

Summary Report of Planning & Management of PT Tapan Nadenggan Telen Sub-District of East Kutai District, East Kalimantan Province

Executive Summary

PT Tapan Nadenggan is located in the Telen Sub-District, East Kutai District, East Kalimantan Province. The company obtained a Land Use Title (HGU Certificate No. 68-72) in 2009, covering an area of 11503.48 ha and valid until 10 September 2044.

Because PT Tapan Nadenggan was formed by a merger of several companies, it possesses several Environmental Impact Assessment (EIA) documents. An EIA document dated 2012 exists for the Oil Palm Plantation Development Plan of PT Tapan Nadenggan covering an area of 6,683 ha in the villages of Juk Ayak Haloq, Long Segar and Long Noran in Telen Sub-District, East Kutai District. It was approved by the EIA Committee of East Kutai District on 2 April 2012 (No. 660.5/K.216/2012). This EIA document was prepared by PT Indoconsult Cipta Prestatama (EIA Drafting Service Provider Certificate of Competency No.. 0009/LPJ/AMDAL-1/LRK/KLH) located at Jl. Cempaka Block E No. 14 Laladon Bogor Permai, tel (0251) 8639332. The team personnel were certified competent by Intakindo.

There is also an EIA document prepared for one of the predecessor companies, PT Bulungan Sarana Utama, covering an area of 11,000 ha and mill capacity of 60 tons FFB/hour, compiled in 2000 by Ir. Heru Patria Patria (EIA A, B) as Team Leader and Ir. Yudha Bakti, M.Si (EIA A, B) as Physics/Chemistry Sub-Team Leader. An EIA is in progress for Pantun Mas Estate Unit (PMSE), Jak Luay Real (JLE), Long Buluh Estate (LBLE), Pantun Mas Plasma (PMSA) and Jak Luay Plasma (JLYA) has, with the EIA Framework approved in December 2012.

In addition to the EIA documents, the company also documented a Social Impact Assessment (SIA). The SIA document was prepared by internal team from PT SMART in February 2013. The team consists of RSPO-approved assessors of social impact management. A public consultation on the results and recommendations was held on 11 April 2013. Participants included the Village Heads of the surrounding villages, representative from BPD Village Consultative Bodies (*Badan Permusyawaratan Desa*), village staff, community representatives and leaders, and the management of PT Tapan Nadenggan.

High Conservation Value (HCV) identification was carried out in August 2010 by an internal HCV team from PT SMART, Tbk, consisting of one RSPO-approved HCV assessor and team members who are biodiversity, ecology, environmental services, economics, social and cultural experts. The HCV areas in PMSE, JLE, LBLE, PMSA and JLYA cover a total of 520.75 ha. The HCV area in Bukit Subur Estate covers 158.51 ha.

PT Tapan Nadenggan has comprehensive plans for managing and monitoring the environmental and social aspects of its operations. The plans consist of three documents that serve to guide the company's managers and decision-makers:

1. The three-year Plan for HCV Area Management and Monitoring focuses on HCV areas including the border river, border lake/reservoir and swamp.
2. The Impact Management and Monitoring Plan is available in accordance with the guidance in PT Tapan Nadenggan's Environmental Management Plan.
3. The third document is a Plan for Managing and Monitoring Social Impact.

Reference Documents

The following reference documents are available:

- a. EIA of Oil Palm Plantation Development Plan PT Tapian Nadenggan by Area: 6,683 Ha in several villages, including Juk Ayak, Marah Haloq, Long Segar and Long Noran, Telen Sub-District, East Kutai District in 2012.
- b. EIA documents of PT Bulungan Sarana Utama, 2000.
- c. Unit EA framework Pantun Mas Estate (PMSE), Jak Luay Estate (JLE), Long Buluh Estate (LBLE), Pantun Mas Plasma (PMSA), and Jak Luay Plasma (JLYA), December 2012.
- d. HCV identification reports PT Tapian Nadenggan PMSE unit. PMSA, JLYE, JLYA, LBLE East Kutai district, East Kalimantan Province. PT Smart Tbk. : Jakarta. PT TN [Tapian Nadenggan], 2011.
- e. HCV identification reports Tapian Nadenggan unit PT Bukit Subur Estate / Plasma, East Kutai District, East Kalimantan Province. PT Smart Tbk. : Jakarta. , 2011.
- f. Document on Social Impact Assessment (SIA) by the internal team of PT SMART, February 2013
- g. Document on Management and Monitoring Recommendations from Social Impact Assessment by the internal team of PT SMART, February 2013.

The findings of the above documents can be summarised as follows:

The presence of PT Tapian Nadenggan has an overall positive environmental and social impact on the surrounding community. The company has conducted periodic environmental monitoring. Positive social impacts include increased revenue, local incomes, employment opportunities and accessibility. Negative impacts are social unrest and negative public perception.

The HCV Assessment of PMSE, PMSA, JLYE, JLYA and LBLE found four types of HCV (1.1, 1.2, 1.3 and 4.1), with HCV areas covering a total of 520.75 ha. At Bukit Subur, the HCV Assessment identified the presence of five types of HCV (1.1, 1.2, 1.3, 1.4 and 4.1), with HCV areas covering a total of 158.51 ha.

Assessment began with the early work in June 2010 at the unit BSRE and BSRA and in August 2010 for the other units. A public consultation was held on 11 April 2013. The HCV Assessment report and HCV Management and Monitoring Plan were reviewed by independent consultant Siswoyo in December 2010. The review findings were then used to improve both documents.

SIA and HCV Management Planning Personnel

- a. Company information and contact persons

Company Name	:	PT Tapian Nadenggan
Location	:	Jak Luay Village, Nehes Liah Bing Village, Karya Bhakti Village, Long Wehea Village of Muara Wahau Sub-District, and Desa Sri Pantun, Sidomulyo Village, Village Kongbeng Indah, Desa Muara Pantun, Desa Rantau Panjang, Telen Sub-District, East Kutai District, East Kalimantan Province

Geographic Location	:	116°50'52.0248"E dan 0°52'31.8405"N
Boundaries		
a. North	:	Neheslah Bing Village
b. East	:	Production Forest
c. West	:	Production Forest
d. South	:	Juk Ayak Village
Licenses	:	<ol style="list-style-type: none"> 1. Land use title (HGU certificate No.. 68 t 72) of 2009, covering an area of 11,503.48 ha and valid until 10 September 2044 2. Plantation permit covering an area of 14,400 ha by decree of the Regent of East Kutai district No. 500/25/Ek-I/2006 for an area of 8,450 ha and no. 500/26/Ek-I/2006 for an area of 5,950 ha.

The management of PT Tapian Nadenggan is responsible for the creation and preparation of the SIA and HCV management and monitoring plans.

The HCV Assessment report was reviewed by independent consultant Siswoyo in December 2010. An internal team from PT SMART, led by Yosaphat Ardhilla and chaired by Renato (both RSPO-approved HCV Assessors) identified the social impact of PT Tapian Nadenggan in February 2013.

Stakeholders were invited to a public consultation on the results and recommendations on 11 April 2013. Attendees included Participants included the Village Heads of the surrounding villages, representative from BPD Village Consultative Bodies (*Badan Permusyawaratan Desa*), village staff, community representatives and leaders, and the management of PT Tapian Nadenggan.

Summary of EIA Planning and Management

Because PT Tapian Nadenggan was formed by a merger of several companies, it possesses several Environmental Impact Assessment (EIA) documents. An EIA document dated 2012 exists for the Oil Palm Plantation Development Plan of PT Tapian Nadenggan covering an area of 6,683 ha in the villages of Juk Ayak, Marah Haloq, Long Segar and Long Noran, Telen Sub-District, East Kutai District. It was approved by the EIA Committee of East Kutai District on 2 April 2012 (No. 660.5/K.216/2012). This EIA document was prepared by PT Indoconsult Cipta Prestatama (EIA Drafting Service Provider Certificate of Competency No.. 0009/LPJ/AMDAL-1/LRK/KLH) located at Jl. Cempaka Block E No. 14 Laladon Bogor Permai, , Tel (0251) 8639332. The team personnel were certified competent by Intakindo.

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General Recommendations based on SIA

1. Public perception

Based on the socialisation during the investment stage, PT Tapian Nadenggan will run its operations in the area of research study listed in the EIA documents and the land acquisition as well as compensation has applied FPIC procedures and methods. The socialisation and FPIC processes help the Company clarify and promote the investment climate for oil palm plantation business managed by PT Tapian Nadenggan.

Zoning as the initial step towards land compensation process done by the company constitutes an important stage which can be of use in dealing with problems that may occur in the future regarding land that has been compensated by the Company. This is commensurate with PT Tapian Nadenggan's company procedures that relate to land compensation process. In addition to that, the Company needs to confirm and explain the progress associated with its plasma scheme. This is a crucial point when the Company is working on its programmes. When the CSR programmes were prepared, the implementation of the plasma scheme will reduce social unrest and conflicts potentials.

2. Local revenue and income

The company pays taxes and levies to relevant agencies and also pays fees for licenses that are needed to comply with legal requirements. Likewise, taxes withheld from employee earnings contribute to government revenue.

The company internal audit need to supervises the tax payment to ensure timely payment is made. There are periodic updates with local authorities on taxes and levies.

3. Accessibility of the region

A visible change brought about by the company's presence is the opening of the access road. The company's policy is to allow the public to use the road for day-to-day activities.

The company conducts regular maintenance and improvements to the road access. It is important for the company to involve the local communities in the road maintenance as well as supporting the local communities' retail trade on provisions for consumption.

4. Job and business opportunities

The company should update the local government on the needs of the workers, provide above minimum wage and training to the employees to upgrade themselves. In addition, the company should encourage local purchases from the communities to enhance local community and economic development.

The management of PT Tapian Nadenggan needs to conduct a transparent communication with plasma farmers create more plasma development to further benefit the community.

5. Social unrest

PT Tapian Nadenggan needs to socialise manpower requirements in accordance with the labour quota vis-a-vis the work that currently needs to be done, and should provide updated data to the government or local authorities. The company needs to provide the community with entrepreneurship training so that people develop alternative ways to earn a living, this could be conducted with related parties.

Summary of Environmental Management and Monitoring Plan

No	Components of environmental parameters (Operational Phase)	Source of Impact	Environmental Parameters	Methods of Data Collection and Analysis	Location	Duration and Location Monitoring	Environmental Management Plan (RKL)
A	Decline in water quality	Plants maintenance and workshop activities	TSS, TDS, pH, BOD5, COD, Total Nitrogen, levels of ammonia, nitrate, nitrite) and oil and grease	Sampling and laboratory analysis	Telen River	Every six months	<ol style="list-style-type: none"> 1. Maintain the greenbelt along the river banks. 2. Ensure no logging activities within the greenbelt areas. 3. Maintain all roads and drainage systems 4. Manage domestic activities with the employees' housing area especially disposal of solid waste and waste water. 5. Educate employees on domestic environment maintenance and protect of the environment.
B	Employment and business opportunities	Labour recruitment	The number of people who are absorbed as operating labour, the number of facilities and economic infrastructure, economic activities and activities that develop in the vicinity of oil palm plantation	Interviews with labour operations, checking registration of labour and plantation maintenance.	Villages in the study area and the HR Office proponent or partner companies who designated proponent	Annually	<p>Provide training and guidance regarding impact of business on society,</p> <ol style="list-style-type: none"> 1. Participate in developing infrastructure and economy, 2. Assisting the affected residents, 3. Providing information about job opportunities in a transparent manner to the community and its leaders, 4. Providing support if workers wish to form unions
C	Public unrest	Labour recruitment	Protests or complaints from local residents to the proponent of the	Interviews, direct observation and collection of	Villages within the study area	Every 6 months	Provide opportunities for people who are directly affected by oil palm plantation activities, record the number, qualifications and interest in

D	Diversity of vegetation	Replanting process after the Land Title permits expired	Minimum land cover of 68%, species diversity index	secondary data	Villages that used to be the location of plantation	Annually	<p>workforce population in the project area, pay attention to availability of local workers, in order to conduct socialization in accordance with the principles of fairness, decency and openness for mutual benefit, cooperation with local sub-district and village heads in the recruitment of local workers</p> <ol style="list-style-type: none"> 1. Undertake re-vegetation using endemic species of local vegetation, seeding and planting of protected vegetation or valued ecological footprint project. 2. Providing boundary protection for rare vegetation at the project site, 3. Facilitating residents who wish to undertake planting of vegetation, educating employees on management techniques and environmental protection implemented by relevant agencies, 4. Coordination with the local government in socialisation and prevention of riparian land cultivation by the public.
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Summary of HCV Planning and Management

Management recommendations:

- Management of HCV activity in the PT Tapan Nadenggan consists of:
- Preparation of HCV area boundary;
 - Use of notice boards to publicise the existence of HCV areas;
 - Outreach to employees of the company and the surrounding community to preserve the region's rivers and lakes;
 - Rehabilitation of river banks that have been damaged;
 - Implementation of environmentally friendly cultivation methods (e.g. use of slow release fertilisers, organic waste utilisation, application of integrated pest management);
 - Planting barriers to erosion of river banks (e.g. fertiliser grass or other plants);
 - Putting up signs warning of the ban on hunting in several locations; and
- Socialisation of employees and the surrounding community on the existence and importance of protected species.

Monitoring Recommendations:

The following indicators will be monitored:

- Intensity of HCVA disruption to the area, including the danger of fire;
- Development of land cover conditions;
- Diversity and density of flora including protected and rare, threatened and endangered (RTE) species;
- Diversity and abundance of fauna including protected and RTE species;
- Presence of transient animals (unit BSRE and BSRA);
- Actual implementation of the activities and the survival of plants grown in the rehabilitation site;
- Changes in river width;
- Water quality of rivers, lakes and swamps; and
- Water biota in rivers, lakes and swamps.

Plan for Monitoring of HCV and Regular Review of Data

The HCV Assessment report and HCV Management and Monitoring Plan were reviewed by independent consultant Siswoyo in December 2010. The review findings were then used to improve both documents.

Management and planning for threats to HCV areas.

Unit PMSE, PMSA, JLYE, JLYA, LBLE as well as Unit BSRE and BSRA

- Perform delineation and set stylistic limits in the field for HCV areas
- Install information boards (notices, preservation appeals and warnings) about the presence of HCV areas
- Manually maintain oil palm plantations and avoiding the use of agrochemicals along riparian areas (25-50 m)
- Re-vegetate / restore in stages those riparian areas identified as HCV areas, especially in the border areas that have been planted with oil palm
- Plant barriers such as grass or grass vertiver Guatemala to prevent erosion of the riverbank

- At the time of replanting the palm trees in the riparian area, it is important not to conduct logging in order to prevent the woods taken over by the communities, it is also to show that the land is still managed by the company. Inform the public and employees about the presence of HCV areas;
- Educate the public on the importance of maintaining plasma riparian areas with no open land;
- Work with intansi BKSDA in handling and managing the presence of protected species'
- Restore riparian areas that have been opened and not planted, by using different types of native plants including protected or endangered species. Where river banks have been planted with oil palm, gradually replace the palm trees with woody plants;
- Educate local communities, employees and contractors on the importance of maintaining the riparian function; and
- Plant native species to improve land cover and rehabilitate or restore vacant land.

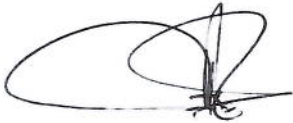
Management plans to enhance or maintain conservation values of identified HCV Areas

1. Determining the width of rivers and lakes, marking boundaries and maintaining boundary markers;
2. Inventorying and identifying land cover conditions in HCV areas;
3. HCVA protection, both passive and active;
4. Community outreach;
5. Employee training to improve the quality of human resources;
6. Formulating standard operating procedures (SOP);
7. Rehabilitation and/or restoration;
8. Communication and coordination with relevant stakeholders, particularly prior to land clearing;
9. Regular maintenance of HCV areas; and
10. Make a plan of management and monitoring.

Internal responsibility

We hereby sign off on the above Summary Report of Planning and Management. The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

On behalf of the Management of PT Tapan Nadenggan,

A handwritten signature in black ink, consisting of several loops and a final horizontal stroke.

Dr. Haskarlianus Pasang

Sustainability Division Head