



RSPO NEW PLANTING PROCEDURES

Summary Report of Planning and Management NPP

8th of August 2012

**Higaturu Oil Palm New Plantings in the Oro Province, Papua New
Guinea**

Summary Report of Planning and Management NPP

1. Executive Summary

Higaturu Oil Palm (HOP) has been acquired by NBPOL in June 2010.

The company was started by the Commonwealth Development Corporation in 1975 and the first lot of palms were planted in 1976. The first mill with a capacity of 30tph was commissioned in 1980. In 1985 the planted area consisted of 4500ha estate and 5533ha smallholder. By 2005 the planted area had expanded to 8997ha estate and 14285ha smallholder. In order to process the rising amount of FFBS, milling capacity also by then increased to 75tph. In the same year Cargill Temasek Proprietary Limited, made up of Cargill, USA 80% and Temasek, Singapore 20% bought HOP from Commonwealth Development Corporation. In 2010, New Britain Palm Oil Limited acquired Higaturu Oil Palms from Cargill Temasek Propriety Limited.

The main areas of the estate have been established on state leases but most of the land in Papua New Guinea is owned by customary landowners. The customary landowners can further extend into oil palm by entering into landuse partnership arrangements with a company as per the Incorporated Land Group Act in order to bring their own land into oil palm cultivation. A number of mini-estates were secured under this arrangement when Higaturu Oil Palm was operated by Commonwealth Development Corporation and later Cargill Temasek Propriety Limited.

Higaturu Oil Palms is now looking at developing some smaller areas under the above arrangement on the Popondetta Plains. The following 11 sides are under consideration:

Name	location		Plantable area
Sambogo Farms	148°21'02"	8°48'05"	157 ha
Vudal University (UNRE)	148°14'42"	8°44'23"	249 ha
Joro	148°24'39"	8°49'30"	110 ha
Koro	148°24'21"	8°50'27"	127 ha
Jamba	148°23'16"	8°48'53"	187 ha
Horaembo	148°20' 21"	8°44'15"	226 ha
Kohapa	148°17'52"	8°46'02"	182.6 ha
Houpa	148°18'29"	8°46'55"	263 ha
Heturo	148°26'13"	8°49'43"	86 ha
Havoheri	148°23'55"	8°43'37"	85 ha
Huhura	148°15'50"	8°46'24"	112 ha

They are located within the general area directly east of Popondetta towards the coast and south-east of Popondetta towards Oro Bay. One of the sites is immediately north of Popondetta at the University of Natural Resources and Environment Popondetta Campus. The university holds a state-lease for the land and would like to set up a mini-estate on about 200ha of its 600ha campus area. The other area is at Sambogo Farms for which Higaturu Oil Palms holds the state-lease but which needs further reviewing on land assignment and spatial planning.

To plan this development HOP has commissioned a HCV assessment conducted by a lead assessor approved by the RSPO, a SEIA assessor and local specialist to address suitability and FPIC implementation. The results of the HCV assessments and the SEIA are summarised separately, and have been incorporated in the development plans. The HCV review has been conducted in August 2012 and all consultation has been documented, reviewed and stakeholders consulted.

There is no peat or primary forested existing within the proposed new development areas.

In Papua New Guinea any development under 1000 Ha only will require a notification to the department of environment which has been given their approval for the development of these areas. Notification was submitted to the department of Environment and Conservation in September 2012.

The Vudal University and Sambogo Farms hold their own state lease title. The land will be leased from the University based on an agreement related to development of the land by the company and fruit royalties.

The other developments are based on customary titles which will be registered through the setup of the incorporated land group and held by group. The company will lease the land from the incorporated land group based on a lease agreement which in process to be further discussed.

This year the development of Vudal university land and Sambogo farms is planned after the RSPO NPP approval. The other developments on customary land will only get established after all steps are in place in relation to the final lease agreement following FPIC accordingly.

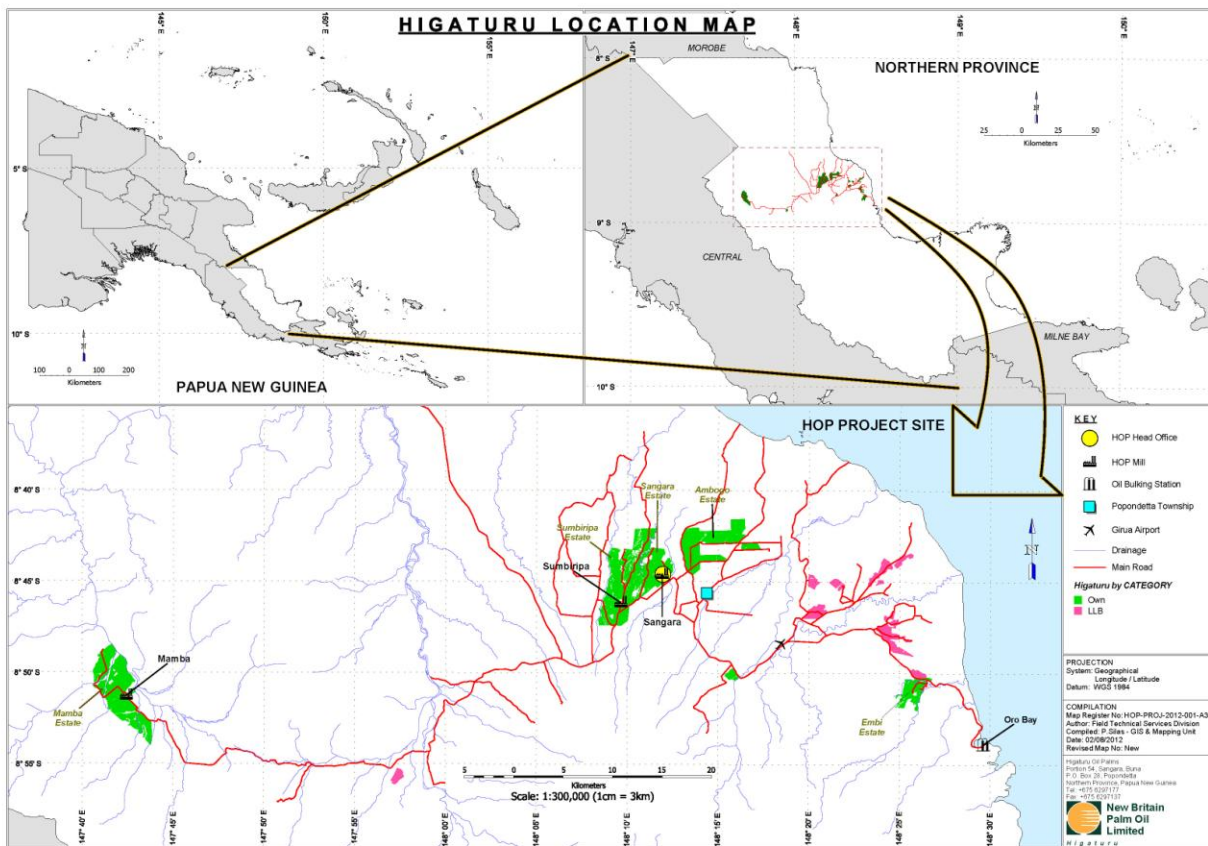
2.0 References

- SEIA assessment report
- HCV assessment report
- Consultative HCV assessment report
- Internal Soil Survey reports
- Internal Land departments social consultation reports
- Location maps done by Technical Service Department
- Notification letter to Department of Environment
- Approval letter of Department of Environment

Time plan for new plantings

New plantings will commence once 30 days have passed since this assessment is made available to all stakeholders for the Vudal University development and Sambogo Farms. The other developments will need to finalise the MoU negotiations and ILG registration process first. These are expected to commence within 2 years from the date of approval.

Location Map including new development side



Stakeholder involved during implementation

- : Government officers in charge of Environment
- : Local government representatives
- : Local landowners and other stakeholders
- : Local NGO
- : Company employees and their representatives.

4A. Summary of Management, Mitigation and Monitoring Plan SEIA

No	Aspect/Activity	Mitigation measure/s	Performance indicator/s	Monitoring period/frequency	Persons responsible for mitigation and monitoring
1	Expression of Interest (Eol) from landowners (LOs).	<ul style="list-style-type: none"> • Ensure that LOs are not coerced or unduly influenced in giving up their land for ME development. • Ascertain that the Eol genuinely reflects the collective intention of all the landowners. 	<ul style="list-style-type: none"> • Confirmation meeting held with the community. • Confirmation interviews held with individual members of the community representing the demographic cross-section of the community. • FPIC 	<ul style="list-style-type: none"> • During ILG registration and ME agreement negotiation. 	<ul style="list-style-type: none"> • Lands Officer • Sustainability Manager
2	Notification to DEC.	<ul style="list-style-type: none"> • Formally notify DEC of planned ME development as per Environment Act 2000. • Comply with official response from DEC. 	<ul style="list-style-type: none"> • Timely notification to DEC. • Compliance with official response from DEC. 	<ul style="list-style-type: none"> • Prior to preliminary land surveys, HCVA and SEIA. 	<ul style="list-style-type: none"> • Sustainability Manager
3	Notification and input from (i) relevant Oro Provincial Government Divisions including Planning, Lands, Agriculture and Environment, (ii) Popondetta Urban and Oro Bay Rural LLGs and (iii) local environment NGOs.	<ul style="list-style-type: none"> • Keep relevant government authorities as well as local NGOs informed and seek their input into the proposed ME development. 	<ul style="list-style-type: none"> • Submission of regular written updates and maintenance of effective dialogue with relevant officials. 	<ul style="list-style-type: none"> • Quarterly 	<ul style="list-style-type: none"> • Lands Officer • Sustainability Manager
4	Preliminary land boundary survey and site assessment.	<ul style="list-style-type: none"> • Ascertain that all LOs agree with allocation of land for ME development. 	<ul style="list-style-type: none"> • Endorsement of land allocation for ME development by all LOs. 	<ul style="list-style-type: none"> • Prior to the start of ME agreement negotiations. 	<ul style="list-style-type: none"> • Lands Officer
7	Awareness on RSPO in ILG community	<ul style="list-style-type: none"> • Carry out RSPO awareness in each intending ILG community. • Invite relevant Provincial Government officials, OPIC and local NGO representatives. 	<ul style="list-style-type: none"> • RSPO awareness held in each intending ILG community with the attendance of relevant Provincial Government officials, OPIC and local NGO representatives. 	<ul style="list-style-type: none"> • Prior to the start of ME agreement negotiations. 	<ul style="list-style-type: none"> • Lands Officer • Sustainability Manager
8	Study of ILG Genealogy.	<ul style="list-style-type: none"> • Ensure a competent assessor is engaged and all LOs actively 	<ul style="list-style-type: none"> • Assessment of ILG genealogy in accordance with 	<ul style="list-style-type: none"> • Prior to the start of ME agreement 	<ul style="list-style-type: none"> • Lands Officer • Sustainability

No	Aspect/Activity	Mitigation measure/s	Performance indicator/s	Monitoring period/frequency	Persons responsible for mitigation and monitoring
		participate in the study.	RSPO guidelines and the ILG Act. <ul style="list-style-type: none"> Timely submission of Genealogy Report. 	negotiations.	Manager
9	Survey of baseline ILG household socio-economic situation including the following aspects: <ul style="list-style-type: none"> Type of house Population Demography Education and skills Economic activity Income Nutrition Water supply Sanitation Health Law and order Local government support 	<ul style="list-style-type: none"> Ensure all households are covered in the survey. 	<ul style="list-style-type: none"> All households are covered in the survey. 	<ul style="list-style-type: none"> Prior to the start of site preparation and then every five years during the lease period. 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager
10	Negotiation of ME Agreement as per the ILG Act.	<ul style="list-style-type: none"> Ascertain that LOs are kept informed on the progress of the negotiations. Facilitate discussions between intending and current ME landowners. 	<ul style="list-style-type: none"> LOs are kept informed on the progress of the negotiations. 	<ul style="list-style-type: none"> During ME Agreement negotiations. 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager
11	Finalisation and signing of ME Agreement.	<ul style="list-style-type: none"> Ascertain that LOs are aware of terms and conditions of the agreement before signing it. 	<ul style="list-style-type: none"> LOs are aware of terms and conditions of the agreement before signing it. This should be verified by the Ward Councillor and two local pastors. 	<ul style="list-style-type: none"> During and up to the signing of the ME Agreement. 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager
12	Pre-development water quality analysis	<ul style="list-style-type: none"> Carry out pre-development water quality monitoring. 	<ul style="list-style-type: none"> Pre-development water quality monitoring carried out. 	<ul style="list-style-type: none"> Before start of site preparation. 	<ul style="list-style-type: none"> Sustainability Manager
13	Marking out of HCV sites, unplatable areas and buffer zones.	<ul style="list-style-type: none"> Ensure all relevant sites are clearly marked. 	<ul style="list-style-type: none"> All relevant sites are clearly marked. 	<ul style="list-style-type: none"> Prior to site preparation and planting. 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager
14	Construction of access roads.	<ul style="list-style-type: none"> Ensure free flow of natural drainage. Take appropriate measures to reduce erosion and siltation. Use machinery that is in good working order so that noise generation and spillages are minimised. Apply dust suppression on the 	<ul style="list-style-type: none"> Flow in local streams unimpeded. Effective erosion and siltation control measures in place. All construction machinery in good condition. Dust suppression 	<ul style="list-style-type: none"> During site preparation and planting. 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager

No	Aspect/Activity	Mitigation measure/s	Performance indicator/s	Monitoring period/frequency	Persons responsible for mitigation and monitoring
		roads during dry seasons.	undertaken during the dry season.		
15	Clearing of vegetation on plantable area.	<ul style="list-style-type: none"> Ensure removal of vegetation only where required. Provide adequate erosion and sedimentation control features. 	<ul style="list-style-type: none"> Removal of vegetation only where required. Effective erosion and siltation control measures in place. 	<ul style="list-style-type: none"> During site preparation 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
16	Installation of plantable area drainage.	<ul style="list-style-type: none"> Ensure proper design, construction and maintenance of drainage network. 	<ul style="list-style-type: none"> Effective drainage of plantable area. Flow in local streams unimpeded. 	<ul style="list-style-type: none"> During site preparation 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
17	Enhancement of buffer zone vegetation.	<ul style="list-style-type: none"> Facilitate restoration of local species variety including QABB vines in the buffer zones. Ensure connectivity of forest areas throughout the region. 	<ul style="list-style-type: none"> Diverse local species including QABB vines in the buffer zones. Uninterrupted connectivity of forest areas throughout the region. 	<ul style="list-style-type: none"> During site preparation and planting 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
18	Planting of seedlings.	<ul style="list-style-type: none"> Ensure seedlings are planted where they should be. 	<ul style="list-style-type: none"> Seedlings planted as demarcated. 	<ul style="list-style-type: none"> During planting 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
19	Planting of ground cover.	<ul style="list-style-type: none"> Ensure groundcover planted to improve soil fertility and control erosion. 	<ul style="list-style-type: none"> Groundcover planted to improve soil fertility and control erosion. 	<ul style="list-style-type: none"> After planting 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
20	Waste management.	<ul style="list-style-type: none"> Avoid burning of vegetative waste. Appropriately dispose wastes including sewage. 	<ul style="list-style-type: none"> No burning of vegetative waste and proper disposal of sewage and uncollected fruit. 	<ul style="list-style-type: none"> During site preparation and planting 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
21	Payment of land rental to ILG.	<ul style="list-style-type: none"> Check that funds are used for the common good of the ILG. Confirm transparency in the use of ILG revenue. 	<ul style="list-style-type: none"> Funds are used for the common good of the ILG. 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager
22	Employment on ME.	<ul style="list-style-type: none"> Engage workers from outside of the immediate area only when necessary. Provide awareness on budgeting and facilitate saving of income. Provide regular awareness on STD/HIV-AIDS infections. 	<ul style="list-style-type: none"> ME workers are from the ILG community or the immediate area. Awareness provided on budgeting and facilitate saving of income. Regular awareness on STD/HIV-AIDS infections. 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager

No	Aspect/Activity	Mitigation measure/s	Performance indicator/s	Monitoring period/frequency	Persons responsible for mitigation and monitoring
23	Fertiliser application.	<ul style="list-style-type: none"> Ensure proper application of fertiliser. Examine workers' health periodically. Carry out periodic water quality monitoring. 	<ul style="list-style-type: none"> Application of fertiliser by trained persons using the correct procedure. Workers' health checked periodically. Water quality monitoring carried out as scheduled. 	<ul style="list-style-type: none"> Monthly Six monthly Quarterly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
24	Weed control.	<ul style="list-style-type: none"> Ensure proper application of herbicides. Examine workers' health periodically. Carry out periodic water quality monitoring. 	<ul style="list-style-type: none"> Application of herbicides by trained persons using the correct PPE and procedure. Workers' health checked periodically. Water quality monitoring carried out as scheduled. 	<ul style="list-style-type: none"> Monthly Six monthly Quarterly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
25	Pest control.	<ul style="list-style-type: none"> Ensure proper application of pesticides. Examine workers' health periodically. Carry out periodic water quality monitoring. 	<ul style="list-style-type: none"> Application of herbicides by trained persons using the correct PPE and procedure. Workers' health checked periodically. Water quality monitoring carried out as scheduled. 	<ul style="list-style-type: none"> Monthly Six monthly Quarterly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
26	Harvesting.	<ul style="list-style-type: none"> Ensure timely collection of FFB. If necessary, correctly dispose of the ruined fruit. 	<ul style="list-style-type: none"> Timely collection of FFB. Correct disposal of the ruined fruit. 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
28	Maintenance of access roads and site drainage.	<ul style="list-style-type: none"> Ensure timely maintenance of access roads and site drainage. Carry out dust suppression using water spray trucks during the dry season. 	<ul style="list-style-type: none"> Access roads and drainage in a good condition. Water spray dust suppression carried out during the dry season. 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
29	Waste management.	<ul style="list-style-type: none"> Avoid burning of vegetative waste and use it as mulch and for erosion control. Dispose of wastes including uncollected fruit and sewage responsibly. 	<ul style="list-style-type: none"> Proper management and disposal of wastes 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager

No	Aspect/Activity	Mitigation measure/s	Performance indicator/s	Monitoring period/frequency	Persons responsible for mitigation and monitoring
		<ul style="list-style-type: none"> Carry out periodic water quality monitoring. 		<ul style="list-style-type: none"> Quarterly 	
30	Payment of land rental, company shares and FFB royalty to the ILG.	<ul style="list-style-type: none"> Provide financial management assistance to the ILG Committee. Ensure members are informed of use of ILG funds. 	<ul style="list-style-type: none"> Financial management assistance provided to the ILG Committee. Transparency in the use of ILG funds. 	<ul style="list-style-type: none"> Six monthly 	<ul style="list-style-type: none"> Lands Officer Plantation Manager Sustainability Manager
31	Employment on ME.	<ul style="list-style-type: none"> Engage workers from outside of the immediate area only when necessary. Provide awareness on budgeting and facilitate saving of income. Reserve loose fruit collection for women. Provide regular awareness on STD/HIV-AIDS infections. 	<ul style="list-style-type: none"> ME workers are from the ILG community or the immediate area. Awareness provided on budgeting and facilitate saving of income. Females involved in loose fruit collection. Regular awareness on STD/HIV-AIDS infections. 	<ul style="list-style-type: none"> Six monthly 	<ul style="list-style-type: none"> Lands Officer Plantation Manager Sustainability Manager
32	HOPL and ME management meetings.	<ul style="list-style-type: none"> Conduct regular management meetings. With the participation of the community, develop and implement solutions to issues identified by the meeting. 	<ul style="list-style-type: none"> Management meetings conducted and corrective actions implemented. 	<ul style="list-style-type: none"> Six monthly 	<ul style="list-style-type: none"> Lands Officer Plantation Manager Sustainability Manager
33	Three yearly household socio-economic surveys.	<ul style="list-style-type: none"> Carry out socio-economic surveys at three year intervals. With the participation of the community, develop and implement solutions to issues identified by the surveys. 	<ul style="list-style-type: none"> Socio-economic surveys carried out and corrective actions implemented. 	<ul style="list-style-type: none"> Three yearly 	<ul style="list-style-type: none"> Lands Officer Plantation Manager Sustainability Manager
34	Removal of matured palms.	<ul style="list-style-type: none"> Carry out proper removal of palms in accordance with industry best practice. 	<ul style="list-style-type: none"> Proper removal of mature palms. 	<ul style="list-style-type: none"> Prior to and during removal of palms. 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager
35	Planting with replacement seedlings.	<ul style="list-style-type: none"> Carry out replanting in accordance with industry best practice. 	<ul style="list-style-type: none"> Proper planting of replacement seedlings. 	<ul style="list-style-type: none"> Prior to and during planting of seedlings. 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager Lands Officer

4A. Summary of Management, Mitigation and Monitoring Plan SEIA

No	Aspect/Impact	Mitigation	Monitoring	Management	Responsible
1.	Marking out of HCV sites, unplatable areas and buffer zones.	<ul style="list-style-type: none"> Ensure all relevant sites are clearly marked. 	<ul style="list-style-type: none"> All relevant sites are clearly marked. 	<ul style="list-style-type: none"> Prior to site preparation and planting. 	<ul style="list-style-type: none"> Lands Officer Sustainability Manager
2	Maintenance of buffer zone.	<ul style="list-style-type: none"> Maintain local species variety including QABB vines in the buffer zones. Ensure connectivity of forest areas throughout the region. 	<ul style="list-style-type: none"> Diverse local species including QABB vines in the buffer zones. Uninterrupted connectivity of forest areas throughout the region. 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Plantation Manager Sustainability Manager

Management Activities HCV

1.

It is suggested that a separate buffer zone procedure be developed that highlights effective current practise, and provides guidance for both management, field staff and local customary land owners on the purpose and protection of buffer zones.

This procedure should state which activities are permitted (ie. customary land owner thoroughfare) and those that are not permitted (clearing, hunting, fires). This buffer procedure should be integrated into habitat management plans for separate HCV areas.

2.

For the critical endangered QABB start a species campaign to raise awareness among HOP staff and local communities on the importance of forested areas within the oil palm development (habitat management on local level). Start to review the option to develop a HCV registry developed to record any sightings of HCV and to incorporate this into a habitat management plan.

5.0 Internal Responsibility

This summary of Planning and Management has been approved by NBPOL-Higaturu Management.

08th August 2012

Mike Jackson
General Manager

Paul Maliou
Sustainability Manager