

**RSPO  
New Planting Procedures**

**Summary Report of SEIA AND HCV  
Assessments**

**PT ANUGRAH SURYA MANDIRI  
BERAU DISTRICT  
EAST KALIMANTAN PROVINCE  
INDONESIA**

**Summary Report of SEIA and HCV Assessments of  
PT Anugrah Surya Mandiri**

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## Summary Report of SEIA and HCV Assessments of PT Anugrah Surya Mandiri

### 1. Executive Summary

PT Anugrah Surya Mandiri (PT ASM) , a subsidiary of KLK Berhad, is an oil palm company located in Berau District, East Kalimantan Province.

PT ASM has conducted Environment Impact Assessment (AMDAL) , High Conservation Value (HCV) Assessment and Social Impact Assessment (SIA) in compliance with RSPO Criteria 7.1 and 7.3 on new planting.

The area of PT ASM undergoing New Planting Procedure is 3,700 ha, as indicated in the Location Permit (Izin Lokasi) No.101 dated 6th March 2008 and renewed Location Permit , No.759 dated 27th December 2011. It is situated in subdistrict of Batu Putih, Berau District. In addition, the company has also obtained Plantation Business Permit (IUP) from the Regent of Berau (No.760 dated 27th December 2011) stating that the acquired area is 2786 ha for parent company (Inti) and 666 ha for smallholder scheme (Plasma).

The geographical location of PT. ASM is 118°14'41"-118°20'02" East and 1°12'03"-1°14'19" North in the subdistrict of Batu Putih. The letter from Ministry of Forestry No.S.927/BPKH IV-3/2011 dated 12th October 2011 indicated that area of PT.ASM is under Other Usage Area (Areal Penggunaan Lain, APL) and thus outside the forest area (Kawasan Hutan). According to HCV assessment, the concession area does not have any peat soil.

The northern and eastern parts of PT ASM is surrounded by PT Jabontara Eka Karsa, another subsidiary of KLK while the western and southern areas are bordered by PT Umaq Tukung Mandiri Utama & PT Hanurata Coy Ltd, both of which are also oil palm plantations.

The EIA was conducted by PT.Poligon Kaltim and the report was approved by Regent of Berau based on a letter No.64 dated 17th February 2011, whereas HCV and SIA were conducted in April 2011 by Aksenta whose team members are RSPO-approved HCV and SIA assessors. A comprehensive and participative assessment involves both internal and external stakeholders whose feedbacks are incorporated into the planning and management of PT. ASM.

The HCV assessment clearly indicated that :

- There is no primary forest.
- There is no peat soil
- It is not a protected area

The results of HCV study showed that there are three types of HCV found in PT ASM concession area. They are HCV 1, HCV 3 and HCV 4. The total HCV area identified is 326.38 ha or 8.82% of the total concession area of 3700 Ha. Important elements of HCV 1 are the presence of threatened species such as Muller's Bornean gibbon (*Hyllobates muelleri*) and Malayan pangolin (*Manis javanica*) , the presence of Borneo's endemic species of the gibbon and the existence of an important area as refugia for endangered species. The presence of forest on the limestone hill is a rare ecosystem and constitutes the presence of HCV 3. HCV 4 is related to water catchment areas, water sources of rivers, flood control, erosion control and spring water areas.

There are no HCV 2, HCV 5 and HCV 6 found in the concession area.

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From the social impact study it can be concluded that there is potential and significant impacts by the presence of PT ASM towards social sustainability for local community. The immediate activity that will have an impact on social sustainability is the recruitment of workers for plantation development such as land clearing and nursery. One of the negative social impacts cited in the study is the potential influx of workers from other parts of Indonesia which could lead to social conflicts among various races in the plantation. Another potential social impact is concern over scarcity of timber as a result of development of PT ASM.

From the Environmental Impact Assessment (EIA) study conducted, it can be concluded that there is potential impact by the presence of PT ASM towards the environmental impact to the area. The possible environmental and social impacts that can occur in this project can be divided into 4 phases of its development namely, Pre-development, Land Development, Operational stage and Post development. These potential impacts on the local community can be broadly summarized as follow: reduction in water and air quality; increase in noise level; increase in surface run-off; increase in erosion and sedimentation.

### 2. Scope of the SEIA and HCV Assessments

#### 2.1. Organisational Information and Contact Person

Company Name	PT.Anugrah Surya Mandiri
Parent Company	Kuala Lumpur Kepong Bhd
Address	Jl.Marsma Iswahyudi, RT 8 Kel. Rinding, Kec.Teluk Bayur, Kabupaten Berau, Kalimantan Timur
Office Contact No.	0554-2027064
RSPO Membership No.	1-0014-04-000-0
Person-In-Charge	H.Bakri Jamaluddin
Email	bakri.j@klk.com.my
Position	Production Director
Capital Status	PMA (Foreign Investment Company)
Taxpayer No.	02.465.142.4-721.000
Status Concession Area	Izin Lokasi; IUP; AMDAL
New Planting Area	3,700 ha

#### 2.2 List of Legal Documents, Regulatory Permits and Property Deeds

No.	Document	Issued By	No. and Date	Note
1	Location Permit (Izin Lokasi)	Regent of Berau ±3,700 ha	No.101 dated 6 March 2008	Renewed: No.759 dated 27 December 2011
2	Plantation Business Licence (Izin Usaha Perkebunan)	Regent of Berau	No.760 dated 27 December 2011	PT ASM: 2786 ha Plasma:666 ha

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3	AMDAL	Regent of Berau	No.64 dated 17 February 2011	
4	Company Registration	Dinas Perindustrian, Perdagangan dan Koperasi Kota Balikpapan	TDP 170515103185  28 September 2005	
5	Taxpayer Notification No.	02.465.142.4- 721.000	-	-
6	Notary  Tuan Abdul Halim Nazar	No.03 dated 1 April 2005 (Akta Pendirian Perseroan Terbatas ASM	No. 18 dated 16 June 2008  Pemegang Saham ASM	No.20 dated 3 August 2012  Pernyataan Keputusan Pemegang Saham

**2.3 Location Map of PT ASM**

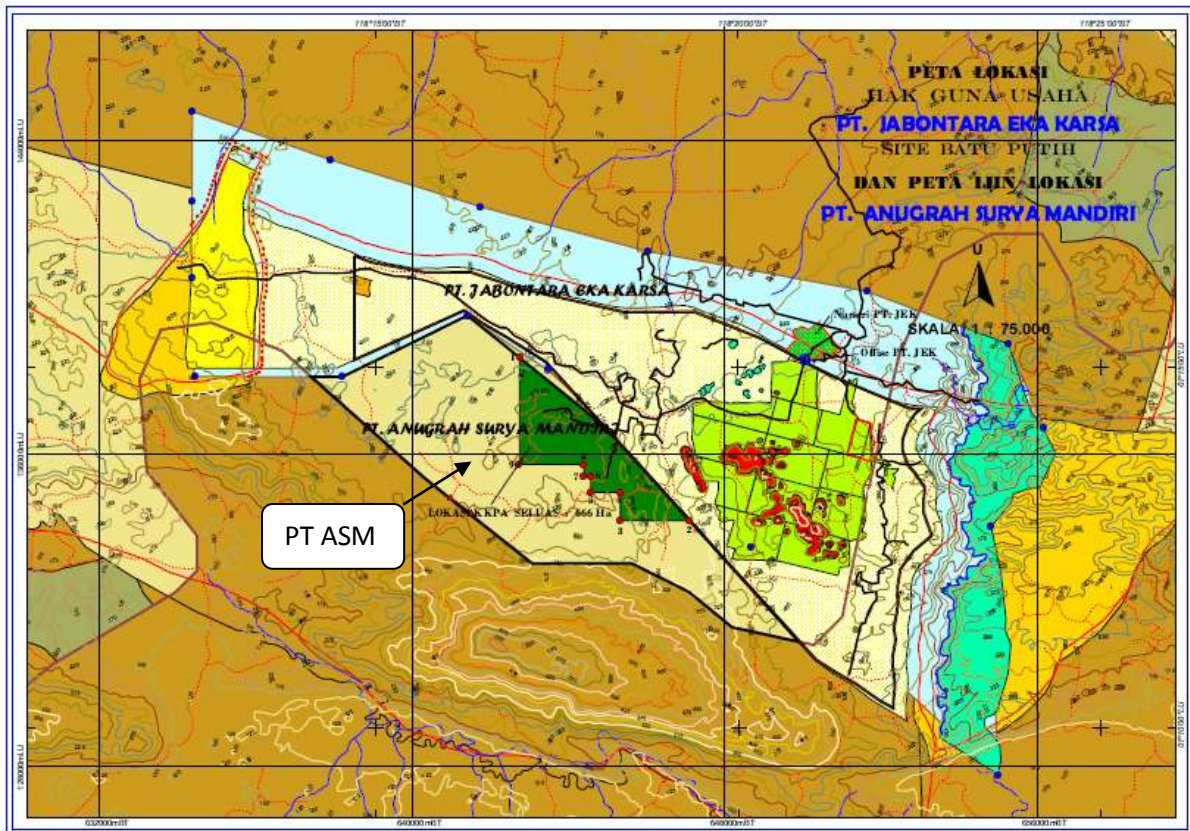


Figure 1. Location Map of PT ASM –Project Area

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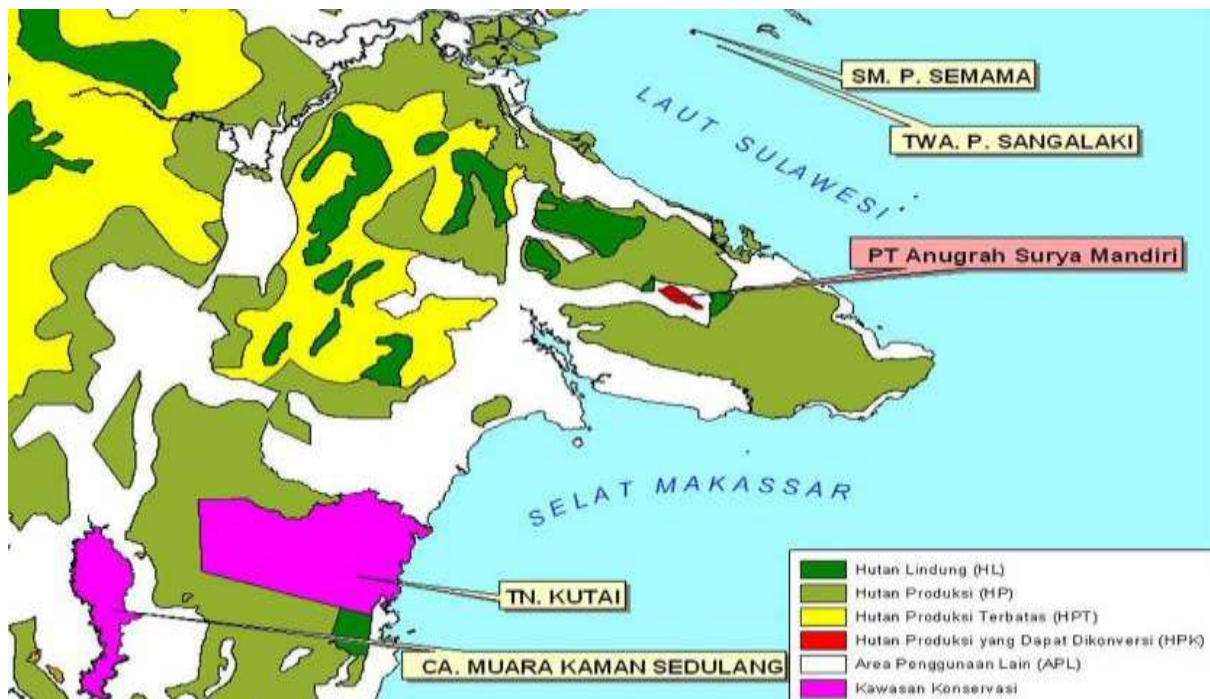


Figure 2. Landscape Map of PT ASM –Project Area

### 2.4 Area of New Plantings and Time-Plan for New Plantings

The development plan of PT ASM has incorporated the findings from SEIA (AMDAL), conducted by PT Poligon Kaltim and HCV Assessments and Social Impact Assessment by Aksenta when implementing the operational plans. Management plans for HCV areas and social impacts have been drawn up and are covered under Summary Report of Planning and Management of new plantings. The total area allocated in the Plantation Permit is 3,352 ha, of which 2786 ha will be developed as the company plantation (Inti) and 666 ha for smallholder scheme (Plasma).

After the New Planting Procedure has been approved by the RSPO Secretariat, land clearing and planting will commence in 2013 and is programmed to be completed by end of 2014.

### 3. Assessment Process and Procedures

#### 3.1.1 HCV Assessment-Assessors and their Credentials

The HCV assessment of PT ASM was conducted by Aksenta with its office located at Jl Gandaria VIII/10, Kebayoran Baru, Jakarta 12130, Tel./Fax +62 21 739-6518, E-mail: aksenta@aksenta.com). The team of assessors who conducted the study have been approved by the RSPO. Its team members are:

1. **Sujatnika** ([odjat@aksenta.com](mailto:odjat@aksenta.com)): Bachelor of Forest Resources Conservation, Bogor Agricultural University (IPB), trained in Collaborative Management,



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Organisational Development, and Networking & Building Public Support in the UK. Has taught at IPB, form the forest management planning experts, devoting himself at BirdLife International. He wrote some books eg Conserving Indonesian Biodiversity: The Endemic Bird Areas Approach and Priority Protected Areas in Indonesia to Conserve Global Biodiversity. He has experience in species management, protected area management and facilitating engagement in biodiversity conservation. He also has experience in multi-stakeholders engagement, facilitator and skilled trainers for management of natural resources. He enrolled as a RSPO-Approved HCV assessor-Team Leader, and in this study play a role of coordinating all phases of the implementation of the activities.

**2. Pupung F. Nurwatha** ([pupung@aksenta.com](mailto:pupung@aksenta.com)): Has a Bachelor in Biology from University of Padjadjaran University. He has experience in wildlife research since 1990, skilled at doing Community Based Biodiversity Assessment and manages a group of wildlife conservationists. He has experience in conducting studies of HCV in the plantation sector and is a RSPO-Approved assessor specialising in HCV 1, 2 dan 3.

**3. Robert H. Sinaga** ([rohansinaga@aksenta.com](mailto:rohansinaga@aksenta.com)): A Science Scholar in Applied Meteorology from Faculty of Mathematics and Natural Science, Bogor Agricultural University (IPB). He has experience in GIS and Remote Sensing technique in Biology Conservation and land use issues. He has conducted research in radiation quantities in the forest and energy use in the forest using the GIS techniques and Remote Sensing. In this Assessment, his role is to identify the HCV 4 and carry out HCV mapping. He is a RSPO-Approved HCV assessor specialising in ecosystem services of HCV.

**4. Nandang Mulyana** ([nandang@aksenta.com](mailto:nandang@aksenta.com)): He is the member of Aksenta team who is responsible for analyzing the Socio-economic and CD/CSR aspects. Graduated from the University of Muhammadiyah Jakarta (UMJ) majoring in Economics and a Master Degree holder from Bogor Agriculture University (IPB) focuses on Development and Planning Studies (Ilmu Perencanaan Pembangunan Wilayah). He is experienced in the field of socio-environment. He is a RSPO-Approved HCV assessor and in this HCV assessment, his role was to identify social and cultural HCV 5 and 6.

**5. Fersely G.F. Salmon** ([gets@aksenta.com](mailto:gets@aksenta.com)): An undergraduate (S1) and has completed a study in the Department of Geophysics and Meteorology, Faculty of Mathematics and Natural Resources at Bogor Agricultural University (IPB). He is active in studies related to meteorology, climatology and hydrology. Has experience in the fields of mapping, spatial analysis and remote sensing applications for natural resource management, management of water resources and watershed management (DAS) as well as environmental risk assessment. His role in this assessment is in Geographic Information Systems (GIS) analysis and mapping.

### 3.1.2 SIA Assessment-Assessors and their Credentials

The team members consist of:

**1. Andri Novi** ([andri.novi@aksenta.com](mailto:andri.novi@aksenta.com)) holds a Bachelor of Literature from the University of Padjadjaran majoring in cultural sciences, literature and linguistics. He

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has experience in the field of Participatory Action Research and Community Development and was a Regional Development Capacity Building & Training Expert for the National Community Empowerment Program (PNPM). He has done Social Impact Assessment in some oil palm plantation companies in Indonesia and in 2010 received approval from the RSPO as a Discipline Specialist for the study of HCV in the social and cultural fields (HCV 5 and 6).

His role in this assessment is to focus on customs and culture aspects.

**2. Sigit Budhi Setyanto** ([sigit@aksenta.com](mailto:sigit@aksenta.com)) completed a Bachelor of Agriculture at Department of Soil Science, Faculty of Agriculture, State University of Jember and experienced in the 'Development Communities Tobacco Growers' since 1990 one of them for Philip Morris Inc., manufacturer of Marlboro cigarettes. Since 2004 active as an auditor for the SCS Starbuck's CAFÉ Practice Program in Indonesia and Papua New Guinea in addition to the Agriculture Marketing Specialist at the International NGOs for programs Rural Agro-enterprise Development (Raed). Received training nationally and internationally for Sustainable Organic, SCS-Starbucks CAFÉ Practices, Rainforest Alliance for Sustainable Agriculture, Forest Management and Chain of Custody and from DOEN for the Roundtable Sustainable Palm Oil. Together with Aksenta has studied, among others, "Social Economic Study of Oil Palm in West Pasaman and Sanggau", Social Impact Assessment and High Conservation Value Assessment for several oil palm companies in Indonesia. In 2010 received accreditation from the RSPO as a Discipline Specialist for the study of HCV in the social and cultural fields (HCV 5 and 6). His role in this Social Impact Assessment is as a team member with a focus on socio-ecology study of capital and sustainable livelihood.

**3. Gena Lysistrata** ([lysisstratagena@aksenta.com](mailto:lysisstratagena@aksenta.com)) held a Bachelor of Social Study from University Indonesia, Faculty of Politics and Social Knowledge. She attended Social Skill Training and played an active role in Pemberdayaan Baitul Maal Muamalat (2006) and Telkom Community Development Center (2006-2007). Researcher and facilitator in Micro Insurance Social Awareness Campaign Program by GTZ. In 2010 she obtained approval from RSPO as Discipline Specialist for the study in the social and cultural fields (HCV 5 and 6). Her role in this study is to focus on social economic and rural development.

### **3.2 Assessment Methods (Data sources, data collection, dates, programme, place visited)**

#### **3.2.1 Methods used in the HCV Assessment**

The HCV assessor teams consisting of experts in the area of Biodiversity, Environmental Services, Social and Cultural and supported by a GIS expert. Identification of HCV was generally done through a series of stages from pre-assessment, field survey to analysis of the final results. The stages of these activities are shown in Figure 3.

During the field assessment which is conducted from 19-23rd April 2011, the HCV experts were accompanied by the staff of PT ASM who are knowledgeable of the status of their physical as well as social environment and related issues within the study area. In addition to making observations and measurements in the field, the team also extracted information from the local community in the villages of Batu



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Putih, Tempudan, Lobang Kelatak dan Ampen Medang, by ways of individual interviews, focus group discussions (FGD), participative mapping, as well as public consultations. The team also performed confirmation and cross-check findings through purposive sampling; i.e., cross-check with community leaders and beneficiaries of the related areas.

Definition and scope of HCV assessment used in the palm oil sector is still very much based on the HCV concept applied in the forestry sector. For the purpose of this assessment, HCV Toolkit (2003) of the Proforest was used but also made reference Indonesia HCV Toolkit 2008 [Identification of High Conservation Value Areas in Indonesia developed by the Consortium for HCV Revision Toolkit Indonesia (2008)]. Other references used that are relevant in the assessment also include IUCN, CITES, and other relevant guidelines/regulations in Indonesia.

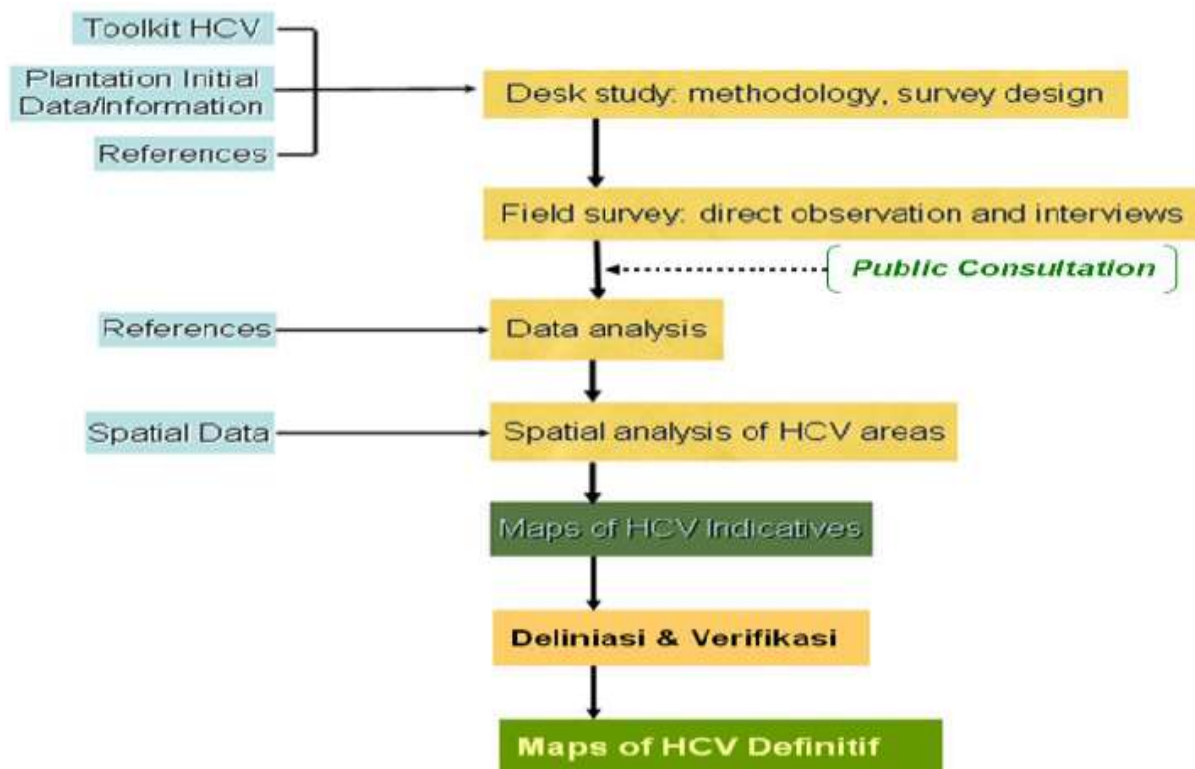


Figure 3. Stages of HCV Assessment

### 3.2.2 Methods used in Social Impact Assessment (SIA)

SIA assessment was conducted simultaneously with HCV assessment focusing on villages surrounding concession area of PT ASM from 19-23rd April 2011.

Stages of SIA assessment included:

1. Desktop study prior to the field assessment
2. Field assessment: field data collection

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3.Data analysis and synthesis: identification of key stakeholders,key social issues,main social impacts, main social risks

Data collection method was conducted through a rapid social assessment method which includes a combination of methods or techniques of:

- 1.Secondary data reviews
- 2.Open dialogues through Focus Group Discussion
- 3.Participatory mapping
- 4.Field observations
- 5.Semi-structured interviews and indepth interviews
- 6..Triangulation

The methods used to analyze the social impacts and risks were qualitative using the tools of sustainable livelihood, RSPO Principles and Criteria, FPIC principles, national laws and regulations, and other applicable standards.

### 3.3 Stakeholders' Consultation

Public consultation was conducted to obtain feedback from the findings of HCV and SEIA from various interested parties. Inputs from the public consultation are documented as evidence in the Final HCV and SEIA reports.

The Public Consultation was conducted on 23rd April 2011 and were attended by 25 stakeholders which included Aksenta, employees of PT ASM, leaders of cooperatives (KKPA), community leaders, traditional leaders, village chiefs, district representatives, land clearing contractors and government agencies. A total of 22 issues were brought up during the consultation.

## 4. Summary of Findings

### a. Summary of HCV Findings

From HCV assessment, it was found that HCV areas covered 326.38 ha or 8.8% of the total area size of the concession area of 3.700 ha.

The summary of the findings are shown in Table1.

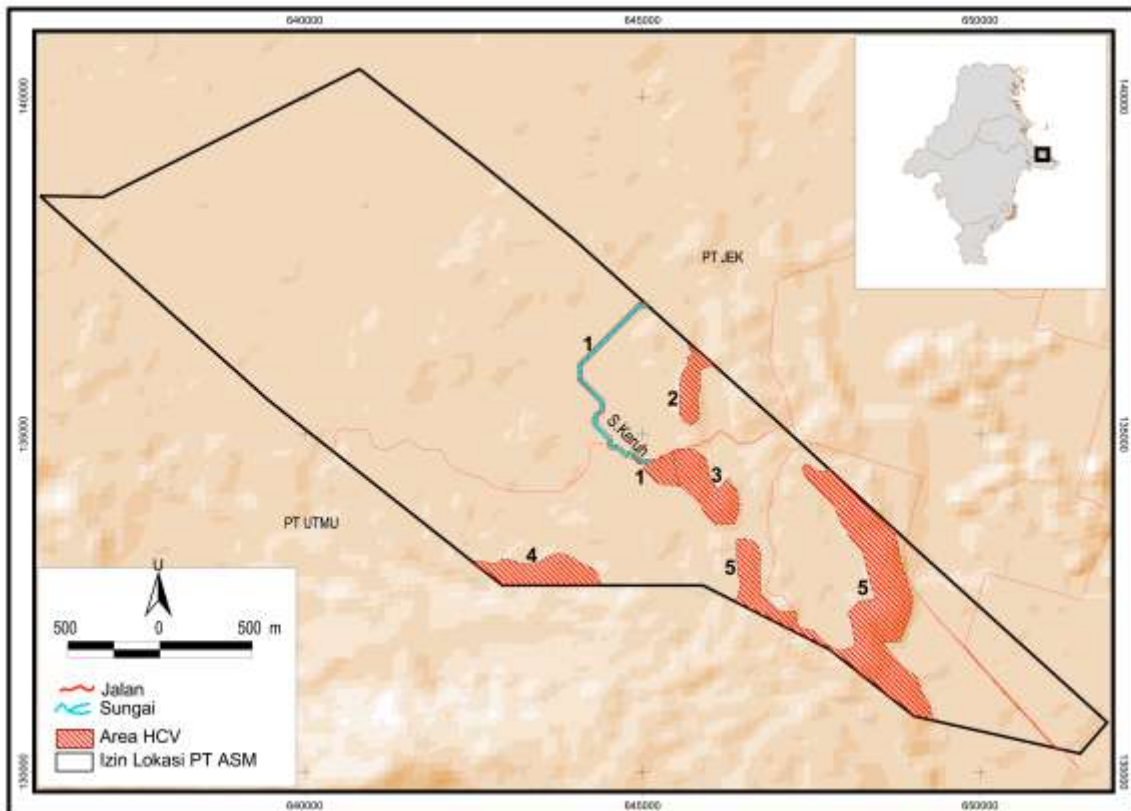
Table 1. Summary of HCV Findings in Location Permit areas of PT.ASM

Index	Element HCV	Area size (ha)	Description
1	4.1, 4.2	28.87	Sungai Keruh: Source of spring water from limestone rocks.The areas surrounding this river remains intact as indicated by minimal logging activity. This river is mainly used by workers of Division Jantui. Recommended width of riparian is 30m.
2	1.2, 1.3, 3, 4.1, 4.2	21.01	Limestone Hill:Covered by forest which is still in a good condition.It is a habitat for threatened species. It serves as water catchment area and is a threatened ecosystem.

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3	1.2, 1.3, 3, 4.1, 4.2	40.57	Steep Hill: Top of the hill is covered by forest which is still in a good condition. Habitat for threatened species. It is a water catchment area and is a threatened ecosystem.
4	1.2, 1.3, 3, 4.1, 4.2	41.31	Steep Limestone Hill: Covered by forest which is still in a good condition. Habitat for gibbon, pangolin and other threatened species. Serves as water catchment area and is threatened ecosystem.
5	1.2, 1.3, 3 4.1, 4.2	194.62	Limestone Hill surrounded by forest which is still in a good condition. Habitat for gibbon, pangolin and other wildlife dan threatened species and protected flora.
Total HCV area (ha)		326.38	
Total area in Permitted Area (ha)		3,700	
HCV Area (%)		8.82	

Note: On index numbering , please refer to Figure 4 below



**Figure 4. Map of HCV of PT. ASM**

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Some threats to HCV in PT ASM, both actual and potential, have been identified as follows:

- 1) Illegal logging and land clearing for agriculture
- 2) Game hunting of wildlife
- 3) Illegal fishing through fish poisoning
- 4) Burning for land clearing for subsistence farming and oil palm development
- 5) Land development by contractors who do not comply with company procedures in safeguarding HCVs

### **b Summary of SEIA (AMDAL) and SIA Findings**

Various issues/requests highlighted in the SEIA and SIA studies include :

- The development of the land will result in influx of workers from areas outside the subdistrict and district which in turn has social impact on the local and surrounding communities;
- Concern that development of concession area will affect livelihood of local people in terms of timber scarcity and other jungle produces;
- Concern that PT. ASM will renege on promise to develop plasma scheme;
- Communities are concerned that land development may cause social conflicts because boundaries between villages has not been agreed or demarcated;
- Concern that heavy machinery used for land clearing may cause damage to access roads;
- Request for improvement of facilities like clinics, schools and roads;
- Request to initiate workers cooperatives;
- Fear that traditional and cultural values will deteriorate as a result of land development in concession and nearby areas;
- Concern over increased air pollution (especially due to open burning), water pollution, soil erosion and sedimentation after land clearing and development;
- The lack of facilities such as workers housing and electricity supply;
- Corporate Social Responsibility (CSR) need to be improved.

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**5. Internal Responsibility**

This document is the Summary Report of High Conservation Value (HCV) and Social Impact Assessment (SIA) conducted by Aksenta on PT Anugrah Surya Mandiri (PT ASM)

Aksenta

Management of  
PT Anugrah Surya Mandiri



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Sujatnika  
Managing Director

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Haji Bakri Jamal  
Production Director