RSPO

RSPO NEW PLANTING PROCEDURES

Summary Report of Planning And Management

1. Executive Summary

The area of PT Mitra Karya Sentosa (PT MKS) is located in Kampar Sebomban Village, Simpang Dua Subdistrict, Ketapang District, Province of West Kalimantan. The company was established in 2003 in line with the issuance of the area license in the name of PT MKS for oil palm plantation development purpose and its processing plant which issued by the Head of Ketapang District Decree No. 54 dated 19 February 2009, covering areas of 20,000 ha. PT MKS then received Minister of Forestry's Decree No. 203/Menhut-II/2011 concerning releasing of the Convertible Production Forest Areas of 14,125.02 ha located in Semandang-Kualan Rivers Forest Areas, Simpang Dua Subdistrict, Ketapang District, Province of West Kalimantan. Final permit for PT MKS area was issued by National Land Agency through Decree of BPN No.94/HGU/BPN-RI/2013 for area 12,548.53 ha.

PT MKS has legal environmental permit for it Environment Impact Assessment (EIA) from local government through Decree of Governor West Kalimatan No. 635/BLHD/2011 regarding Environmental Feasibility for Plantation (area 14,125.02 Ha) and Palm Oil Mill (Capacity 60 ton FFB/hour) for PT MKS at Simpang Dua SubDistrict, Ketapang District, West Kalimantan.

To identify the existing condition of PT MKS particularly related to the community's socio-economic, inter-relationship among stakeholders, land ownership and land status, land compensation and acquisition, impacts that may occur on the surrounding communities, and community's perceptions towards the company, a Social Environmental Impact Assessment (SEIA) was carried out. PT MKS appointed Faculty of Forestry, Bogor Agricultural University (Fahutan IPB) to conduct SEIA study. There are 6 strategic issues identified including communities' perceptions, tenure, labor, socio-economic, educational and public health and environmental issues.

As required by RSPO, PT MKS engaged RSPO approved HCV assessment Faculty of Forestry, Bogor Agricultural University (Fahutan IPB) to carry out High Conservation Value of the proposed oil palm development area. The objectives of HCV identification are to identify the presence of the HCV area in PT MKS and to prepare HCV management and monitoring plan for PT MKS. There are 7 HCV identified in PT MKS area which are: HCV 1.1, HCV 1.2, HCV 3, HCV 4.1, HCV 4.2, HCV 4.3 and HCV 6.

2. Reference Documents

SEIA and HCV assessment reports.

- Environment Impact Assessment (AMDAL) for Oil Palm Plantation and Palm Oil Mill for PT MKS at Simpang Dua Sub District, Ketapang District, by PT Tiara Pilar Kreasi, Pontianak 2011
- Social Environmental Impact Assessment in The Area of PT. Mitra Karya Sentosa, Ketapang District – West Kalimantan Province by Faculty of Forestry, Bogor Agricultural University, 2012
- Identification and Analysis of HCVs Presence In The Area of PT. Mitra Karya Sentosa Ketapang District – West Kalimantan Province by Faculty of Forestry, Bogor Agricultural University, 2012

List of Legal documents and regulatory permits related to the areas assessed.

Table 1 List of Legal documents, regulatory permits and property deeds related to the areas assessest

No	Legal Documents	Issued by	Number and Date
1	Company establishment	Notary: Petrus Yani Sukardi, SH	Act No. 22 30 January 2003
2	Endorsement of company establishment	Minister of Justice and Human Rights	Decree of Minister of Justice and Human Rights No. C-08018 HT.01.01.TH.2003 11 April 2003
3	Plantation Permit	District Head of Ketapang	Decree of District Head of Ketapang No. 551.31/0632/DISBUN-C 1 April 2005
4	Location Permit	District Head of Ketapang	Decree of District Head of Ketapang No. 112 year 2005 27 April 2005
5	Extension of Location Permit	District Head of Ketapang	Decree of District Head of Ketapang No. 36 year 2008 25 January 2008
6	Location Permit	District Head of Ketapang	Decree of District Head of Ketapang No. 54 year 2009 19 February 2009
7	Releasing of the Convertible Production Forest Areas	Ministry of Forestry	Minister of Forestry Decree No. 203/Menhut-II/2011 11 April 2011
8	Environmental Feasibility Approval for Plantation Activities (AMDAL)	Governor of West Kalimantan	Decree of Governor West Kalimatan No. 635/BLHD/2011
9	Land Use Right (HGU)	National Land Agency (BPN)	Decree of BPN No.94/HGU/BPN-RI/2013 10 September 2013

Location maps – both at landscape level and property level.

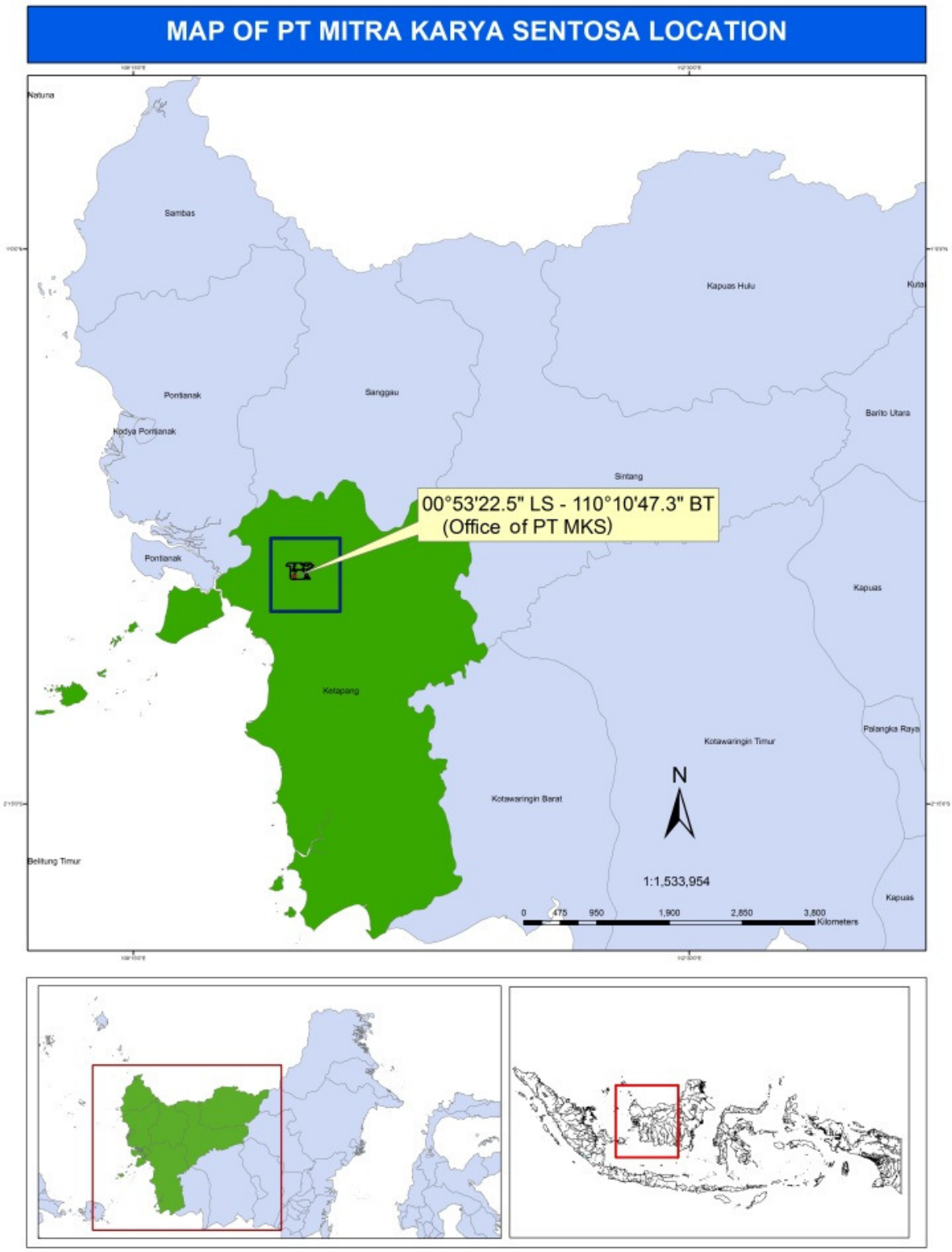

Figure 1 Location maps – both at landscape level and property level

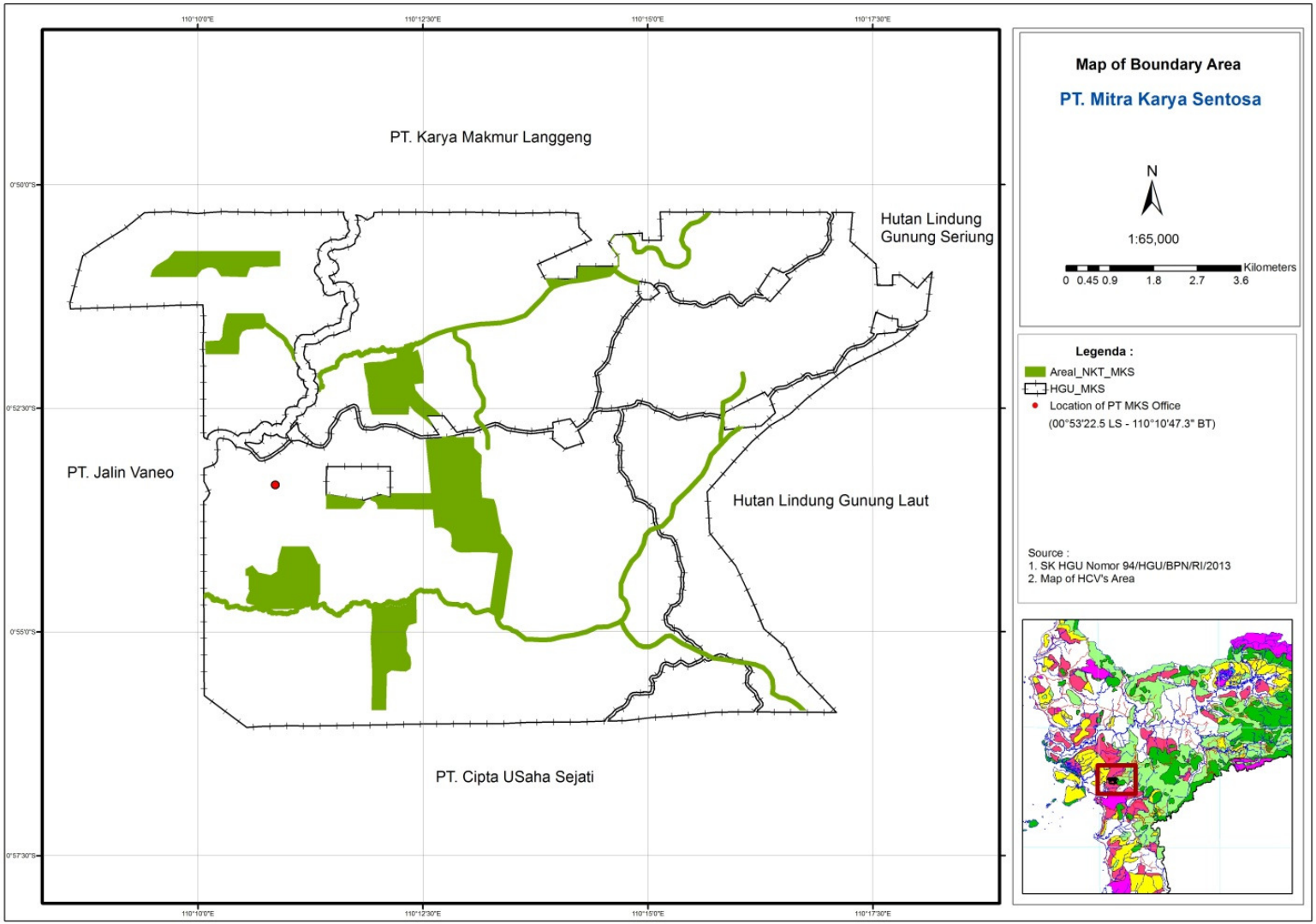

Figure 2 PT MKS surrounding and HCV area

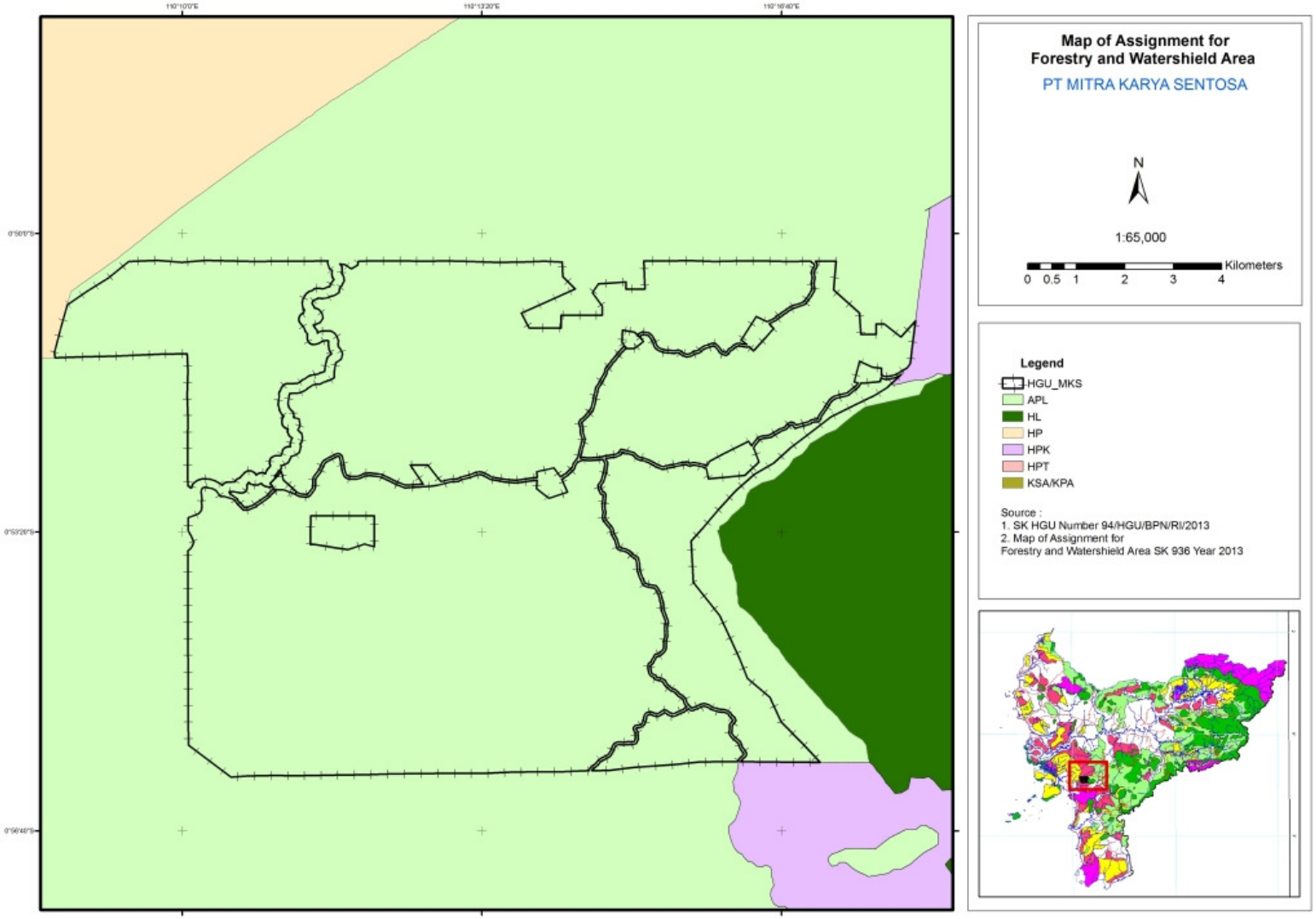

Figure 3 Land suitability PT MKS

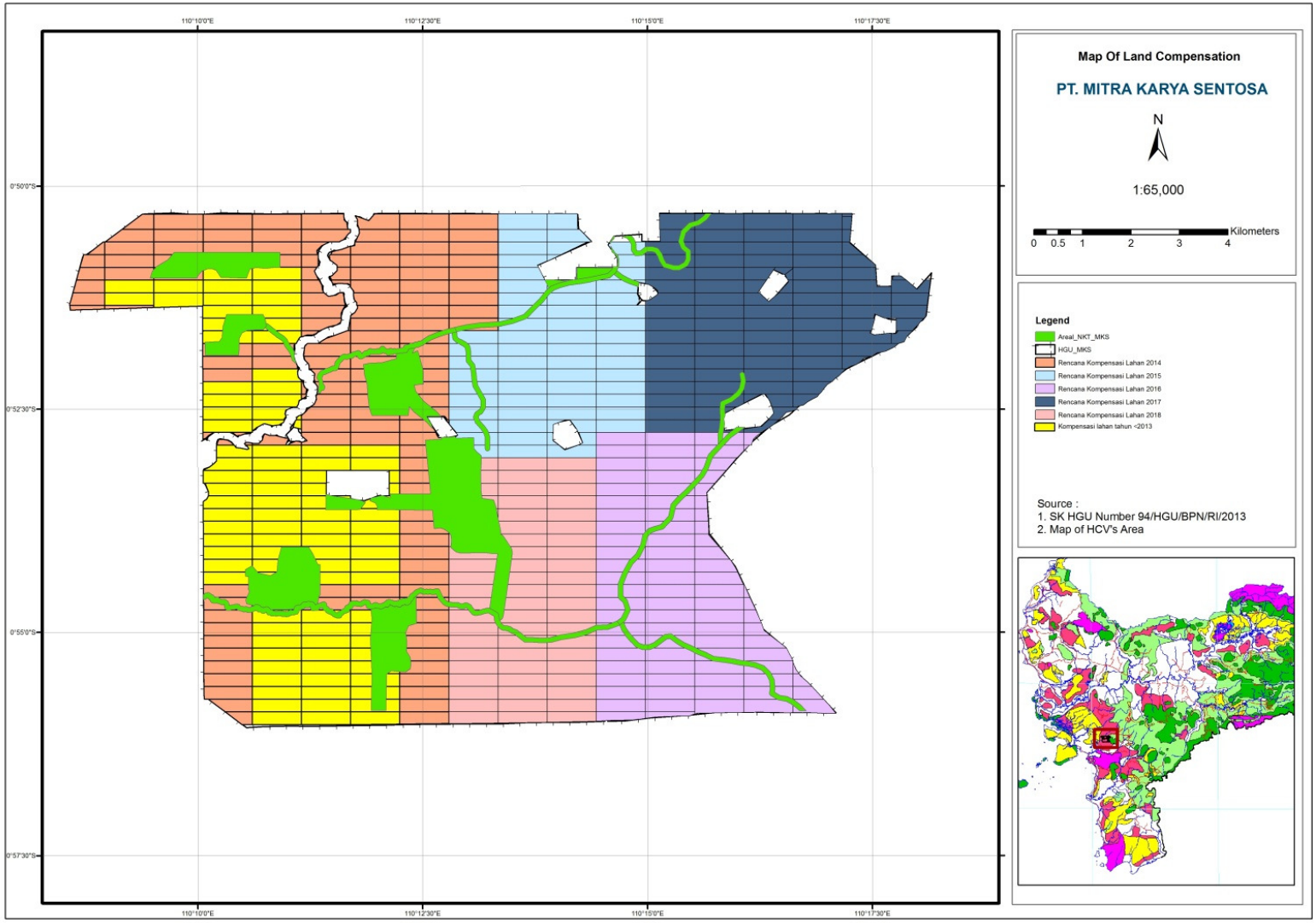

Figure 4 Area for new compensation program

PT MKS proposed New Planting Area as its land use permit: 12,548.53 ha. New planting area planted > 2010 is 1,409.61 ha and no high conservation area being planted.

Table 2 Time plan for new planting

No	Activity	unit	> 2010	2014	2015	2016	2017	2018	TOTAL
1	Planted Area	(Ha)	1,409.61						
2	FPIC program	(Ha)		1,937.09	1,923.57	2,014.87	2,034.53	1,896.39	9,806.45
3	Land Compensation Program	(Ha)		1,876.77	1,903.44	2,204.33	1,987.48	1,834.43	9,806.45
4	Land Clearing Program								
	Nucleus	(Ha)		1,518.05	1,481.65	1,576.11	1,787.41	1,481.94	7,845.16
	Smallholders	(Ha)		379.51	370.41	394.03	446.85	370.49	1,961.29
	Total	(Ha)		1,897.56	1,852.06	1,970.14	2,234.26	1,852.43	9,806.45
5	Nursery	pcs		379,512	370,412	394,028	446,852	370,486	1,961,290
6	Plantable Area								
	Nucleus	(Ha)		1,518.05	1,481.65	1,576.11	1,787.41	1,481.94	7,845.16
	Smallholders	(Ha)		379.51	370.41	394.03	446.85	370.49	1,961.29
	Total	(Ha)		1,897.56	1,852.06	1,970.14	2,234.26	1,852.43	9,806.45

During kadastral process, some area were being excluded from PT MKS location permit i.e. enclave for settlement village area, small river riparian, Semandang riparian, Mount Laut forest area, Mount Seruing forest area, and peat. Since the HCV identification area were using PT MKS's 2011 Releasing of the Convertible Production Forest Areas, the latest 2013 land use permit (HGU) has legally reduced HCV identified area. In 2012 total area for HCV is 2,627.99 ha of 14,125.02 ha; then in 2013 it reduced to 1.332,47 ha from 12,548.53 ha. After reducing planted and HCV area, total PT MKS plantable area is predicted 9,806.45 ha and will be develop in 5 years started from 2014 to 2018 (see table 3). To fulfill RSPO standard for Free Prior Informed Consent (FPIC) mechanism, PT MKS creating FPIC program to whole plantable area. It will start from the nearest sub village (dusun) Lembawang then moving to Tunas Kampar, Merangin, Mentawa Biring, Pantan then village Kampar Sebomban. Each FPIC program will be followed by Land Compensation program for each individual who have land rights. Compensation program should be done as PT MKS Standard Operational Procedure. All compensated area will be land cleared and planted at the same year for both smallholder and nucleus area. Nursery will be built in PT MKS area from 2014.

3. SEIA and HCV Management & Planning Personnel

Organizational information and contact persons.

Table 3 Organizational information and contact persons

Name of company	PT. Mitra Karya Sentosa subsidiary of First Resources Ltd
RSPO membership number	1-0047-08-000-00 belong to First Resources Ltd
Location	Kampar Sebomban Village, Simpang Dua SubDistrict, Ketapang District, West Kalimantan- Indonesia
Administrative Address Corporate First Resources Office	APL Tower –Central Park, 28th Floor Podomoro City, Jl. Letjen. S.Parman Kav.28, Grogol-Petamburan, Jakarta, Indonesia
Regional Office	Komplek Perdana Square Blok J 8 – 12, Jalan Perdana, Pontianak, West Kalimantan, Indonesia.

Contact Person	Corporate Sustainability Head – Bambang Dwi Laksono Email Address: bambang.dwilaksono@first-resources.com
Geo Coordinate	00°49'36" – 00°56'06" S 110°06'54" – 111°22'50" E
Tax Registration Number	02.080.783.4-701.001
Surrounding Area	
	• North Palm Oil Plantation
	• South Palm Oil Plantation
	• West Palm Oil Plantation
	• East Forest and Community Land

Personnel involved in planning and implementation.

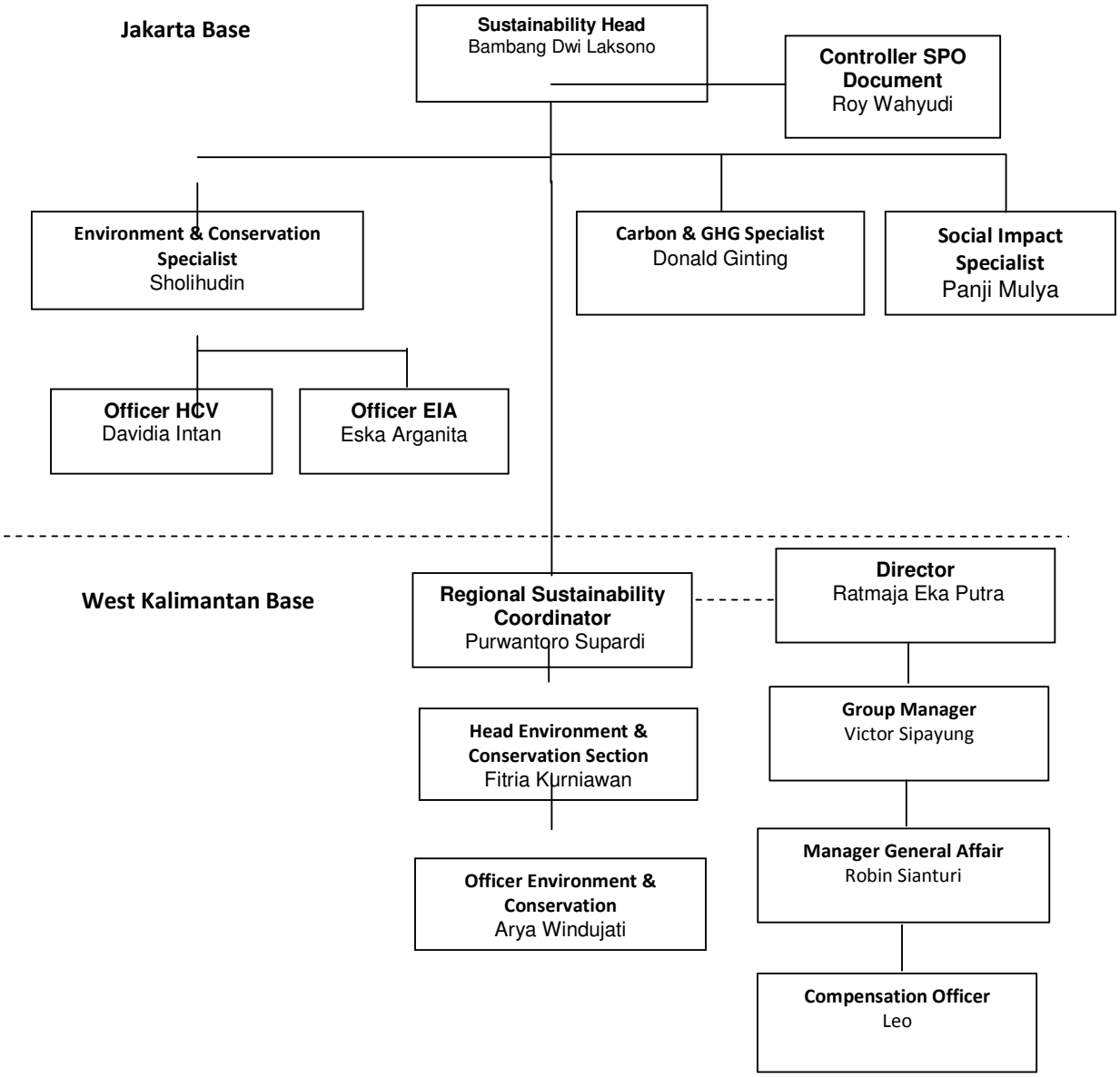

Figure 5 Personnel involved in planning and implementation

Stakeholders to be involved.

Table 4 Stakeholders to be involved

Stakeholder	Interest
I. Direct involvement	
Company	• Ensure PT MKS activities • Legitimate from local people and government • Ensure operational area and business
Local Government (Sub Village and Village)	• Jobs for local people • Benefit to increase village deposit • Infrastructure facilities improvement especially land transport
Community	• Living source (social economic and primary needs) • Social support • Smallholder program • Ensure existence of cultural and customary location • compensation as agreement
II. Indirect Involvement	
Head of Ketapang District Officer of Simpang Dua Sub District	• Management of Administration area • Succeed in political and leadership support
Plantation Department of Ketapang District Dinas	• Management of plantation area • Contribution in local development program
III. Secondary	
National Government and Province Government	• Investment • Plantation management as national and local regulation
Environmental Bureau of West Kalimantan Province and Ketapang District	• Environmental Impact Assessment and progress report • Sustainable environmental management
Customary Institution	• Conserve sacred location and other important location needed by local people • Art and culture • Movement setter who have strong influence in society • Effective inter communication between of PT MKS and village people

During New Planting Procedure public notification, PT MKS will communicate with local and international non-government organization i.e. IAR Ketapang and Yayasan Gunung Palung to participate in the process.

4a. Summary of Management and Mitigation Plans (SEIA)

Mitigation plans to minimise negative for socio- economic impacts.
Management plans to enhance socio-economic contributions.
Mitigation plans for negative environmental effects.
Management plans to promote positive environmental effects.

Table 5 PT MKS social management and monitoring program

Program	Management	Output	Purpose	Monitoring	Time
Tenurial	Socialization to surrounding community regarding PT MKS's vision.	Socialization program to surrounding community	To implement efficient and effective PT MKS socialization program	• Periodic evaluation involving all related tenurial/ compensation program.	Along compensation process
	Identification and mapping of land ownership, customary land, land inheritance and collective land inside PT MKS land use permit.	• Land use ownership in PT MKS land use permit • Compensation for customary right , inherit or collective right	• To identify position and wide of people's land in PT MKS permit area.	• Observation and interview with surrounding community • Measuring and mapping area together with verification team • Socialization the result of measurement to surrounding community (announce at village office)	Each preparation for land compensation (2012-2013)
	Arrange clear and firm SOP regarding land compensation mechanism	• SOP for land compensation claim.	• To guide compensation officer team to compensate identified land	• evaluative descriptive analysis method	2012 and update if needed.
Build communication and connection to related stakeholders	Periodical meeting with stakeholder and coordinate with village elder, influenced person, customary leader and village head.	• Good communication and coordination with stakeholders • Same vision between stakeholders and PT MKS	• To build good relation with all stakeholders	• FGD, field observation	Every 6 month
	Socialization to land owner	• Collective agreement between community and PT MKS	• To stop repeated land claim by other land use right	• FGD, interview, field observation	Along land compensation (2012-2013)
Improve community education level	Creating appropriate education program as needed by surrounding community	• Education development program document	• To ease PT MKS to implement CSR program	• FGD, interview, field observation • evaluative descriptive analysis method	Each year since 2017
	Giving scholarship and build education infrastructure inside estate area	• increasing of community education level • new education infrastructure inside estate area	• To increase PT MKS community education level	• FGD, interview, field observation • evaluative descriptive analysis method	• yearly basis • 2017 for education infrastructure development

Program	Management	Output	Purpose	Monitoring	Time
Increase community health quality	Identify community's health necessity	• decreasing of disease /infection case • Increase live expectation level	To increase community health service level	interview, field observation	Once a year start in 2015
	Socialization for health program, periodical free health check & medicine	• Increase community's awareness regarding dangerous disease • Increase community's health quality	To increase community's health quality	• interview, field observation as health transportation facilitator	Once a year 2014
	Clean water infrastructure support	clean water availability and accessibility	To increase community's health quality	• interview, field observation	Once a year start in 2013-2017
	Development of health infrastructure (policlinic) inside PT MKS	• Policlinic	as health facility for worker and community	• evaluative descriptive analysis method • field observation	2016 -2017
Empowerment of community economic	Economic potential analysis surround PT MKS	Document of economic potential analysis surround PT MKS	To ease PT MKS to implement CSR program	• FGD, interview, field observation • evaluative descriptive analysis method	Once a year start in 2012
	Increase community's agricultural activity	• Create optimal income for nearby community	To create alternative income source for nearby farmer	• FGD, interview, field observation • evaluative descriptive analysis method	Once a year from 2012 -2022
	Socialization and communication and training to create alternative business opportunity and living source as community's potency	• New opportunity for alternative business opportunity and living source as community's potency	to increase entrepreneurship among community	• FGD, interview, field observation • evaluative descriptive analysis method	Each year since 2012-2017
	Acceptance for local labor	• Acceptance for local labor • increasing of working ethos of local labor	to increase community's earnings	• interview, field observation • evaluative descriptive analysis method	Every 6 month accepting labor
	Development of smallholder estate	• same perception and agreement between company and community (represent by cooperative) regarding smallholder program • Document of location, area, and status of smallholder program	• to develop smallholder estate without overlapping between smallholder	• interview, field observation • evaluative descriptive analysis method	Along land compensation process (2012-2014)

Program	Management	Output	Purpose	Monitoring	Time
Environment Management Program	Mitigate potential river water quality	• Effluent fulfill environment water standard • Environment management and monitoring report	• To monitor the changes of river water quality at Semandang and empawang river • to hinder river water surface pollution	• Field observation (water sample)	Every 6 month

4b. Summary of Management and Mitigation Plans (HCV)

Plan for HCV monitoring and regular review of data.
Management and mitigation plans for threats to HCV areas.
Management plans to enhance or maintain conservation values of identified HCV areas.

Table 5 PT MKS HCV management and monitoring program

HCV	Location	Indicator	Management	Monitoring	
				Method	Period
ALL	-	HCV Assessment Peer Review Document	HCV Assessment Peer Review	Compare to HCV Assessment for RSPO Certification: Reporting Requirements 2012	July 2014
HCV 1.1 Areas that Contain or Provide Biodiversity Support Function to Protection or Conservation Areas	Buffer HL Mount Seriung Buffer HL Mount Laut	1. intensity of disturbance against sites with HCV 1.1, including the danger of fire 2. The development of land cover conditions in the area that have HCV 1.1. 3. Conditions of biodiversity (flora and fauna) priority species, especially in the area of HCV 1.1 4. Realization of monitoring and security to the areas that have HCV 1.1.	NA (HCV is excluded from HGU area)	Descriptive analysis on each monitoring period.	For intensity disturbances do every 6 months, while other indicators of monitoring conducted once a year and will start in 2013
HCV12. Critically Endangered Species	• Buffer HL Mount Seriung • Buffer HL Mount Laut • Peat swamp forest >3m • Semandang Riparian	1. The number and composition of wildlife species (mammals, reptiles and aves) and flora at each location who have HCV 1.2 2. Distribution and abundance of species at each location who have HCV 1.2; 3. The level of disturbance to the species in each location has HCV 1.2 4. Condition of endangered flora species density	For Buffer HL Mount Seriung, Buffer HL Mount Laut, Semandang Riparian is NA (HCV is excluded from HGU area) 1. Knowing the development of both the number and composition of species of wildlife and flora at each location who have HCV 1.2 periodically. 2. Knowing the development of distribution and abundance of species at each location who have HCV 1.2 periodically 3. Knowing the level of interference or pressure on the species found in each location that has HCV1.2 through periodic monitoring; 4. Knowing the density of endangered species of flora.	Descriptive analysis on each monitoring period.	For intensity disturbances do every 6 months, while other indicators of monitoring conducted once a year and will start in 2013

HCV	Location	Indicator	Management	Monitoring	
				Method	Period
HCV 3. Rare or Endangered Ecosystems	- Peat >3m	1. intensity of disturbance against sites with HCV 3, including the danger of fire 2. Actual implementation of closure activities and percent of land rehabilitation, as well as monitoring and safety measure HCV 3 areas.	1. Control the intensity of disturbance and danger of fire in the area HCVArea 2. Control the realization of activities and percent land cover rehabilitation as well as monitoring and safety measure areas HCV 3 3. Control the low height of water level changes in peat	Measurement method: Direct observation in the area of managed Data Analysis: Descriptive analysis on each monitoring period.	For intensity disturbances do every 6 months, while other indicators of monitoring conducted once a year and will start in 2013
HCV4.1. Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream communities	• Sempadan Riparian • Empawang Riparian • .Pelapis Riparian • Dadap Riparian • Tanduh Riparian • Temiang Riparian • Paku Riparian • Tentunyuk Riparian • Sorie Riparian • Peat >3 meter	1. The intensity of disturbance to areas that have HCV 4.1, including the danger of fire 2. Conditions diversity and density of plant species that are around the area that has HCV4.1. 3. Conditions of species diversity and abundance of wildlife 4. Actual implementation of closure activities and percent of land in rehabilitation activities, as well as monitoring activities and safety measure areas HCV4.1 5. Changes in river width	1. Control the intensity of disturbance to areas that have HCV4.1 as well as changes in water quality at each lokasiyang have HCV4.1 2. Control the condition of the diversity and density of plant species that are around the area that has HCV4.1 3. Control the realization of activities and percent of land cover in rehabilitation activities, as well as monitoring and observation area HCV 4.1 4. Control the river width changes	Measurement method: Direct observation in the area of managed Data Analysis: Descriptive analysis on each monitoring period.	For intensity disturbances do every 6 months, while other indicators of monitoring conducted once a year and will start in 2013

HCV	Location	Indicator	Management	Monitoring	
				Method	Period
HCV 4.2 Areas Important for the Prevention of Erosion and Sedimentation	• Buffer HL Gunung Laut • Buffer HL Gunung Seriung	1. The intensity of disturbance to areas that have HCV 4.2, including the danger of fire 2. Conditions diversity and density of plant species that are in the surrounding area that have HCV 4.2 3. Realization of activities and percent of land cover in the rehabilitation, as well as the monitoring and security of the HCV 4.2	NA (HCV is excluded from HGU area)	• Method of measurement: direct observation in an open area • Methods of data analysis: descriptive analysis of each monitoring period	• For the interference intensity performed 6 months, while monitoring other indicators do one year and will start at CBP in 2013
HCV 4.3 Areas that Function as Natural Barriers to the Spread of Forest or Ground Fire	Buffer HL Gunung Laut Buffer HL Gunung Seriung	1. The intensity of the disturbance area has particularly HCV 4.3, including the danger of fire 2. Conditions diversity and density of plant species that are around the area that have HCV 4.3 3. Realization of activities and percent of land cover in the rehabilitation, as well as the monitoring and security of the HCV 4.3	NA (HCV is excluded from HGU area)	Method of measurement: direct observation in an open area Methods of data analysis: descriptive analysis of each monitoring period	For the interference intensity performed 6 months, while monitoring other indicators do one year and will start at CBP in 2013

HCV	Location	Indicator	Management	Monitoring	
				Method	Period
HCV 6 Areas Critical for Maintaining the Cultural Identity of Local Communities	• Merangin River Shrine • Shrine tengang, King Ali Forest • Shrine tunas Kampar, old village and tembawang mentawabiring • Old sanctuary mentawa biring • Shrine tarojun konkng • Shrine a tama galung • Shrine dadap, old village and tembawang dadap, sanding orang buko • Shrine tarojun, merangin • Shrine ponti, old sanctuary tama sebomban dan • Shrine sekawan	1. Disturbance intensity / level of damage to the shrine 2. The intensity of interaction with people who have HCV 6 area	1. Control the interference intensity / level of damage to the shrine area 2. Control the level of interaction with people who have HCV 6	Method of measurement: direct observation in an open area Methods of data analysis: descriptive analysis of each monitoring period	For the interference intensity performed 6 months, while monitoring other indicators do one year and will start at CBP in 2013

5. Internal responsibility

Formal signing off of management and mitigation plans.

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 Principle and Criterias.

On behalf of PT Mitra Karya Sentosa.

Ratmaja Eka Putra
Director

February 24, 2014