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RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on the RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.org/?q=page/535>). It has also been posted on local on-site notice boards.

Date of notification: 8 February 2012

Tick whichever is appropriate

This is a completely new development and stakeholders may submit comments.

This is part of an ongoing planting and is meant for notification only.

PT Agrowiratama (Phase II) is located in the Subah and Sejangkung Sub-Districts, Sambas District - West Kalimantan Province. PT Agrowiratama (Phase II) is located in the southeastern of PT Agrowiratama (Phase I) which has implemented NPP procedures in January 2011 meeting the requirements of the RSPO New Planting Procedures which was enforced 1st January 2010. PT Agrowiratama (Phase II) hereby provides the NPP Notification as required by the RSPO procedures for new plantings.

COMPANY: PT Agrowiratama

Subsidiary:

1. PT Sukajadi Sawit Mekar
2. PT Maju Aneka Sawit
3. PT Globalindo Alam Perkasa
4. PT Multipersada Gatramegah
5. PT Mulia Indah - Sambas
6. PT Wira Inno Mas (Kernel Crushing Plant and Refinery)

RSPO Membership No.: 1-0054-08-000-00

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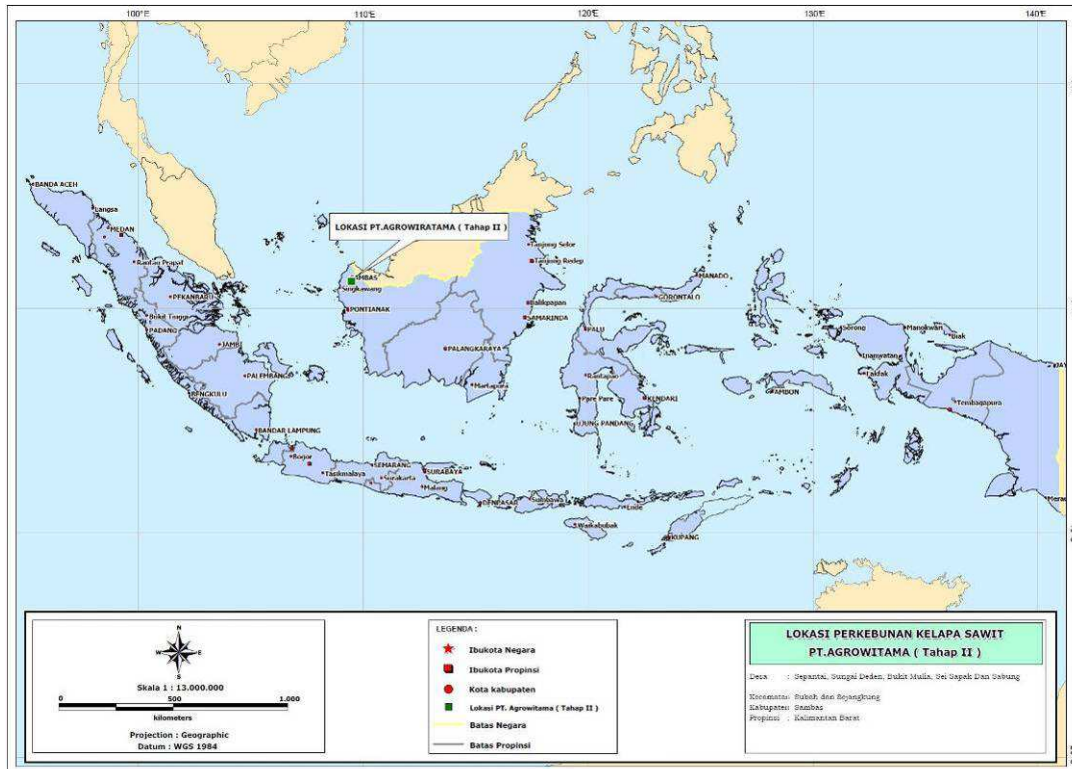
Location of proposed new planting: description or maps and GPS coordinates.

Company Name	:	PT Agrowiratama
Company Address	:	Spring tower, 06 – 61 Jl. K.L Yos Sudarso, Tanjung Mulia, Medan Deli, Medan, Sumatera Utara – 20241
Type of business	:	Oil Palm Plantation & Processing
Status of business land	:	Consent License (Izin Prinsip) (No 582 / 93 / BPMPT-3 dated 31 st March 2011) (size ± 5,070 Ha) Stated that all of area PT. Agrowiratama (Tahap II) is Others Usage Purposes (Non forest area) referring Forestry Map. Permitted Area (Izin Lokasi) (No.11 Year 2012 dated 11 th January 2012) (size ± 3,686 Ha) SEIA (AMDAL) No 660.1/235/Komisi dated 21 st November 2012. Environmental Feasibility Permit (Izin Kelayakan Lingkungan) (No. 437, dated 6 th December 2012). Environmental Permit (Izin Lingkungan) No. 438, dated 6 th December 2012). Plantation Permit (Izin Usaha Perkebunan) (No. 22/BMPPT/2013 Dated on 4 February 2013)
Contact person	:	Dr. Gan Lian Tiong email: liantiong.gan@musimmas.com
Location	:	Subah and Sejangkung Sub-Districts, Sambas District West Kalimantan Province See Figure 1, Figure 2, Figure 3, and Figure 4, Figure 5
GPS Reference	:	109°28'19.5" E – 109°33'40.0" E 01°11'34.3" N - 01°18'1.5" N
Region boundaries	:	North : Plasma of PT MDF (Multi Daya Fortuna) and Cultivated area of Sepantai Villagers South : Palm oil of Sapak Hulu Villagers

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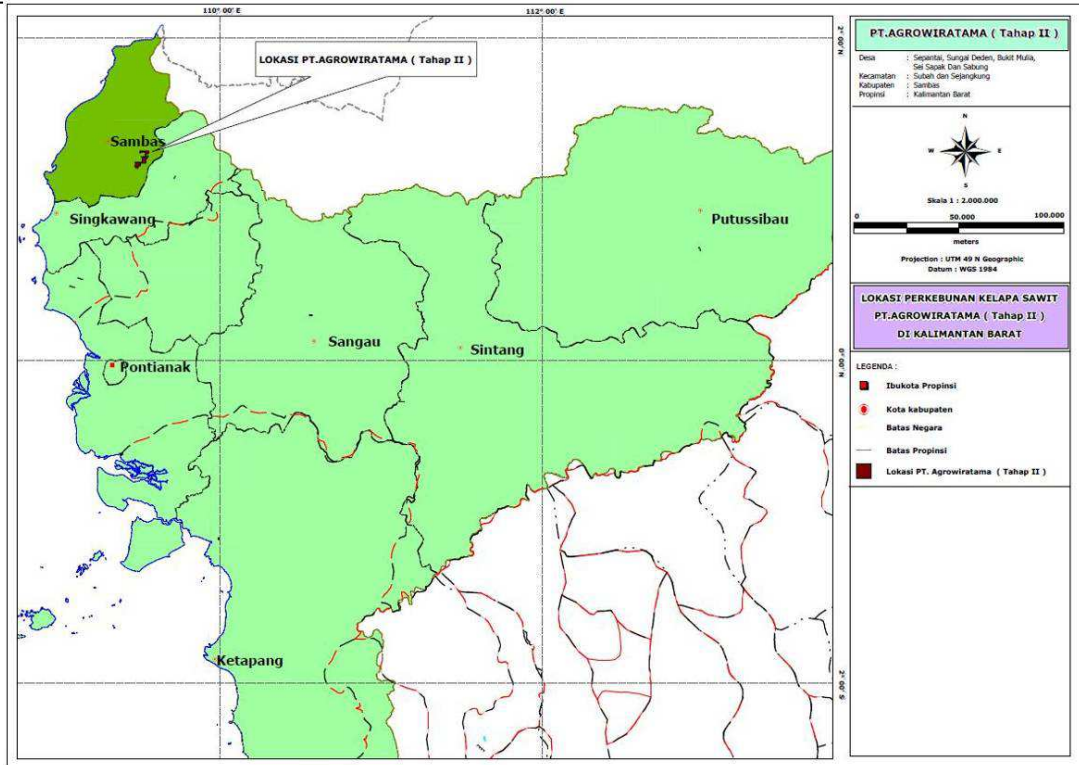
West : Transmigration of Bukit Mulya Village, Karaban Village and Sei Deden Village and then continuous with PT MDF

East : PT MISP (Mitra Sawit Sejati Plantation) and Sungai Mas Sub-Village, Sapak Village

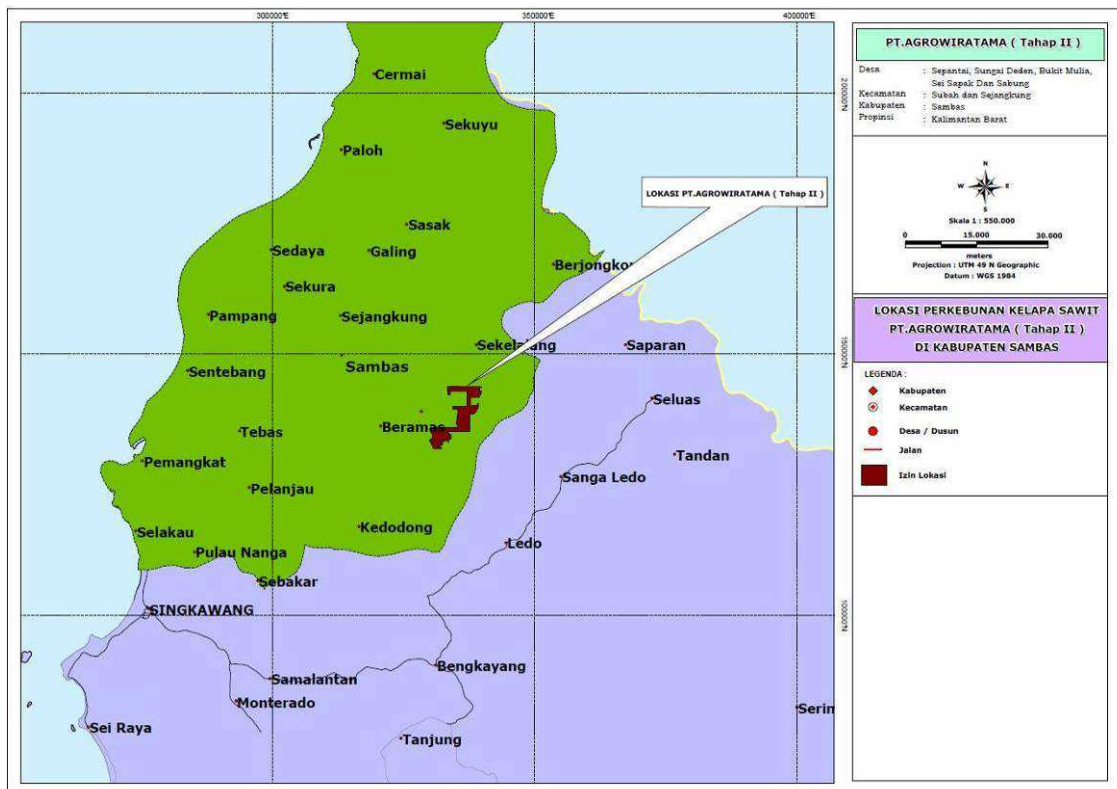


Picture 1. Location of PT Agrowiratama (Phase II) in Indonesia

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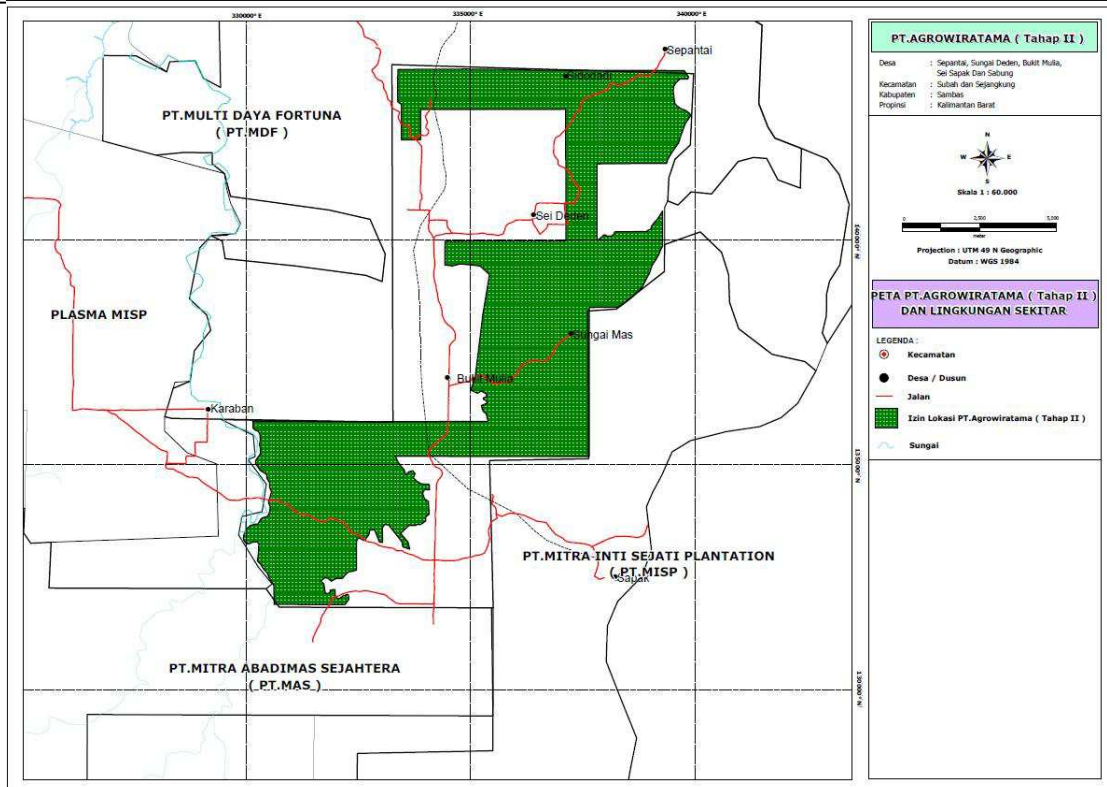


Picture 2. Location of PT Agrowiratama (Phase II) in West Kalimantan Province



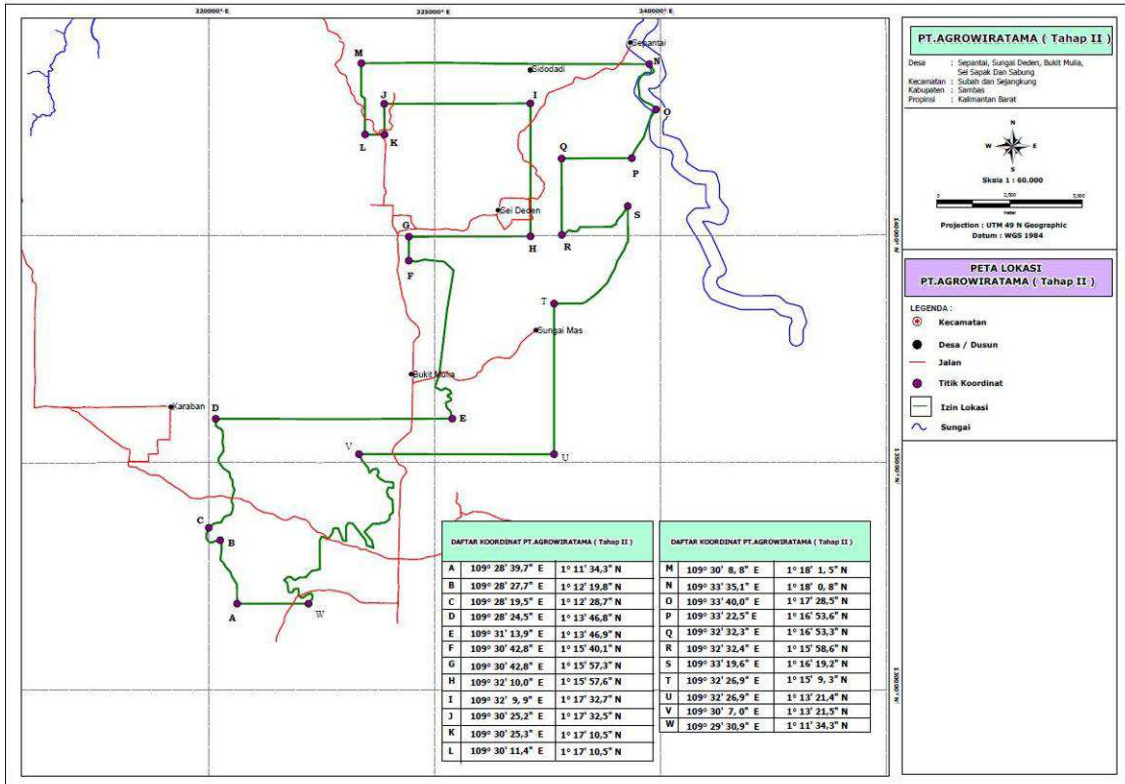
Picture 3. Location of PT Agrowiratama (Phase II) in Sambas District

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Picture 4. Location of PT Agrowiratama (Phase II) and its surrounding entities

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Picture 5. Location Map of PT Agrowiratama (Phase II) with GPS references

SUMMARY FROM SEI ASSESSMENTS:

Assessors and their credentials:

The Social Impact Assessment of PT Agrowiratama (Phase II) was carried out by Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The key consultants conducting these assessments have been accredited and approved by RSPO. The team members are:

- 1. Nandang Mulyana** (nandang@aksenta.com), He graduated from the Faculty of Agriculture Graduated from UMJ (Jakarta Muhammadiyah University) – Jakarta majoring in Economics and a Master Degree holder from Bogor Agriculture University. He is experienced in the field of education, environment, socio-environment, and community development programme (CDCSR), collaborated with Unocal Geothermal of Indonesia Ltd and Chevron Geothermal Salak since 2000. Nandang Mulyana wrote a book on “*Membedah UMKM di Indonesia; Sebuah Kajian tentang Strategi Pemberdayaan dan Pengembangan UMKM Indonesia*” published by Lugas. He has conducted several HCV and Social Impact Assessments in oil palm plantations in Indonesia with Aksenta. In year 2010, achieved the RSPO accreditation as Discipline Specialist Social (Participatory rural assessment; socioeconomic or cultural studies; participatory mapping; conflict resolution). His role in this Social Impact Assessment is as The Team Leader focus on social economic and community development assessment. Companies.
- 2. Ali Akbar Hutzi** (ali.hutzi@aksenta.com), Finished study S1 Agribusiness Management in Bogor Agricultural University. He is experienced in the field of social and agribusiness are: Survey of behavior rice, pepper and chicken marketter in DKI Jakarta, collaborated with IPB Management Department and Bank of Indonesia. Counterpart Agro Outlet 8 Provinces in Head Market of Kramat Jati, development application and *database* for farmers in Lampung with CV Marga Sarana Bhumi – Bandung, Counterpart farmer of tea plantation haved community of Sukanagara Sub District – Cianjur with Development Silviculture of Community Plantation Program “Proyek Pengembangan Budidaya Perkebunan Rakyat (BPPBPR)” West Java, Facilitator of Community Business Farmers in Cengal Village, Bogor District, with IPB and Local Government Bogor District, Facilitator of Community Business in around IPB Campus, IPB Management Department, Coordinator plantation of *Perkebunan Mix Farming* Based LEISA (*Low External Input Sustainable Agriculture*) in Asol Farm Cianjur. Since 2012 He joined with PT Gagas Dinamiga Aksenta in *Social Impact Assessment*. His role in this Social Impact Assessment is as member of team with focus on social economic sector.

3. **Erizal** (erizal.bogor@hotmail.com), is graduated from Forest Resources Conservation Department, Faculty of Forestry, Bogor Agricultural University. He has the good experienced of work in agriculture, forestry, and the research of biodiversity and social capacity. His activity's concern is "Bina Desa" with the main activity as the emergence of Kader Pelopor in the Village in "*Pelatihan Tokoh Pelopor Desa*". This time, he is participating in the social development and he has ever been the trainer related to the business, the development of bamboo handicraft, such as, working together with Non-Timber Forest Product Indonesia Programme, Forest Department of West Java, DPRD of Bogor Regency, and Cirebon City, DPRD of South Sumatera, UKM Ternate and Bogor Agricultural University. Since 2010, He joined in the Social Impact Assessment Team of PT Gagas Dinamiga Aksenta.
4. **Gelar Satya Budhi**, He is graduated Master of Science in Community Development from University of Putra Malaysia. He is senior researcher on social economic and community development aspect, which is some commodities are plantation, food plants, horticulture, ranch and forestry. Ever collaborated in research of applied research and participatory action research with some national institution (Bappenas, Bank Indonesia Pusat, Bank Indonesia Bandung, Kementrian Pertanian, Pemda DKI, IPB, Unpad) either or international (ICRAF, CIFOR, IFPRI, ACIAR, JBIC, ESCAP, IDRC). Active writing an article on some journals in Indonesian language and English about some topics, which is published by PSE-KP, UI and some universities. In teens articles release in some mass media like Kompas, Suara Pembaruan, Bisnis Indonesia, Suara Karya and Pikiran Rakyat. Conveying working paper on some seminars in Indonesia or abroad, like under one's belt by Asian Productivity Organization (APO). Some writes from his research published on book *Improving Smallholder Farming Systems in Imperata Areas of Southeast Asia* published with International. Since 2007 – 2009 become member of eight teams to help research of Agriculture Ministry. Now Gelar Satya Budhi engage in some Social Impact Assessment (SIA) and HCV activity in social and culture sector in Aksenta. His role in this Social Impact Assessment is as member of team.

Assessment Methods (data sources, collection, dates, program, and visited places)

Social Impact Assessment on the ground was carried out as bellows:

1. **Participative**; issues identification and information searching were done in participative way. This participative approach enabled of the participants as the subjects in mapping the social issues they are facing, expressing their opinions and ideas, as well as being involved in designing the administration and changing of the issues,
2. **Multiparty**; issues identification and information searching were done in multiparty way by involving related parties directly or indirectly in giving or receiving the impacts,

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3. **Rapid and Ex-ante;** issues identification and information searching were done in rapidly and based on the forecast of the changes tendencies that occur rather than the factual and accurate data – as the solution to the Social Impact Assessment approach and time limitation,
4. **Appreciative;** issues identification and information searching were guided positively, not only to find out the gap on the location but also to collect the data about expectations, potentials, and ideas in order to find out solutions and social issues that happened,
5. **Social Learning Cycles;** the social impact assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment,

The methods and techniques applied in the Social Impact Assessment were:

1. **Literature Study;** this method was used for the purpose of gathering the understanding on the socio-context and environmental aspect of the location which was evaluated. It was carried out in the early phase-before going to the field and at the result analysis phase (This was described in the SIA report of PT Agrowiratama (Phase II), May 2012 by Aksenta),
2. **Dialogue;** this method was used to identify the nature of the relevant parties, identify the potential issues to impact, gathering information about expectations, ideas, and opinions to bring the solutions for the actual issues. The process was carried out through the meetings both in formal and in non-formal sequence with definite topics (Focus Group Discussion),
3. **Field Observation;** this method was used to understand directly the actual facts which will be indicator of the issues and social impact happened,
4. **In-depth Interview;** it was used to get a deeper understanding about the issues. It was done in-depth by interviewing the key socialite who will act as respondents. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts,
5. **Tri Angulations;** the above methods were carried out in integrated way to reciprocally verify the actual issues, opinions, and ideas,
6. **Social Learning Cycle;** the social impact assessment is not a linear process which is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

The findings obtained from the methods above were analyzed. The baseline of the analysis was based on RSPO criteria which relevant to sustainable social aspects. The

recommendations also covered other issues which were not entailed in the RSPO criteria, in the form of ideas or aspirations as the result of the field analysis.

Summary of SEI Findings

The social impact assessment revealed that, in general, PT Agrowiratama (Phase II) development plan in Subah and Sejangkung Sub-Districts of Sambas District in West Kalimantan Province is considered to hold a significant potential social impact to the local community's social sustainability. However, because the company has not commenced operations, the impact of the company's presence and operational plans plantation can be divided into "potential social impact that has / is happening" and "social impacts are expected to occur".

The management unit of PT Agrowiratama (Phase II) is facing both positive as well as negative perceptions of the local communities make on the company. But, in general, the majority of the local communities are having a positive opinion to the company's existence and its plan to develop an oil palm plantation. Since it is still at the earliest stage of the plantation development i.e. very limited activities conducted by the company, there is no significant economic contribution of the company to the surroundings villages. The key results of the social impact assessment to the oil palm plantation development plan of PT Agrowiratama (Phase II) in Subah and Sejangkung Sub-Districts of Sambas District, West Kalimantan Province can be concluded as follows:

1. The earlier stage of the oil palm plantation development of PT Agrowiratama (Phase II) e.g. legal aspects, permits, introductory and expose to the local Government and local communities ("sosialisasi") are already well conducted.
2. In general, the majority of the local communities do not refuse the oil palm plantation company coming to their area, with the condition that the company has a goodwill and commitment to contribute to the improvement of their welfare.
3. There are at least 14 stakeholders (both internal and external) identified as parties who would be influenced or affected by, and or give influence to, the existence and the operational of PT Agrowiratama (Phase II) palm oil business in this area.
4. So far the social impacts from the company's existence and operational activities are yet to cause significant socio-economic impacts to the local communities since it is now only at the stage of land exploration and socialization. Nonetheless, local communities has expressed their expectations as well as worries with respect to the plan on the company's future presence and operations.

5. The assessment reveals that no traditional rights occur in PT Agrowiratama (Phase II) proposed oil palm plantation area, such as customary land collectively owned or claimed by local communities.

SUMMARY FROM HCV ASSESSMENT(S):

Assessors and their credentials

The HCV assessment in the Permitted Area (Izin Lokasi) of PT Agrowiratama (Phase II) by the RSPO accredited assessors. The HCV assessment conducted from 26th – 29th March 2012 in the Permitted Area (Izin Lokasi) of PT Agrowiratama was carried by Aksenta, located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. Key consultants from Aksenta have been accredited and approved by RSPO. The team members are:

1. **Pupung F. Nurwatha** (pupung@aksenta.com), Biology Scholar from Padjajaran University, Bandung. Get training about Fieldwork Techniques for Conservational Expeditions on year 2002 in London, UK. Experienced in wildlife research since 1990, expertise in Community Based on Biodiversity Assessment and managing a wildlife conservationist grouping in Bandung. HCV assessment studies in plantations sector and registered in RSPO Accredited HCV Assessor – Discipline Specialist in HCV 1, 2, and 3 Biodiversity and Conservation .
2. **Robert H. Sinaga** (rohansinaga@aksenta.com), Science Scholar in Applied Meteorology in Mathematic and Natural Science Faculty of Bogor Agriculture University. His is experienced in GIS dan Remote Sensing technic to Biology Conservation and land use issues. He has done his research in radiation quantities in the forest and energy using by the forest using the GIS techniques and Remote Sensing. In this assesment, he identified for HCV 4 and mapping of HCV areas. He obtained the accreditation from RSPO as the Discipline Specialist for HCV 4 and HCV Mapping.
3. **Sigit Budhi Setyanto** (sigit@aksenta.com), He graduated from the Faculty of Agriculture of Universitas Negeri Jember and has been involved in research and has experiences in areas involved with growers and community's development since 1990. Since 2004 he has been active as the auditor for *CAFÉ Practice Program* in Indonesia and Papua New Guinea as well as an *Agriculture Marketing Specialist* for an international NGO for *Rural Agroenterprise Development (RAeD)* program. He is experienced in *Social Impact Assessment*” and “*High Conservation Value Assessment*” . He obtained the accreditation from RSPO as the Discipline Specialist for Social Assessment on palm oil companies.

4. **Risa Syarif** (risa@aksenta.com), finished Bachelor programme in Bogor Agriculture University (IPB) of Forest Management Department. Her is experienced and had skill of Spatial, like Remote Sensing and Geografis Information Systems (GIS). In this assessment, as GIS Specialist, spatial analysist and mapping of HCV areas.

Assessment Methods (Data sources, data collection, dates, program, and visited places)

HCV Identifying Methods

The assessment covers the permitted plantation area or the formal area which has already included into the company's project area. It also expanded into villages and other areas which considerably important to the surrounding proposed plantation area. The field survey was conducted in 26th – 29th March 2012 to check the necessary observed locations.

In the process, each observation team was accompanied by the field staff from the company and local representatives who familiar with the site. Besides field activities, the team also collected information from the local people through individualistic interviews, Focus Group Discussion (FGD, as well as public consultations (the list of stakeholders in the participative process is included. At the same time, confirmation and cross checking of the findings were carried out with the local people using the technique of purposive sampling – which included the socialites, the enclaves' owners (if existed), and the related interest parties.

The understanding and scope of HCV for the oil palm plantation sector refers to the HCVF definitions which apply to the forestry sector. The Identification of High Conservation Value in Indonesia was developed by the *Konsorsium Revisi HCV Toolkit Indonesia* (2008) - the toolkit for the revision HCV consortium. Other references are such as IUCN, CITES, and other guidelines as well as the relevant laws of Indonesia were also subjects of consideration in HCV Assessment PT Agrowiratama (Phase II).

Identifying Methods for HVC 1, 2, and 3

The target for HCV 1, 2, and 3 identifying was to find out the areas which have important values in the biological context. Such areas were marked by the location status, the origin of the communities, or the existence of the ecosystem of flora and fauna with high values. The significant values of flora and fauna refer to the status defined by the law, endemics (endemic, limited spread), and scarcity (scarce, facing extinction or almost extinct) was in accordance to the national and international law (IUCN and CITES) which protect such flora and fauna. Moreover, the significance of the value of the wildlife as well as the habitat was

also based on the ecology roles from the species and from the cultural and traditional point of view.

The method of inventories was done using reconnaissance survey to analyze the existence of the important flora and fauna. The existence of every fauna was recorded through:

- Direct observation, either through the identification of visual appearance or sound (for both diurnal and nocturnal animals),
- The existence of the marks or residual from the animals' activities in their former habitat (such as tracks, scars on trees, nest, scales, snake skin, bird feathers, or mammal hair, etc.),
- The finding of the residual of animals' body parts (skull, horn, skin, hair, tusk, scales, and other recognized part of the animals' body) which were possibly hunted or caught by the local people in the observed locations. Interviews were carried out to complement the information about the time and location of the hunting activities,
- The secondary information was the existence of the animals which were documented based on external information, such as local people information or the local authorities. The consistency of such information was always monitored through cross checking (check and recheck) with other relevant parties as well as checking the validity of the description on every species of animals from the interviewed people. All information was then matched with the natural distribution and the history of the existence of such species in the locations (as mentioned in the literature references). The data was then compared to the type and condition of the habitat at the time when the survey was done. Any mismatching between the description and their natural distribution zone and habitat, will put the existence of such species in doubt.

HVC 4 Identification Methodology

In order to identify the existence of HVC 4 in oil palm plantations, two approaches were applied. The first approach was analysis to find out the interactions and correlations between the water system and the plantation land in a wide context. The approach also covered the area outside the plantation area. The second approach was an analysis to find out the significant values of such locations and their impacts to the plantation location. Thus, in this analysis, the perspective used was the inside area in the plantation. Based on both approaches, the phases of identifying HCV 4 were analysis of the secondary data, field survey, and the integrated data analysis of secondary data and the field survey.

The identification of the HCV 4 areas was done by analyzing the area from the metrology point of view, the soil analysis, topography, watershed, and the field survey and interviews.

The field observation was carried out on the chosen locations; i.e. springs, river, river condition, land clearing, plantation in production, and other locations representing the condition of the water management in the plantation.

HVC 5 and HCV 6 Identification Methodology

The focus of the HCV 5 assessment was the area inside the plantation which has significant values to fulfill the basic needs of the local community. The focus of the HCV 6 assessment was the area inside the plantation which has the significant values for identification and sustainability of the tradition or culture living of local community. The methods adopted in the assessment of HCV 5 or 6 are:

- Mapping participation of locations containing elements of HCV 5 and 6.
- Interview the local community, either with individual or Focus Group Discussions.
- Ground assesment and analysis.

Summary of HCV Findings

The results of the HCV assessment by independent consultants from Aksenta who has been accredited and approved by RSPO have shown that there is no primary forest and peat swam forest in the Permitted Area (Izin Lokasi) of PT Agrowiratama (Phase II). The HCV identification study in the Permitted Areas (Izin Lokasi) of PT Agrowiratama (Phase II) has created High Conservation Value areas and has been mapped in accordance with the type and elements of HCV. A verification process of HCV indicative map was carried out to the definitive HCV. The original HCV area identified was ± 102.8 ha or ± 2.8 % of the total Permitted Area (Izin Lokasi) in the assessments by Aksenta. Three types of HCV were identified; these are HCV 1, HCV 4 and HCV 6. The important elements for HCV 1 are the presence of endangered species, and the presence of critical areas for protection (refugum) for wildlife species within the Permitted Area bleak as Mullers Gibbon (*Hylobates muelleri*), Sunda Pangolin (*Manis javanica*), Sarawak Surili (*Presbytis chrysomelas*), Proboscis Monkey (*Nasalis larvatus*), Malaysian Giant Turtle (*Orlitia borneesis*) and Sunburst Turtle (*Heosemys spinosa*). The important elements for HCV 4 are related to the potential damage from springs, river riparian, firebreaks, and water for agriculture and areas with steep slopes functioning as erosion control. The important elements for HCV 6 are related to the traditional and sacred graveyard (*tembawang*).

SUMMARY OF PLANS:

Development of HCV and SIA Management Plans

The Consent License (Izin Prinsip) for PT Agrowiratama was approved on 31st March 2011 by the Sambas Regent decree (Surat Keputusan Bupati Sambas) No. 582 / 93 / BPMPT-3; the total area based on Consent License is $\pm 5,070$ ha. The Permitted Area (Izin Lokasi) was approved on 11th January 2012 by the Sambas Regent decree (Surat Keputusan Bupati Sambas) No 11th Year 2012; the total area based on Permitted Area is $\pm 3,686$ ha. The Social Environment Impact Assessment (AMDAL) was approved by AMDAL Commission of Sambas No.660.1/235/Komisi dated on 21 November 2012, the Environmental Feasibility Permit (Izin Kelayakan Lingkungan) was approved by Sambas Regent (Surat Keputusan Bupati Sambas) No. 437 dated on 6 December 2012 and the Environmental Permit (Izin Lingkungan) was approved by Sambas Regent (Surat Keputusan Bupati Sambas) No. 438 dated on 6 December 2012. The Plantation Permit (Izin Usaha Perkebunan, IUP) was approved on 04 February 2013 by the Sambas Regent Decree (Surat Keputusan Bupati) Nomor : 22/BMPPT/2013; the total area is $\pm 3,100$ ha, PT Agrowiratama (Phase II) will not do development on areas that have been removed from IUP. The farm is an area to be managed inside the IUP.

The findings on both the HCV and SIA have been incorporated in the oil palm development plan of PT Agrowiratama (Phase II) which includes the HCV and SIA management and monitoring plans of PT Agrowiratama (Phase II). Development of the HCV and SIA management and monitoring plans was facilitated by Aksenta team through a workshop for the PT Agrowiratama (Phase II) management and sustainability team conducted from 4th - 5th September 2012 in PT Agrowiratama - Office Sambas, West Kalimantan. The purpose of the workshop on HCV - SIA management and monitoring program for PT Agrowiratama (Phase II) was to enable the management team to have a better understanding of the HCV and SIA findings and their related implications so as to provide reference points in developing the operational activities of the company related to the HCV, social managements synergy with the company's development of oil palm plantation. The results of the assessment and the management plans are documented and presented and discussed in a stakeholders' consultation on 6th January, 2012 in Sambas. The feedback from this stakeholders' consultation have also been incorporated into the oil palm development plan as well as the HCV and SIA management plan.

The implementation of the HCV and SIA management & monitoring plans in the field will be implemented by experienced personnel who possessed a high level of dedication of

knowledge and special technical skills. Sustainability Staff, Audit & Certification (A&C) Staff, with the assistance of the Public Relation (Humas) Team, stationed at the location, will provide support in these activities. The Estate Manager is directly responsible on the implementation of the plans of management and monitoring. In addition, the Senior Estate Manager is accountable in fulfilling of the requirements for the plan and as well as responsible in analyzing the input results from the monitoring plans. The General Manager is accountable and responsible to ensure that the Overall Development Plan including the management of HCV and SIA is implemented according to the time plan and budget. The management team is supported and supervised by the Regional General Manger. The detail of the responsibilities and roles of the HCV and SIA development and preparation of management plans and monitoring are summarized in the “The Management & Monitoring Plans of HCV/SIA PT Agrowiratama” document. The Head Office Estate Department, Public Relation (Humas) Department, and Sustainability Department will provide the overall support in the implementation of the development plan.

Stakeholders to be involved

The process of the HCV and SIA development and preparation of management plans and monitoring PT Agrowiratama (Phase II) also involved relevant stakeholders such as governmental offices (Natural Resource Conservation Department-BKSDA), The Plantation and Forestry Office, The Office for River Management-BPDAS, local communities, the government of local village and Sub-District, and other company’s (private sector of Forestry and Plantation)

Consultation with the relevant stakeholders to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT Agrowiratama (Phase II) and the workers, contractors, suppliers, smallholders (plasma), consumers, government agencies and communities to move forward for the benefit and common progress. This is also part of the process of free, prior and informed consent procedures to ensure that there is a balance in the social and environmental harmony in the development of the oil palm planting project between PT Agrowiratama (Phase II) and the local communities, the relevant government agencies, concerned stakeholders, NGOs etc.

The Stakeholders’ Consultation was held on 6th September, 2012 in the Sambas District, West Kalimantan (agenda consultative meeting are presented in. There were 68 participants present during this consultation meeting. The details of the Stakeholders’ Consultation is presented in the Report of Stakeholders Consultation PT Agrowiratama (Phase II), September 2012. The summary of the consultation with highlights of key suggestions from the consultation on HCV, SIA, and RSPO P&C are as follow:

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1. The number of stakeholder consultation Participants that conduct by PT Agrowiratama (Phase II) at 6th September, 2012 in Sambas District - West Kalimantan Province are 68 Participants, consisting of:

Organization	No. of participants
Government Agencies, are: Region III BKSDA West Kalimantan (1 participant), Manggala Agni Singkawang Operation Area (1 participant), DISHUTBUN Sambas District (2 participants), POLRI (3 participants), BPDAS Kapuas (2 participants), BIMPPT Sambas District (1 participant), SETDA Sambas District (1 participant), TNI-AD (1 participant), KORAMIL Sambas District (1 participant), DANRAMIL Sambas District (1 participant), POLRES Sambas District (1 participant), POLSEK Subah (2 participants), KODIM Singkawang (3 participants).	20
Representatives from villages around (subdistrict head, village head, community leaders)	19
Non-Governmental Organization (NGO), consist of: World Wild Fund (3 participant), Mangrove Centre Foundation (1 participant), Wahana Visi Indonesia (2 participant), Lembaga Gemawan (1 participant)	7
Company around, such as PT Multi Daya Fortuna (3 participant) and PT Agronusa Investama (1 participant)	4
HCV / SIA Assessor	4
Management PT Agrowiratama	14
Total	68

2. The following subject matters were presented to the stakeholder during the Stakeholders' Meeting:
 - a) BKSDA Conservation Section Region III, explanations about government policy with management of conservation area, such as UU No. 5 Year 1990 about Natural Resources of Conservation and Ecosystem, anything with no right and no permitted about conservation and protection of wild life and plants need to protected and conserved.
 - b) BPDAS Kapuas, explanations about condition of management and now condition of DAS in West Kalimantan, especially in Sambas District.
 - c) DISHUTBUN, explanations about policy and government regulation about smallholders (plasma) systems in plantation, objectives of smallholders (plasma) system.
 - d) WWF Indonesian, explanations about social, environment management of oil palm development with sustainability, RSPO scheme, HCV, SIA and NPP in Oil Palm Plantation Company.

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- e) Management PT Agrowiratama, explanation about environment management and monitoring plan in operational company and mill with regulation and template in AMDAL documents.
- f) Explanation from consultant Aksenta about HCV and SIA Identification in PT Agrowiratama. Size of HCV and social issues and then management and monitoring plan HCV and SIA in PT Agrowiratama.

3. Key Issues raised for discussion during the Stakeholders' Meeting include:

Important issues that are related to sustainable development of oil palm plantations in Agrowiratama, Sambas District, West Kalimantan Province in stakeholder consultation activities, are:

- 1) Socialization activity needs to be continuously and until in village, so that local communities are aware of the overall development plan of PT Agrowiratama.
- 2) Local community in Permitted Area of PT Agrowiratama (Phase II) hoped that the company can immediately doing investment and socialization to local people and making agreement with community about smallholders (plasma) system.
- 3) Local communities in Permitted Area of PT Agrowiratama (Phase II) hoped that the company be managed in good way and in accordance with RSPO P&C as the sustainable palm oil plantation and maintain good coordination among the stakeholders (company, community, NGO and government).

Summary of the questions and answers during the stakeholder consultation process are as follows:

No.	Participant's Name	Agency / Village	Suggestion/Question	Answer/Opinion
1.	Boby	Head of Village Bukit Mulya	1.1 What did the MOU explain related to the community land when the HGU expired after 25 years?	1.1 (Dishutbun): MOU has yet to be done but will be carried out sooner.
			1.2 Has PT Agrowiratama (Phase II) carried out the permit of KA-ANDAL and AMDAL ?	1.2 (Dishutbun): The KA-ANDAL has been approved, but the documentation of AMDAL is still underway.
			1.3 PT Agrowiratama (Phase II) is required to construct 10 DAMs if we look into the requirement of DAM construction.	1.3 (BPDAS): DAM construction should not be only based on mathematically because there are also other conditions required for

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No.	Participant's Name	Agency / Village	Suggestion/Question	Answer/Opinion
				DAM management. However, the DAM can also be made with the ponds.
			1.4 How about the agreement of smallholders (plasma) plantation with 80:20 system ?	1.4 (Dishutbun): 80 : 20 scheme is the requirement of the company to develop smallholders (plasma) scheme and it depends on mutual agreement.
			1.5 We are looking for win-win the solution for the agreement of smallholders (plasma) scheme.	1.5 (Dihutbun): We agreed on win-win solution.
2.	Jackson	Head of Village Sabung	2.1 What do you mean with RSPO ?	2.1 (PT Agrowiratama): RSPO is to have sustainable oil palm development plantation in economic, environmental and social aspects. Stakeholder consultation activity is also part of sustainable palm oil management.
			2.2 Did the company need to carry out socialization to the local community before the operation started or the company can proceed the operation without any socialization	2.2 PT Agrowiratama): The company has to carry out the socialization to the local community before operation commence as part of FPIC process. Today stakeholder consultation is part of the FPIC process.
			2.3 There is overlapping between conservation area of PT Agrowiratama (Phase II) with other company permitted area, what is the solution ?	2.3 (BKSDA): We advise to take care the conservation area such as river riparian. 2.3 (Dishutbun): The overlap has been reported before and will be processed and followed up by BMPPT and BPN.

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No.	Participant's Name	Agency / Village	Suggestion/Question	Answer/Opinion
			2.4 PT Agrowiratama (Phase II) has not carried out socialization at Sabung Setangga Sub-Village.	2.4 PT Agrowiratama): Socialization is carried out stage by stage through this stakeholder consultation. PT Agrowiratama (Phase II) has coordinated with the to conduct socialization continuously.
			2.5 We hope that smallholders (plasma) scheme is not 20% minimum, but system 40:60 or 50:50 to be considered.	2.5 (Dishutbun): Smallholder's scheme depends on mutual agreement.
3.	Haryono	WWF Indonesia	3.1 The stages of the company towards RSPO certification by making conservation area (e.g river riparian) are very vulnerable in management due to problem in proprietary right and pressure from local community.	3.1 (BPDAS): We advise to the company is to collaborate local people into the conservation management as in APL. For example, Bina Desa scheme for HCV management which was carried out by HTI company. We open for the plantation company to discuss about the scheme.
			3.2 How is the wildlife management of the company?	3.2 (BKSDA): We advise to carry out observation survey, boundary marking, biodiversity survey, wildlife identification (protected or non-protected). If there is protected wildlife in the HCV area, the area must be enclaved and left naturally.
			3.3 How we ensure that the smallholders (plasma) scheme implemented in order to avoid any misunderstanding in the field implementation ?	3.3 (Dishutbun) : Permentan No. 26 Year 2007 Pasal 11 stated that smallholders (plasma) scheme must be minimum 20 % of the develop area for oil palm.
4.	Ahmad Suradin	BPD Bukit Mulya	4.1 We hope that the smallholders (plasma) scheme of PT Agrowiratama (Phase II) is the same as PT	4.1 (Dishutbun) : The plasma system of PT MISP was old system (<i>pola piltrans</i>) and the latest

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No.	Participant's Name	Agency / Village	Suggestion/Question	Answer/Opinion
			MISP agreement scheme.	Permentan No. 26 Year 2007 quoted smallholders (plasma) scheme must be minimum 20% of the develop area for oil palm.
			4.2 The community hoped PT Agrowiratama (Phase II) will participate in road construction and economy upgrading.	4.2 (PT Agrowiratama): The suggestion will be discussed by the management as part of the consideration material in preparing CSR program.
5.	Pilih Parjiyanto	Head of Village Sungai Sapak	5.1 How can the certificate land involve in the smallholders (plasma) scheme ?	5.1 (Dishutbun): The land can become smallholders (plasma) scheme under mutual agreement.
6.	Yuliantini	WWF	6.1 How far has PT Agrowiratama (Phase II) planted ?	6.1 (PT Agrowiratama): PT Agrowiratama (Phase II) has not started any land preparation and planting activities.
7.	Jacob Lumansik	BPD Desa Sabung	7.1 How to determine the area of HCV in plantation?	7.1 (Aksenta): HCV area determine by desk study, field survey, data analysis, spatial analysis of HCV area, HCV mapping.
8.	Herlin	Head of Village Sepantai	8.1 Does the local community know the HCV area and the related activity which cannot be carried out by them. If problem or infringement occur, what is the process of solution ?	8.1 (Dishutbun): Local community can report to TP3K. 8.1 (WWF): Local community can report any problems through RSPO website, i.e. (www.rspo.org).
9.	Jackson	Head of Village Sabung	9.1 Local community requests the company to carry out socialization to the local community especially on the smallholders (plasma) scheme.	9.1 (PT Agrowiratama): Socialization has been implemented since the investment of PT Agrowiratama (Phase I) and will be conducted continuously to the local communities. This stakeholder consultation is part of socialization activity to local community surrounding PT Agrowiratama (Phase II).

SIA Management Plan

PT Agrowiratama (Phase II) has developed the plans for the conservation impacts and social impacts as the operational efforts on social and conservation mitigation. The SIA development and preparation of management & monitoring plans for PT Agrowiratama (Phase II) was mainly based on the SIA Assessment result administered in 26th – 29th March 2012, in corporate with the Aksenta; consultant accredited and approved by RSPO and the Social Environment Impact Assessment (AMDAL) was approved by AMDAL Commission of Sambas District, No 660.1/235/Komisi dated on 21st November 2012, in principle, referred to the related laws in Indonesia.

The steps taken in the HCV and SIA development and preparation of management & monitoring plans were:

1. Determining the strategic issues i.e. land acquisition for plantation, the company's participation in the improvement of human resources in an enterprise environment, Company's participation in strengthening the local economy in an enterprise environment, Strengthening communication and relations with people in the company, Participation increased public health around the company, and Improved infrastructure and the environment.
2. Determining the purposes and desired final condition of the project (vision, practical vision, end-state),
3. Determining targets and objectives to achieve, creating the strategy map to achieve the desired outcome,
4. Identifying the must-do initiatives to achieve the determined targets,
5. Identifying the competency reinforcement for human resources and the supply of the infrastructures so that the implementation of the process can be achieved effectively,
6. Determining effective monitoring activities to analyze the dynamic state of every indicator in order to assess the progress of target – achievement.

Based on the SIA results for PT Agrowiratama by Aksenta and the Environmental Management & Monitoring Plans (*Rencana Pengelolaan Lingkungan / Rencana Pemantauan Lingkungan*) of PT Agrowiratama document, the management for the Social and Environmental Impacts aimed to be managed consistently with appropriate work performance standards. The scope of the development and preparation of management & monitoring plans included all of the potential impacts by the plantation activities. The development and preparation of management & monitoring plans guidelines include:

1. Land Acquisition (and Compensation) Participate With Local People Program

The scope for this management and monitoring included the process of land acquisition and land compensation which referred to the principles of Free, Prior and Informed Consent (FPIC) such as: a) Socialization Smallholders (plasma) and land acquisition procedure, b) verification of legal or customary right, c) land acquisition with standard operational procedure, d) documentation all steps of land acquisition, so every steps of land acquisition hope can be documentation rights.

2. Participation on Human Resource increasing in Company

The scope for this management and monitoring included the participation of the company in increasing the human resource such as; a) encourage local people which is poor in economic for contionousing education until college with scholarship program, b) participated in increase the achieving of basic education (GN OTA) and c) giving the opportunity to senior High School of Vocational for (*Praktek Kerja Lapangan*).

3. Participation of Company in Increasing Local Economic

The scope for this management and monitoring included: a) build smallholder scheme, b) receive local people as workers accord with the needed of the company, and c) opening opportunity of corporation for contractor and local supplier accord with standard and quality desirable of company.

4. Reinforcement of Communication and Social Relation of Company

The scope for this management and monitoring included interlacing of harmonic communication with people in a continuous manner.

5. Participation of Company in Increasing Health People Quality

The scope for this management and monitoring included the corporation with official concerned which is maintenance and increasing environment quality suck as: a) collaborated with Health Agency to do fogging, b) socialization about healthy life style collaborate with Health Agency, c) participation of mutual assistance activity with village government.

6. Increasing Infrastructure and Environment

The scope for this management and monitoring included: a) participation of increasing public facility which is giving easy of company and peoples, b) arranging of environmental management & monitoring plans in a continuous manner.

HCV Management Plan

The HCV development and preparation of management & monitoring plans was based on the result of the HCV assessment which was administered in 26th – 29th March 2012 by independent consultants from Aksenta who has been accredited and approved by RSPO. The HCV development and preparation of management & monitoring plans was implemented with the aim to provide guideline for the company in planning and management of its programs or activities in managing the HCV present within the concession area. The purpose was to enable all the available resources to be focused, integrated and effective in order to achieve the HCV management outcome. The purposes of this management and monitoring document were:

- 1) To ensure that the identified and assigned HCV areas are under protection and in a well managed state so that their HCV functions are well preserved.
- 2) To enhance the administration of the management and monitoring in the sense that the process carried out is more systematically according to the legal procedures.

The process of the HCV preparation of management plans and monitoring for PT Agrowiratama was based on the structure of strategy mapping. In strategy map, the processes were all focused on three fields under the management and responsibility of the plantation management 1) Stakeholders, 2) Operation, 3) People & Resources.

Plan for HCV Monitoring and Regular Review of Data

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievements, effectiveness, efficiencies, impacts, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities run as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should be implemented regularly and it is dependent on the classifications of the activities and the target indicator to evaluate [the detail of such activities is presented in the Activities Plan Matrix (*Matriks Rencana Kegiatan*). The review should be conducted at the end of the management periodical plan, that is in the end of the third years (summative review) and every six months (formative review).

Management and mitigation plans for threats to HCV areas.

The identified basic activities which are planned to run in order to achieve the basic targets for the enhancement and maintenance of the HCV areas are:

1. Identification, documentation and recondition of baseline HCV elements and that threatents.
2. Socialization to local peoples and people around the HCV area about the existence and importance of protecting HCV areas.
3. Develop dialogue and facilitate people for make like-minded of HCV management.
4. Dialogue with stakeholders, especially government for increasing protecting HCV elements and areas.
5. Monitoring of land clearing activity.
6. Avoid/ minimizing superficial of river with GAP (Group Agriculture Policy) which is land clearing until maintenance and harvesting.
7. Recondition and making the policy and procedure (SOP) which is supporting efectivity HCV management.

Management plans to enhance or maintain conservation values of identified HCV areas

The process of strategy mapping, the practical vision is defined as the basic targets. Those basic targets include eight ideal states which are going to be achieved through the efforts of HCV protection and management. Those ideal states are:

1. Habitat in HCV area is reserved.
2. The existence of the key animals in the area is reserved.
3. Refuge condition of wildlife (refugum) is controlled.
4. The river banks function as the hydrological buffer (the protection for water cycle), ecology (the protection for wildlife species).
5. The erosion state is well minimized.
6. Spring water reserved.
7. Maximum water catchments areas.
8. The existence of the local spiritual sites are well preserved.

Development Plan

PT Agrowiratama's development plan has incorporated the findings from SEIA (AMDAL), HCV Assessments and Social Impact Assessments by Aksenta as described above when implementing the operational plans. Management plans for HCV areas and management plans for handling social impacts have been drawn up. The total area located in the Plantation Permit (Izin Usaha Perkebunan, IUP) of PT Agrowiratama is $\pm 3,100$ ha. The HCV management plan has been developed for these areas. The net area for cultivation of oil palm is $\pm 2,740$ ha. The balance areas left out of oil palm planting are ± 99 ha of HCV areas, ± 79 ha of peat land and others (enclave, building, nursery, etc) is ± 182 ha. Of the total planted area of $\pm 2,740$ ha, 20 % of the land (or ± 548 ha) will be allocated to development of smallholder cooperative scheme. The other 80 % of planted areas (or $\pm 2,192$ ha) will be under the estates or *inti*. In accordance with the operational management of PT Agrowiratama (Phase II) land development will commence in year 2013.

As part of the process of free, prior and informed consent (FPIC), procedures to ensure that there is participation in the social and environmental harmony in the development of the oil palm planting project by PT Agrowiratama (Phase II), consultation with the relevant stakeholders is to provide opportunities for communication and sharing the informations/opinion/suggestions between the PT Agrowiratama (Phase II) and the affected stakeholders to move forward for the benefit and common progress. PT Agrowiratama (Phase II) has established standard operating procedures for land acquisition and compensation procedures based on the principle of free, prior and informed consent. The company also has established the complaint and grievance procedures so that the problem solving process is done through discussion and mutual deliberation. PT Agrowiratama (Phase II) will abide by the requirements in accordance of the Decree of the Minister of Forestry No: P.14/Menhut-II/2011, 10th March 2011 before commencing land clearing. The company will inform in writing to the Forestry Department of Sambas District for assessment of the area on the requirements of the Wood Utilization Permit (Izin Pemanfaatan Kayu).

VERIFICATION STATEMENT:

The company opted for a document audit. Control Union Certifications auditors conducted desk study, pre-assessment check, discussions with the management team including the Head of Sustainability, Regional General Manager, Public Relations (Humas) Manager before the main document audit. During the main document audit, two Control Union auditors were present with the management team of PT Agrowiratama at their head office in Medan on 11th – 12th March 2012 to verify and review the relevant documents including interviewing the management team members.

PT Agrowiratama (Phase II) has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. The social and environmental assessments were detail, comprehensive and professionally carried out. The management plan has included the findings of the SEIA (AMDAL) conducted by the government approved consultants as well as incorporating the HCV and SIA assessments findings by consultants accredited and approved by the RSPO.

Control Union Certifications confirmed that the assessment and plans are comprehensive, professional and compliant of RSPO principles, criteria and indicators. It is the opinion of the Control Union Certifications auditors that PT Agrowiratama (Phase II) has complied with the RSPO New Planting Procedures enforced on 1st January, 2010.

Singed on behalf of Control Union Certifications



Haeruddin

Lead Auditor

Date: 8th February 2013

Signed on behalf of PT Agrowiratama



Dr Gan Lian Tiong

Head of Sustainability Department

Date: 8th February 2013