



## RSPO NEW PLANTING PROCEDURES

### Summary Report of Planning and Management

#### PT. Usaha Sawit Unggul – Tabuyung Estate, North Sumatra, Indonesia.

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#### EXECUTIVE SUMMARY

PT. Usaha Sawit Unggul (PT. USU) is subsidiary of PT. Asian Agro Lestari (PT AAL). Both companies are subsidiaries of parent company PT. Inti Indosawit Subur (PT. IIS). The proposed new planting company PT. USU is the legal entity under PT. IIS. PT USU will manage the proposed oil palm operations of Tabuyung estate, North Sumatra, Indonesia. PT. IIS, as the operating holding company, is registered as a member of RSPO in February 2006. As a member of RSPO, PT. IIS and its subsidiaries are committed to comply with the RSPO New Planting Procedure and RSPO Principles and Criteria.

#### Description of Project Area and Location

The proposed project area comprised of land totaling approximately 10,000 ha which located in Tabuyung, Pasar II Singkuang and Suka Makmur Village, Muara Batang Gadis District, Mandailing Natal Regency, North Sumatra, Indonesia. Currently the proposed project area is owned by Development Cooperation of North Sumatra University [Koperasi Pengembangan Universitas Sumatra Utara (KP-USU)]. A Joint Venture company was formed between KP-USU and PT. AAL to develop and manage the proposed New Planting through the management unit of PT. USU. Thus, PT USU has engaged RSPO approved HCV and SIA assessors from Bogor Agricultural Institute (IPB) to conduct and prepare the necessary assessments and documents to comply with RSPO new planting documents carry out the New Planting Procedure announcement.

Currently all the legal documents are under KP-USU. The legal documents of newly formed through joint venture between PT AAL and KP-USU, PT. USU is in the process and expected to be ready by December. Once the legal documents for PT. USU has been settled, all legal documents under KP-USU will be transferred to the newly formed entity PT. USU.

Development Cooperative of North Sumatra University has obtained Consent License (Ijin Prinsip) No. 1368/Menhutbun-IX/1998 on 11 December 1998 issued by Ministry of Forestry and Plantation. Permitted Area (Ijin Lokasi) No. 525.25/105/K/2009 was obtained and issued by Mandailing Natal Regency on 28 January 2009. Plantation Permit (Ijin Usaha Perkebunan) No. 525.25/484/Disbun/tahun2004 was obtained and issued by Mandailing Natal Regency on 27 August 2004. KA-ANDAL for the proposed new planting area is under the Development Cooperative of North Sumatra University. The KA-ANDAL includes the development of the new palm oil plantation and palm oil mill. Stakeholder consultation completed on 5<sup>th</sup> December 2011. Final AMDAL is in the process of final presentation at the provincial level and approval is expected by January 2012.

The proposed concession area has received recommendation and approval from Ministry of Forestry No. S.583/Menhut-VII/2005. The letter mentioned that the area is not a forest land and it is located in the other usage area (Area Penggunaan Lain - APL). This has been confirmed based on the Ministry of Forestry Decree No. SK-44/Menhut-II/1005 on 16 February 2005. This is consistent with the independent HCV assessment finding in the area which was conducted from 16-23 October 2011 by the RSPO approved HCV assessors from IPB. Based on the HCV assessment result, HCV 1, 2, 3, 4 and 5 has been identified in Tabuyung estate concession area. HCV and SEIA assessment also identified that there is no primary forest, peat area identified is set aside for conservation and all local people's land.

Social Impact Assessment was conducted by North Sumatra University. The assessment identified potential positive and negative impacts of the proposed new planting operations. Issues raised by stakeholders' during the stakeholder consultation were taken into consideration to develop management plan and will be addressed by the company throughout its operations.

## REFERENCE DOCUMENTS

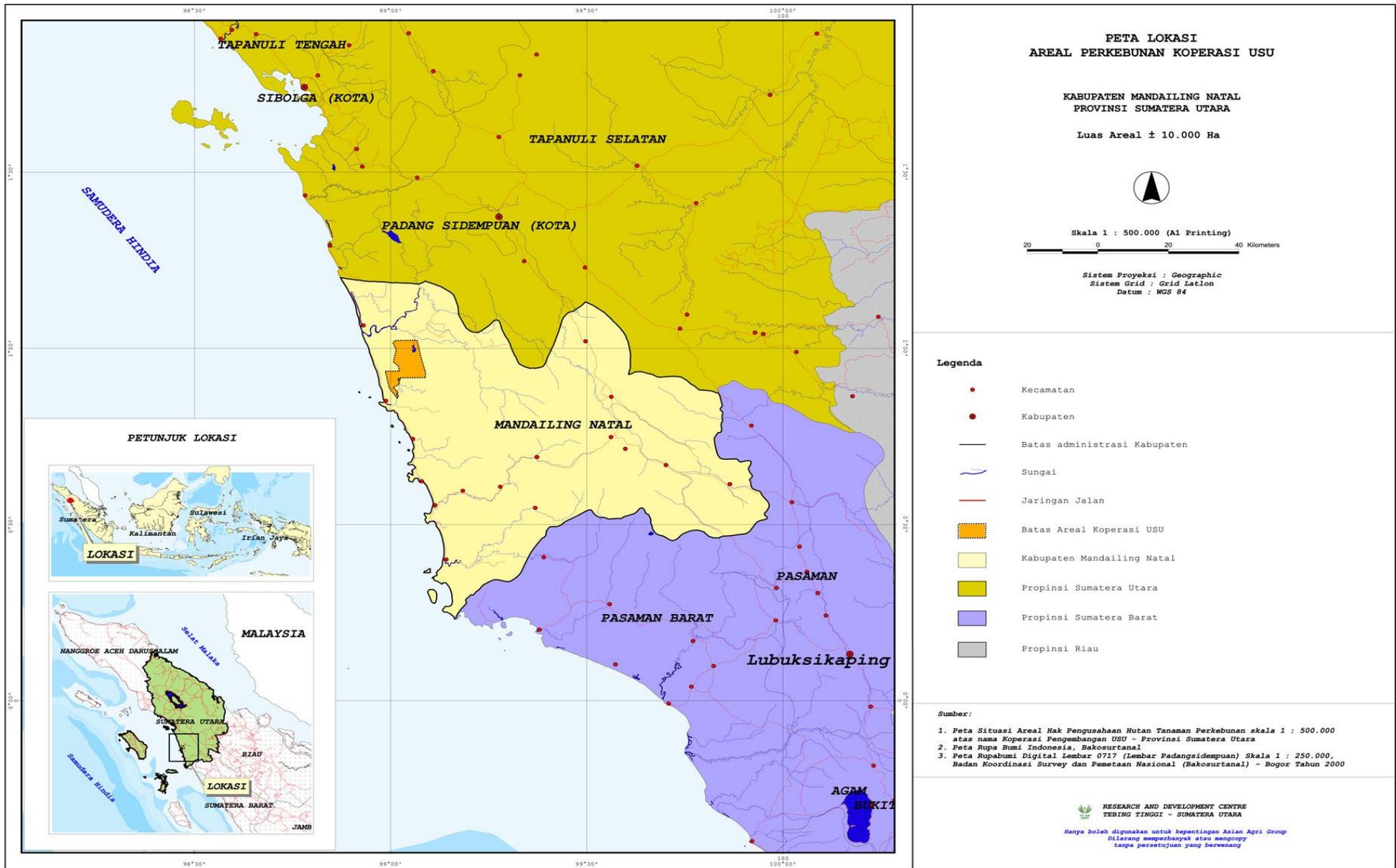
- a. KA-ANDAL report dated November 2011 for the 10,000 ha and 45 MT/hr palm oil mill.
- b. HCV Assessment Report by RSPO approved HCV assessors from IPB dated December 2011.
- c. The HCV report was prepared by IPB. Based on the HCV assessment result, HCV 1, 2, 3, 4 and 5 has been identified in proposed concession area. The HCV areas comprise around 27.84% of the total area.
- d. List of Legal documents and regulatory permits.
- e. Location maps.
- f. Management and monitoring plans for HCV of PT. Usaha Sawit Unggul.
- g. Management and monitoring plan for SEIA of PT. Usaha Sawit Unggul.
- h. Management plan of the proposed oil palm plantation development of PT. Usaha Sawit Unggul.

No.	Type of License	Document Number	Issued by	Remark
1.	Consent License (Ijin Prinsip)	No. 1368/ Menhutbun – IX/ 1998	Ministry of Forestry and Plantation on 11 December 1998	
2.	Permitted Area (Ijin Lokasi)	No. 525.25/ 105/ K/ 2009	Mandailing Natal Regency on 28 January 2009	
3.	Plantation Permit (Ijin Usaha Perkebunan)	No. 525. 25/ 484/ Disbun/ tahun 2004	Mandailing Natal Regency on 27 August 2004	
4.	KA-ANDAL	November 2011	University of North Sumatra, November 2011.	
5.	Deed of establishment	Signing of the documents in progress.	-	Expected by January 2012
7.	Technical Consideration on Land availability and technical Recommendation on plantation management of KP-USU	No 522/4170-9/Hutbun/V.2/2008	Head Agency of Plantation and Forestry of Mandailing Natal Regency on 22 December 2008	

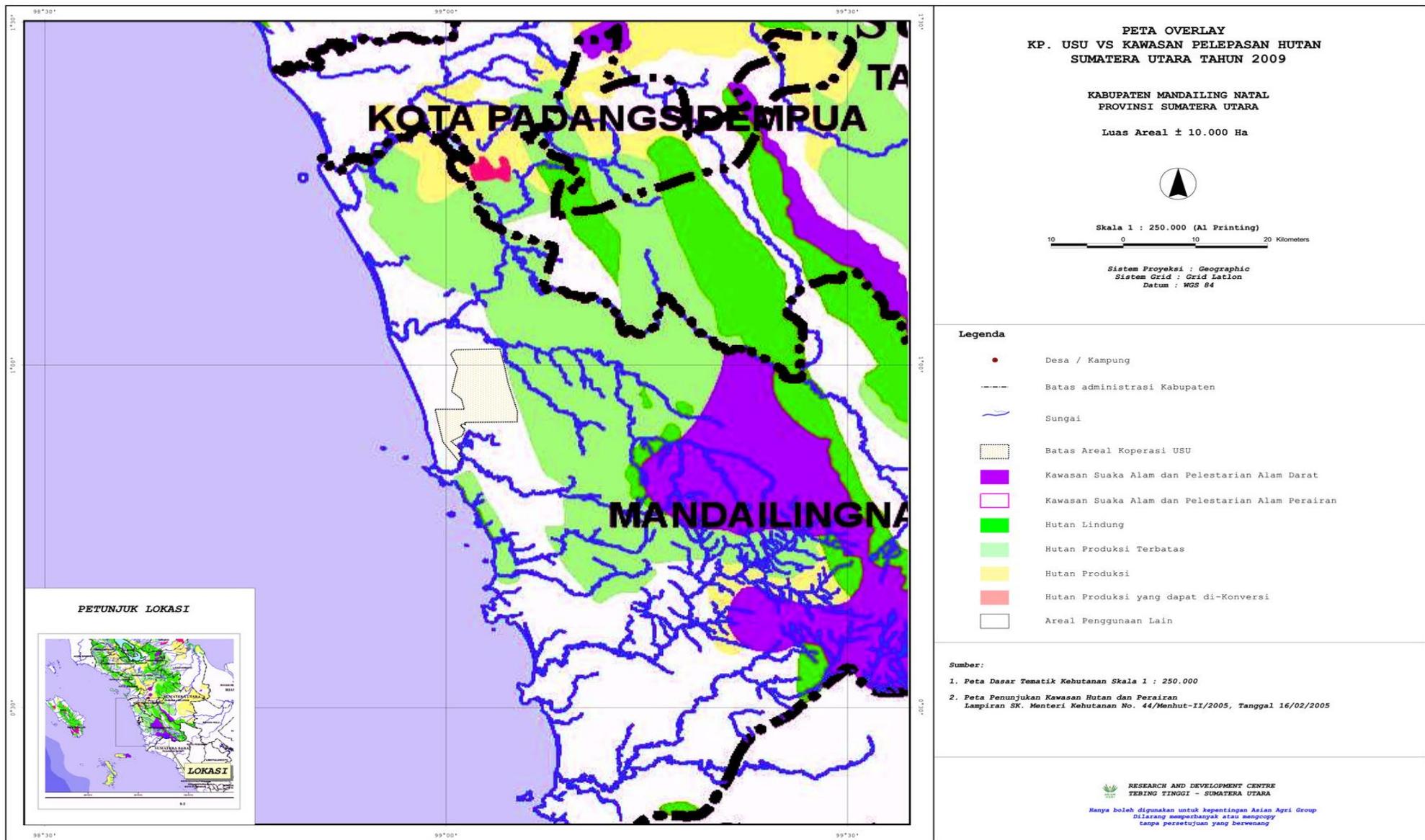
## SEIA AND HCV MANAGEMENT & PLANNING PERSONNEL

### **Organisational and project information**

Company Name : PT. Usaha Sawit Unggul  
RSPO membership number : 1-0022-06-000-00  
Contact person : Ms. Asrini Subrata (email: [asrini\\_subrata@asianagri.com](mailto:asrini_subrata@asianagri.com))  
Geographical Location : 99° 00' 59" – 99° 03' 43.1" East and 00° 51'32" – 01° 01' 05" North  
Surrounding Entities  
North : Perlampungan & Batang Gadis river  
South : Hutan Produksi Terbatas  
West : Tabuyung River & PT Dinamika Inti Sentosa  
East : PT Alam Plantation  
Area of New Planting : ± 10,000 ha  
Proposed Time-plan for New Planting : January 2012  
Location Map : Figure 1 and 2 show the location of the proposed new planting in Mandailing Natal Regency, North Sumatra, Indonesia.



**Figure 1:** Location of PT USU proposed new planting in Mandailing Natal Regency, North Sumatra, Indonesia.

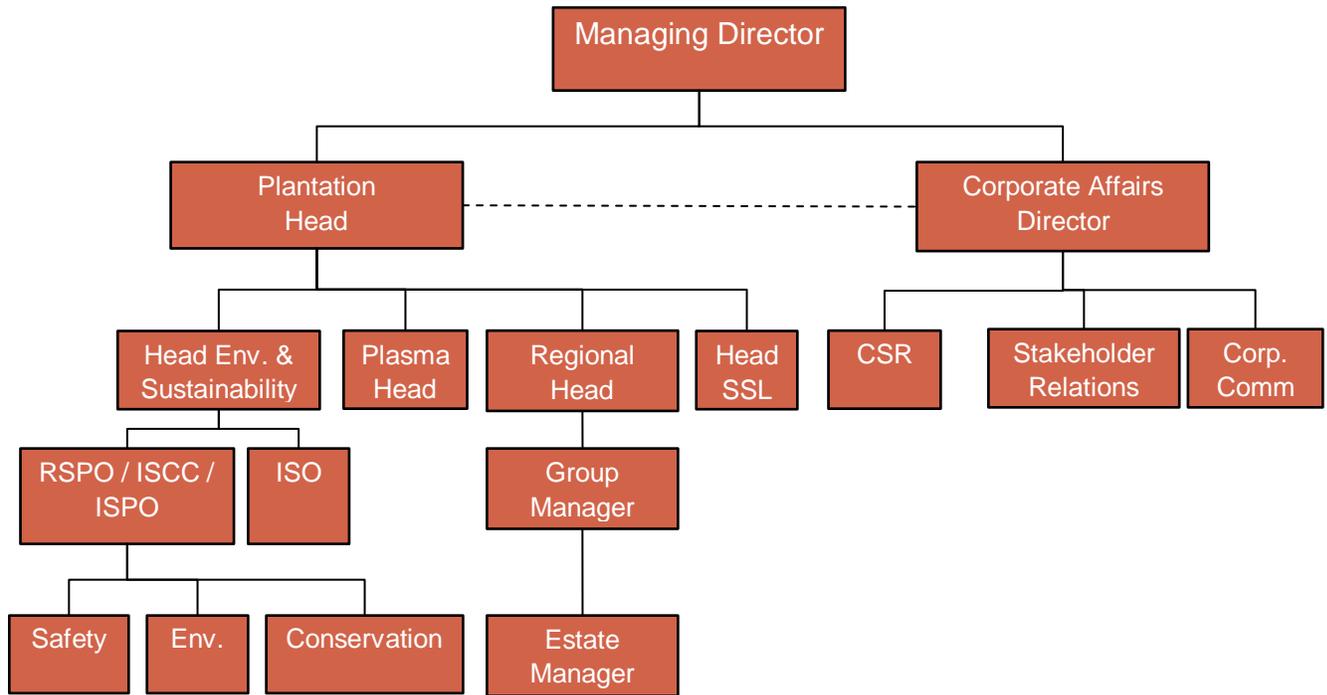


**Figure 2:** Map showing the location of PT USU new planting area in other land use area (Areal Penggunaan Lain).

**Personnel involved in planning and implementation**

Findings from HCV and SIA assessment and recommendation integrated within the operational management plan of the Group. The implementation of the operations will be managed under the direction of Managing Director. The plantation management will be managed by Plantation Head and supported by the Corporate Affairs Department. Stakeholder engagement is carried out by the onsite stakeholder relation executive. Sustainability and Environment issues are comes under the responsibility of the Head of Environment and Sustainability. He is also responsible for overseeing the implementation, management and monitoring of the HCV and SEIA mitigation plans. Plasma manager will involve in the plasma development and reports to the Plantation Head while the new planting is undertaken by the Group manager. The organisation structure is shown below.

**Figure 3: Organisation Structure**



**Stakeholders to be involved**

- Ministry of Forestry
- Ministry of Agriculture
- Ministry of Environment
- National Land Agency
- Central and provincial government officials
- Central and provincial regulatory officials
- Local onsite government official
- Village heads
- Village representatives
- Plasma farmers
- Religious representatives
- Local Social and Environmental NGO
- Research Institutions
- Traditional leaders
- Employees

## Summary of the development and planting plan

No.	Item	Year				Total
		2012	2013	2014	2015	
<b>A. Housings, Infrastructure, Nursery, Mill</b>						
1	Nursery	30				30.0
2	Employee housings	2				2.0
3	Workers housings	18	18	18	10	64.0
4	Infrastructure		2.0	1.6		3.6
5	Road and bridges	10	10	10	6	36.0
6	Mill (capacity 45 tph with provision for expansion of additional 15 tph)				15	15.0
Sub Total		60	30	29.6	31	150.6
<b>B. New Planting</b>						
1	Planting (own estate and partnership with community-plasma)	2,000	2,000	2,000	1,115	7,115.0
Sub Total		2,000	2,000	2,000	1,115	7,115.0
<b>Total</b>		<b>2,060</b>	<b>2,028</b>	<b>2,028</b>	<b>1,146</b>	<b>7,265.6</b>

## SUMMARY OF MANAGEMENT AND MITIGATION PLANS (SEIA)

### Mitigation and management plans to minimise socio-economic impacts

No.	Issues	Core Issues	Management Plan	PIC	Target
1.	Land conflict	Land enclave	Land inventory	Group Manager, Estate Manager	March 2012
			Land compensation through FPIC process	Group Manager, Estate Manager, SSL	June 2012
			Partnership with the community (cooperatives schemes)	Group Manager, Estate Manager	On Going
			Enclave	Group Manager, Estate Manager, SSL	July 2012
2.	Community Development (CD) or Corporate Social Responsibility (CSR)	Health and education	Establishment of school and health facilities	Group Manager, Estate Manager	January 2015
			Scholarship programme for the talented children from low income community	Group Manager, Estate Manager	January 2013
3.	Partnership with the community	Membership	List of member of participant will be determined by the regent	Group Manager, Estate Manager	January 2014
4	Community involvement to be employed by PT USU	Employees	Priority will be given to local community	Group Manager, Estate Manager	January 2012

**Mitigation and management plans for negative environmental impacts to promote positive environmental impact.**

No.	Issues	Core Issues	Management Plan	PIC	Target
1.	Environment	Surface water pollution	Building waste water treatment plant	Group Manager, Mill Manager	January 2015
			Installation of land application	Group Manager, Mill Manager, Estate Manager	January 2017
		Hazardous waste (B-3)	Storage permit documents	Group Manager, Mill Manager, Estate Manager, SSL	January 2012
			Establishment of identification and management plan for hazardous waste	Group Manager, Mill Manager, Estate Manager	January 2012
		Soil sedimentation	Establishment of terrace planting	Group Manager, Estate Manager	January 2012
		Riparian area	Planting is conducted by considering the distance from the river. Minimum 100 m from the river side & 500 m from the lake	Group Manager, Estate Manager, Head of Environment & Sustainability	January 2012
		Source for clean water	Underground water and water treatment plant in the mill	Group Manager, Mill Manager, Estate Manager	January 2016
		Air pollution	Determine the height of the plant chimney based on the existing law and regulations	Group Manager, Mill Manager	January 2015
		Noise pollution	To establish the mill position in the middle of the oil palm plantation (far from the community settlement)	Group Manager, Mill Manager, Estate Manager	January 2015
		Endemic species	Protection of endemic species	Group Manager, Estate Manager, Head of Environment & Sustainability	January 2012

**SUMMARY OF MANAGEMENT AND MITIGATION PLANS (HCV)**

The management and monitoring plans of HCVs area within the new planting (Tabuyung estate) was developed based on the result of HCV assessment which was conducted by Bogor Agricultural Institute on 16-23 October 2011. Based on the HCV assessment result, HCV 1, 2, 3, 4 and 5 has been identified within the concession area.

The guideline for HCV management and monitoring plan was developed together by sustainability team, estate management, as well as the assessor. The HCV management and monitoring document will be part of the integrated strategic plan of Tabuyung estate operations. It is expected that the guideline will assist the company in maintaining and/or enhancing the value of HCV areas within the concession.

To ensure that all the purpose and target is being achieved and implemented successfully, the management plan is integrated with the management plan for oil palm development. Involvement of management are crucial, thus, the management plan will be implemented by involving the estate management team (estate manager and estate assistant), plasma management team, sustainability team (Conservation and HCV coordinator), stakeholder relations team and surrounding stakeholders including community partners.

### Plan for HCV monitoring and regular review of data

HCV monitoring plan was designed to evaluate the effectiveness of the management plan. HCV monitoring plans of proposed new planting area (Tabuyung estate) are:

1. Measuring the quality of river water.

Methodology used:

- a. Measurement of water discharge (debit).
- b. Analysis of the quality of river water by using physical and chemical properties.

2. Monitoring biodiversity.

Methodology used:

- a. Line transect method for mammals and reptile monitoring.
- b. Index Point of Abundance method for Birds monitoring.
- c. Quadrant method for vegetation monitoring.
- d. Rapid assessment method for habitat monitoring.

3. Protection of the conservation area.

This will be achieved by conducting patrol surrounding the conservation area especially in the critical area with highest disturbances.

4. Monitoring wildlife.

This will be achieved by recording all the wildlife which are encountered within the production area.

### Management and mitigation plans for HCV areas and Management plans to enhance or maintain conservation values of identified HCV areas

HCV management and mitigation plans for the proposed new planting (Tabuyung estate) was developed and designed as follows:

No.	Purpose	Target	Programme	Methodology
1.	Protecting of HCV areas and peat land areas identified within the concession area	To ensure that the function of riparian area is running well and peat area is conserved	HCV area arrangements	Field demarcation by painting the outer trees along the riparian boundary using red paint (The step of this field demarcation is following the operational plan)
				Field demarcation using permanent poles every 200 meters
2.	Enhancing the function of HCV areas on protecting the soil, water, vegetation and willife inside riparian area and buffer zone	Soil, water, natural vegetation and wildlife inside riparian area are preserved	Monitoring of the HCV and awareness campaign on HCV protection	Conduct communication to communities surrounding the company and employees about the presence of HCV area. This includes which activities that can be done and cannot be done inside the HCV areas) and also establish sign board in HCV areas.
3.	Assuring the protected conservation area is able to minimize the	Minimize the soil erosion within the steep slope areas	Communication of identified HCV areas	Conduct communication to communities surrounding the company and employees about the presence of HCV areas. This includes which activities that can

	soil erosion			be done and cannot be done inside the HCV areas) and also establish sign board in HCV areas.
4.	Protecting of the existence of rare, threaten and/or endangered species identified within the concession	Minimizing the disturbance of endangered species habitat at surrounding and conservation area within the new planting	Communication of identified HCV areas	Conduct communication to communities surrounding the company and employees about the presence of HCV areas. This includes which activities that can be done and cannot be done inside the HCV areas) and also establish sign board in HCV areas.
		Minimize the human – Sumatran tiger conflict	Adopting best management practices for tiger conservation	Conduct collaboration with University and/or NGOs on adopting best management practices for tiger conservation



## INTERNAL RESPONSIBILITY

This document is the summary of Management and Monitoring plan for SEIA (Social & Environmental Impact Assessment) and HCV (High Conservation Value) Assessment in PT. Usaha Sawit Unggul and has been approved by the Management of PT. Usaha Sawit Unggul

**Proposed by,**



**Ir Simon Sihotang**

Regional Head Plantation I

December 2011



**Joko Prawoto**

Conservation & HCV Coordinator

December 2011

**Acknowledge by,**



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December 2011