

**Summary Report of Planning & Management of PT Buana Adhitama  
Mentaya Hulu Sub-District and Antang Kalang Sub-District,  
Kotawaringin Timur District, Central Kalimantan Province**

**Executive Summary**

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PT Buana Adhitama (PT BAT) is located in the villages of Bawan, Tumbang Tilap, Tanjung Jarangau and Tukang Langi in Mentaya Hulu Sub-District, and the villages of Tumbang Sangai, Rantau Kantang, Dampang, Tumbang Mangkup, Rantau Tampang, Luwuk Kuan, Tumbang Bajanei and Tumbang Boloji in Antang Kalang Sub-District, Kotawaringin Timur District, Central Kalimantan Province. PT BAT received a land permit based on the Kotawaringin Timur District Head's Decree No. 854.460.42 dated 30 December 2004, covering an area of 14,300 ha. The permit also covers a processing mill with capacity of 60 tonnes FFB/hour in Mentaya Hulu Sub-District and Antang Kalang Sub-District, Kotawaringin Timur District, East Kalimantan Province. The permit was extended by an approval letter from the National Land Agency, Kotawaringin Timur Land Office No. 169.460.42 dated 18 March 2008.

PT BAT is acknowledged environmentally feasible with the issuance of the Decree of the Governor of Central Kalimantan No. 188.44/387/2007, covering its oil palm plantation with a total area of 14,300 ha and its processing mill with capacity of 60 tonnes FFB/hour in Seruyan Tengah Sub-District, Seruyan District, Central Kalimantan Province. PT BAT also obtained a Plantation Business Permit for ± 14,300 ha from the Head of Kotawaringin Timur District under the Decree of the Kotawaringin Timur District Head No. 525.26/210/III/EKBANG/2007 dated 6 March 2007.

PT BAT possesses a Social Impact Assessment (SIA). In order to collect data on the social, economic and cultural conditions of the villages around the estates or processing mill of PT BAT, 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 the supporting data collected from government sources such as local government websites.

The Management Unit (*Unit Pengelola*—UP) of PT BAT has identified HCV in its concession area. The exercise concluded that there is no primary forest in the 14,781.30 ha PT BAT concession area in Central Kalimantan, which consists mainly of 14,300 ha of nucleus plantations. However, the following eight HCV were identified in the nucleus plantations: HCV 1 (HCV 1.1, HCV 1.2, and HCV 1.3), HCV 2 (HCV 2.3), HCV 4 (HCV 4.1 and HCV 4.2), HCV 5 and HCV 6. Within the 481.30 ha of plasma plantations, the following four HCV were identified: HCV 1 (HCV 1.1 and HCV 1.2), HCV 2 (HCV 2.3) and HCV 4 (HCV 4.1). These HCV areas occupy a total of 1,323.22 ha.

Environmental Management and Environmental Monitoring Plans issued on 24 September 2007 serve as an elaboration of the SEIA documentation and elucidate the monitoring assessment timeline and impacts that the processing mill and plantations have on the environment. In addition, Social Impact Management and Monitoring Plans were derived from the SIA which was compiled in February 2013. These three documents, including HCV management and monitoring plans guide PT BAT in managing environmental and social impacts.

**Reference Documents**

The reference documents are as follows:

1. Environmental Impact Assessment (EIA) approved by the Governor of Central Kalimantan Decree No. 188.44/378/2007 dated 24 September 2007

2. HCV Identification Report for 14,781.30 Ha area of PT BAT (based on Land Permit for nucleus and plasma plantation) prepared by Forestry Faculty of Bogor Agricultural University, May-August 2010
3. Social Impact Assessment (SIA) by internal team from PT SMART, February 2013
4. Environmental Management and Monitoring Plan approved by the Governor of Central Kalimantan Decree No. 188.44/378/2007 dated 24 September 2007
5. Social impacts management planning and monitoring documents, February 2013
6. Master plan of HCV management for the period 2010-2014

### Summary of reference documents

PT BAT has had positive impacts on the environment and social life of the communities surrounding its operations. The Report of Environmental Management and Monitoring Plans was submitted to BAPEDALDA of Kotawaringin Timur District, Agricultural Department of Central Kalimantan Province, Agricultural Department of Kotawaringin Timur District, Marine and Fishery Department of Central Kalimantan Province and Kotawaringin Timur District. Environmental monitoring was conducted periodically. Improvements in community welfare, economic conditions and local development are positive impacts of PT BAT's presence. Social anxiety and a decrease in environmental quality have been identified as negative impacts. The 14,781.30 ha PT BAT concession area consists mainly of 14,300 ha of nucleus plantations, where the following eight HCV were identified: HCV 1 (HCV 1.1, HCV 1.2, and HCV 1.3), HCV 2 (HCV 2.3), HCV 4 (HCV 4.1 and HCV 4.2), HCV 5 and HCV 6. Within the 481.30 ha of plasma plantations, the following four HCV were identified: HCV 1 (HCV 1.1 and HCV 1.2), HCV 2 (HCV 2.3) and HCV 4 (HCV 4.1). These HCV areas occupy a total of 1,323.22 ha.

### SEIA and HCV Management Planning Personnel

#### a. Company Information and Contact person

- Company Name : PT Buana Adhitama
- Location : Villages of Bawan, Tumbang Tilap, Tanjung Jarangau and Tukang Langi in Mentaya Hulu Sub-District, and villages of Tumbang Sangai, Rantau Kantang, Dampang, Tumbang Mangkup, Rantau Tampang, Luwuk Kuan, Tumbang Bajanei and Tumbang Boloji in Antang Kalang Sub-District, Kotawaringin Timur District, Central Kalimantan Province
- Geographical Location : 112° 26'38.072" - 112° 34'32.690 E and 1°40'23.159" – 1°56'49.578"
- Boundaries
  - a. North : Transmigration area, concession forest of PT Berkat Cahaya Timber, palm oil plantation of PT Unggul Lestari and Kuayan River
  - b. East : Local community land, Mentaya river, palm oil plantation of PT

Karya Makmur Bahagia, PT Tunas Agro Sumberkencana,  
PT Katingan Indah Utama and Kuayan River.

- c. West : Concession forest of PT Berkat Cahaya Timber, palm oil plantation of PT Agro Wana Lestari and PT Agro Sebuluh and Kuayan River
- d. South : Local community land, Mentaya river, palm oil plantation PT Harita, PT Katingan Indah Utama and PT Karya Makmur Abadi and Kuayan River

- Permitting

- a. Land Permit based on Kotawaringin Timur District Head's decree no. 854.460.42 dated 30<sup>th</sup> December 2004, which is covering an area of 14.300 Ha.
- b. Extension of Land Permit based on approval letter from National Land Agency, Kotawaringin Timur Land Office No. 169.460.42 dated on 18th March 2008. Result of cadastral measurement is following: TGHK is 14.181,95 Ha consist of location A KPPI 11.773,33 Ha, production forest 351,37 Ha and location B KPPL is 1.236,06 Ha and production forest 821,19 Ha.
- c. Plantation business permit for 14.300 Ha issued by Kotawaringin Timur District (No. 525.26/210/III/EKBANG/2007 dated 6th March 2007)
- d. Land use title (HGU): In process

- Parties Involved :

The parties involved in the preparation of the HCV document and management and monitoring plans for PT BAT are the company's management assisted by the team from the Forestry Faculty of Bogor Agricultural Institute (IPB), the Sub-District Head, village personnel and its officials local security officials, public officials, religious officials, the Plantation Management Unit, local NGOs and other stakeholders. A peer review of the HCV assessment report was conducted by independent consultant Resit Sozer (RSPO-approved HCV Assessor) in November 2010. A public consultation was conducted on 13 December 2010 in Sport Hall of Kuala Kuayan village, Mentaya Hulu Sub-District, Kotawaringin Timur District, Central Kalimantan Province.

The recommendations from the SIA are available, and were prepared by the internal team from PT SMART in February 2013. The team is led by an RSPO-approved HCV assessor's specialist in social impact management. The community was also consulted on the results and recommendations on 1 February 2013 at the regional office of PT BAT management's office in Kuayan. The recommendations are being implemented by the management of PT BAT, assisted by the team from PT SMART and local government.

### **Summary of SEIA Planning and Management**

The EIA was approved by the Governor of Central Kalimantan Decree No. 188.44/378/2007 dated 24 September 2007 for PT BAT's oil palm plantation and processing mill situated in Mentaya Hulu Sub-District and Antang Kalang Sub-District, Kotawaringin Timur District, Central Kalimantan Province. In addition to the EIA documents, PT BAT, through an internal team from PT SMART Tbk, prepared its SIA in February 2013. The team was headed by Mr. Yosaphat Ardhilla Renato (an RSPO-approved social impact management specialist).

**Summary of Environmental Management and Monitoring Plans of PT Buana Adhitama**

No.	Environment Standards (Operations Phase)	Source of Impact	Parameters	Methods for Collecting and Analysing the Data	Location	Duration and Frequency of Monitoring	Environmental Management Plan (RKL)
a.	Air quality	Harvest and transportation of harvest	PP RI No. 41 tahun 1999 Noise < 75dBA	Sampling Method, study of secondary data, interviews with staff/employee, community and paramedics.	Plantation area	Once in six months	Reducing vehicle speed, managing frequency and time of mobilisation, keeping on-time maintenance schedule to minimise emissions and noise, regular road watering to minimise dust
b.	Water quality	Plantation maintenance, replanting	Changes in physical characteristics of water compared to BML in PP 82 tahun 2001	Sampling of surface and groundwater	Plantation area	Once in six months	Planting of cover crops, land clearing in phases and on limited basis, immediate planting after construction of the plantation construction of observation station to monitor river flow around plantation area.
c.	Soil erosion	Plantation construction, planting and maintenance	Erosion groove and trench in plantation area and roads. Erosion rate does not exceed the allowed erosion limit. For high permeability < 11,21 ton/ha/year and for medium permeability < 13,45 ton/ha/year	Observation and direct measurement using erosion stick, measurement of volume or thickness of erosional land mass	Plantation area	Once in six months	Construction of terraces in line with contours, planting of overburden and limited land clearing, maintaining vegetation in the riparian area.
d.	Public health	Productive vegetation maintenance	Change of nutritional status of community surrounding plantation	Study of secondary data and interviews with the community and employees	Villages around the project area	Once in six months	Providing periodic outreach to company employees and the community about nutrition, in cooperation with the District Health Agency of Kotim to improve the nutritional status and food sufficiency of the community in villages around the plantation, conducting training to help manage the income in order to have sufficiency nutrition.

## **General Recommendations from SIA**

### **1. Social anxiety**

Socialisation in the early phase of PT BAT's operations has gone through the process of free, prior, informed consent (FPIC). This process started with socialisation of the company's investment plan, land compensation plan and EIA. The FPIC process helped the company to explain its oil palm plantation operations. The FPIC process was also indicated through the establishment of a village team, a joint initiative of the company and community to conduct the land compensation process in a transparent manner. The process of delineating the area for land for compensation is an important process which will also be useful if there are any future claims over the land. This is in line with PT BAT's existing procedures for land compensation.

The company also needs to explain and provide updates to the community on the progress of its plasma and CSR programmes. This is important as these programmes will reduce the risk of social conflict.

PT BAT 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. The company also needs to provide training on entrepreneurship for the local community in order to diversify their sources of income. The delivery of this training can be done together with local officials who are competent in the field of entrepreneurship.

### **2. Improvement of economic conditions**

The company improves employment opportunities for the local community by providing the local government with adequate information on relevant job positions and qualifications, paying employees at or above the minimum standard wage, empowering the community through local partnership and local purchases, implementing OHS policies, and training employees to improve their competency. PT BAT is also implementing a plasma plantation programme which has the potential to grow the income of the community and farmers joining the programme.

### **3. Decrease in environmental quality**

The company needs to pro-actively communicate with stakeholders in the study area to educate them on environmental and health management. PT BAT also needs to educate and monitor its contractors closely in terms of environmental management in operations such as FFB transportation, apply best practices to manage palm oil waste and hazardous waste, and report to the relevant agency on social and environmental impact monitoring. These measures will help to mitigate negative effects on environmental quality.

### **4. Community 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 HCV Planning and Management**

### **General Recommendations for Management**

PT BAT's HCV management plan consists of managing the following HCV areas: riparian areas, areas with steep slopes and graveyards/sacred areas. Actions include:

- Marking of HCV area boundary
- Maintenance of HCV area boundary markers
- Protection of HCV area including flora and fauna
- Rehabilitation and enrichment of HCV area
- Counselling and education of local community surrounding HCV area
- Employee training
- Improvement of SOP for HCV area management
- Organisational empowerment
- Coordination with relevant agency

### **General Recommendations for Monitoring**

A monitoring plan was developed in order to concentrate on HCV area management at each of the abovementioned locations. The following are monitored:

- Intensity of potential threat to HCV areas, specifically fire risk
- Population density and diversity of flora condition in HCV area including protected and RTE (rare, threatened, endangered) species
- Population density and diversity of fauna condition in HCV area including protected and RTE species
- Implementation of the activities and survival percentage of plants grown as part of the of HCV areas
- Changes in river width
- Quality of surface water and groundwater
- Aquatic biota (river)

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

The HCV report and HCV Management and Monitoring Plans were reviewed by independent consultant Resit Sozer in November 2010. The documents were then improved based on the results of his review

### **Threat Management Plan for HCV areas**

#### **Technological Approach**

- (1) Inventory and identification of land cover conditions
- (2) Marking of HCV area boundaries: riparian areas, hills, peat forests and wildlife corridors, planting areas and graveyard/sacred area
- (3) Maintenance of HCV area boundary markers
- (4) Protection of HCV area including flora and fauna
- (5) Rehabilitation and enrichment of HCV area

#### **Socio-Economic Approach**

(1) Counselling and education to local community

(2) Employee training

### **Institutional Approach**

(1) Improvement of SOP

(2) Organisational Empowerment

(3) Coordination with relevant agency

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

1. Marking of HCV area boundary.

2. Maintenance of HCV area boundary.

3. Protection of HCV areas, flora and fauna.

4. Rehabilitation and enrichment of HCV areas

5. Outreach to the community surrounding HCV areas

6. Employee training

7. Improvement of SOP for HCV area management

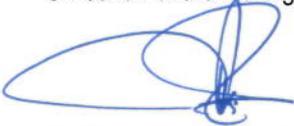
8. Organisational Empowerment

9. Coordination with relevant agency.

### **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 Buana Adhitama**,

A handwritten signature in blue ink, consisting of several overlapping loops and a final horizontal stroke.

**Dr. Haskarlianus Pasang**

Head of Sustainability Division

Date: May 10<sup>th</sup>, 2013