

Summary Report of Planning & Management of PT Mitrakarya Agroindo
Seruyan Tengah and Hanau Sub-Districts, Seruyan District, Central Kalimantan Province

Executive Summary

PT Mitrakarya Agroindo (PT MKA) is located in Seruyan Tengah and Hanau Sub-Districts, Seruyan District, Central Kalimantan Province. The business activities of PT MKA are based on the land permit from the Head of Seruyan District under Decree of the Seruyan District Head No. 80 of 2004 dated 22 June 2004 for a total plantation area of 20,000 ha.

PT MKA is acknowledged as environmentally feasible under the Decree of the Governor of Central Kalimantan No. 188.44/185/2007 dated 10 May 2007 for its oil palm plantation with a total area of 20,000 ha and a processing mill with a capacity of 90 tonnes FFB/hour situated in Seruyan Tengah and Hanau Sub-Districts, Seruyan District, Central Kalimantan Province.

In order to collect social, economic and cultural data on the villages around the estates and processing mill of PT MKA, an indirect collection system was employed. This involved conducting a literature review of the Environmental Impact Assessment (EIA) documentation and High Conservation Value (HCV) Identification reports as well as analysis of supporting data from government sources such as local government websites.

The Management Unit (*Unit Pengelola*—UP) of PT MKA has conducted HCV identification in its concession area. The HCV identification concluded that there is no primary forest in PT MKA concession. However, seven HCV areas were identified as follows: HCV 1.1, HCV 1.3, HCV 1.4, HCV 2.3, HCV 3, HCV 4.1 and HCV 6, with a total area of 5.166,4 ha.

Environmental Management and Environmental Monitoring Plans (RKL-RPL) issued in September 2007 serve as an elaboration of EIA documentation and elucidate the monitoring assessment timeline and impacts that the activities of the processing mill and plantations have on the environment. Besides, there is a social impact management and monitoring plan as a follow-up to the Social Impact Assessment (SIA) documentation prepared in February 2013. These three documents guide PT MKA in managing its environmental and social impacts.

Reference Documents

The following documents were referred to:

- a. Environmental Impact Assessment (EIA) documents approved by Central Kalimantan Governor through Decree of the Governor of Central Kalimantan No. 188.44/185/2007 dated 10 May 2007.
- b. HCV Identification and Management Report for PT MKA oil palm plantation, of which the research study was conducted by Centre for Biological Resources and Biotechnology Research of the Institute for Research and Community Services, Bogor Agricultural University (IPB), in 2010.
- c. Social Impact Assessment (SIA) documentation prepared by PT SMART's internal team, February 2013.
- d. Environmental Management and Environmental Monitoring Plans (RKL-RPL) documents, May 2007.
- e. Social impacts management planning and monitoring documents, February 2013.

Summary of Reference Documents

The presence of PT MKA has had positive impacts on the environment and social life of the communities in the area where the company operates. The company's RKL-RPL documents are reported to Central Kalimantan Province's Regional Environmental Impact Management and Supervisory Agency (*Badan Pengendalian Pengawasan Lingkungan Hidup Daerah*—BPPLHD); Regional Development Planning Board (*Badan Perencanaan Pembangunan Daerah*—BAPPEDA); Watershed Management Centre (*Balai Pengelolaan Daerah Aliran Sungai*—BPDAS) and

Seruyan District's Forestry and Plantation Office; BPDAS; National Land Agency (*Badan Pertanahan Nasional*—BPN); Agriculture Office; Transportation Office; Manpower, Transmigration and Tourism Office; and Regional Investment Board (*Badan Penanaman Modal*—BPM). Environmental monitoring is conducted on a regular basis.

Another positive impact of PT MKA is in the form of opportunities to work and run businesses. On the other hand, negative impacts include changes in public attitude and perceptions, social unrest, social jealousy and public health issues.

Seven HCV areas were identified: HCV 1.1, HCV 1.3, HCV 1.4, HCV 2.3, HCV 3, HCV 4.1 and HCV 6, with a total area of 5,166,4 ha.

SEIA and HCV Management Planning Personnel

a. Company information and contact person

- Company's Name : PT Mitrakarya Agroindo
- Location : Seruyan Tengah Sub-District: Mugi Panyuhu, Ayawan, Sukamandang, Teluk Bayur, Gantung Pengayuh, Derawa, Sebabi, Durian Kait Kalang, Sandul Villages, and Hanau Sub-District: Tanjung Rangas, Tanjung Paring, Tanjung Hara Villages, Seruyan District, Central Kalimantan Province
- Geographical Location : 112°9'33.5339" - 112°17'35.5923" E and 2°4'54.728" - 2°22'19.279" S
112°12'15.0957" - 112°15'9.7151" E and 2°12'8.5722" - 2°16'32.1725" S
- Boundaries
 - a. North : Ayawan River
 - b. East : Palm Oil Plantation and Transmigration Location
 - c. West : Seruyan River and Settlement
 - d. South : Cross Road Sampit – Pangkalan Bun
- Permits
 - a. Land permit: Decree of the Seruyan District Head No. 80 of 2004 dated 22 June 2004 for a total area of ± 20,000 ha.
 - b. Land permit: Decree of the Seruyan District Head No. 194 of 2005 dated 22 December 2005 for a total area of ± 5,252 ha.
 - c. Land permit extension: Decree of the Seruyan District Head No. 55 of 2006 dated 15 February 2006 covering a total area of ± 17,885.45 ha.
 - d. Plantation Business License (*Izin Usaha Perkebunan Budidaya*—IUP): Decree of the Seruyan District Head No. 525/077/EK/2005 dated 11 April 2005 for a total area of 20,000 ha.
 - e. Land Use Title (*Hak Guna Usaha*—HGU): In process.
- Parties Involved:

Parties involved in the preparation of HCV documentation and formulation of management and monitoring plans of PT MKA are the company's management, assisted by the Biotechnology Biodiversity Research team. A public consultation with local communities was conducted on 5 July 2010 in Sukamandang village, Kec. Seruyan Tengah,

Kab. Seruyan, Prop. Kalteng, and attended by 48 participants including the Sub-District Head, Village Head and village apparatuses, Sub-District Military Commandant, District Police Chief, community leaders, religious leaders, estate manager, universities, local NGOs and other parties relevant to plantation activities. Peer review of the HCV assessment report was conducted by independent consultant Resit Sozer in March 2011.

The recommendations for social impact management and monitoring are being implemented in cooperation with a team from PT SMART as well as relevant stakeholders including local government. The local government was consulted on the recommendations on 17 April 2013.

Summary of SEIA Planning and Management

The EIA documents were approved by the Decree of the Governor of Central Kalimantan No. 188.44/185/2007 dated 10 May 2007 regarding the Environmental Feasibility for Activities in the Oil Palm Plantation and Palm Oil Processing Mill of PT Mitrakarya Agroindo in Seruyan Tengah and Hanau Sub-Districts, Seruyan District, Central Kalimantan Province. In addition, PT MKA also conducted its SIA in February 2013 through an internal team from PT SMART, led by Yosaphat Ardhilla Renato (an RSPO-approved HCV assessor specialist in social impact management).

General Recommendations from SIA

1. Public Attitude and Perceptions

Based on the socialisation during the investment stage, PT MKA will run its operations in the area of research study listed in the EIA documents. The land acquisition as well as compensation has followed free, prior, informed consent (FPIC) procedures and methods. The socialisation and FPIC processes help the company to clarify and promote the investment climate for oil palm plantation business managed by PT MKA.

Zoning as the initial step towards land compensation is important and useful in dealing with problems that may occur in the future regarding land for which the company has paid compensation. This is in accordance with PT MKA's procedures that relate to land compensation process. In addition, the company is required to confirm and explain the progress of its plasma scheme. This is crucial when the company is working on its corporate social responsibility (CSR) programmes, as implementation of the plasma scheme will reduce social unrest and potential conflict.

2. Social Unrest

PT MKA needs to inform the local government about available job positions and qualifications, and to provide up-to-date employment data. Pro-active communication with local stakeholders, socialisation in the initial phase of the oil palm development and utilising local workers are actions that should be prioritised. These will make the company more cost efficient because it then need not import workers from other areas.

3. Employment and Business Opportunities

Efforts towards economic development for the community are as follows: providing information regarding manpower needs to the local government in accordance with the requirements of the company, setting employee salaries at or above the standard minimum wage, implementing community development programmes through local partnerships and purchasing of local commodities, implementing Occupational Safety and Health (OSH) policies, providing training to employees in order to improve their competence, and promoting the growth of local businesses and local partnerships. In addition to internal programmes, PT MKA carries out activities under a plasma scheme that has the potential to improve the economic well-being of the community and farmers involved in the programme.

4. Social Jealousy

PT MKA needs to conduct socialisation concerning its manpower needs in accordance with the quota of workforce and types of workers currently needed, and to provide the local government or local village authorities with up-to-date data. The company needs to conduct entrepreneurship training for the communities so that people do not rely on just one means of livelihood. This can be done in collaboration with the relevant agencies so that the training programme can be implemented by competent parties in the field of entrepreneurship.

5. Public Health

Proactive communication with stakeholders around the area of research study is needed for environmental and health management. The company needs to conduct socialisation and perform strict supervision of contractors in order to achieve environmental management in its operations, apply best practices in the management of oil palm waste and hazardous as well as toxic materials (*Bahan Beracun dan Berbahaya—B3*), and report to the relevant agencies on monitoring of social and environmental impacts. These measures will help to mitigate negative effects on environmental quality.

6. Social Welfare and Regional Development

Synergies can be achieved by integrating the social impact management programme with the long-term CSR programme into a strategic plan. The strategic plan could include: educational initiatives such as scholarships for outstanding students, and supporting traditional activities including several ceremonies held in the study area. The company's compliance with tax regulations indirectly contributes to regional development.

Summary of Environmental Management and Monitoring Plan PT Mitrakarya Agroindo

No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
1.	Micro Climate	Plantation construction activity	Temperature and air humidity	Sampling by using air humidity meter	Oil palm plantation blocks	During construction	Planting of cover crops, leguminose planting immediately after the land opening and clearing so that the land is not left exposed.
2.	Air quality	FFB processing activity, CPO hauling and plant waste management	(PM10) and gas (SO ₂ , CO, O ₃ and NO ₂) not exceeding BML 41 of 1999	Air sampling by using dust and other particulate meter	Movement of heavy vehicles on damaged and dusty road	Semi-annually	Installing filter on chimney, avoiding felling of trees along the watershed and conservation area..
3.	Noise	FFB processing activity, CPO hauling and plant waste management	Concentration of noise produced not exceeding the noise level standard according to Kepmen-LH No. 48/MENLH/11/1996	Air sampling by noise meter	CPO hauling road	Semi-annually	Employees should use ear plugs, avoiding felling of trees along the watershed and conservation area, maintaining equipment and vehicles regularly, regulating vehicle speed, fixing the cofferdam on heavy vehicle exhaust.

Summary of Environmental Management and Monitoring Plan PT Mitrakarya Agroindo

No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
4.	Soil quality	Plantation construction and maintenance activities	Environment Ministry Law No. 28 of 2003	Soil sampling at 0-30 cm depth, laboratory for analysis	Plantation area	Annually	Adopting the 4Rs strategy of applying fertiliser (the right nutrient source at the right rate, at the right time, and in the right place), applying SOP of plantation development as well as maintenance of sustainable vegetation, planting cover crops, utilising empty fruit bunches as cover.
5.	Water quality	Plantation maintenance activity	PP No. 82 of 2001, Permenkes Number 907/MENKES/SK/VII/2002 and PermenLH Number 28 of 2003	Water sampling and laboratory analysis	Plantation area	Semi-annually	Construction of IPAL, adopting the 4Rs strategy of applying fertiliser, more efficient use of fertilisers and pesticides, implementing SOP to maintain vegetation, regulating utilisation rotation adjusted to the permeability of soil and waste water dosage, \, making drainage system for the hazardous waste in the water tight area, determining location for LA.

Summary of Environmental Management and Monitoring Plan PT Mitrakarya Agroindo

No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
6.	Aquatic Biota quality	Plantation maintenance and FFB processing	Water intake of Sulin and Semilat rivers not experiencing quite high fluctuations	Water sampling and laboratory analysis	Sulin and Semilat rivers	Semi-annually	Developing a monitoring and early detection system for aquatic biota especially for the rivers around the concession area, more efficient use of fertilisers and pesticides, managing the abundance of aquatic biota.
7.	Social unrest	FFB processing activity	There is no social unrest attributable to FFB processing activity	Interviews and surveys of the community	Kec. Seruyan Tengah, Kec. Hanau	Semi-annually	Outreach to the surrounding community to share FFB processing plan and environmental management programme, monitoring implementing plant waste treatment system.

Summary of Environmental Management and Monitoring Plan PT Mitrakarya Agroindo

No.	Environmental parameter component (Operational Phase)	Source of Impact	Environmental Parameter	Data Collection and Analysis Method	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
8.	Community health	FFB processing activity	Community's health quality is unchanged	Collecting secondary data from government clinic to analyse diseases that arise in the community	Kec. Seruyan Tengah, Kec. Hanau	Semi-annually	Providing villagers with assistance in transport, medical services and health screening.

Summary of HCV Planning and Management

Recommendations on Management Efforts

Directions or recommendations regarding management efforts that need to be addressed by PT MKA include:

- a) For HCV 1: preparation and implementation of SOP on the management of protected areas, preparation of baseline information documentation relating to the flora and fauna, rehabilitation of habitats and populations of rare and endangered wildlife species, management of threatened fauna population;
- b) For HCV 2: strengthening protected areas that serve as a wildlife pocket/corridor; management of wildlife or predator habitats including management of food resources, water supply and cover/shelter; relocation of population if the conditions are no longer conducive to its survival;
- c) For HCV 3: restoration of peat land areas by planting local plants species, strengthening protected areas as HCV 3.
- d) For HCV 4: immediate resolution to land compensation issues on areas identified as HCV 4.1, organising the structure of land boundaries for areas identified as HCV 4.1, rehabilitation and restoration of riparian areas by planting local tree species, using terracing and cover crop methods for planting, planting perennials on slopes or cliffs in areas of High Erosion Potential according to the Degree of Erosion Danger (*Tingkat Bahaya Erosi—TBE*), rehabilitation or restoration using a variety of perennials on the three hills found in the area with various plants that have strong roots.
- e) For HCV 6: providing signage for the existing cemetery, protection of the cemetery against flooding by elevating the ground and constructing headstones.

Recommendations on Monitoring

Directions regarding monitoring that needs to be done by PT MKA include:

- a) HCV 1.1: monitoring the location and extent of areas that have become degraded or converted, monitoring water quality especially in river bodies, monitoring trends of changes in flora, fauna and aquatic biodiversity, monitoring wildlife population and habitats, monitoring the degree of disturbance due to poaching and habitat destruction, monitoring the use of category B3 hazardous materials that could potentially contaminate water bodies in the area;
- b) HCV 2: monitoring wildlife population and habitats as well as the level of security threats;
- c) HCV 3: maintaining the land boundaries for areas identified as HCV 3, monitoring the intensity of disturbance (due to landslide, encroachment, logging, fire, etc).
- d) HCV 4: monitoring the intensity of disturbance (due to landslide, encroachment, logging, fire, etc.), monitoring the hydrological dynamics of the peat ecosystem, monitoring the discharge and quality of river water on a regular basis within a certain period of time, monitoring the success rate of rehabilitation or restoration efforts, and monitoring the level of disturbance to HCV 4.2.
- e) For HCV 6: maintaining the cemetery boundary markers

Plan for HCV Monitoring and Regular Data Review

The HCV assessment report and HCVA Management and Monitoring Plans for the concession area of PT MKA were peer reviewed by independent consultant Resit Sozer in March 2011. The results of the review were then used to revise these documents.

Management of Threats to HCV Areas

1. Inventory and identification of over-burdened land in HCV areas, specifically the watershed and peat area, according to the existing cover crop.
2. Marking the boundaries of HCV areas

HCV Management Plan

1. Maintenance of boundary markings
2. Protection of area, flora and fauna
3. Patrols of HCV areas especially those areas vulnerable to disturbance
4. Management of watershed, peat areas and secondary forest areas by applying sustainable management practices
5. Rehabilitation and enrichment of watershed and peat areas in HCV areas already experiencing destruction
6. Enrichment of flora species that are a food source for wildlife, especially wildlife categorised as RTE.

Internal Responsibility

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

On behalf of the Management of **PT Mitrakarya Agroindo**,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the left.

Dr. Haskarlianus Pasang

Head of Sustainability Division

Date: May 10th, 2013