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RSPO NEW PLANTING PROCEDURE

**SUMMARY REPORT OF SEIA AND HCV
ASSESSMENT**

PT. AGRO INDOMAS (CENTRAL KALIMANTAN)

KABUPATEN SERUYAN
CENTRAL KALIMANTAN
INDONESIA

SEPTEMBER 2014



1. EXECUTIVE SUMMARY

PT Agro Indomas (Central Kalimantan) - PT AICK is a subsidiary of PT. Agro Indomas, which has been registered as RPSO member, committed to develop a sustainable palm oil management system. PT Agro Indomas (Central Kalimantan) has conducted the Social Environment Impact Assessment (SEIA/AMDAL), High Conservation Value (HCV) identification and Social Impact Assessment (SIA) as required base on RSPO Principle and Criteria.

PT AICK is located in Danau Sembuluh District, Seruyan Regency, Central Kalimantan Province. PT Agro Indomas (Central Kalimantan) has obtained location permit from Seruyan Regent (Previously under Kotawaringin Timur Regency (in 2002)). The company has obtained Plantation Operational Permit (IUP) no. 525/342/EK. 2007, dated 31 October 2007 (\pm 20,500 ha) dan IUP No. 525.26/469/VIII/EKBANG/2007, dated 28th August 2007 from Kotawaringin Timur Regent (\pm 1,000 ha) and land title (HGU) No. 07, dated 6 August 1998 and no. 08, dated 9 October 2003 for 15,864.24 ha, remaining area are still in progress obtaining HGU.

The High Conservation Value (HCV) identification and Social Impact Assessment (SIA) were conducted by the Faculty of Forestry, Institut Pertanian Bogor (IPB), the key consultants conducting these assessments are approved by the RSPO. The combination of AMDAL together with HCV and SIA provides the geographical information of the area, the biodiversity and natural resources, the required best management practices and therefore provides the management with the platform on which the management plans for new planting will be based on.

The High Conservation Value (HCV) Assessment team consist of 5 (Five) RSPO-Approved assessors and led by Ir. Nyoto Santoso, MS. The assessment was carried out from August-September 2009. The locations of studied villages were included Terawan and Lampasa Village and also Sebabi Village (Kota Besi District, Kotawaringin Timur Regency). The methods of HCV area identification were accordance with a Toolkit for Identification of High Conservation Values in Indonesia version 2 (2008) and RSPO Principles and Criteria. The HCV assessment result showed that there is no primary forest and peat land in the Permitted Area of PT Agro Indomas (Central Kalimantan). The result also showed there are 9 (nine) types of HCV that had been identified, namely HCV1 (HCV1.1, HCV1.2 and HCV1.3), HCV2 (HCV2.2 an HCV 2.3), HCV3, HCV4 (HCV4.1), HCV5 and HCV6 with total area 854.06 Ha.

The SIA assessor team was consisted of 5 (Five) persons, 3 (three are RSPO Approved Assessor) and led by Ir. Nyoto Santoso. The result of this assessment identified that PT. Agro Indomas (Central Kalimantan) had some social issues raised in the local community such as realization plasma program, employment opportunity, better social facility and improvement for quality and facility for clean water. The SIA assessment also recommended that company should involve government officials, local community leaders, land owners or cultivated land owners on the land compensation process and corporate social activity's plan should be focused on the development of public villages facilities and other productive activities.

2. SCOPE OF EIA, SIA and HCV Assessment

Organizational Information and Contact Person

Table 1. Profile and Information of PT. Agro Indomas (Central Kalimantan) .

Profile	Information
Company name	PT. Agro Indomas (Central Kalimantan)
Deed of Establishment	Notary Ny. Enimarya Agoes Suwarko No.69 dated 28 September 1995
Capital Status	Foreign Investment (PMA)
Taxpayer Notification Member	01.548.959.4.057.000
Company address	Jl. Pangeran Antasari II No. 26, Sampit, Central Kalimantan, Indonesia
Type of Business	Oil Palm Plantation and Processing
Contact Person	Wilton Simanjuntak
Geographical Location	112°16'32" - 112°29'56" E 02°25'05" - 02°40'06"S

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List of Legal Documents and regulatory permits related to new development area

The List of Legal Documents and regulatory permits related to PT. Agro Indomas (Central Kalimantan) new development planting procedure presented on the following table.

Tabel 2. List of legal documents and regulatory permits related to PT. Agro Indomas (Central Kalimantan) new development area

No	Licenses and recommendation	Number	Remarks
1	Deed of establishment	Deed of Company on PT Agro Indomas from Republic of Indonesian Ministry of Justice C2-16807.HT.01.04.TH.95 (Based on Act. No. 69 by notary: Ny. Enimarya Agoes Suwarko Registered 28 September 1995)	Dated 21 December 1995
2	Tax Registration Code Number	Ministry of Finance, Tax Number 01.548.959.4.057.000	
3	Location Permits (Izin Lokasi)	<ol style="list-style-type: none"> 1. Location permit from Head of National Land Authority (BPN), Kotawaringin Timur No. 08.460.42 /Revised of Location Permit No. 22.460.42 dated 16th September 1996 (\pm 12,000 ha) 2. Location Permit from Kotawaringin Timur Regent No. 211. 460. 42 dated 5th March 2005 (\pm 1,000 ha) 3. Location Permit from Head of National Land Authority (BPN), Kotawaringin Timur No. 02.460.42 dated 3rd February 1999 (\pm 3,860 ha). 4. Location Permit from Seruyan Regent No. 102, 2005 dated 30th April 2005 (\pm 3,000 ha). 5. Location Permit from Seruyan Regent No. 04, 2006 dated 17th January 2006 (\pm 1,300 ha) 6. Location Permit from Seruyan Regent No. 92, 2007 dated 19th April 2007 (\pm 752 ha) 	
4	Plantation Business Permits (Izin Usaha Perkebunan)	<ol style="list-style-type: none"> 1. Revised IUP No. 525/342/EK. 2007 dated 31st October 2007 (\pm 20,500 ha) 2. IUP No. 525.26/469/VIII/EKBANG/2007, dated 28th August 2007 from Head of Kotawaringin Timur Regent (\pm 1,000 ha) 	
5	Conversion Forest Permit	1. Ijin Pelepasan Kawasan Hutan	

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No	Licenses and recommendation	Number	Remarks
		<p>(Forest Conversion Permit) No. 499/Kpts-II/1997 from Forestry Ministry for ± 11,930 ha.</p> <p>2. Proposed Forest Conversion Permit for + 3,783 ha.</p>	
5	Environmental Permit (Izin Lingkungan)	No. 188.44/ 281/ 2007 dated 22 nd June 2007 form Governor of Central Kalimantan Province.	

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Location Map



Figure 1. Location of PT. Agro Indomas (Central Kalimantan) in Indonesia Country

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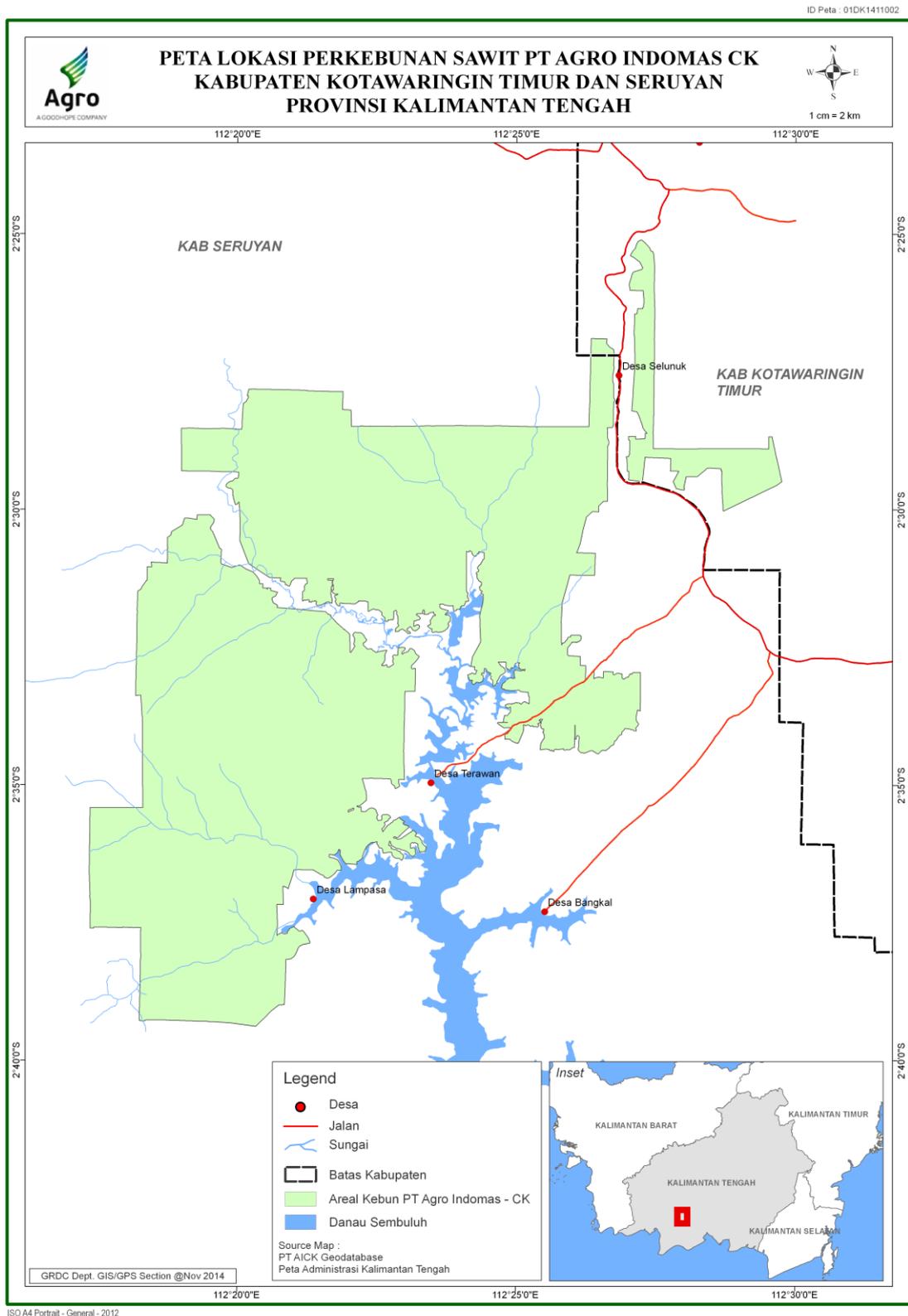


Figure 2. Location of PT. Agro Indomas (Central Kalimantan) and Surrounding Entities

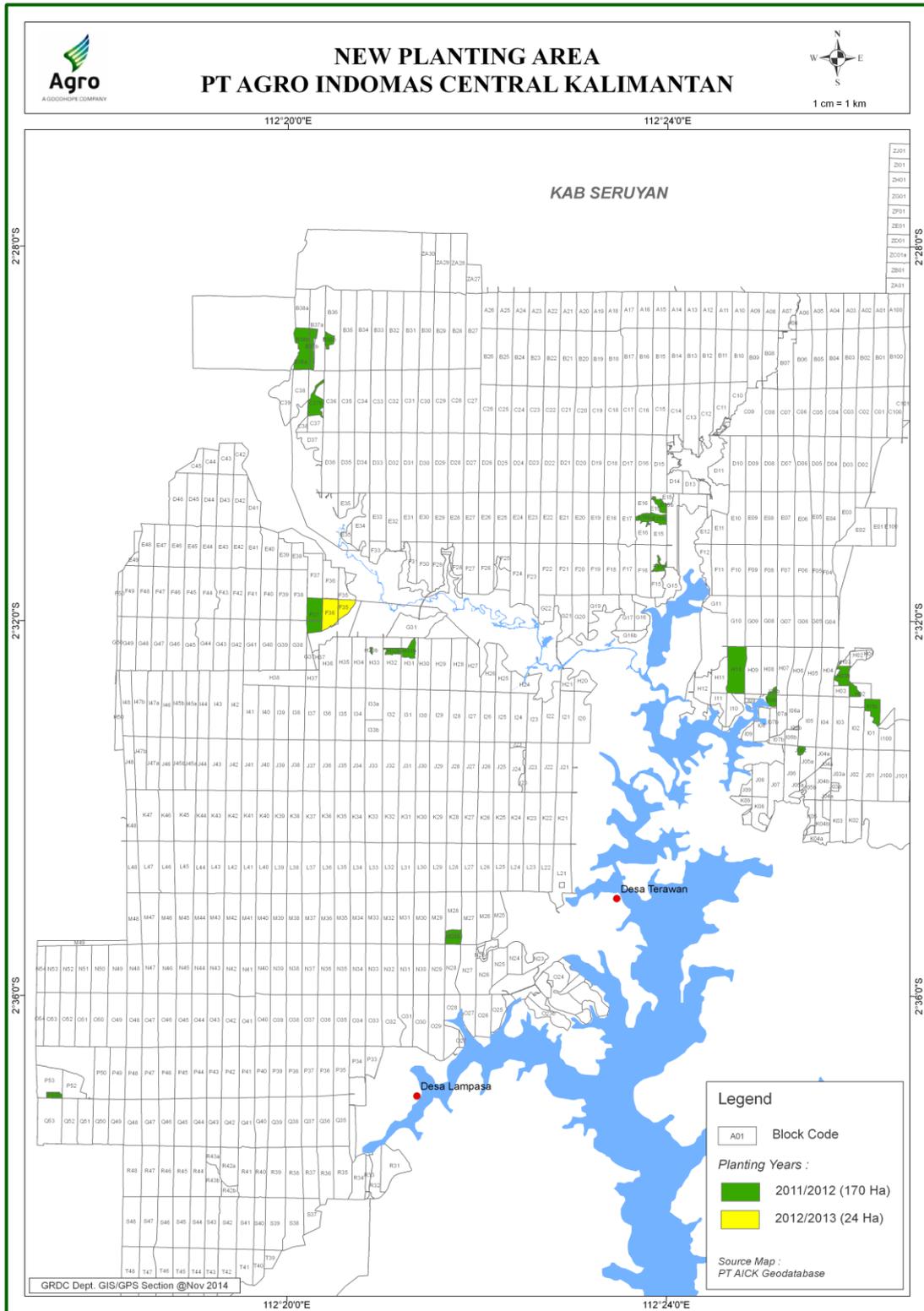


Figure 3. Location of new planting area of PT. Agro indomas (Central Kalimantan) which have been planted in 2010 - 2013

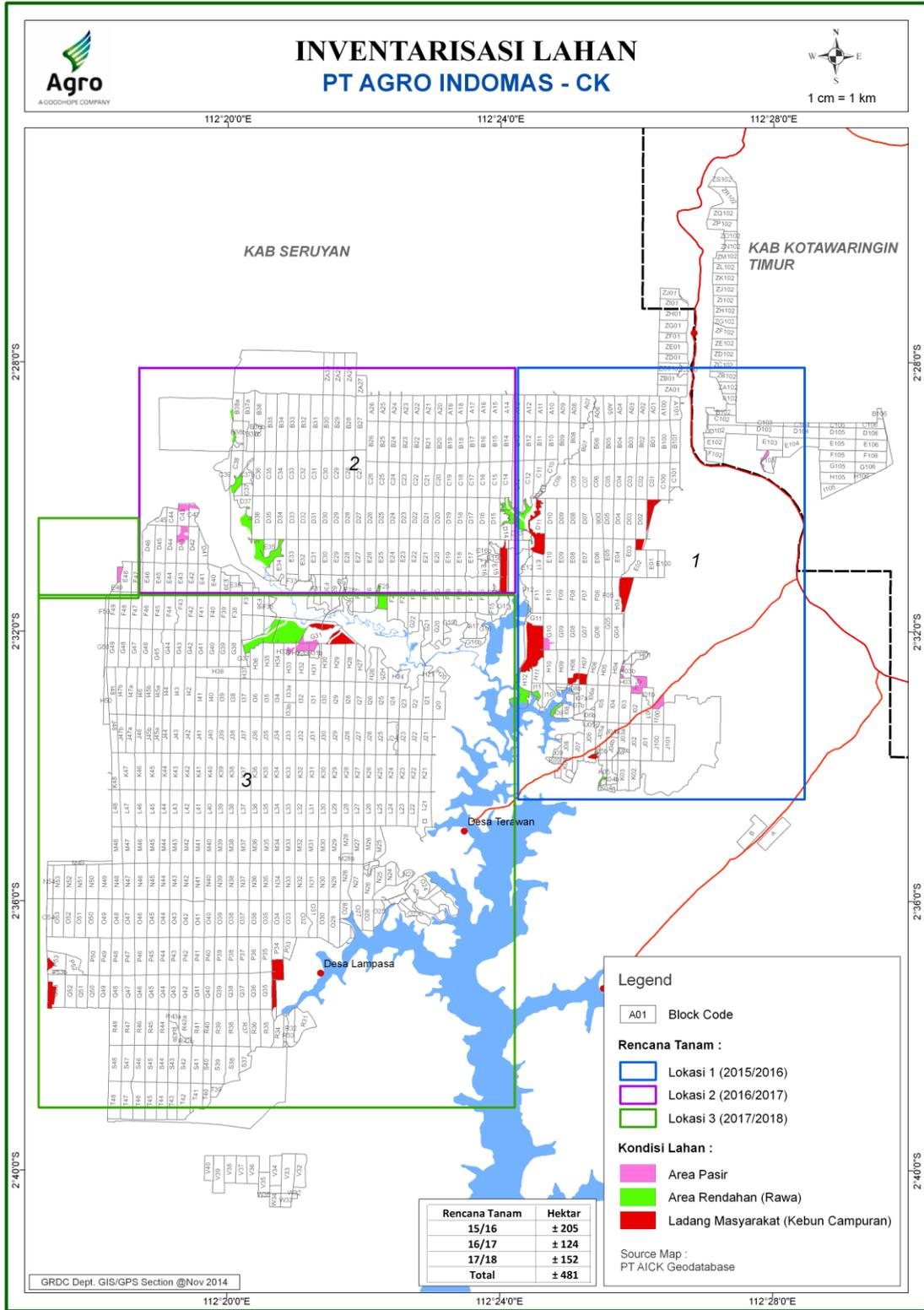


Figure 4. Proposed new planting area of PT. Agro indomas (Central Kalimantan) in 2015 - 2018

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Area and time-plan for new plantings

The new planting area of PT Agro Indomas (Central Kalimantan) was in its permitted area. Currently, new planting areas have been planted from 2011 2013 (194.00 ha) and proposed new planting for 2015/2016 – 2017/2018 (\pm 481 ha) with no any primary forest, no any peat lands and no HCV area being planted. The process of land development and palm oil planting are following the procedures of RSPO New Planting Procedures (NPP). Undertaken activities are land acquisition or compensation to the land owners and as addition activity is socialization of plantation development plan or Free Prior and Informed Consent (FPIC).

Table 3. Summary of plantings area in PT Agro Indomas (Central Kalimantan)

Plantation Area	April 2010 – March 2013	Proposed New Planting			Total Proposed New Planting (Ha)
		2015/2016	2016/2017	2017/2018	
Proposed new planting Area (Ha)	194.00	205.00	124.00	152.00	481.00

3. ASSESSMENT PROCESS AND PROCEDURES

Assessor and their credential

The HCV and SIA Assessment of PT. AICK were prepared by Assessor from Faculty of Forestry, Institut Pertanian Bogor (IPB). The team was consist of 6 (Six) assessors, 5 (five) are RSPO Approved assessors and led by Ir. Nyoto Santoso, MS. The HCV and SEIA consultant addressed at Faculty of Forestry, Institut Pertanian Bogor (Bogor Agriculture University), IPB Darmaga Campus Bogor, Bogor Regency – West Java Province Indonesia 16001 (Phone: 62-251- 621947, Fax: 62-251-6219470).

Table 4. Team member of HCV and SEIA Assessor

No	Expert Name	Position / Expertise	Status
1	Ir. Nyoto Santoso, MS	Team Leader	Approved by RSPO
2	Ir. Jarwadi Budi Hernowo	Wildlife Ecology	Approved by RSPO
3	Ir. Siswoyo, MSi	Flora Ecology	Approved by RSPO
4	Dr. Ir. Cahyo Wibowo, MScF	Soil and Hydrology	
5	Handian Purwawangsa, S.Hut, MSi	Socio and Cultural	Approved by RSPO
6	M. Sayidina Ali, AMd	SIG	
7	Ir. Nyoto Santoso, MS	Team Leader	Approved by RSPO
8	Ahmad Fasial Siregar, S Hut	Social Expert	Approved by RSPO
9	Yanti Aprianti	Social Expert	
10	Dian Purbasari	Social Expert	

Assessment Methods

The periode of HCV assessment has taken time for 2 months, starting on August until September 2009. The HCV assessment was conducted using a *High Conservation Value Toolkit* year 2008, published by The Konsorsium Revisi HCV Toolkit Indonesia, as a guidance to assess the presence of HCV area in concession of PT. Agro Indomas (Central Kalimantan). Some materials were used in the identification and analysis HCV process include : Map of the areas of PT. Agro Indomas (Central Kalimantan), *Landsat* Image, Slope Class and Topography Maps, Forest Land Use Maps, Land System Maps

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and river network Maps as well as materials for field surveys (Alcohol 70%, used newspaper, label papers for local herbarium specimens), Field Guide Book (Birds of Java, Bali, Sumatra and Kalimantan-BirdLife) and Field Guide to the Mammals of Borneo (Payne et al., 1985-published by WWF Malaysia, Kuala Lumpur), Social and Questionnaires on Social and Culture and the field book. Some tools were used in this assessment include : GPS, compass (Brunton), 50 meters of plastic ropes (which was marked at 2, 5, 10 and 20 meters), meter (diameter), camera, binoculars, computers, and stationery (rulers, pencils, and pens).

Data collection was collected accordance with the relevant guidelines, documents, reports and maps. There were primary data collection and secondary data collection. Secondary data collection includes information gathering of the location, boundaries and surrounding area, topography, social-economic and cultural conditions. Besides using the Indonesia HCV Toolkit, the assessment team made reference to relevant laws in Indonesia, IUCN, CITES and other relevant guidelines to ensure the carrying out assessment is complied with the RSPO requirement.

The HCV assessment of PT. Agro Indomas (Central Kalimantan) used two determining factors in the implementation of the study, they are: (1) availability of reasonable sufficient and the most recent data (both secondary and primary); and (2) stages of precise and systematic activities. The data availability and informations were determined by conducting a system, adequate and well planned field survey activities. The HCV review had to be carried out to conduct a field survey. Stages of precise and systematic activities is used in the identification and analysis process of the HCV existence includes field surveys, data processing, analysis and synthesis of data, identification of HCV, analysis of HCV existence, and mapping. The study framework approach is presented below:

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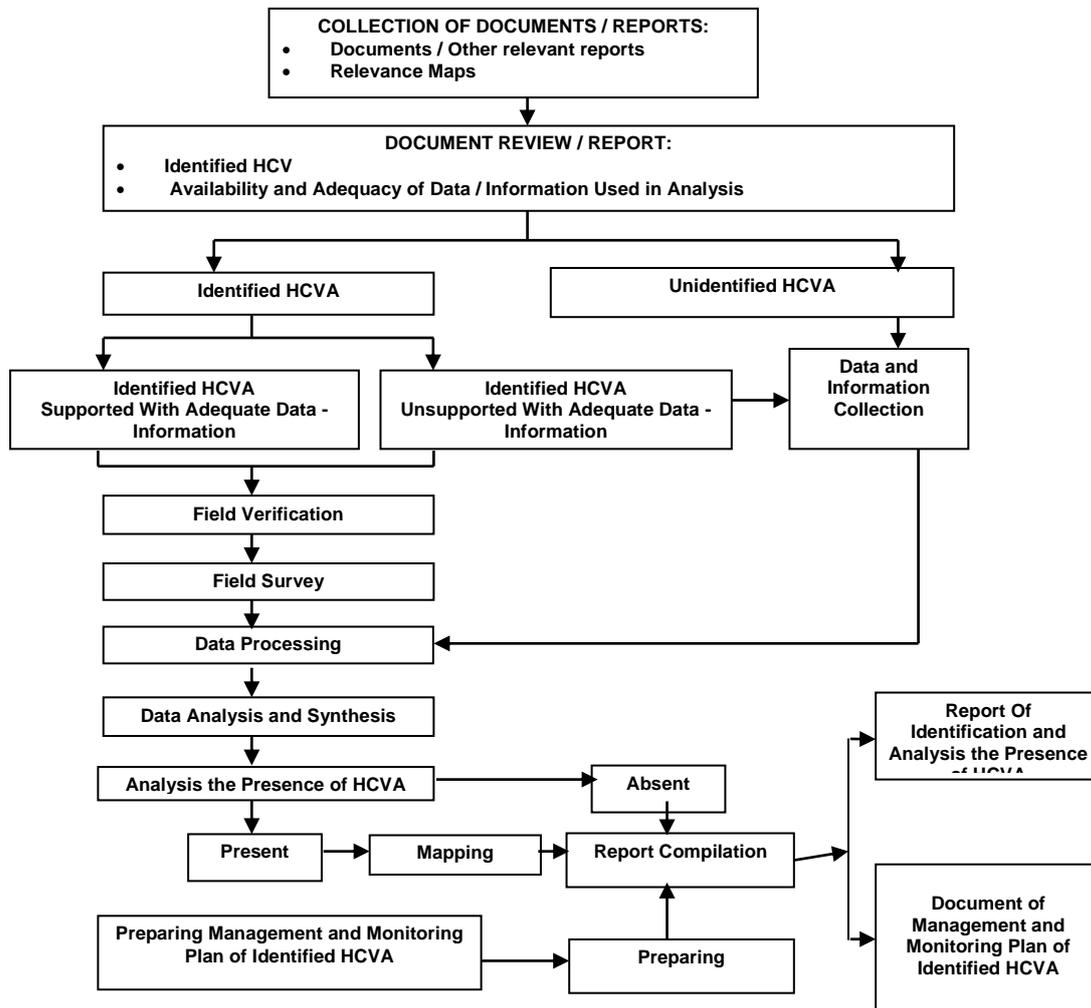


Figure 5. The HCV assessment framework approach for PT. Agro Indomas (Central Kalimantan)

Identification of HCVs were conducted based on the analysis and mapping of the area, with the following process :

HCV1

- Mapping the forest cover and ecosystem within PT Agro Indomas (Central Kalimantan) area.
- Mapping the existence of primary forest or conservation forest within the area proposed and landscape surrounding, includes conservation area that identified by the local communities.
- Determining whether the concession area potentially provides support function of biodiversity to the primary or conservation forest within or surround the concession area.
- Mapping the interdependencies of the landscape which can provide support to the biodiversity within it.
- Determining the presence, population and distribution of the endangered species within the concession.
- Determining the condition of the habitat by using qualitative and quantitative analysis of the survival ability rate of a population.
- Analyzing the breeding site data, migration, movement, food and shelter availability of a species in the habitat.

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HCV2

- Mapping the vegetation cover in the concession area in the landscape level.
- Mapping the mature forest cover in the concession area in the landscape level.
- Determining the potential of core and supporting zone in the concession area on the landscape level.
- Considering the potential scenarios for changes which might occur within the core and border zone based on the land use title.
- Conducting revision of the natural ecosystem map in the landscape level.
- Determining transitional zone of different ecosystems and determining its natural condition.
- Identifying ecosystem which might be direct or indirectly affected by the operations.
- Identifying and evaluating the threat to the existing natural ecosystem.
- Identifying list of species which exist and/or most likely exist within the ecosystem.
- Considering conservation value of the non-natural landscape elements such as agriculture field, degraded forest.

3. HCV3

- Identifying rare or endangered ecosystem within the concession e.g. mangrove, deep peat, karst ecosystem, etc.
- Identifying the area and the uniqueness of the rare or endangered ecosystem.

4. HCV4, 5 and 6

- Overlaying the concession border on top of the TGHK, RTRWK and RTRWP map.
- Mapping the watercourses (e.g. rivers) within and the surrounding concession area.
- Identifying the dependency of the community of the water source.
- Identifying and delineation of the riparian areas on the map.
- Mapping the ecosystem using map of HCV3 that previously identified in the HCV3. If the map is not available, RePPPProT (Regional Physical Planning Project for Transmigration) map can be used as an indicative map.
- Mapping the hotspot zones.
- Producing land-cover / land use map based on the field verification and data obtained from the satellite map.

Social Impact Assessment of PT. Agro Indomas (Central Kalimantan) used an approach framework to identify current condition in PT. Agro Indomas (Central Kalimantan), especially the socio-economic aspects and its impacts toward surrounding communities and public perception. The study also prepared the corporate social management plan, containing social activities required to meet the expected condition based on existing condition.

The SIA study uses purposive sampling and simple random sampling. For the purposive sampling, samples were determined based on researcher's assessment which is considered as the most appropriate samples to fulfill required data. While simple random sampling used to give an equal opportunity to be taken for every element of the population. Representation of population should be considered in determining the samples distribution on this random sampling.

The SIA assessment team for PT Agro Indomas (Central Kalimantan) collected primary and secondary data which analyzed using combination of quantitative and qualitative methods. Qualitative analysis puts more emphasis description the facts and relationship between all variable that found in the field. Based on the aspects, there are three types of analysis will be conducted, they are:

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- Analysis of Socio-Economic condition of farmers and local communities around PT. Agro Indomas (Central Kalimantan).
- Analysis of public perception
- Analysis of PT. Agro Indomas (Central Kalimantan)'s impact (positive and negative) to the environment and socio-economic conditions.

Stakeholders Consultation

Stakeholder consultation related to HCV findings was conducted on 21st October 2009. The following table shows the list of stakeholders attended the consultation:

Table 5. List of stakeholders consulted during HCV and SIA Assessment

No	Participants	Institution
1	Government	Terawan Village Government
		Lampasa Village Government
		Bangkal Village Government
		Danau Sembuluh District Government
		Police Sector Sembuluh District
		Forestry Agency
		Plantation Agency
		National Army District Sembuluh
		SPPN Sampit
		2
Village Elder		
Village Head		
3	Community	Local communities
		Mass Media (Radar Sampit and Kalteng Pos)
		University of Palangkaraya
		Other Plantation Company
4	NGO	BOSF
		WWF
5	Plantation Management	Management of Plantation Public Relation Sustainability Team
6	Assessor	HCV Assessment Team

List of Legal, Regulatory and other guidance referenced for the assessment.

The following table shows list of legal, regulatory and other guidance reference that used in the assessment.

Table 6. List of Legal, Regulatory and other guidance referenced for the assessment.

No.	Reference	Details
1	Status of vulnerability according to the world Conservation Union (IUCN) Red list	Vulnerability of plants and wildlife
2	Status in terms of trade of world's wild fauna and flora (CITES)	Rule on trade (usage) of plants and wildlife
3	HCV Toolkit	Guidance on High Conservation Value Area Identification in Indonesia version 2 (2008)

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4	UU No. 32 thn 2009	Protection and Management of the Environment (Perlindungan dan Pengelolaan Lingkungan Hidup)
5	UU No. 41 tahun 1999	Forestry
6	UU No. 5 Tahun 1990	Nature Resource and Their Ecosystem Conservation
7	PP No. 7 Tahun 1999	Protected of plants and wildlife list.
8	PP No. 35 Tahun 1991	River
9	PP No. 68 year 1998	Nature reserve management
10	Presidential Decree No. 32 th 1990	Management of Protected Area

4a. SUMMARY OF SEI ASSESSMENT

Based on the process of Focus Group Discussion (FGD) with the village community, there is some social issue that has been arisen related to the development of PT. Agro Indomas (Central Kalimantan) as the table 7 below.

Table 7. The Social Issues/Impact that had been identified through assessment process

No.	Social Issue	Description
1.	Land Tenurial	<ul style="list-style-type: none"> Land ownership of the society getting smaller as a result of land compensation and management of PT. Agro Indomas (Central Kalimantan) Potential land conflict between community may be occurred as the result of unclear village boundaries Unclear concept and realization of plasma program for the land that had been compensated by company
2.	Environmental	<ul style="list-style-type: none"> Most of surrounding villagers of PT. Agro Indomas (Central Kalimantan) stated that the establishment of oil palm plantation by PT. Agro Indomas would be reducing availability and quality of ground, lake and river water. Ambient Erosion Biodiversity
3.	Socio Economics	<ul style="list-style-type: none"> Job opportunities Accessibility
4.	Socio Cultural	<ul style="list-style-type: none"> Acculturation has occurred between indigenous (Dayak), Banjar and immigrant community and all of the people live harmoniously.
5.	Regional and Community Development	<ul style="list-style-type: none"> Local community expect to the company for provide clean water facilities and improve village public facilities and educational facilities Local community perceive a positive impact from PT. Agro Indomas (Central Kalimantan) for better road accessibility

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Analysis of Stakeholders Interest

Stakeholders that associated with PT. Agro Indonesia (Central Kalimantan) can be classified into three groups, i.e. primary direct stakeholders who received direct benefits, primary indirect stakeholders who received indirect benefits and secondary stakeholders that have interest towards PT. Agro Indomas (Central Kalimantan).

The primary direct stakeholders, include internal corporate and local level, is consist of: employee, indigenous people and village level. The primary indirect stakeholders are consist of service providers for business opportunity, community's plantation for better accessibility and local government for the income of PT. Agro Indomas (Central Kalimantan). The secondary stakeholders that have interest towards PT. Agro Indomas (Central Kalimantan) included university and international communities.

4b. SUMMARY OF HCV ASSESSMENT

HCV area was identified in the PT. Agro Indomas (Central Kalimantan) area, such as HCV1 (1.1, 1.2, 1.3), HCV2 (2.2, 2.3), HCV 3, HCV 4 (4.1), HCV 5 dan HCV 6. The size of HCV area of PT. Agro Indomas (Central Kalimantan) is 854.06 ha, with the detailed information in the following table below

Table 8. HCV Areas Identified in PT. Agro Indomas (Central Kalimantan)

HCV/components	Existence of NKT	THCV (Territory with High Conservation Value)	Area size (Ha)
HCV1. Territory which has important level of biodiversity.			
1.1. Territory which possesses or provides supporting function of biodiversity for conservation or protection areas	Present	Riverside of Landau	30.81
		Riverside of Pakayung	40.25
		Riverside of Purun	52.8
		Riverside of Rungau	90.61
		Riverside of Telaga Ringgit	33.08
		Riverside of Anak Rungau	14.93
		Riverside of Bapilang	22.83
		Riverside of Parigi	74.39
		Riverside of Simpang Beriut	12.41
		Riverside of Sembuluh	20.30
1.2. Nearly extinct species	Present	Heath forest	330.88
		Riparian Padang Golf	98.83
		Riverside of Rungau	*)
1.3. Territory which constitutes the hábitat for population of threatened species, whose distribution is limited, and being protected, and is able to survive	Present	Lowland forest	31,88
		Peat forest	**)
		Heath forest	*)
		Golf course riparian	*)
		Riverside of Landau	*)
		Riverside of Pakayung	*)
		Riverside of Purun	*)
		Riverside of Rungau	*)
		Riverside of Telaga Ringgit	*)
		Riverside of Anak Rungau	*)
		Forest around long house and housing complex	*)
1.4. Territory which constitutes the hábitat for species or group of species which	Absent		-

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HCV/components	Existence of NKT	THCV (Territory with High Conservation Value)	Area size (Ha)
were used temporarily.			
HCV2. Territory of landscape which is important for natural ecological dynamics			-
2.1. Vast landscape territory which possesses capacity to maintain natural process and ecological dynamics.	absent	-	-
2.2. Natural territories which contain two or more ecosystems with unbroken (continuous) borderlines.	Present	Lowland forest –Heath forest	*)
			*)
		Lowland forest- Peat forest	*)
2.3. Territory which contains population of natural species representatives which are able to survive	Present	Heath forest	*)
		Golf course riparian	*)
		Riverside of Landau	*)
		Riverside of Pakayung	*)
		Riverside of Sungai Purun	*)
		Riverside of Rungau	*)
		Riverside of Anak Rungau	*)
		Forest around long house and housing complex	*)
HCV3. Territory which possesses rare ecosystem or ecosystem which is threatened with extinction	Present	Heath forest	*)
HCV 4. Territories which provide natural environmental services	Present		
4.1. Territory or ecosystem which is important as water supplier and flood control for downstream community.	Present	Peat forest	*)
		Riverside of Landau	*)
		Riverside of Pakayung	*)
		Riverside of Purun	*)
		Riverside of Rungau	*)
		Riverside of Telaga Ringgit	*)
		Riverside of Anak Rungau	*)
		Riverside of Bapilang	*)
		Riverside of Parigi	*)
		Riverside of Beriut	*)
4.2. Territory which is important for erosion and sedimentation prevention	absent	-	-
4.3. Territory which function as natural barrier for preventing the spread of forest and land fire.	absent	-	-
HCV5. Territory which has important function for fulfilling the basic need of local community	Present	Riverside of Pakayung	*)
			*)
		Riverside of Purun	
HCV6. Territory which has important function for cultural identity of local community	Present	Sacred sites/ Worship sites	0.06
Total HCV			854.06

**PETA KBKTI DI KEBUN PT. AGRO INDOMAS CK
KABUPATEN KOTA WARINGIN TIMUR DAN SERUYAN
PROVINSI KALIMANTAN TENGAH**

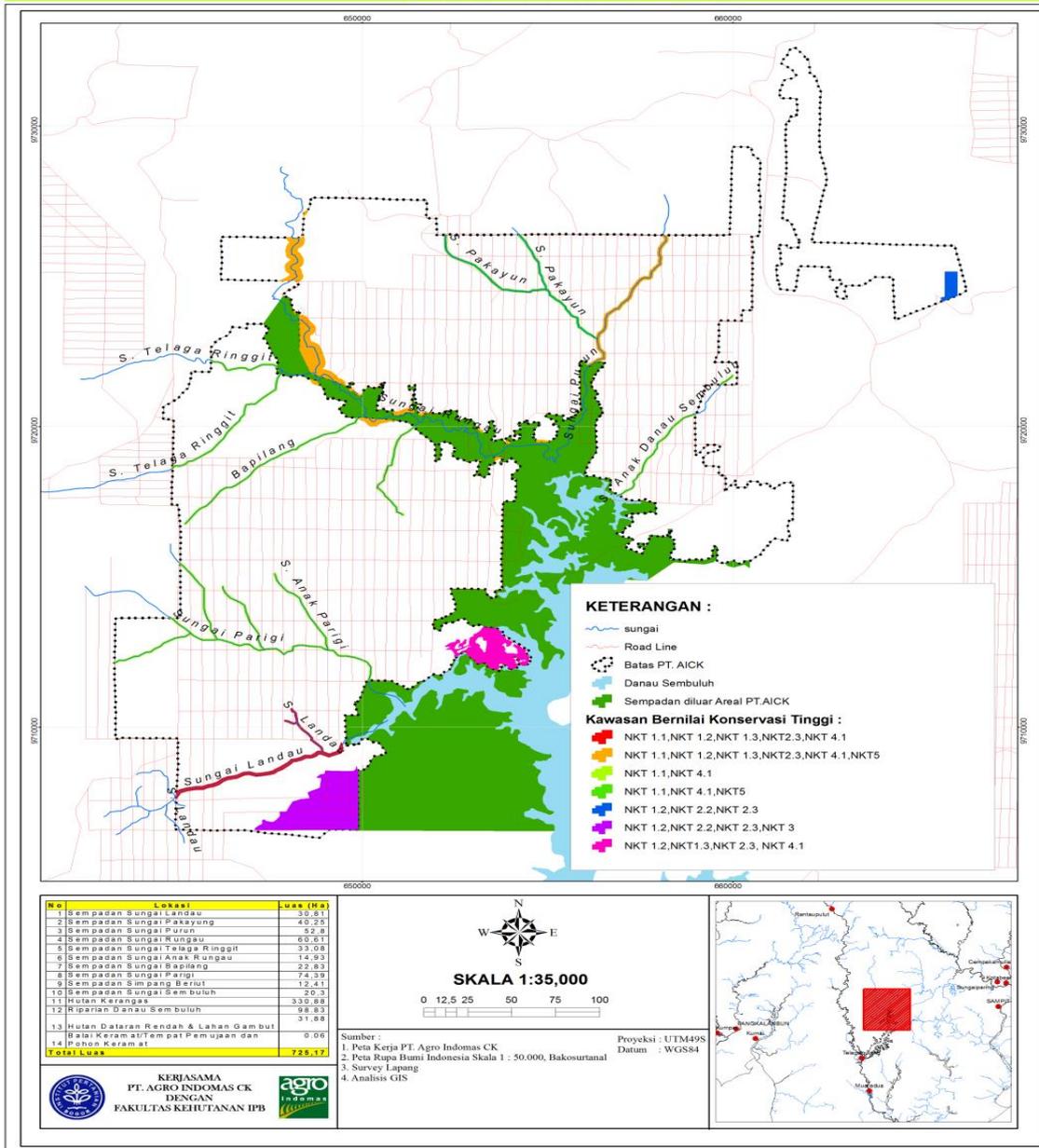


Figure 6. HCV Map of PT AICK based on the Assessment Result

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5. Internal Responsibility

Formal sign-off by Assessor and Company

This document is the summary of HCV and SIA Assessment of PT. Agro Indomas
Central Kalimantan



Ir. H. Nyoto Santoso, MS
Team Leader of HCV and SIA Assessment

Fakultas Kehutanan, Bogor Agriculture University (IPB – Bogor)

Statement of Acceptance of Responsibility for Assessment

The Assessment result of the HCV and SIA of PT. Agro Indomas (Central Kalimantan) by Fakultas Kehutanan, Bogor Agriculture University (IPB – Bogor) will be applied as part of guidelines in developing and managing PT. Agro Indomas (Central Kalimantan)

A handwritten signature in purple ink, appearing to read 'Wilton'.

Wilton Simanjuntak
RSPO Manager