APP Stakeholder Advisory Forum
14 March 2019

MAIN SESSION

I. FOREST CONSERVATION POLICY (FCP) PROGRESS UPDATE

APP presented on key updates from the four areas of the FCP: protection of natural forests, peatland management, social and community engagement, and a sustainable supply chain. Major updates since the last SAF, which took place in October 2018, are included below:

- Protection of natural forests
    - January - December 2018: 0.14% natural forest loss in protected areas.
    - 0.07% of total supplier concession areas impacted by fire in year 2018.
    - Zero casualties from human-wildlife conflict in supplier concession areas.
- Peatland management
    - Ongoing land-zoning design, based on Ministry of Environment and Forestry and Deltares recommendation.
    - Trials on 12 alternative species for peat soil.
- Social and community engagement
    - As of December 2018 49% of mapped land disputes have been resolved
    - IFFS has been implemented in 284 villages, benefitting 16,807 households and involving 64 women groups as of December 2018.
    - FPIC process for OKI mill's special port has been completed.
- Sustainable supply chain
    - 100% sourced from plantation fibre or certified materials.
    - 91% of APP's pulpwood suppliers concession areas are certified under the IFCC-PEFC Sustainable Forest Management standard as of December 2018
    - 100% of APP's pulpwood suppliers are certified under the Indonesia's mandatory Wood Legality Assurance System (TLAS/ SVLK).

II. CARBON IMPACT CALCULATION OF FCP IMPLEMENTATION

In 2018, APP engage with Ata Marie in an objective and independent assessment of the FCP's carbon impact. The assessment conduct a review of :

1. How much carbon emission has been avoided by FCP implementation since February 2013 compared to Business as Usual (BAU).
2. Projection of long term carbon emission avoidance as APP continues to implement the FCP in all its components.

The assessment explores the activities under FCP which has an impact on carbon emission, such as :

- Integrated Fire Management Program (IFM)
- Integrated Sustainable Forest Management (ISFMP)
- Integrated Forestry and Farming System (IFFS)
- Improved peat land management including canal blocking, permanent retirement of selected peat land areas and restoration program.

Scenarios of land use change based on FCP and BAU were developed, upon which 3 models were developed – land use change, plantation and peatland.

The assessment concluded that in the period of 2017 – 2020, there is projected carbon avoidance of nearly 70% due to FCP implementation compared to BAU. The significant contributors are reduced emission from land use change and peat fire, as well as from better management of peat areas.

Despite this encouraging result, a number of challenges still remain, such as :

- Managing third party deforestation.
- Achieving best practice in peatland rehabilitation.
- Alternative species development
- Continuous innovation in forest fire prevention and response.

APP will continue to monitor and measure climate mitigation impacts to assess the effectiveness of our efforts.

Feedback/ Response on Carbon Calculation presentation:

Haruni Krisnawati, PhD, Senior Researcher, Forest Research & Development Center of MoEF and Cordinator of ITPC :
- It is interesting that carbon avoidance since FCP implementation has reached 68% and it is important that the projected carbon avoidance has a clear MRV. APP needs to define how to do the MRV, as transparency is important to provide clarity on how the numbers are generated.
- Data assumption is key and needs to be shared including the details.
- If one company can calculate its carbon impact, particularly on projected (Green House Gas) avoidance, it is expected that other companies can do similar effort to calculate their impact on GHG emission, to help the Government to calculate their progress towards achieving the NDC.
- APP's attempt to calculate its carbon impact is an important contribution to science and research. The data accuracy will be improved as it comes from actual field research data.

Amanda Katili, PhD, Head of Expert Team, The Office of President's Special Envoy on Climate Change:
- Such kind of achievement (on carbon avoidance) has to be highlighted in the global level to show the progresses of Indonesia in achieving its NDC.

- In addressing climate change, all stakeholders should contribute, whether as individual or as companies, just like APP did, in order to give greater impacts.
- Request that the information presented and the carbon report can be simplified, to be used as education materials for youth under the Climate Reality project program.

III.   LAND DISPUTE RESOLUTION

APP will make particular focus to resolve the land dispute under the Typology 1 – villages inside concession. APP is currently working together with Econusantara to implement pilot project in 2 villages in Riau, Tanjung Air Hitam and Mak Teduh village in order to develop a practical guide on process to resolving disputes for villages inside concession. The expected end result of the process is a functional boundaries that are agreed by both the community and the company.

There are some challenges that we continue to face during the process to resolve dispute under typology 1, such as village's political situation, community's concern that the mapping process will take the ownership of their land and, lack of urgency in resolving the issue quickly.

Feedback/ Response

Drs. Yando Zakaria, Social Expert:

There are two major challenges for companies like APP in trying to resolve the land disputes in their operation areas.

1. There is no clear government policy and regulation to deal with land dispute resolution.
   - One of the biggest challenges in resolving land dispute is that there is no clear law and regulation that govern dispute resolution process. Many of the ministries have their own directorate and regulation to address land dispute conflict but they work independently to each other.
   - Nevermind the companies – even the government faces trouble in resolving the land dispute cases throughout Indonesia. There are at least 25,000 villages located inside forest area in Indonesia, which constitute as land dispute. Particularly for land dispute in forest areas, there is no one regulation that can wholly accommodate the resolution of these conflicts.
   - Only 5% from total number of villages across Indonesia that already have a definitive boundaries map. The lack of definitive boundary presents another challenge when trying to resolve a land dispute case.
   - Bappenas already has a policy to remove village areas from the forest or plantation areas, but so far there is no realization on that policy. This illustrates the complexities of the process in resolving land dispute.
   - APP experience on the ground in resolving land dispute should be used as example and reference in developing policy in land dispute resolution.

2. The institutional responsible of land dispute resolution
   - There is no clear institution that is responsible to resolve land dispute. Each ministry has its own team but they are often conflicting to each other due to different policies of each ministry.

- Dispute resolution should be done on grassroot level, not in central level. Again, APP experience in resolving land dispute can be a learning for developing policies and approach/process in resolving land dispute.

IV. FOREST AND KEY SPECIES CONSERVATION

APP uses forest alert system powered by RADARSAT2 to monitor forest cover change in its supplier's protected areas. This enable APP to react quickly when there is forest cover change, and help us to identify areas with high forest cover loss, to determine further intervention that needs to be done to address the issue, such as Collaborative Conservation Management (CCM) and the SMART Patrol program.

APP has also completed the restoration strategy for mineral soil and marine clay, and plans to do restoration work in up to 30,000 hectares of degraded areas throughout 2019.

APP maintains zero casualties resulting from human-wildlife conflict inside its suppliers' concession areas. In addressing stakeholder's concern on whether or not there is wildlife in APP suppliers' concession areas, APP team has undertaken internal wildlife distribution survey using data from camera traps and direct sightings. The initial finding is that APP's suppliers' areas are being used as habitat and corridors by:

- 46 Tigers or 10% of total Sumatran Tiger population (400-500 individuals).
- 201 Elephants or 7% of total Sumatran Elephant (2,400-2,600 individuals).
- 70 Orangutan or 1.5% of total Orangutan population in East Kalimantan (sub species ppwrumbii, around 4,825 individuals) and 11.7% of total Orangutan population in TN Kutai (around 600 individuals).

The lack of platform to accommodate multi-stakeholder collaboration for key species protection activities at landscape level remains a challenge for now.

Feedback/ Response

Dr. Yaya Rayadin, Orangutan Expert, Ecositrop

- A corridor is highly important, nearly 90% of Orangutans do not live in conservation area, live in company's area, so security becoming an issue, while the company's capacity is also limited.
- The question is how to integrate one conservation area to another, so it is connected.
- Conservation is not only conversation, but need action.

Prof. Dr. Enny Sudharmonowati, Deputy – Life Science, Indonesia Science Institute (LIPI)

- Propose that APP works together with LIPI to conserve endangered tree species through ex-situ. Currently LIPI only does this in Kebun Raya areas throughout Indonesia, but the achievement is still relatively low, thus LIPI propose collaboration with private sector.

- Since APP is involved in two Biosphere Reserves (GSK BB and Berbak Sembilang), it is expected that APP can further encourage more conservation programs in the biosphere reserve areas.
- Calls for stakeholders to work together to support the government to achieve SDGs.

Aldrianto Priadjati, Director, Indonesia Orangutan Forum (FORINA):
- Invites APP to work together as part of 4 pillars (Private Sector, NGO, Government and Observer) on developing Orangutan conservation strategy 2019-2024 at the national level.
- 70-80% of orangutan lives outside protected forest areas and therefore it is critical that all stakeholders are engaged and work together in the effort to protect and conserve orangutan.

BREAKOUT SESSION

CONSERVATION GROUP DISCUSSION NOTES

Discussion theme : Encouraging landscape level collaboration for key species conservation.

1. Infrastructure (road) is fragmented. There is no infrastructure policy that prioritizes wildlife conservation, in this case the wildlife corridors, due to lack of effective communication and coordination amongst ministries. Collaboration is crucial, particularly between the Ministry of Public Works and Ministry of Environment and Forestry.
2. There is a need to formulate the concept of the wildlife corridor, especially for industry.
3. The involvement of central and regional government.
4. There needs to be a detailed planning, including the regulation. To achieve this, there needs to be an alignment between stakeholders as well as a clear set of indicator for the MRV.
5. There is a need for openness in conservation efforts, so that proper and effective monitoring can be carried out.
6. Someone have to take the leadership role so that the existing effort can run effectively. It may be necessary to encourage the district government to take this leadership role.
7. We need to undertake a distribution survey so that there is a clear wildlife distribution mapping.
8. Transparency of information on forest and conservation map is important so the public can participate in the monitoring.
9. Forest plantation can be animal habitat, and have a potential to function as a corridor.
10. Collaboration needs to take place on grassroot level. This may include having a sharing platform for HCV studies results amongst stakeholder in the landscape to enable an effective landscape-scale conservation management.

IN SUMMARY : to create a multi-stakeholder platform, the government needs to take the lead, especially the district government (BKSDA, Provincial or District level Government). If resources is limited, it is also important that the local government taking the leadership role can distribute roles

amongst the stakeholders (e.g. company-initiated wildlife patrol, but under the leadership/control of the local BKSDA).

SOCIAL GROUP DISCUSSION NOTES

Discussion Theme: Dispute resolution for villages located inside concession.

1. Agrarian conflict is a common issue but there is no institutional model in government level. Some institutional initiatives are conducted in several ministries, but none gives significant impact.
2. Some policies are developed but many of the solutions are not based on empirical experience, many are casuistic, and mediators are often taking the role on a very late stage.
3. APP's experience is very important to find the right scientific formula to create the policy before the conflict occurs. Started in private sector level and gradually rising to the national level.
4. One of the challenges in creating policies is that the issue often branch out to the other areas : village mapping that is not yet finished, village boundary disputes and claims, customary rights that have switching ownership.
5. There is a Presidential Decree (Perpres 88) and Social Forestry regulation (P83) that can be used as a base policy.
6. What currently exist is forest land use mapping both that is used by companies and individuals, not administration boundary mapping.
7. The government have to be actively involved in land dispute resolution together with the concession holders.

IN SUMMARY : APP's action and methodology is highly appreciated and very interesting. Some government's policies still have to be fixed, but at the same time business must goes on. So, dispute resolution should be done together on every level using multi-stakeholder approach and every parties should work and think as partners. Land dispute will always exist and new challenges will always appear. With multi-stakeholder approach, a synergy will be achieved between community and company, every party's rights are protected and can empower each other.

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