

# **PUBLIC SUMMARY**

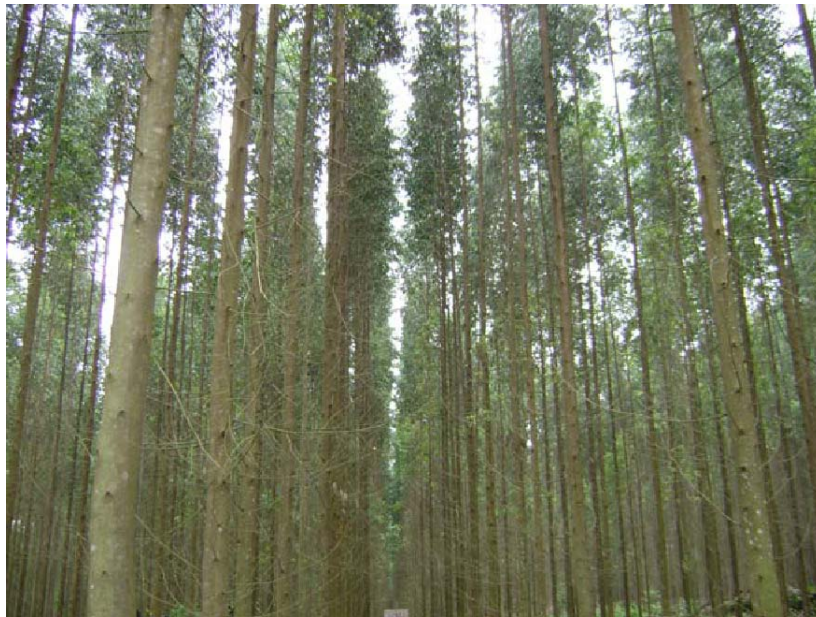
**Sustainable Forest Management Certification**

**PT. WIRAKARYA SAKTI District I, II, III, IV, V, VI and VII**

**Jambi Province**

**By Certification Body of**

**PT. TUV INTERNATIONAL INDONESIA**



## **CERTIFICATION PROCESS**

Sustainable Forest Management (SFM) is the manifestation of the concept on sustainable development in forestry sectors. In the achievement process, it is required a system to keep in balance of production, ecological and social functions. As instrument to bridge the gap between the actual condition and standard performance to meet the SFM requirements, then it is required a certification system as continually process.

PT. Wirakarya Sakti (WKS) owns strong commitment to achieve SFM, this dedication is demonstrated by its application for SFM Certification to certification body of PT TUV International Indonesia (TUV Rheinland Group) with using the Indonesian Ecolabelling Institute (LEI) standard (Indonesian standard for sustainable forest management system).

### **Application Process**

The certification process of PT Wirakarya Sakti (WKS) began when PT TUV International Indonesia received the application for Sustainable Forest Management Certification under the LEI standard 5000-2 from WKS. WKS applied for the Phased Approached Certification Scheme.

### **Public Announcement**

With the Phased Approached Certification Scheme, the public announcement was made before the scoping process to collect feedback/input related to the information of the management unit and stakeholders that will then be used for evaluation. The public announcement of the SFM certification process was conducted through the following activities:

- Announcement through national media 'Kompas' on June 7 2007.
- Announcement through local media 'Jambi Express' on June 7 2007.
- Announcement via email (mailing list) to forestry practitioners, NGOs, and other related parties.

### **Scoping Process**

The first stage of the Scoping Process is to evaluate preparations that conducted by management unit to determine at which point WKS could move to the next stage. The scoping process was conducted by an Expert Panel Team I in accordance to the LEI 77-21 Standard, who began by analyzing documents related to WKS forest management.

Expert Panel I from PT TUV International Indonesia evaluated the following three aspects for first stage of scoping process:

1. Ir. Budi Prihartono, MS. for production aspects
2. Dr. Machmud Thohari, DEA. for ecological aspects
3. Dr. Ir. Pudji Mulyono, M.si. for social aspects
4. Cecep Sapulloh, S.Hut. acted as facilitator

### **Public Consultation/ Regional Consultation Forum**

A public consultation to allow stakeholders to provide their feedback is required as a part of the Scoping Process in the Phased Approach Certification Scheme . The public consultation was held in Jambi on July 23, 2007 in cooperation with the Jambi Regional Communication Forum. All related stakeholders from educational institutions, local government, non-governmental organizations, local/indigenous people, community organizations, and others were present.

### **Field Surveillance Process**

Following the completion of the Scoping Process, the Field Surveillance Process, was conducted from July 23 – 27, 2007 at the Management Unit location.

The Expert Panel I determined that the WKS management units of District I, District II, District III, District IV, District V, District VI and District VII are viable to continue to the next stage of the certification process to achieve full certification. However, District VIII was recommended to be processed with Phased Approach Certification Scheme.

### **Field Assessment**

The Field Assessment Process for the WKS management units of District I, District II, District III, District IV, District V, District VI, and District VII was conducted by the Field Assessment Team by the Certification Body of PT TUV International Indonesia using the LEI 5000-2 Standard. The assessment was carried out on April 14-20 2008. The Field Assessment Team consisted of:

1. Cecep Saepulloh, S. Hut. (Lead Assessor/production aspect)
2. Dian Susanty Soeminta, S. Hut. (Ecological aspect assessor)
3. Drs. Fadli (Social Aspect assessor)
4. Thomas Hidayat Kurniawan, S. Hut., MM. (Facilitator/Co-assessor for social aspect)

Field assessments done by the TUV Field Assessment Team were based on the LEI 5000-2 standard for Sustainable Forest Management (SFM) System, LEI 99-31 Guidelines for SFM Certification, and LEI 99-32 standard for SFM Certification Reporting Guidelines. Limited public consultations were conducted with the Jambi Regional Communication Forum (FKD) during the field assessment process on April 14, 2008.

### **Evaluation and decision making process by Expert Panel II**

The evaluation and decision making process is the final step in the certification process. The process is conducted by Expert Panel II, which consists of the members from Expert Panel I who conducted the Scoping Process, as well as additional experts from production, ecological and social areas who are local representatives of the Management Unit.

Members of Expert Panel II are the following:

- Ir. Budi Prihartono, M.Si. (production aspect)
- Dr. Ir. Hamzah, M.Si. (production aspect/Jambi)
- Dr. Ir. Machmud Thohari, DEA. (ecological aspect)
- Ir. Rudi Syaf (ecological aspect/Jambi)
- Kasmadi Kasyim, SH. (social aspect/Jambi)

Expert Panel II evaluate the unit management performance from the field assessments report that produced by assessors. The Evaluation Process took place on July 3-6 2008 in Puncak, Cianjur Regency, at the end of which certification was issued.

Based on the evaluation results from the Expert Panel II, PT WKS, was declared **CERTIFIED** at the bronze level for Sustainable Forest Management based on the LEI 5000-2 standard. This is valid for a total concession area of 246,482 ha in Jambi Province, and consists of District I, District II, District III, District IV, District V, District VI, and District VII.

During discussions of the evaluation results, Dr. Rudi Syaf, who reviewed the ecological aspects, raised a different opinion from the other panel members. Given the disagreement, the certification body mediated by LEI gathered all members of the Expert Panel II to re-discuss the matter on September 8, 2008. The results of the gathering were no different from the initial discussions. The five panel members kept their opinions, as did Dr. Rudy Syaf with no resolution.

The following recommendations are those suggested by Expert Panel II to be completed by PT WKS Management Unit:

#### **Recommendation on the Production Aspects**

1. To ensure that the land in the plantation forest is sustainably productive:
  - Ensuring the concession areas legality, including area designation, boundary, area mapping, and determination of concession area by the Ministry of Forestry.
  - Land conflict resolution; developing legal agreements with all affected stakeholders, which are inclusive of the terms of agreement and the agreed land status.
  - Technical feasibility is one of several aspects that determine whether an area can function as a plantation. Plantation forest management in very deep peat land has to refer to existing government rules and regulations.
  
2. Recognize and appreciate community rights to the land and forest resources:
  - Increase agreements on community rights to land and forest resources
  - Increase the frequency of campaigns to raise awareness about the protection of community rights to land and forest resources. Develop a SOP (Standard Operating Procedure) for the protection of community rights to land and forest resources.
  
3. Reduce the negative impact of pest and disease from monoculture practices:
  - Develop research on local species
  - Preserve species with high resistance toward pests and diseases
  - Plant natural vegetation or inter-planting among primary vegetations
  
4. Achieve a normal forest structure in the next 2 (two) cycles:
  - Planting acceleration
  - improve crop yield
  
5. Increase productivity:

- Implement research results, including silviculture techniques, determination of superior species, etc
  - Evaluate growth data monitoring (PUP) and harvest yields
  - Assumption corrections of yield/production planning in reference to research result
6. Reduce frequency and intensity of forest fires:
- Enhance development of Community Fire Protection (KMPA) and its contribution toward preventing and controlling forest fires, at a minimum in the most sensitive areas.
7. Increase planting capabilities and quality of yields:
- Increase harvest productivity by selecting the right species, proper planting location, and suitable silviculture technique.

### **Recommendation on the Ecological Aspects**

1. Detailed study of deep peat land spread and its demarcation.
2. Improve measurement of depth of peat land areas and its spread in order to be able to develop a more detailed map of peat land areas, including where it spreads and where to demarcate it. This will enable the company to identify more precisely peat depth of 3 m or more in upper coarse areas (refer to Minister Decree No. 32 year 1990: Article 10, Government Regulation No. 47 Year 1997: Article 33).
3. Improve the marking of boundary lines between conservation and production areas based on land suitability.
4. Develop and maintain connecting roads between sign plates.
5. Draft the coordinates of sign plates to map their placement.
6. Post-harvest activities should be in line with environmentally friendly land preparation procedures. For example, mulch residue should be left in production areas so that a land covering is maintained in all post-harvest areas is to reduce the risk of land erosion.
7. Study the impact of using non-organic and dolomite fertilizer on the physical properties of land.
8. Study the alternatives for reducing heavy equipment usage during harvesting on peat land area.
9. Study silviculture techniques to reduce land openings after harvesting.
10. Monitor erosion of various land slopes with an adequate number of monitoring stations for the entire production area.
11. Observe forest structure and vegetation types in the conservation area periodically, so that the most up-to-date data is always available to monitor any changes in forest structure and vegetation composition, and to enrich the conservation area with local vegetations if necessary.
12. Result of water quantity and quality should be referred in improving the production management system and to prevent a decrease in chemical-physical properties of the water and decrease in all quantity components of the body of water.
13. Collaborate with local communities, which is in line with the Management Unit's mission in the production area.
14. Take more effective measures to reduce the contamination of water bodies. Cover crops should be planted immediately after clearing the land. Cover crops

- should also be planted in other open land areas once the land is no longer in use.
15. Enrich the conservation area by planting vegetation that can also serve as food for animals.
  16. Implement the SOP for the handling and storage of chemicals .
  17. Study ways for community empowerment, which are in line with the company's mission, *tumpangsari* (planting more than 1 species of vegetation in an area) is not very productive for the local community.
  18. Study how to increase the percentage of the existing protected area by increasing the protected zone in the peat land area and widening the HLG buffer zone.
  19. Study how to broaden the windbreaker by planting more types of natural vegetation. This could also serve as an animal corridor.
  20. Compatibility study on the working area of the Management Unit with the appropriate planning of existing regulation for flora and fauna conservation, protection of plantation forest crops, and forest resources useful for the surrounding community.
  21. Peat land which is more than 3 m deep and located at the upper coarse of rivers and swamps should be set aside as protected area (refer to Minister Decree No. 32 Year 1990, Government Regulation No. 47 Year 1997).
  22. Increase the number of seeds planted in vegetation areas on which the livelihood of local communities depends, and increase its diversity according to community use and market demand.
  23. A persuasive approach should be taken to outside parties that threaten the existence of the conservation area.
  24. Intensively monitor wild animal, as well as conservation efforts targeted towards them, in order to recognize early signs of population increase/decrease.
  25. Implement an ongoing education campaign for all site employees with regards to animal conservation in both the conservation and production areas.
  26. Develop a forest resources information system, including a communication mechanism for reaching local communities.
  27. Utilize biological agents in Integrated Pest Management to reduce the use of chemical substances in dealing with pests and diseases.
  28. Take the initiative in locating or developing other forest commodities that may bring benefit to the local communities, such as medicinal plants.

### **Recommendations on the Social Aspects**

1. Create social stability in the forest areas under use, especially in those that have generated conflict before. Several steps to achieve area stability include:
  - The Management Unit should collaborate with various stakeholders, such as those in local government, the community, and others to determine area boundaries together.
  - Conservation area boundaries should be effectively communicated to the local community.
  - In following up with the recommendations made in the Governor of Jambi Province's Statement on January 21 2008 regarding the development of community forests, the Management Unit must develop partnerships using a collaborative approach.

2. Create a conflict management mechanism with justice and equality principles embedded for use during dispute resolution. This should be implemented through the following steps:

- The Management Unit should be more proactive in identifying and solving conflicts.
- A conflict resolution scheme should be developed, which is inclusive of various key stakeholders and can be used as a reference for when public disputes erupt.
- Develop an Early Warning System (EWS) and encourage staff to participate in conflict resolution workshops.
- Develop a database of conflict documentation.

3. Ensure the availability of access to forest resources for the surrounding community by implementing encouraging steps as follows:

- The Management Unit has to be open and appreciative toward community initiatives to enhance the economic value of non-timber forest resources, resources of the plantation forest, and/or other economic values that are compatible with both parties' agreement.
- Implement a system for monitoring and recording information regarding the use of non-timber forest resources by the community.

4. Protect employees' health and safety by implementing the following steps:

- Monitor employees' health and safety performance
- Provide a protection system and tools
- Raise awareness of personal health and dangerous diseases caused by the working environment
- Provide adequate health facilities
- Build programs to ensure low levels of working accidents

### **Sustainable Forest Management Certification Announcement**

Based on the evaluation results from the Expert Panel II, District I, District II, District III, District IV, District V, District VI and District VII of PT Wirakarya Sakti in Jambi Province, with the total area of 246,482 ha, were declared **CERTIFIED**. They received Sustainable Forest Management Certification under the LEI 5000-2 standar (LEI Standard for sustainable forest plantation management system) with grade **Bronze**. As the certification body, PT TUV International Indonesia will publish an SFM Certificate with a period of 5 years validity, from September 9, 2008 until September 8, 2013.

## COMPANY PROFILE

PT Wirakarya Sakti (WKS) is an enterprise that was established based on the notary official document Mr. Hasan Qolbi, a notary representative in Padang, on October 11, 1975. The latest revision of notary official document was based on act No. 7 on January 28, 2004 with notary Ms. Yulia, SH.

WKS is an industrial plantation forest concession holder company for supplying pulp and paper manufacturers (PT Lonhar papyrus pulp and paper industries) located in Jambi Province. WKS got the first plantation permit for planting trial (IPP-1) for 1000 ha, based on a letter from the Head of Regional Forestry Office (Kantor Wilayah Kehutanan) of Jambi Province No. 165/HTI/Wilhut/Iva/1989 year 1989. In 1996, the company got its first definitive concession area by the Ministry of Forestry decree No. 744/Kpts-II/1996 dated November 25, 1996 for 78,240 ha. In 2001, WKS' concession area was expanded to 191,130 ha in accordance with the Ministry of Forestry Decree No. 64/Kpts-II/2001 (Add. I). Then, getting concession area definitif addendum II accordance with Ministry of forestry decree No. 228/Menhut-II/2004 (add. II) dated July 9, 2004, with area of 233,51 ha and addendum definitive decree III by Ministry of Forestry decree No. 346/Menhut-II/2004 (add. III) dated November 10, 2004, with area Total of 293,812 ha.

WKS is one of the companies under Sinarmas Group Forestry Division which supplies raw material (fiberwood) for pulp and paper producers PT Lontar Papyrus Pulp and Paper Industries, which is also located in Jambi and under the Sinarmas Group.

### **Vision**

Developing forest resources management efficiently and professionally to ensure the preservation of production, ecological and social functions.

### **Mission**

1. To conduct forestry business in timber products by using suitable technology and supported by high quality and professional managerial and human resource staff.
2. To enhance environmental values by utilizing natural resources and the ecosystem sustainably.
3. To protect and preserve natural biodiversity and the ecosystem.
4. To manage forest resources through a participative approach based on the areas characteristics such as forest type and community surrounding it.
5. To support livelihoods and the participation of local communities whose life depends on forest resources, whether directly or indirectly.

WKS is committed to sustainable forest management in social, economic and environmental aspects, and will aim to maintain and enhance specific function of the forest and to enhance its environmental function.

The company's conservation initiatives are implemented through these actions:

1. Protect the land through continuous improvements in land utilization and implement environmentally friendly harvesting practices.
2. Set aside 30% of its concession area for conservation purpose and community use.



3. Set priorities on management of conservation area and boundary areas where the communities live.
4. Preserve endangered species.
5. Minimize human-animal conflict.
6. Ensure all raw material supply to the mill comes from legal sources.

## **Company Address**

### Jambi Head Quarter:

Jl. Marsda Iswahyudi Lorong. Bajuri No. 1 Pal merah PO. BOX 147 Jambi 36145.  
Ph. 0741-572471 – 572402., Fax 0741-573483

### Base camp:

Desa Tebing Tinggi, Kec. Tingkal Ulu Kab. Tanjung Jabung Barat, Jambi.  
0742-51051, fax 0742-551710

### Jakarta branch office:

Plaza BII Tower 2, 9<sup>th</sup> floor. Jl. MH Thamrin No. 51 Jakarta 10350.  
Ph. 021-39834473, Fax. 021-39834707, 39834798

## **Organization Board**

### Board of Commissary

Head Commissary	:	Muktar Widjaya
Commissary	:	Sukirta Mangkudjaja
Commissary	:	Ir. Soebardjo

### Board of Direction

Head of Director	:	Arthur Tahya
Director	:	Didi Harsa
Director	:	Stanley Nayoan
Director	:	Aris Adhianto

## **Working Area**

Geographically, WKS' concession area is located in Jambi Province between 0°45'00" – 01°36'00" South Latitude and 102°46'00" – 1-3°4'00' Longitude East. The area is divided into the following five Districts:

- Tanjung Jabung Barat District, including Sub districts of Tungkal Ulu, Betara, Merlung, and Pengabuan
- Tanjung Jabung Timur, including Sub Districts of Mendahara, Dendang, and Rantau Rasau
- Batanghari District, including Sub Districts of Pelayung, Mersam, Morosebo Ilir, and Morosebo Ulu
- Muaro Jambi District, including Sub Districts of Morosebo, Kumpeh and Sakernan
- Tebo District including Sub Districts of Tengah Ilir and Tebo Ulir

The WKS' concession area is spreadover several forest groups (based on watershed):

- Pangkal Duri River
- Betara River
- Pengabuan River
- Simpang Kadam River
- Air Hitam River
- Danau bangko River
- Singoan River
- Lagan River
- Mendahara River
- Batang Hari River
- Benanak River
- Rengas River
- Belimbing River
- Keruh River
- Kilis River
- Mengumpeh River
- Rotan River

According to the administration of Forest Department, WKS' concession area is under the Forest Services of Jambi Province, Tanjung Jabung Barat District, Tanjung Jabung Timur District, Batanghari District, Muaro Jambi District and Tebo District.

According to the Map of Forest Allocation of Jambi Province and Development of Forest Utilization Boundary Management, all WKS concession areas are included in the Permanent Production Forest Area.

Based on field surveillance, WKS' concession area is located on:

- Dry land: approximately 168,318 (53.66%)
- Wet land: approximately 145,353 (46.34%)

Currently, the Management Unit divides its operation area into 8 working units; District I, District II, District III, District IV, District V, District VI, District VII, and District VIII.

WKS operation area are managed in accordance with the Ministry of Forestry Decree No. 70/Kpts-II/1995 dated February 6, 1995 which was renewed with Ministry of Forestry Decree No. 246/Kpts-II/1996 dated May 29, 1996, about Land Allocation for Industrial Forest Plantation. Based on those decrees and the results of the micro delineation process used to accelerate plantation forest development, the actual allocation of WKS land is as follows:

- Concession area according to latest Decree :	293,812 ha
- GIS calculation result :	313,187 ha
- Conservation area :	35,187 ha
- Infrastructure :	10,201 ha
- Unproductive land :	45,388 ha
- Plant able area :	202,582 ha
- Planted area per December 2006 :	146,512 ha
- Area under process :	65,701 ha

## **Silviculture System/Yield Management**

The Silviculture System implemented by the Management Unit is an Artificial Regeneration Clear Cutting system used by many other concession holders. Selection and Development of the main crops in WKS is based on the following criteria:

- Goals in plantation forest development
- Land compatibility
- Economic value
- Land compatibility with community development surrounding the forest area

Based on those criteria, the main crops currently under development are *Acacia mangium* and *Eucalyptus pelita* for dry land and *Acacia crassicarpa* for wet land (peat).

## **Control and Monitoring the Environmental Impact of Plantation Forest Utilization**

1. No-burn land preparation with spreading system, spreading leftover branches, twigs and barks on the topsoil acts as a natural fertilizer. The additional layer also helps to prevent the damage caused by heavy equipment during the harvesting period.
2. A Debarking System is used during harvesting to increase the efficiency of wood transportation (to accelerate drying process on the field). The debarking system is expected to restore nutrients back to the soil.
3. Application of a Skid Track System for mineral land and matting line for peat land by spreading branches, twigs and leftover barks along the heavy equipment pathway to prevent hardening of land surface through the impact of heavy equipment activities during harvesting.
4. Build drainage canal (for wet land) during land preparation in order to manage appropriate water table in the planting area to support the crops growth and tertiary drainage (for mineral land) for which flow has to be directed to the river or water pool to optimize utilization of planting area and prevent water pooling in the planting area.
5. Apply basic organic fertilizer, in particular CIRP fertilizer, to minimize the land's acidity level and to accelerate peat decomposition process.
6. Immediate replanting in the harvested area, no longer than 2 months after harvesting. Areas under WKS control above latitude 45° is considered a protected area, therefore no operations are carried out in this area.
7. The Management Unit has prepared a water management system through the construction of canals, which also function as a transportation system. This ensures that used of the wet land area is optimized and there is sufficient planting area available for the plantation of forests. Legume Cover Crops (LCC) are also planted between the Eucalyptuses.
8. To monitor the environmental impact of its operation activities, WKS regularly applies a measurement and control system in accordance with the GOI's (Government of Indonesia) Environmental Impact Analysis and Environmental Management/Monitoring Effort.

## **Social Aspect Management**

For community management in the forest area, the Management Unit has established community development programs which in general consist of the following activities:

- Building infrastructure and public facilities such as mosques, schools, roads, bridges, etc
- Support livelihood, social/cultural and religious activities
- Education development activities such as providing books and a library

WKS also launched a community development program through a partnership approach in order to help resolve the land claim conflicts that often occur in the area. Programs implemented to date consist of community forest development, supplying of seed, road watering along the community residence to prevent dust on dry season, contracting out to the community for harvesting and planting, utilizing the local human resource capabilities, non-timber forest products utilization (rattan, honey, etc), and others.

Conflict resolution, such as land disputes or land tenure is implemented by the following procedure:

a. Land claim issue:

- Legal process, refer to National Regulation No. 41 Year 1999 about Forestry
- Provide compensation using the harvest price as reference
- Community forest development through a partnership approach (2 ha/family)

b. Land tenure issue:

- Separate the area that has become part of the community residence along with their productive farm land
- Establish partnerships to develop crops in the area managed by community –this program is applied to an area that has been managed by community but use of the area had yet to be optimized
- Establish partnerships in the community regarding forest development on permanent agricultural fields, part of the area have been set aside to plant crop to be used as a community food source. The size of the area set aside is determined according to the number of occupants.

c. Land overlaps issue:

- Resolution to this issue is dependent on local government decisions, but should refer to National Regulation No. 41 Year 1999 about Forestry

Other conflict resolution procedures are captured in the FSS/OP/03 "Solving Land Disputes."

### **Strength point in achieving SFM**

1. WKS' management is committed to achieving the forest certification. This is proven by thorough data and field preparation and the development of a solid and dedicated team over several years to prepare for the SPFM certification.
2. All management and staff alike are involved in the preparation for forest certification by implementing good forest management practices and continually improving their efforts in forest management.
3. Sufficient number of forestry graduate employees represent the quality of human resources in WKS
4. WKS has a Research and Development Department to support continuous technical improvements in plantation forest development
5. Sufficient capital investment from the company's owner provides support for company's sustainability

6. The company has employed a significant number of local employees to have a positive impact on local communities
7. The company's existence has both directly and indirectly significantly contributed to the development of its surrounding villages
8. WKS provides employees with adequate housing and basic camp facilities
9. The community development programs have always been in the company's agenda and funding has always been set aside for that purpose
10. The company has provided adequate facilities and infrastructure to support the activities of its employees and surrounding community
11. WKS has applied the Environmental Management System based on ISO 14001:1996 and has been certified since 1997, and was renewed with ISO 14001:2004. WKS has achieved ISO 14001:2004 since 2005.

### **Weakness point in achieving SFM**

1. The high potential for conflict with the local community has significantly held back the development process of the plantation forest over the years, including conflict with farmers from the Jambi Farmer Organization.
2. The decision from the Governor of Jambi Province and the Ministry of Forestry regarding land conflicts was unclear creating a higher potential for future conflicts.
3. Utilization of the wet land area especially deep peat land as productive forest area can have an impact on the environment and therefore garners negative reports from environmental groups.
4. The monoculture system in large scale industrial plantations can cause a high threat of disease and pest attack, raising several biodiversity issues
5. The success rate for growing crops in wet or peat land needs to be increased.