



ROUNDTABLE ON SUSTAINABLE PALM OIL

New Planting Procedure

Summary Report

**Social and Environmental Impact and High
Conservation Value**

**COOPERATIVE KUNDANGAN MANIS
Scheme Smallholders of PT. Poliplant Sejahtera**

Subsidiary : Alpha Capital Limited

December 2015

**Ketapang District
West Kalimantan
Indonesia**

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Abbreviations

HCV	High Conservation Value
SIA	Social Impact Assessment
SEIA	Social Environmental Impact Assessment
PSA	Poliplant Sejahtera
CKM	Cooperative Kudangan Manis
RTRWP	Rencana Tata Ruang Wilayah Propinsi
HGU	Hak Guna Usaha
AMDAL	Analisis Mengenai Dampak Lingkungan
LUCA	Land Use Change Analysis
MoU	Memorandum of Understanding
APL	Area Penggunaan Lain
GIS	Geographical Information System

1. Executive Summary

This report represents the executive summary of the final results of the High Conservation Values (HCV) and Social Impact Assessment (SIA) that carried out by Daemeter Consulting in January – July 2015 and in April – July 2015 for PT. Poliplant Sejahtera (PT. PSA).

PT. PSA location permit and extension was legally established under two West Kalimantan Governor Decree, covering a total land area of 39.700 Ha approved by Governor of West Kalimantan on 13 April 1990, and West Kalimantan Governor Decree No. 155 and No. 3793. Land use title of PT. PSA was issued by Badan Pertanahan Nasional on 19 February 1999 as a HGU letter No. 6 (\pm 4.004,05 ha) and remaining 7,746 hectares is held under each individual farmer's name as required under the Smallholder Scheme.

PT. PSA has implemented the existing scheme smallholders – PIR TRANS under principle license from government number: KB.320/701/Mentan/XII/89 dated: 5th December 1989. Currently PT.PSA managed a total planted area of 11,469 hectares, of which all are mature trees. This comprised of 3,794.46 hectares in the nucleus area under the Siriham Estate and 7,746 hectares under the Smallholder scheme in the Siriham Plasma. Most of the planting occurred in 1994.

PT.PSA begin to do extension of this existing scheme smallholder by adding at area of 785, 30 Ha of Cooperative Kudangan Manis (CKM) to fulfill local community demand that has been agreed under mutual agreement between previous company owner, local authorities and local community prior to Cargill acquisition of Poliplant Group in last December 2014. This extension areas of smallholder are located outside of HGU and land title is held under each individual farmers names.

Cargill has agreed to continue this extension of smallholder's scheme partnership takes form of a MoU whereby smallholder produces an exclusive supply of Fresh Fruit Bunches with financial backing (credit) from Bank and will ensure that this extension development is fully align with RSPO NPP requirements. The extension areas of smallholder scheme is located in Ketapang Regency, West Kalimantan Province. PT. PSA has carried out land survey, eligibility study, zero burning land clearing and providing certified palm seed. The smallholder will partake actively in this development as part of knowledge transfer from PT. PSA. As a form of independence, PT. PSA will hand-over the management of plantation to smallholder when it meets technical requirements and or meets the age of 4 years.

The result of HCV assessment that carried out by Daemeter Consulting in 2015 shows that **there is no primary forest** in CKM concession area, general area is so extensively degraded and predominantly community areas. CKM concession area is located at area within classification of other land-use (APL). Based on LUC in PT. PSA, result also shows that there is no primary forest in the in CKM concession area. The satellite imagery showed that rubber, secondary regrowth and grassland are the land cover. In the areas intended for new planting, **no peat soils** were identified. This assessment was carried out from map of soil of the region and during HCV assessment by Daemeter Consulting in 2015.

2. Scope of the Planning and Management

2.1. Organizational information and contact persons

Table 1. Organizational information and contact persons

Company Name	Cooperative Kudangan Manis, Scheme Smallholder of PT. Poliplant Sejahtera
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Subsidiary	Alpha Capital Limited (RSPO Membership Number : 1-0199-16-000-00)
Company address	Dusun Sengkuang, Desa Harapan Baru Air Upas Sub District Ketapang District West Kalimantan, Indonesia
Geographical Location	West : 110°42' 24,37"; North : 2°15'7,34" (PSA) West : 110°42' 24,37"; South : 2°23'36,34" (PSA) East : 111°01'36,49"; North : 2°15'7,34" (PSA) East : 111°01'36,49"; South : 2°23'36,34" (PSA) East : 110°50'15.37" - 110°57'01.60" (CKM) South: 2°12'11.26" - 2°17'02.94" (CKM)
Capital Status	Foreign Investment (PMA)
Type of business	Palm oil plantation and milling
Status of land ownership	<ul style="list-style-type: none"> • PT. PSA own land (Inti), HGU No. 06 (± 4.004,05 Ha) • Smallholder PIR-TRANS scheme, Personal Land Use certificate (Sertifikat Hak Milik) • Cooperative Kudangan Manis, Statement Letter of Personal Land Ownership (Surat Pernyataan Kepemilikan Tanah)
Contact Person	<ul style="list-style-type: none"> • President Director – Anthony Yeow Email Address: Anthony_Yeow@cargill.com • Group Sustainability Manager – Yunita Widiastuti Email Address: Yunita_Widiastuti@cargill.com
Total area of new planting	785.30 Ha with clear and clean land ownership (Total Land Bank 1,806.82 Ha)

2.2. Personnel involved in planning and implementation

Planning and implementation plans for new planting involves estate department, plasma department, agronomy service department, GIS, EHS and sustainability department. The overall personnel are shown below.

Table 2. Personnel involved in planning and implementation

Name	Position
Anthony Yeow	President Director
Yunita Widiastuti	Group Sustainability Manager
Ai Darmawan	Chief Estate Manager
Maruhum Gultom	Plasma Manager
Muhamad Rajali	Partnership Manager
Hitler Habeahan	Senior Estate Manager
Yogi Wicaksono	Sustainability Manager

Herwandi Agustian
Marulak Simanjuntak
Eko Sugiyanto

Agronomy Service Department Manager
GIS Coordinator
Estate Manager

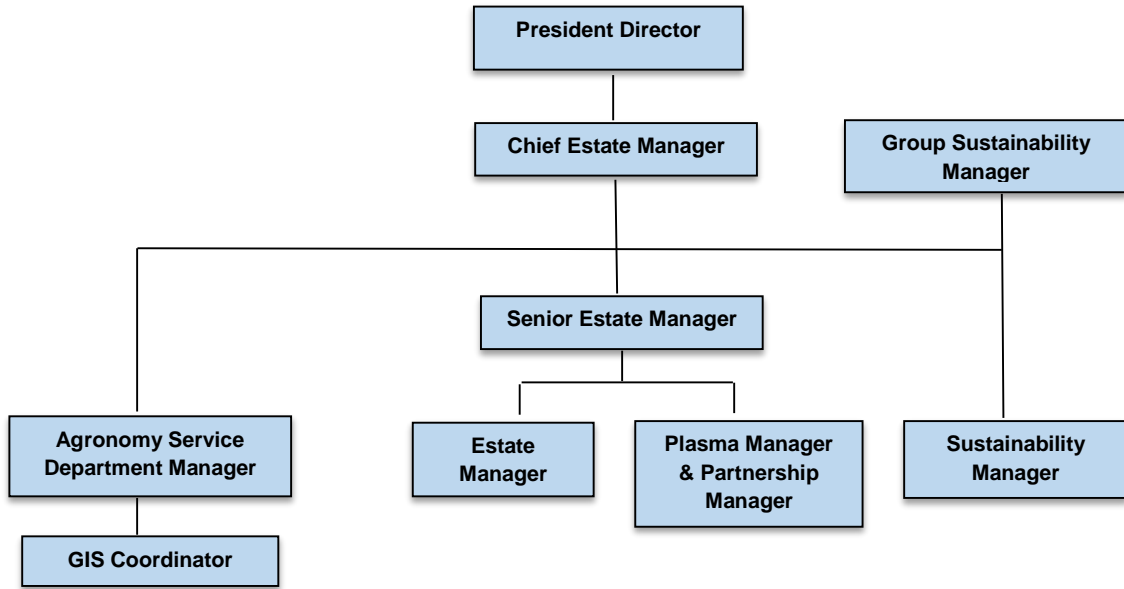


Figure 1. Organization Flowchart

2.3. List of Legal documents, regulatory permits and property deeds related to the areas assessed

2.3.1. List of Reports

- Environmental Impact Assessment (AMDAL document) of PT. PSA on 21 December, 1993 (AMDAL No. RC 220/2383/B/XII/1993)
- Environmental Impact Assessment (AMDAL document) of PT. PSA on 24 May, 1994 (AMDAL No RC 220/902/B/V/1994)
- Environmental Impact Assessment (ANDAL supplement) of PT. PSA (ANDAL Supplement No 154/BA.5/V/1996)
- Environmental Impact Assessment (Upgraded AMDAL due to change of mill lay out, capacity and planting area amendment) of PT. PSA on 23 December, 2003 (Regional AMDAL Commission of West Kalimantan Province decree No. 660.1/762/Bapedalda-A)
- Report of Identification and Analysis of High Conservation Value of PT. PSA by Daemeter Consulting on January – July 2015.
- Social Impact Assessment (SIA) by Daemeter Consulting on May – July 2015.

2.3.2. List of Legal Documents

Table 3. List of legal document

Legal Documents	Issued by	Number and date
PT. PSA :		
Taxpayer Notification Number (NPWP)	Ministry of Finance Directorate General of Taxation, Republic Indonesia	01.344757.8-062.000, 05 April 2012
Plantation permit (Izin Usaha Perkebunan)	Indonesian Investment Coordinating Board (BKPM)	122/T/PERTANIAN/2002, 04 June 2002
Location permit 39,700 ha , (Izin lokasi)	West Kalimantan Governor	West Kalimantan Governor Degree No. 155, 13 April 1990 West Kalimantan Governor Degree No.3793, 29 April 1993
Land use title (Hak Guna Usaha)	National Land Agency (BPN)	HGU No. 6 , 19 February 1999
Recomendation Letter	Plantation Department (DISBUN)	Letter of plantation department No : 525 / 416 / Disbun – D
CKM :		
Legal Act of Cooperative Badana Hukum Koperasi	Notary Ayu Nurhasanah SH, MKn.	346/BH/XVII.3/2012, 8 March 2012
Latest Amendment of Cooperative Statute(Akta Perubahan Terakhir Anggaran Dasar Koperasi)	Notary Yulina Asmara Dewi, SH.	No. 16, 14 March 2014
Cooperative Official Approval (Pengesahan Koperasi)	Ministry of Cooperative, Republic Indonesia	18/PAD/KOP.UKM& PERINDAG/III/2014, dated 17 March 2014.
Place of Business License (Surat Izin Tempat Usaha/SITU)	Integrated Services of Sub District Ketapang	503/219/SITU/KOP/2014, dated 3 April 2014.

Taxpayer Notification Number (NPWP)	Ministry of Finance Directorate General of Taxation, Republic of Indonesia	61.04.160.160.002.0000.0, 08 March 2012
Company Registration Number (Tanda Daftar Perusahaan)	Department of Cooperative, Trade and Industrial, Sub District Ketapang.	1405 2 01 00243, Dated 8 April 2014
Trading Business License (Surat Izin Usaha Perdagangan/SIUP)	Integrated Services of Sub District Ketapang	503/266/SIUP/KECIL/2014, dated 3 April 2014

2.4. Location Maps

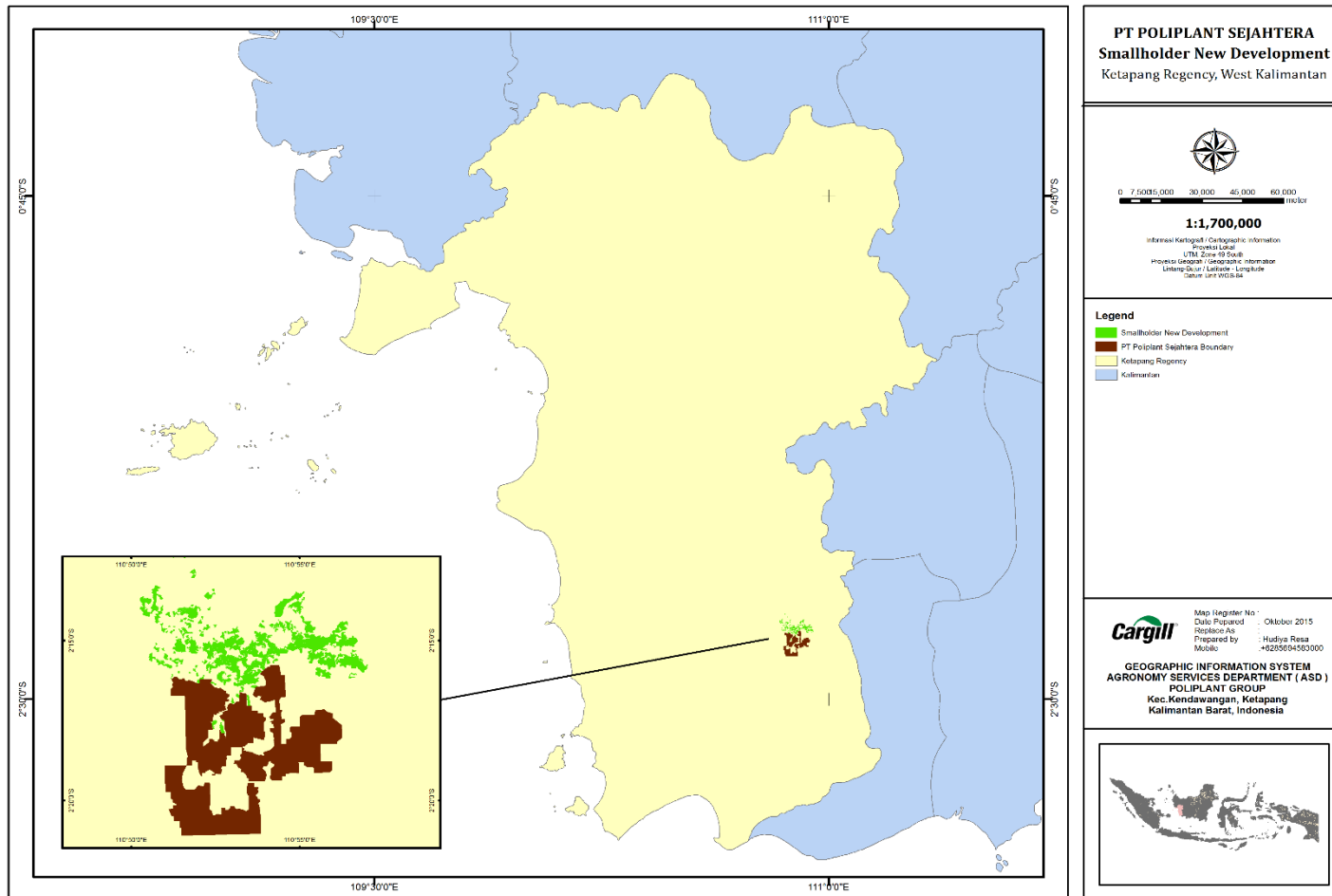


Figure 2. Location map of PT. PSA and CKM concession area new development in Ketapang Regency, West Kalimantan

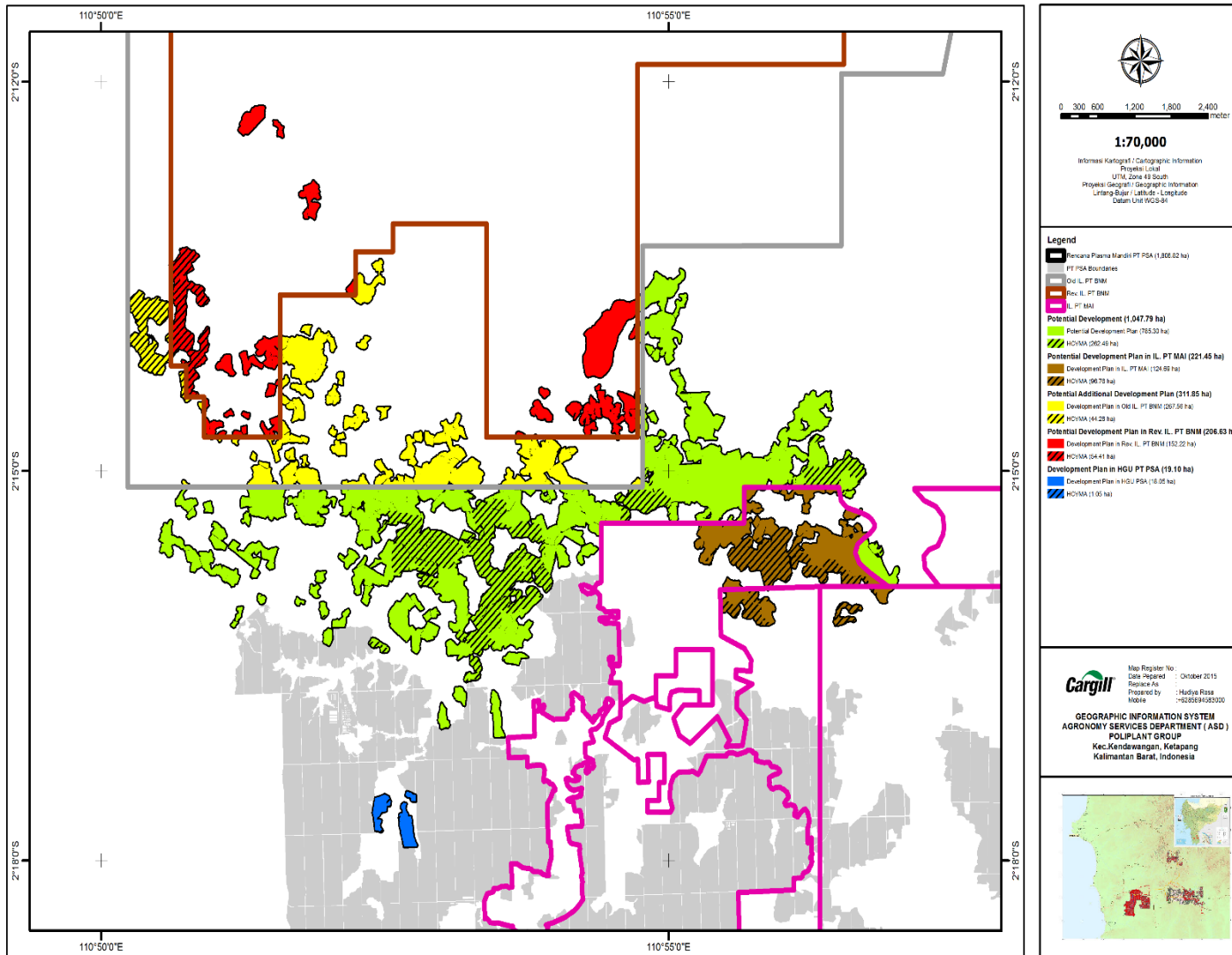


Figure 3. Location map of CKM concession area new development of 785,30 ha

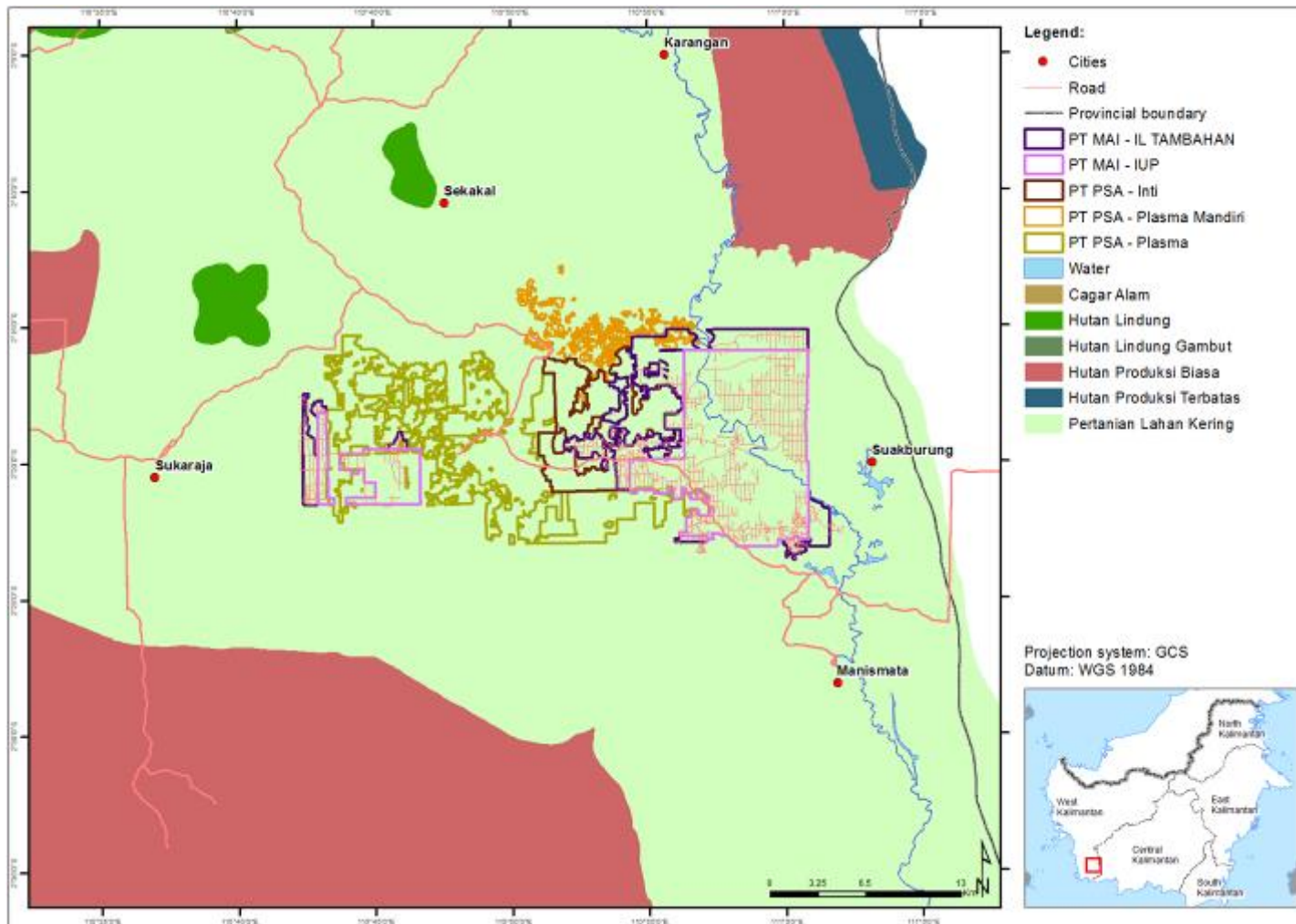


Figure 4. Most recent valid provincial spatial plan (RTRWP) for West Kalimantan (Year 2005)

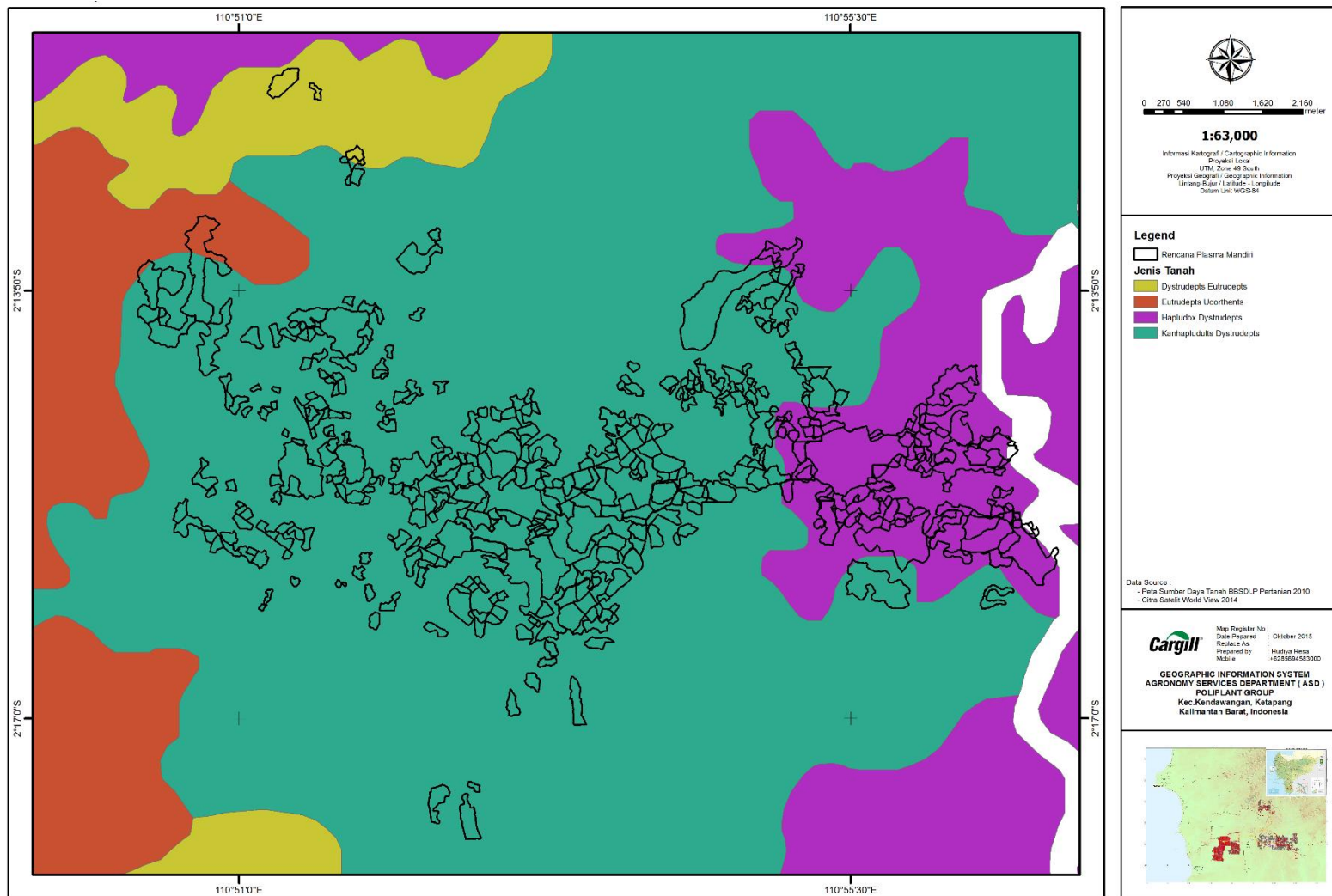


Figure 5. Map of soil type of CKM concession area new development

2.5. Area and time plan for new planting

New planting area of 785,30 Ha is new planting areas for smallholder which located outside of HGU. The detail area and time plan are summarized in table below.

Table 4. Area and time plan for proposed new planting of smallholder

Properties	Location & Land Bank	Overlap with other concession	Indicative Conserve (HCS & HCV Area)	Indicative Develop	Planting Time Table
Cooperative Kudangan Manis	Sengkung, Harapan Baru Village 1806,82 Ha	562.52 Ha	459 Ha	785,30 Ha	May – Dec 2016

3. Assessment Process and Procedures

3.1. Assessors and their credentials

3.1.1. HCV & Social Impact Assessment Assessor

The HCV and SIA Assessment of PT. PSA was prepared by assessor from Daemeter Consulting. The HCV Assesmtment team consisted of 17 people consists on field team (10 persons) and additional support and senior advisor team (7 persons) for reporting oversight. A short CV or biography for each person is provided on below table. The Daemeter Consulting addressed at Jl. Tangkuban Perahu 1, Bogor, and West Java Province Indonesia 16128 (Phone: 62-251-8315625).

Table 5. HCV assessor credentials

REPORTING		
Name	Role	Expertise
Julian Crawshaw	Lead Writer Lead Assessor HCV ALS License: Provisional (ALS14006JC)	Landscape Ecology, Forestry, Environmental services
Aisyah Sileuw	Lead Assessor Social Coordinator of Socio-cultural Team & Reporting Oversight	Project Management, Socio-economic and cultural, Participatory mapping
FIELD TEAM		
Name	Role	Expertise
Felicia Lasmana	Supporting Writer Lead Assessor ALS License: Provisional (ALS14007FL) Biodiversity Team Leader	Biodiversity (Mammals), Landscape Ecology, Conservation.
Muhammad Iqbal	Bird Expert	Avifauna
Hanjoyo	Vegetation Expert	Botany, Landscape Ecology, Environmental services

Syapuri	Botanist Assistant	Botany
Iwan Rosyid	HCV 5 & 6 (Social & Culture) Team Leader	Community Engagement, Socio-economic and cultural, Participatory mapping
Daryatun Ridwan	Community Engagement Expert	Community Engagement Socio-economic and cultural, Participatory mapping
Sahat Aritonang	Socio-economic and cultural survey team member	Socio-economic & cultural, Forestry
Naka Yuliansyah	Socio-economic and cultural survey team member (Junior)	Socio-economic and cultural
Andre Febriant	Socio-economic and cultural survey team member (Junior)	Socio-economic and cultural
ADDITIONAL SUPPORT AND SENIOR ADVISOR TEAM		
Name	Role	Expertise
Indrawan Suryadi	GIS Landscape Ecology Expert	GIS & Remote Sensing; Landscape Ecology
Aji Sartono	GIS & Remote Sensing Specialist	GIS & Remote Sensing
Gary Paoli	Project Manager, Coordinator of Biodiversity Team & Reporting Oversight	Project Management, Landscape Ecology, Biodiversity (Botany)
Godwin Limberg	Field Coordinator of Socio-cultural Assessment Team & Reporting Oversight	Project Management, Socio-economic and cultural, Participatory mapping
Kimberly Carlson	Remote sensing expert	GIS & Remote Sensing
Elizabeth Yaap	Reporting Oversight	Biodiversity (Mammals), Landscape Ecology, Conservation

3.2. Assessment Method

3.2.1. HCV Assessment Method

The periode of HCV assessment has taken time for 7 months, starting on January until July 2015. The HCV assessment was conducted by Daemeter Consulting on January – July 2015 using HCV Toolkit year 2008, HCVRN, 2013, Common Guidance for the identification of High Conservation Values and HCVRN, 2014, Common Guidance for the management and monitoring of High Conservation Values. Data sources used in the identification and analysis HCV process including:

Table 6. Type and Source of Secondary Data Collection

Data Type	Data Source	Year
Land Cover	Landsat 2015 ETM satellite images (1 : 50,000)	2015
Topography	DEM - SRTM 30m USGS NASA	2014
Ecosystem Mapping	RePPPProT	1989
Species	Vegetation - Kessler and Sidiyasa	1994
		2015
	Mammals - IUCN Red List	1998
	Birds - Mackinnon <i>et al.</i>	1998
Social Cultural	AMDAL	1993, 1994, 1996
	PSA & MAI Social Impact Assessment	2015

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

a. Secondary Data Collection

Secondary data was collected and analyzed during the planning phase of the assessment and included the following:

Table 7. Secondary Data Collection

Land Cover	For the assessment of HCVs 1-4, historical and present forest cover was assessed from satellite imagery. Landsat 2015 ETM satellite images were analyzed and confirmed using images from previous years. The latest available satellite image was classified into land cover types through on-screen digitization (the definition of land cover types is provided in Table 8). This land cover mapping gave clear indications of the areas that needed to be surveyed during full assessment. Digitization was carried out at a scale of 1:50,000 or better (Figure 9).
Topographical data	The Digital Elevation Model (DEM) produced by the Shuttle Radar Topography Mission (SRTM) was used for defining general topography and slopes throughout the estate. HCV 4.2 utilizes this secondary data set to define major components or erosion potential. This data has been gap-filled by USGS - NASA and has a horizontal resolution of 30m/1 arc-seconds.
Ecosystem Mapping	For the identification of HCV 3 (Rare or Endangered Ecosystems), we use the revised, geo-corrected version of the RePPPProT (details shown on the previous Landscape Context section Chapter 2.2). Ecosystem mapping uses proxies for RePPPProT classification in West Kalimantan and their status under HCV 3 through precautionary approach. The data used for this assessment were made available

	as a Digital Appendix in the revised HCV Toolkit for Indonesia (HCVRN, 2008).
Species Data	For assessment of HCVs 1 and 2, secondary data on species potentially present in the assessment area were extracted from field guides (e.g. Kessler & Sidiyasa, 1994, IUCN, 2015, Mackinnon, et al., 1998 with full list on REFERENCES). These tables were cross-referenced and augmented by experts that joined the field survey and by consulting community groups with knowledge of the area and species likely present.
Social Cultural Data	Secondary data for assessment of HCV 5 and 6 were available from the AMDAL and SIA (Social Impact Assessment) report by Daemeter Consulting which is produced together in parallel with HCV assessment.

b. Primary Data Collection

Table 8. Primary Data Collection

Field verification of topographical conditions and land cover maps	To assess the accuracy of topographical conditions described in secondary DEM data, land cover and ecosystem mapping, field observations were made throughout the Companies' plantations.
Plant surveys	Semi-structured plant observations were made of trees, secondary regrowth and remnant forest identified from desktop study of satellite images .Higher priority was given to survey for species of concern under HCV 1.2 and HCV 1.3. Identification of species required field team experience, consultation with experts and reference to Daemeter's in house herbarium.
Birds	Bird surveys aimed to identify features of the bird community relevant to HCVs 1.3 and 2.3 (HCV 1.2 was deemed very unlikely present for birds given geographic location and land cover). Survey methods included line transects, opportunistic observations during the survey, and interviews with local hunters.
Mammals	The survey of mammals and other vertebrates of concern under HCV 1 was conducted using rapid assessment techniques, combining (i) un/structured interviews with hunters, (ii) assessment of habitat quality (in combination with the botany team), and (iii) direct (visual) and indirect (prints, calls, scat) sightings whilst undertaking habitat assessments. Community interviews and habitat assessments were conducted at the village level (5 villages and 9 sub-villages). Field data collection and interview were conducted in the same time. Most of the targeted dusun and desa for interview only available in the late afternoon or evening, making interview process has time limitation
Social and Cultural Surveys to Assess HCV 5 and 6.	Using the HCV Toolkit as a reference, questions were prepared for meetings at the village level to evaluate the dependency of community members on natural ecosystems to fulfill basic needs (HCV 5) and identify presence of any important cultural sites (HCV 6). A combination of Focus Group Discussions (FGD) and individual-based interviews was used to collect data on social and cultural aspects.

PT. PSA also conducted Land Use Change (LUCA) analysis to ensure that there is no deforestation due to land development. PT. PSA conducted assessment in Sept 2015 through combination of analysis of satellite imagery from Landsat and carried out field sampling check. Stages and process LUCA are as follows:

- Maps and satellite imagery

- Analysis of vegetation stratification using ArcGIS
- NDVI (Normalized Difference Vegetation Index)
- Field verification

3.2.2. SIA Assessment Method

Social impact assessment activities was carried out by applying several methods that combine primary data and secondary information, direct observation, analysis and expert consultation maps, both qualitative and quantitative information. Identification of potential impacts is done in the early to determine the possible impact and be a reference in determining the methods of data collection and compiling key questions to guide the discussion.

a. Desktop Study (Secondary data Analysis)

Desktop studies carried out by analyzing the available secondary information, such as activity reports, research reports, operational maps, AMDAL document and other documents. Desktop activity studies are useful for determining the coverage area of assessment that is based on administrative boundaries, the location permit and ecological limits. In addition the analysis of the desktop study can assist in the identification of the affected parties, the number of villages and settlements, the identification of activities that have an impact, impact predictions and determination of subsequent assessment methods. Desktop study was also conducted to find the parameters and indicators of the impact, the choices of action, as well as comparative data in enriching study of similar cases.

b. Focus Group Discussion

Focused discussion method is a method of collecting data / information / perception is based on the principle of participation, where participants selected at random or semi-free but with criteria that guarantee the representation of elements or groups in society. This method was chosen because of the information submitted can be cross-checked with other sources, so there is a fact that is closest to the truth. This method also makes it possible to obtain a more complete chronological information, diversity of local knowledge, and build mutual understanding. Discussions carried out independently with a guide key questions that had been prepared, so discussions focused and not out of context to be achieved. Discussion with community representatives conducted in all villages affected by the construction of the Plantation. The discussion was hosted by members of the assessment team, in this case the participants act as a resource.

c. Depth Interviews

Depth interviews were conducted in person or characters who have a thorough knowledge of the desired topic. Depth interviews were conducted to obtain more detailed information about a problem includes policies, decisions, programs, historical / chronological events, claims, aspirations and also the solutions to be considered in solving a problem. This method opens a greater insight about the desired topic. In-depth interviews conducted on company management, workers, community leaders, government officials and local cooperatives are concerned.

d. Observation

Method of observation is very important, because it can provide a clearer picture of a condition or state. In the assessment, observations carried out to obtain Real and authentic evidence to a problem. Observations made for example to see and obtain annotations directly on the handling of waste in the production process, see the direct impact of plantation land clearing and the process of execution of work by the workers in the company, the use of Personal Protective Equipment (PPE), the road conditions of production, the condition of water resources and handling of the environment.

e. Map Analysis

Analysis of the map is done at an early stage and also in the final analysis. At the start of activities, the map is very useful to provide an overview of the company's position, condition of the land, village and settlement distribution, ecological boundaries, administrative and permit limits locations. Besides

the map could help planning in terms of access to transport (land and river) and mileage. In the next activity, the map will show patterns of movement and mobility of people, water drainage pattern against waste and pollution, the movement of the local economy, community and corporate interaction patterns, constraints of nature, as well as the best solutions to reduce the impact.

f. **Expert Consultation**

Social problems are often very diverse and complex, so it may be necessary consultations with experts who master the problems found. Consulting experts will help provide an explanation based on the theory and experience in analyzing the problem and determine the best options to be selected in the resolution of a problem.

3.3. Stakeholders Consultations

Stakeholder consultation is fundamental to the HCV process. A range of stakeholders was consulted during the full assessment stage. Stakeholder input focused on opinions and concerns about operational activities in the AOI and specific input on biodiversity issues, environmental services, local livelihoods and other issues of concern to local communities and broader stakeholder groups.

Stakeholders that have been consulted include:

- Dinas Kehutanan & Perkebunan / Forestry and Plantation Office
- Badan Pusat Statistik (BPS) / Central Bureau of Statistics
- Flora & Fauna International - Ketapang
- Government officials in district (Kecamatan Air Upas & Manis Mata)
- Government officials in village level (desa and dusun)
- Credit Unions (KUD/Koperasi Unit desa)
- Community organisation (Dewan Adat Dayak)
- Village elders (tokoh masyarakat)
- PSA & MAI company staffs (Siriham Estate, Kedipi Estate, and Pulailaman Estate)

As part of HCV assessment, a public consultation was conducted at Air Upas District Office on 10 June 2015 with 44 participants from 12 desa and 4 dusun. Public consultation meeting with result presentation approach has been conducted in district level with attendants from government officials in district level (Administration and representatives of the local communities).

Table 9. The minutes of stakeholders consultations

Name	Title/role	Organization/Social group	Key concerns & recommendations / assessment team response
Effendi	Manis Mata District Vice Chief	Manis Mata District	<ul style="list-style-type: none"> • In the presentation, it said community does not depend on riverine water? This is incorrect. • Company's responsibility to preserve riverine areas and provide fresh water resource. • Balanced socialisation needs for company's operational activities to the whole local villagers. Lack of CSR program still detected by villagers.

			<ul style="list-style-type: none"> Local villagers' high dependence on palm oil rather than rubber, crop agriculture and farming. This is company's responsibility to support community. There should AMDAL review on infrastructure, education, and health before HCV implementation. These are three pillars for local development.
Iwan Rosyid	HCV Social Team/Community Engagement Specialist	Daemeter Consulting	<ul style="list-style-type: none"> The community does depend on the river but <50%, so not included in the HCV 5 findings. Most of community depend on well water. All rivers and tributaries are identified as HCV 1.1 and 4.1. Protein needs on fishes < 50%, which results no HCV 5. This does not mean community not depend on fishes in the river. Firewoods are retrieved from private land not protected or state forest.
Rustami	Village Chief	Desa Kalimantan	<ul style="list-style-type: none"> At least 29 – 31 unresolved complaints on land clearance have been addressed to the companies. Lack of prior study before land clearing in PT MAI
Harun Iapui	Primary school teacher	Desa Air Dekakah, Dusun Dibau	<ul style="list-style-type: none"> Needs not only on fresh water resource provision for drinking and bathing, but also on <i>dusun's</i> electricity. MAI has provided workplace for local villagers
Sahrial Basri	Air Upas District Vice Chief	Air Upas District	<ul style="list-style-type: none"> Recommendation to help companies' CSR implementation: Government – CSR participation program to help socialisation was available during Poliplant but not yet for Cargill for the last 5 years. There is support team documentation for PIR TRANS villages although not reaching core villages Freshwater supply issues in Air Upas: well water (<i>sumur gali/bor</i>) in dry season (<i>kemarau</i>), health problem, solution on water sewage.

M. Gultom	Plasma Manager	PSA	<ul style="list-style-type: none"> • Cargill on CSR budget implementation 150 Million Rupiah in May each year. Each district and village chiefs has received this information.
Champion & Firmus	Village elders	Dewan Adat Dayak Air Upas - Community organisation	<ul style="list-style-type: none"> • Cargill should review palm oil planting near riparian and hilly areas. • There should be activities involving all stakeholders (Cargill, villagers, government) for HCV area rehabilitation and restoration.
Thofilus	Chief Village	Desa Mekar Jaya	<ul style="list-style-type: none"> • Freshwater supply issues • There should be replacement for name sign of Mata Air Desa Gajah. It should be named as Mata Air Desa Mekar Jaya. • Lack of CSR program from Poliplant. For example roading, damaged by palm oil plantation activities.
Hitler Habeahan	Senior Estate Manager Cargill PPG	Cargill Poliplant Group	<ul style="list-style-type: none"> • Cargill will build laterite roads from Desa Air Dekakah to Desa Mekar Jaya (1 Million Rupiah project)
Daryatun Rldwan	HCV Social Assesor/ Social Engagement Specialist	Daemeter Consulting	<ul style="list-style-type: none"> • There has been miscommunication and misperception during Poliplant operational activities. • DC has listed each CSR's impact in SIA (Social Impact Assessment) report. These should be put into consideration for the companies' future programs.
Gensayang	Local Villager	Desa Mekar Jaya	<ul style="list-style-type: none"> • The companies should maintenance provincial central road. • Local community could cooperate with Cargill to improve laterite road condition.
Minton	Chief Village	Desa Harapan Baru	<ul style="list-style-type: none"> • To tackle wildlife hunting, preservation on the conservation area needs to be enforced. • Swamp and river needs to be preserved • How to solve problem on sewage by the companies and FFB stealing by local communities

Peer Review

In the HCV context, peer review is the process whereby an HCV assessment is evaluated by HCV

expert(s) to identify any shortcomings of the assessment process and output. The reviewer checks that:

- The HCV toolkit is used appropriately
- HCV identification has been carefully evaluated by experts in the appropriate field and the logic explained
- Management and monitoring recommendations follow current best practices and are fitting for the landscape and social context
- Appropriate stakeholder consultation has taken place
- All of these are reflected in the HCV Assessment Report, and
- Upon receipt of the peer review, edits are made to address comments by the reviewer and a final draft is produced.

Daemeter use the ALS peer reviewer pool to assess this report.

3.4. List of legal, regulatory and other guidance referenced

Table 10. List of legal, regulatory and other guidance referenced

Reference	Details
Status of vulnerability according to the world Conservation Union (IUCN) Red list	Vulnerability of plants and wildlife
Status in terms of trade of world's wild fauna and flora (CITES)	Rule on trade (usage) of plants and wildlife
HCV Toolkit	Guidance on High Conservation Value Area Identification in Indonesia version 2 (2008)
UU No. 32 year 2009	Protection and Management of the Environment
UU No. 41 year 1999	Forestry
UU No. 5 year 1990	Nature Resource and Their Ecosystem Conservation
PP No. 7 year 1999	Protected of plants and wildlife list
PP No. 38 year 2011	River
PP No. 68 year 1998	Nature reserve management
Presidential Decree No. 32 year 1990	Management of Protected Area
https://www.hcvnetwork.org/resources/cg-identification-sep-2014-english	HCVRN. 2013. Common Guidance for the identification of High Conservation Values.
https://www.hcvnetwork.org/resources/cg-management-and-monitoring-2014-english	HCVRN. 2014. Common Guidance for the management and monitoring of High Conservation Values

4. Summary of Assessment

4.1. Summary of SEI Assessment

The SEIA development and preparation of management and monitoring Plan for PT. PSA is prepared under cooperation agreement between PT. PSA and AMDAL consultant and Daemeter Consulting. The preparation of such report refers to the result of identification and analysis of Social Impact Assessment conducted in April – July 2015 in the area of PT. PSA, Ketapang Regency, West Kalimantan Province and the frame of reference of the agreed work.

Results from identification and categorization based on findings and fieldwork in PSA's area are presented in table below.

Table 11. Result from identification SEI Assessment

Activity	Positive Issue raised by Stakeholder	Negative Issue raised by Stakeholder	Assessor Recommendations
Potential Development Socialization	<ul style="list-style-type: none"> • Expectations of Welfare 	<ul style="list-style-type: none"> • Discordance because of differences in perspective 	<ul style="list-style-type: none"> • Dissemination of continuous conflict and build the intensity of relationship quality and sustainable • Community Perseption Survey
The process of compensation and land acquisition	<ul style="list-style-type: none"> • Obtaining cash • There is a capital fund • Business opportunity 	<ul style="list-style-type: none"> • Land Conflicts • Dissatisfaction price • Loss of access to natural resources • Loss of land • Divisions and disputes • Displacement / relocation of people 	<ul style="list-style-type: none"> • Revision of Land Acquisition SOP following result of evaluation • Completing the required documents • Conduct participatory village boundary marking and mapping of conservation area • Land Acquisition SOP and and Conflict Resolution Mechanism Socialization • Formed a special team for investigating the conflict • Arranged SOP of conflict resolution • Mechanism of conflict handling Training • The planning of conflict resolution • Handling Conflict accordance with the procedure • Conflict resolution in order of priority (urgent) • Increase the intensity of relationships with key stakeholders • Monitoring the escalation of conflicts • Monitoring the number and frequency of conflict • Monitoring the growth of Conflict • Monitoring the tendency of conflict • Community Perseption Survey
Land Clearing	<ul style="list-style-type: none"> • Absorption of labor • Business opportunities for local partners 	<ul style="list-style-type: none"> • Erosion and sedimentation of rivers • Decreasing the quantity / quality of the water • Change in microclimate • Contamination of agricultural chemicals 	<ul style="list-style-type: none"> • Regular water quality test in the water resources • Monitoring of riparian area and conservation area • Rehabilitation of river riparian including large river and small river

			<ul style="list-style-type: none"> • Rehabilitation of riparian area (swamp, lake, resource of spring water)
Development Infrastructure (roads, bridges, housing, factories, public facilities, embankments, etc.	<ul style="list-style-type: none"> • Absorption of labor • Open the access road • There are new infrastructure • The opening of access to transport and communication • Business opportunities for local partners 	Difficult adaptation to changes in modes of transport, economy and culture, the natural regime changes (tidal, and drainage)	<ul style="list-style-type: none"> • Preserve water resources and distributed water with water-channel or bridge as appropriate with capacity and location • Clean trash and sediment covering the culvert outlet • Monitoring of floods • Improved quality of roads on a regular basis
Nursery	<ul style="list-style-type: none"> • Uptake of labor • The transfer of skills to local communities 	<ul style="list-style-type: none"> • Contamination of agricultural chemicals • Work accident 	<ul style="list-style-type: none"> • Regular water quality test in the water resources • Monitoring of riparian area and conservation area • Improve EHS training, completeness APD and the number of staff who handle EHS • EHS Field Monitoring • Work Health and disease caused due to risk jobs such as sprayers and fertilizer. • Monitoring of workplace accidents
Planting	<ul style="list-style-type: none"> • Uptake of labor • The transfer of skills to local communities 	<ul style="list-style-type: none"> • Contamination of agricultural chemicals • Work accident • Social jealousy 	<ul style="list-style-type: none"> • Regular water quality test in the water resources • Monitoring of riparian area and conservation area • Improve EHS training, completeness APD and the number of staff who handle EHS • EHS Field Monitoring • Work Health and disease caused due to risk jobs such as sprayers and fertilizer • Monitoring of workplace accidents • Community Perception Survey
Plant Upkeep	<ul style="list-style-type: none"> • Uptake of labor • The transfer of skills to local communities 	<ul style="list-style-type: none"> • Contamination of agricultural chemicals • Work accident • Social jealousy 	<ul style="list-style-type: none"> • Regular water quality test in the water resources • Monitoring of riparian area and conservation area • Improve EHS training, completeness APD and the number of staff who handle EHS • EHS Field Monitoring • Work Health and disease caused due to risk jobs such as sprayers and fertilizer • Monitoring of workplace accidents

			<ul style="list-style-type: none"> • Community Perception Survey
Harvesting and FFB Transport	<ul style="list-style-type: none"> • Uptake of labor • The transfer of skills to local communities 	<ul style="list-style-type: none"> • Complexity of traffic • Dust road • Work accident • Social jealousy 	<ul style="list-style-type: none"> • Installation of signs for danger signs in areas prone to accidents • Improved quality of roads on a regular basis • Signage installation of speed limit signs at accident-prone areas • Adding to signs the call for the accident-prone areas • Watering regularly on dusty roads • Improve EHS training, completeness APD and the number of staff who handle EHS • EHS Field Monitoring • Work Health and disease caused due to risk jobs such as sprayers and fertilizer • Monitoring of workplace accidents • Community Perception Survey
FFB Milling	<ul style="list-style-type: none"> • Uptake of labor • The transfer of skills to local communities 	<ul style="list-style-type: none"> • Waste Water Pollution • Air Pollution • Work Accident 	<ul style="list-style-type: none"> • Rehabilitation of river riparian including large river and small river • Provide emergency pond of POME waste water for preparations of rainy season • Monitoring the impact of POME dan Land Application following with procedure • Land Application (LA) conducted as appropriate with determinate and apply not too closed with water body /river/village • Re-evaluate Land application and agrochemical in peak of rainy season • Regular water quality test in the water resources • Monitoring of riparian area and conservation area • Improve EHS training, completeness APD and the number of staff who handle EHS • EHS Field Monitoring • Work Health and disease caused due to risk jobs such as sprayers and fertilizer • Monitoring of workplace accidents

Corporate Social Responsibility	<p>There is a village development program / community group</p>	<ul style="list-style-type: none"> • Community disappointment if it does not match with expectations • Social jealousy 	<ul style="list-style-type: none"> • Expansion of social program with priority of supplying clean water to the villages that have less water resources by additional appropriate potential water resources such as well, deep well, piping, reservoir, etc) • Community Perception Survey • Social Program Monitoring • Develop Accompaniment program for farmers in CSR programme • Establish social formidable team with adequate personnel and budget • Establish social management program according to the priorities of society and using participatory methods
Partnership Cooperation	<ul style="list-style-type: none"> • Revenue for the community • Institutional capacity building 	<ul style="list-style-type: none"> • Grief and disbelief • Management were not credible and transparent • Social jealousy 	<ul style="list-style-type: none"> • Intensive support in the process of partnership, both the cooperative and its members • In cooperation with the Government Department of Cooperatives to increase the capacity of the Board and Members of the cooperative (Leadership, institutional, administrative) • In cooperation with the competent institutions in empowering society (NGOs credible and experienced, governments, universities or research institutes, etc.) to assist farmers develop appropriate commodity • Provide Assistance in developing independent Smallholder

The following management and mitigation measures are recommended for adoption and implementation, in order to address the significant potential social and environmental impacts and make the project socially acceptable and beneficial.

Table 12. Management and mitigation measures for Social Impact Assessment

No	Potential Impact	Management & Mitigation	Measures Plan
1.	Resources of Water	<ul style="list-style-type: none"> • Rehabilitation of river riparian including large river and small river • Rehabilitation of riparian area (swamp, lake, resource of spring water) • Preserve water resources and distributed water with water-channel or bridge as appropriate with capacity and location. • Provide emergency pond of POME waste water for preparations of rainy season • Land Application (LA) conducted as appropriate with determinate and apply not too closed with water body /river/village • Re-evaluate Land application and agrochemical in peak of rainy season • Expansion of social program with priority of supplying clean water to the villages that have less water resources by additional appropriate potential water resources such as well, deep well, piping, reservoir, etc) • Increase conservation area that have a function for water infiltration. • Socialization to community and stakeholders about the results of water quality test • Environmental Awareness Campaign to stakeholder. 	<ul style="list-style-type: none"> • Regular water quality test in the water resources • Monitoring of riparian area and conservation area • Monitoring the impact of POME dan Land Application following with procedure • Community Survey Perception • Social Program Monitoring
2	Community Agriculture Land	<ul style="list-style-type: none"> • Develop Accompaniment program for farmers in CSR programme • In cooperation with the competent institutions in empowering society (NGOs credible and experienced, governments, universities or research institutes, etc.) to assist farmers develop appropriate commodity • Provide Assistance in developing independent 	<ul style="list-style-type: none"> • Social Programme Management Report • Community Perceptions Survey

3	Plantation Land	<p style="text-align: center;">Smallholder</p> <ul style="list-style-type: none"> • Revision of Land Acquisition SOP following result of evaluation • Completing the required documents • Conduct participatory village boundary marking and mapping of conservation area • Intensive support in the process of partnership, both the cooperative and its members • Land Acquisition SOP and Conflict Resolution Mechanism Socialization • In cooperation with the Government Department of Cooperatives to increase the capacity of the Board and Members of the cooperative (Leadership, institutional, administrative) • Conduct FPIC Principles Training • Formed a special team for investigating the conflict • Arranged SOP of conflict resolution • Mechanism of conflict handling Training • The planning of conflict resolution • Handling Conflict accordance with the procedure • Conflict resolution in order of priority (urgent) • Increase the intensity of relationships with key stakeholders 	<ul style="list-style-type: none"> • Monitoring the escalation of conflicts • Monitoring the number and frequency of conflict • Monitoring the growth of Conflict • Monitoring the tendency of conflict
4	Community Perception	<ul style="list-style-type: none"> • the procedure of handling conflict mitigation • Dissemination of continuous conflict and build the intensity of relationship quality and sustainable • Establish social formidable team with adequate personnel and budget • Establish social management program according to the priorities of society and using participatory methods 	<ul style="list-style-type: none"> • Community Perception Survey • CSR Management Programme Monitoring

5	Manpower	<ul style="list-style-type: none"> • Building a recruitment system that is transparent and fair and clear criteria • Focus of coaching and motivation to workers who are less able to adapt (local and non-local) • Implement award and sanctions in achieving the results of the enforcement of discipline • Fair treatment for all workers. • System level rise in the status of employees according to the law, and according to the results of performance appraisal. • Encourage and optimize unions 	<ul style="list-style-type: none"> • Monitoring worker complaints • The perception survey • Performance Assessment
6	Safety and health of employee	<ul style="list-style-type: none"> • Improve EHS training, completeness APD and the number of staff who handle EHS • Improved quality of roads on a regular basis • Installation of signs for danger signs in areas prone to accidents. • Signage installation of speed limit signs at accident-prone areas • Adding to signs the call for the accident-prone areas • Watering regularly on dusty roads 	<ul style="list-style-type: none"> • EHS Field Monitoring • Work Health and disease caused due to risk jobs such as sprayers and fertilizer. • Monitoring of workplace accidents

Table 13. Management and mitigation measures for Environmental Impact Assessment

No	Impact	Source of Impact	Location	Mitigation	Time Frame
1.	Soil Erosion	Land Clearing Activity, Making the main road and the road blocks	Plantation land that has a slope of 8-18% and other open land around the road network	<ul style="list-style-type: none"> • Making swales or terraces on sloping land in the direction of contour • Making the path of water flow on the spot or particular place and dam 	During Construction

				<ul style="list-style-type: none"> • Making rorak - rorak (gutter) at certain place. • Land Clearing gradually 	
2	Changes in Water Quality	Liquid waste processing	WWTP of Mill, Garu River/Silat River	<ul style="list-style-type: none"> • Perform the processing of liquid waste • In-Housekeeping 	During plant operation
3	Potential of Land Fire	<ul style="list-style-type: none"> • Land clearing activities • Other activities that can lead to fires (the attitude of workers) in the garden already in operation 	Land cleared and plantation road	<ul style="list-style-type: none"> • Carry out land clearing without burning activities in the order: mengimas, cutting, land clearing paths and harvesting path • Setting up a monitoring tower and equipment of fire extinguishers required • Provide a space / road enough to facilitate the movement of the the fire tool • Provide a place - a reservoir of water that can be used to help extinguishing the fire in case of fire • Extension of fire awareness activities to the public 	Continuous during the Plantaion Operation
4	Disruption of vegetation / wildlife protection	Land clearing activity	Hutan Adat (conservation area) and river riparian	<ul style="list-style-type: none"> • Spatial planning • Making a warning board • Provide a conservation area for flora and fauna protected • Do not cut protected trees • Extension to farmers about the ban on disturbing the protected flora and fauna • Promoting a protected plant 	Continuous during the Plantaion Operation

				<ul style="list-style-type: none"> • Moving a business mutual partnership with such institutions 	
5	Grasshopper pest	<ul style="list-style-type: none"> • Land clearing • Plantation Development 	Focused around plantation area of PT. Poliplant Sejahtera like agricultural field, community plantation in <i>enclave</i> and plantation area	<ul style="list-style-type: none"> • Allowing the locusts are not disturbed • Eradication of locusts periodically with integrated pest management methods • Monitoring and reporting to the relevant agencies if there are symptoms of an explosion locusts 	Every 6 month
6	Social Conflict	<ul style="list-style-type: none"> • Land acquisition • Waste treatment plant • Manpower Recruitment 	Villages in the Air Upas, Marau & Manismata sub district	<ul style="list-style-type: none"> • Give priority to hiring from the local area according to the needs and qualifications required • Always inform the local authority if there is need for labor • Provide polyclinics, housing infrastructure / education mess, places of worship, sports • Promote the provision of scholarships to school children from the surrounding villages who has high achievement 	Continuous during construction and operational phase
7	Land Conversion	<ul style="list-style-type: none"> • Lack of socialization to the farmer on land conversion process • Enclave • Preparation of Land 	Smallholders Area	<ul style="list-style-type: none"> • Conduct Socialization on conversion stages • Inventory of land has been approaching conversion • Assist in the management of oil 	During the smallholders area have not converted all

				<p>palm cultivation technology to farmers</p> <ul style="list-style-type: none"> • Dissemination to farmers on land conversion schedule 	
8	<ul style="list-style-type: none"> • The emergence of malaria • The emergence of occupational diseases • The high incidence of diarrhea • Clean water 	<ul style="list-style-type: none"> • Agricultural activities and oil palm processing • Source of raw water is reduced 	the village in District Water Upas, Marau and Manismata	<ul style="list-style-type: none"> • Conduct regular spraying and the use of mosquito nets • Establish counseling concerning Occupational safety and health • The establishment of occupational health cadre • Creation / improvement of toilet / WC family and wells • Reduce mosquito nesting sites • Provision of clean water • Installation of dust collector at the factory • Routine counseling on health 	Once a year

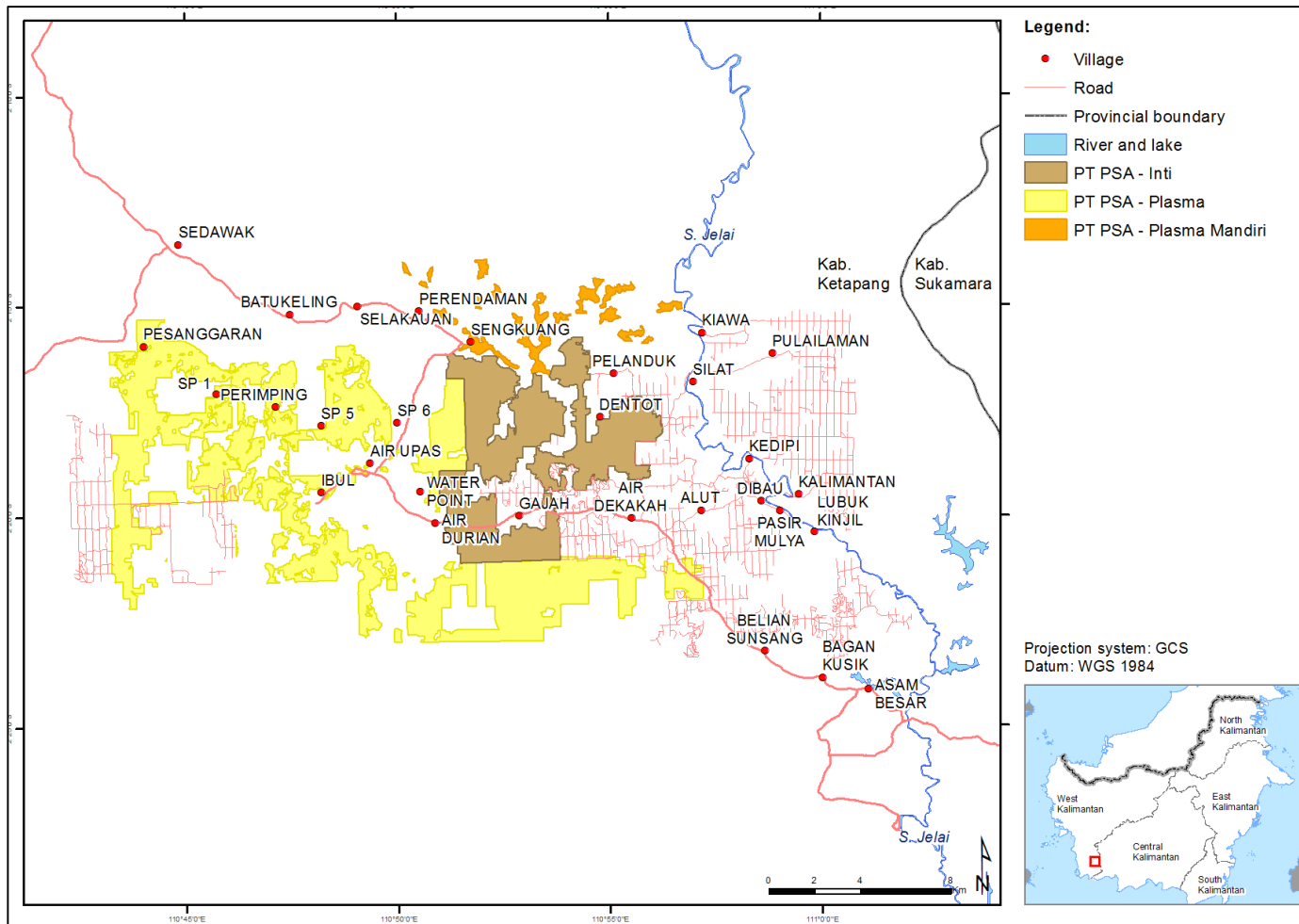


Figure 6. Location map of visited village during social impact assessment

4.2 Summary of HCV Assessment

The result of HCV assessment that carried out by Daemeter Consulting in 2015 shows that there is no primary forest in CKM concession area. CKM concession area are located at area within classification of other land-use (APL). Based on LUCA in PT. PSA, result also shows that there is no primary forest in the in CKM concession area. The satellite imagery showed that rubber, secondary regrowth and grassland are the land cover.

The HCV assessment was conducted by Daemeter Consulting on January – July 2015 using HCV Toolkit year 2008, published by The Consortium Revised HCV Toolkit Indonesia as a guidance to assess the presence of HCV area in concession of PT. PSA, HCVRN, 2013, Common Guidance for the identification of High Conservation Values and HCVRN, 2014, Common Guidance for the management and monitoring of High Conservation Values.

HCV areas identified in 459 Ha of smallholder's will be protected and excluded for planting. The assessment identified 5 types of HCV in entire PT. PSA and smallholders and provides recommendation for the company in managing the HCV area present within the concession area, also to enable all the available resources to be focused, integrated and effective achieving the HCV management outcome.

Table 14. Total area of HCV

HCVMA		Total Entire PT.PSA	In CKM Concession
HCV 1	HCV 1.1	145 Ha	145,29 Ha
	HCV 1.2		
	HCV 1.3		
HCV 3		145 Ha	
HCV 4	HCV 4.1	794 Ha	425,49 Ha
	HCV 4.2	36 Ha	-
HCV 5		881 Ha	
HCV 6		<i>Required participatory mapping with community</i>	
Total HCVMA with overlap		2,291 Ha	570,78 Ha
Total HCVMA		867 Ha	459 Ha

The purpose of management and monitoring plan of HCV are:

- To ensure all the identified HCV and all area that assigned as HCV are protected and managed well, so that the HCV functions are well preserved.
- To enhance the administration and documentation of the management and monitoring in the sense that the process carried out is more systematically according to the legal aspects.

The basic programs and activities that fulfill the HCV management are summarized as table below

Table 15. Identification of HCV areas and proposed measure

HCV	Finding	Threat		Management Recommendation	Monitoring Recommendation
		Source	Type		
HCV 1 – Globally, regionally, or nationally significant concentrations of biodiversity values	Present	<ul style="list-style-type: none"> Local community The Company 	<ul style="list-style-type: none"> Conversion of Forest and swamp area to agriculture (VERY HIGH) Community wildlife exploitation (VERY HIGH) Timber extraction (HIGH) 	<ul style="list-style-type: none"> Socialization and delineation of HCVMA Protection of biodiversity from hunting / wildlife trade Prevention of illegal logging or unsustainable community logging Restoration and rehabilitation of degraded local protected areas (e.g. riparian zones) Further identification of threatened species 	<ul style="list-style-type: none"> Monitor HCV1 species in HCVMA Community surveys to monitor trend in hunting effort and success Mapping of any further clearing of and restoration activities within HCVMA Measurement of canopy closure and tree growth within HCVMA Use of Monitoring Results to adapt management recommendations in the future
HCV 2 – Important Natural Landscapes & Processes	Absent	Not Required	No Required	No Required	No Required
HCV 3 – Rare or Endangered Ecosystems	Present	Threats, management and monitoring follow HCV 1, as HCV 3 areas are habitat for HCV 1 species			
HCV 4 – Areas providing basic services of nature	Present	<ul style="list-style-type: none"> Local community The Company 	<ul style="list-style-type: none"> Loss of existing riparian buffers (VERY HIGH) Poor construction of roads, bridges and drains (HIGH) Lack of understanding of erosion potential by The Companies' staff and steps to be taken to mitigate erosion. (LOW) 	<ul style="list-style-type: none"> Areas important for regulation of hydrological processes are managed to maintain normal hydrological functions, and where feasible to restore them where they have been degraded or eliminated. Ensure all roads, drains, bridges and other earthworks are properly constructed and maintained. Implementation of SOPs relating to roading and water quality. 	<ul style="list-style-type: none"> Measurement of land use change in riparian areas. Measurement of forest re-growth in riparian areas, especially where restoration activities are undertaken Stream water quality and quantity monitoring. Reporting of damage and subsequent repair of earthworks. Monitor the success of community engagement initiatives to reduce environmental impacts (e.g., encroachment into riparian areas) Use of adaptive management to evaluate and adjust management

HCV 5 - Natural Resources Critical for Meeting Basic Needs of Local People	Present	The Company	Company operations (e.g. land clearing, and clearance of riparian strips) within license area affecting rivers as the source of fish and water (VERY HIGH)	Management and monitoring follow HCV 4	
HCV 6 - Areas and Species critical to local communities' traditional cultural identity	Present	The Company	Disturbance of cultural or burial sites through future conversion or existing plantation operations (HIGH)	<ul style="list-style-type: none"> • Clear demarcation of these areas in the field and education of field staff (as well as other communities potentially unaware of their presence) to ensure these areas are not disturbed. • Marking these areas on all operational maps and stored in Company GIS • Where allowable by communities, demarcate these areas in the field 	Have a regular programme of inspection and reporting to ensure these sites are not disturbed

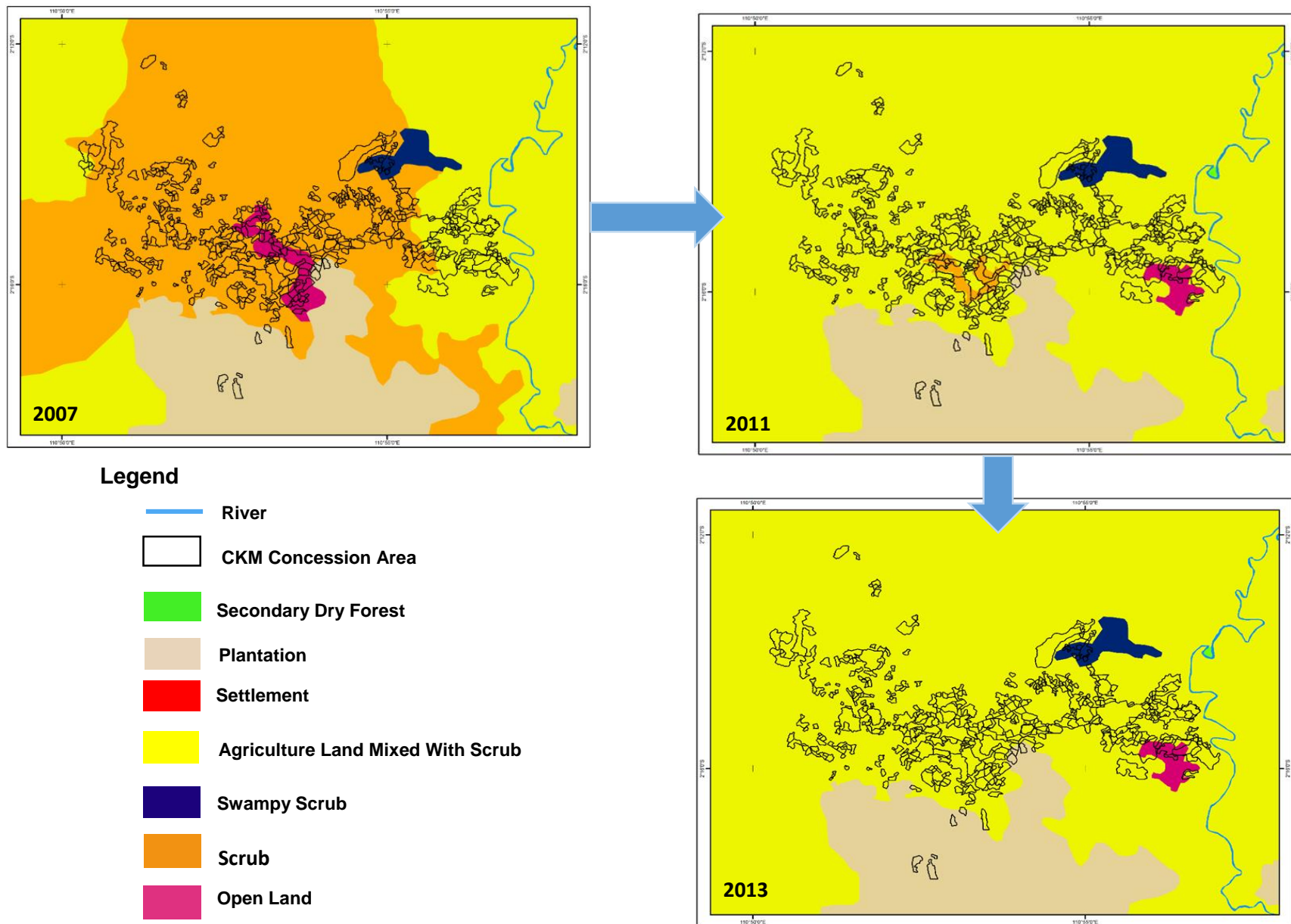


Figure 7. Land cover change in CKM concession area new development (Source: [www://webgis.dephut.go.id](http://webgis.dephut.go.id))

Figure 8. Location map of HCV 1.1 area and CKM concession area new development

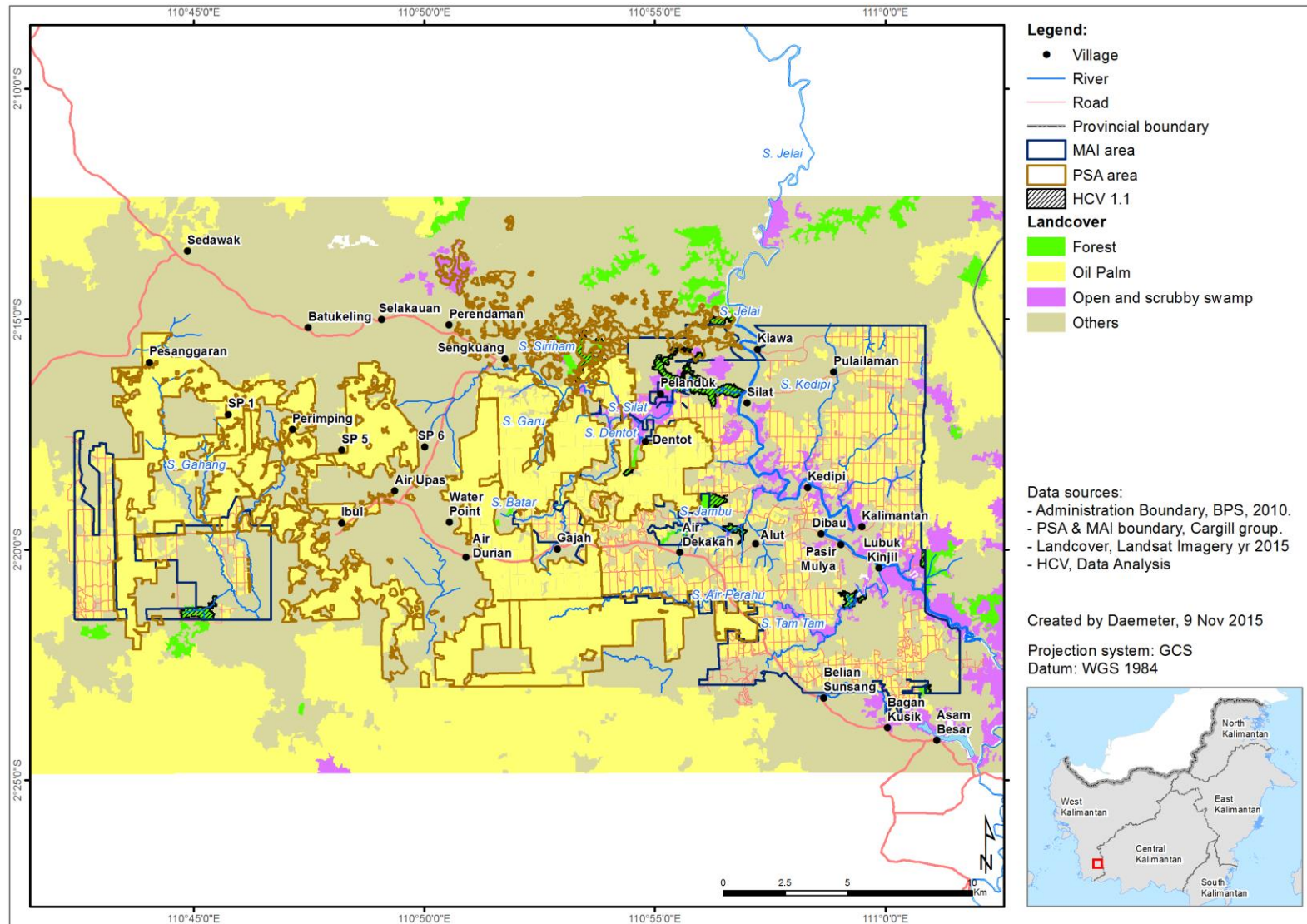
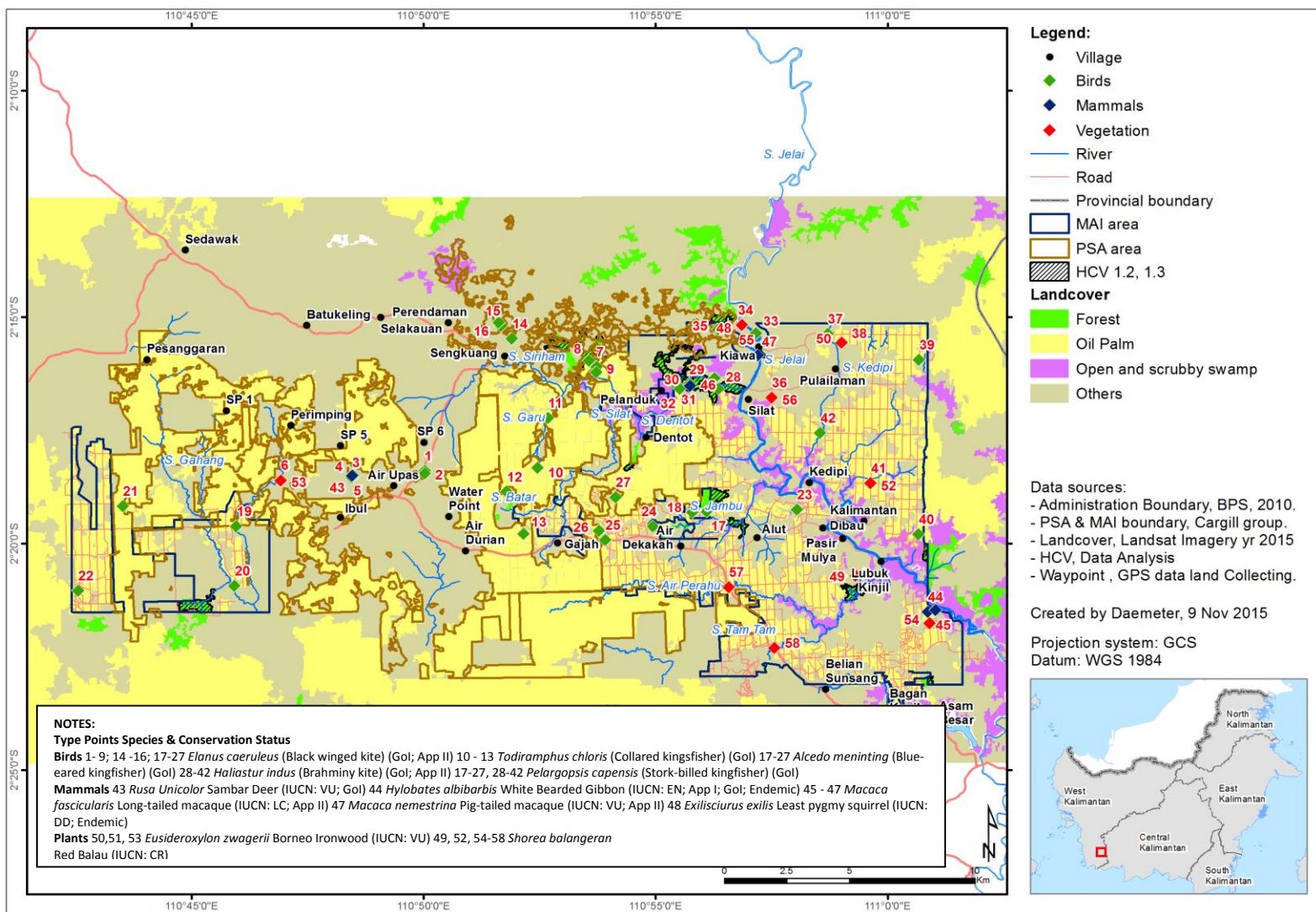


Figure 9. Location map of HCV 1.2 & 1.3 area and CKM concession area new development



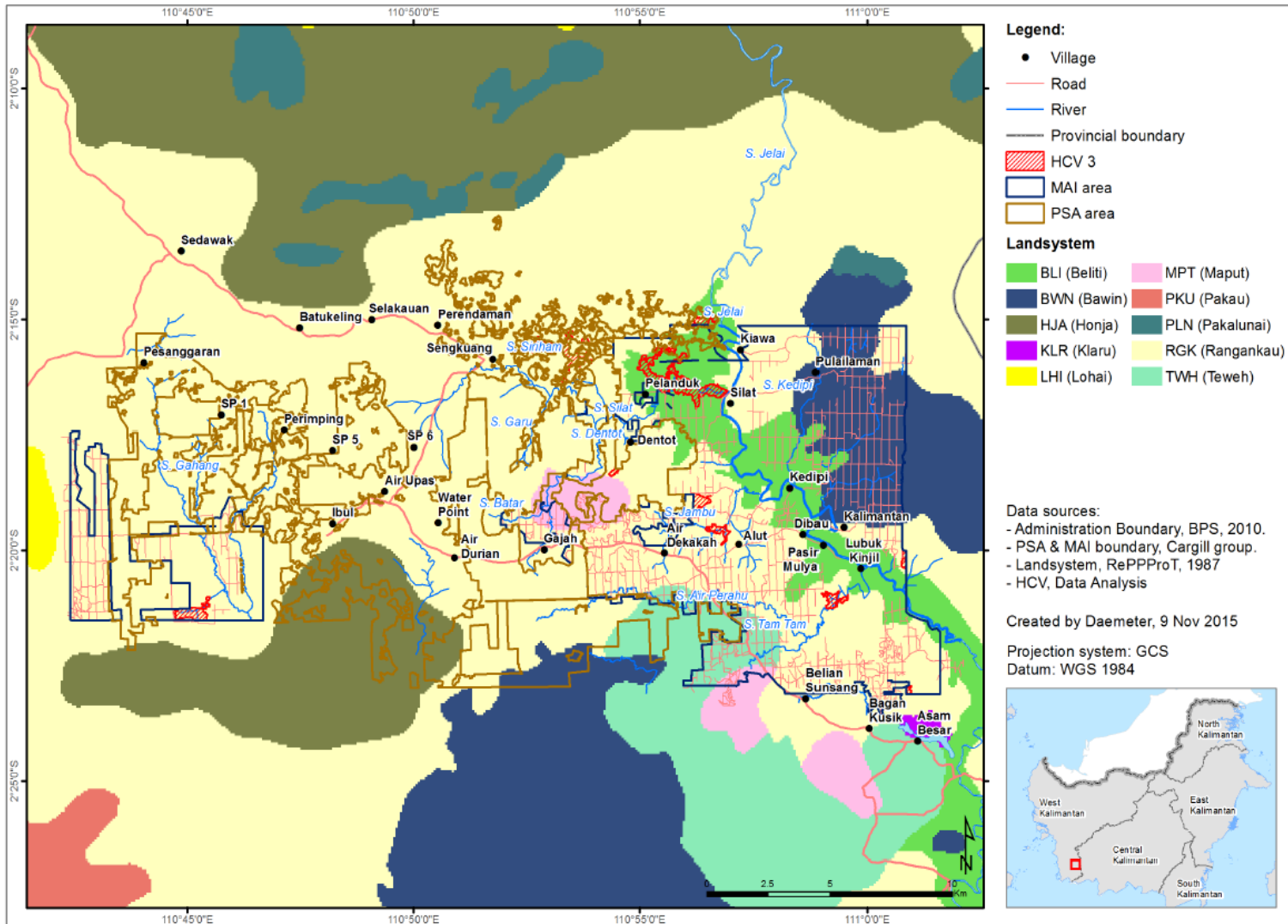
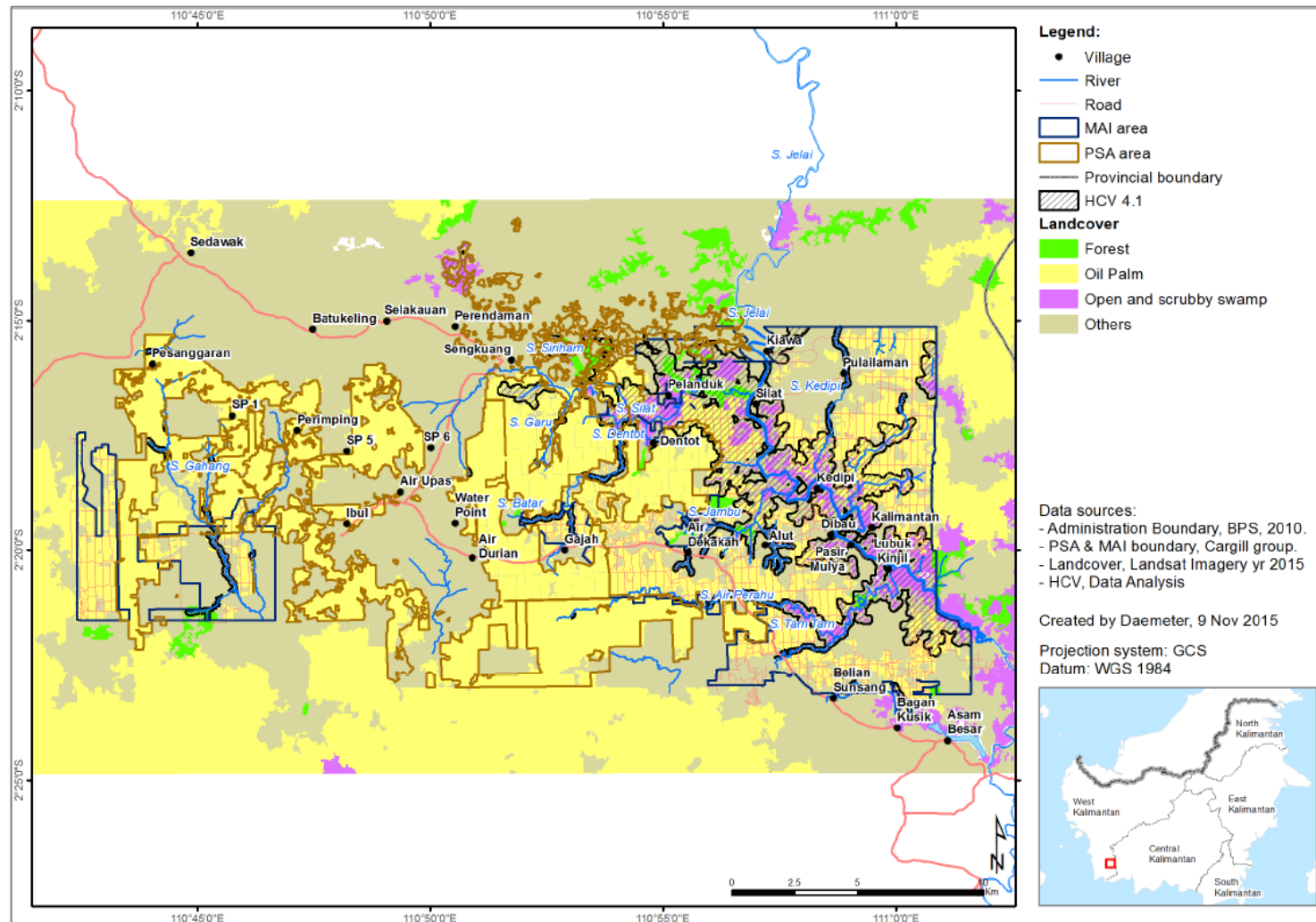


Figure 10. Location map of HCV 3 area and CKM concession area new development



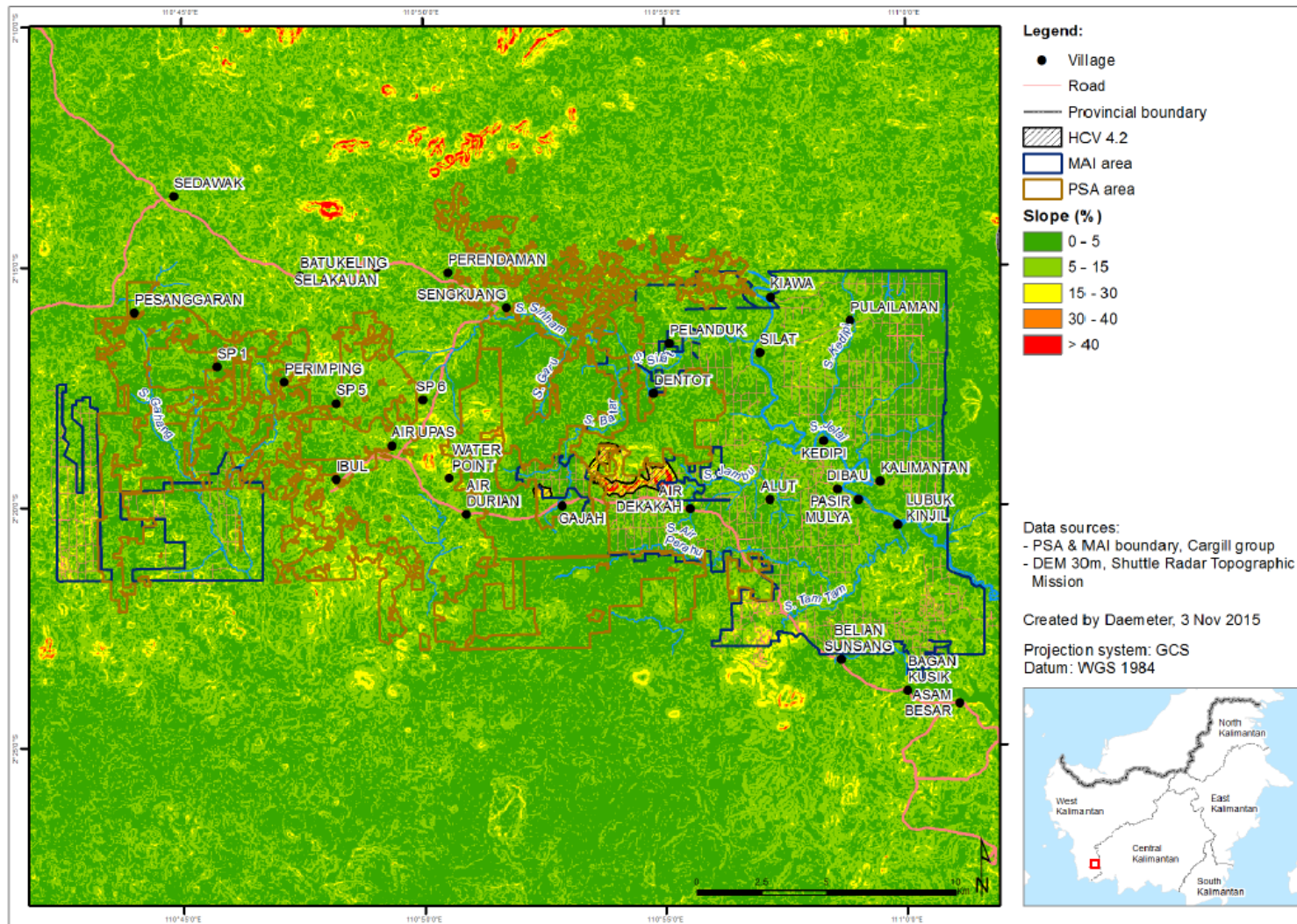


Figure 12. Location map of HCV 4.2 area and CKM concession area new development

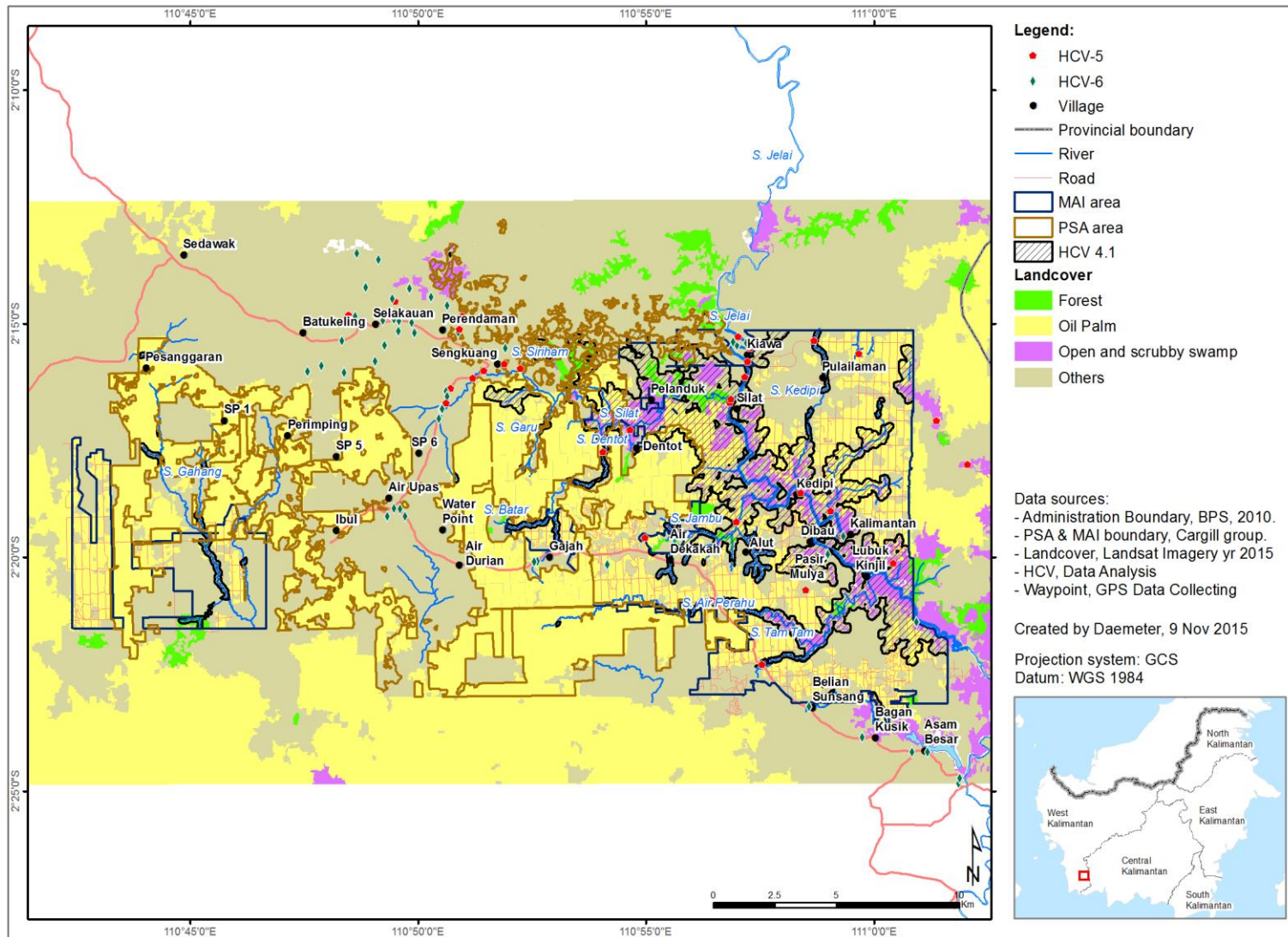
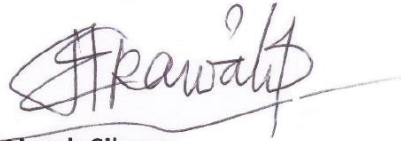


Figure 13. Location map of HCV 5 & 6 area and CKM concession area new development

5. Internal Responsibility

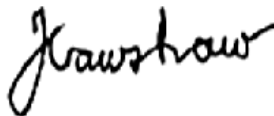
This document is summary report of SEIA and HCV assessment of PT. Poliplant Sejahtera and has been approved by the management of PT. Poliplant Sejahtera.

Daemeter Consulting,
Social Assessor



Aisyah Sileuw
President Director
Daemeter Consulting

HCV Assessor



Julian Crawshaw
Forestry and Systems Managers
(ALS14006JC)

Approved by,



Anthony Yeow
President Director
PT. POLIPLANT SEJAHTERA
Cargill Poliplant Group

The statement of acceptance of responsibility for assessments

Assessment result document on High Conservation Value (HCV) and Social Impact Assessment (SIA) by Daemeter Consulting of PT. Poliplant Sejahtera will be applied as one of the guidelines in managing palm oil plantation in PT. Poliplant Sejahtera.

Date : 30 November 2015
Management of PT. Poliplant Sejahtera



Cargill
Anthony Yeow
President Director
PT. POLIPLANT SEJAHTERA
Cargill Poliplant Group