

TFD IMPF III

Co-chairs summary

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Gland / Beihai conclusions

- IMPFs – neither inherently good or inherently bad.
- External drivers shape IMPF's – often beyond control of the sector.
- Differentiated understanding of context: A “one size fits all” template is redundant!
- CSR – beyond "do no harm" to viable business models that clearly do local good and contribute to rural development
- Clearer tenure and property rights as critical for communities, smallholders and large industry
- Labour – a complex story – risks and opportunity – migrants can be empowered. What is the proactive role the companies can play?

Gland / Beihai conclusions II

- There is no black and white business model that satisfies all stakeholder. Three concentric rings:-
 - Core minimum supply observing best practice acquisition of land-use rights.
 - Good contracts and willing partners
 - Supply from empowered and resourced « outgrowing » free agents.
 - Rolls out over time – building a diverse forest landscape mosaic
- Role for industry in capacity building – to help farmers become tree farmers
- Areas of common cause has not been exhausted – regulation; tenure; productivity; ecosystem integrity; timber security

China themes & Indonesia focus

- Private sector as vehicle for development
 - CSR
 - Company community partnerships
 - Mechanisation
 - Land tenure & use rights
 - Biodiversity & environment
 - Scale & free choice
- Political & legal framework
 - Distribution of benefits
 - Employment & contracting
 - Land tenure & use rights; competition for land
 - Forest conversion, avoided deforestation, HCVF as tool
 - Pace of change

Topic 1

Private sector as vehicle for sustainable development

- Political & legal framework for more equitable distribution of benefits and sustainable livelihood (governments`, corporates`, civil society`s roles):
 - CSR (who define? Who audit? Given lack of governance framework, can company do better?)
 - South African model of land redistribution
 - Safety net?
 - China model for industry licensing (prior process)
 - Indonesia's recent land reform policy
 - Indonesia's ratification of ECOSOC Convention in 2005
- Transparency & accountability
- Risk profile
- Distribution of benefits
 - Terms of partnership for outgrower schemes
 - Do farmers have choice in mozaic landscape concept?
 - Employment & contracting model
 - In-sourcing vs.Out-sourcing of labor

Notes for topic 1

- Main company-contractors-subcontractors arrangements potentially create conflicts and 'wash of hands'
- Strengthening of contract arrangement and contractor's capacity important
- Government safety net program can complement company's CSR

Topic 2:

Land tenure & use rights

- Political & legal framework
- Indigenous rights & other interests
 - Recognition of traditional rights
 - Reconciliation desired with legal framework and corporate interests
- Process of land allocation & acquisition
- Conflict resolution processes
- Sustainable livelihood
- Pace of change

Notes for topic 2

- Conflict resolution required on social issues
- Non wood-forest product is suggested in the sustainable livelihood and use right in mozaic forest implemented in IMPF
- Call for international help to strengthen the community's standing and capacity

Topic 3: Forest conversion

- Pace of change; mill capacity
 - Further expansion => more conflicts? More environmental problems ? (more overall risks?)
 - International demand for paper *vis-a-vis* local impacts, governance and enforcement
- Land use – choice, model
 - Safeguarding provision in place?
 - Intersectoral land use planning at national/provincial/district level?
- Do IMPF protect or destroy native forests?
 - Can technology resolve the environmental challenges?
 - Protect community's interests?
 - Utility of HCVF?
- Carbon balance & climate risk

Notes on Topic 3:

- Investment in mill US\$1,500/ton capacity → pressure for full capacity running → pressures for conversion (& planting?)
- Species diversification
- Transboundary triple bottom line view (mills input supplied from IMPF/MHT in other countries)
- Use conflict: new IMPF vs. existing Protected Areas
- Plantation on denuded peatland PA (South Sumatra case)

Views on this dialogue

- Business:
 - Burden of history
 - Cognizant of conflict situation and environmental issues (9 mio hectares)
 - Respect community openness and reminders to find reconciliation
 - Companies need government helps
 - Need to develop protocol for conflict resolution

Views (cont)

- Communities:
 - IMPF creates some social conflicts (culture erosion, loss of livelihood, horizontal conflicts, income gaps) and environmental impacts (e.g. elephant conflicts)
- Community's Calls:
 - Community wants shares over business on indigenous land
 - Companies/Subcontractors can not wash hands over conflicts
 - New land use needs legitimate confirmation from indigenous people in addition to government license
 - Provision to ensure sustainable livelihood for communities

Views (cont)

- Government:
 - Welcome the dialogue processes
 - On IMPF Development policy:
 - Will bring all issues into the MoForestry and explore suggested solutions
 - Interest to ensure inputs into pulp mills are from IMPF and shift away from natural forests
 - HTR – will look deeper into the issues

Views (cont)

- Labor Union:
 - IMPF needs to ensure rights of labor (wage, security of tenure, working conditions, collective bargaining)
 - Private sector to develop BMP and ensure elimination of abuse of rights
 - Ensure other partner, i.e. community group
 - Supports community and indigenous people over their customary rights

Views (cont)

- Environmental NGOs
 - Cognizant of private sectors and government interests to develop pulp & paper industry and IMPF
 - 2009 sustainability target must be achieved
 - Recognition of community rights in company's bmp
 - Urgent environmental issues need be addressed (not much time left)
 - All necessary assessments must be done prior to land use allocation and decision
 - Call the MoForestry official to take on these issues forward