

RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on the RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.org/?q=page/535>). It has also been posted on local on-site notice boards.

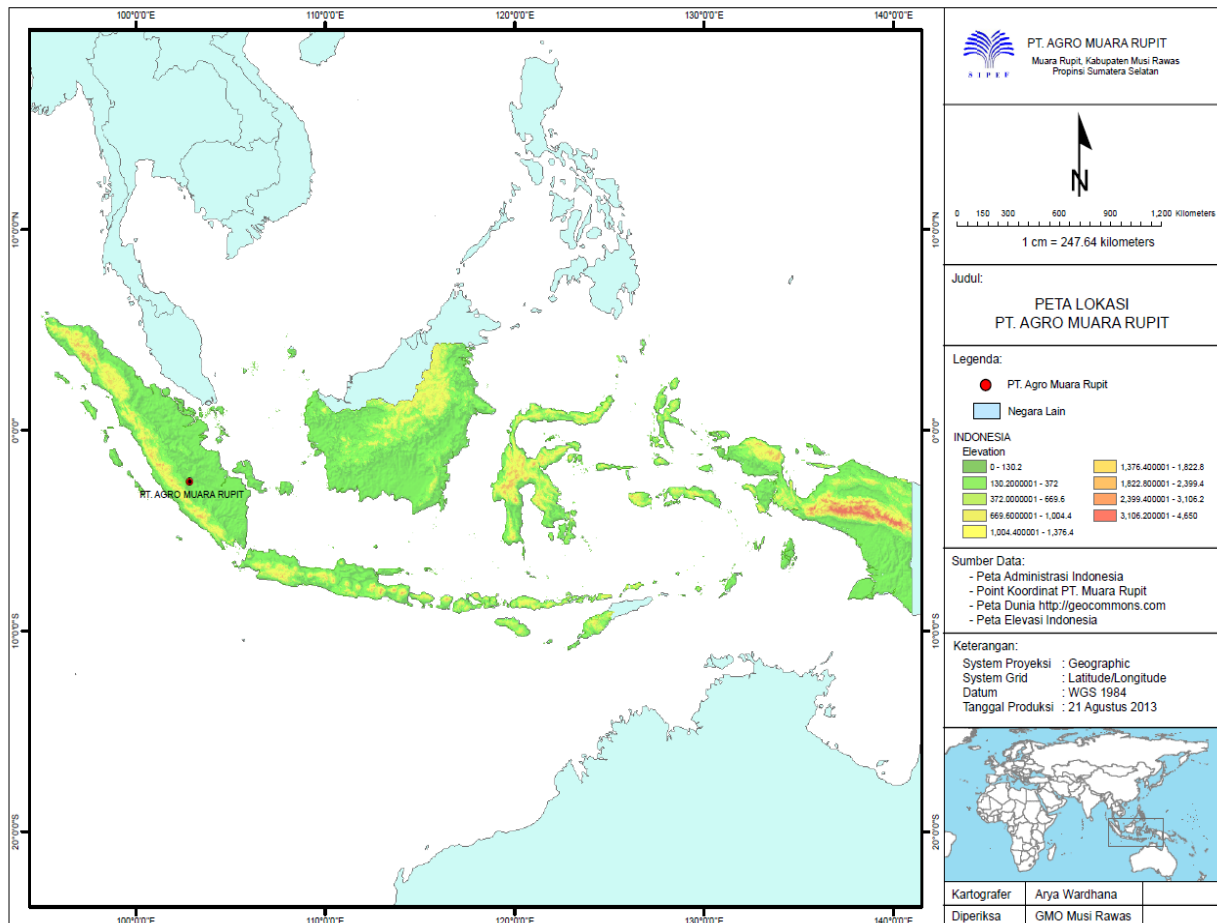
Date of notification: 19th March 2014

Tick whichever is appropriate

<input checked="" type="checkbox"/>	This is a completely new development and stakeholders may submit comments.
	<i>This is part of an ongoing planting and is meant for notification only.</i>

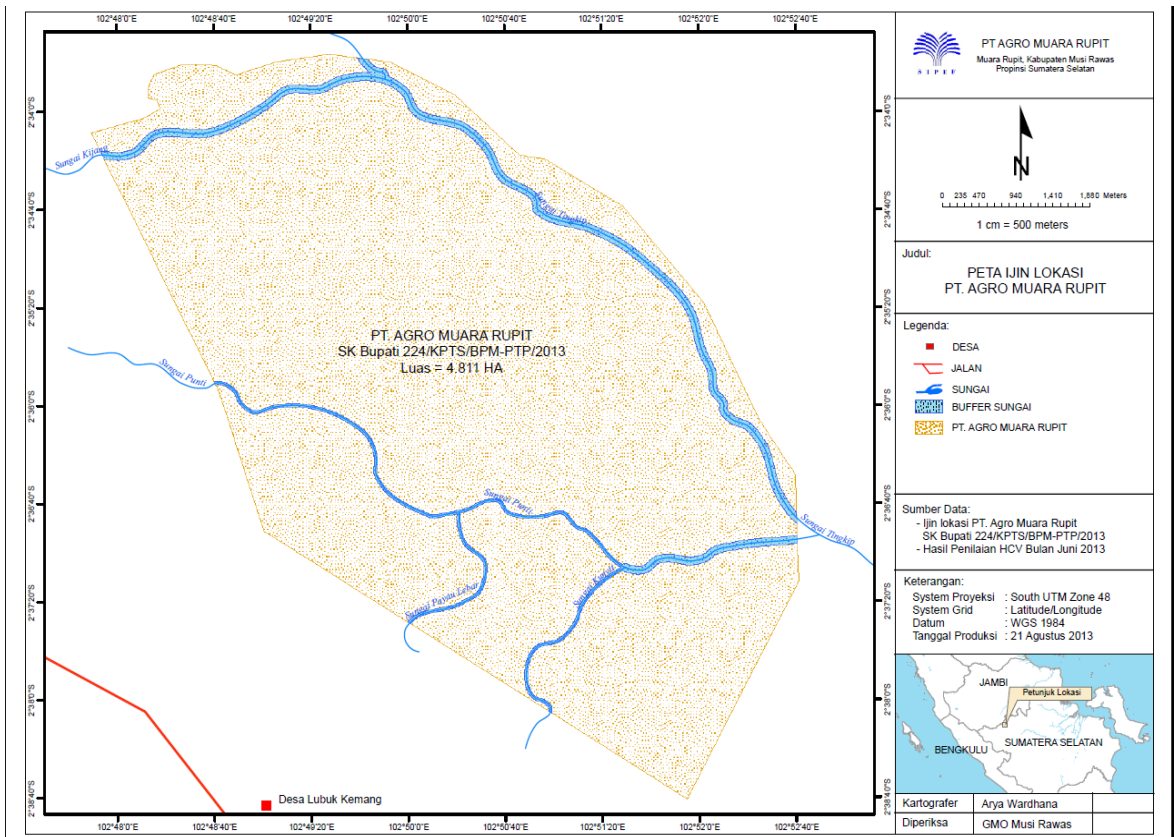
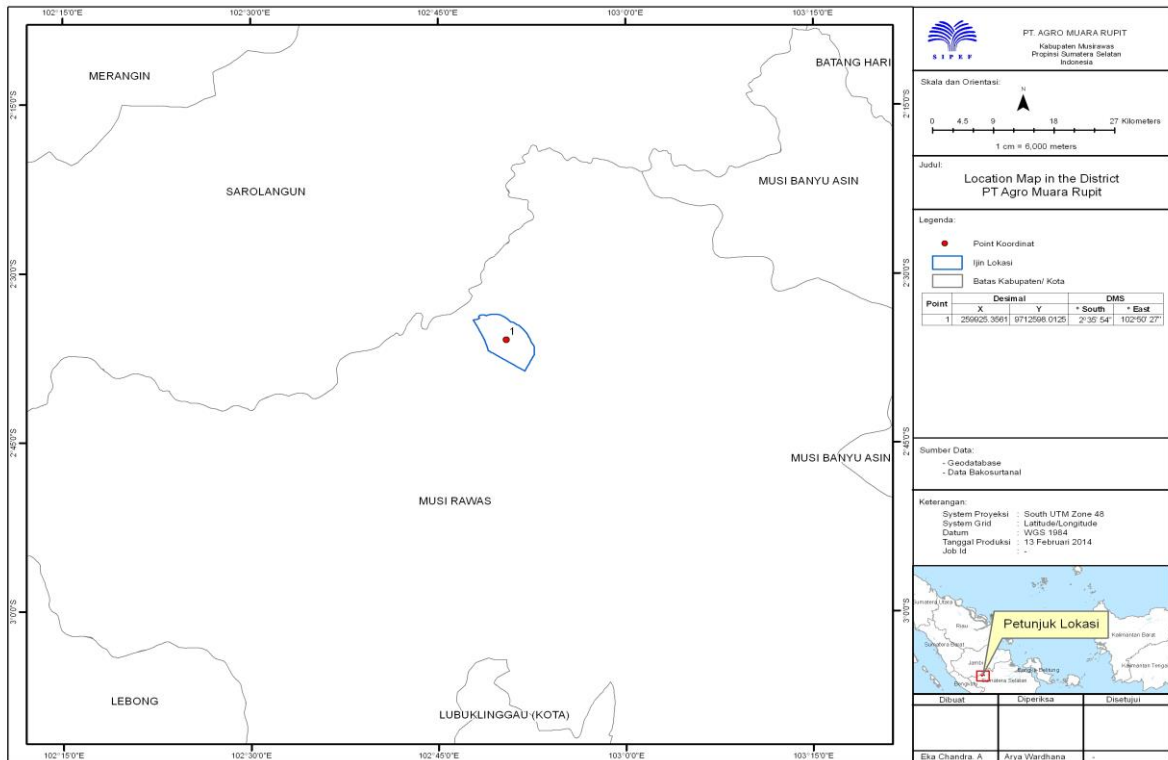
Company	PT. AGRO MUARA RUPIT (SIPEF GROUP)
Subsidiary	--
RSPO Membership	1-0021-05-000-00
Location of Proposed new planting	Kecamatan Rawas Ulu, Kabupaten Musi Rawas, Provinsi Sumatera Selatan, INDONESIA
Coordinate	S 02° 35' 54" E 102° 50' 27"

Map of Location PT. Agro Muara Rupit



Map 1. Location of PT. Agro Muara Rupit in Indonesia

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Map 2. Location of PT. Agro Muara Rupit in Kabupaten Musi Rawas, South Sumatra, Indonesia

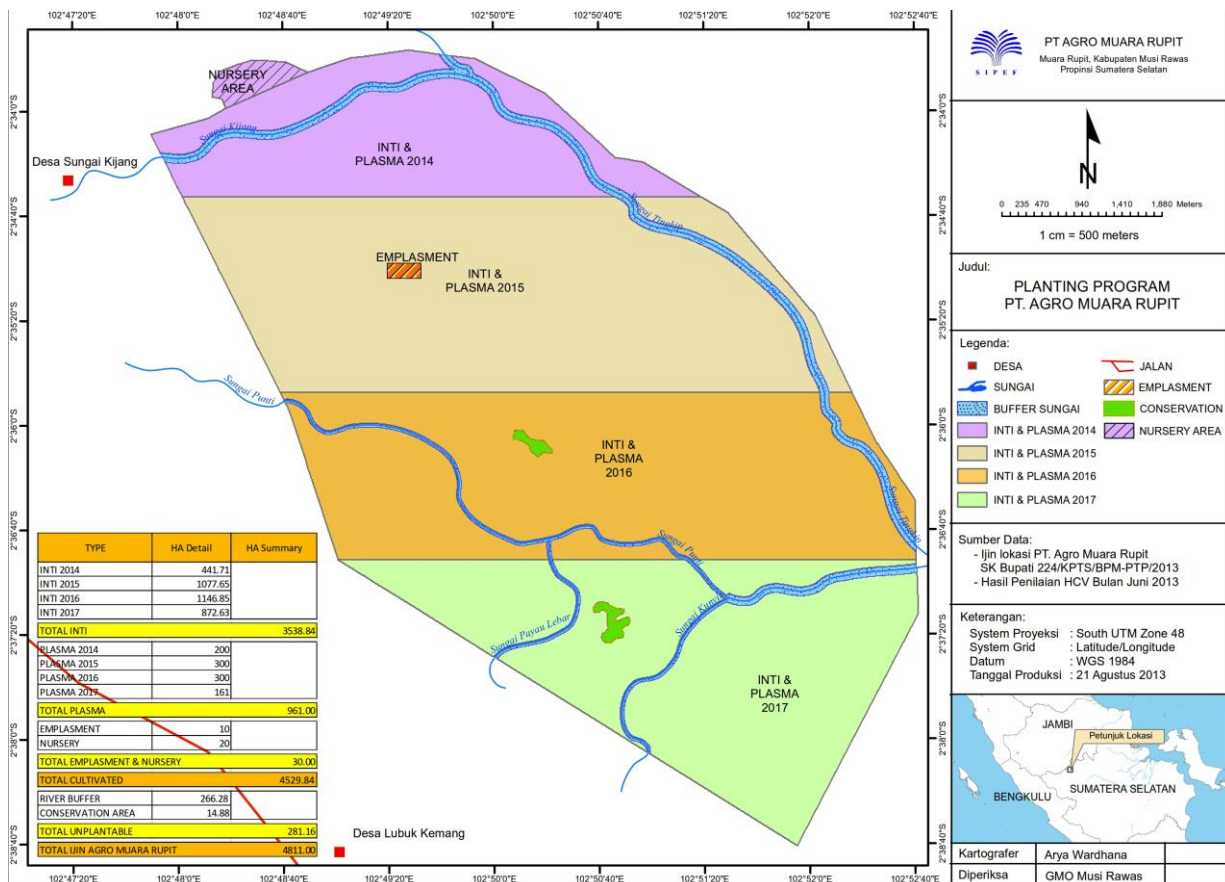
SUMMARY FROM SEI ASSESSMENTS:

SEIA (AMDAL) has been conducted and approved by Musi Rawa Head of District and also SIA has been conducted by a team from PT Sonokeling Akreditasi Nusantara, lead by Ir. Kresno Dwi Sentosa.

The SEIA covered a review of documentary sources, field surveys, individual interviews and public consultation meetings for the villages within the project area and for affected land-owners of surrounding communities. Summaries and findings of the interviews and public consultation meetings are included in the SIA report.

The local populations will expect some positive outcomes from the development of PT Agro Muara Rupit in the area. Improved roads would be a priority outcome for the local population, to improve access to the area, and access to school for the children. Related to this, improved education facilities would be also seen as a positive result of the presence of the company, with possibility better school buildings, support to the teachers (allowances) and/or scholarships for children in the area. Improvement in the health sector are also likely to be expected, considering the current isolation of the area in that aspect.

The long tradition of rubber cultivation in the area is likely to bring challenges to the development of PT Agro Muara Rupit. Farmers are reticent to change from rubber to oil palm, and this is likely to reduce the number of farmers interested in joining the plasma programme of the company. Also, with the establishment of a plantation, and the numerous job opportunities, mid-size rubber growers are likely to feel some competition between them and the company to obtain labour.



Map 3. PT AMR – development map with planting program.

Related to the plasma program, provide continuous clear information to the villagers, including financial aspects (bank loans and repayment model), management (cooperatives) and time schedules for the establishment of the plasma blocks (location, size, land titles). Support the

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establishment of cooperatives for the plasma members, including trading in management and administration; ensure that the cooperatives operate in a democratic and transparent manner. During the land acquisition process, ensure that land owners are given the opportunity to join the plasma scheme of the company, pro rata of the land they own. In other words, ensure good understanding of the “plasma” programmed and provide communities within the project area opportunity to join the “plasma” programmed based on their own free will.

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

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

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

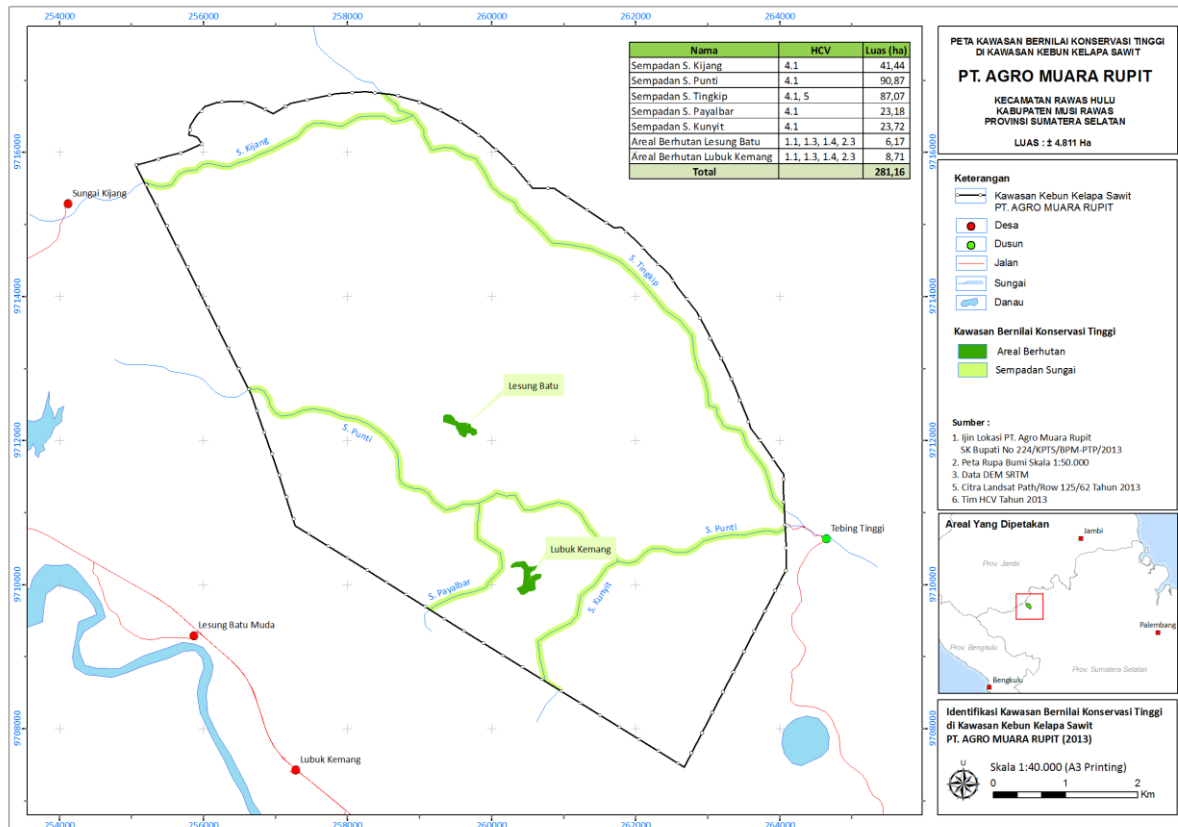
SUMMARY FROM HCV ASSESSMENTS:

A team of HCV specialists, led by a HCV lead assessor approved by the RSPO (Ir. Kresno Dwi Santosa, M.Si dari PT. Sonokeling Akreditasi Nusantara), conducted a HCV assessment of the project area of PT Agro Muara Rupit.

The assessment included satellite imagery analysis, extensive field surveys, and public consultations with the communities living in the project area. The HCV assessment report included recommendations for the management and improvement of the HCV found within the project area.

Based on the results of the HCV assessment in the area and map over lay against Peta Kawasan Hutan BAPLAN DEPHUT 2009, Peta Indikatif Penundaan Pemberian Izin Baru Rev. V (SK.6018/Menhut-VII/IPSDH/2013), there are no primary forest or peat land. The forests that still exist in the form of a young secondary forest that has been turned into rubber plantation by local community.

Villages where the assessments were conducted are : Sungai Kijang, Remban, Lesung Batu Muda, and Lubuk Kemang. The village of Tebing Tinggi, being down stream from the licensed area, was also surveyed. Based on the assessment, there is no any indigenous people in the area.



Map 4. HCV Area in PT. Agro Muara Rupit

Summary of HCV findings at PT. Agro Muara Rupit

Description		HCV Attribute	Ha
River and buffer zone.	Buffer zone S. Kijang	1.3, 1.4, 2.3, 4.1	41.44
	Buffer zone S. Punti	4.1	90.87
	Buffer zone S. Tingkip	1.3, 1.4, 2.3, 4.1, 5	87.07
	Buffer zone S. Payau Lebar	4.1	23.18
	Buffer zone S. Kunyit	1.3, 1.4, 2.3, 4.1	23.72
	Forested area Lesung Batu	1.1, 1.3, 1.4, 2.3	6.17
	Forested area Lubuk Kemang	1.1, 1.3, 1.4, 2.3	8.71
Total			281,16

The HCV assessment also considered the land cover prior to November 2005 to determine if HCV areas were lost after November 2005. The HCV assessment concluded that by 2005, and since before 1997, the project area was “not a natural forest ecosystem” with only “scattered small patches of secondary forest”. No significant changes since 2005 were discerned.

SUMMARY OF PLANS

1. Summary of management and Mitigation Plans for SEIA

No	Description	Management Objective	Action Plan	PIC	Target
1	FPIC	Ensure good awareness of the project by communities within permit area.	<ul style="list-style-type: none"> • Immediately carry out awareness sessions in the villages within the project area, using both formal and informal approaches. Informal approach is often more effective than a formal approach, but more time intensive. Awareness sessions in private homes allow for more in-depth discussions of the project. • Awareness sessions shall be done in a transparent and responsible manner, without over-emphasizing positive or negative impacts of the project. • Socializing of the land acquisition focus to every village, informing and explain whom villagers can contact, the payment, the various administrative steps. 	Estate Manager Field Head Assistant	2013 and continuously
2	Conversion From rubber to oil palm	Communities to understand the benefits of oil palm in their area.	<ul style="list-style-type: none"> • Provide clear comparison (advantages and disadvantages) between rubber and oil palm as cash crops, including clear technical examples. • Try and ensure than non- or low-productive rubber plots are converted to oil palm in priority. 	Estate Manager Field Head Assistant	2013
3	Land acquisition by the company	FPIC process to reducing potential future land disputes.	<ul style="list-style-type: none"> • Identification of land owners is done carefully and with respect for local customs. • Mapping of land offer for acquisition is conducted in a participatory manner, using precise mapping tools, and is recorded carefully. • Land acquisition negotiations are conducted in fair and open manner, and are documented. • Payments for land rights are made directly with land owners, and avoid brokers or land speculators. 	DFAD GM -RMO CA Manager	Continuously
4	Associated smallholders ("plasma")	Ensure good understanding of the "Plasma" programme and	<ul style="list-style-type: none"> • Provide clear information related to the plasma program, including financial aspects (bank loans and repayment modes), management (cooperatives) and time schedules for the estab- 	GM –RMO Plasma Manager	2022

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	programme	provide communities within the project area opportunities to join the "Plasma" programme based on their free will.	<p>ishment of the plasma blocks (location, size, land titles).</p> <ul style="list-style-type: none"> • Support the establishment of cooperatives for the plasma members, including trading in management and administration, ensure that the cooperatives operate in a democratic and transparent manner. • During the land acquisition process, ensure that land owners are given the opportunity to join the plasma scheme of the company, pro rata of the land they own. 		
5	Employment opportunities	Ensure that local communities are given fair access to work opportunities in the project.	<ul style="list-style-type: none"> • Give priority to local people with the right skills. • Ensure that information on job vacancies is well disseminated within the local communities. 	HRAD	as needed
6	CD/CSR Programme	Provide social benefits to the communities in the project area	<ul style="list-style-type: none"> • Prepare a CSR/CD programme tailored to the needs of the local communities, through thorough social surveys conducted by dedicated personnel. • Incorporate income-generating activities in the conservation programs of the riparian areas of sungai Rawas. This conservation program should preferably be conducted in cooperation with the Environment Agency or the Forest Service of Musi Rawas. 	GM- RMO Estate Manager	Continuously
7	Air Pollution	Minimized the negative impact and maintain the quality in the range of standard/regulation.	<ul style="list-style-type: none"> • Training the drivers for all vehicles of the project, to reduce the air dust. • All vehicles should pass the emission gas test. • Avoid pressing the horn on the road of villages. 	Estate Manager Field Head Assistant	Continuously
8	Sound Pollution	Minimized the negative impact and maintain the quality in the range of standard/regulation Kepmen-LH No. 48/MENLH/11/1996)	<ul style="list-style-type: none"> • Training the drivers for all vehicles of the project, to reduce the air dust. • All vehicles should pass the emission gas test. • Avoid pressing the horn on the road of villages. 	Estate Manager Field Head Assistant	Continuously
9	Water Surface	Maintain the water around the area of project from the negative impact of mill's waste and keep the water	<ul style="list-style-type: none"> • Processing the waste as standard and keep the rivers in clean condition. • Maintain the water river flow, not changing the direction. • Regularly conduct analyses (monthly basis) by the registered 	Estate Manager Field Head Assistant	Continuously

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		surface base on government standard (PP No. 82/2001)	and certified laboratory.		
10	Waste liquid	There is no pollution to the rivers from the waste, as it is already processed and according to the waste standard.	<ul style="list-style-type: none"> Using technology to process the waste and keep the water of rivers in good and safe to villagers. Regularly conduct analyses (monthly basis) by the registered and certified laboratory. 	Estate Manager Field Head Assistant	Continuously
11	Lisences	Permit of IPK and HGU	<ul style="list-style-type: none"> CA will coordinate with regional manager and Forestry Agency for the IPK (wood used permit). CA will coordinate with regional manager and National Land Agency for the HGU (land title). 	Estate Manager Field Head Assistant	

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2. Summary of management and Mitigation Plans for HCV

No	HCV area	Buffer zone /riparian area (m)	Total Area (ha)	HCV Criteria	Management Program					
					Purpose	Objective	Program	Method	PIC	Target
1	Riparian zone of Sungai Kijang	50	41.44	1.3, 1.4, 2.3, 4.1	The protection of Biodiversity/ Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2014
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. Maintaining a water source within or adjacent to the HCV in the UP (in undation areas, terracing, cover crops, soil pits / rorak) 	Estate Manager Field Head Assistant	2014
2	Riparian zone of Sungai Punti	50	90.87	4.1	The protection of Biodiversity/ Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage 	Estate Manager Field Head Assistant	2014

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					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> •HCV Area Socialization •Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> • Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. • Minimize soil erosion from plantation activities • If necessary, dig a trench along the sides of the river to collect run offs after heavy rains to avoid silting of the river. 	Estate Manager Field Head Assistant	2014
3	Riparian zone of Sungai Tingkip	50	87.07	1.3, 1.4, 2.3, 4.1, 5	The protection of Biodiversity/ Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> • Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. • Field demarcation using permanent poles. • Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2014
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> •HCV Area Socialization •Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> • Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. • Minimize soil erosion from plantation activities. • If necessary, dig a trench along the sides of the river to collect run offs after heavy rains to avoid silting of the river. 	Estate Manager Field Head Assistant	2014
4	Riparian zone of Sungai Payau	50	23.18	4.1	The protection of Biodiversity/ Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> • Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. • Field demarcation using permanent 	Estate Manager Field Head	2014

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	Lebar							poles. <ul style="list-style-type: none"> Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage. 	Assistant	
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. If necessary, dig a trench along the sides of the river to collect run offs after heavy rains to avoid silting of the river. 	Estate Manager Field Head Assistant	2014
5	Riparian zone of Sungai Kunyit	50	23.72	1.3, 1.4, 2.3, 4.1	The protection of Biodiversity/ Conservation area	To maintain the function of riparian area	HCV Area management and monitoring	<ul style="list-style-type: none"> Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. Field demarcation using permanent poles. Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2014
					To enhance the function of HCV area by protecting the soil, water, vegetation and wild life inside riparian area.	Soil, water, natural vegetation and wildlife inside riparian area are preserved	<ul style="list-style-type: none"> HCV Area Socialization Management and Monitoring SOP for HCV Area 	<ul style="list-style-type: none"> Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. Minimize soil erosion from plantation activities. If necessary, dig a trench along the sides of the river to collect run offs 	Estate Manager Field Head Assistant	2014

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								after heavy rains to avoid silting of the river.		
6	Secondary Forest Lesung Batu		6.17	1.1, 1.3, 1.4, 2.3	The protection of Biodiversity /Conservation area	To maintain the function of the forested area as a natural habitat.	<ul style="list-style-type: none"> •HCV Area management and monitoring •HCV Area Socialization 	<ul style="list-style-type: none"> • Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. • Field demarcation using permanent poles. • Consider increasing the size of the protected area, including restoration of the additional set-aside, to increase the value of this protected zone for wildlife. • Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage. • Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas. 	Estate Manager Field Head Assistant	2014
7	Secondary Forest Lubuk Kemang		8.71	1.1, 1.3, 1.4, 2.3	The protection of Biodiversity/ Conservation area	To maintain the function of the forested area as a natural habitat.	<ul style="list-style-type: none"> •HCV Area management and monitoring •HCV Area Socialization 	<ul style="list-style-type: none"> • Conduct clear delineation of HCV in the field in accordance with the result of HCV identification. • Field demarcation using permanent poles. • Consider increasing the size of the protected area, including restoration of the additional set-aside, to increase the value of this protected zone for wildlife. • Routinely patrol the HCV area, collect data with data sheet monitoring to be reviewed monthly, and carry out restoration in case of damage. 	Estate Manager Field Head Assistant	2014

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								<ul style="list-style-type: none">• Conduct socialization with communities surrounding the company and employees about the presence of HCV area. Inform about what activities are allowed and forbidden inside the HCV areas.		
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3. Summary of Development plant

PT. AMR Gross Block Area (\pm Ha)	Proposed New Planting and Nursery (\pm Ha)	Left out of Planting (\pm Ha)			
		HCV Area	Conservation Area	Emplacement	Total
4,811.00	4,519.84	266.28	14.88	10.00	291.16

4. Time Plan for New Planting

Planning of cultivation of palm oil in net area	Allocation	Time Plan for New Planting (ha)			
		2014	2015	2016	2017
\pm 4,519.84 ha	Nursery	20.00	-	-	-
	INTI	441.71	1,077.65	1,146.85	872.63
	Plasma (Scheme Small-holders)	200.00	300.00	300.00	161.00

VERIFICATION STATEMENT

PT Agro Muara Rupit (PT AMR) opted for desktop audit against relevant documents, two (2) BSI auditors conducted desk review and discussion with PT AMR management to verify and review the relevant New Planting Procedure documents from 13 – 14th February 2014 with no field verification. Subsequently, PT AMR prepared and submitted the correction of documents through email for verification purposes until completed by BSI on 5th March 2014. The desktop review was carried out by BSI lead auditor Haeruddin accompanied with Pratama Agung Sedayu as team member.

Audit team conclude that the social and environmental assessment were comprehensive, detailed and professionally carried out. The management plan has incorporated the findings from Social and Environmental Impact Assessment and SIA were conducted by professional consultants as well as the High Conservation Value assessment findings by qualified consultants. The High Conservation Value assessment team was led by RSPO-approved lead assessor, namely Kresno Dwi Santosa and Harnios Arif. PT Agro Muara Rupit has adhered to the RSPO New Planting Procedures and has documented the assessment and plans according to RSPO templates issued in May, 2010. The company is in process to obtain Izin Pemanfaatan Kayu (Timber utilization permit) and Hak Guna Usaha (Land use certificate), the process has been incorporated into the Summary of Planning and Management.

It is the opinion of BSI audit team through desk review that PT Agro Muara Rupit has complied with the RSPO New Planting Procedures comes into effect 1st January 2010 and confirmed that the documented assessment reports and plans are comprehensive and in compliance to RSPO New Planting Procedures.

Signed on behalf of BSI Group,



Haeruddin
Lead Auditor

Signed on behalf of
PT Agro Muara Rupit



Adam Christian Quentin JAMES
Director