



Minutes of Meeting
SAC Stakeholder Forum

Agenda	"SAC Stakeholder Forum" – Discussion on KPMG PRI assessment on the implementation of APRIL's Sustainable Forest Management Policy 2.0	
Venue	Mandarin Hotel, Jakarta Ballroom, 3 rd Floor	
Date	03 March 2017	
Time	2.00 – 4.00 pm WIB	
Participants	Invitee (excluding internal APRIL, KPMG and SAC)	
	<ul style="list-style-type: none"> • Invitations sent: 128 • RSVP: 63 • Attendees: 40 	
	Association	
	<ol style="list-style-type: none"> 1. Iman Santoso (APHI) 2. Constant Van Aerschot (BCSD Singapore) 3. Budi Santosa (IBCSD) 	
	Bank	
	<ol style="list-style-type: none"> 1. Bagus Aditya (BNI) 2. Gustianus Tambunan (BNI) 3. Retno Muwarni (BNI) 4. Andi Wijaya Yusuf (Bank of Tokyo Mitsubishi) 5. Pancaran Affendi (Bank of Tokyo Mitsubishi) 6. Heri Supriyadi (BRI) 7. Lina Sari (BRI) 8. Rifani Arzag (BRI) 9. Tina Priatina (BRI) 10. Wahyu Sulistiyono (BRI) 11. Elthon Winarto (Mitsubishi UFJ Leasing Indonesia) 	<ol style="list-style-type: none"> 12. Isao Someya (Mitsubishi UFJ Leasing Indonesia) 13. Pundra Nur Patria (Mitsubishi UFJ Leasing Indonesia) 14. Yasuaki Kato (Mitsubishi UFJ Leasing Indonesia) 15. Daniel Pranoto (PT Orix Indonesia Finance) 16. Handy Chan (PT Orix Indonesia Finance) 17. Susumu Ichinose (PT Orix Indonesia Finance) 18. JT Lee (Credit Suisse)
	Embassy	
	<ol style="list-style-type: none"> 1. Anders Wickberg (Embassy of Sweden) 2. Ratna Hendrarsi (Embassy of Sweden) 	
	Government	
	<ol style="list-style-type: none"> 1. Budi Wardhana (BRG) 2. Sisilia (BRG) 3. Laura Reviani (MoEF) 	
	International Institution	
	<ol style="list-style-type: none"> 1. Herry Purnomo (CIFOR) 2. Hartono Prabowo (FSC) 	<ol style="list-style-type: none"> 3. Ratih Loekito (TNC) 4. Tri Soekirman (TNC)
	NGO	
<ol style="list-style-type: none"> 1. Ahmad Fachrudin (Bidara) 2. Yosef Arihadi (RECOFTC Indonesia) 3. Edi Purwanto (Tropenbos) 4. Jeni Pareira (WCS) 	<ol style="list-style-type: none"> 5. Alfi Syakila (Asean Working Group on Social Forestry Secretariat) 6. Ria Susilawati (Asean Working Group on Social Forestry Secretariat) 7. Dewi Rizki/Hasbi (Kemitraan Partnership) 	



University	
1. Dodik Ridho Nurrochmat (IPB) 2. Rinekso Soekmadi (IPB) 3. Satyawan Pudyatmoko (UGM)	
APRIL, SAC & KPMG	
APRIL 1. Ibrahim Hasan 2. Lucita Jasmin 3. Agung Laksamana 4. Dian Novarina 5. Rudy Setiawan 6. Triana Krisandini 7. Bernard Alexander Riedo 8. Indra Halim 9. Hennitya 10. Alina Musta'idah 11. Fembiartha Binar Putra 12. Annastashya Emmanuelle	SAC 1. Joseph C. Lawson 2. Neil Byron 3. Al Azhar KPMG: 1. Roopa Dave
Discussion Topics	
1. Joe Lawson, SAC Chairman <ul style="list-style-type: none"> • Role of the SAC is to monitor and provide inputs to APRIL on the implementation of SFMP 2.0 • The SAC commissioned KPMG PRI to assess the implementation of each element in the SFMP 2.0, from its launch date in June 2015 to June 2016. • Based on KPMG PRI's assessment, the SAC issued recommendations to APRIL. 	
2. Roopa Dave, KPMG <ul style="list-style-type: none"> • Presents KPMG PRI's process in assessing APRIL's SFMP 2.0 implementation which includes planning, data review, field visits and reporting. • The indicators of the SFMP 2.0 were developed by APRIL and SAC with inputs from stakeholders. These are not static indicators; more indicators could be added, refined or omitted for future assessment process depending on its relevance. • This year's assessment covers the June 2015 - June 2016 period, noting that many developments have happened since the assessment period. • Outline of assessment results: <ul style="list-style-type: none"> ○ Non-conformance and areas of improvements mainly related to suppliers. ○ APRIL currently manages about 421,000 Ha of conservation and restoration areas or fulfilling 83% of its One- for-One goal (conserving one hectare for every hectare planted) ○ For future assessment process, a more sophisticated set of indicators is needed to measure APRIL's socio-economic impact. ○ The internal and external socialization of APRIL's grievance mechanism Standard Operating Procedures (SOP) must be improved. ○ APRIL's Sustainability Dashboard requires continuous improvement on data and accessibility to reflect APRIL's commitment to transparency. 	
3. Dian Novarina, APRIL <ul style="list-style-type: none"> • Presented APRIL's Action Plans and its corresponding timelines on identified findings <ul style="list-style-type: none"> - 3 Non conformances – completed - 7 Opportunities for improvement – completed - 7 Opportunities for improvement – in progress - 14 Opportunities for improvement - in development 	



Questions & Answers	
Session I – Question to KPMG	
Dodik Nurrochmat (IPB)	<ul style="list-style-type: none"> How are indicators developed? Are there any indicators built for measuring social impact?
Roopa Davé (KPMG)	<ul style="list-style-type: none"> Indicators are built internally, through discussions with SAC. Social management plan and impact assessment were not assessed. For the next assessment, social and economic impact indicators will be improved from the current temporary indicators.
Joe Lawson (SAC)	<ul style="list-style-type: none"> SAC also discussed with APRIL on building these indicators. SAC will have another meeting in May 2017 and this matter shall be discussed in the meeting.
Herry Purnomo (CIFOR/IPB)	<ul style="list-style-type: none"> Appreciated APRIL's Fire Free Village Program (FFVP) and its initiative to form the Fire Fee Alliance (FFA). Suggested for KPMG PRI's materials (assurance report summary and action plan) to be distributed a week prior to enable substantive interaction in today's forum. According to KPMG PRI's assessment, there are 756 Ha burned during the assessment period. Meanwhile, according to CIFOR's monitoring, there are thousands of hot spots in APRIL's concessions in October 2016 (indicated at least 20% of the 3,000,000 ha hotspots pointed to APRIL and APP's concessions). Landscape approach: The Indonesian government is unhappy with APRIL's and other's initiatives on landscape approach as proven in government's reaction on Zamrud national park. What will APRIL do on landscape approach?
Joe Lawson (SAC)	<ul style="list-style-type: none"> Input was well noted, apologies for not disseminating the document earlier. These documents are available on our website since December 2016.
APRIL	<ul style="list-style-type: none"> On Zamrud National Park: We acknowledge the Ministry's decision with full respect and deeply regret that this situation occurred. We are committed to support the Indonesian Government's initiatives towards the responsible management of Indonesia's forest. Land and forest fire: Our ground check confirms that most hot spots are not actual fires on the ground. Proper land management could prevent fire incidents and production-protection is possible. We'd be interested to collaborate with CIFOR to do joint studies on the accuracy of hot spots information.
Iman Santoso, (APHI)	<ul style="list-style-type: none"> Suggest for APRIL to do a session with APHI members to share knowledge and lessons learned from the KPMG PRI assessment. Is it possible to meet all of the SAC's recommendations next year?
Roopa Davé (KPMG)	<ul style="list-style-type: none"> APRIL will present this based on their Action Plans
Joe Lawson (SAC)	<ul style="list-style-type: none"> SAC has just concluded the meeting and reviews of the Action Plans progress was one of the topics discussed.
Session II – Question to APRIL	
Ratih Loekito (TNC)	<ul style="list-style-type: none"> What is the penalty for suppliers that do not comply with SFMP 2.0. What is the timeline for suppliers' compliance to SFMP?
APRIL	<ul style="list-style-type: none"> The SFMP 2.0 applies to APRIL and all its suppliers. APRIL has a due diligence process and SOP for monitoring, verifying, and reporting supplier compliance to SFMP. Rather than focusing on penalty alone, APRIL sees this as a process of engagement with suppliers to influence the way they operate. However, if there is no indication or willingness to change, APRIL as a last recourse will disengage.
Edi Purwanto	<ul style="list-style-type: none"> Were suppliers included in the assessment report?



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(Tropenbos)	
Roopa Dave (KPMG)	<ul style="list-style-type: none">• Yes, Long Term and Short Term suppliers were included in the assessment so long as the data is available. When data was not available we record this as <i>Non Conformance</i> or <i>Opportunities for Improvement</i>.
Herry Purnomo (CIFOR/IPB)	<ul style="list-style-type: none">• The Ministry of Environment and Forestry recently issued a set of regulations on peatland protection. How would this impact APRIL's operations?
APRIL	<ul style="list-style-type: none">• APRIL is committed to support the government direction towards responsible plantation management and is presently analyzing the details of the regulations .
Closing Remarks from Joe Lawson (SAC) <ul style="list-style-type: none">• Thanked attendees for their attendance and participation.• Today's discussion has contributed many useful insights• In the next SAC meeting in May, additional indicators for assessment will be discussed	