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## Summary Report of Planning & Management of PT Unggul Lestari Kotawaringin Timur District – Central Kalimantan Province

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### 1. Executive Summary

This Executive Summary fulfills the RSPO New Planting Procedures Format “Summary Report of Planning & Management” (RSPO latest revision of 5<sup>th</sup> May 2010).

PT Unggul Lestari (PT UL) is located in the Tumbang Boloji Village, Tumbang Sepayang Village, Sei Hanya Village, and Bukit Indah Village, Antang Kalang Sub District, Kotawaringin Timur District, Central Kalimantan Province. PT UL which has been registered as RSPO member, committed to develop a sustainable palm oil management system.

Besides fulfilling the regulatory requirements of conducting social environmental impact assessment (AMDAL), company also conducted and completed the High Conservation Values Identification (HCV) and Social Impact Assessment (SIA). HCV assessment in PT UL was conducted in June/July 2007 using HCV Toolkit 2003, and more details survey and comprehensive HCV Assessment was conducted by Aksenta in March-April 2009. In addition, land cover and planting assessment was conducted in June/July 2007 using satellite data, field assessment and verification with the FPIC document for land use right compensation. The land use change and green house gases emission (GHG) analysis is updated using RSPO Carbon Assessment Tool for New Oil Palm Planting dated December 2014. The latter is submitted to the RSPO Emission Reduction Working Group separately as per RSPO requirements.

Based on HCV and land cover assessments and land use change analysis there was no primary forest and peat swamp forest in the HGU of PT UL based on 2005 Landsat satellite imagery. Based on the Report of Semi Detail Soil Survey and Palm Oil Suitability Assessment of PT UL it is concluded that no peat soil in PT UL. The summary of results from HCV assessments within the PT UL concession showed four out of six high conservation values (or HCV) areas, namely HCV 1, HCV 4, HCV 5, and HCV 6 are present in PT UL concession. The important element of HCV 1 is the existing Agile Gibbon (*Hylobates agilis*) populations as well as other wildlife species that falls under HCV 1 category, such as Malayan Sun Bears and indications of Orangutan corridors. HCV 4 area relates to erosion, springs, and river banks. HCV 5 is identified based on utilization of land by the community which usually marked by plantations and houses. HCV 6 is identified by places designated as sacred by the community which are found scattered within the concession. The total HCV area identified was  $\pm 1,821$  ha or  $\pm 12.6$  % of the total Land Use

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Title (HGU) in the assessments by Aksenta. Total HCV 1 & 4 is 1,221.06 ha, HCV 4 is 578.06 ha and HCV 5 is 22 ha.

PT UL's presence and operations in general contribute positive social impact to economic condition and regional development such as: land acquisitions for plantation area have been well executed. The direct impacts are local manpower absorption and new business opportunities. The potential negative social impact is related to the company's operations such as, the rivers which are used by the village communities may be polluted by the company's activities. Causes which may have impact on the social relation between the company and the local communities are miscommunication, if not carried out adequately and the consistency in safeguarding and maintaining relation with the communities.

The findings on the DPPL, HCV, Land Use Cover & Land Use Analysis, and SIA have been incorporated in the oil palm development plan of PT UL which includes the HCV and SIA management and monitoring plans of PT UL.

## 2. Reference Documents

The reference documents are as follow:

1. Social Environment Impact Assessment (DPPL) PT Unggul Lestari,
2. Rapid Assessment of HCV PT Unggul Lestari June/July 2007
3. Land cover and planting assessment of PT Unggul Lestari June/July 2007
4. HCV Assessment report for PT Unggul Lestari December 2009 by Aksenta",
5. SIA Assessment report for PT Unggul Lestari December 2009 by Aksenta",
6. The Management & Monitoring Plans of HCV PT Unggul Lestari.
7. The Management & Monitoring Plans of Social PT Unggul Lestari",
8. The development plan of PT Unggul Lestari
9. The land use change and green house gases emission (GHG) analysis using RSPO Carbon Assessment Tool for New Oil Palm Planting dated December 2014 (separate document for submission to RSPO ERWG).

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

The permits that have been obtained by the company are inclusive of Permitted Area (Izin Lokasi), Social Environment Impact Assessment (DPPL), and the Plantation Business Permit

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(Izin Usaha Perkebunan) and Land Use Title. The followings are the list of the licenses and recommendations:

**Table 1.** Types of permits and recommendations PT Unggul Lestari

No	Licenses and recommendations	Issued by	Number and date	Note
1.	Deed of Establishment	Eddy Simin, SH	No : 48 dated on 29 October 2004	
2.	Adjustment Article of Association	Eddy Simin, SH	No : 115 dated on 27 Septemebr 2010	
3.	Taxpayer Notification Number	Tax Serve Office	01.880.411.2.123.000	Registered 26-07-2005
4.	Permitted Area (Izin Lokasi)	Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	No 377.460.42 dated on 28 April 2005	± 14,500 ha
5.	Social Environment Impact Assessment	Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	No. 160 tahun 2010 dated 23 April 2010	
6.	Plantations Business Permitted (IUP)	Regent of Kotawaringin Timur (Bupati Kotawaringin Timur)	525.26/701/IX/EKBANG/200 6 dated on 4 September 2006  Updated: 188.45/297/Huk.Ek.SDA/201 4 dated 25 <sup>th</sup> July 2014	14,445 ha  90 tFFB/hr
7.	Land Use Title (HGU)	Head of National Land Bureau (BPN) Kotawaringin Timur District	No. 42 dated on 3 October 2007	14,445 ha

\*) All legal documents available on humas legality documents

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Location maps – both at landscape level and property level

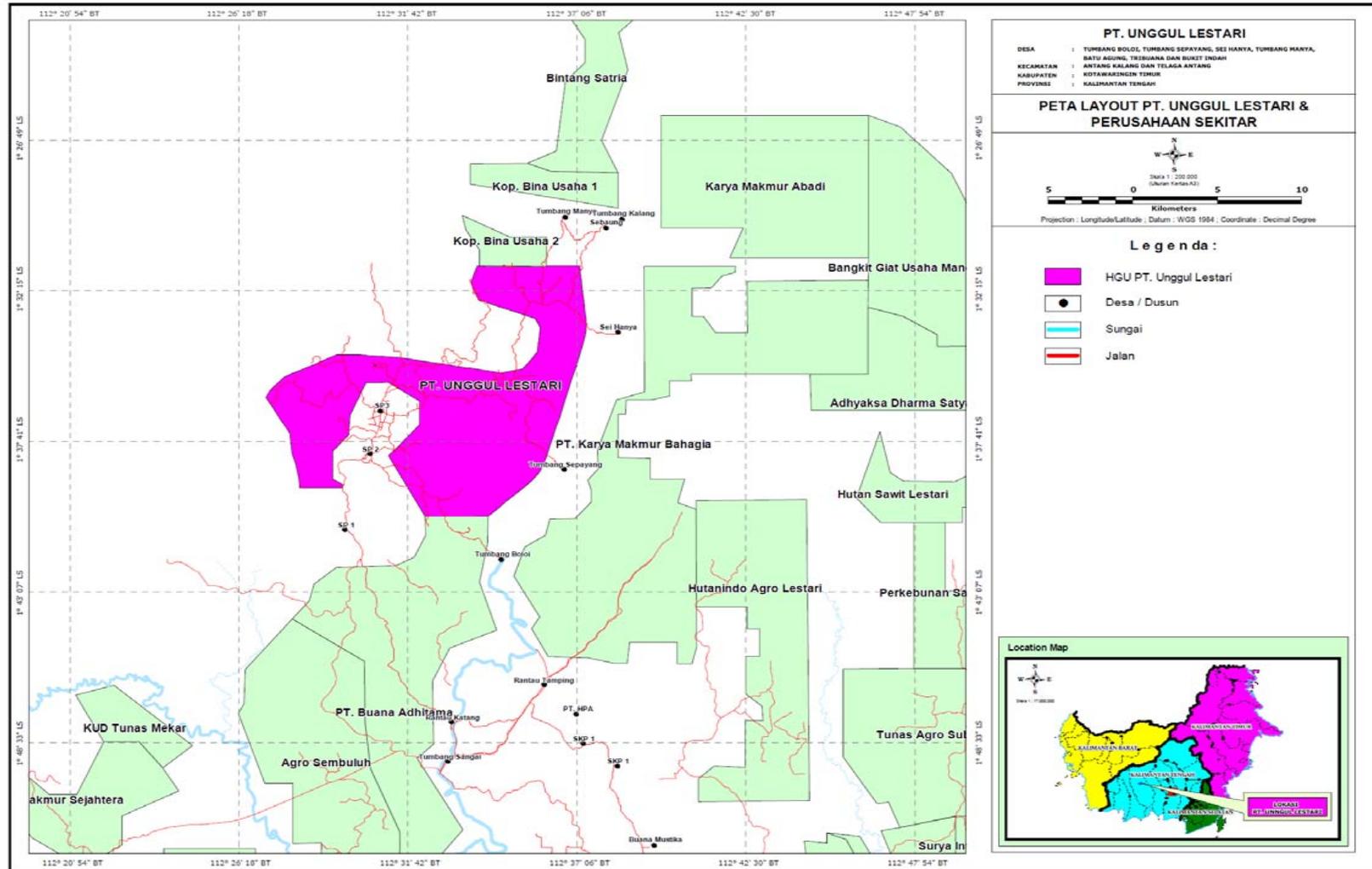


Picture 1 Location of PT Unggul Lestari in Indonesia





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Picture 4 Location of PT Unggul Lestari and its surrounding entities

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## Area and time-plan for new plantings

The total area in the HGU No 42 of PT UL is 14,445 ha. Total planted area in PT UL is 10,932.2 ha and the HCV areas comprised of 1,821 ha and HCV management plan has been developed for these areas and implementation is on-going. PT UL has been certified by RSPO on 04<sup>th</sup> September 2012. The expansion of oil palm areas in PT UL is an on-going development within the location of the Land Use Title (HGU) No 42. These are enclave land of ± 1,108.13 ha which the land owners will be negotiated for land acquisition and compensation to the land owners through Free, Prior and Informed Consent Process. Potential areas for oil palm plantings as corporate social responsibility (CSR) projects in villages in the vicinity outside of the HGU will be included. The enclaves' areas and areas in the vicinity outside the HGU with potential for CSR oil palm development do not contain primary forest and the general land covers are cultivated area and shrub mixed with tree crops.

The process of land development and palm oil planting adheres to the procedures of RSPO New Planting Procedures (NPP) for on-going development for notification. The detail of area statements and time-plan for expansion of oil palm area are presented in report “Development plan of PT Unggul Lestari 2015”, and summarized in Table 2.

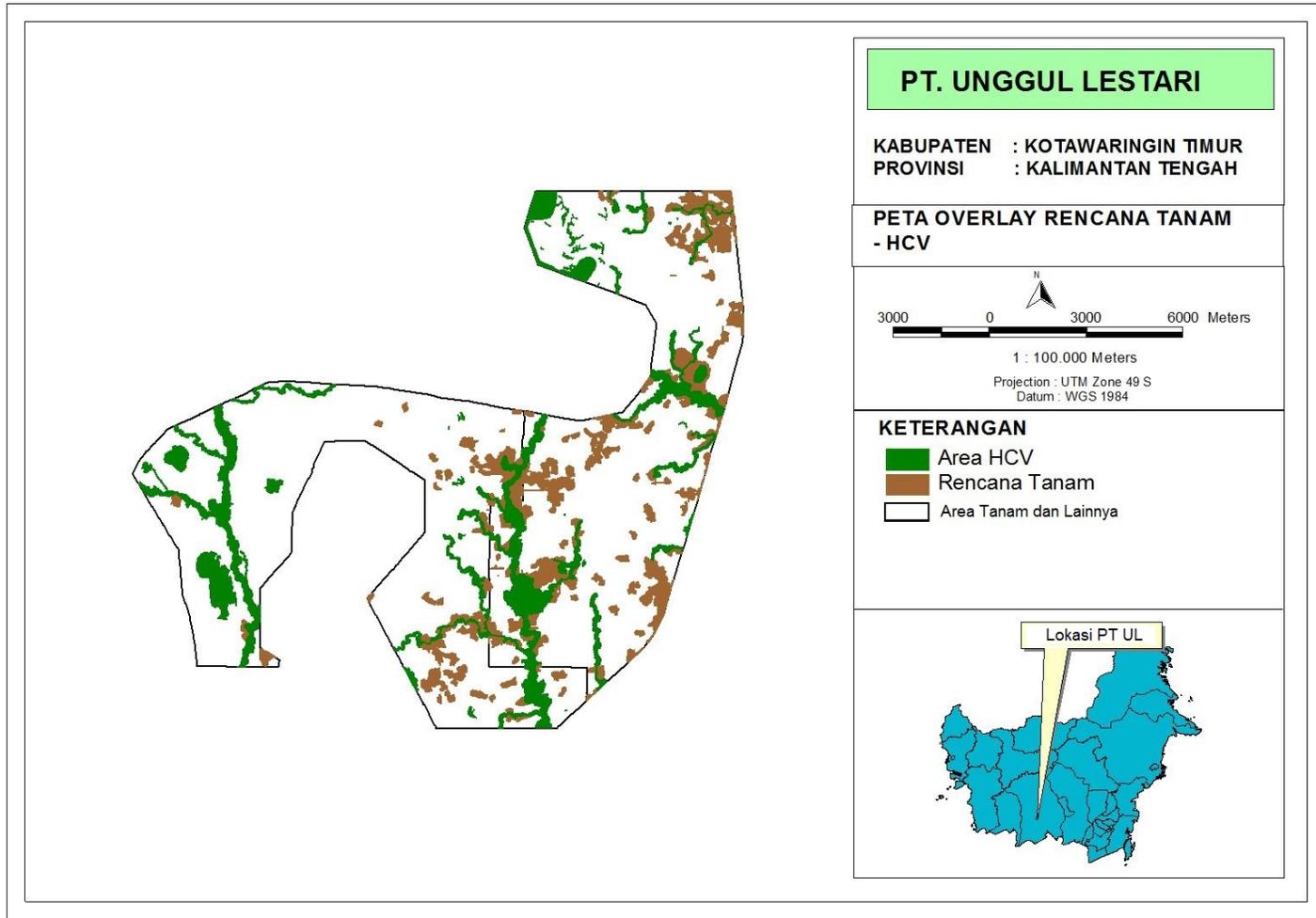
Table 2 Proposed expansion of oil palm area

Total HGU (ha)	Planted area (ha)	Proposed expansion of oil palm area (Ha)								
		2015	2016	2017	2018	2019	2020	2021	2022	Total
14,445	10,932.20	30.77	230.90	142.52	124.86	136.26	115.10	152.85	174.87	1,108.13

The proposed expansion area along with HCV area is presented in picture 5.

As part of the process of free, prior and informed consent (FPIC), procedures to ensure that there is participation in the social and environmental harmony in the operation and development of the oil palm planting project by PT UL, consultation with the relevant stakeholders is to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT UL and the the affected stakeholders to move forward for the benefit and common progress. PT UL has established standard operating procedures for stakeholder consultation, stakeholder's engagement, land acquisition and compensation procedures based on the principle of free, prior and informed consent. The company also has established the complaint and grievance procedures so that the problem solving process is done through discussion and mutual deliberation.

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Picture 5 Location of HCV & HCV-MA and planned planting area within PT Unggul Lestari

### 3. SEIA and HCV Management & Planning Personnel

#### Organizational information and contact persons

Company Name	:	PT Unggul Lestari
Deed of Establishment	:	Eddy Simin, SH; No: 48 dated on 29 October 2004
Adjustment Article of Association	:	Eddy Simin, SH; No: 115 dated on 27 September 2010
Capital Status	:	Foreign Investment ( <i>Penanaman Modal Asing</i> )
Taxpayer Notification Number	:	01.880.411.2.123.000
Company Address	:	Spring Tower 04 - 44, Jl. K.L. YosSudarso, Tanjung Mulia, Medan Deli, Medan, Sumatera Utara
Type of business	:	Oil Palm Plantation & Processing
Status of concession land	:	Permitted Area (Izin Lokasi) No 377.460.42 dated on 28 April 2005 (Size ± 14,500 ha)  Plantation Business Permitted (Izin Usaha Perkebunan/ IUP) No. 525.26/701/IX/EKBANG/2006 dated on 4 September 2006 (Size ± 14,445 ha) updated on 25 <sup>th</sup> July 2014, 188.45/297/Huk-Ek.SDA/2014 Land Use Title (HGU) No. 42 dated on 3 October 2007 (size 14,445 ha).
Contact person	:	Yee Yung Cheong
Geographical Location	:	See Picture 1, Picture 2, Picture 3 and Picture 4
Surrounding Entities	:	PT. UL plantation is located in the vicinity of Tumbang Boloji Village, Tumbang Sepayang, Sei Hanya, and Bukit Indah Village. PT. UL's direct borders are with Bukit Indah Village, Sei Hanya Village, Tumbang Sepayang Village, and Tumbang Boloji Village. PT. UL plantation borders with other entities: PT. Karya Makmur Palm Oil Plantation, PT. Buana Adhitama Palm Oil Plantation, and Cooperation Efforts.

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## **Personnel involved in planning and implementation.**

The process of HCV and SIA development and preparation of management and monitoring plans for PT UL was implemented in phases involving several parties: that is Estate Department, the Public Relation (Humas Department) and Sustainability Department. The implementation of the HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed the relevant knowledge and technical skills. Sustainability Staff, Audit & Certification (A&C) Staff, with the assistance of the Public Relation (Humas) Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible on the implementation of the plans of management and monitoring. In addition, the Senior Estate Manager is accountable in fulfilling of the requirements for the plan and as well as responsible in analyzing the input results from the monitoring plans. The General Manager is accountable and responsible to ensure that the Overall Development Plan including the management of HCV and SIA is implemented according to the time plan and budget. The management team is supported and supervised by the Regional General Manager. The detail of the responsibilities and roles of the HCV and SIA development and preparation of management plans and monitoring are summarized in the “The Management & Monitoring Plans of HCV/SIA PT UL” document. The Head Office Estate Department, Public Relation (Humas) Department, and Sustainability Department will provide the overall support in the implementation of the development plan.

## **Stakeholders to be involved**

The process of the HCV and SIA development and preparation of management plans and monitoring PT UL also involved relevant stakeholders such as governmental offices, The Plantation and Forestry Office, The Office for River Management-BPDAS, local communities, the government of local village and Sub-District, and other company's (private sector) of Forestry and Plantation include peer review HCV Management & Monitoring by expertise.

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT UL and the workers, contractors, suppliers, consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior and informed consent procedures to ensure that there is a balance in the social and environmental harmony in the development of the oil palm planting project between PT UL and the local communities, the relevant government agencies, concerned stakeholders, NGOs, etc. In regularly basis, the process of stakeholder consultation of HCV and SIA management & monitoring plan conducted at each village around the concession of PT Unggul Lestari. The

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latest stakeholder consultation held in Tribuana village was at 15 April 2014, Batu Agung village was at 16 April 2014, Tumbang Manya village was at 21 April 2014, Tumbang Sepayang village was at 22 April 2014, Sungai Hanya village was at 23 April 2014, Tumbang Kalang village was at 24 April 2014 and Tumbang Boloji was at 25 April 2014.

## **4a. Summary of management and Mitigation Plans (SEIA)**

PT UL has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The social development and preparation of management & monitoring plans for PT UL was mainly based on SEIA and the Social Impact Assessment, in principle, referred to the related laws in Indonesia.

Based on the SIA results for PT UL by Aksenta and the Environmental Management & Monitoring Plans (*Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan*) of PT UL document, the management for the Social and Environmental Impacts aimed to be managed consistently with appropriate work performance standards. The scope of the development and preparation of management & monitoring plans included all of the potential impacts by the plantation activities. The development and preparation of management & monitoring plans guidelines include:

### **1. Land Acquisition (and Compensation) Program Through Sustainable Communication & Relationships**

Based on the Social Impact Assessment has been carried out, the general social conditions PT UL were pretty good. Therefore the emphasis the company in land acquisition program is clear and transparent. The scope for this management and monitoring included the process of land acquisition and land compensation which referred to the principles of Free, Prior and Informed Consent (FPIC) such as: socializing and communicating regarding the activities involving the acquisition of land by the local government, verification of the legality of land ownership, land compensation in accordance with SOP and documenting activities.

### **2. Participation Program Improvement Companies in the Health, Education and Environmental Management Around Good Company**

a. Health Sector: Generally, most people are very dependent on the quality of river water, given these conditions, the company designing health programs and

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infrastructure that relies on participation in activities for improved health in the community. Activities in the form of health education and fogging collaboration with the local health agency and participate in the provision of clean water.

- b. Education: The Company recognizes that communities around the company can be said to be prosperous, but because the location is remote to say the very lack of access to education and jobs that require higher education. As a result, the average level of education is relatively low. The scope for this management and monitoring included the participation of the company in increasing the human resource such as; a) encourage local people who are poor financially to enable continuous education until college with scholarship program, b) participate in increasing the level basic education (Peduli Pendidikan) and c) giving opportunity to pursue senior High School of Vocational for (*Praktek Kerja Lapangan*).
- c. Field of Environmental Management: neighborhood improvement activities include: river water quality testing and socialization to maintain the condition of river border. Focus of activity in the form of management and monitoring of water quality, preparation and implementation of Environmental Management & Monitoring Plans (RKL & RPL).

### **3. The Management Plans of PT Unggul Lestari, Participation of Company in Increasing Local Economic**

The scope for this management and monitoring included: a) recruit local people as workers accord with the needed of the company, b). opening opportunity of cooperation for contractor and local supplier accord with standard and quality requirements of the company, c) Participate in the development of local economy and CSR projects such as village oil palm development, d) organize trainings for communities for capacity building and enhancing capabilities, knowledge and skills to promote local economic growth ( sewing, rubber cultivation), e) developing education scholarship program covering wide scope of the communities including elementary to higher education.

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

### **The HCV development and preparation of management & monitoring plans**

The HCV development and preparation of management & monitoring plans was based on the recommendations by independent consultants from Aksenta. This process provides data and information related to the presence of the HCV areas in the Land Use Title (HGU), the key HCV elements, the actual conditions included the potential threats, and the recommendations for the management.

The HCV development and preparation of management & monitoring plans was implemented with the aim to provide guideline for the company in planning and management of its programs or activities in managing the HCV present within the concession area. The purpose was to enable all the available resources to be focused, integrated and effective in order to achieve the HCV management outcome. The purposes of this management and monitoring document were:

- 1) To ensure that the identified and assigned HCV areas are under protection and in a well managed state so that their HCV functions are well preserved,
- 2) To enhance the administration of the management and monitoring in the sense that the process carried out is more systematically according to the legal procedures.

### **Plan for HCV Monitoring and Regular Review of Data**

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievements, effectiveness, efficiencies, impacts, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities run as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should be implemented regularly and it is dependent on the classifications of the activities and the target indicator to evaluate [the detail of such activities is presented in the Activities Plan Matrix (*Matriks Rencana Kegiatan*). The review should be conducted at the end of the management periodical plan, that is in the end of the third years (summative review) and every six months (formative review).

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## **Management and mitigation plans for threats to HCV areas.**

The identified basic activities which are planned to run in order to achieve the basic targets for the enhancement and maintenance of the HCV areas are:

1. Identification, documentation and recondition of baseline HCV elements and that threatents.
2. Socialization to local peoples and people around the HCV area about the existence and importance of protecting HCV areas.
3. Socialization about the existence and importance of protecting HCV areas to employees
4. Dialogue with stakeholders, especially government for increasing protecting HCV elements and areas.
5. Recondition and making the policy and procedure (SOP) which is supporting efectivity HCV management.

## **Management plans to enhance or maintain conservation values of identified HCV areas**

The process of strategy mapping, the practical vision is defined as the basic targets. Those basic targets include eight ideal states which are going to be achieved through the efforts of HCV protection and management. Those ideal states are:

1. Habitat in HCV area is reserved.
2. The existence of the key animals in the area is reserved.
3. Refuge condition of wildlife (refuge) is controlled.
4. The river banks function as the hydrological buffer (the protection for water cycle), ecology (the protection for wildlife species).
5. The erosion state is well minimized.
6. Spring water reserved.
7. Maximum water catchments areas.
8. The existence of the local spiritual sites is well preserved.

In order to make such activities in effective state, it is required that the reinforcement to the human resources competencies be applied so that they have sufficient knowledge and life skills to implement all the determined activities. Moreover, it is essential to provide appropriate infrastructures so that the implementation of the activities is possible to be effective.

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## **Development Plan**

PT Unggul Lestari's development plan has incorporated the findings from Social Environmental Impact Assessment (SEIA – AMDAL), HCV assessment and Social Impact Assessment for implementing the operational plans. The total area located in PT Unggul Lestari is 14,445 ha which of 10,932.2 ha or 75.68 % of the total HGU area has been planted with oil palm. The unplanted areas have been scheduled for planting and the RSPO New Planting Procedures for on-going developments is adopted. This is part of an ongoing planting and this report is meant for notification only. The net area for cultivation of oil palm after analyzing with HCV areas, LULUC analysis, and carbon stock GHG assessment using RSPO Tools June 2014 is 1,108.13 ha. Potential areas for oil palm plantings identified through CSR projects in villages in the vicinity outside of the HGU will be included. In accordance with the operational management schedule of PT Unggul Lestari, land development and plantings schedule in 2015-2022 and thereafter. The process of land development and palm oil planting undertaken activities including land acquisition or compensation to the land owners and as addition activity is socialization of plantation development plan or Free Prior and Informed Consent (FPIC).

As part of the process of free, prior and informed consent (FPIC), procedures to ensure that there is participation in the social and environmental harmony in the development of the oil palm planting project by PT Unggul Lestari, consultation with the relevant stakeholders is to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT Unggul Lestari and the the affected stakeholders to move forward for the benefit and common progress. PT Unggul Lestari has established standard operating procedures for land acquisition and compensation procedures based on the principle of free, prior and informed consent. The company also has established the complaint and grievance procedures so that the problem solving process is done through discussion and mutual deliberation.

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## 5. Internal responsibility

Document of HCV and SIA management and monitoring plan of PT Unggul Lestari has been approved by the management on 2 April 2015.

Proposed by,



**Yee Yung Cheong**

General Manager PT Unggul Lestari

Date: 21 March 2015

Agreed by,

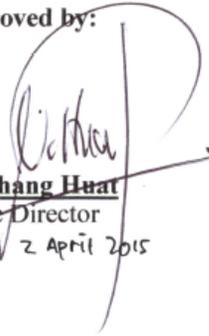


**Tan Ah Kau**

Regional General Manager

Date: 2 April 2015

Approved by:



**Ng Chang Huat**

Estate Director

Date: 2 April 2015