suggested APRIL not only help build the communities' technical capabilities but also encourage them to investigate and expose third-party initiated fire incidents and to report these to local authorities.
- The SAC suggested options to improve agriculture practices as a means to incentivize communities to avoid burning, including the clarification of land rights.

3. Community Forestry

APRIL updated the SAC on the progress of engaging technical experts, including non profit organization RECOFTC (the Center for People and Forests), to explore innovative, attractive model/s for smallholder tree farms and community enterprises that meet the need of communities, the company and Government at all levels. APRIL seeks to enable the communities to define their own sustainable forest management commitments within the context of social forestry, and ensure that decision making is by local leaders. This would include inputs on what commitments best meet their needs.

The SAC inquired about the response so far from the communities and APRIL explained that the communities have indicated interest in the concept, particularly in the a combination of forestry and agriculture.

SAC Response

- The SAC endorsed APRIL's engagement with the independent non-profit organization, RECOFTC, in the development of community forestry enterprise framework.

SAC Recommendation

- The SAC encouraged APRIL to develop multiple community forest enterprise models taking into account the needs and profiles of the communities and in support of the Indonesian government's targets for community forestry.

4. Carbon Footprint

APRIL presented updates on activities related to the commitment to continuously reduce its carbon footprint, starting with the ongoing Scope 1 Greenhouse Gas (GHG) measurement based on the internationally recognized GHG Protocol, guidelines from the Intergovernmental Panel on Climate Change (IPCC), and technical advice from the IPEWG.

Scope 1 covers direct GHG emissions from operations including from land use and land use change emission. An overview of the boundaries setting and calculation methodology, as well as the preliminary results was presented to the SAC. This result will be the baseline for setting emissions reduction targets.

Furthermore, APRIL provided progress updates on the GHG flux monitoring that is currently done at three sites representing different types of land uses (native forest, plantation forest, and unmanaged degraded forest) on peatlands on the Kampar Peninsula. The GHG monitoring uses the eddy covariance technique and provides primary data on GHG emissions on peat which can help inform currently available emissions factors and guide emissions reduction targets for APRIL.

The monitoring started in 2017 and will continue to cover the full plantation cycle of minimum five years. Preliminary analysis from the first two years of data collection was shared with the SAC, covering net ecosystem methane (CH₄) exchange, net ecosystem carbon dioxide (CO₂) exchange over the three locations, and the microbial peat oxidation measurements.

SAC Response

- The SAC applauded APRIL's efforts at GHG emissions measurement using the eddy covariance technique which is considered one of the more advanced scientific methodologies for this initiative.
- The SAC acknowledged that this is an important topic and that APRIL is showing leadership on this front.

SAC Recommendation

- The SAC encouraged APRIL to create communication materials on its GHG emissions measurement on peatlands, targeting the broader public at national and local levels,

including younger generations (e.g. students), as the SAC believe that the work will enhance public understanding of climate change issue.

5. Conservation Forest Management Framework (CFMF)

A progress update on APRIL's Conservation Forest Management Framework was reported to the SAC. The framework covers both APRIL and Supply Partner concessions, with a strong emphasis on community engagement in stakeholder mapping, and patrolling activities to identify areas that have been encroached. APRIL launched the CFMF in June 2018 as a standardized process where the application will result in a comprehensive review of APRIL's forest conservation areas status, both within and immediately adjacent to its plantation areas, as well as broader linkages across the Riau landscape. This will enable more effective and efficient landscape management, increasing the ability to protect areas from fire and encroachment and allow for the movement of wildlife across the landscape.

APRIL also provided updates on the status of completed activities, plans for the rest of 2019 as well as for the year of 2020. APRIL will prioritize areas of high importance or potential enhancement, and continue to provide assistance to operation teams at estate-level.

SAC Response

- The SAC was impressed with the work of APRIL on the design and implementation of its Conservation Forest Management Framework.
- The SAC acknowledged that APRIL is leading the work on conservation management and hopes this can encourage other organizations to adopt a similar framework.
- SAC suggested the development of a system of archiving and curating field records of taxa to enable long-term monitoring and to make the values of the conservation areas better known to the scientific and conservation communities.
- SAC reiterated that the conservation management program should continue to focus on conservation of representative samples of all ecological categories and should emphasise conservation of ecological gradients and the establishment of continuity of habitats.

SAC Recommendation

- The SAC recommended that APRIL provide training opportunities for young Indonesian scientists to participate in the exercise, such that the model can be replicated by other organizations and scaled nationally.

6. SDG Impact Assessment

APRIL updated on the progress of its ongoing SDG (Baseline) Impact Assessment project. Following the identification of its priority SDGs, APRIL continued the work with PwC Singapore to build the Impact Pathway Framework for its operations, environmental initiatives and social initiatives. The result of the Impact Pathway Framework allows APRIL to identify touchpoints with specific targets under the priority SDGs.

Baseline impact measurements continue and a report on this will be published by APRIL and PwC in early 2020.

Outreach activities on APRIL's adoption of the SDGs as the framework for impact measurement were also reported to the SAC with a point raised about the need to ensure strong engagement at the Provincial/District level.

SAC Response

- The SAC appreciated the update and APRIL's commitment to align with the SDGs and to measure its baseline impact against selected targets. The SAC noted that this understanding of the baseline impact will be an important input to APRIL's Vision 2030, particularly when setting targets on social impacts.

SAC Recommendation

- The SAC suggested that APRIL continue to share these updates with the Government particularly at provincial and district levels, and with other relevant local Governments Institutions.

7. SAC Communications

The SAC discussed the opportunity to produce an update for stakeholders in 2020, noting that the SFMP 2.0 will enter its fifth year.

SAC Response

- The SAC agreed that some form of progress update was due, given the fifth anniversary of both the SFMP and the SAC. This can include the learnings from the past five years, including what has been done so far, what worked, challenges, and opportunities for the future.

8. Update on Land Claims Resolution

As requested by the SAC, APRIL reported the status of land claims in the company's and its wood suppliers' concessions. APRIL also noted that the total area affected by land claims and the number of cases have been publicly reported in the company's Sustainability Report and in the SFMP Audit which was both assured by KPMG PRI Inc.

SAC Response

- The SAC noted slow progress in resolving land conflicts, which is due to the complex nature of most cases, including the lack of a single land tenure reference.
- The SAC recognized that APRIL cannot solve the land conflict issue without Government involvement.
- The SAC requested further progress reports at the next SAC meetings.

9. Local Study on Peatland

APRIL offered an update on the study of community adaptation on peatland in Riau, which arose from a recommendation from the SAC and IPEWG for APRIL to engage, understand, and learn from the community and their local wisdom.

Experts from academia and NGOs in Riau comprise the team for this study and a workshop

was set up in November 2019 to explore the history, norms and values surrounding peat utilization by the Riau community in the past. The study's objectives are to understand the community's adaptation to the changing environment and their expectations of peat utilization in the future. With the interdisciplinary approach based on ethnography, the study will cover three locations: coastal peat, terrestrial peat and island peat. By March 2020, the study is expected to be finalized.

SAC Response

- The SAC acknowledged the importance of distinguishing the difference between levees (mineral soil areas along river) and peat domes.
- The SAC acknowledged the importance of capturing the historical/cultural context of peatland but understanding communities' expectations for the future is also critical. The study must capture how communities' needs and agricultural practices have evolved over time.
- The SAC requested the expert teams to present the study results at the next SAC Meeting.

SAC Recommendation

- The SAC suggested that this study be integrated with the work of IPEWG to enhance the knowledge and understanding around peatland. The SAC also suggested including patterns on the peat utilization of non-Malay (migrants).

10. Asia Pacific Rayon (APR)

Asia Pacific Rayon (APR) provided updates to the SAC on 2019 work, and 2020 plans. This year, APR secured certifications under the IMS ISO, Oeko-Tex, USDA Certified Biobased Products standards.

The company also entered into collaborations and partnerships with a range of stakeholders in the viscose industry. APR will continue to pursue more certifications as well as formulate further partnerships and engagements with stakeholders in 2020 to strengthen the promotion of sustainable viscose. In addition, a presentation on the APR mill performance and an overview of the communication and stakeholder engagement work was provided to the SAC.

SAC Response

- The SAC recognized the progress made by APR to date and were pleased to see that dialogue was continuing with critical stakeholders.
- The SAC recognized the huge opportunity for Indonesia through the viscose industry.

11. Vision 2030

Updates on the progress of APRIL's Vision 2030 plan was provided to the SAC. Included in the update were references to RGE Group's recent announcement of a USD\$ 200 million investment in textile fiber innovation and technology for the next 10 years.

The SAC learned that an internal kick off workshop had been conducted together with senior leadership within APRIL. The workshop helped to validate commitments and targets, identify enabling initiatives for the achievement of these, and encouraged ownership at all levels of the organization.

APRIL informed the SAC that it will continue the process of consultation with key stakeholders. With regards to governance, APRIL confirmed that the SAC will continue to provide oversight and advice to APRIL.

SAC Response

- The SAC acknowledged that APRIL is moving away from being reactive to becoming more proactive in having a long-term sustainability strategy.
- The SAC agreed to continue providing oversight and advice to APRIL’s implementation of its long term sustainability strategy.

12. 2020 SFMP 2.0 Assurance plan

KPMG provided a summary of the SFMP 2.0 assurance process from 2015 to 2019, which has comprised a full report every two years and interim reports in between. An overview of the 2020 assurance proposal was presented. The main components remain the same as with previous processes - i.e.: including a planning visit, selection of local stakeholder representatives as observers; field inspection; final report to SAC; and presentation at stakeholder forums in July.

SAC Response

- The SAC acknowledged the updates on the 2020 assurance plan and a call was proposed for the near future to identify next steps and details of the working plan.

13. Independent Peat Expert Working Group (IPEWG)

The IPEWG coordinator shared updates from the meeting in October 2019, where there were some changes in the membership with two scientists from Indonesia joining as new members and two IPEWG members moving to roles as technical resources.

Given the ending of its second phase, IPEWG has developed the terms of reference (TOR) for the third phase, which is aligned with the three components of the Peatland Roadmap - i.e.: a science-based understanding and minimizing of impacts, responsible peatland operations and the vision for peatland landscape. In addition, the IPEWG shared their 2020 work plans with the SAC, which focus on key collaborations and regular, systemic engagement with APRIL and the company’s partners, including supporting the implementation of the Vision 2030

SAC Response

- The SAC emphasized that peatland remains a critical focus area, and welcomed the progress update from IPEWG.



- The SAC was encouraged to see more Indonesian members joining the group.
- The SAC identified the opportunity for IPEWG to share its work with the local scientific community and to share experiences on the ground, challenges, and success stories.

SAC Recommendations

- The SAC recommended a joint meeting with IPEWG in 2020.
- The SAC encouraged IPEWG to work together with APRIL as it is developing a study on local peatland use and customs. The SAC acknowledged that IPEWG would bring a scientific perspective into the process.

NEXT MEETING DATES

- Week of 20th April 2020
- Week of 20th July 2020
- First week of December 2020