



PT PERMATA SAWIT MANDIRI

KETAPANG REGENCY

WEST KALIMANTAN PROVINCE

INDONESIA

SUMMARY OF HCV AND SEIA REPORTS

MARCH 2014

RSPO NEW PLANTING PROCEDURES Summary Report of HCV Assessment and SEIA

1. Executive Summary

PT Permata Sawit Mandiri (PT PSM) has obtained the licence area for oil palm plantations covering an area of 17,022 ha through the Regent Decree of Ketapang No: 502/PEM/2012 dated 5th December 2012. PT PSM is located in the Nanga Tayap district, Ketapang Regency, West Kalimantan Province, Indonesia.

Villages where the assessments were conducted are : Pangkalan Suka (sub villages Bebantun, Summersuka, Sukamaju) and Sebadak Raya (sub villages Kebuai, Tanjung Beringin and Tanjung Bunga). After obtaining the licence area, PT PSM hired a team led by Mr. Kresno Dwi Santosa (of PT SAN), an RSPO accredited HCV lead assessor, to conduct HCV assessments and SEIA.

Based on the results of the HCV assessment in the area there are no primary forest. The forests that still exist is in the form of a young secondary forest that has been turned into rubber plantation by the local community.

In general, HCV identification showed covering 1455 ha or 8.24% of the total area 17,022 ha, which consists of Border of River (HCV 1,2,3 and 4 overlap) was found on 680.53 ha; Border of Springs (HCV 4 and 5 overlap) was found on 45.78 ha; Forest and Hill Area (HCV 1,2,3,4,5 and 6 overlap) was found on 717.76 ha; Social Economy Identity (HCV 5) was found on 4.41 ha; Social Cultural Identity (HCV 6) was found on 6.51 ha. Some areas have been found to contain more than one HCV. No peat is present in the licence area of PT PSM. HCV peer review assessment has been completed.

2. Scope of HCV Assessment and SEIA

- Company PT Permata Sawit Mandiri
- Location Nanga Tayap district, Ketapang Regency, West Kalimantan Province
- Geographical Location 110°37'30" to 110°49'10" latitude 01°18'25" - 01°24'40" longitude
- Surrounding Area a. North : Palm Oil Plantation

- b. East : HPT Land
- c. West : HPT Land and Boundary to Village
- d. South : Palm Oil Plantation

- Permits
 - a. Location Permit: Licence area for oil palm plantations covering an area of 17,022 ha through the Regent Decree of Ketapang No: 502/PEM/2012 dated 5th December 2012.
 - b. Plantation Operational Licence/IUP: through the Regent Decree of Ketapang No : 551.31/2748/DISBUN-D/2006, dated 15th November 2006
 - c. Land Use Title (HGU): In process
- Location Map: Figure 1 below.

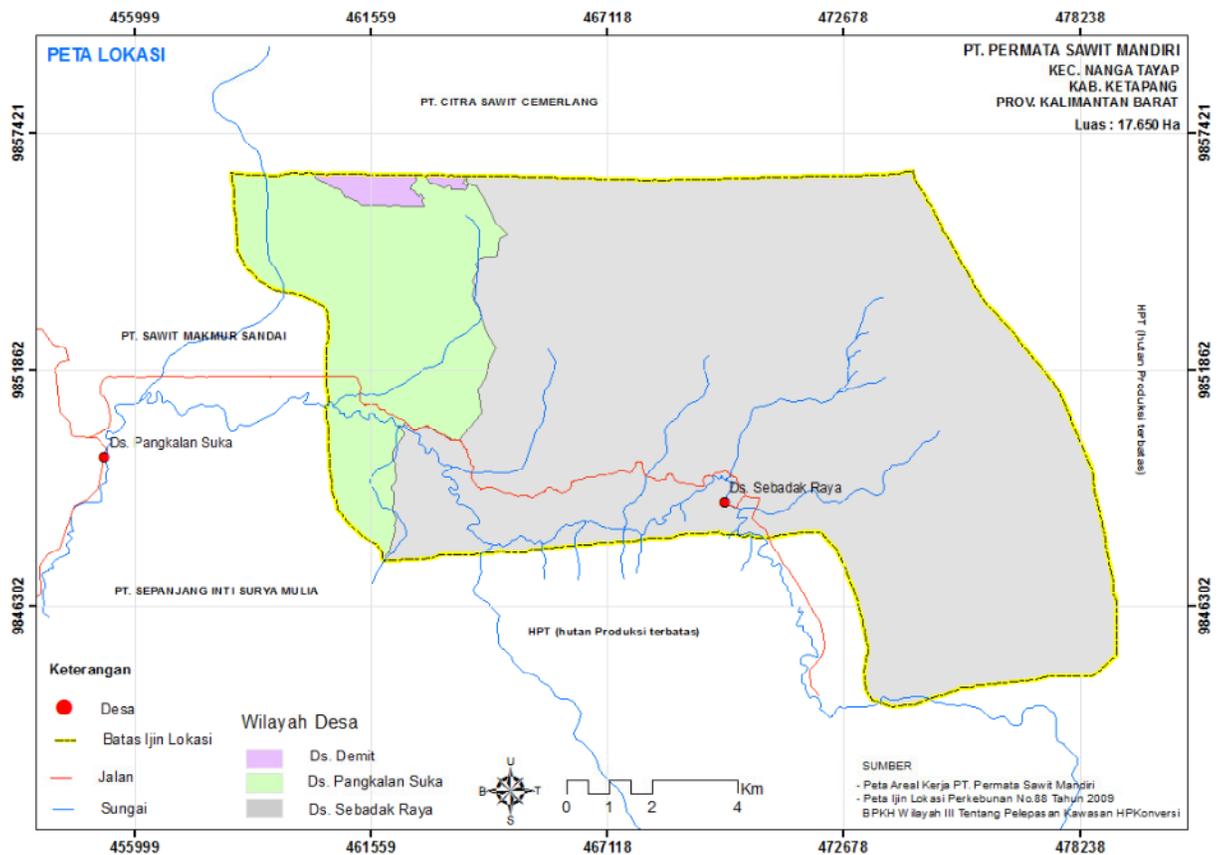


Figure 1. Location map of PT Permata Sawit Mandiri

A desktop historical HCV assessment based on “izin prinsip” given by the Minister of Forestry Decree No. 395/MENHUT II/2013 dated 24th May 2013, the area of PT PSM is located at Area Penggunaan Lain (APL)/Other Use Area in accordance with development

of oil palm plantations. The AMDAL (Socio environmental impact assessment), Izin Lingkungan (Environmental licence) and IUP (Plantation Operational license) have been obtained. The HGU (land use title) will be processed afterwards, as per Indonesian regulations. Land System in the area of PT PSM based on Map of Land Systems (RePPProT 1987), which is divided into three classes, namely Honja, Bulit Pandan, dan Pakalunai (see table 1).

Table 1. Land System of PT PSM Plantation Area

Land System	Area	
	Hectare	%
Honja	12,315.34	73.65
Bulit Pandan	2538.61	12.14
Pakalunai	2168.05	14.21
Total	17,022	100

Source: Map of Land Systems (RePPProT 1987)

3. Assessment Methodology

a. HCV Assessment

The HCV assessor team, which involved experts in Biodiversity, Environmental Services, Social and Culture and supported by GIS expert, had conducted field data collection on the third and fourth week of November, 2013. Data collection was facilitated by the staff of PT PSM and assisted by the village community. The SEIA Assessments was also conducted in the same time.

HCV Team Leader: Kresno Dwi Santosa (*RSPO Approved HCV Assessor-Team Leader and Discipline Specialist on Social and Cultural*)

Members : DR. Rachmad Hermawan (*RSPO Approved HCV Assessor-Discipline Specialist on Enviromental Services*)

DR. Harnios Arief (*RSPO Approved HCV Assessor- Discipline Specialist on Biodiversity and Conservation*)

Yanuar Wicaksono, S.Hut (*RSPO Approved HCV Assessor-Discipline Specialist on Biodiversity and Conservation*)

Ahmad Yudana (*Social and Cultural Expert*)

Kasuma Wijaya (*GIS Specialist*)

Ainur Rahman, A.Md (*Field Assistant for Biodiversity HCV 1 – 3*)

Domi Suryadi, S. Hut (*Field Assistant for Environmental Services*)

Ahdi Muhtadin (*GIS Specialist Assistant*)

Latief Ginanjar, ST (*Field Assistant for Environmental Services*)

Table 2. HCV assessment process, methodology, and data achievement

Assessment Process	Methodology	Data achievement
Mapping and landscape	Field data collection to verify secondary data and information such as protected/conservation areas, road system, river system, boundaries, soil types and classes, topography, and; to conduct a comprehensive overview of the area.	Mapping all data and information found into a map and conducting analyses on it.
Fauna (wildlife) aspect	Qualitative field assessment (<i>rapid assessment</i>). Direct field observation; interview and discussion with stakeholders, such as local community, staffs of the company, and other related parties.	Qualitative condition of the habitat; endangered, critical, and protected wildlife species within the list of IUCN and the prevailing regulation and its distribution; qualitative condition of wildlife species' population (number and status of reproduction); Location of wildlife species encounter; Species hunted by the community; Benefit and disturbance of wildlife species; level of threat and survival opportunity of wildlife species.
Flora aspect	Interview and direct field survey. Initial mapping of ecosystem distribution; observation on forest structure, species density or dominance on each type of ecosystem.	Data of flora with particular status, Species protected by the Indonesian government or assumed to be Endangered in the IUCN list. Threat and Opportunity to maintain the area.
Social, Economic, and Cultural Aspect	Interview and field visit using FGD (<i>Focus Group Discussion</i>), PRA (<i>Participatory Rural Appraisal</i>) and list of structured questions. Collection of data on the village's demography, custom, culture, and community's relation with forest.	Traditionally protected area, level of Dependency toward the area, environmental services related to the assessed area.

b. SEI Assessment

The SEI assessment followed three stages. The first stage was a desktop study to collect existing data from public sources. Further collection of data was also conducted in the villages, sub district and district administration offices, collecting information such as public health data, villages/sub district and districts monographies. The second stage was the field work, which included in depth interviews, as well as Focus Group Discussions (FGD) and direct observations. The field work was conducted over five days in the field, at the two villages interacting with PT PSM (Pangkalan Suka and Sebadak Raya). The third stage was analysis of the data and redaction of the report. The report was submitted to PT PSM for review and comments before being finalised. A HCV and SEIA public consultation was held on 28th November 2013 at Nanga Tayap District Office, Ketapang Regency. Public consultation was conducted to obtain feedback towards the HCV findings from related parties. The process of the public consultation, and the feedback and commentary from the participants were documented to provide inputs in the finalization of the HCV and SEIA report.

The public consultation was attended by the PT SAN team, PT PSM employees, community and traditional leaders, Head of Nanga Tayap District, Environmental Agency, Forestry Agency, local NGO, local press, 2 village heads and the local Agricultural Agency.

- SIA Team Leader: Burhanuddin Gala, MA
- Team members: Janri Bungatali, MA

4. Summary

a. Summary of HCV Assessment Findings

The licence area of PT Permata Sawit Mandiri covers 17,022 ha. HCV identification showed covering 1455 ha or 8.24 % of the area (see Table 3 below), consists of Border of River (HCV 1, 2, 3 and 4 overlap) was found on 680.53 ha; Border of Springs (HCV 4 and 5 overlap) was found on 45.78 ha; Forest and Hill Area (HCV1, 2, 3, 4, 5 and 6 overlap) was found on 717.76 ha; Social Economy Identity (HCV 5) was found on 4.41 ha; Social Cultural Identity (HCV 6) was found on 6.51 ha. Some areas have been found to contain more than one HCV. The low percentage of HCV areas identified is due to the main land use of the area, which is smallholders rubber plots.

Table 3. Summary of HCV assessment findings at PT Permata Sawit Mandiri

No	HCV Findings	HCV Attribute	Ha
1	Border of River	1.1; 1.3; 1.4; 2.3; 4.1; 5; 6	680.53
2	Border of Springs	4.1; 5	45.78
3	Forest and Hill Area	1.1; 1.2; 1.3; 1.4; 2.3; 4.1; 4.2; 5; 6	717.76
4	Social Economy Identity	5	4.41
5	Social Cultural Identity	6	6.51
Total			1455.00

b. Summary of SEIA Findings

Demography/Social issues, PT Permata Sawit Mandiri license area is located within the Nanga Tayap District, which is not densely populated, and reasonably far from the district capital of Nanga Tayap. The total population of the two villages neighboring the licence area is 2497 people, with an average population density of 3 persons/square km for Pangkalan Suka Village and 11 persons/square km for Sebadak Raya Village.

Ethnically, the population is mostly of Dayak Kayong and Malay (Melayu) descent, with significant numbers of people from other areas (mostly Java). Majority of the people in the area are Christians.

Education is relatively good, with a good proportion of the younger people reaching high school. Further education opportunities are very limited in the area.

Health facilities in the area are limited, but primary health services are available in each village of the area. The doctor only can be found in the district capital (Nanga Tayap), and the government hospital is located in the regency capital, Ketapang. A significant number of villagers are still using the river water, in particular during the dry season, when their wells are dry.

Economy, Most of the area surrounding the licence area is covered by rubber plots owned by villagers from the two villages. The area relies almost exclusively on small scale rubber farming, and has done so for a long period of time. This is observed by the age of the rubber trees. The local community is familiar with rubber farming. Other sources of income are limited, with few farming/collection activities on the side of rubber farming, some small trade, and a low number of public servants and private sector employees.

Potential positive and negative developments, The local population will expect some positive outcomes from the development of PT Permata Sawit Mandiri in the area. Improved roads would be a priority outcome for the local population; to improve accessibility to the area and access to school for the children. Related to this, positive result of the presence the company could result in improved education facilities, positive result of the presence the company, with possibly better school buildings, support to the teachers (allowances) and/or scholarships for children in the area. Improvements in the health sector are also likely to be expected, considering the current isolation of the area in that aspect.

The long tradition of rubber cultivation in the area is likely to bring challenges to development of PT Permata Sawit Mandiri. Farmers are reticent to change from rubber to oil palm, and this is likely to reduce the number of farmers interested in joining the plasma programme. Also, with the establishment of a plantation and the numerous job opportunities, mid-sized rubber growers are likely to feel some competition between them and the company to source for workers.

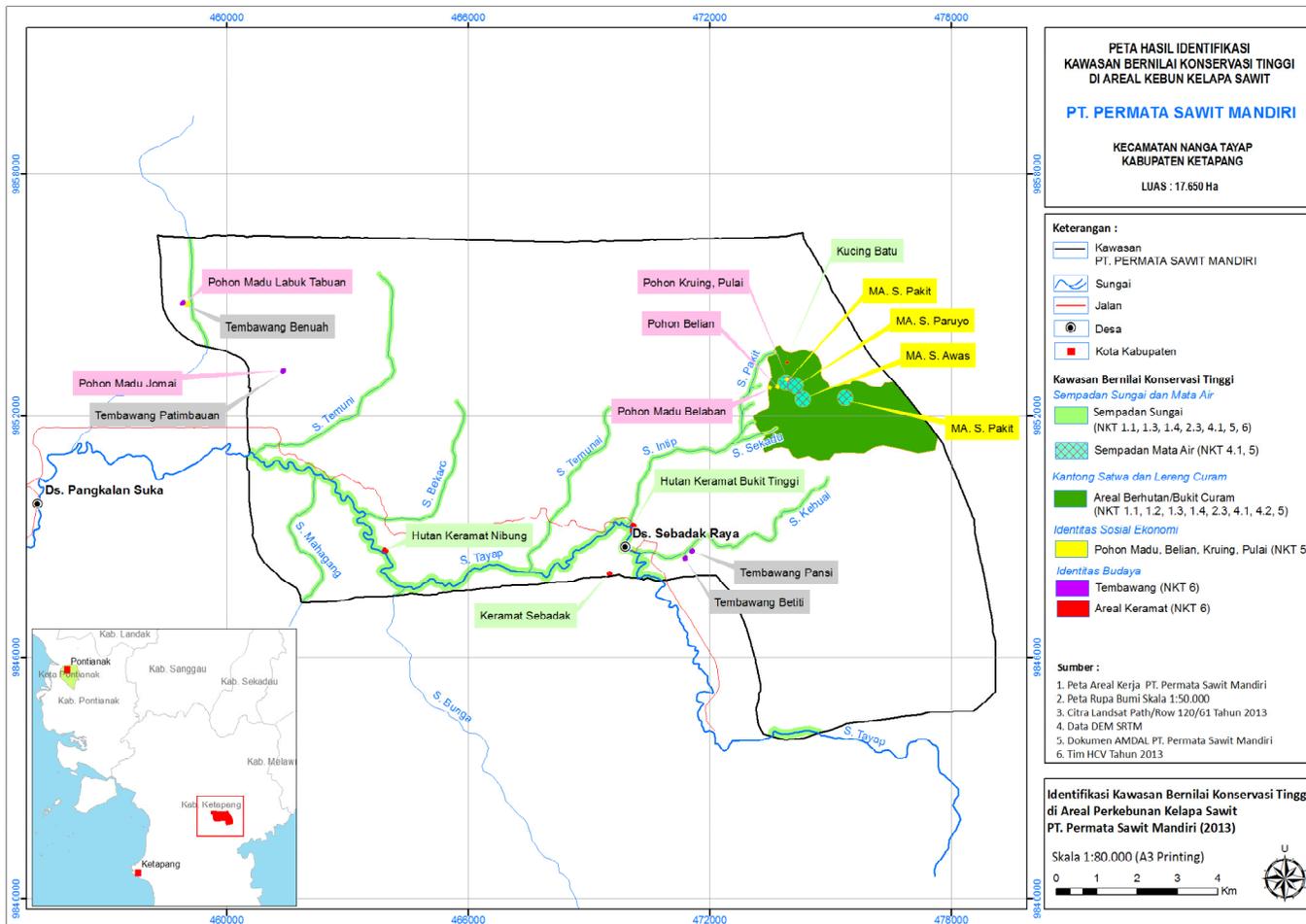


Figure 2. Map of HCV area of PT Permata Sawit Mandiri

Villagers will be very wary of any perceived water pollution or over usage by the company, due to their reliance on the rivers to supply them with water for their daily needs.

The informal land ownership system in the area will be a challenge for the initial phases of land rights acquisition by the company. As this is a common case in many other areas, there will likely be some land rights ownership conflicts, with multiple people claiming ownership of the same plot of land.

Considering the low population density, CSR efforts by the company are expected to have a good impact. The relative amount of money spent per habitant will be relatively high, and if planned participative, CSR activities are more likely to bring satisfaction to the villagers.

5. Internal Responsibility

Formal sign-off by Assessors and Company.

This document is the Summary of HCV (High Conservation Values) Assessment and SEIA (Social and Environment Impact Assessment) of PT Permata Sawit Mandiri.

PT Sonokeling Akreditas Nusantara



Ir. Kresno Dwi Santosa,
Team Leader HCV

Burhanuddin Gala, M.Si
Team Coordinator SEIA

Statement of Acceptance of Responsibility for Assessments.

The assessment results of the High Conservation Value (HCV) Assessment and Social and Environment Impact Assessment (SEIA) of PT Permata Sawit Mandiri by PT Sonokeling Akreditas Nusantara will be applied as part of the guidelines in developing and managing PT Permata Sawit Mandiri.


PT. PERMATA SAWIT MANDIRI
Albert Ruslim HI

Director