



PT AGRO RAWAS ULU

(SIPEF GROUP)

MUSI RAWAS KABUPATEN

SOUTH SUMATRA PROVINCE

INDONESIA

SUMMARY OF PLANNING AND MANAGEMENT

JULY 2012



RSPO NEW PLANTING PROCEDURES

Summary Report of Planning and Management

PT AGRO RAWAS ULU – MUSI RAWAS, INDONESIA

1. Executive Summary

PT Agro Rawas Ulu is a company established in Indonesia for the development of a new concession of 9'000 ha into palm oil estates, associated smallholders (plasma) and a palm oil mill. The concession is located in the Kabupaten Musi Rawas, Province of South Sumatra. The land status is "APL" ("other land use", allowed for development) according to the current government land use master plan.

PT Agro Rawas Ulu (PT ARU) is a subsidiary of SIPEF, a member of the RSPO.

To plan this development, PT ARU has commissioned a HCV assessment conducted by a lead assessor approved by the RSPO, a SEIA, and a soil suitability survey. The results of the HCV assessment and SEIA are summarised separately, and have been incorporated in the development plans. HCV peer review assessment will be conducted in August 2012 and public consultation in September 2012. There is no peat or primary forest within the concession area.

The AMDAL (Socio-environmental impact assessment) is in progress, and the initial stage (KA-ANDAL) has been completed. The IUP (operation licence) will be processed immediately after issuance of the AMDAL by the local government (Bupati Musi Rawas). The HGU (land use title) will be processed afterwards, as per Indonesian regulations.

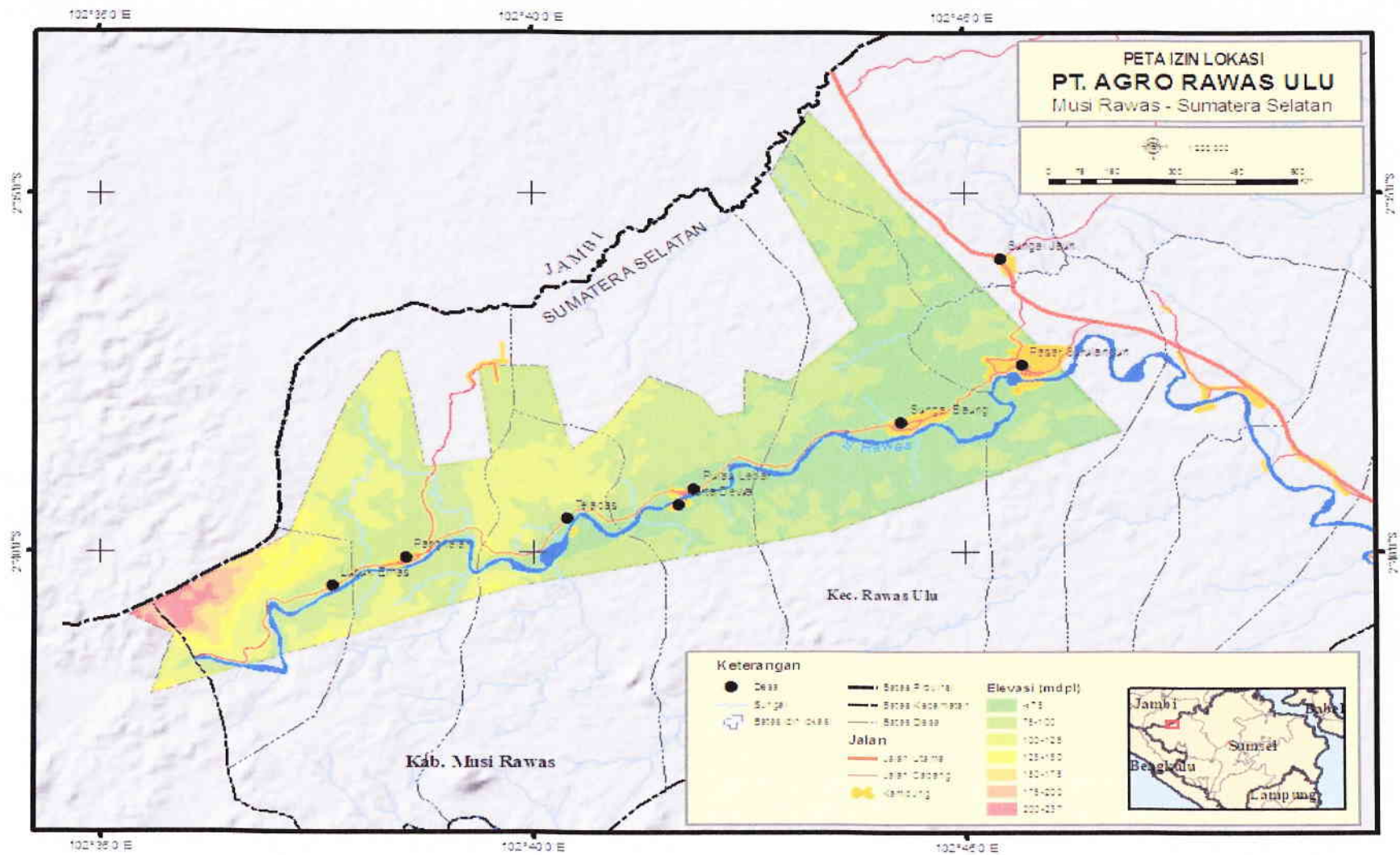
Local populations have been informed of the intentions of the company and a documented FPIC is ongoing.

2. Reference Documents

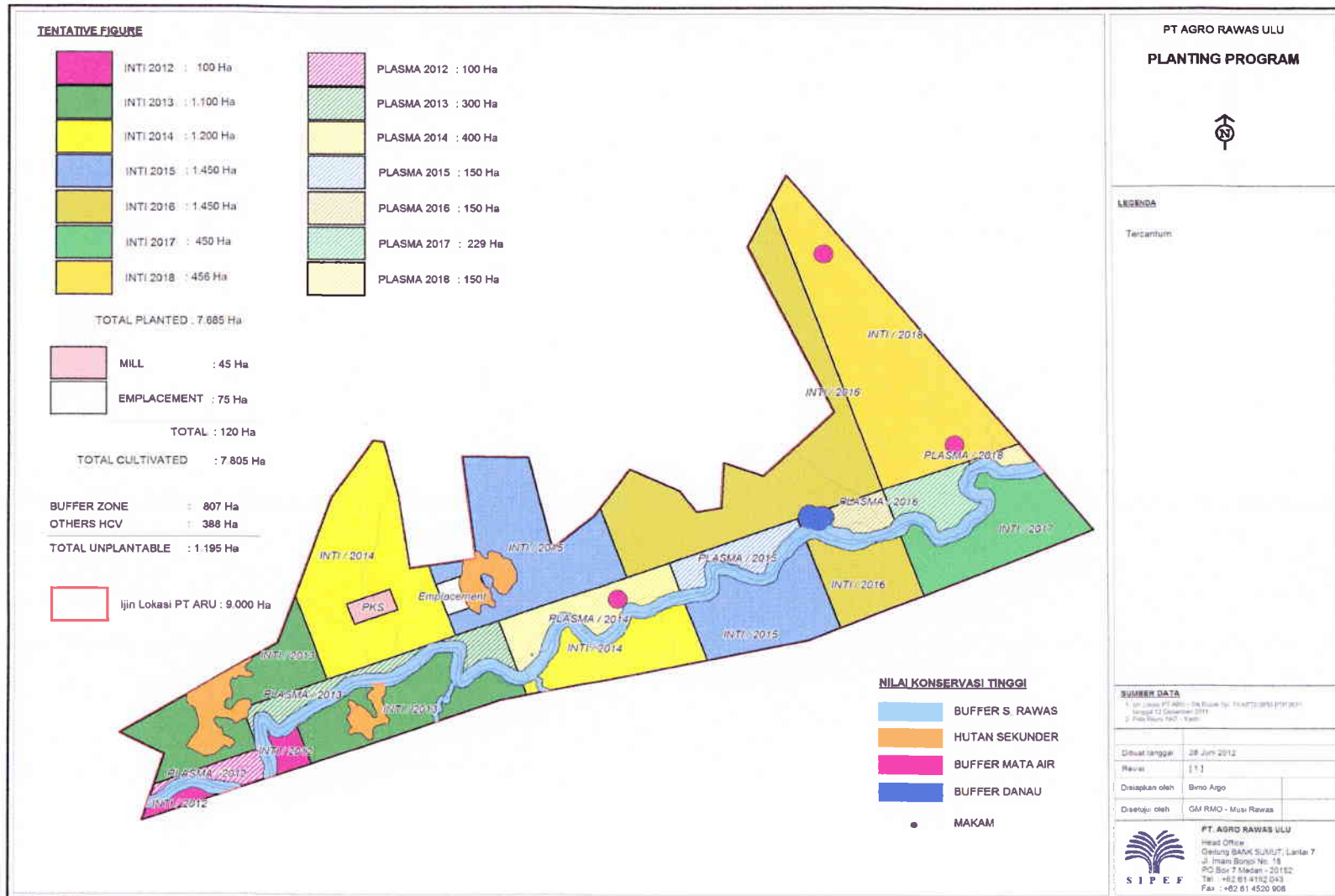
- SEIA Assessment Report : SEIA Assessment of PT Agro Rawas Ulu dated February 2012 was conducted and prepared by Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI), Jakarta, Indonesia.
- HCV Assessment Report : HCV Assessment of PT Agro Rawas Ulu dated February 2012 was conducted and prepared by RSPO approved assessors from Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI) , Jakarta, Indonesia.
- Soil Survey and Suitability : “Detailed reconnaissance soil survey and oil palm suitability assessment report of PT Agro Rawas Ulu In Kabupaten Musi Rawas Palembang, Sumatera, Indonesia” by JH Agriculture Services, May 2012.
- Land Development Permit (Ijin Lokasi) : decree 74/ KPTS/BPM-PTP/2011 from Bupati Musi Rawas, 12 December 2011.
- HCV Resource Network toolkit Indonesia, 2008
- Indonesia Government Regulation related to conservation management and monitoring, IUCN Redlist, CITES and PP No 7 tahun 1999
- Map PT Agro Rawas Ulu in Country
- Location map (landscape level)
- AMDAL document : still in progress
- Land Compensation map PT. Agro Rawas Ulu
- Development map and planting programme



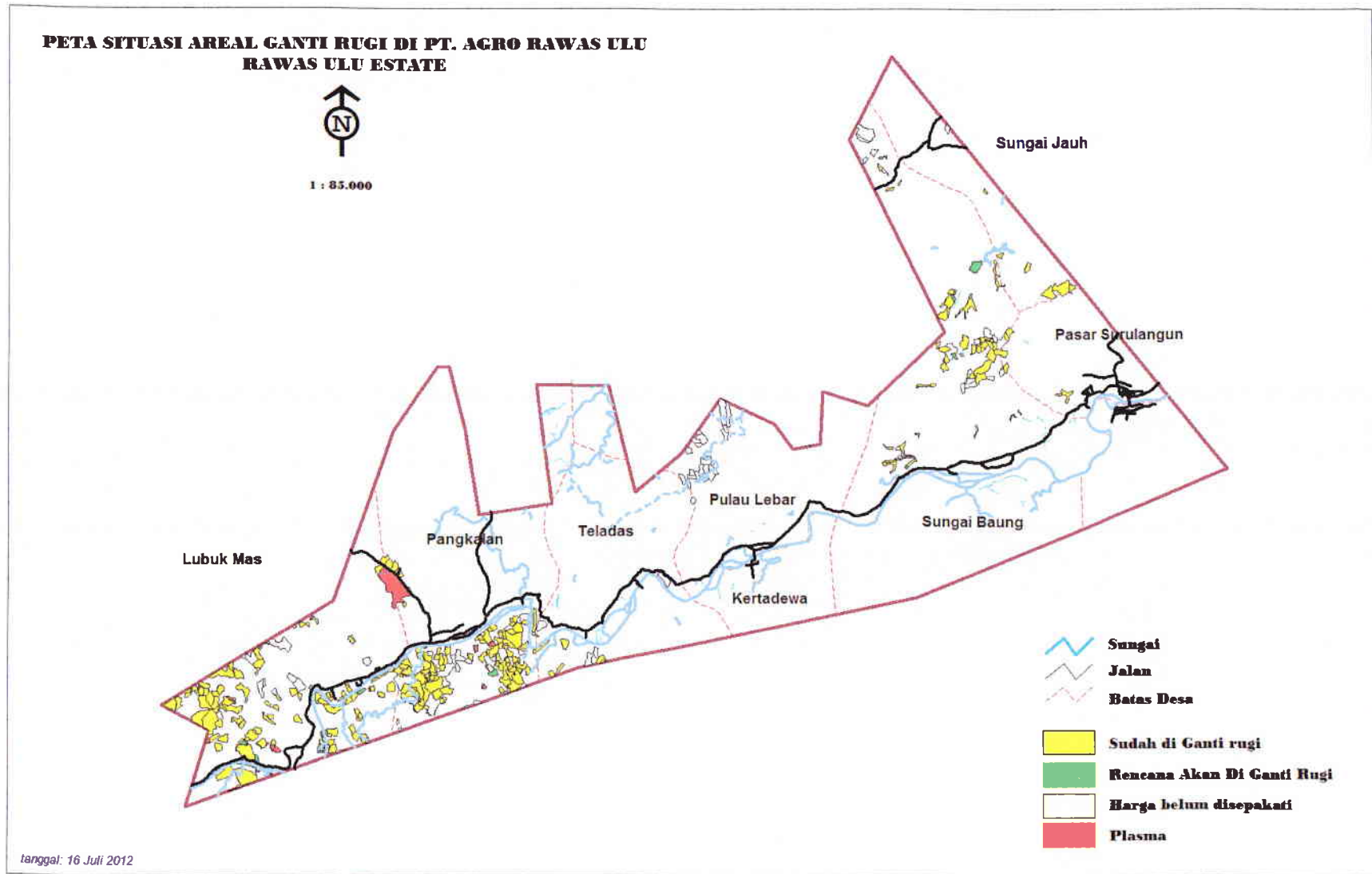
PT. ARU – Location map (country level).



PT ARU – Location map (Kabupaten Musi Rawas, South Sumatera, Indonesia).



PT ARU – development map with planting programme.



PT ARU - Land Acquisition Map, Progress as of July 2012.

3. SEIA and HCV Management and Key Personnel

Organizational information and contact person

Company Name : PT Agro Rawas Ulu
RSPO membership number : 1-0021-05-000-00 (as part of SIPEF)

Capital status : Foreign Investment (Penanaman Modal Asing - PMA)
Type Of Business : Oil palm plantation and mill.

Address :Regional Office : Jl Lintas Sumatera Km 107, Kecamatan Rawas Ulu
Kabupaten Musi Rawas, Propinsi Sumatera Selatan
Head Office : Bank Sumut building 7 floor. Jl Imam Bonjol No 18
Medan – North Sumatera

Telephone : 061 – 4152043
E-Mail : rmo.musirawas@tolantiga.co.id (valid for all people mentioned below).

Contact Person : Mr.Suherli (Estate Manager, PT Agro Rawas Ulu)

Personnel involved in planning and implementation

: Mr.Olivier Robert Tichit (Director)
: Mr.Timbul J. Sinaga (General Manager, South Sumatra Regional Management Office)
: Mrs.Anita Ridhani (Manager, Corporate Affairs)
: Mr.Robinson Gultom (Environment, Health and Safety officer, South Sumatra RMO)

Stakeholders involved during implementation

: Government officers in charge of Environment and Agriculture
: Local government representatives (at Kabupaten, Kecamatan and Village levels)
: Local community leaders and other stakeholders
: Local NGO
: Plasma cooperatives members and their representatives
: Company employees and their representatives.

4.a. Summary of Management and Mitigation Plan (SEIA)

No	Description	Management Objective	Action Plan	PIC	Target
1	FPIC	Ensure good awareness of the project by communities within the licence area.	<ul style="list-style-type: none"> Immediately carry out awareness sessions in the villages within the project area, using both formal and informal approaches. Informal approach is often more effective than a formal approach, but more time intensive. Awareness sessions in private homes allow for more in-depth discussions of the project. Awareness sessions shall be done in a transparent and responsible manner, without over-emphasising positive or negative impacts of the project. 	Estate Manager Field Head Assistant	2013
2	Conversion from rubber to oil palm	Communities to understand the benefits of oil palm in their area.	<ul style="list-style-type: none"> Provide clear comparison (advantages and disadvantages) between rubber and oil palm as cash crops, including clear technical examples. Try and ensure that non- or low-productive rubber plots are converted to oil palm in priority. 	Estate Manager Field Head Assistant	2013
3	Land acquisition by the company	Conduct land transactions in a transparent manner, reducing potential future land disputes.	<ul style="list-style-type: none"> Identification of landowners is done carefully and with respect for local customs. Mapping of land offer for acquisition is conducted in a participatory manner, using precise mapping tools, and is recorded carefully. Land acquisition negotiations are conducted in fair and open manner, and are documented. Payments for land rights are made directly with landowners, and avoid brokers or land speculators. 	DFAD GM -RMO CA Manager	continuous
4	Associated smallholders ("plasma") programme	Ensure good understanding of the "plasma" programme and provide communities within the project area opportunity to join the "plasma" programme based on their own free will.	<ul style="list-style-type: none"> Provide clear information related to the plasma program, including financial aspects (bank loans and repayment modes), management (cooperatives) and time schedules for the establishment of the plasma blocks (location, size, land titles). Support the establishment of cooperatives for the plasma members, including trading in management and administration, ensure that the cooperatives operate in a democratic and transparent manner. During the land acquisition process, ensure that land owners are given the opportunity to join the plasma scheme of the company, pro rata of the land they own. 	GM - RMO Plasma Manager	2012
5	Employment opportunities	Ensure that local communities are given fair access to work opportunities in the project.	<ul style="list-style-type: none"> Give priority to local people with the right skills. Ensure that information on job vacancies is well disseminated within the local communities. 	HRAD	as needed
6	CD/CSR Programme	Provide social benefits to the communities in the project area.	<ul style="list-style-type: none"> Prepare a CSR/CD programme tailored to the needs of the local communities, through thorough social surveys conducted by dedicated personnel. Incorporate income-generating activities in the conservation programs of the riparian areas of sungai Rawas. This conservation program should preferably be conducted in cooperation with the Environment Agency or the Forest Service of Musi Rawas. 	GM- RMO Estate Manager	continuous

4.b. Summary of Management and Mitigation Plan (HCV)

HCV Management Programme (Implementation conditional to land acquisition progress)

No	HCV area	Buffer zone/riparian area (m)	Total Area	HCV Criteria	Management Programme					
					Purpose	Objective	Program	Method	PIC	Target
1	Riparian zone of Sungai Rawas	100	807.46	1.1, 4.1	The protection of Biodiversity/Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Routinely patrol the HCV area and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2013
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. Maintaining a water source within or adjacent to the HCV in the UP (inundation areas, terracing, cover crops, soil pits / rorak) 	Estate Manager Field Head Assistant	2013
2	Riparian area of Tebat Gede lake	100	29.49	1.1, 4.1	The protection of Biodiversity/Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Routinely patrol the HCV area and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2013
					To enhance the function of HCV	Soil, water, natural	<ul style="list-style-type: none"> HCV Area Socialization 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the 	Estate	2013

					area by protecting the soil, water, vegetation and wild life inside riparian area.	vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> Management and Monitoring SOP for HCV Area 	<p>company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas.</p> <ul style="list-style-type: none"> Minimize soil erosion from plantation activities If necessary, dig a trench along the sides of the river to collect runoffs after heavy rains to avoid silting of the river. 	<p>Manager</p> <p>Field Head Assistant</p>	
3	Riparian small Rawas river	50	17.11	1.1, 4.1	The protection of Biodiversity/Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Routinely patrol the HCV area and carry out restoration in case of damage. 	<p>Estate Manager</p> <p>Field Head Assistant</p>	2013
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. If necessary, dig a trench along the sides of the river to collect runoffs after heavy rains to avoid silting of the river. 	<p>Estate Manager</p> <p>Field Head Assistant</p>	2013
4	Secondary Forest Teladas – Pangkalan Villages		106.33	1.1, 1.2, 1.3, 2.3	The protection of Biodiversity/Conservation area	To maintain the function of the forested area as a natural habitat.	<ul style="list-style-type: none"> HCV Area management and monitoring HCV Area Socialization 	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Consider increasing the size of the protected area, including restoration of the additional set-aside, to increase the value of this 	<p>Estate Manager</p> <p>Field Head Assistant</p>	2013

								<ul style="list-style-type: none"> protected zone for wildlife. Routinely patrol the HCV area and carry out restoration in case of damage. Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. 		
5	Secondary Forest Lubuk Mas Villages		150.68	1.1, 1.2, 1.3, 2.3	The protection of Biodiversity/Conservation area	To maintain the function of the forested area as a natural habitat.	<ul style="list-style-type: none"> HCV Area management and monitoring HCV Area Socialization 	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Consider increasing the size of the protected area, including restoration of the additional set-aside, to increase the value of this protected zone for wildlife. Routinely patrol the HCV area and carry out restoration in case of damage. Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. 	Estate Manager Field Head Assistant	2013
6	Secondary Forest Pangkalan Villages		49.93	1.1, 1.2, 1.3, 2.3	The protection of Biodiversity/Conservation area	To maintain the function of the forested area as a natural habitat.	<ul style="list-style-type: none"> HCV Area management and monitoring HCV Area Socialization 	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Consider increasing the size of the protected area, including restoration of the additional set-aside, to increase the value of this protected zone for wildlife. Routinely patrol the HCV area 	Estate Manager Field Head Assistant	2013

								and carry out restoration in case of damage.		
7	Water Sources Sukomoro, Menara Telkom, Mericing	100	34.21	1.1, 4.1	The protection of Biodiversity/Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. 	Estate Manager Field Head Assistant	2013
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. Monitor water quality to detect early signs of eventual pollution. 	Estate Manager Field Head Assistant	2013
8	Keramat Moneng Kemas, Batu batudung, Gajah tujuh, wong alim, Puyang Janggut, Datuk Singgalang Galeh, Puyang		0.08	6	Protect wholesomeness of this culturally significant site.	Prevent disturbance and damage. Allow local communities to access the site.	<ul style="list-style-type: none"> HCV Area Socialization HCV Area arrangements 	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Install signboards explaining the HCV importance for the local community. Allow access to the site for religious or traditional ceremonies. 	Estate Manager Field Head Assistant	2013

	Gundul, Adipati Purus, Sialang Teladas, Sialang Pangkalan									
9	Peer review				To meet the standards of scientific disciplines	available documents that have been in the HCV assessment peer review by experts according to scientific fields	Peer review HCV Assessment document	Contact HCV experts to conduct peer review HCV documents assessment according to their expertise	ENC	Agustus 2012
10	Public consultation				Publish the results of HCV assessment and verification to stakeholders	Stakeholder understanding of HCV assessment conducted by the company include the results of verification	Public consultation HCV Assessment verification	Conduct a public consultation in accordance with HCV assessment verification that has been agreed between company and consultant	Manager Estate ENC Dept	September 2012

5. Internal Responsibility

This Summary of Planning and Management has been approved by the management of PT ARU.

23 July 2012



Adam Christian Quentin JAMES
President Director



Olivier Robert TICHIT
Director

+=====+