



## Stakeholder Advisory Committee (SAC) on

### APRIL's Sustainable Forest Management Policy (SFMP 2.0)

– 10<sup>TH</sup> SAC Meeting in Pangkalan Kerinci, Riau - Indonesia, 23-25 May 2017 –

#### Note on Community Forestry Options

##### **1. What, who?**

The SAC agrees that community forestry is generally a very worthwhile area for further development for both wood supply and community development reasons. It notes that the term is very broad and often means different things to different people, so it might be better to use a more precise term like community or smallholder tree-farms when talking about small-scale commercial plantations such as acacias. Options being developed should be attractive to all groups (traditional community, village, cooperative) or individual smallholders, though the former may have lower transactions costs for all parties.

##### **2. Framework**

The discussion identified some potential tensions between:

- compliance with SFMP 2.0
- existing and yet to be finalised government regulations
- requirements for certification.

The SAC expects that community forest plantations will mostly be on previously cleared lands. However, in the event that a community forestry proposal would entail HCV/HCS issues, for example, in order to avoid perverse outcomes, special provisions would need to be explored. SAC advice would be to focus on the principles in SFMP 2.0, even if it leads to some minor qualifications and amendments (to become SFMP 2.1 perhaps) in due course. Government regulations and guidance for community forestry and/or small-scale tree farming is still evolving and may continue to evolve over a few years, so there is a significant possibility for the company to contribute constructively by demonstrating what can be done. A focus on designing agreements for compliance with existing certification requirements could create unnecessary complications because these requirements are likely to change soon, and because the amount of wood-flows may not be material (e.g. if only a few % of total fibre intake) or could be treated as “controlled wood” for example. If a plantation is on land leased from a community or individual, it is the manager, not the landowner, who should seek certification.

##### **3. Contents**

The SAC suggests developing options tailored to meet specific community requirements and preferences, either just land rental, or an agro-forestry package including support for suitable agricultural production, but both including a contractual obligation that the wood produced belongs to the company.

The SAC supports the ideas of: differential payments depending on distance from the mill; a premium for above-average yields; continuing community development programs; and annual payments with a provision for advance payments under certain conditions.

It may be possible to extend similar co-operative arrangements with community groups or landholders in future to NTFP.



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#### **4. Where**

The SAC suggests approaching both people occupying relatively unproductive land within the concession areas (with MoEF agreement), and community groups with potentially-available land outside the concessions, even up to 200 km away. It also suggests discussing the options with stakeholders, to remove any misunderstandings about the nature of the agreement, and the company's rationale for supporting small-scale tree farming. Community forestry is both a CD activity and an attempt to increase quantity and diversity of fibre supply to Kerinci mill.