

Summary Report of SEIA and HCV Assessment of PT Paramitra Internusa Pratama
Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

1. Executive Summary

PT Paramitra Internusa Pratama (PT PIP) received its location permit by Kapuas Hulu Regent Decree (SK Bupati) No. 14 / 2007 dated 23 January 2007 for development of a palm oil plantation with total area of ± 20,000 ha. It is located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province. The location permit was extended on 12 May 2009 by Kapuas Hulu Regent Decree No. 139 / 2009 and again by Kapuas Hulu Regent Decree No. 305 / 2012.

PT PIP is still in the process of obtaining a Land Title (HGU) with the submission of land parcel measurements and mapping to the National Land Bureau - West Kalimantan regional office (Submission letter No. 008/PIP-KPH/DL8/JKTO/III/12 dated 12 March 2012). The total area to be measured for cadastral survey and mapping is 16,616.83 ha.

An environmental impact assessment (EIA) was conducted by accredited consultant CV Integraha Citra Persada and approved by Kapuas Hulu Regent Decree No. 289 / 2006 dated 22 December 2006, covering a total area of 20,000 ha.

An indirect collection system was used to collect social, economic and cultural data from the area surrounding PT PIP. This included a literature review of the SEIA report, High Conservation Value (HCV) report and supporting data from local government websites.

Collection of primary data was done by a direct literature study of first-hand data sources. Secondary data was collected from records of PT PIP's corporate social responsibility (CSR) activities and local maps. All data were carefully analysed according to relevant RSPO principles.

The HCV report identified 10 HCV categories in the concession of PT PIP, namely: HCV 1 (HCV 1.1., HCV 1.2, HCV 1.3.), HCV 2 (HCV2.2, HCV 2.3) HCV 3, HCV 4 (HCV 4.1., HCV 4.2.), HCV 5 and HCV 6. They occupy a total area of 2,179.48 ha.

2. Scope of SEIA and HCV Assessment

- Company Name : PT Paramitra Internusa Pratama
- Location : Baru Village, Silat Hilir Sub-District, Nanga Seberuang Village and Kenepai Komplek Village, Semitau Sub-District, Kapuas Hulu District, West Kalimantan Province
- Geographical location : (111° 41' 21.039" E - 111° 53' 39.717" E) and (0° 25' 47.747" N - 0° 34' 32.877" N)
- Surrounding Entities
 - a. North : Limited production forest
 - b. East : Area for other uses

- c. West : Sintang District
- d. South : Area for other uses

- Permits

1. Location Permit

Kapuas Hulu Regent Decree (SK Bupati) No. 14 / 2007 dated 23 January 2007 for development of a palm oil plantation with a total area of $\pm 20,000$ ha located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

2. Extension of Location Permit

- Kapuas Hulu Regent Decree No. 139 / 2009 dated on 12 May 2009 for development of a palm oil plantation with a total area of $\pm 20,000$ ha located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province
- Kapuas Hulu Regent Decree No. 305 / 2012 for development of a palm oil plantation with a total area of $\pm 20,000$ ha located in Silat Hilir and Semitau Sub-Districts, Kapuas Hulu District, West Kalimantan Province

3. Plantation Permit (IUP)

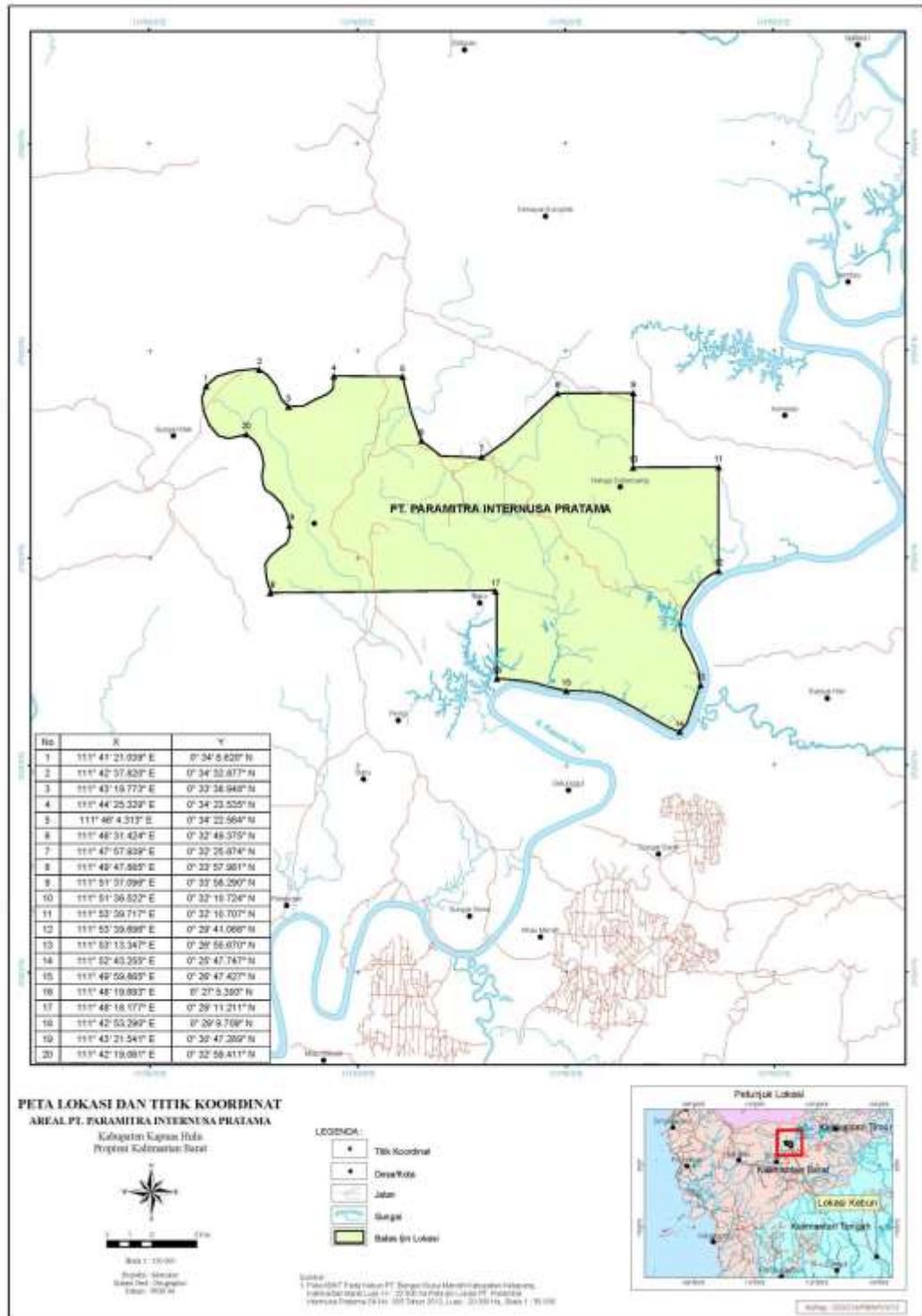
Kapuas Hulu Regent Decree No. 239 / 2012 dated 12 July 2012 for a total area of 20,000 ha and a palm oil mill with capacity of 80 tons FFB/hour

4. Land Title (HGU)

PT PIP is still in the process of obtaining a Land Title (HGU) with submission of land parcel measurements and mapping to the National Land Bureau - West Kalimantan regional office (Submission letter No. 008/PIP-KPH/DL8/JKTO/III/12 dated 12 March 2012). The total area to be measured for cadastral survey and mapping is 16,616.83 ha.

- Location map : see Figure 1

Figure 1: Location map of PT Paramitra Internusa Pratama - Kapuas Hulu District



Note: Maps with higher resolution have been attached in appendix 1.

3. Assessment Process and Procedures

3.1. SEIA Assessment

The SEIA was conducted by accredited consultant CV Integraha Citra Persada and approved by Kapuas Hulu Regent Decree No. 289 / 2006 dated 22 December 2006, covering a total area of 20,000 ha.

In addition to the SEIA report, PT PIP also conducted a Social Impact Assessment (SIA) through an internal team from PT SMART's CSR Department, Sustainable Division. The team was led by Yosaphat Ardhilla Renato a RSPO-approved HCV assessors for social impact management:

SIA Team Leader:

Yosaphat Ardhilla Renato S. Ant.

Currently working in PT SMART as a Corporate Social Responsibility (CSR) Officer specialising in social and cultural anthropology, he received a bachelor's degree in Anthropology from the Anthropology Study Programme of the University of Gadjah Mada (UGM) in 2010. He is also a member of the HCV Resources Network and an RSPO-approved specialist in participatory rural assessment, socioeconomic or cultural studies, participatory mapping and conflict resolution.

Team Members:

Laurentius Vita Baskara S. Sos.

A CSR staff specialising in social development and welfare, he obtained a bachelor's degree in Social Studies from the Faculty of Social and Political Studies at UGM in 2010. He has performed several social impact assessments for plantations and mills managed by PT SMART. He is also trained in the fields of Free, Prior, Informed Consent (FPIC) and social mapping.

Veranita Mei Pratiwi S. Ant.

A CSR staff specialising in social and cultural anthropology, she obtained a bachelor's degree in Anthropology from the Cultural Anthropology Study Programme of UGM in 2010. She is involved in several SIAs for PT SMART's plantations and mills.

Suma Nugraha, S.E.

A CSR staff specialising in socio-economics and politics, he earned a bachelor's degree in Economics from Bogor Agricultural University (IPB) in 2008. He previously worked as a supervisor in the World Bank Survey Project and Bravo Media Centre where he was assigned as a special staff for Vice President of Republic Indonesia. He has also worked as a supervisor in media relations and monitoring at PT FOX Indonesia Political and Strategic Consulting. He has been involved in social data collection and social impact management and monitoring at several of PT SMART's plantations and mills.

Widodo C Yuwono

Currently the Social Impact Assessment & Grievance Section Head at PT SMART, he previously pioneered CSR activities as the CSR Section Head. He obtained his bachelor's degree from Institut Keguruan Ilmu Pendidikan.

3.2. Assessment Methods

a. SIA Assessment

An indirect collection system was used to assess the social, economic and cultural conditions in villages near PT PIP's estates and mill. This involved a literature review of the SEIA study, HCV report and supporting data from local government websites. Collection of primary data was done by studying relevant literature directly. Secondary data was collected from records of PT PIP's CSR activities and local maps. All data were carefully analysed according to relevant RSPO principles.

b. HCV assessment

The HCV assessment was conducted by a team from the Forestry Faculty of Bogor Agricultural University (IPB). The team consisted of the following RSPO-approved HCV assessors:

Team leader:

Ir. H. Nyoto Santoso, MS

He has 25 years of experience researching and managing biodiversity throughout Indonesia. In addition, he coordinates the course on Critical Value Ecosystem Management and lectures courses such as Forest Resource and Ecotourism Management Policy. Analysis on Environmental Impacts and In-situ Biodiversity Management at the Forestry Faculty of IPB. He was the Executive Director of Research and Development at the Institute of Mangrove Indonesia (1996 – 2008) and the Focal Point of Indonesia Mangrove in "South China Seas and Gulf of Thailand UNEP (2002-2008) project. He has also served as a National Mangrove Working Group Expert; Member of the Expert Council of Sustainable and Strategic Plantation Development Forum; and an environmental auditor for forestry and mining operations. He has been an HCV Assessor for Forestry since 2005 and for Palm Oil Plantations since 2009. He obtained his master's degree in Natural Resource and Environment Management from the Postgraduate School of IPB in 1992.

Team Members

Ir. Siswoyo, MSi

One of the HCV Team members from the Forestry Faculty of IPB, he specialises in flora ecology. He gained his post-graduate degree in Forest Management Science from the Forestry Faculty of IPB in 1999. His wide-ranging experience in HCV studies dates back to 2000. He also lectures on flora physiology at the Forestry Faculty of IPB.

Handian Purwawangsa, SHut, MSi

One of the HCV Team members from the Forestry Faculty of IPB, he specialises in social and cultural studies. He obtained his master's degree from IPB's Forestry Science Studies programme in 2008. His experience in social studies dates from 2002.

Ahmad Faisal Siregar, S. Hut

Involved in social studies since 1997, his area of expertise is social and cultural. He gained his bachelor's degree in Forestry at IPB in 1998. He continued with post-graduate studies at IPB, specialising in Tropical Biodiversity Conservation. In addition, he is the current Executive Director of Research and Development at the Institute of Mangrove Indonesia.

M. Sayidina Ali, AMd

A member of the HCV Team from the Forestry Faculty of IPB, his area of expertise is geographical information systems. He obtained his diploma from the Ecotourism study programme at the Natural Resource and Ecotourism

Conservation Department of the Forestry Faculty of IPB in 2007. He has been involved in HCV studies as a GIS specialist since 2006. He is currently undertaking a bachelor's degree from the Forestry Faculty of Nusa Bangsa University, Bogor.

Ir. Heru B Pulonggono, MSc

A member of the HCV Team of the Forestry Faculty of IPB, he specialises in hydrology and soil conservation. He gained his master's degree with a specialty in Tropical Geography from Kyoto University, Japan. His career started on 1999. He is a lecturer at the Soil Science and Land Resource Department of the Agriculture Faculty of IPB.

The HCV Assessment Phases

The HCV field assessment of PT PIP was conducted from 28 March to 4 April 2010, covering 19,200 ha. A public consultation was held in April 2010 .

Data Collection Methods

HCV1, HCV2, HCV3 data collection process

The condition of the ecosystem in general and the types of vegetation and wildlife in some observation sites were recorded as field data. The types of vegetation and wildlife recorded were subsequently determined by referring to binomial nomenclature to identify the name of their type,. Their conservation status was then determined by referring to the list of protected species according to the IUCN, CITES, Government Regulation No. 7/1999 and several other Indonesian regulations.

HCV4

Identification of HCV4 involved combining several methods. The field survey was conducted at certain locations in the region, such as the watershed, lakes, springs, riparian ecosystems, wetland ecosystems, land with a high rate of erosion, burnt areas, land clearing sites , nursery areas and sources of water supply for the community and employees. To obtain relevant data, some employees and members of the local communities around and within the study area were interviewed.

HCV5

Various methods were used to identify HCV5 areas. Interviews were conducted with a number of respondents and a more detailed focus group discussion (FGD) was organised. Possible HCV5 areas as identified in the FGD were then checked on the ground.

HCV6

Sources of data in the identification of HCV6 were members of the local communities including community leaders, as well as information from research, historical and other available documents. Information was also collected through the FGD.

4. Summary of Assessment Findings

a. SEIA

The conclusions of the SIA were as follows:

1. The presence of PT PIP has had a positive impact, directly or indirectly, on communities living around the company's concession.
2. Positive impacts generated by PT PIP include the improvement in community income and the local economy. This in turn has had a positive impact of improving living standards and contributing to greater circulation of money, creating substantial opportunities for further regional development.
3. Acquisition and land compensation have been accomplished with prior notification and mutual agreement between the company and members of the community who received compensation. The compensation process is in line with existing procedures of PT PIP.
4. PT PIP's occupational health and safety policies have been implemented, creating another positive impact as company employees benefit from safe working conditions
5. Negative impacts emerging from the SIA include social anxiety related to land clearing, development of plasma plantations, land conflict, water resource management, environmental damage and local labour quotas. Another negative impact is the decline in public health due to environmental, water and air pollution, erosion in riparian areas, and poor sanitation.

Social impact of PT PIP

No.	Social impact	Social issue
1	Social anxiety	Land compensation activities can potentially create conflict due to disagreement over the compensation value for the acquired land or for crops planted by the community.
		Priority is given to local contractors and labourers when the company constructs community infrastructure.
2	Employment opportunities	The company needs to pay attention to the local labour quota when meeting its labour needs.
		The company adopts a transparent process for recruitment, payment of wages and termination of employment
		Employee welfare, capacity building, protection of workers' rights through the implementation of occupational health and safety policies are part of the company's responsibilities.
3	Public health	Waste produced by the company's operations needs to be reused responsibly. Hazardous waste should be properly managed in partnership with third parties.
		Management and monitoring of water quality is required because water is a basic need of the community in the study area.
		FFB and CPO transportation to and from the mill often creates air pollution and dust, which potentially cause public health problems.

4	Community welfare	The growth of grocery stores, local businesses and increasing economic activities are generating more income for the community.
		Plasma programme in partnership with local communities.
		The company provides assistance for construction of educational, health and religious facilities

General recommendations based on SIA

1. Social anxiety and decline in public health

During public consultation on the company's plan for oil palm plantation development, socialisation was carried out under the FPIC process, as mentioned in the SEIA. The process of delineating the area for land for compensation is important and will be useful if there is any future claim on the land acquired by the company. This is aligned with PT PIP's existing procedures on land compensation.

PT PIP needs to provide the local government with information on available job positions and qualifications as well as up-to-date data on employment.. The company also needs to prioritise proactive communication with all stakeholders, education and strict supervision of contractors to practise environmental management in operations, implementation of best practices to manage operational waste and hazardous waste, reporting on social and environmental impact monitoring to the relevant agencies. These efforts will help to manage the negative impacts of social anxiety and problems of public health.

2. Increase in employment opportunities and community welfare

PT PIP is in a position to increase employment opportunities for the local community by providing the local government with information on job openings in accordance with the company's requirements, so that local workers can be recruited. The company has also implemented occupational safety and health (OSH) policies and procedures for all employees to follow.

The company can improve community welfare by supporting local businesses (e.g. grocery stores and minimarts) that meet local needs, and partnering local contractors to supply the services it requires. PT PIP also needs to develop its plasma plantation programme which will have the potential to increase economic welfare of the local community and farmers involved in the programme.

b. HCV assessment

There are 10 HCV categories in the concession of PT PIP, namely: HCV 1 (HCV 1.1., HCV 1.2, HCV 1.3.), HCV 2 (HCV2.2, HCV 2.3) HCV 3, HCV 4 (HCV 4.1., HCV 4.2.), HCV 5 and HCV 6. They occupy a total area of 2,179.48 ha.

Recommendations

1. PT PIP should prepare a management and monitoring plan for identified HCV areas (HCVA).
2. After the HCVA management and monitoring plan is prepared, the managers of PT PIP should immediately implement it.

3. The management team of PT PIP should designate specific staff to handle HCVA management and monitoring and, if necessary, engage other organisations to assist in implementing the HCVA management and monitoring plan.

HCVA Management and Monitoring Plan

1. HCVA management

The HCVA management plan of PT PIP covers riparian areas, springs, hills, swamps, nepenthes protected areas, localforest, conservation forests, tembawai/gupung and sacred areas. Actions to manage HCVA include:

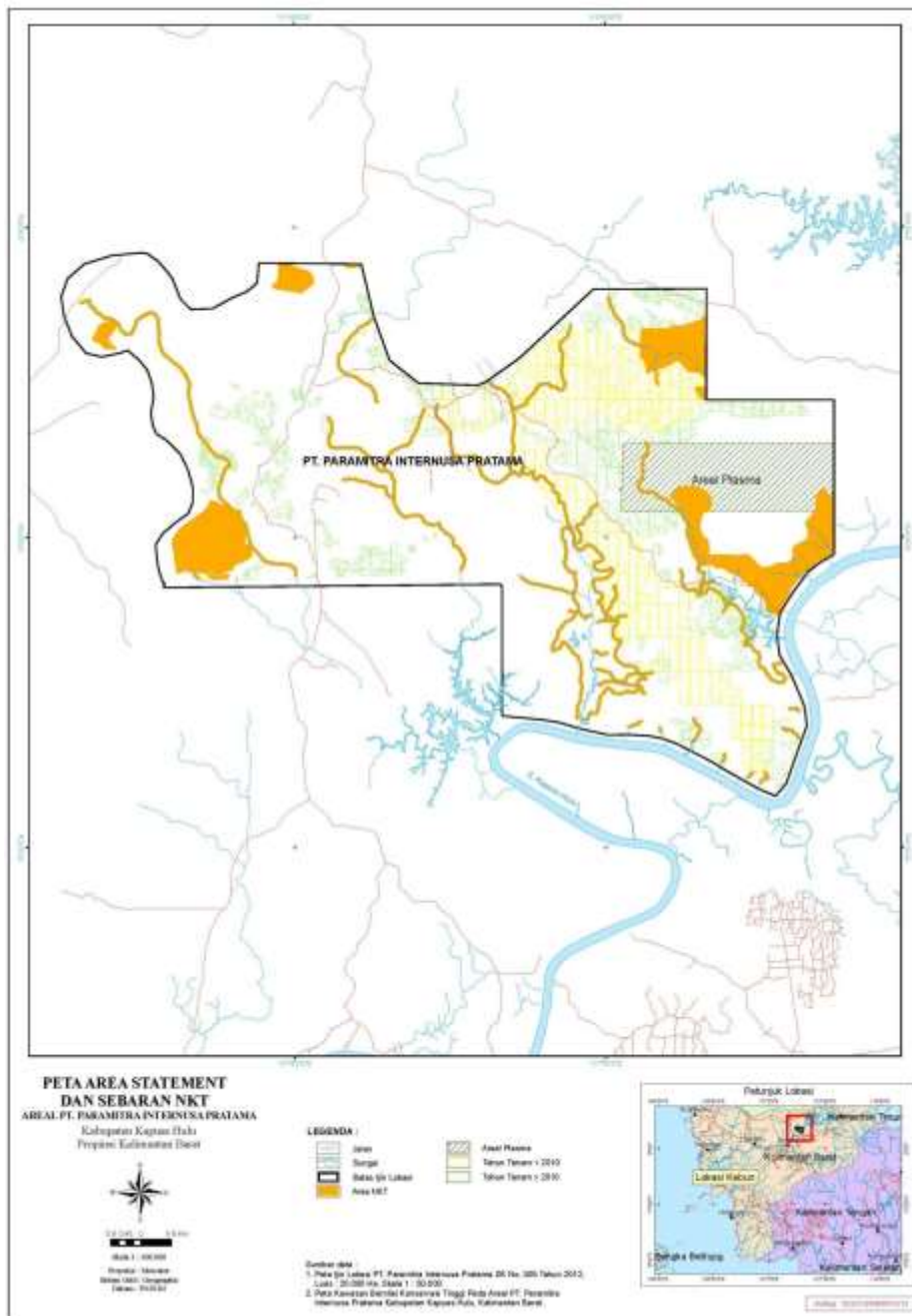
- Marking of HCVA boundaries
- Maintenance of HCVA boundary markers
- Protection of HCVA including flora and fauna
- Rehabilitation and enrichment of HCVA
- Counselling and education of local community surrounding HCVA
- Employee training
- Improvement of SOP for HCVA management
- Organisational empowerment
- Coordination with relevant agencies

2. HCVA monitoring

A monitoring plan was developed to concentrate on HCVA management at each of the abovementioned locations. This involves monitoring the following:

- Intensity of potential threats to the HCVA, e.g. fire risk
- Population density and diversity of flora condition in HCVA including protected and rare, threatened, endangered (RTE) species
- Population density and diversity of fauna condition in HCVA including protected and RTE species
- Implementation of the activities and survival percentage of plants grown as part of the rehabilitation of the HCVA
- Changes in river width
- Quality of surface water and ground water
- Aquatic biota (river)

Figure 2: Map of HCVA and project plan in PT PIP



Note: Maps with higher resolution have been attached in appendix 1.

Internal responsibility

We hereby sign off on the above Summary Report of SEIA and HCV, The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

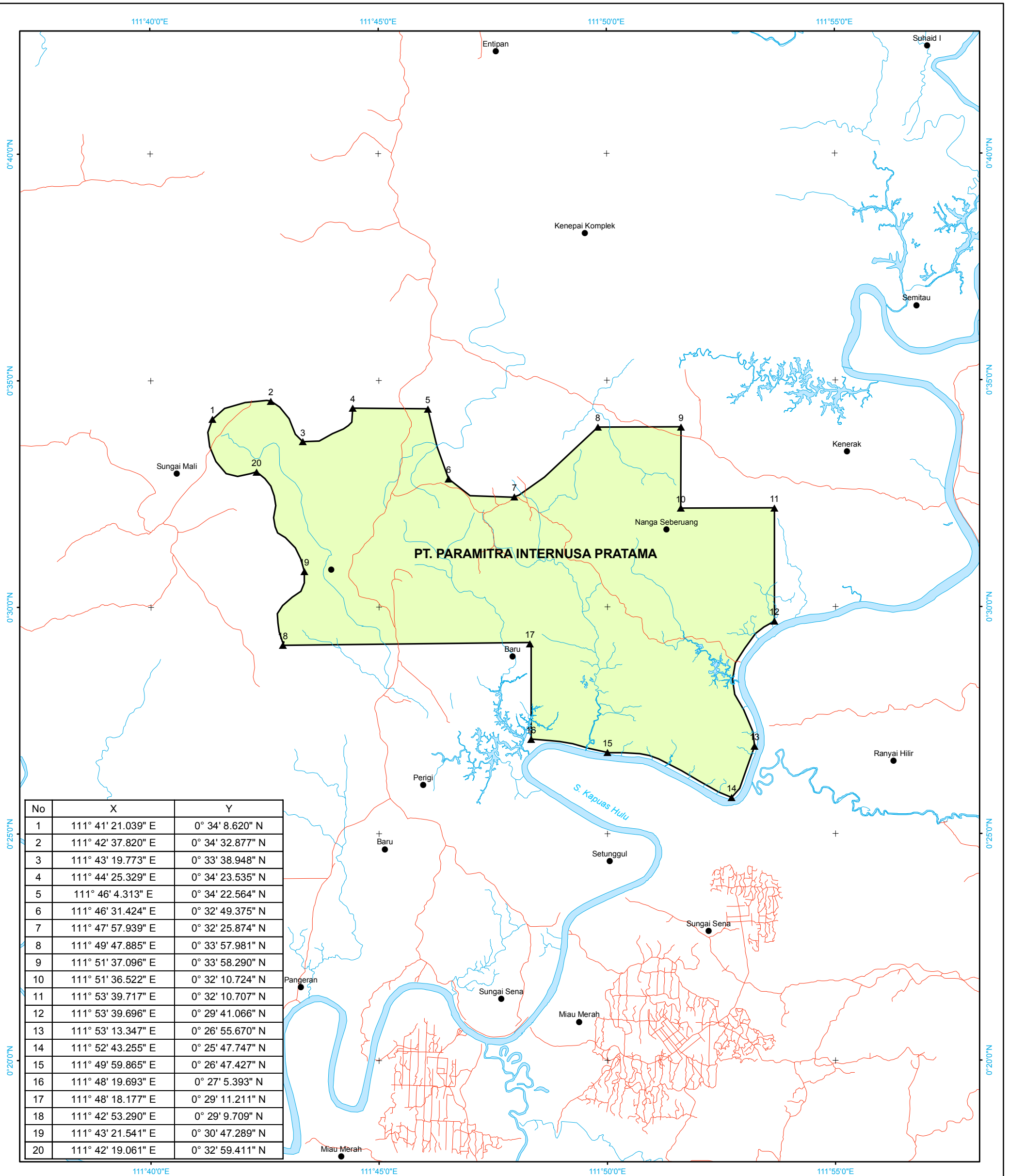
On behalf of the Management of **PT Paramitra Internusa Pratama**,



Dr. Haskarlianus Pasang

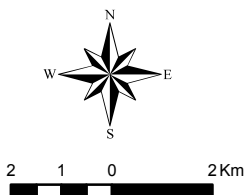
Head of Sustainability Division

Date: May 10th, 2013



PETA LOKASI DAN TITIK KOORDINAT
AREAL PT. PARAMITRA INTERNUSA PRATAMA

Kabupaten Kapuas Hulu
Propinsi Kalimantan Barat



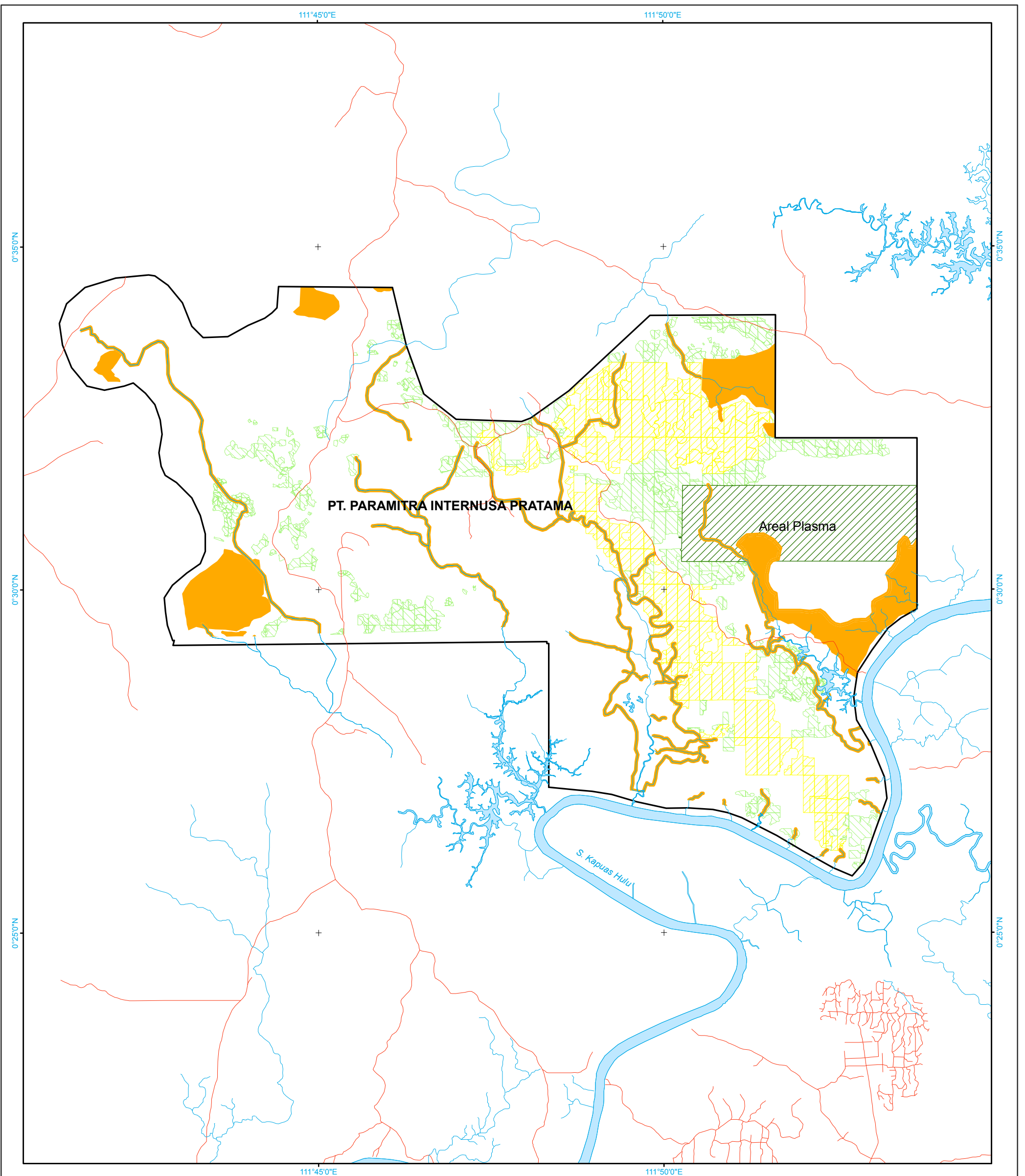
Skala 1 : 150.000
Proyeksi : Mercator
Sistem Grid : Geographic
Datum : WGS 84

LEGENDA :

- Titik Koordinat
- Desa/Kota
- Jalan
- Sungai
- Batas Ijin Lokasi

Sumber :
1. Peta KBKT Pada Kebun PT. Bangun Nusa Mandiri Kabupaten Ketapang,
Kalimantan Barat Luas +/- : 22.000 ha Peta Ijin Lokasi PT. Paramitra
Internusa Pratama SK No. 305 Tahun 2012, Luas : 20.000 Ha, Skala 1 : 50.000





**PETA AREA STATEMENT
DAN SEBARAN NKT**
AREAL PT. PARAMITRA INTERNUSA PRATAMA
Kabupaten Kapuas Hulu
Propinsi Kalimantan Barat



LEGENDA :

- | | |
|-------------------|--------------------|
| Jalan | Areal Plasma |
| Sungai | Tahun Tanam < 2010 |
| Batas Ijin Lokasi | Tahun Tanam ≥ 2010 |
| Area NKT | |

Sumber data :

1. Peta Ijin Lokasi PT. Paramitra Internusa Pratama SK No. 305 Tahun 2012, Luas : 20.000 Ha, Skala 1 : 50.000.
2. Peta Kawasan Bernilai Konservasi Tinggi Pada Areal PT. Paramitra Internusa Pratama Kabupaten Kapuas Hulu, Kalimantan Barat.

