



**Stakeholder Advisory Committee (SAC) on
APRIL's Sustainable Forest Management Policy (SFMP 2.0)
– 8TH SAC Meeting in Jakarta-Indonesia, 7-9 December 2016 –
SUMMARY OF THE FIRST THREE YEARS AND PRIORITIES MOVING FORWARD**

SAC MEMBERS:	<ol style="list-style-type: none">1. Joe Lawson (<i>Chair</i>)2. Al Azhar3. Prof. Jeffrey Sayer4. Dr. Neil Byron5. Aditya Bayunanda (<i>SAC membership currently suspended, joined this meeting as an observer</i>)6. Andy Tait (<i>SAC membership currently suspended</i>)
SUMMARY OF THE FIRST THREE YEARS AND PRIORITIES MOVING FORWARD:	
<p>The APRIL's Stakeholder Advisory Committee (SAC) was formed in 2014 to assist with the implementation of APRIL's Sustainable Forest Management Policy (SFMP 1.0 and 2.0) and to provide technical critique and suggestions for continual improvement.</p> <p>The term for this initiative was envisioned as 6 years. The SAC has now just completed its third year and it is appropriate that we step back and gauge our accomplishments, take an honest look at areas where we could do better and in the end, chart a course for improvement over the next three years.</p> <p><u>List of significant progress made by APRIL that have been assisted/facilitated by the SAC and its Members, including the NGOs:</u></p> <ol style="list-style-type: none">1. Negotiation of SFMP 2.0 - which represented significant advance of SFMP 1.0:<ol style="list-style-type: none">a. Renegotiation of 2019 target for elimination of MHW to May 2015;b. Establishment of transparent comprehensive grievance system;c. Development of performance dashboard accessible to all stakeholders;d. Significant improvement in availability of information on APRIL's operations and footprint, with the goal of achieving greater transparency.	

2. Greater intensity of interaction between APRIL Senior Management and Civil Society Organizations (CSO) and local communities.
3. Establishment of an independent auditing system who reports directly to the SAC, whose Terms of Reference (TOR) and workplan were established by the SAC:
 - a. Application of SFMP 2.0 conditions to all fiber suppliers;
 - b. Suspension of Short-term suppliers for non-conformance with SFMP 2.0.
4. Establishment of the Independent Peat Expert Working Group (IPEWG) to provide advice to the SAC and APRIL on peatland management - which has been a critical issue for the SAC:
 - a. Improved capacity to use a range of remote sensing tools including *LiDAR* to support peatland management;
 - b. Recognized existing investment in *Flux Towers* and other monitoring techniques which will provide credible and accurate information to support management of peatland.
5. The SAC welcomes the development of a comprehensive Policy for Association (PfA). The SAC recommends immediate adoption of the Policy, and recognizes that future refinement might be necessary to secure alignment with the emerging revised FSC's PfA.
6. Putting in place *Landscape Approach* to the landscapes impacted by APRIL's activities.
7. Major commitment to peatland conservation in the Riau Ecosystem Restoration (RER) Kampar Peninsula initiative, supported by state of the art science. The SAC welcomes the significant contribution from The Nature Conservancy (TNC) and Fauna and Flora International (FFI).

Priorities for the next three years:

1. Memberships and Functioning of the SAC:
 - a. The SAC still does not have the optimal makeup of committee members. Diversity, local representation and expertise in some important areas, most notably national and local aspects, should be improved;
 - b. Maintaining the engagement of important external stakeholder organisations:
Two important member organizations, Greenpeace and WWF, recently suspended their membership. The SAC regrets this as these organizations provided valuable insights and a degree of scrutiny that is very important with this type of initiative. The SAC will continue to maintain and improve engagement of various important key external stakeholder organisations, including with WWF and GP;

- c. Leveraging additional specialised expertise will be helpful to guide the SAC in finding solutions to important issues. The SAC will be reaching out to potential short term advisers wherever appropriate for specific issues;
 - d. As the SAC seeks to increase the diversity within the committee, the SAC must recognize cultural and language considerations and do a better job of ensuring all members can freely and comfortably engage;
 - e. The SAC has valued highly its exposure to field situations and direct engagement/meeting with local stakeholders and communities.
2. Operational Matters:
- a. The SAC considers the need to increase fibre supply from non-conventional sources to be high priority. The SAC would like to see the company to accelerate smallholders' plantation scheme and explore possibilities of Small Medium Enterprise (SME) suppliers. These new fibre supplies should focus on mineral soil areas, recognizing long-term scenarios that may require retiring plantations on critical peatland areas. The SAC noted that APRIL has formed a task force to help develop a smallholders plantation scheme, and requests APRIL to provide a progress report at the next meeting;
 - b. The SAC intends to intensify its interaction with the IPEWG in order to improve peatland management programs. The SAC will be seeking opportunities to support this group in ways that can improve the overall benefit and value to APRIL;
 - c. Continue refinement of metrics to demonstrate the effectiveness of implementation of SFMP 2.0 and the landscape approach initiatives;
 - d. The SAC requires greater intensity of effort in surveying and protecting residual areas of natural forest in its landscape.
3. Long-term Vision:
- a. The SAC intends to invest more efforts in exploring long term strategic issues confronting APRIL, particularly in relation to fibre supply and peatland management;
 - b. APRIL's SFMP2.0 is intended to be a living document and will be amended over time to accommodate necessary improvements.

SPECIFIC RECOMMENDATIONS ON:

1. Pulau Padang:

After discussions with multiple stakeholders, it is clear to the SAC that APRIL has made mistakes both in interpreting the intent of current Fire Management and Prevention regulation (*Forestry Ministerial Decree 32/2016*) and in the case of one canal, implementing these regulations on the ground. In a meeting this week, a key stakeholder advised the SAC of his view that the canal in question is not a firebreak as the specifications (length, width, depth) of the canal were consistent with normal canal for production and transportation, and it was located between acacia plantations. The stakeholder further noted that APRIL has earlier offered to excise the area in question off its concession which the MoEF declined.

APRIL also mistakenly concluded that this canal was mandated by government regulations. The majority of SAC does not believe these mistakes were intentional. APRIL has apologized to the SAC at the meeting and is preparing a full explanation to be provided to the SAC and the IPEWG. The SAC further advises APRIL to issue a public apology that addresses all stakeholders.

The SAC welcomes the joint task-force led by BRG and including Ministry of Environment and Forestry (MoEF) and stakeholders to reach a mutually acceptable conclusion to this unfortunate incident.

Recommendation: APRIL should continue to work with regulatory authorities to resolve any remaining technical and social issues. The SAC requests that APRIL provide periodic updates to the SAC with an objective of final resolution by the next SAC meeting (March 2017).

2. IPEWG:

The SAC noted in the meeting that the IPEWC must:

- Ensure compliance to government regulation and policy on peatlands in developing the IPEWG APRIL Peatland Roadmap and Work Plan;
- Coordinate closely with BRG on technical issues, such as the LiDAR analysis and surveys;
- Seek a meeting with BRG in early 2017.



3. KPMG Report:

The SAC has instructed KPMG:

- To make KPMG audit report on the SFMP 2.0 publicly available, both the summary and the full report;
- To ensure amendments only pertain to making the data more presentable and easier to understand for readers.

4. RKU Revision:

APRIL is in the process of revising their RKU based on the shortening of the harvest rotation from 5-6 years to 4-5 years, which has impacted the number of blocks, and the increasing of livelihood area to 20 percent in line with government regulation. APRIL will ensure the inclusion of HCV and HCS areas as protected areas, and their designation will be part of the RKU revision.

NOTE: The SAC Minutes of Meeting will be publicly available soonest available.

NEXT SAC MEETINGS IN 2017:

Week of March 5

Week of May 22

Week of September 11

Week of November 6