

Summary Report of SEIA and HCV Assessment

PT Agrolestari Mandiri

Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province

1. Executive Summary

PT. Agrolestari Mandiri (PT ALM) is located in the villages of Pangkalan Teluk, Sungai Kelik, Siantau Raya, Nanga Tayap, Simpang Tiga Sembelangan and Tajuk Kayong, Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province. The Site Permit was based on the Decision Letter of the District Head of Ketapang Number 39 of 2009 dated 6 February 2009 for a total area of 19,000 ha, valid for 1 year as of the stipulated date.

The Plantation Business Permit (IUP) is based on the Decision Letter of the District Head of Ketapang Number 231/DISBUN-D/2012 dated 7 May 2012 for a total area of 17,890 ha. The company also operates a crude palm oil processing plant with maximum capacity of 60 Ton FFB/hour located in Nanga Tayap Sub-District Ketapang District West Kalimantan Province.

PT ALM obtained an environmental feasibility permit from Bapedalda of West Kalimantan under the Decision Number: 1064 of 2007 on 27 December 2007. Data on social, economic and cultural conditions in the villages around the plantation / plant of PT ALM was indirectly collected. Literature review was done of material such as the Environmental Impact Assessment (EIA) report, High Conservation Value (HCV) Identification Study and demographic data from sources such as the local government website.

The Management Unit of PT ALM has identified the existence of HCV in its concession area. No primary forest was identified, but there were eight HCVs, namely HCV1 (HCV1.1, HCV1.2 and HCV 1.3), HCV2 (HCV2.3), HCV4 (HCV4.1, HCV4.2, and HCV4.3), and HCV6. The total area containing HCV is 4,183.61 ha.

PT ALM has an HCV Management and Monitoring Plan spanning the years 2011-2013. There are also Environmental Management Plan and Environmental Monitoring Plan (RKL-RPL) documents, issued in September 2007, documents that serve as a translation of the EIA document and elucidate the monitoring timeline and impacts that the plantation and plant have on the environment. There are also management and monitoring plans arising from the social impact assessment (SIA) document prepared in March 2013. These three documents guide PT ALM in managing environmental and social impacts.

2. Scope of SEIA and HCV Assessment

- Company Name : PT Agrolestari Mandiri
- Location : Nanga Tayap, Sungai Kelik, Lembah Hijau I, Lembah Hijau II, Siantau Raya, Tajok Kayong and SP3 Sembelangan Villages, Nanga Tayap Sub District, Ketapang District, West Kalimantan Province
- Geographical location : 110°22'18.767" - 110°36'42.062" E and 1°28'5.470" - 1°38'45.907" S
- Boundaries
 - a. North : Palm Oil Plantation (PT Ladang Sawit Mas)
 - b. East : Palm Oil Plantation (PT Ketapang Agri Pribumi)
 - c. West : Palm Oil Plantation (PT G.I Plantation)

d. South : Palm Oil Plantation (PT Duta Sumber Nabati and PT Agro Palma Lestari)

- Licenses
 1. Site Permit: Decision of District Head of Ketapang Number 39 of 2009 dated 6 February 2009 for a total area of 19,000 ha, valid for 1 year after stipulated date.
 2. Cultivated Plantation Business Permit (IUP): Decision of the District Head of Ketapang Number 231/DISBUN-D/2012 dated 7 May 2012 for a total area of 17,890 ha.
 3. Land Use Permit (HGU): In process.

- Location Map: Figure 1

Figure 1 : Location map of PT ALM in Ketapang District

Note: Maps with higher resolution have been attached in appendix 1.

3. Assessment Process and Procedures

a. SEIA

The EIA document has been prepared by the Environmental Research Centre (PPLH) of Tanjungpura Pontianak University, which is accredited by the government. The EIA document has also been approved by the Governor of Central Kalimantan by the Decision of the Governor No. 1064 of 2007 dated 10 May 2007 regarding Environmental Feasibility of Palm Oil Plantation and Processing Plant Activities (Plant Capacity is 60 Ton FFB/hour) by PT ALM in Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province. Besides the EIA document, the company also has an SIA document prepared in February 2013 by an internal team from PT SMART, led by Mr Yosaphat Ardhillia Renato (RSPO-approved HCV specialist for social impact management).

SIA Team Leader

Yosaphat Ardhillia Renato S. Ant.

Currently working in PT SMART as a Corporate Social Responsibility (CSR) Officer specialising in social and cultural anthropology, he received a bachelor's degree in Anthropology from the Anthropology Study Programme of the University of Gadjah Mada (UGM) in 2010. He is also a member of the HCV Resources Network and an RSPO-approved specialist in participatory rural assessment, socioeconomic or cultural studies, participatory mapping and conflict resolution.

Team Member:

Laurentius Vita Baskara S. Sos.

A CSR staff specialising in social development and welfare, he obtained a bachelor's degree in Social Studies from the Faculty of Social and Political Studies at UGM in 2010. He has performed several social impact assessments for plantations and mills managed by PT SMART. He is also trained in the fields of Free, Prior, Informed Consent (FPIC) and social mapping.

Veranita Mei Pratiwi S. Ant.

A CSR staff specialising in social and cultural anthropology, she obtained a bachelor's degree in Anthropology from the Cultural Anthropology Study Programme of UGM in 2010. She is involved in several SIAs for PT SMART's plantations and mills.

Suma Nugraha, S.E.

A CSR staff specialising in socio-economics and politics, he earned a bachelor's degree in Economics from IPB in 2008. He previously worked as a supervisor in the World Bank Survey Project and Bravo Media Centre where he was assigned as a special staff for Vice President of Republic Indonesia. He has also worked as a supervisor in media relations and monitoring at PT FOX Indonesia Political and Strategic Consulting. He has been involved in social data collection and social impact management and monitoring at several of PT SMART's plantations and mills.

Widodo C Yuwono

Currently the Social Impact Assessment & Grievance Section Head at PT SMART, he previously pioneered CSR activities as the CSR Section Head. He obtained his bachelor degree from Institut Keguruan dan Ilmu Pendidikan

Assessment Method

a. SIA

Data on social, economic, cultural situations in the villages around the plantation / plant of PT ALM was indirectly collected. Literature review was done by using reading material such as the EIA report, HCV Identification Study and demographic data from the local government website.

Primary data was collected through field visits, using several methods mentioned above, while literature study was considered a satisfactory source of secondary data. Other sources of secondary data were the records of the company's CSR programme and a local map. The data was then analysed according to relevant RSPO principles.

b. HCV Assessment

RSPO-approved members of the Forestry Faculty of IPB conducted the HCV assessment for a nine-month period from June 2010 to April 2011. The assessment covered a total area of 23,377.14 ha located in Desa Nanga Tayap, Sungai Kelik, Lembah Hijau I, Lembah Hijau II, Sintau Raya, Tajok Kayong, and SP3 Sembelangan, Nanga Tayap Sub-District, Ketapang District, West Kalimantan Province. A public consultation was held on 25 June 2010, and a peer review of the HCV assessment report was conducted by independent consultant Resit Sozer in October 2010.

Team Leader

Ir. H. Nyoto Santoso, MS

The Leader of HCV Team from IPB's Forestry Faculty, he obtained his master's degree from the Natural Resources and Environment Management Study Programme of IPB in 1992. He is an expert in biodiversity management and conservation. Since 1987 he has specialised in EIA, mangrove ecosystem management, inventory of flora and fauna of mangrove ecosystems, peat land, tropical rainforest and biodiversity management planning for the plantation industry, and management planning for forest conservation.

Team Members

Ir. Siswoyo, MSi

One of the HCV Team members from the Forestry Faculty of IPB, he specialises in flora ecology. He gained his post-graduate degree in Forest Management Science from the Forestry Faculty of IPB in 1999. His wide-ranging experience in HCV studies dates back to 2000. He also lectures on flora physiology at the Forestry Faculty of IPB.

Ahmad Faisal Siregar, S. Hut

Involved in social studies since 1997, his area of expertise is social and cultural. He gained his bachelor's degree in Forestry at IPB in 1998. He continued with post-graduate studies at IPB, specialising in Tropical Biodiversity Conservation. In addition, he is the current Executive Director of Research and Development at the Institute of Mangrove Indonesia.

Eko Adhiyanto, S.Hut

A member of the HCV team from the Faculty of Forestry at IPB, he has been serving as a flora expert since 2003. He graduated in 2001 with a Forestry degree from the Forest Resources Conservation Study Programme of the Forest and Ecotourism Resources Conservation Department, Forestry Faculty of IPB.

Febia Arisnegara, S.Hut

A member of the HCV team from the Forestry Faculty of IPB, he specialises in Fauna. He graduated with a Forestry degree in 2009 from the Bogor Agricultural Institute with a mini-thesis entitled "Utilisation of Reptiles as Medicine and Food in DKI Jakarta".

Aep Hidayat, BSc.F

He is the mapping expert on the HCV team of the Forestry Faculty at IPB. He earned his bachelor's degree from the Forestry study programme in 1987. As the expert in mapping sector since 1990 and environment since 1987. He has extensive experience in HCV studies especially in case of flora ecology since 2009. In addition, he also works as laboratory staff in LMGC-IPB.

Rae Birumbo, S.Pi

The socio-cultural expert on the HCV team of the Forestry Faculty of IPB, he obtained a graduate degree in 2002 from Gadjah Mada University Jogjakarta. His experience in social studies began with Coastal Community Economic Empowerment (PEMP) activities (2002-2005). He then joined with LPP Mangrove Bogor (2007-2010). The HCV survey activities that he was involved with were conducted in Papua, Kalimantan, and Sumatra.

Summary of Assessment Findings

SEIA

The conclusions of the SIA are as follows:

1. The existence of PT ALM has made a positive impact on social conditions and the communities around its concession area.
2. The positive impacts generated by PT ALM on the community include the increase in the community's income and the local economy. This has improved the community's welfare and the circulation of money, thereby contributing to the development of the region.
3. The process of land acquisition and compensation was made by firstly providing information and then reaching a mutual agreement between the company and members of the community who received compensation. The compensation process was adapted to PT ALM's procedures.
4. The company has implemented policies relating to workplace health, safety and environment (HSE). The existence of work safety insurance has had a positive impact on the company's employees.
5. The negative impacts identified by the SIA include social restlessness related to land clearing, a negative perception of the company's management, and a decrease in river water quality. Air pollution and the movement of heavy equipment has also affected the health of residents.

List of Social Issues generated by PT ALM

No.	Social Impact	Social Issues
1	Economic	Increase in community's income. Through the company's operational activities, the community earns a fixed income.
		Provision of facilities supporting the activities and needs of employees contributes to their quality of life.
		The company uses certain contractors on an ongoing basis.
		The company has honoured its obligations to protect employees' rights, look after their welfare and improve their competence.
		The increase in economic activity has resulted in the emergence of stalls and kiosks selling daily necessities.

2	Social Restlessness	The company needs to consider the local labour quota and adjust its labour requirements accordingly..
		Problems may arise in future over land compensation when the identity of the original land owner is unclear. Such problems can be minimised through a proactive socialisation programme and reaching an agreement with the community on compensation issues. In addition, there should be determination of the company's definitive area and determination of land potential for compensation by the company. If there is community released the individual land for compensation, then enclave can be made, by providing access to such people.
		Management and monitoring of river water quality is important since the river is the main water source for the community in the study area.
3	Disturbance to Community Health	Waste generated by PT ALM is re-used responsibly to support the company's operations, while Hazardoues waste is managed in cooperation with a third party.
		Poor sanitation in the community results in epidemics. The company may conduct public outreach and dissemination on this subject. The company through HSE management is expected to control the spread of disease internally and coordinate with health facilities and infrastructure in the assessed region to prevent an epidemic.
		FFB deliveries to the plant frequently generate dust and pollution. The company carries out measures to minimise such pollution that may cause respiratory disease.
4	Increase in Community Welfare	The company's assistance has an impact not only at the village level but also at the district level.
		The number of graduates with higher education continues to increase in the study area. The higher level of education is a clear contribution of the company to the community in the study area.
		The villages in the area receive aid from the company for various social and traditional activities which strengthen relations between the villages.

General Recommendations from the SIA

1. Designation of Area and Land Compensation Process

Based on the EIA, on the early development of PT ALM, the land acquisition and compensation process has been through free, prior, informed, consent (FPIC) methods. This can be seen from several written and verbal statements that support the investment and development of the PT ALM oil palm plantation. This is also underlined by the SIA findings of positive impacts on the local communities. The process of land acquisition and compensation was conducted appropriately, according to PT ALM's procedures and witnessed by the local government officials and others.

2. Social impact management and monitoring program as a sustainable forms of social relations between the company and community

- Economic aspect: to strengthen people's livelihoods, the company pays employees at or above the minimum wage, empowers the community through local partnership and local purchases, applies workplace health, safety, environment (HSE) policies, and provides training for employees to improve their competence.

- Health and Environmental aspect: proactive communication with stakeholders in the study area, conducting socialisation and suggesting ways for contractors to control the environment in the operational activities, adopting best practices in managing palm oil waste and hazardous and toxic waste, reporting on the management and monitoring of social and environmental impacts to the relevant agency, and implementation of HSE policies in the company's operations.
- Community Relations aspect: providing scholarships to outstanding students and supporting traditional activities including ceremonies in the community.

3. Management Program of PT ALM related to local economic development

The company helps to develop the local economy by: providing jobs to the local community, making local purchases, forming partnerships with local transportation contractors, and developing plasma plantations.

a. HCV Assessments

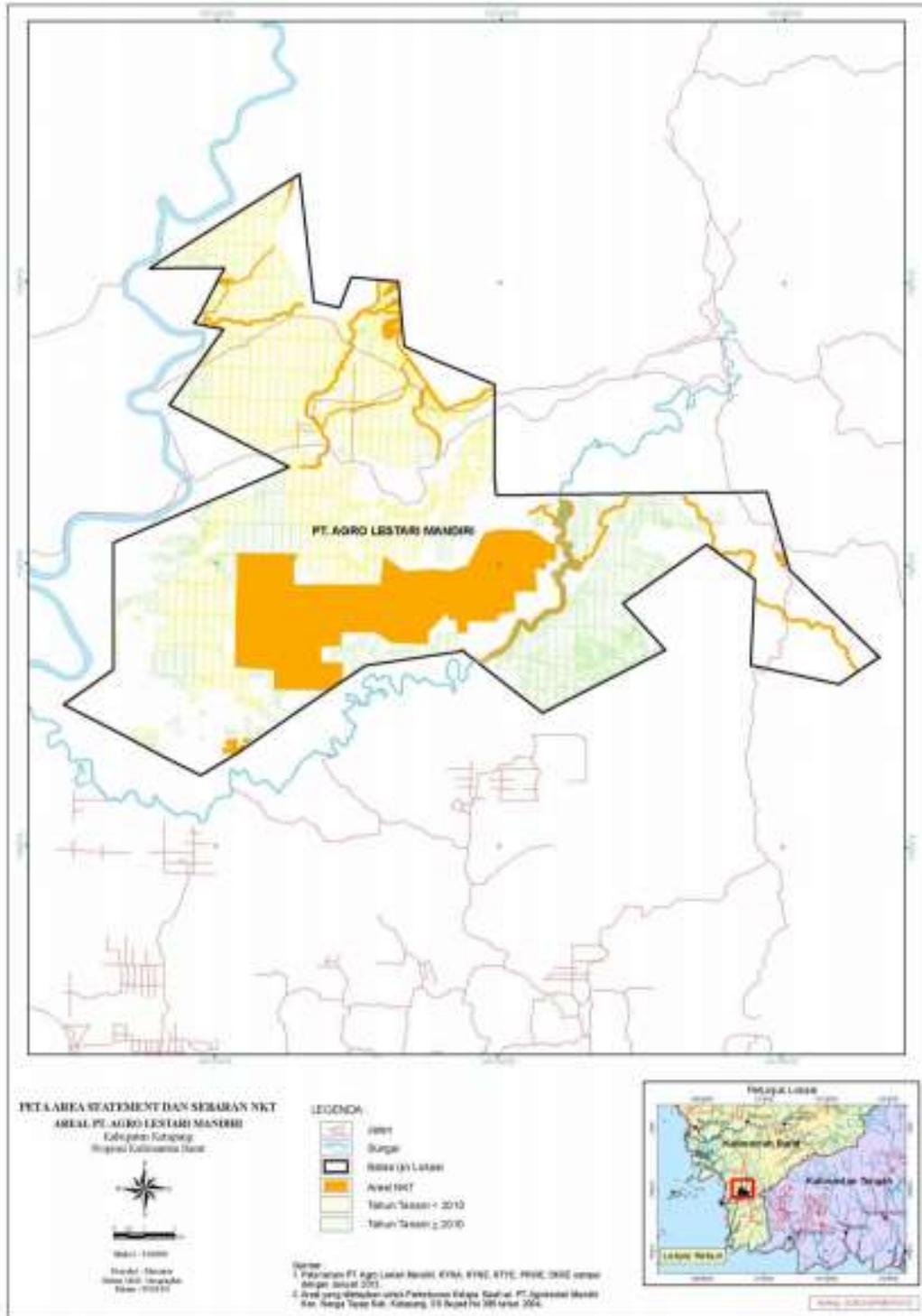
The peer reviewed HCV assessment report has identified eight HCVs, namely HCV1 (HCV1.1, HCV1.2 and HCV 1.3), HCV2 (HCV2.3), HCV4 (HCV4.1, HCV4.2, and HCV4.3) and HCV6. The total HCV area is 4,183.61 ha.

The following HCV areas were identified:

- HCV 1.1 (areas that support biodiversity for protection and/or conservation) were identified at the riparian area, lake areas, hills on which there are springs, the buffer zone of protected forest, and conservation forest.
- HCV 1.2 (endangered species) included vegetation protected by Gov. Reg. No. 7 of 1999 and/or listed in the CITES Appendix II and/or categorised by IUCN as vulnerable (susceptible) or critically endangered (threatened and almost extinct), such as: Resak pangan (*Cotylelobium lanceolatum* Craib.), Anggrek merpati (*Dendrobium crumenatum* Sw.) and Keruing (*Dipterocarpus grandiflorus* Blanco). Wildlife species included: Kubung (*Cynocephalus variegatus*), Wild Cat (*Felis bengalensis*), Honey Bear (*Helarctos malayanus*), White black monkey IOWa (*Hylobates agilis*) and Hedgehog (*Hystrix brachyura*).
- HCV 1.3 (an area constituting the habitat for a population of threatened species with limited or protected distribution that is able to survive) has been identified, containing species of vegetation and wildlife that are protected by Gov. Reg No. 7 of 1999 or Decree of the Minister of Forestry No. 301/Kpts-II/1991; listed in the CITES Appendices I or II; and/or categorised by IUCN as vulnerable (susceptible), endangered (threatened/critical) or critically endangered (threatened and almost extinct).
- HCV 2.3 (an area in which there is a population representative of natural species that are able to survive). In the permit area of PT ALM, there are areas containing HCV 1.1. There is also an area proven to have a high predator population that is reproducing and potentially able to survive. The species are: Bondol/white eagle (*Haliastur indus*), Grey eagle (*Ichthyophaga ichthyaetus*), Black eagle (*Ictinaetus malayensis*) and Brown eagle (*Spilornis cheela*).
- HCV 4.1 (an area or ecosystem that is important as a water supply and flood control for the downstream community) exists in the form of the riparian area, area around lakes, hills on which there is spring and conservation forest.
- HCV 4.2 (an area important for preventing erosion and sedimentation) was identified at: Bukit Pelanjau, Bukit Tempayan, Bukit Bagan Pakit, Bukit Bekunyit, Bukit Sesimbat, Bukit Howur, Bukit Sebekuayan, Bukit Lokan, Bukit Buluh and the buffer zone of the protected forest of Bukit Batu Menangis.
- HCV 4.3 (an area functioning as a natural partition to prevent the spread of forest and land fires) was found. In particular, the lowland forest adjacent to the protected forest area of Bukit Batu Menangis plays a significant role in preventing fire from spreading to the protected forest area.
- HCV 6 (an area playing an important role in the local community's cultural identity) was found in the form of a sacred place/graveyard at Cemetery Block O-8, Ulin Keramat, Batu Puja (0.0016 ha) and at Ulak/Keramat Tengkyung.

A public consultation on the HCV findings was held on 25 June 2010 at the Nanga Tayap Sub-District office. It was attended by various public representatives including local government officials, Traditional Figures, Nanga Tayap District, Nanga Tayap Village Head, and representatives from villages of Sungai Kelik, Siantau Raya, Sembelangan, Tajok Kayong, Lembah Hijau 1, Lembah Hijau II.

Figure 2 : Identification of HCV and Project Plan Area of PT ALM



Note: Maps with higher resolution have been attached in appendix 1.

Internal responsibility

We hereby sign off on the above Summary Report of SEIA and HCV, 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.

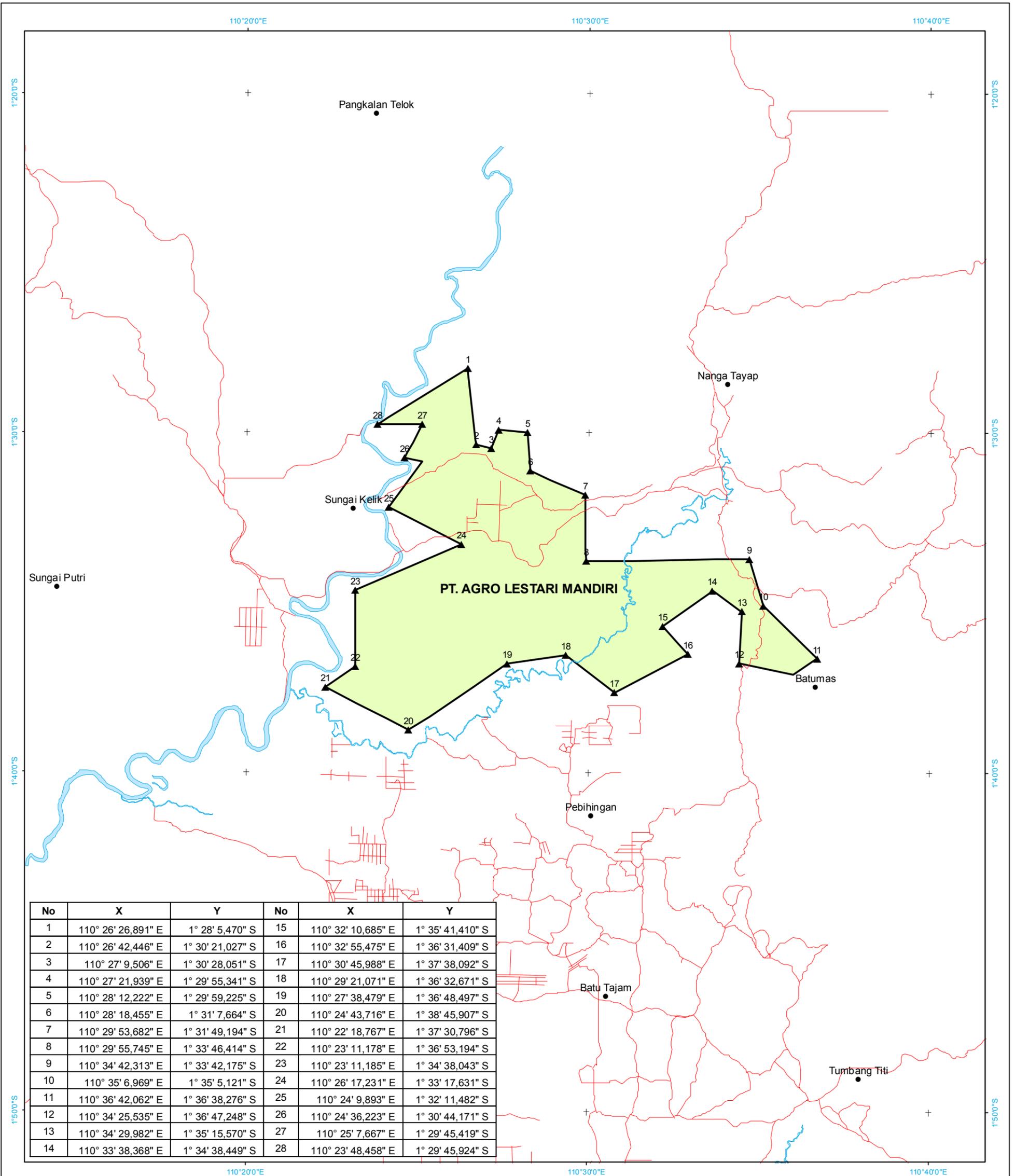
On behalf of the Management of **PT Agrolestari Mandiri**,



Dr. Haskarlianus Pasang

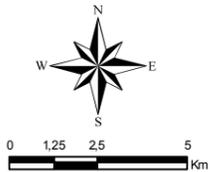
Head of Sustainability Division

Date: May 10th, 2013



No	X	Y	No	X	Y
1	110° 26' 26,891" E	1° 28' 5,470" S	15	110° 32' 10,685" E	1° 35' 41,410" S
2	110° 26' 42,446" E	1° 30' 21,027" S	16	110° 32' 55,475" E	1° 36' 31,409" S
3	110° 27' 9,506" E	1° 30' 28,051" S	17	110° 30' 45,988" E	1° 37' 38,092" S
4	110° 27' 21,939" E	1° 29' 55,341" S	18	110° 29' 21,071" E	1° 36' 32,671" S
5	110° 28' 12,222" E	1° 29' 59,225" S	19	110° 27' 38,479" E	1° 36' 48,497" S
6	110° 28' 18,455" E	1° 31' 7,664" S	20	110° 24' 43,716" E	1° 38' 45,907" S
7	110° 29' 53,682" E	1° 31' 49,194" S	21	110° 22' 18,767" E	1° 37' 30,796" S
8	110° 29' 55,745" E	1° 33' 46,414" S	22	110° 23' 11,178" E	1° 36' 53,194" S
9	110° 34' 42,313" E	1° 33' 42,175" S	23	110° 23' 11,185" E	1° 34' 38,043" S
10	110° 35' 6,969" E	1° 35' 5,121" S	24	110° 26' 17,231" E	1° 33' 17,631" S
11	110° 36' 42,062" E	1° 36' 38,276" S	25	110° 24' 9,893" E	1° 32' 11,482" S
12	110° 34' 25,535" E	1° 36' 47,248" S	26	110° 24' 36,223" E	1° 30' 44,171" S
13	110° 34' 29,982" E	1° 35' 15,570" S	27	110° 25' 7,667" E	1° 29' 45,419" S
14	110° 33' 38,368" E	1° 34' 38,449" S	28	110° 23' 48,458" E	1° 29' 45,924" S

**PETA LOKASI DAN TITIK KOORDINAT
AREAL PT. AGRO LESTARI MANDIRI**
Kabupaten Ketapang
Propinsi Kalimantan Barat



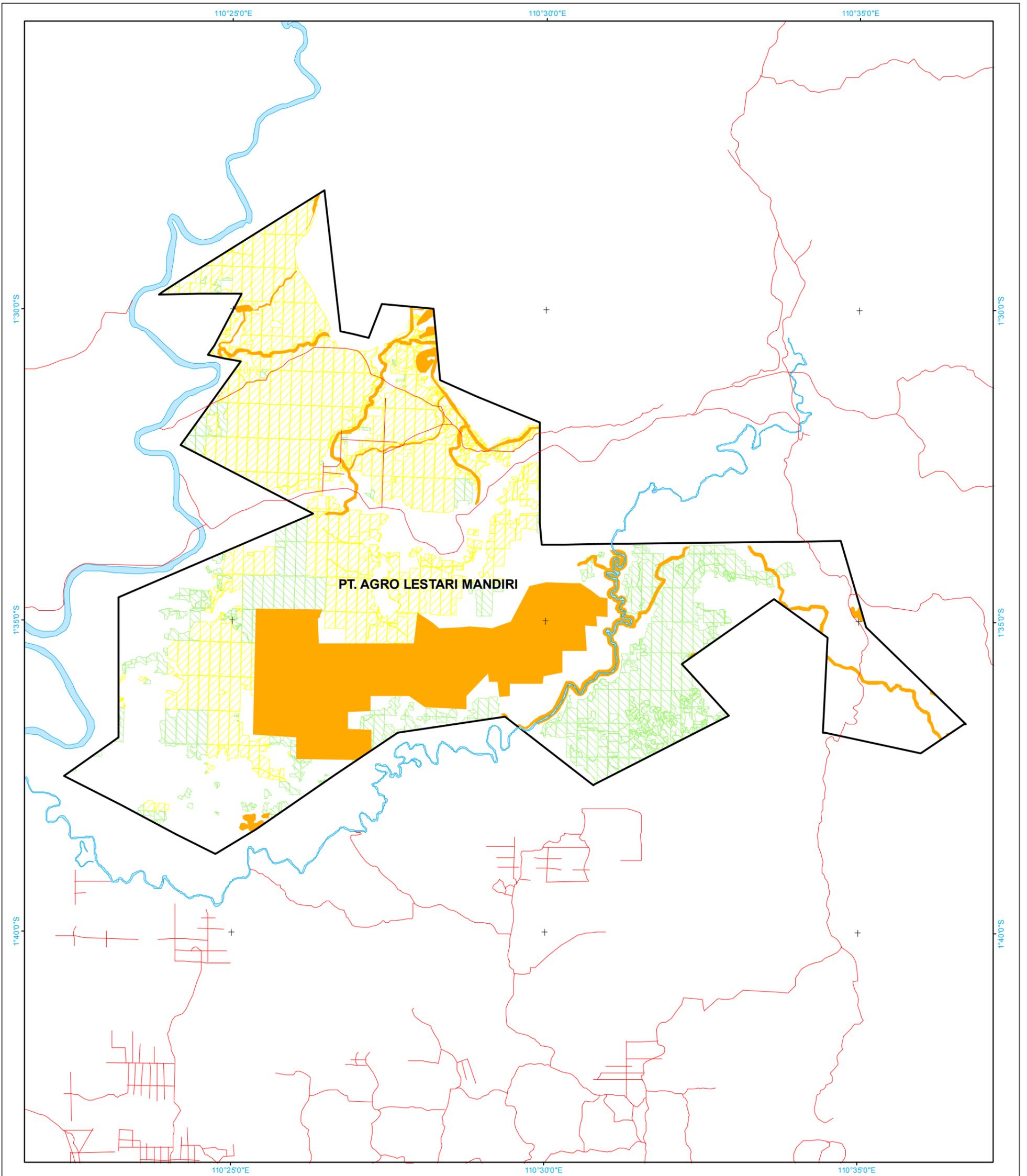
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Proyeksi : Mercator
Sistem Grid : Geographic
Datum : WGS 84

LEGENDA :

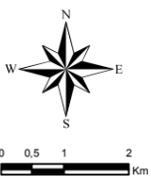
- Desa/Kota
- Titik Koordinat
- Jalan
- Sungai
- Batas Ijin Lokasi

Sumber :
1. Areal yang ditetapkan untuk Perkebunan Kelapa Sawit an PT. Agrolestari Mandiri
Kec. Nanga Tayap Kab. Ketapang, SK Bupati No 385 tahun 2004.





PETA AREA STATEMENT DAN SEBARAN NKT
AREAL PT. AGRO LESTARI MANDIRI
 Kabupaten Ketapang
 Propinsi Kalimantan Barat



Skala 1 : 110.000

Proyeksi : Mercator
 Sistem Grid : Geographic
 Datum : WGS 84

LEGENDA :

-  Jalan
-  Sungai
-  Batas Ijin Lokasi
-  Areal NKT
-  Tahun Tanam < 2010
-  Tahun Tanam ≥ 2010

Sumber :

1. Peta tanam PT. Agro Lestari Mandiri, KYNA, KYNE, NTYE, PKWE, SKKE sampai dengan Januari 2013.
2. Areal yang ditetapkan untuk Perkebunan Kelapa Sawit an PT. Agrolestari Mandiri Kec. Nanga Tayap Kab. Ketapang, SK Bupati No 385 tahun 2004.

