

Stakeholder Advisory Committee (SAC)
Stakeholder Forum
Minutes of Meeting

Location : Mulia 3 - 4, Premiere Hotel, Pekanbaru
 Date, time : Tuesday, July 9, 2018
 Participants

Academia	
1. Eno Suwarno (Universitas Lancang Kuning Riau)	3. Mardhiansyah (Universitas Riau)
2. Zarkasih (Universitas Islam Negeri Sultan Syarif Kasim Riau)	4. Azharuddin M. Amin (Universitas Islam Riau)
Associations	
1. Arpi Marzuki (APINDO)	
Government Institutions	
1. M. Putrappor (KPHK Kerumutan)	6. Imam Sukendar (KPH Kampar Kiri)
2. Novi Mulyadi (BBKSDA Riau)	7. Suwandi (BBKSDA Riau)
3. Yulianti (<i>Pusat Pengendalian Pembangunan Ekoregion/Ecoregion Development Control Center</i>)	8. Setyo W. (<i>Dinas Lingkungan Hidup dan Kehutanan/Department of Environment and Forestry</i>)
4. Siska Katrin S. (<i>Pusat Pengendalian Pembangunan Ekoregion/Ecoregion Development Control Center</i>)	9. Hambali (<i>Dinas Lingkungan Hidup dan Kehutanan/Department of Environment and Forestry</i>)
5. Faizal (KPH Tasik Besar Serkap)	
NGOs	
1. Teddy Hardiansyah (KABUT Riau)	8. Hasan (Forum Komunikasi Kehutanan Masyarakat/ <i>Community Forestry Communication Forum</i>)
2. Nurman (AMAN Riau)	9. Melki Rumania (Yayasan Hutan Riau/ <i>Riau Forest Foundation</i>)
3. Destriandi (Perkumpulan Alam Sumatera/ <i>Sumatran Society of Nature</i>)	10. Yuni Larasati (Yayasan Hutan Riau/ <i>Riau Forest Foundation</i>)
4. Irfan Miswari (Scale Up)	11. Harry Oktavian (Bahtera Alam)
5. Istiqomah M. (Scale Up)	12. Tarlaili (LAM Riau)
6. Dede Kunaifi (Scale Up)	13. Maizaldi (Kelompok Advokasi Riau/ <i>Riau Advocacy Group</i>)
7. Rendra Yusti (Lembaga Pemberdayaan Aksi dan Demokrasi/ <i>Action and Democracy Empowerment Institution</i>)	14. Fatra Budianto (TAPAK Riau)
SAC and KPMG PRI	
1. Joseph C. Lawson (Chairperson)	5. Neil Byron
2. Ibu Erna Witoelar	6. Roopa Dave (KPMG PRI)
3. Bapak Al Azhar	7. Bapak Yudi Iskandarsyah (<i>KPMG Team Member</i>)
4. Jeffrey A. Sayer	

APRIL Representatives

1. Dian Novarina	5. B.S.Sujarwo
2. Susilo Sudarman	6. Triana Krisandini
3. Binahidra Longardi	7. Natasha Gabriella
4. Khaerul Basyar	

Opening Remarks - Al Azhar (Stakeholder Advisory Committee/SAC)

- Welcomed the participants to the SAC Local Stakeholder Forum.
- Explained that, similar to previous years, the SAC held a Stakeholder Forum in Pekanbaru as a means to deliver the results of the assurance process and get observations from two stakeholder representatives who participated in the assurance process.
- Stated that the forum was part of the SAC's support to APRIL's commitment to transparency.
- Mentioned that a similar forum was held in Jakarta on July 8, 2019 and was attended by various stakeholders.
- Invited members of the SAC and KPMG to introduce themselves to the participants.

2019 SFMP 2.0 Assurance Process - Yudi Iskandarsyah, KPMG Assurance Team Member

- Explained background of SFMP 2.0 assurance process, to verify APRIL's performance against its Sustainable Forest Management Policy (SFMP) 2.0 commitments.
- Highlighted that KPMG PRI was appointed by, and directly reports to, the SAC on the assurance process.
- Explained the 2019 assurance process, which assessed 10 priority indicators across a number of SFMP 2.0 commitments that were considered of critical importance, with a data period of 1 January - 31 December 2018.
- Described the steps in carrying out the assurance process, including planning visits in February 2019, field visits for verification during March-April 2019 and production of the assurance report.
- Presented on the concession areas visited during the assurance process, which consisted of two PT RAPP concessions, four Supply Partners' concessions and two Open Market Supplier concessions, and that there were two local stakeholder representatives who participated as observers during the field visit.
- Explained the main observations and summaries of the findings: one non-conformance, two new good practices and seven opportunities for improvement.
- Provided a summary of APRIL's action plan status until 2019: all past and current nonconformances have been resolved; 12 actions from previous action plans related to opportunities for improvements still in progress.

Observations of SFMP Assurance Process by Stakeholder Representatives

Azharuddin M. Amin (Riau Islamic University)

- Observed that problems at Estate Cerenti (PT RAPP's concession) occur in conservation areas that are bordered with community-owned plantations, posing risks of encroachment. It was observed that there was an absence of notice of land use and thus the community was not aware of the land use status, i.e conservation area.
- Noted that there were challenges due to difference between maps issued by the government and maps owned by the community.
- Suggested that more intense socialization with the public should be carried out to reduce the potential risk of encroachment.
- Observed the difference of verification process between 2018 and this year. For example, in 2018, a visit was made to check fire suppression equipment but in 2019, no similar visits were made when reviewing indicators regarding fire management.
- Observed that during the assurance process, there was a repetitive process of data verification between the data belonging to the field staff and to the head office staff, as well as differences in information provided by the two teams, resulting in concerns raised on the assurance process. Suggested there should be a centralized, consistent and accurate data collection process to improve the efficiency of the assurance process as well as to maintain data credibility.
- The technical verification carried out by the assurance process team has been very good. It was noted that the team had good understanding of the indicators and the associated data.
- Recommended to include an impact measurement of the community development initiatives, noting that the current assurance process only measures the output of the respective programs.
- Noted that there was no process of cause identification of encroachment incidents and highlighted that such identification should be a priority.
- Observed the differences in opinions of the current local village officials and former officials and suggested that periodic evaluations should be held to analyze the feasibility of providing compensations to the community.
- Suggested that observers should participate in all sites visited during assurance. In the case of time constraints from the observers, an increased number of observers should be considered.
- Expressed the expectation of the company's willingness to re-structure the tax payment systems of parties involved in operational activities, i.e. by being registered as Riau tax payers so their tax contributions will be accounted as part of Riau's economy.

Ms. Linda Veronika (TAPAK)

- Observed the difference of information provided by estate teams, and suggested to review the data collection and validation system.
- Suggested APRIL conduct verification of the land claims data.
- Observed there is a need to synchronize village area data from the Environmental and Forestry Agency (*Dinas Lingkungan Hidup dan Kehutanan/DLHK*) to the Minister of Domestic Affairs (*Kementrian Dalam Negeri/KEMENDAG*) and the Ministry of Rural Areas, Rural Development and Transmigration (*Kementrian Desa, Pembangunan Daerah Tertinggal dan Transmigrasi/KEMENDES*) so that the cause of the encroachment alleged to the community can be proven.
- Noted the expectation of Mungkur Village's community groups to be able to manage their livelihood plantations independently.
- Flagged the need to have a separate system to submit grievances for workers and for the local community.
- Noted that the grievance submission form has been disseminated, but it cannot be ascertained that the worker who submitted the complaint would not receive any warnings or dismissal from the company.
- Observed the importance of measuring the success rate of APRIL's community development program and underlined the importance of undertaking an evaluation when the results show a declining trend in community's well-being.
- Suggested that APRIL should be a pioneer that can cut off the chain of money lenders that disrupt the community's income, through provision of training and capacity building of the staff of village-owned enterprises.
- Noting the importance of neutrality, it is recommended that the assurance process be carried out by the KPMG team and observers, without being supervised by the APRIL team.

APRIL 2019 Action Plans - Susilo Sudarman, Sustainability Compliance Manager, APRIL

- Explained that APRIL developed action plans to address the findings identified in the SFMP 2.0 assurance process.
- Presented APRIL's 2019 action plans, which consisted of eight action points to address one non-conformance and seven opportunities for improvement.
- Stated that the action associated with the identified non-conformance (non-compliant new development by an Open Market Supplier) had been completed and this nonconformance is now resolved.
- Explained that the remaining seven action plans have been reported and received by KPMG PRI and their implementation is ongoing.

Questions and Answers Session	
Questions	Answers
<p>Muhammad Mardhiansyah (UNRI)</p> <ul style="list-style-type: none"> • Delivered his hopes that KPMG can fully evaluate the implementation of SFMP 2.0 even though the field visit was conducted by sampling. It seemed that reporting on APRIL in the media was different from what KPMG observed during the assurance process, so it is important to ensure that the assurance process captures the realities on the ground well and intact. • Argued that the fundamental issues for forestry in Riau and in Indonesia are related to different perceptions, where companies have their own perceptions of regulation or science, which generally differ from public perceptions. Suggested that SAC, through KPMG, conduct an analysis of public perceptions so that, not only is the issue of regulatory compliance captured, KPMG can also capture the perceptions of the company and the community. • Suggested that recommendations from KPMG as an independent and neutral body should be submitted to the Ministry of Environment and Forestry (<i>Kementrian Lingkungan Hidup dan Kehutanan/KLHK</i>) so that they could be part of considerations regarding forest management. • Inquired about the results of KPMG's assessment of APRIL's progress on the production areas that have been previously designated as peat protection area (<i>Fungsi Lindung Ekosistem Gambut/FLEG</i>). 	<p>Yudi Iskandarsyah (KPMG Assurance Team Member)</p> <ul style="list-style-type: none"> • Stated that in general, the assurance process was for a full assessment and surveillance. • Noted the suggestion while stating that delivering suggestions to government is the responsibility of all stakeholders. <p>Roopa Dave (KPMG PRI)</p> <ul style="list-style-type: none"> • Welcomed the suggestions, especially for the proposal related to the study of public perceptions, and stated that KPMG acknowledged the importance of public understanding to enrich the findings of the assurance report. • Observed that there were many concerns that the production area will be significantly reduced as a result of Government regulations and confirmed that, based on recent regulatory revisions, only a small number of production areas were reduced. • Invited SAC and APRIL to share their comments on community forests as part of the fiber supply chain, considering that this topic was also discussed at a stakeholder forum in Jakarta the previous day, with acknowledgement that involvement of community forests as wood suppliers could improve the community livelihood.

- Asked whether community forests are part of APRIL suppliers, given the large potential of community forests in Riau and the limited land that can be managed by APRIL due to land conflicts.

Joseph C. Lawson (SAC)

- Acknowledged stakeholders' concerns about the fact that the assurance process only covers a number of indicators, and confirmed that the indicators were chosen because they were considered as high-risk areas.
- Underlined that the assurance process is carried out every year and appreciated the constructive input which will be considered when determining indicators for the next assurance process.

Jeffrey Sayer (SAC)

- Explained that the trend in forestry industry has changed significantly and showed a positive trend, where the concept that industry must be able to support community livelihood is increasingly important.
- Argued that the suggestions related to the public perception study were very useful, but also encouraged that these suggestions be expressed in other similar discussions, especially at the level of political discussion.

Ibu Erna Witoelar (SAC)

- Said differences in perception are important, and observed such differences during the SAC Stakeholder Forum in Jakarta the previous day, where stakeholders asked about the feasibility of High Conservation Value (HCV) and High Carbon Stock (HCS) assessments for community forests, and that the answers to these questions appeared in this forum.
- Encouraged stakeholders to raise their opinions regarding

	<p>regulations with the central government and underlined that advice from the regional level could be taken into consideration at the central government level.</p> <ul style="list-style-type: none"> • Explained that currently there was no clear definition of a landscape approach and this may potentially slow down its implementation. However, in the near future, a policy on landscapes will be developed, which will greatly assist the process of discussion and implementation by all relevant stakeholders.
<p>Setyo W. (Dinas Lingkungan Hidup dan Kehutanan Provinsi Riau/Department of Environment and Forestry of Riau Province)</p> <ul style="list-style-type: none"> • Asked about the realization of PT RAPP's livelihood plantation program, because based on the data owned by Environmental and Forestry Agency (<i>Dinas Lingkungan Hidup dan Kehutanan/DLHK</i>), the realization was very low; inversely proportional to the realization of the industrial plantation, which had almost reached 100% by mid 2019. • Stated that, based on DLHK records, PT RAPP does not refer to P.83 in implementing its livelihood plantation program, thus recommending PT RAPP to refer to P.83, which will allow the company to gain recognition and protection for the livelihood plantation program from the government. • Asked whether PT RAPP can be a pioneer to encourage community forests, given the large potential of community forests in Riau Province. 	<p>Susilo Sudarman (APRIL)</p> <ul style="list-style-type: none"> • Explained that currently there are 15 community forests supported by PT RAPP through partnership schemes and are located around the concession areas. The list of the community forests is available on the APRIL Dashboard. • Explained that APRIL realizes that there are opportunities for improving the community forestry program, but underlined that implementation of community forestry could involve new development, which needs to comply with the no deforestation commitment in the SFMP 2.0. • Explained that the area allocated for livelihood plantation also needs to comply with SFMP 2.0 that requires the implementation of HCV and HCS assessments prior to new development, and this could slow down the process. • Noted that PT RAPP will provide the latest update on livelihood plantation programs in accordance with P.83 to the relevant government agencies. <p>Dian Novarina (APRIL)</p>

	<ul style="list-style-type: none"> • Explained that PT RAPP provides skills improvement programs for community forests and non-community forests, and there are two community forests fostered by PT RAPP, namely HR Bedaguh and HR Parit Limbah in Pelalawan, Riau, which are currently in the final process of getting PEFC certification. • Confirmed that PT RAPP plans to register its livelihood plantation in accordance with P.83 so it can support the government's plans for partnership through community forest scheme. <p>Susilo Sudarman (APRIL)</p> <ul style="list-style-type: none"> • Explained that one of the challenges in integrating community forests into the supply chain is related to the process of forest products certification, where APRIL customers only receive products that have PEFC certificates while the certification required for community forests is only Supplier Compliance Declaration (Deklarasi Kepatuhan Pemasok/DKP).
<p>Community Development Program - Binahidra Longiardi, Head of Community Development Program, APRIL</p>	
<ul style="list-style-type: none"> • Explained the objectives of APRIL's community development program, which is now being aligned with the company's Sustainable Development Goal (SDG) priorities. • Described the stages of community development management -- planning, implementation and monitoring -- and that stakeholder engagement is embedded throughout these phases. • Provided details of APRIL community development program, which focuses on education, community empowerment and improving communities' livelihoods. • Explained the objectives, scope, achievements, challenges and action plans for each community development program. 	

Questions Answers Session

Yulianti (Pusat Pengendalian Pembangunan Ekoregion/*Ecoregion Development Control Center*)

- Observed that none of community development programs owned by APRIL supports the Riau Hijau program.
- Suggested to conduct non-land based community development programs, for example fish cultivation, so no land development would be involved.
- Argued that APRIL's commitment to protect peatlands has not been significant.
- Suggested that SFMP 2.0 should not only highlight forestry issues but also other environmental aspects, such as water, soil, hazardous waste, etc.

Binahidra Longiardi (APRIL)

- Explained that consultation with communities is done as part of the planning process where the consultation is done at the end of every year through village meetings. From this process, APRIL receives inputs from the community and other stakeholders on their needs and how these can be supported by the community development program.
- Added that local government at village, sub-district, district and provincial levels are consulted, as well, to ensure alignment with the government's planning and policies.
- Invited the Ecoregion Development Control Center to discuss more about the tree bank program.

Susilo Sudarman (APRIL)

- Said the progress of APRIL's commitment regarding peatland management was assessed and reported in the SFMP 2.0 assurance report by KPMG and is available on APRIL Dashboard website.
- Confirmed that one indicator on peatland management based on SFMP 2.0 is related to compliance with government regulations, and confirmed that APRIL has implemented these obligations, including those related to the evaluation of the Long Term Business Plan (*Rencana Kerja Usaha/RKU*) every two years as required by government regulations.

<p>Maizaldi (Kelompok Advokasi Riau/Riau Advocacy Group)</p> <ul style="list-style-type: none"> • Expressed his hope that APRIL can facilitate the resolution of the problems related to village boundaries. • Expressed his hopes that APRIL can become a pioneer in fostering community forests. 	<p>Susilo Sudarman (APRIL)</p> <ul style="list-style-type: none"> • Welcomed the suggestions and noted that they will be given due consideration.
<p>Iman Sukaendar (KPH Kampar Kiri)</p> <ul style="list-style-type: none"> • Asked about the percentage of PT RAPP areas that were inactive due to land conflicts. • Said there is a great opportunity for the company to improve community livelihoods through livelihood plantation and there are high-value commodity crops other than oil palm that can be used for this scheme, e.g. cassava. Suggested that APRIL review the potential of other commodity crops to be used in its livelihood plantation. 	<p>Susilo Sudarman (APRIL)</p> <ul style="list-style-type: none"> • Explained that currently the community forests supported by PT RAPP are also planted with other crops such as cassava, and that the communities have been advised on the importance of crop rotation between long-term and short-term crops that can generate profits in a near term. Welcomed the suggestions and noted that they will be given due consideration. <p>Erna Witoelar (SAC)</p> <ul style="list-style-type: none"> • Highlighted that if a land is planted with one type of plant (no diversity of type of plants) then the implementation has violated the principle of landscape management. • Explained the need for a combination of planting that is beneficial for the community and for the environment.
<p>Jeffrey Sayer (SAC)</p> <ul style="list-style-type: none"> • Asked Mr. Azharuddin whether KPMG had a discussion with observers prior to the field visit 	<p>Azharuddin – UNRI</p> <ul style="list-style-type: none"> • Explained that indicators had been selected before the observer selection process was done, and noted that the selection of indicators is not the authority of the observers. • Suggested that the selection or revision of indicators for the next assurance process should also consider the changes on the ground as well as the findings from previous assurance processes.

	<ul style="list-style-type: none"> • Suggested that companies synchronize their programs with government agenda through the community development programs so that these can help resolve the social and economic problems in Riau.
<p>M. Putrappier (KPHK Kerumutan)</p> <ul style="list-style-type: none"> • Suggested that APRIL be more proactive in supporting fauna and flora protection activities. 	<p>Susilo Sudarman (APRIL)</p> <ul style="list-style-type: none"> • Welcomed the suggestion and noted that it will be considered by the company in addition to ongoing conservation and restoration initiatives that presently cover about 370,000 hectares.
<p>Closing Remarks</p>	
<p>Erna Witoelar (SAC)</p> <ul style="list-style-type: none"> • Concluded that, based on this discussion, many potential partnerships could be created between the community and the company, as well as with the government and other stakeholders. • Expressed the hope for KPMG to note the entire discussion from the forum for follow-up with APRIL. <p>Joseph C. Lawson (Chairman of SAC)</p> <ul style="list-style-type: none"> • Thanked the participants for all the questions, suggestions and recommendations. • Said the discussion on this forum would be forwarded to APRIL during the subsequent SAC meeting. 	