



**Summary Report of SEIA and HCV Assessments
PT. Teguh Jayaprima Abadi
Kutai Kartanegara District – East Kalimantan Province, Indonesia**

1. Executive Summary

PT Teguhjaya Prima Abadi (PT TJA) is a subsidiary of PT Evans Indonesia under the auspices of MP Evans Group PLC. MP Evans Group PLC has been registered as a member of the RSPO (membership number 1-0027-06-000-00).

PT Teguh Jayaprima Abadi received licenses (Izin Lokasi) to use land areas of \pm 5,100 Ha and 13,500 Ha through SK Bupati Kutai Kartanegara No. 33/DPN.K/IL.31/VI-2006 dated 27th June 2006 and SK Bupati Kutai Kartanegara No 69/DPN.K/IL.69/IX-2007 dated 6th September 2007 respectively. Izin Usaha Perkebunan/ IUP (Operational Plantation permit) for both these Izin Lokasi were obtained through SK Bupati Kutai Kartanegara No. 503/53/SK-DISBUN KUKAR/VIII/2007, dated 27th July 2007 and No. 503/64/SK-DISBUN KUKAR/XII//2007, dated 04th December 2007 respectively was approved by Bupati Kutai Kartanegara.

Location of PT TJA is at 0°9'17" S - 0°15'06" N and 116°43'36" E - 116°52'35" E, in the province of East Kalimantan, Indonesia. Administratively the areas are located in Muara Kaman sub-districts, consisting of two desas (villages) namely Rantau Hampang and Bunga Jadi. For daily operational PT TJA divided in to Two Estate namely Rantau Hampang Estate (RHE) and Mahakam Estate (MKE).

PT TJA has conducted HCV Assessment carried out in June 2012 by Aksenta from Indonesia led by Pupung F Nurwatha, who is an RSPO-accredited HCV lead assessor. The scope of the HCV assessment in PT TJA was carried out on 4,788 Ha (INTI 4,360 Ha and Plasma/KKPA 428 Ha) within the boundary of the "Proposed Kadastral Area" i.e the area applied for "HGU". Aksenta has carried out HCV Assessment comprehensively for PT TJA using HCV Consortium for Indonesia (2009) Guidelines for Identification of HCV in Indonesia to comply with RSPO New Planting Procedure (NPP) and the Indonesian National Interpretation of RSPO Principles and Criteria (RSPO INA-NIWG, May 2008).

From document tracings and interviews of stakeholders, the assessors noted that the area was a timber concession (HPH) which has been logged and re-logged about 30 to 40 years ago. From the interviews conducted, it was also found by the assessors that the area experienced severe fires in 1982 and 1997 which had greatly impacted the vegetation and land cover.

From the field assessments of this survey it was found that the location of PT TJA has no primary forest. Satellite imagery of 2009 and 2011 examined by the

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assessors found that the project site is dominated by secondary forest and there is no evidence of tropical rain forest.

From the HCV assessment, it was found that the area consists of :

- HCV 1 : 259.45 ha or 5.41% of the “Proposed Kadastral Area”
- HCV 3 : 118.6 ha or 2.4% of the “Proposed Kadastral Area”
- HCV 4 : 406.14 ha or 8.48% of the “Proposed Kadastral Area”

Some of HCV areas are overlapping with other HCV area and as such total HCV areas in PT TJA is 440.60 hectares or 9.20% of the “Proposed Kadastral Area”. There were no HCV 2, HCV 5 and HCV 6 found in the area

The AMDAL study (EIA Assessment) of PT TJA had covered all environmental and social aspects of the various oil palm plantation development activities ranging from land clearing, maintenance and harvesting. Apart from outlining the positive and negative impacts of the various activities, the study also recommended environmental and social management plans to monitor and enhance the positive effects and reduce the negative impacts of oil palm cultivation.

2. Scope of the SEIA and HCV Assessment

a. General Data of the Company

Company Name	: PT. Teguh Jayaprima Abadi
License of Establishment	: Notary Ni Putu Sri Sunardewi, SH, No : 4, dated 13 th September 2005, approval of Human Rights and Justice No. C-18001 HT.01.01TH.2006, dated 20 th June 2006
Capital Status	: Foreign Investment (<i>Penanaman Modal Asing - PMA</i>)
Tax payer Notification Number	: 02.504.353.0-058.000
Company Address	: Head Office: Gedung Graha Aktiva Lt 10, Suite 1001, Jl. HR Rasuna Said Blox X-1 Kav. 03, Kuningan, Setiabudi, Jakarta Selatan Regional Office: Jl Kadrie Oening Ruko No 3 and 4, Kecamatan Samarinda Ulu, Samarinda, Kalimantan Timur, Indonesia
Type of business	: Oil Palm Plantation & Processing

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- Status of concession land and Permit :
1. The Permitted Area (Izin Lokasi) No. 33/DPN.K/IL.31/VI-2006, dated 27th June 2006 (\pm 5,100 ha) and .No. 69/DPN.K/IL.69/IX-2007 dated 6th September 2007 (\pm 13,550 ha) respectively was approved by Kutai Kartaengara Regent
 2. Ijin Usaha Perkebunan/IUP (Plantation Operational Permit) no. 503/53/SK-DISBUN KUKAR /VIII/2007, dated 27th July 2007 (\pm 5,100 ha) and no. 503/64/SK-DISBUN KUKAR/XII//2007, dated 04th December 2007 (\pm 13,550 ha) respectively was approved by Bupati Kutai Kartanegara.
 3. The Social Environmental Impact Assessment (AMDAL) No. KAKK/28/AMDAL/KELAPA SAWIT/2008, dated 24th September 2008 (\pm 5,100 ha) and No. KAKK/08/AMDAL/ KELAPA SAWIT/2009 dated on 16th March 2009.(\pm 13,550 ha) was approved by Kutai Kartanegara Regent.
 4. Areal analysis mapping from Balai Pemantapan Kawasan Hutan/BPKH Wilayah VI no. S.736/ BPKH IV-3/2011, dated 15th August 2011 which state that all areas of PT. Teguh Jayaprima Abadi is non forest Area (KBNK/APL)
 5. Recommendation of Cadastral HGU from Kutai Kartanegara Regent No. 379/590/ PPT/A.PTN/V/2011, dated 11th June 2011 in IUP permit (\pm 5.100 ha) and proposed recommendation for IUP permit (\pm 13,550 ha) to Kutai Kartanegara Regent no.039/ PD TJA/IV/2011, dated 12th April 2011 (Recommendation from Kutai Kartanegara Regent still in progress)
- Contact person : Mr. Veryaman Hia (Senior Manager)
- Geographical Location : 116°43'36" E - 116°52'35" E
00°09'17" S - 00°15'06" N

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Surrounding Entities

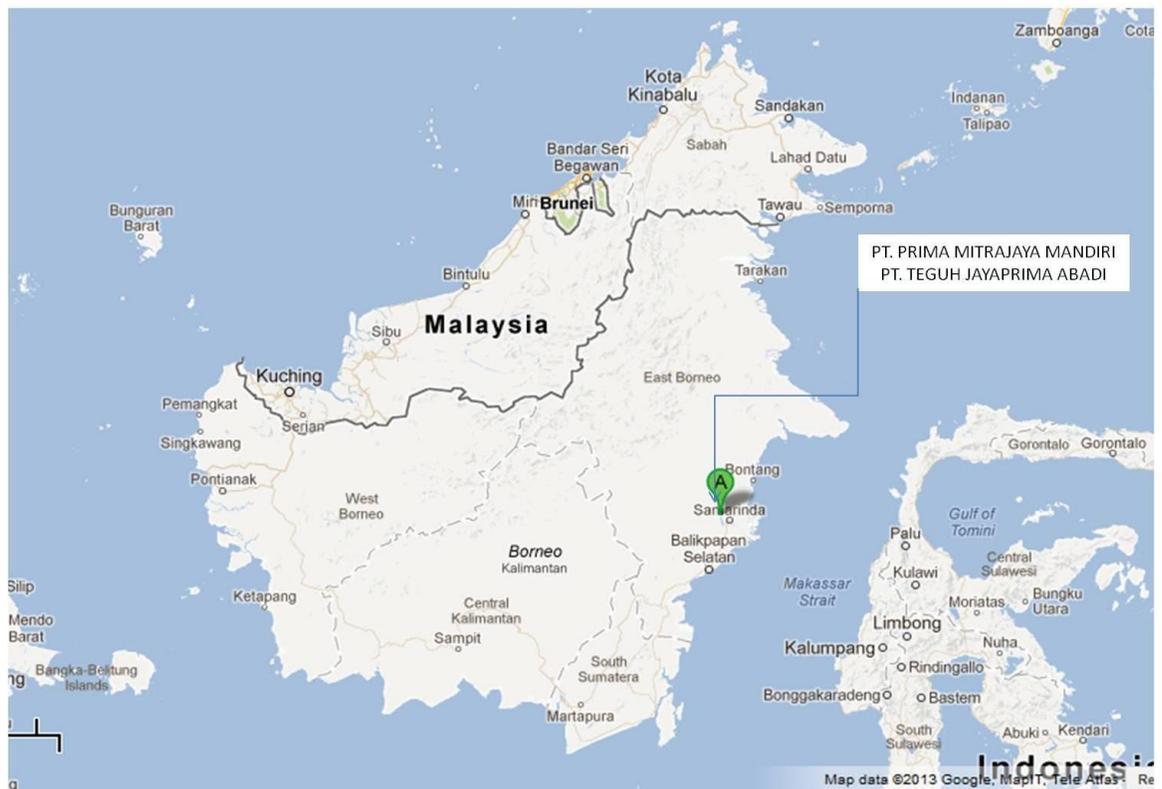
- North : Mahakam River and Bunga Jadi village.
- South : KKPA Rantau Hempang and Benua Puhun village
- West : PT. PMM and transmigration settlement of Muara Kaman Ilir village
- East : Settlement of local community Bunga Jadi village

The scope of Social and Environment Impact Assessment of PT. Teguh Jayaprima Abadi cover the “Proposed Kadastral Area” and the villages surrounding the project i.e. Desa Rantau Hempang and Desa Bunga Jadi..

b. Legal Documents

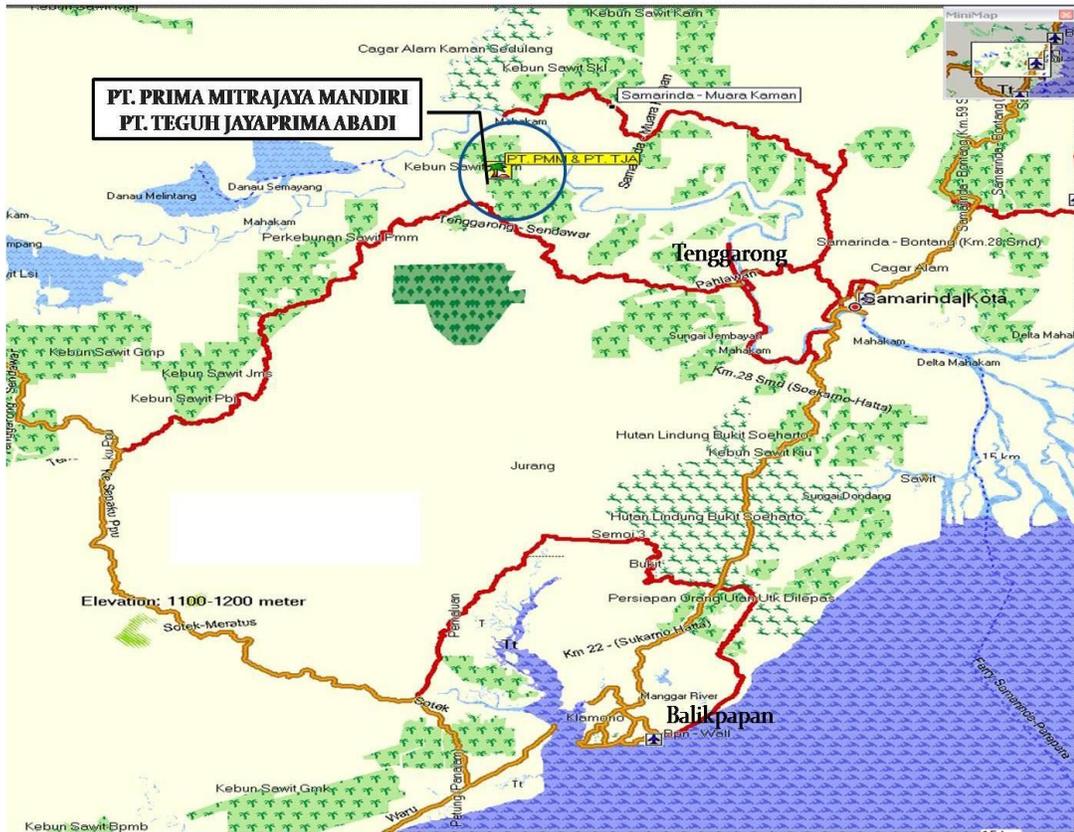
The permits that have been obtained by the company as mentioned above.

c. Location Map.



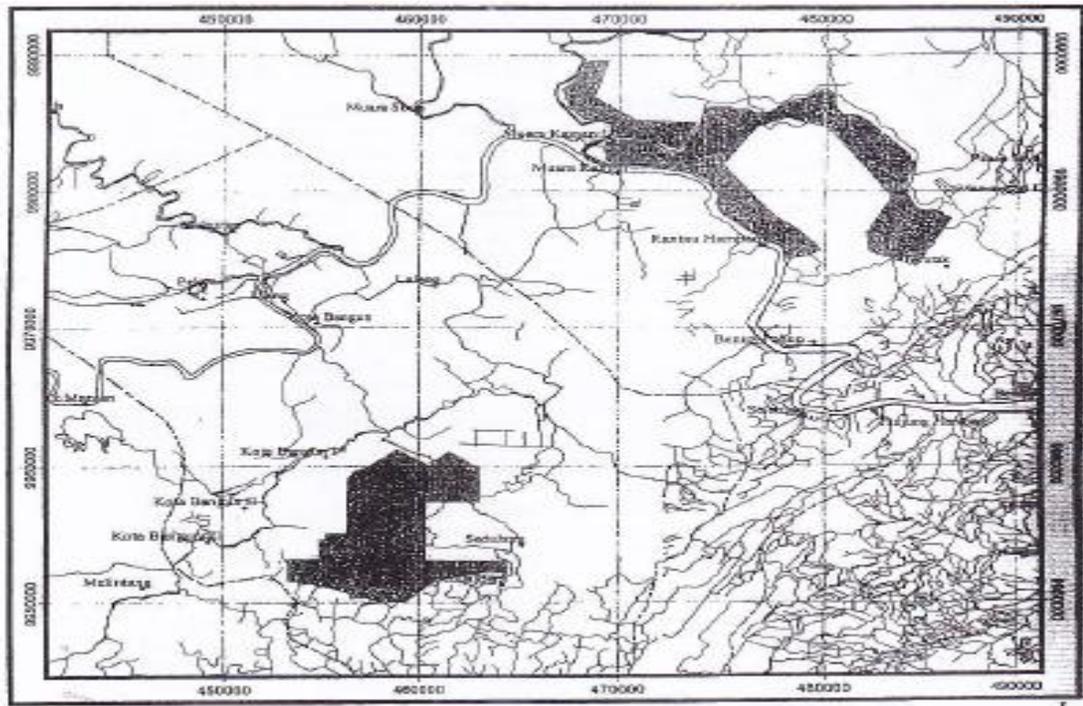
Picture 1. Location of PT Teguh Jayaprima Abadi in East Kalimantan Province

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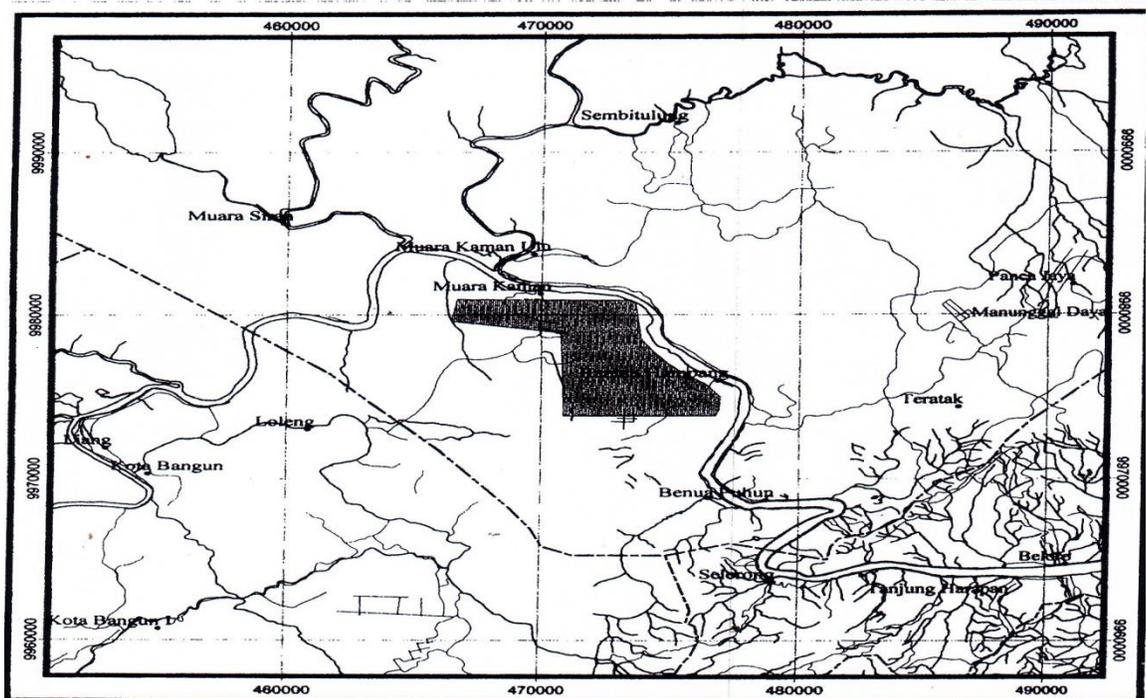


Picture 2. Location of PT. Teguh Jayaprima Abadi in Kutai Kartanegara District.

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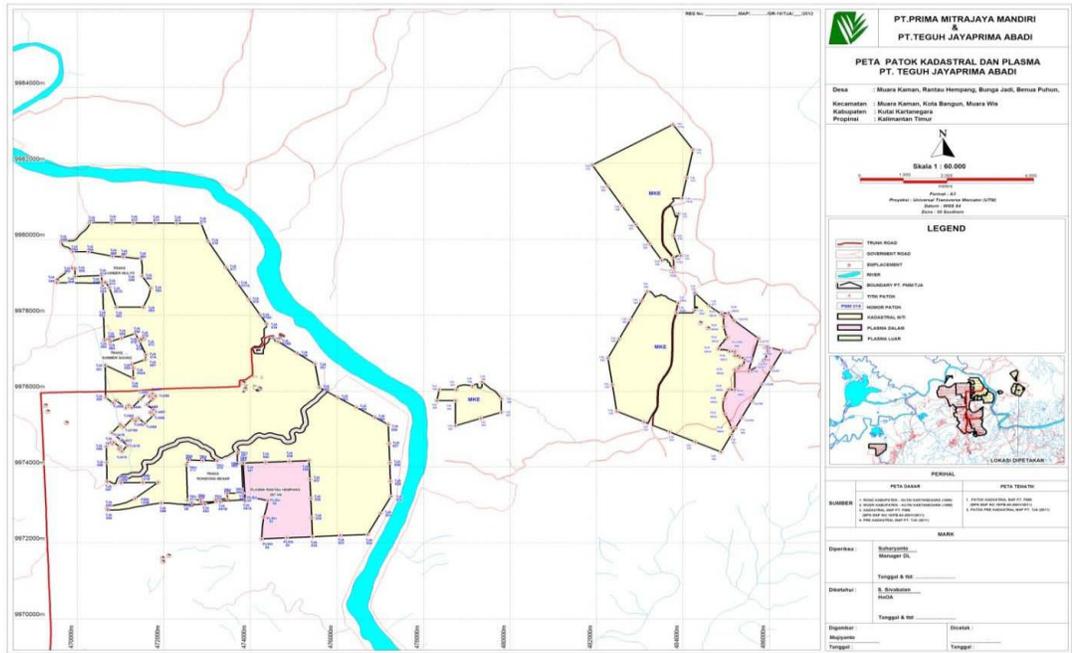


Picture 3. Land permit of PT. Teguh Jayaprima Abadi (IUP ± 13.500 ha)

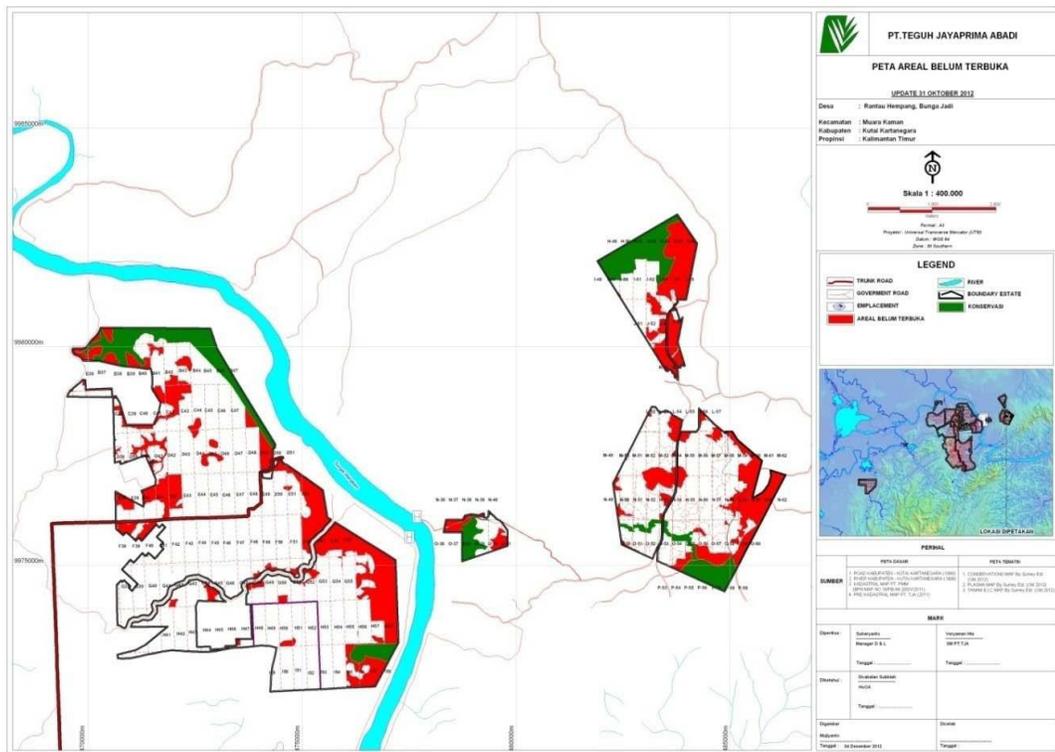


Picture 4. Land permit of PT. Teguh Jayaprima Abadi (IUP ± 5,100 ha)

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Picture 5. Bounday map of cadastral area



Picture 6. Planting program PT. Teguh Jayaprima Abadi in proposed Kadastral HGU

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d. Area and time-plan for new plantings

PT Teguh Jayaprima Abadi development plan has incorporated the findings from SEIA (AMDAL), HCV Assessments and Social Impact Assessments by Aksenta as described above when implementing the operational plans. Management plans for HCV areas and management plans for handling social impacts have been drawn up.

The total area located in the Plantation Permit (Izin Usaha Perkebunan, IUP) of PT. Teguh Jayaprima Abadi is \pm 18,650 ha and proposed for kadastral area (HGU) is only \pm 4,788 ha. The areas has been planted since 2007 is 2,527 ha (INTI: 2,301 ha and KKPA/Scheme Smallholders: 226 ha), proposed new planting areas is \pm 1,807 ha (\pm 1,605 ha INTI and \pm 201 ha KKPA/Scheme Smallholders). The HCV management plan has been developed for these areas (\pm 441 ha) and there is unplanted areas around \pm 11 ha. According the operational management of PT. Teguh Jayaprima Abadi land development will commence in year 2013.

3. Assessment Process and Procedure

a. Assessor and their credential

HCV Assessor and their credential

The HCV assessment in the Permitted Area (Izin Lokasi) of PT. Teguh Jayaprima Abadi by the RSP0 accredited assessors. The HCV assessment conducted from 15th – 24th June 2012 in the permitted areas and villages surrounding area was carried by Aksenta, located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. Key consultants from Aksenta have been accredited and approved by RSP0. The team members are:

- **Pupung F. Nurwatha** (pupung@aksenta.com), Biology Scholar from Padjajaran University, Bandung. Get training about Fieldwork Techniques for Conservational Expeditions on year 2002 in London, UK. Experienced in wildlife research since 1990, expertise in Community Based on Biodiversity Assessment and managing a wildlife conservationist grouping in Bandung. HCV assessment studies in plantations sector and registered in RSP0 Accredited HCV Assessor – Discipline Specialist in HCV 1, 2, and 3 Biodiversity and Conservation
- **Idung Risdiyanto** (idungris@aksenta.com), Master degree in Environmental Management Technology in International Program of Bogor Agricultural University (IPB), after he graduated from undergraduate degree of Applied Meteorology in Mathematic and Natural Science Faculty of Bogor Agriculture University (IPB). He started carrier with doing a research about Green House

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Gasses and water resources together with UNEP and PPLH IPB at 1997. Else, he did many researchs with good institutions, such as LIPI, LAPAN, BPPT, and BMKG. Almost his entire work related to the natural resources management especially water resources, land and climate using GIS technology, remote sensing, spatial analysis and modelling. He is experianced for doing HCV assessment in plantation sector and also already registered as a RSPO Approved HCV assessor – discipline specialist with specialization HCV 4 (Hydrology and Environmental Services).

- **Gena Lysistrata** (lysistrata@aksenta.com), she graduated from social science in Faculty of Social Science, University of Indonesia. She is a researcher and involve actively in to various social research, and experienced in to community empowerment programmes, family strengthen, and evaluating the community participatory. She started her involvement as a SIA assessor in Aksenta since 2010 and already registered as an approved HCV assessor in RSPO for discipline specialist with specialization HCV 5 and HCV 6.
- **Diah Rany P. Swasti** (diah.rany@aksenta.com), she graduated from Faculty of Forestry, Bogor Agricultural University (IPB). She is still involve actively in to various activities related to the research of forestry issues and experienced in GIS and remote sensing. She did various studies related to the fussion technique of pankromatik image spot, for this HCV assessment of PT TJA, she is involved as a GIS team member in Aksenta.

SEIA Assessor and their credential

The Social Impact Assessment of PT TJA was carried out on 17th – 24th June 2012 by Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The key consultants conducting these assessments have been accredited and approved by RSPO. The team members are:

- **Gelar Satya Budhi**, He graduated Master of Science in Community Development from University of Putra Malaysia. He is senior researcher on social economic and community development aspect, which is some commodities are plantation, food plants, horticulture, ranch and forestry. Ever collaborated in research of applied research and participatory action research with some national institution (Bappenas, Bank Indonesia Pusat, Bank Indonesia Bandung, Kementerian Pertanian, Pemda DKI, IPB, Unpad) either or international (ICRAF, CIFOR, IFPRI, ACIAR, JBIC, ESCAP, IDRC). Active writing an article on some journals in Indonesian language and English about some topics, which is published by PSE-KP, UI and some universities. In teens articles release in some mass media like Kompas, Suara Pembaruan, Bisnis Indonesia, Suara Karya and Pikiran Rakyat.

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Conveying working paper on some seminars in Indonesia or abroad, like under one's belt by Asian Productivity Organization (APO). Some writes from his research published on book Improving Smallholder Farming Systems in Imperata Areas of Southeast Asia published with International. Since 2007 – 2009 become member of eight teams to help research of Agriculture Ministry. Now Gelar Satya Budhi engage in some Social Impact Assessment (SIA) and HCV activity in social and culture sector in Aksenta. His role in this Social Impact Assessment is as a Team Leader.

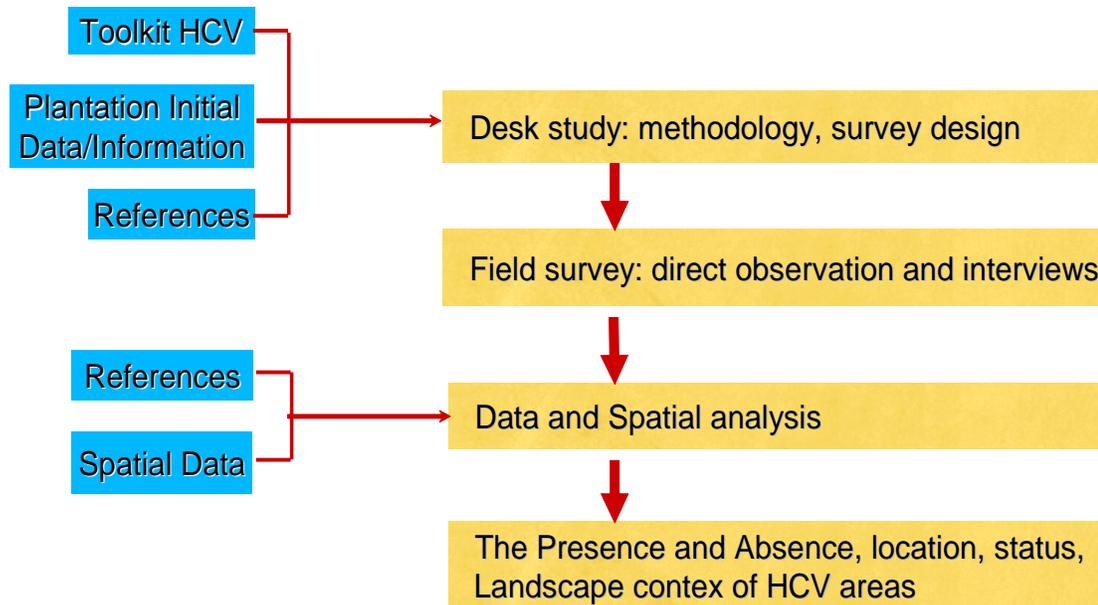
- **Muayat Ali Muhshi** (muayat@aksenta.com), He graduated from the Faculty of Forestry Graduated from Bogor Agricultural University (IPB) – Bogor majoring in Forest Resources Conservation. He is experienced as a researcher at WALHI and as a member of Book Editor “*Peran HPH dalam Pembangunan Ekonomi Regional Kaltim*” (Walhi and World Resources Institute, 1990-1991). He is also experienced as a Forestry Program Coordinator in Pelangi Indonesia Foundation and doing a study: “*Integrasi Bina Desa dalam Kerangka Pengelolaan KPHP*” supported by ODA – in cooperation with Ministry of Forestry – UK Tropical Forestry Management Program; and the study of “*Hasil Hutan Non-Kayu dalam Rangka Pengelolaan Hutan Berbasis Masyarakat*” supported by NOVIB – the Netherlands (1991-1997). And also he worked in many roles for many years. His role in this Social Impact Assessment is as a team member.
- **Nandang Mulyana** (nandang@aksenta.com), He graduated from the Faculty of Agriculture Graduated from UMJ (Jakarta Muhammadiyah University) – Jakarta majoring in Economics and a Master Degree holder from Bogor Agriculture University. He is experienced in the field of education, environment, socio-environment, and community development programme (CDCSR), collaborated with Unocal Geothermal of Indonesia Ltd and Chevron Geothermal Salak since 2000. Nandang Mulyana wrote a book on “*Membedah UMKM di Indonesia; Sebuah Kajian tentang Strategi Pemberdayaan dan Pengembangan UMKM Indonesia*” published by Lugas. He has conducted several HCV and Social Impact Assessments in oil palm plantations in Indonesia with Aksenta. In year 2010. Achieved the RSPO accreditation as Discipline Specialist Social (Participatory rural assessment; socioeconomic or cultural studies; participatory mapping; conflict resolution). His role in this Social Impact Assessment is as The Team Member focus on social economic and community development assessment. Companies

b. Assessment Methodology

HCV Assessment Methodology

The HCV assessor teams consisting of experts in Biodiversity, Environmental Services, Social and Cultural Rights and supported by GIS experts, collected data facilitated by staff from the plantation and assisted by surrounding desa community. The SEIA was also conducted together with the HCV assessment and done in the same manner.

Identification of HCV was generally done through a series of stages from pre-assessment, field survey to analysis of the final results. The stages of these activities can be seen briefly in the diagram below



Tabel 1. Assessment Process, Methodology and Data Achievement

Assessment Process	Methodology	Data Achievement
Pre Assessment		
Mapping and landscape	<ul style="list-style-type: none"> Field data collection to verify secondary data and information such as protected/conservation areas, road system, river system, boundaries, soil types and classes, topography, and; to conduct a comprehensive overview of the area. 	<ul style="list-style-type: none"> Mapping all data and information into a map and conducting analysis.

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Field Survey		
Field Survey Fauna (wildlife)	<ul style="list-style-type: none"> • Qualitative field assessment (rapid assessment). • Direct field observation; interview and discussion with stakeholders, such as local community, staffs of the company, and other related parties. 	<ul style="list-style-type: none"> • Qualitative condition of the habitat; • Endangered, critical, and protected wildlife species within the list of IUCN and the prevailing regulations and its distribution. • Qualitative condition of wildlife species' population (number and status of reproduction). • Location of wildlife species encountered. • Species hunted by the community. • Benefits and disturbances of wildlife species. • Level of threat and survival opportunity of wildlife species.
Flora	<ul style="list-style-type: none"> • Interviews and direct field observations. • Initial mapping of ecosystem distribution. • Observation on forest structure, species density and dominance of each type of ecosystem. 	<ul style="list-style-type: none"> • Data of flora with particular status. • Species protected by the Indonesian government or assumed to be endangered in the IUCN list. • Threat and opportunity to maintain the area
Social, Economic, and Cultural Aspect	<ul style="list-style-type: none"> • Opening and closing meeting • Interviews and field visits using FGD (Focus Group Discussion), and list of structured questions. Collection of data on the villages' demography, customs, culture, and community's relationship with forests 	<ul style="list-style-type: none"> • Traditionally protected areas. • Level of dependency toward the area, • Environmental services related to the assessed area.
Hydrology / Environmental Services	<ul style="list-style-type: none"> • Field data collection to verify secondary data and information such as, river system, Rainfall , topography, 	<ul style="list-style-type: none"> • Defined Important area to control erosion and sedimentation • Defined Riparian reserves

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	water sources and; to find interaction between water management in plantation with landscape context <ul style="list-style-type: none">• Field data collection and secondary data analysis to find important area for hydrology and environmental services	<ul style="list-style-type: none">• Defined Water sources• Defined Water catchment area.
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SEIA Assessment Methodology

SEIA assessment was conducted by Aksenta in Desa Rantau Humpang and Bunga Jadi during the same time as the HCV assessment.

SEIA activities were carried out over a period of 8 days from 17th to 24th June 2012 by the team consisting of Erizal, Gelar S. Budhi, Mimin Aminah, Miranty Magetsari, Muayat Ali Muhshi, and Nandang Mulyana. Assessments were conducted by field observations, interviews, FGD (Focus Group Discussion) and document reviews.

Stages of the SIA assessment included:

- Social rapid Assessment
- Document reviews
- Participatory mapping

Data collection method included:

- Primary and secondary data reviews
- Dialogues
- Field Observations
- Indepth Interviews
- Triangulation

The methods used to analyze the social impacts and risks were qualitative using the tools of sustainable livelihood, RSPO Principles and Criteria, FPIC principles, national laws and regulations, and other applicable standards.

The public consultation was conducted on 22th June 2012 to obtain feedback from the findings of HCV and SEIA from various interested parties. Inputs from the public consultation are documented as evidence in the Final HCV and SEIA reports.

The Public Consultation was attended by Aksenta, PT TJA employee, leaders of cooperatives (KKPA), community leaders, traditional leaders, village chiefs, district representatives, government agencies such as Agriculture and Forestry Department, Department of Environment and other stakeholders.

4. Summary of Findings

a. Summary of SEIA Findings

From the results of the study it was found that the presence of PT TJA had created a positive impact on the livelihoods of the surrounding villagers who also viewed the activities of the company favorably.

Some of the positive impacts were:

- Palm oil development has utilized land that had been abandoned.
- Palm oil development also increases various job opportunities for local people including women and elderly people.
- Palm oil development and the KKPA scheme has enabled the villagers to gain employment, have a steady source of income and subsequently will enhance the economic potential of the villagers.
- Palm oil development has created a positive social impact whereby relationship among the villagers is now more harmonious than previously.
- With opening of estate roads, children from the desas have better access for schooling and people in general have better access to economic opportunities, education and health care.

Strategic issues highlighted in the study include :

- There is concern of environmental pollution of rivers and reduction in traditional fishing area.
- CSR activities need to be increase and improve.
- The lack of facilities such as workers housing, schools, clinics and electricity supply which is limited.
- Although most of employees are permanent (SKU) and contracted (PKWT) workers (SKU) there is still some workers engaged on temporary system (BHL).
- Some areas in the “Proposed Kadastral Area” overlap with “Izin” for Mining Companies and this has to be resolved amicably.
- Village boundaries have not been verified by the authorities.

b. Summary of Assessment Findings for HCV Assessment

From the HCV assessment, it was found that the area consisted of 259.45 ha of HCV 1 or 5.41%, 118.6 ha of HCV 3 or 2.4%, 406.14 ha of HCV 4 or 8.48% of the “Proposed Kadastral Area”. It was also found that some of the HCV areas are overlapping with other HCV areas. HCV 2 ,HCV 5 and HCV 6 were not found in the area.

In total the HCV area identified was 440.60 ha and this accounted for 9.20% of the “Proposed Kadastral Area”.

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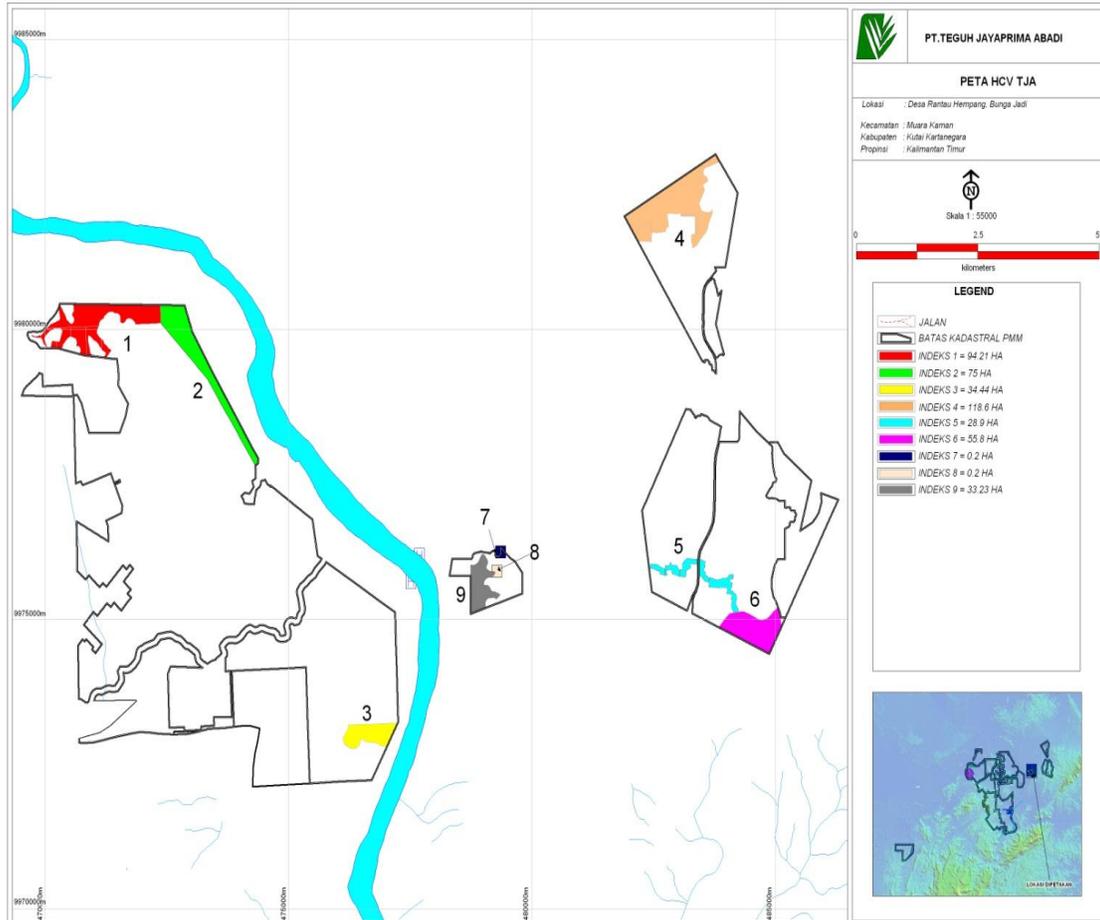
Table 2. Summary of HCV findings at PT TJA (Please refer to Index in Map 2)

No.	Map Index	Areas	Ha	Description	HCV	Map
1	Index 1	RHE Blok A39-43	94.21	<ul style="list-style-type: none"> - Freshwater swamp forests - Vegetation is predominantly freshwater marsh plant - Turtle refuge - Eagle nesting area - Mahakam River riparian area ,This acts as flood mitigation and sedimentation control area and also as a natural fire break - Breeding habitat for aquatic species 	HCV1.2, HCV 1.3, HCV 4.1, HCV 4.2 and HCV 4.3	Map 2
2	Index 2	RHE Blok B43-45, C 48-49,D 50-51	75.00	<ul style="list-style-type: none"> - Freshwater swamp - Aquatic bird habitat - Dominant Vegetation: The swamp marsh - aquatic habitat for: cork fish, catfish, freshwater snakes, Sepat and turtles - Mahakam River riparian area ,This acts as flood mitigation and sedimentation control area and also as a natural fire break 	HCV1.3, HCV 3 and HCV4.1, 4.2, 4.3	Map 2
3	Index 3	RHE Blok I55-58	34.44	-Fresh water swamp area linking secondary forest islands. This acts as an habitat for aquatic animals and water birds. There are also young saplings of Ironwood and other types of Dipterocarps	HCV 1.4	Map 2
4	Index 4	MKE Blok I 50-55	118.60	<ul style="list-style-type: none"> - Peat swamp forest of depth > 4 Meters, Dominant vegetation is Lenggadai tree species (local name, for the species of swamp forest) - 	HCV 3, HCV 4.1 and HCV 4.3	Map 2

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5	Index 5	MKE Blok O 50-55	28.90	- Paseban River Riparian area with diverse flora with increase diversity upstream , is also a source of water for MKE staff and employees	HCV 4.1 and HCV 4.2	Map 2
6	Index 6	MKE Blok P 54-58	55.80	- Paseban River catchment area. This is an habitat for monkeys, anteaters and many species of birds - A secondary forest that has been logged over by HPH companies and local communities	HCV 1.3 and HCV 4.1	Map 2
7	Index 7	MKE Blok N 39	0.20	Natural water seepage with the low water discharge of 0.0167 liters/sec. Formerly used as a source of clean water by employees This natural seepage has never dried out.	HCV 4.1	Map 2
8	Index 8	MKE Blok O 39	0.20	Natural water seepage with the low water discharge of 0.0167 liters / sec. Formerly used as a source of clean water by employees This natural seepage has never dried out.	HCV 4.1	Map 2
9	Index 9	MKE Blok N/O 38, 39	33.23	- Open swamp area with grass land cover - This acts as flood mitigation and sedimentation control area and also as natural fire break	HCV 4.1, 4.2, 4.3	Map 2
		Total	440.6			

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5. Internal Responsibility

Formal Sign-off by Assessors and Company

This document is the Summary of SEIA (Social & Environmental Impact Assessment) and HCV (High Conservation Value) Assessment of PT Teguh Jayaprima Abadi.



Pupung F Nurwatha
Team Leader HCV



Gelar Satya Budhi
Team Coordinator SEIA

Statement of Acceptance of Responsibility for Assessments

The Assessment Result of the Social & Environment Impact Assessment (SEIA) and High Conservation Value (HCV) Assessment of PT Teguh Jayaprima Abadi by Aksenta will be applied as part of the guidelines in developing and managing PT Teguh Jayaprima Abadi.



K. Chandra Sekaran
President Director