

Summary Report of Planning & Management of PT Persada Graha Mandiri

Silat Hilir Sub-District, Kapuas Hulu District, West Kalimantan Province

Executive Summary

PT Persada Graha Mandiri (PGM) is located in Silat Hilir Sub-District, Kapuas Hulu District, West Kalimantan Province. PT PGM's location permit is based on Kapuas Hulu District Head's Decree No. 303 dated 1 October 2012, which is valid until 1 October 2013 and covers an area of 18,868 ha.

PT PGM has conducted a Social and Environmental Impact Assessment (SEIA) for its oil palm plantation development plan covering an area of 20,000 ha. The SEIA document was prepared by CV. Intergraha Citra Persada.

A social impact assessment (SIA) of PT PGM was performed in February 2013 by an internal team from PT SMART. The methodology used to identify social, economy, cultural situations in villages located in the vicinity of PT PGM's estates or mill included: a social survey with questionnaire, in-depth interviews, and focus group discussions. Primary data was collected through field visits. Secondary data was collected through a literature review of references like the SEIA study, High Conservation Values (HCV) Assessment report, and supporting literature from official government sources.

Identification and analysis of HCV in PT PGM was performed by a team from the Forestry Faculty of Bogor Agricultural University (Institut Pertanian Bogor – IPB) from March to April 2010. The team consisted of eight RSPO-approved HCV Assessors.

The HCV identification and analysis of PT PGM identified seven HCVs namely: HCV1.1, HCV1.2, HCV1.3, HCV2.3, HCV4.1, HCV5 and HCV6. PT PGM has a management and monitoring plan for HCV Areas (HCVA) which is formulated to protect and improve the HCVs and also protect the HCVA from anthropogenic activities which could damage them.

The SEIA and SIA are each complemented with a management and monitoring plan as well. These and the HCV management and monitoring plan guide PT PGM in managing its environmental and social impacts in accordance with RSPO principles.

Reference Documents

1. Social & Environmental Impact Assessment (SEIA) on 20,000 ha of oil palm development plan in PT Persada Graha Mandiri No. 291/2006 dated 22 December 2006.
2. Final report of HCV identification and analysis in location permit of PT Persada Graha Mandiri, West Kalimantan Province. Jakarta: PT Persada Graha Mandiri and Forestry Faculty of Bogor Agricultural University. PT PGM (Persada Graha Mandiri). 2011.
3. Social Impact Assessment(SIA) by internal team from PT SMART, February 2013
4. Environmental management and monitoring plan No. 291/2006 dated 22 December 2006.
5. Management and monitoring plan of social impact assessment, February 2013.
6. HCV management master plan 2011

Summary of Reference Documents

PT PGM's presence has had positive environmental and social impacts on local communities living in the vicinity of its operations. The environmental management and monitoring plan has been reported to the environmental office (BPPLHD) of West Kalimantan Province, environmental office of Kapuas Hulu District, plantation office of West Kalimantan Province, and plantation office of Kapuas Hulu District. Environmental components are monitored

periodically. Job and business opportunities; community welfare improvement and contribution to local development are some of the positive impacts of the company's operations. Some of the negative impacts identified are community concerns, the potential for social conflict, and public health issues.

The HCV identification and analysis in PT PGM identified seven HCVs namely: HCV1.1, HCV1.2, HCV1.3, HCV 2.3, HCV4.1, HCV5, and HCV6. Total HCV areas in PT PGM covering 1,172.95 ha.

The HCV assessment report and HCVA management and monitoring plan were reviewed by Resit Sozer, an independent consultant, in October 2010. The findings of this peer review were taken into consideration to improve the HCV assessment report and HCV management and monitoring plan.

SEIA and HCV Management Planning Personnel

a. Company information and contact person

• Company Name	:	PT Persada Graha Mandiri
• Location	:	Error! Reference source not found.
• Geographical location	:	111°38'51,548" – 111°50'57,082" E and 0°18'7,879" – 0°29'12,843"
• Boundaries		
a. North	:	Area for other purposes (<i>Area Penggunaan Lain – APL</i>)
b. East	:	Area for other purposes (<i>Area Penggunaan Lain – APL</i>)
c. West	:	Sintang District
d. South	:	Oil palm plantation owned by PT Salim Group
• Licenses		
1.		Extension of location permit based on Kapuas Hulu District Head's Decree No. 303 dated 1 October 2012, which is valid until 1 October 2013 and covers an area of 18,868 ha.
2.		Plantation business permit: Kapuas Hulu District Head's Decree No. 241/2012, dated 12 July 2012 covering 19,750 ha of oil palm plantation and a palm oil mill with a capacity of 80 tonnes per hour.
3.		Land use title (HGU): In process
• Parties Involved	:	
<p>The HCV assessment report and HCV management and monitoring plan were prepared by managers of PT PGM assisted by the Forestry faculty of Bogor Agricultural University. A public consultation was conducted on 3 April 2010 in SDN Dusun Beringin Desa, PB Benai, Silat Hilir Sub-District and attended by the Sub-District head, village heads and their staff, military commander, head of local police unit, informal leaders, religious leaders, estate managers, universities, local NGOs and other stakeholders. The HCV assessment report and HCVA management and monitoring plan of PT PGM were reviewed by Resit Sozer, an independent consultant, in October 2010.</p> <p>Recommendations from the SIA were prepared by an internal team from PT SMART in February 2013. The team was led by an RSPO-approved HCV assessor's specialist for social impact management. The managers of PT PGM, assisted by a team from PT SMART and local authorities, are responsible for managing the social impact of the company's operations.</p>		

Summary of SEIA Planning and Management

PT PGM's SEIA was prepared by CV. Intergraha Citra Persada. The company also has an SIA document prepared by an internal team from PT SMART in February 2013. The team led by Mr. Yosaphat Ardhilla Renato an RSPO-approved HCV assessor's for social impact management.

General recommendations based on SIA

1. Improvement of employment opportunities and community income

The company can improve employment opportunities for the local community by providing adequate information on relevant positions and qualifications to the local government to ensure that local workers are well informed and recruited. Once employed, all workers' health and safety are protected by the company's occupational health and safety policies.

Recommendations to increase community income include: stimulating the growth of local businesses (grocery stores and small shops) to fulfil the daily needs of the local communities and the company's workers. In addition, the company can also provides opportunities for local contractors to partner with it to provide the products or services it requires.

PT PGM also needs to develop a plasma programme which can potentially generate economic value for the local community and smallholders who participate in the programme. Plasma plantation development would require adequate communication and transparent information to be provided to the community, in order to avoid future conflict with the community due to uncertainty.

2. Community concerns and social conflict

Socialisation in the early phase of PT PGM's operations underwent the process of free, prior, informed consent (FPIC). This started with socialisation of the company's investment plan, land compensation plan and EIA, with the company explaining its proposals regarding the oil palm plantation.

The process of delineating the area for land for compensation is important and will be useful if there is any future claim on the land acquired by the company. This is aligned with PT PGM's existing procedures on land compensation.

The company also needs to explain its plasma and corporate social responsibility (CSR) programmes, and update the community on their progress. These programmes are helpful in reducing the risk of social conflict. Communication on the plasma development is especially important because the local communities have high expectations of the programme. On the other hand, these high expectations could result in social conflict if the information provided to the local communities is incorrect or misunderstood. The company's managers should therefore be pro-active in reaching out to the local communities who participate in the plasma programme.

PT PGM needs to provide the local government with information on available job positions and qualifications as well as up-to-date data on employment. The company should prioritise pro-active communication with local stakeholders, socialisation in the initial phase of the plantation development and utilising local workers. These actions will make the company more cost efficient because it will not need to import workers from other areas. The company also needs to provide training on entrepreneurship so that the local community can 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.

3. Public health

The company needs to practise pro-active communication with stakeholders in the study area to inform the local communities about environmental and health management. The company also needs to educate and monitor its contractors closely in terms of environmental management in its operations and applying best practices in handling palm oil mill effluent and hazardous wastes. Environmental and social impacts should be monitored and reported regularly to the relevant government office. All these activities are recommended to address any negative impact on public health.

4. Contribution to local 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 social and cultural activities. activities in the study area. The company's compliance with legal requirements to pay taxes also indirectly contributes to local development.

Summary of environmental management and monitoring palm in PT Persada Graha Mandiri							
No.	Environmental component (operational level)	Source of impact	Environmental parameter	Collection and data analysis method	Location	Monitoring period and location	Environmental management plan
a.	Community health	Plantation upkeep, replanting	Change of workers' and villagers' health	Field observation, checklist, interviews and evaluation of regular reports	Roads in villages, project location	Quarterly	Reduction in vehicle speed when in or near villages to minimise dust and air pollution; spraying of roads with water every day during the dry season; tree planting on both sides of the road..
b.	Declining water quality	Palm oil mill effluent discharged to open water flow	Ministry of Health Decree No. 416 /1990 on drinking water standards	Water sample collection and laboratory analysis;			Construction of drainage and settlement ponds equipped with impermeable silt bed.
c.	Declining quality in surface water	the plantation area and replanting	PP No. 82 / 2001 on management of water quality and water pollution control	comparative analysis with standard water quality.	Oil palm plantation	Quarterly	Management of hazardous wastes; controlling fertilising activities according to dosage and fertiliser types; applying integrated pest and disease management with biological controls; maintaining vegetation in watershed.

Summary of environmental management and monitoring plan in PT Persada Graha Mandiri

No.	Environmental component (operational level)	Source of impact	Environmental parameter	Collection and data analysis method	Location	Monitoring period and location	Environmental management plan
d.	Community concerns	Inadequate information during land acquisition and compensation process; opportunities for employment and doing business; security and livelihood	Data on community concerns	Direct observation and interviews with community members	All villages	Quarterly	Providing information as early as possible on palm oil mill operation, communicating the best practices of oil palm plantation management.

Summary of HCV Planning and Management

Recommendations for management

The HCV management plan addresses areas around rivers, springs and swamps as well as cultural heritage sites. Actions to protect and improve the condition of the HCVA include:

- Marking the boundary of HCVA
- Maintenance of HCVA boundary markers
- Protection of flora and fauna in HCVA
- Rehabilitation and enrichment of HCVA
- Socialisation to local communities
- Training for workers
- Development / improvement of SOP for managing HCVA
- Organisation Empowerment
- Coordination with relevant authorities

Recommendations for monitoring

The monitoring plan will focus on actions to manage each HCVA. Such actions will include monitoring of:

- Disturbance intensity to HCVA including risk of fire
- Biodiversity and population density of rare, threatened and endangered species in HCVA
- Rehabilitation and survival rate of vegetation planted in HCVA
- Changes in river width
- Surface water quality and source of water
- Aquatic biota in river

HCV Monitoring and Review of Data

The HCV assessment report and HCVA management and monitoring plan of PT PGM were reviewed by Resit Sozer, an independent consultant, in October 2010. The findings of the peer review were used to improve both documents.

Management of threats to HCVA

- Suggest to the community that members refrain from land clearing and illegal logging in PT PGM's concession particularly in riparian areas and near streams.
- Improve understanding and public awareness on the importance of conserving riparian areas, springs and swamps, and preservation of rare, threatened and endangered species.
- Conservation of protected plants which is listed in CITES, or the species categorised as critically endangered, threatened or vulnerable found in the region.
- Make a list of sacred places to minimise the risk of clearing or destroying them.

Management plans for HCVA

1. Mark the riparian zones, areas of water sources and lakes, and maintain the boundary markers.
2. Inventory and identify the land cover conditions in HCVA.

3. Protect HCVA, using both passive and active approaches.
4. Perform rehabilitation and/or restoration of HCVA.
5. Maintain and enhance communication and coordination with relevant stakeholders.
6. Perform periodic maintenance.

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 Persada Graha Mandiri**,



Dr. Haskarlianus Pasang

Head of Sustainability Division

Date: May 10th, 2013