



Roundtable on Sustainable Palm Oil

## 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: 11 December 2014***

Tick whichever is appropriate

<input type="checkbox"/>	This is a completely new development and stakeholders may submit comments.
<input checked="" type="checkbox"/>	This is part of an ongoing planting and is meant for notification only.

**COMPANY** : SIPEF  
**SUBSIDIARY** : PT TIMBANG DELI INDONESIA  
**RSPO Membership Number** : 1-0021-05-000-00

**Location of proposed new planting** :

- Company name : PT Timbang Deli Indonesia
- Location : Timbang Deli Village, Galang Sub District  
Deli Serdang District, North Sumatera Province, Indonesia
- Geographical location : 03<sup>0</sup> 24' 58" - 03<sup>0</sup> 28' 09" North ; 98<sup>0</sup> 53' 33" - 98<sup>0</sup> 55' 03" East
- Surrounding Entities :
  - a. North : Plantation area of PT Medan Star
  - b. South : Plantation area of PTPN-III Sei Putih Estate
  - c. West : Community's Rice field and dryland farming
  - d. East : Ular River / Community's Rice field and dryland farming
- Planted area : 972,19 Ha of Rubber and Oil Palm Plantation
- New Planting Area : ± 206.07 Ha out of 972,19 ha in the initial stage of 2015-2020

- Permit :
- a. Company establishment deed as follows:
  - Deed of company establishment on behalf of PT. Perusahaan Perkebunan, Industri & Dagang Timbang Deli Indonesia (“PT. Timbang Deli Indonesia”) on Notary Ong Kiem Lian in Medan dated 18 October 1961 of Notary Ong Kiem Lian in Medan on October 18, 1961. Registered in the Ministry of Justice dated February 1, 1962 No. J.A. 14/05/10
  - Latest upadte of deed on behalf of PT. Timbang Deli Indonesia dated 24 March 2014 of Notary Lince Hutahayan in Medan, registered in the Ministry of Law and Human Rights, April 14, 2014 number AHU-02113.40.22.2014.
- b. Land Use Title (HGU) as follow:
  - First land title obtained in year 1968 based on formal agreement between Government of Indonesia and PT. Timbang Deli (Sumatera) Rubber Company, Limited dated 24 June 1968, which contains the following clauses:
    - Government of the Republic of Indonesia restored powers to manage and control over the plantation area of PT. TDI in accordance with Law no. 1 of 1967 concerning Foreign Investment and Instruction of Ampera Cabinet Presidium no. 28 / U / IN / 12/1966 which set the return of foreign companies after previously taken over by government in year 1964.
    - Returns to the company carried out in the form of concession (HGU No. 2 / Deli Serdang) with a term of 30 years from 1968 (until 31 December 1998) for plantation purposes.
  - Extension of Land Use Title in year 1997 through Decree of State Minister of Agrarian Affairs/Head of National Land Affairs Body No. 69/HGU/BPN/1997 dated 10 July 1997 concerning Extension of Land Use Title of 972.19 hectares of land located in Deli Serdang District, North Sumatera Province. Extension valid for 25 years until the date of December 31, 2023.
- c. Plantation Business Register (Permit) No. 209/Menhutbun-VII/2000 dated 10 March 2000 for 972.19 hectares of land in Galang Sub District, Deli Serdang District with plantation commodities of rubber and oil palm. SPUP valid as Plantation Business Permit as long the company runs the plantation business.
- d. Environmental Management Plan (UKL) & Environmental Monitoring Plan (UPL) as follows:

- Environmental Management Effort (UKL) & Environmental Monitoring Effort (UPL) Document of PT. Timbang Deli Plantation, compiled in year 2006. Approved by Bappedalda of Deli Serdang on January 6, 2006 by letter number 0101 / BPDFL / DS / 2006. The area of the plantation is 872.19 hectares in accordance with the land use concession.
  - Revision on Environmental Management Effort (UKL) & Environmental Monitoring Effort (UPL) of PT. Timbang Deli Plantation, compiled in year 2009. Approved by Bappedalda Kabupten Deli Serdang dated May 18, 2009 through letter no. 0580 / BPDFL / DS / 2009. The area of the plantation is 872.19 hectares in accordance with the land use concession.
  - Revision on Environmental Management Effort (UKL) & Environmental Monitoring Effort (UPL) of Research Center for Oil Palm and Rubber of PT. Timbang Deli Plantation, compiled in year 2014 which was approved by the BLH of Deli Serdang dated August 6, 2014 through letter numbers APDL.P / 325 / VII / 2014. Revision was made due to conversion plan of the rubber plantation into oil palm for the purpose of oil palm research center.
- e. Tax Payer Registration Number 01.001.800.0-058.000 of PT Timbang Deli Indonesia; address in Gd. Bank Sumut Lt. 7, Jl. Imam Bonjol No. 18, Madras Hulu, Medan Polonia; registration date on 14-11-1982
- f. Registration certificate number.PEM-354/WPJ.07/KP.0603/2004 dated 26 October 2004 from Minster of Finance of Republic of Indonesia, Directorate General of Tax, Regional Office Jakarta (KPP PMA Lima).

Figure 1. Location Map of PT. Timbang Deli Indonesia

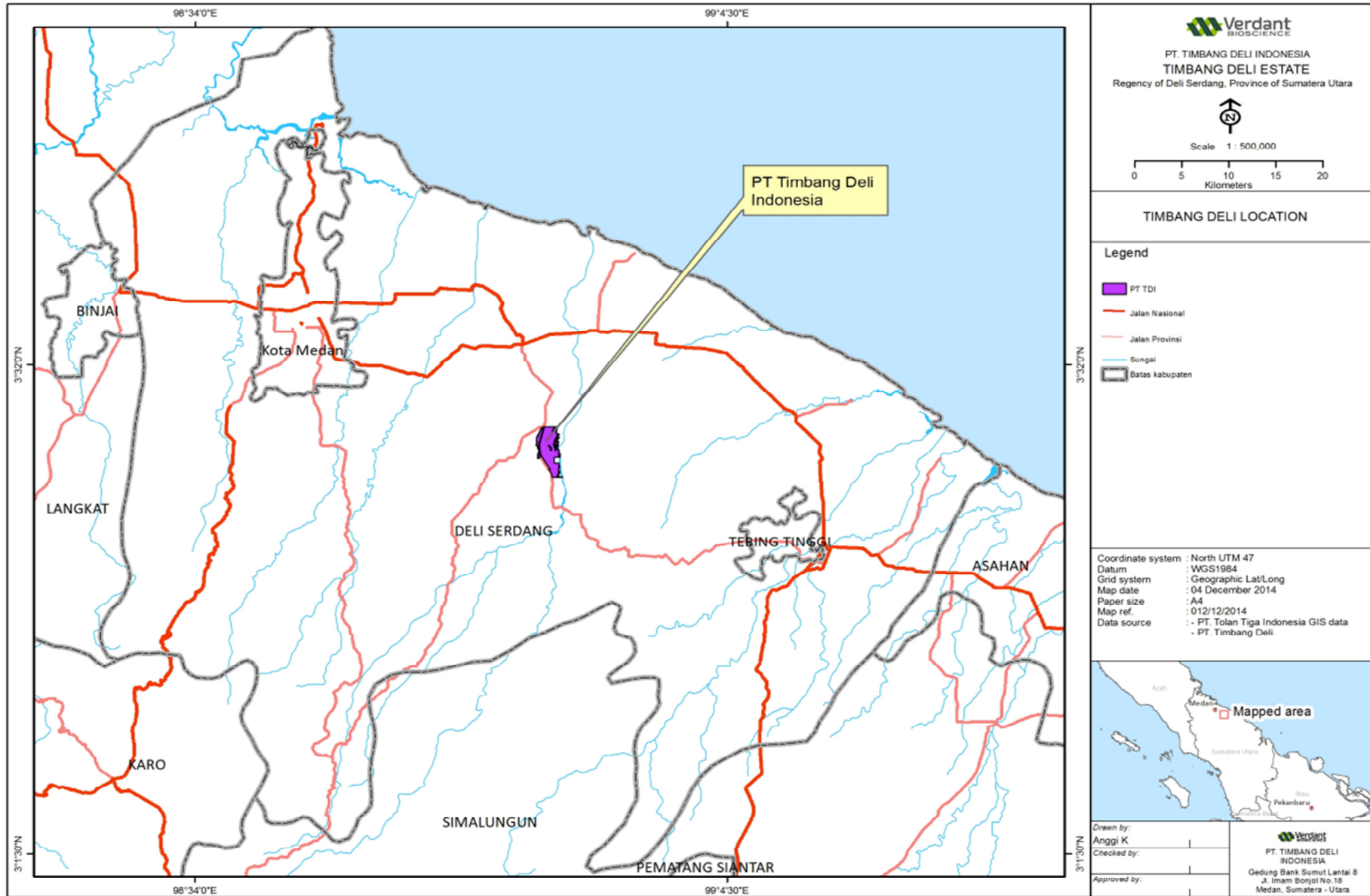


Figure 2. Estate Location Map of PT. Timbang Deli Indonesia

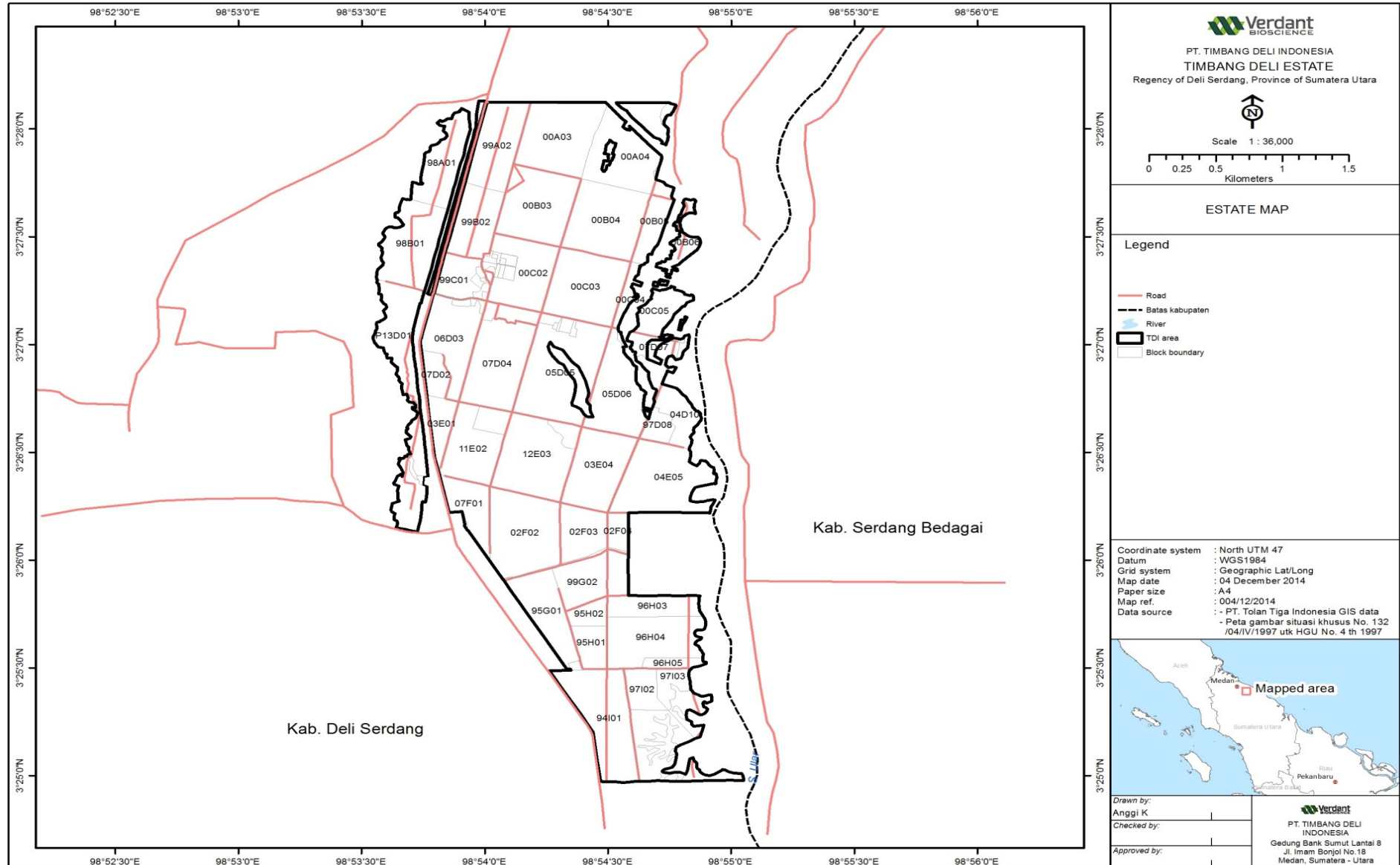


Figure 3. Land Use Title of PT. Timbang Deli Indonesia of year 1997

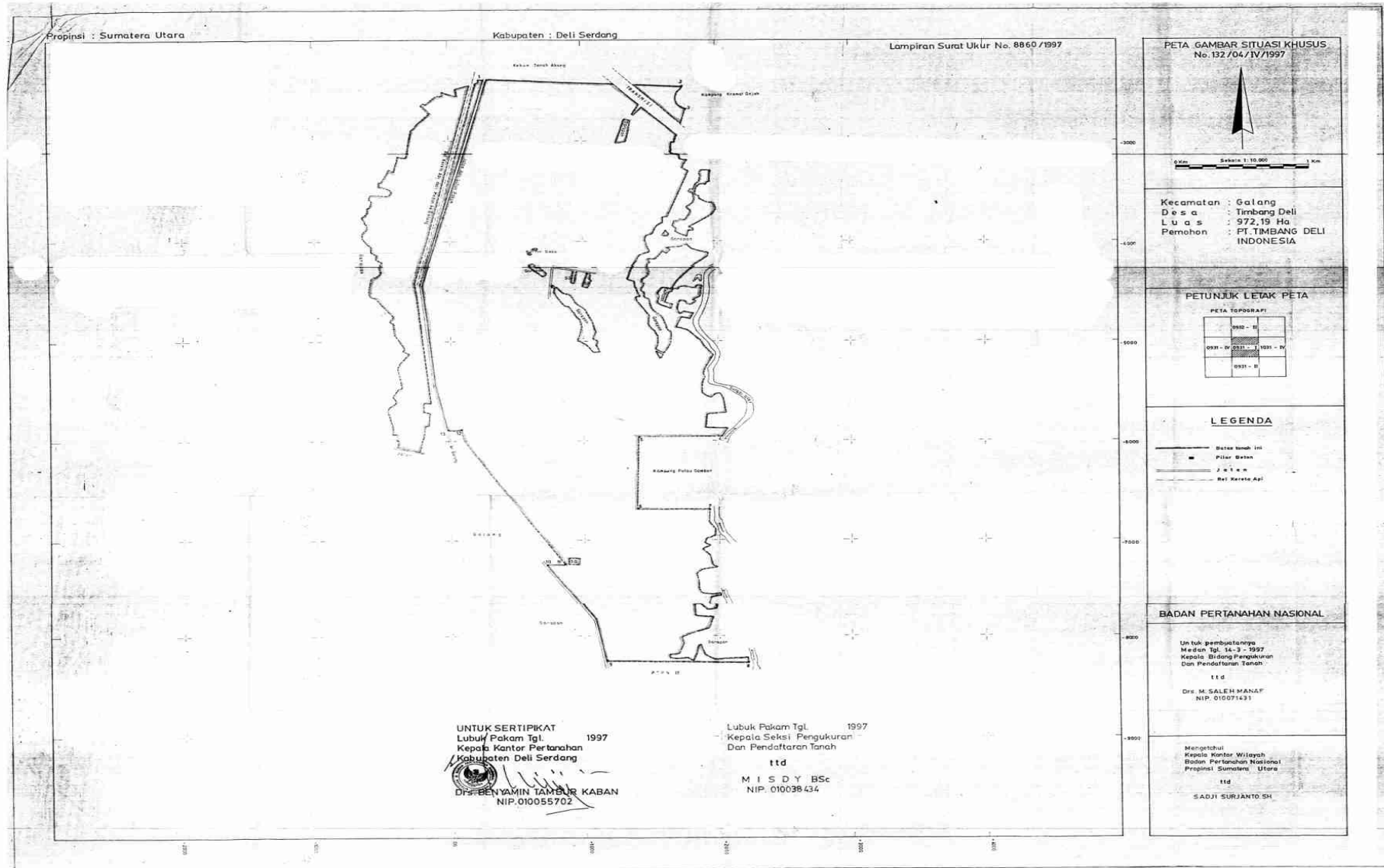
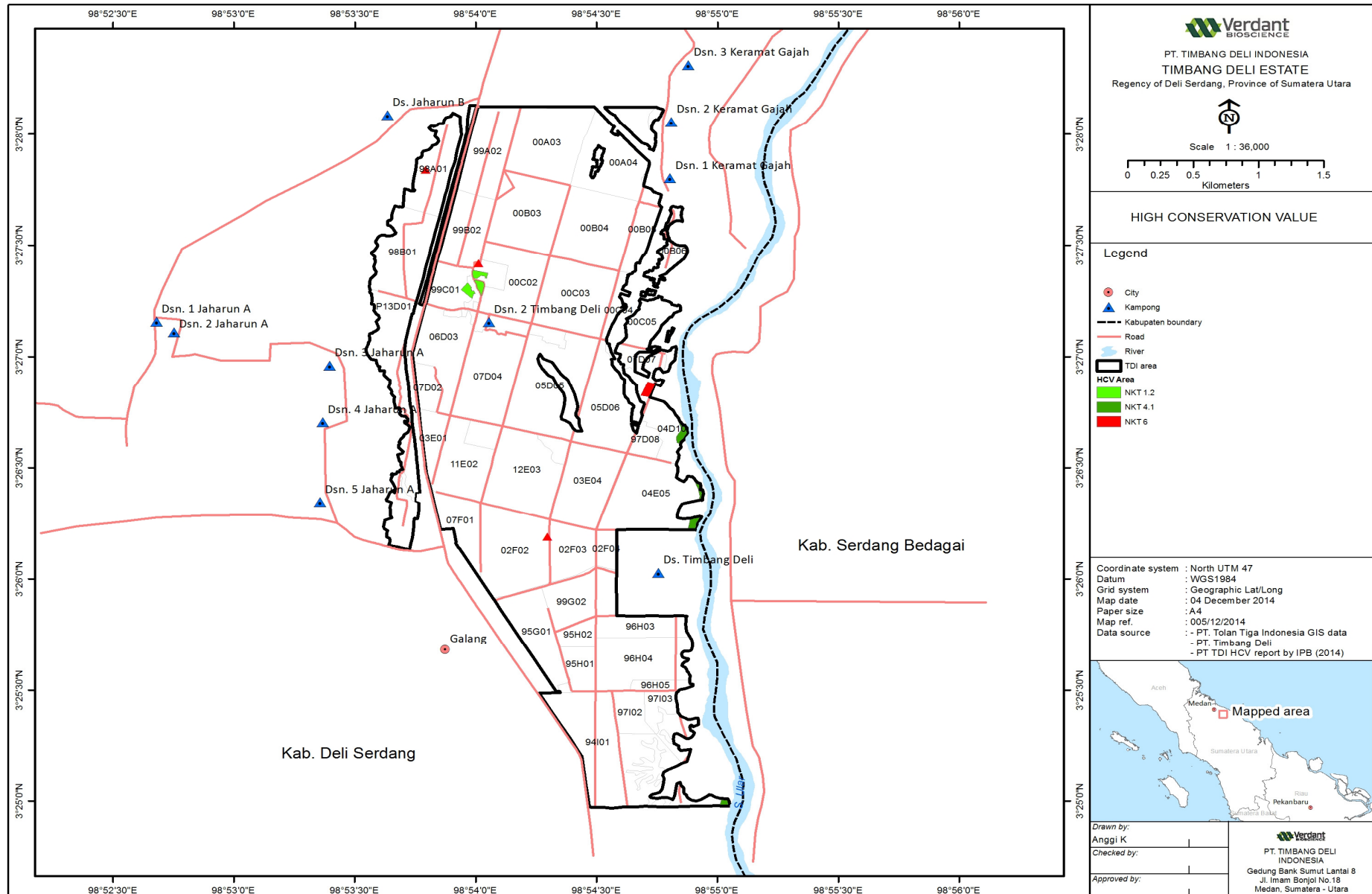
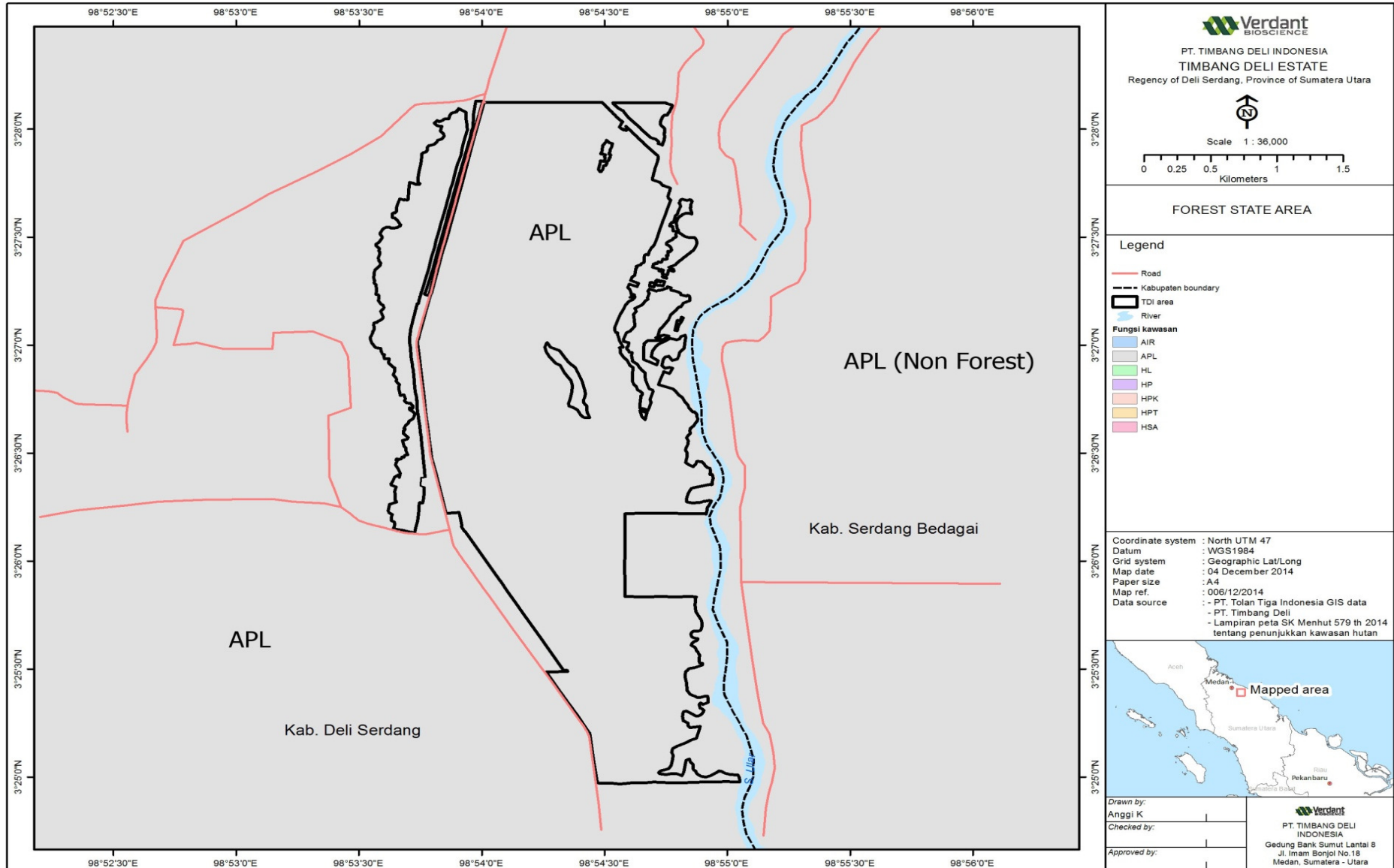


Figure 4. HCV Area of PT Timbang Deli Indonesia

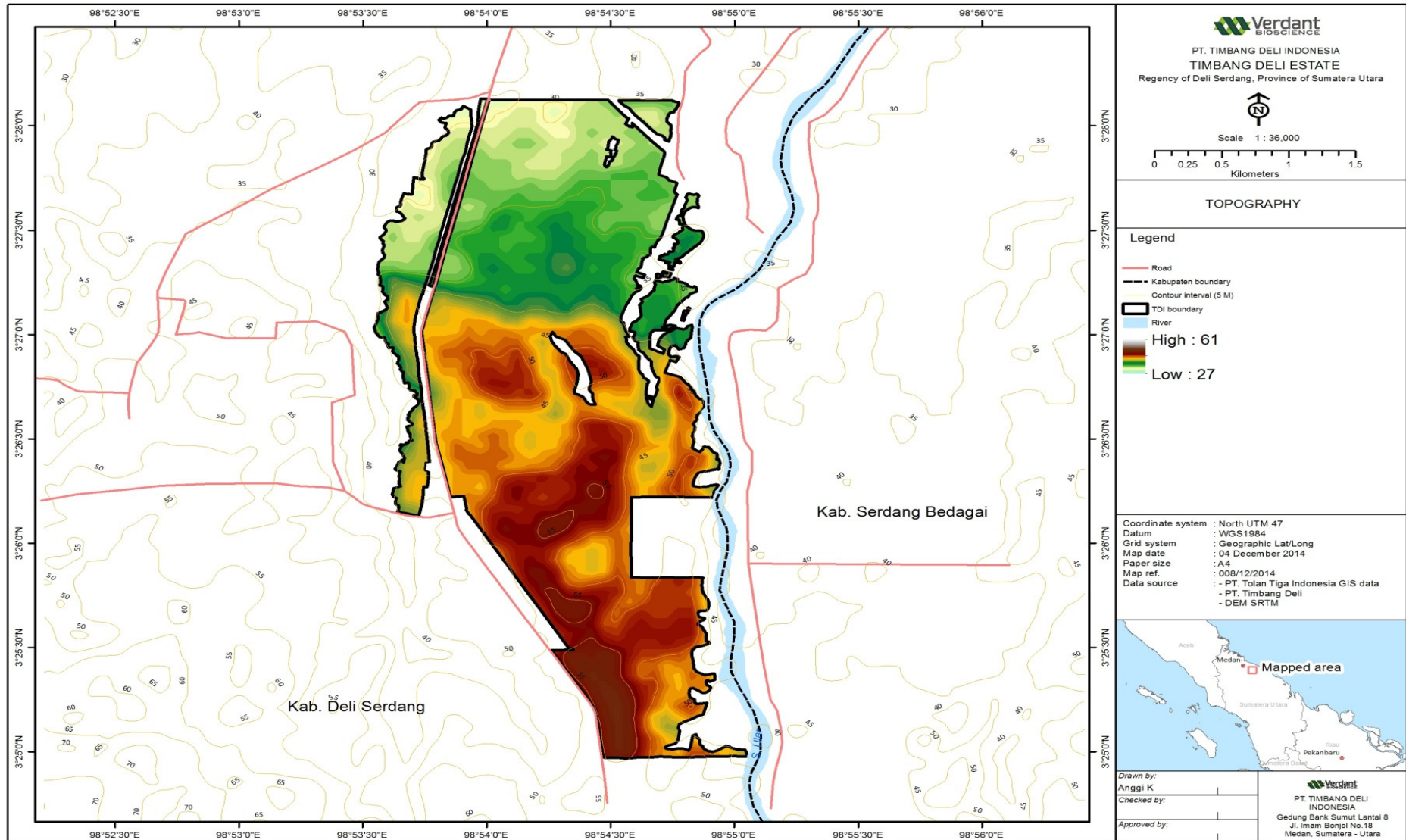


**Figure 5. Land Status of PT Timbang Deli Indonesia**





**Figure 6. Topography Map of PT Timbang Deli Indonesia**



**Figure 8. Soil Map of of PT Timbang Deli Indonesia**

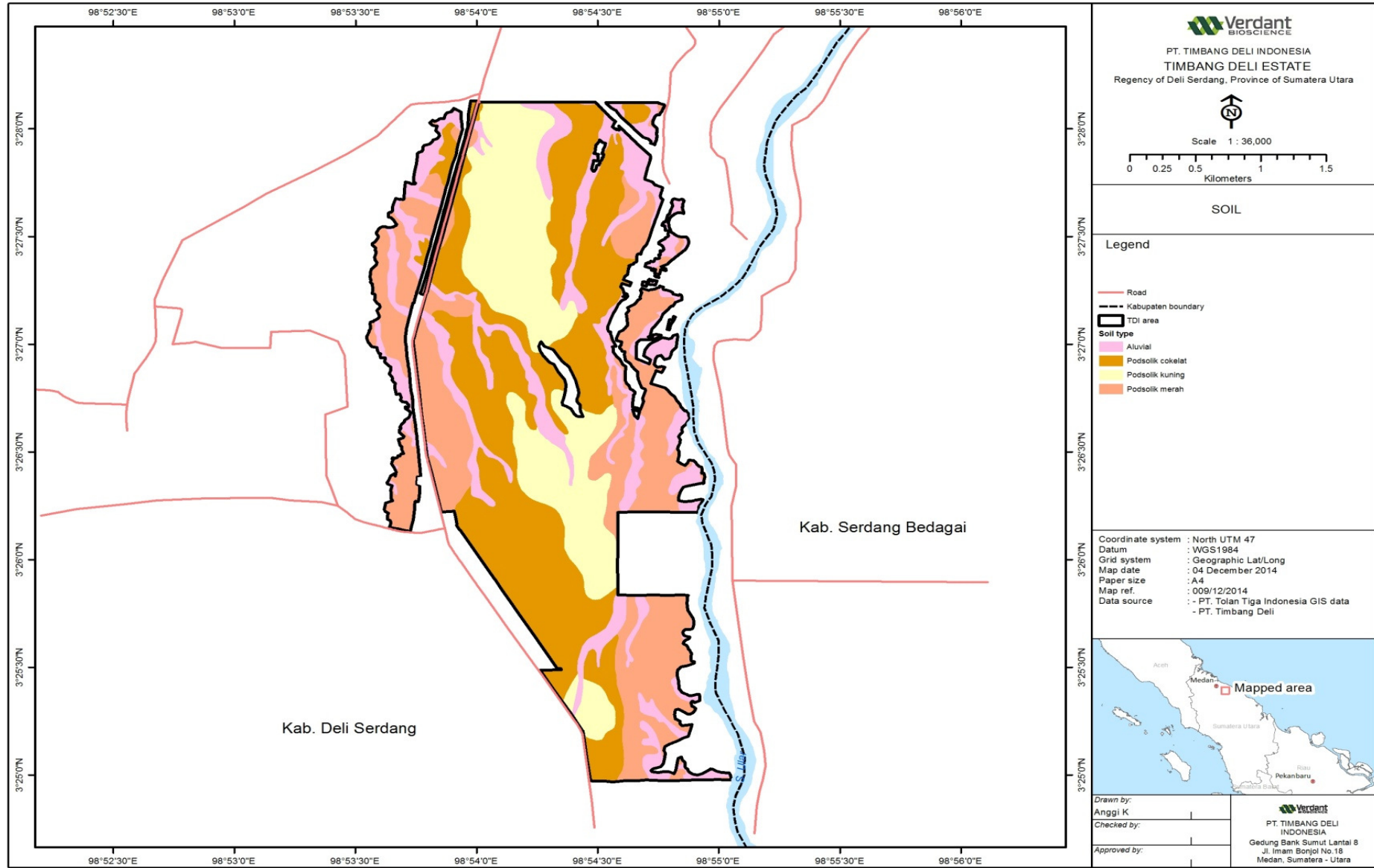
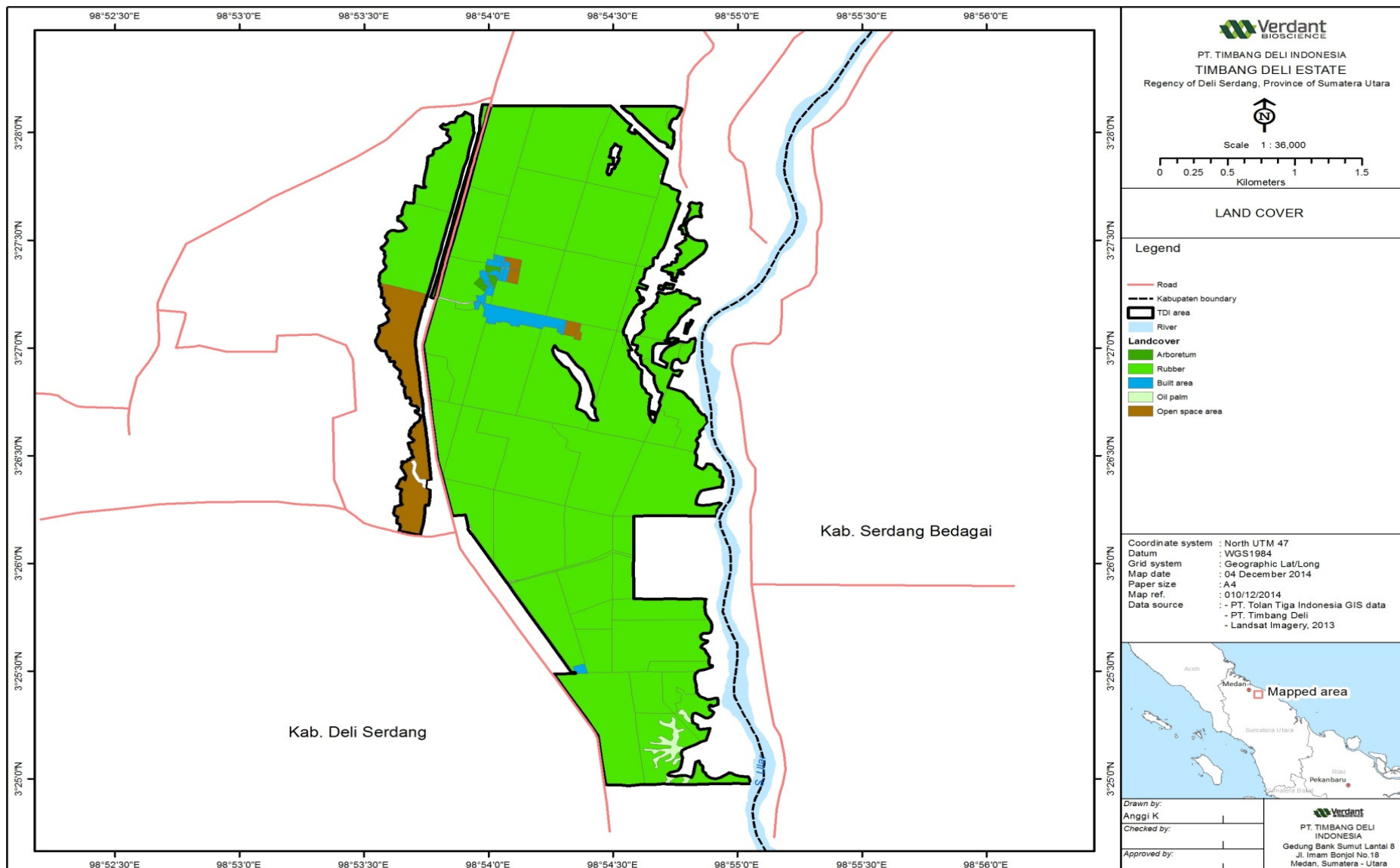
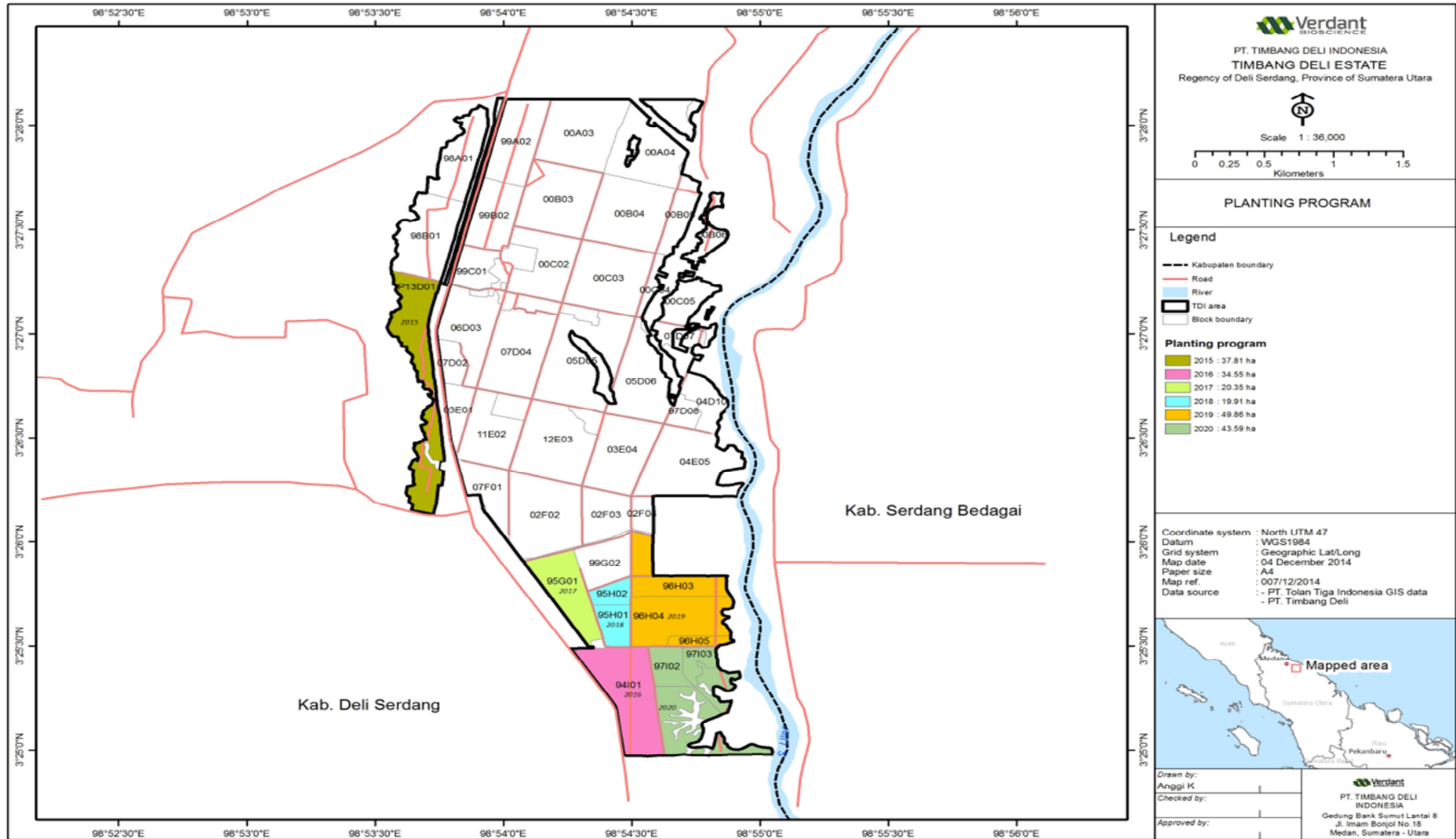


Figure 9. Landcover Map of of PT Timbang Deli Indonesia



**Figure 9. Planting Program Map of of PT Timbang Deli Indonesia**



## **SUMMARY FROM SEI ASSESSMENTS:**

A participative SIA for the proposed project area has been conducted in cooperation with Forestry Faculty, Bogor Agricultural University from 7 to 11 March 2014. Team leader (Handian Purwawangsa, Msi) is RSPO approved assessor as well as the other experts.

The SI assessments covered the surrounding villages such as: Timbang Deli village, Keramat Gajah village and Jahuran A village. All are in Galang sub-district and reasonably not far from the district capital which is 4 km for Timbang Deli village, 7 km for Keramat Gajah village and only 1 km for Jaharun A village. Based on the assessment, there are no any indigenous people in the area.

The assessment report described the major characteristics and condition of surrounding community such as demographic parameters, ethnic, religion, economic, education. From the report it is known that total population of the three villages neighboring the area is 9,262 people, with an average population density of 949 people/square km. The dominant ethnic is Java, followed by other ethnic such as Melayu, Karo, Batak and small number of Nias and Chinese ethnic.

There is no significant negative impact of PT. TDI expressed by the community. Even the assessment illustrated that PT. TDI has positive relationship with the surrounding community. In addition to its social contribution and donation, many of villagers also have close personal relation with PT. TDI such as employee of PT. TDI, retiree from PT. TDI, has relatives working at PT TDI, or has business other relation with PT. TDI.

Some issues raised from the assessment are: latex thievery in local people's rubber plantation, land fires (during the dry season), limited land for cattle grazing, limited land ownership of villagers, and potential flooding during wet season. Therefore, local villagers expect the development of oil palm in PT Timbang Deli Indonesia will bring positive impacts such as employment opportunities, grazing for their cattle, more contribution in villages social activities, and new business opportunities.

A management plan for dealing with social issues has been developed and summarized in the next section of this document.

## **SUMMARY FROM HCV ASSESSMENT(S):**

HCV assessment for the proposed project area has been conducted by PT. TDI in cooperation with Forestry Faculty, Bogor Agricultural University, on March 2014. The HCV assessment team consists of registered/approved RSPO assessors and supported by Social Expert and GIS expert, namely: Dr. Nyoto Santoso (Team Leader, Wildlife expert and RSPO approved), Eko Adhiyanto S.Hut (Flora biodiversity expert, RSPO approved), Handian Purwawangsa, M.Si (Social expert, RSPO approved), Udi Kusnidar, S.Hut (Social Expert; RSPO approved), Ir. Heri Wiyono (Social expert), and Irham Fauzi, S.Hut (GIS expert).

In principle, methodology and approach of the assessment have complied to Indonesian HCV toolkit standard (June 2008). A public consultation has been held on 11th March 2014, at PT TDI, and was attended by the Forestry Faculty-IPB team, PT TDI's employees, community and villages head, and government representatives (Deli Serdang Forestry Agency, Environment Impact Control Agency of Deli Serdang District, Regional Development Agencies). A peer review of HCV has also been conducted by independent consultant, Rachmad Hermawan from IPB in May 2014.

The assessment showed that total HCV area indentified in PT TDI is 6.20 Ha or 0.64% of the land use title area. HCV 1 covers an area of 1.52 Ha or 0.16% out of of total area, HCV 4 covers 3.79 Ha or 0.39% of the area, and HCV 6 covers 0.89 Ha or 0.09% of the area. Another important conclusion is that the inside the proposed area there is no primary forest or peat land. Most of the area and it's surrounding have been utilized for rubber and oil palm plantation owned by villagers or private companies, road construction, settlement or arboretum.

According to Decree of Minsitry of Forestry No. 579/Menhut-II/2014 dated 24 June 2014, all of area of PT TDI located in Non State Forest Area (APL), and based on Decree of Ministry of Forestry No. SK. 3706/MenhutVII/IPSDH/2014 dated 13 May 2014, concerning indicative map of land that is subjected to delays of permit for new forest utilization, utilization of state forest area and conversion of state forest landuse (Revisi VI)" all of area of PT. TDI are not included in the scope of the decree.

**Table 1. Summary of HCV findings at PT. Timbang Deli Indonesia**

HCV	Findings	HCV	Area (Ha)
<b>HCV1. Areas with Important Level of Biodiversity</b>			
1.1. Areas that Contain or Provide Biodiveristy Support Function to Protection or Conservation Areas	No	-	-
1.2. Critically Endangered Species	Yes	Arboretum	1,52
1.3. Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species.	No	-	-
1.4. Areas that Contain Habitat of Temporary Use by Species or Congregations of Species	No	-	-
<b>HCV 2. Natural Landscapes and Dynamics</b>			
2.1. Large Natural Landscapes with Capacity to Maintain Natural Ecological Process and Dynamics.	No	-	-
2.2. Areas that Contain Two or More Contiguous Ecosystems.	No	-	-
2.3. Areaas that Contain Representative Populations of Most Naturally Occuring Species.	No	-	-
<b>HCV 3. Rare or Endangered Ecosystems.</b>	No	-	-
<b>NKT 4. Environment Services</b>			
4.1. Areas of Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream Communities.	Yes	Riparian zone of Ular river	3,79
4.2. Areas Important for the Prevention of Erosionand Sedimentation.	No	-	-
4.3. Areas that Function as Natural Barriers to the Spread of Forest or Ground Fire.	No	-	-
<b>HCV.5 Natural Areas Critical for Meeting the Basic Needs of Local People</b>	No	-	-
<b>NKT6. Areas Critical for Maintaning the Cultural Identity of Local Communities</b>	Yes	Public cemetary	0,8862
		Dutch graveyard	0,0002
		Chinese graveyard	0,0015
		Old Moeslim graveyard	0,0004
<b>Total Area HCV</b>			<b>6,20</b>
<b>Area PT. Timbang Deli Indonesia</b>			<b>972,19</b>
<b>Percentage Area HCV</b>			<b>0,64%</b>
<b>Total Area Effective for Planting</b>			<b>965,99</b>

## **DOCUMENTATION OF FREE, PRIOR AND INFORMED CONSENT.**

- Verification of FPIC implementation in early plantations was not possible to be done as the proposed area has been occupied by PT. TDI since before 1964 (over 50 years) as shown by Agreement Document between the Government of Indonesia and PT. Timbang Deli Indonesia (Sumatra) Rubber Company, Limited on 24 June 1968 which states that the Government of the Republic Indonesia restore powers to manage and control over the plantation area of PT. TDI in accordance with Law no. 1 of 1967 concerning Foreign Investment and Instruction of Ampera Cabinet Presidium no. 28 / U / IN / 12/1966 this set the return of foreign companies after previously taken over by government in year 1964.
- For new development, there is no additional land other than those owned by PT. TDI through land title year 1968 and 1997, consequently no acquisition of land will be done.
- Land dispute (if any) resolution mechanisms available in the SOP document / CA / 02 dated July 1, 2012 concerning Land Compensation Procedure which describes the step and procedure of land disputes resolution.
- Despite no new land acquisition, socialization on conversion from rubber to oil palm commodity has been carried out in conjunction with the preparation of UKL-UPL in July 2014, SIA in May 2014, and HCV in May 2014. Socialization is done through questionnaires and interviews with villagers. The results shows that that most people have a positive perception of the planned breeding of oil palm plantation development (84%).



## SUMMARY OF PLANS:

The company has drawn up a plan of supervision and regular review of environmental impact, as shown by:

- a. UKL-UPL (Environmental Management Plan and Environment Monitoring Plan) approved by government which contains management plan and monitoring plan of environmental and social impacts in the PT. TDI, as follows:

**Construction Stage:** Air Quality, Noise and congestion, Welfare society, Attitudes and perceptions,

**Operational phase:** Soil fertility, quality of ground water, Decrease in air quality, Aestheticsm, Welfare of society, Attitudes and perceptions, Public health, and scheduled hazardous waste

- b. SEIA document in May 2014 which includes social management and monitoring plan in PT. TDI as follows:

- Monitoring and evaluation of legal boundary on a regular basis
- Establish communication and networking with stakeholders through regular meetings with the village, the village community leaders, customary leaders and other figures.
- Economic empowerment of the community in accordance with the existing economic potential in the community in cooperation with other competent parties.
- Empowering people through business coaching farms to farmers around the company.
- Conducting participatory land fire prevention
- To monitor and periodically drainage maintenance
- To improve the security conditions of the company and its surrounding.

Social Management Plan for employment includes activities;

- Establishment of the Gender Committee for women workers who work in PT. TDI
- Implementation of Safety; Socialization of Personal Protective Equipment use, Safety Driving Training, installation of traffic signs.
- Improving the quality of education for children of employees through the provision of scholarships for children of employees.
- Improved skills / skills of employees through training or visit study.

- c. HCV Documents containing Management Plan for HCV 1, HCV 4, and HCV 6 in the area of PT. TDI:

- HCV protection

- The marking of boundaries HCVA conducted along the outer boundary of the area.
  - Installation and maintenance signboard
  - Prevention and control of land fire hazard
  - Maintenance Function Area
  - Inventory and land cover conditions identiikasi
  - Rehabilitation and enrichment type
  - Socialization gradually or all at once to the surrounding community, employees, and managers with a certain level.
  - Coordination with relevant agencies as well as the involvement of all stakeholders role in environmental management and monitoring.
  - Formation of the organization responsible for the management and monitoring of High Conservation Value
- a. As preparation of new plantings, PT. TDI has provided document of Summary of Planning and Management in accordance with RSPO NPP procedure and guidance. The document has incorporated the findings from SEIA, EIA, and HCV assessment for implementing the operational plans. Recommendations and conclusion resulted from the SEIA and HCV assessment has been incorporated in the management plan and consistent with the RSPO P & C for New plantings. As evidence for the implementation of some of the plan, the company has shown evidence of legal demarcation in accordance with the indicator 2.2.2. of the RSPO P & C.

## VERIFICATION STATEMENT:


PT Timbang Deli Indonesia opted for a document verification to conduct the New Planting Procedure. Mutuagung Lestari auditors have conducted desk study and discussions with sustainability officers during the desk audit. Two Mutuagung Lestari auditors conducted the audit at their office in Medan on 4 – 5 December 2014 to review and verify the relevant document and also interview with the management representatives.

PT Timbang Deli Indonesia has done some work on the ground before 2010 in form of Land Use Title and Business Permit from Local Authorities. This planted area has meet legal requirement since the initial permit such as location permit (izin lokasi), land use tilte (HGU) and plantation business permit (IUP).

The EIA (AMDAL) conducted by the government approved consultants as well as the HCV and SIA assessments conducted by RSPO accredited and approved assessors. PT Timbang Deli Indonesia has adhered to RSPO New Planting Procedure and documented the assessments and plans are comprehensive and professionally carried out according to RSPO requirements and comply with the applicable RSPO Principles, Criteria and indicators for new plantings. This is part of an ongoing planting and this report is meant for notification only.

Signed for, on behalf of,

Mutuagung Lestari



Bukti Bagja  
Lead Auditor

11 December 2014

PT Timbang Deli Indonesia



Ahmad Subagio  
General Manager

11 December 2014