



## Stakeholder Advisory Committee (SAC)

### SAC Meetings

15 – 19 July 2024

The Stakeholder Advisory Committee (SAC) consists of independent forestry and social experts with the mandate to provide:

- Oversight and recommendations on the implementation of APRIL Group’s Sustainable Forest Management Policy (SFMP) 2.0. The Committee selected KPMG PRI to provide assurance on APRIL Group’s progress towards meeting its Policy commitments.
- Strategic advice on the implementation of APRIL2030 commitments and targets.

The SAC meets in person or virtually two to three times a year.

Please refer to the [SAC Terms of Reference](#) for a full description of the SAC’s role and responsibilities.

#### PARTICIPANTS

##### SAC MEMBERS

1. Dr. IB Putera Parthama (Co-chair)
2. Mr. Rod Taylor (Co-chair)
3. Prof. Jeff Sayer
4. Dr. Neil Byron
5. Dr. Dinna Prapto Raharja

##### APRIL Teams

Sustainability & External Affairs  
Fiber One (Planning team)

##### Supply Partners

Kalimantan Fiber

The SAC meeting agenda included:

1. Long Term Fiber Supply Plan and Actions
2. Kalimantan Fiber Supply Partner presentation
3. Community Forestry and Conservation Partnerships
4. Research Strategy
5. Closing Meeting

Locations: Jakarta, Balikpapan, Samarinda.

#### DISCUSSION SUMMARY

##### 1. Long Term Fiber Supply Plan and Actions

###### SAC Recommendation(s):

- 1.1 Explore opportunities to shift the metric used from volume over bark to tonnes of usable wood in forecasting supply.
- 1.2 Inclusion of other factors such as peatland subsidence and climate impacts in the supply forecasting model.

APRIL Fiber Planning Department provided a brief review of [SAC recommendations and APRIL’s action plans](#) in response to the *Technical Review of APRIL Long-term Wood Fiber Supply* independently carried out by Indufor Oy. Key points:

- o **Contingency planning** - APRIL acknowledges that contingency planning is necessary to account for factors such as soil nutrient decline, pest and disease, fire, and weather/climatic impacts.. APRIL invests in R&D for improving soil health, including through application of mill waste such as zinc sludge and dregs and grits (i.e. waste to value projects) for soil nutrients and pest and disease control

(e.g. Ganoderma). For weather and climate, APRIL has set up a Forest Meteorology Unit tasked with measuring and monitoring weather parameters and is examining climate projections based on regional climate models. This work will inform APRIL’s climate adaptation strategy.

- o **Land classification** - On the topic of land classification, APRIL will maintain its land cover change monitoring coupled with infield mapping to address any inaccuracies in land classes and compartment boundaries between plantable and conservation/restoration areas. The use of LiDAR will also provide high levels of accuracy and resolution for plantation boundary mapping.

The SAC observed that there might be an opportunity to improve reliability of supply modelling by better aligning the metric used between the plantation yield and usable wood for the mill. In this approach, the objective of the plantation is not to produce X million cubic meters of round wood but Y million tons of dry bark-free fiber (e.g. Bone Dry Metric Ton = BDMT) for the pulp process. This means shifting the objective solely from volume to growing wood with the right properties. This practice is comparable to growing practices to maximize protein content for soy in South America. APRIL uses clones so it is possible to establish standard conversion factors for each clone to move from volume over bark to tonnes of usable wood. Growing trees for the needs of manufacturing (i.e. based on wood properties for different products) may change ways of managing or growing plantations, and effectively for long term planning. The SAC also recommends the inclusion of other factors such as peatland subsidence and climate impacts in the supply-forecasting model.

## 2. Kalimantan Fiber Supply Partners

Three of APRIL’s third party suppliers have been shifted to Long term Supply Partners status and will now be jointly managed by APRIL. These companies include PT ITCI Hutani Manunggal (IHM), PT Adindo Hutani Lestari (AHL), PT Nusantara Kalimantan Fiber (NKF). While they have always been bound by APRIL’s Sustainable Forest Management Policy (SFMP 2.0), these companies will also need to increase their efforts on conservation, fire management, and community engagements. Being APRIL’s Supply Partner means transfer of knowledge and technology on R&D, genetic material, planning inventory, nursery management, and sustainability. It is acknowledged that more human resources, internal socialization and external engagement on sustainability will be needed to ensure closer alignment with APRIL’s sustainability commitments.

## 3. Community Forestry and Conservation Partnerships

The SAC reflected on the [Jakarta Stakeholder Forum](#) whereby three of APRIL’s implementing partners (RECOFTC, Earthworm Foundation, and Econusantara) were invited to provide an overview presentation on the different approaches to community forestry and conservation partnerships that APRIL has been testing. The SAC acknowledged that the collaborations and pilots are a good start but far from being mature. It was observed that there are similarities amongst the three projects specifically 1) focus on supply chain engagement, 2) development of livelihood programs, and 3) applying principles of inclusivity and capacity/ institutional building. These elements underpin many of the APRIL2030 ambitions, specifically Thriving Landscape and Inclusive Progress.

The SAC added that there is no ‘top-down’ formula, as each community will have different interests and ways of working based on their social structures. APRIL confirmed the observation by sharing that the partnerships were meant to test different models of community partnerships. APRIL believes that NGOs have a role to play in trust building with the local communities. The SAC added that the capacity building with APRIL and implementation partners should include building the communities’ knowledge, skills, and attitude to respond to change and eventually develop autonomy and resilience.

The SAC noted that it is also important to monitor the development of government policies regarding land use allocation. Under the social forestry scheme, 3.5 million hectares are designated for customary

forests (*hutan adat*). Would growing fiber through community forestry be acknowledged as an economic activity under the scheme? Additionally, 9 million hectares are identified as multi-purpose license areas. APRIL was advised to understand how these locations overlay with APRIL's areas of interest. APRIL observed that for social forestry schemes, communities could secure the necessary permits and licenses but lack the business development and implementation capacity, which signals the potential opportunity for support to the local communities by companies like APRIL.

#### 4. Research Strategy

##### SAC Recommendation(s):

- 4.1. Add a research focus to understand the local context (relative to other locations or analysis at a national level) for the different topics.
- 4.2. Consider partnership models for the research strategy including through calls for paper/ grant opportunities or longer-term partnerships with academic institutions.

Representatives from the Restorasi Ekosistem Riau (RER), a peatland restoration programme managed by APRIL, presented a preliminary framework for biodiversity and conservation research strategy. One of the objectives is to have better coordination between RER research and APRIL's other research initiatives. Potential research areas that have been identified include:

- Understanding the effectiveness of restoration efforts, both passive and active
- Understanding the impacts of passive and active conservation efforts on biodiversity and environmental health in APRIL landscape
- Address insufficient data on species population trends in APRIL landscapes
- Address insufficient data on distribution of selected species and information on conservation status
- Understanding effectiveness of community related programs e.g. community forest programs
- Impacts of Industrial Plantations on Natural Environment, both positive & negative
- Evaluate risks associated with Human Wildlife Conflict in APRIL landscapes
- Establish flagship species status in the APRIL landscape (Tiger)
- Address lack of robust biodiversity baseline data beyond RER boundaries
- Evaluate status of non-timber forest products in APRIL landscape e.g. Fisheries
- Study effectiveness & health of biodiversity corridors in APRIL landscape

The SAC welcomed the effort towards better cohesion between RER and other research priorities. Recommendations include adding a focus on understanding the local context (relative to other locations or analysis at a national level) and opening up research partnerships through a call for paper/ grant opportunities or longer-term partnerships with academic institutions. The SAC emphasized that it is important to be clear on what management objectives drive the research strategy (e.g. better estate-based management, target setting, or monitoring and reporting). This can help with prioritization of the research topics. The SAC also highlighted that it is important to define how HCVs and its estate-based management fit into the agenda.

#### 5. Closing Meeting (post Stakeholder Forums and SAC Meetings)

*Attended by APRIL Chairman, President, and Senior Fiber Director*

##### SAC Recommendation(s):

- 5.1 Ensure Long term Supply Partners have an appropriate grievance mechanism as part of stakeholder engagement.
- 5.2 Define how the additional Long term Supply Partners fit into APRIL's 1:1 commitment.
- 5.3 Build more capabilities for community engagement, including a Community Engagement SOP.

In the closing meeting, the SAC shared their reflections and recommendations, following the Jakarta and Samarinda Stakeholder Forums and the series of meetings. Generally, the SAC notes that the forums are exemplary and appreciates APRIL's commitment to continue engaging in open and constructive dialogue with stakeholders.

- **FSC process** - The SAC observed that there is notable interest from stakeholders in the FSC remedy process and appreciates APRIL's open approach to the discussions on this, which contributes to its credibility. The SAC acknowledges the complexity of the process and increasing need to engage at the local level.
- The continued focus on APRIL2030 confirms that there is no divergence from the commitments even as APRIL works extensively on the FSC process.
- **Samarinda Forum** – see also minutes from the [Samarinda forum here](#).
  - It was a good decision to hold a forum in Kalimantan and build engagement with stakeholders here. The forum can continue to act as a neutral convening space. A partnership with a local university like Universitas Mulawarman could be strategic for APRIL.
  - The forum structure can be improved by building in more time for Q&A. APRIL also needs to adjust its communications towards a less 'corporate' and more localized approach.
  - The forum was open and enabled critical observations and concerns to be raised in keeping with APRIL's invitation to build better relationships and have open communication.
  - Some of the concerns raised relate to acknowledgement of indigenous peoples and local community rights, and the need for employment opportunities and welfare.
- **Supply Partners in Kalimantan**
  - The Stakeholder Forum in Samarinda marks an important beginning, particularly in building the capacity and capabilities of the Supply Partners to align with stakeholder expectations and APRIL's standards.
  - The SAC also appreciates the challenges of supply partner Itci Hutani Manunggal (IHM) being located adjacent the new capital city's (IKN) and the loss of plantation areas to this development. The proximity of IHM to IKN means that it would need to be the benchmark for sustainable forest management where any environmental and social issues would also be visible.
  - The SAC highlighted the importance of having an appropriate grievance mechanism as part of stakeholder engagement.
  - The SAC recommends APRIL Group to define how as the addition of the three Supply Partners fits into its 1:1 commitment, perhaps in the next iteration of this commitment.
- **Overall stakeholder engagement and community partnerships**
  - APRIL and the Supply Partners' staff would benefit from capacity building on engaging with local communities based on APRIL's SFMP and founded on a clear SOP.
  - Various forms of engagements can be explored, including small group discussions co-hosted with academia or Universities on key issues such as livelihood opportunities and women empowerment.
  - The three presentations on community partnerships (in the Jakarta Forum) exemplified potential models of working with local communities. The different organizations had different objectives but applied the same general principles of trust and mutual benefit.
- **Tarakan mill** – the SAC will continue to monitor the FSC investigation on Tarakan Mill.