



RSPO New Planting Procedures

Summary Report of Planning & Management PT. Maha Karya Bersama

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RSPO NEW PLANTING PROCEDURES Summary
Report of Planning and Management PT. Maha
Karya Bersama

1. Executive Summary

The proposed new planting company, PT. Maha Karya Bersama (herein after refer to PT. MKB), is the legal entity of its holding company, First Resources Ltd. The holding company got RSPO membership number 1-0047-08-000-00 dated on March 11, 2008. PT. MKB was assessed for compliance against the RSPO Procedures for New Oil Palm Planting (RSPO NPP) using the Guidance Document approved in September 2009 by the RSPO Executive Board.

PT. MKB was established by Act No. 40 dated on January 15, 2008 issued by Notary Khairu Subhan, SH and legalized by Ministry of Law and Human Right No. AHU-05955.AH.01.01. dated on February 6, 2008 .

The proposed project has obtained *Ijin Lokasi* (Location Permit) through the Decree of Regent Kutai No. 525.26/K.617a/2010 dated on July 1, 2010 for PT. Maha Karya Bersama with total area 24,638 Ha and located in Damai Village, Mendika Village, Jengan Danum Village, Kaliq Village, Muhur Village, Tabisaq Village, Kelepapak Village, Dingin Village and Peninggir Village; Damai, Siluq ngurai and Muara Lawa Sub District; Kutai Barat Regency, East Kalimantan Province, Indonesia. The current *Ijin Usaha Perkebunan* (Plantation Permit) was under the Decree of Regent Kutai Barat No. 525.29/K.775/2011 dated on October 3, 2011 with total area 24,638 ha.

The social and environmental impact assesement (SEIA) was integrated study along with the *Analisis Mengenai Dampak Lingkungan/AMDAL* (Environmental Impact Assessment/EIA). High Conservation Value (HCV) report were available. These documents were prepared by Faculty of Forestry - Bogor Agricultural University (IPB) consultant, an RSPO approved consultant in May 2012.

Mandatory document on environmental issues was *Analisis Mengenai Dampak Lingkungan/AMDAL* (Environmental Impact Assessment/EIA) document consist of *Kerangka Acuan* (Scope of Reference for EIA), *Analisis Dampak Lingkungan/ ANDAL* (Environmental Impact Assessment/EIA), and *Rencana Kelola Lingkungan dan Pemantauan Lingkungan/RKL-RPL* (Environmental Management and Monitoring Plan). All these documents approved and issued under the Decree of Head of Environmental Agency of Kutai Barat District No. 660.1/007/KA.ANDAL/BLH-KBR/VIII/2011 dated on August 19, 2011 and No. 660.1/004/AMDAL/BLH-KBR/VII/2012 dated on July 4, 2012. The documents were prepared by PT. Integral Multi Talenta, a government approved EIA consultant.

The TUV NORD assessor team has checked and verified that all required legal

documents as mentioned above were available and legally confirmed. The assessor team conclude that PT. MKB was ready to implement the recommended social and environmental management plan as specified in all documents above to comply with RSPO New Planting Procedure announcement.

2. Reference Documents

2.1 SEIA and HCV Assessment Report

The scope of the Social and Environmental Impact Assessment (SEIA) and the High Conservation Value (HCV) assessment of PT. MKB cover the local social and environmental aspect within the area under *Ijin Lokasi* (Location Permit), including villages and other surrounding areas.

As part of SEIA, there was the detailed environmental impact assessment which performed in *Analisis Dampak Lingkungan/ ANDAL* (Environmental Impact Assessment/EIA), and *Rencana Kelola Lingkungan dan Pemantauan Lingkungan/RKL-RPL* (Environmental Management and Monitoring Plan) document. It was included assessment of positive and negative on social and environmental impact. The scope of the study included the activities during land development, infrastructure, road access mill operations and transportation. It also assessed the suitability of soils, topography and drainage, and analysis of the land cover vegetation, and its impacts on natural ecosystems and water resources.

Through the SEIA and HCV assessment, it was found that there was no primary forest, no peat area, and no disputes with local people as the land resolution has been confirmed during free prior and informed consent.

a. SEIA assessment

As reported in SEIA document, the existence of PT. MKB will have significant social and environmental impacts. It was reported that several issues arise, including communication, land acquisition, labor, economic, education, health, accessibility, and environmental issues. These issues are listed below.

| Issues | Description |
|--|-------------|
| <p>Tenurial (Land acquisition) Issues</p> <ol style="list-style-type: none"> 1. unclear village boundaries, 2. land status (customary rights, inheritance rights and land utilization right), 3. mechanism of providing <i>tali asih</i> aid to the community needs to be improved, 4. the <i>tali asih</i> aid is still considered low, 5. small portion of land owned by the community are productive land (rubber plantations) and 6. land claim | |

Social and Economic Issues

1. misleading community's perception due to the previous palm plantation management performance by other companies;
2. issues on the negative impacts generated by palm oil plantation;
3. lack of informations on the palm oil cultivation;
4. unclear partnership scheme;
5. potentials for social conflict in the process of land acquisition;
6. lack of clean water supply facility;
7. quality of public education is still low;
8. poor of public health facilities;
9. roads accesibility still poor
10. Many of *rumah lamin* (custom house) are broken
11. lack of employment and business opportunities for local people.

Environment Issues

According to the Focus Group Discussion (FGD), it was found that almost all of the village communities do not know the potential negative impacts that will be generated by the company's activities on the environment such as water pollution, ground water availability, air pollution due to dust and smell, and damage to roads.

b. HCV Assessment

Refer to HCV assessment there were four types of HCVs identified within the plantation permitted area of PT MKB, with the total HCV area is 844.88 ha consist of 437.53 ha are HCV 1, 836.86 ha are HCV 4, 110.24 ha are HCV 5 and 8.04 ha are HCV 6. However, some of HCV area are overlapping with other HCV area.

Elements for HCV 1 was consist of:

- Riparian : Idan, Pesing, dan Kedang Pahu river
- Protected vegetation and wildlife animals identified such as :

Vegetation

| No | Local Name | Scientific Name | Species Status | | |
|----|-------------------------------|--|----------------|-------|-------------------------------|
| | | | PP No 7 (1999) | CITES | IUCN |
| 1 | Keruing, apud | <i>Dipterocarpus borneensis</i> V.Sl. | TD | TT | CR A1cd, B1+2c ver 2.3 (2011) |
| 2 | Cengal, merawan | <i>Hopea mengerawan</i> | TD | TT | CR A1cd, B1+2c ver 2.3 (2011) |
| 3 | Benuang | <i>Octomeles sumatrana</i> Miq. | TD | TT | LR/lc ver 2.3 (2011) |
| 4 | Resak | <i>Vatica rassak</i> Bl. | TD | TT | LR/lc ver 2.3 (2011) |
| 5 | Resak air | <i>Dacryodes laxa</i> (A.W. Benn.) H.J. Lam. | TD | TT | LR/lc ver 2.3 (2011) |
| 6 | Jelutung | <i>Dyera costulata</i> | TD | TT | LR/lc ver 2.3 (2011) |
| 7 | Pelantan | <i>Alstonia sphenoloba</i> | TD | TT | LR/lc ver 2.3 (2011) |
| 8 | Selungan nukar, berungungung, | <i>Nepenthes alata</i> | D | II | LR/lc ver 2.3 (2011) |

| No | Local Name | Scientific Name | Species Status | | |
|----|---|--|----------------|-------|------------------------|
| | | | PP No 7 (1999) | CITES | IUCN |
| | kantong semar | | | | |
| 9 | Selungan nukar, berungungung, kantong semar | <i>Nepenthes ampularia</i> | D | II | LR/lc ver 2.3 (2011) |
| 10 | Selungan nukar, berungungung, kantong semar | <i>Nepenthes gracilis</i> | D | II | LR/lc ver 2.3 (2011) |
| 11 | Garunggang | <i>Cratogeomys arborescens</i> (Vahl.) Bl. | TD | TT | LR/lc ver 2.3 (2011) |
| 12 | Pekawai | <i>Durio kutejensis</i> (Hassk.) Beccari | TD | TT | VU A1c ver 2.3 (2011) |
| 13 | Perepat | <i>Combretocarpus rotundatus</i> | TD | TT | VU A1cd ver 2.3 (2011) |

Notes for Species Status:

D = Protected

TT = Unregistered

DD = Data Deficient

VU = Vulnerable

CR = Critically Endangered

TD = Unprotected

App. = Appendix

LR = Low Risk

EN = Endangered

| No | Scientific Name | Species Status | | | |
|-----------|----------------------------------|-----------------------------------|------|----|------|
| | | IUCN | App. | PP | Ket. |
| A. | | | | | |
| 1 | <i>Macaca fascicularis</i> | LC ver 3.1 2011 | II | | L |
| 2 | <i>Prionailurus bengalensis</i> | LC ver 3.1 2011 | II | D | TL |
| 3 | <i>Macaca nemestrina</i> | VU A2cd ver IUCN 2011 | II | | L |
| 4 | <i>Hylobates agilis</i> | EN A2cd ver 3.1 IUCN 2011 | I | D | L |
| 5 | <i>Cervus javanicus</i> | DD ver 3.1 IUCN 2011 | | D | TL |
| 6 | <i>Muntiacus muntjak</i> | DD ver 3.1 IUCN 2011 | | D | TL |
| 7 | <i>Rusa unicolor</i> | VU A2cd+3cd+4cd ver 3.1 IUCN 2011 | | D | TL |
| 8 | <i>Aonyx cinerea</i> | VU A2acd ver 3.1 IUCN 2011 | | | TL |
| 9 | <i>Ratufa bicolor</i> | NT ver 3.1 IUCN 2011 | | | L |
| 10 | <i>Trachypitecus cristatus</i> | NT ver 3.1 IUCN 2011 | II | | L |
| 11 | <i>Nasalis larvatus</i> | EN A2cd ver 3.1 IUCN 2011 | I | D | L |
| 12 | <i>Manis javanica</i> | EN A2d+3d+4d ver 3.1 2011 | II | D | TL |
| B. | | | | | |
| 1 | <i>Alcedo meninting</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 2 | <i>Anthreptes malacensis</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 3 | <i>Rhipidura javanica</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 4 | <i>Psittacula longicauda</i> | NT ver 3.1 IUCN 2011 | | | L |
| 5 | <i>Microhierax fringillarius</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 6 | <i>Anthreptes singalensis</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 7 | <i>Nisaetus cirrhatus</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 8 | <i>Anthracoceros albirostris</i> | NT ver 3.1 IUCN 2011 | II | D | L |
| 9 | <i>Phaenicophaeus diardi</i> | NT ver 3.1 IUCN 2011 | | | L |
| 10 | <i>Pelargopsis capensis</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 11 | <i>Arachnothera longirostra</i> | LC ver 3.1 IUCN 2011 | | D | L |
| 12 | <i>Arachnothera flavigaster</i> | LC ver 3.1 IUCN 2011 | | D | L |
| C. | | | | | |

| No | Scientific Name | Species Status | | | |
|----|-----------------------------|-----------------------------|------|----|------|
| | | IUCN | App. | PP | Ket. |
| 1 | <i>Python reticulatus</i> | NE ver3.1 IUCn 2011 | II | | L |
| 2 | <i>Varanus salvator</i> | LC ver 3.1 IUCN 2011 | II | | L |
| 3 | <i>Naja sumatrana</i> | NE ver3.1 IUCn 2011 | II | | L |
| 4 | <i>Mabuya multifasciata</i> | NE ver3.1 IUCN 2011 | | | L |
| 5 | <i>Orlitia borneensis</i> | EN A1d+2d ver 2.3 IUCN 2011 | II | D | TL |
| 6 | <i>Tomistoma schlegelii</i> | EN C1 ver 2.3 IUCN 2011 | I | D | TL |

Notes for Species Status::

D: Protected; NE: Not Evaluated LC: Least Concern; NT: Near Threatened; Vu: Vulnerable; EN: Endangered, L: Direct encounter, TL: indirect encounter (information from local community, trails and feces)

Element for HCV 4 consists of :

Riparian river : Kedang Pahu, Anak Kedang Pahu, Dingin, Idan, Jerang, Padang, Pesing, Puta, Puti, Uhung, Jelau, Melintuk, Mendung, Mensidan, Bangun.

Riparian lake : Melintuk, Mensidan, Rukam, Selepapak, Sembilik, Mendung, Padang.

Spring water : Tebisaq (Kampung Tebisaq), Jengan Danum (Kampung Jengan Danum), Muara Entilap (Kampung Jengan Danum), Ancur Kareng (Kampung Jengan Danum), Mendung (Kampung Mendung), Bangkang (Kampung Jerang Dayak), Dasaq (Kampung Dasaq)

Element for HCV 5 consists of :

Spring water : Tebisaq (Kampung Tebisaq), Jengan Danum (Kampung Jengan Danum), Muara Entilap (Kampung Jengan Danum), Ancur Kareng (Kampung Jengan Danum), Mendung (Kampung Mendung), Bangkang (Kampung Jerang Dayak), Dasaq (Kampung Dasaq)

Riparian lake : Mensidan

Elements for HCV 6 consists of : Dayak Cemetery of Kampung Lembo Jengan Danum, Christian Cemetery of Gunung Bayan, Moslem Cemetery of Kampung Gunung Bayan, Jelmu Sacred Place, Old tomb of Jerang Melayu, Jerang Melayu Cemetery 2, Jerang Melayu Cemetery 1, Lembo Mendika, Sacred Honey Tree in Kampung Mendika, A family tomb of Tebisaq, Mendung Cemetery, Murung Cemetery of Kampung Jerang Dayak, Custom house of Kampung Jerang Dayak, Custom house of kampung Muara Bunyut.

PT. MKB has used information from the AMDAL, the HCV assessment and SEIA and information from stakeholder meetings to prepare a management plan to deal with social and environmental aspects and impacts. As a result, TUV NORD assessor team confirmed that the assessment and plan are comprehensive, professional and compliant of the RSPO New Planting Procedures.

Based on information from SEIA and HCV assessment along with its stakeholder meeting, PT. MKB prepared a management plan deal with social and environmental aspects and

impacts. And based on review and verification on all of above documents, TUV NORD assessor team confirmed that the assessment and management plan are comprehensive and compliant to the RSPO New Planting Procedure.

2.2 List of legal documents and regulatory permits

PT MKB has prepared all required legal documents and regulatory permits related to the areas assessed as listed below.

a. List of legal documents

- SEIA Assessment report for PT. MKB
- HCV Assessment report for PT. MKB
- *Analisis Mengenai Dampak Lingkungan/AMDAL* (Environmental Impact Assessment/EIA) document consist of *Kerangka Acuan ANDAL* (Scope of Reference for EIA), *Analisis Dampak Lingkungan/ ANDAL* (Environmental Impact Assessment/EIA), and *Rencana Kelola Lingkungan dan Pemantauan Lingkungan/RKL-RPL* (Environmental Management and Monitoring Plan)
- Land release and compensation records.
- Minutes of Meetings with Communities on Public awareness of the Project (FPIC- Free Prior and Informed Consent)
- The oil palm development plan of PT. MKB

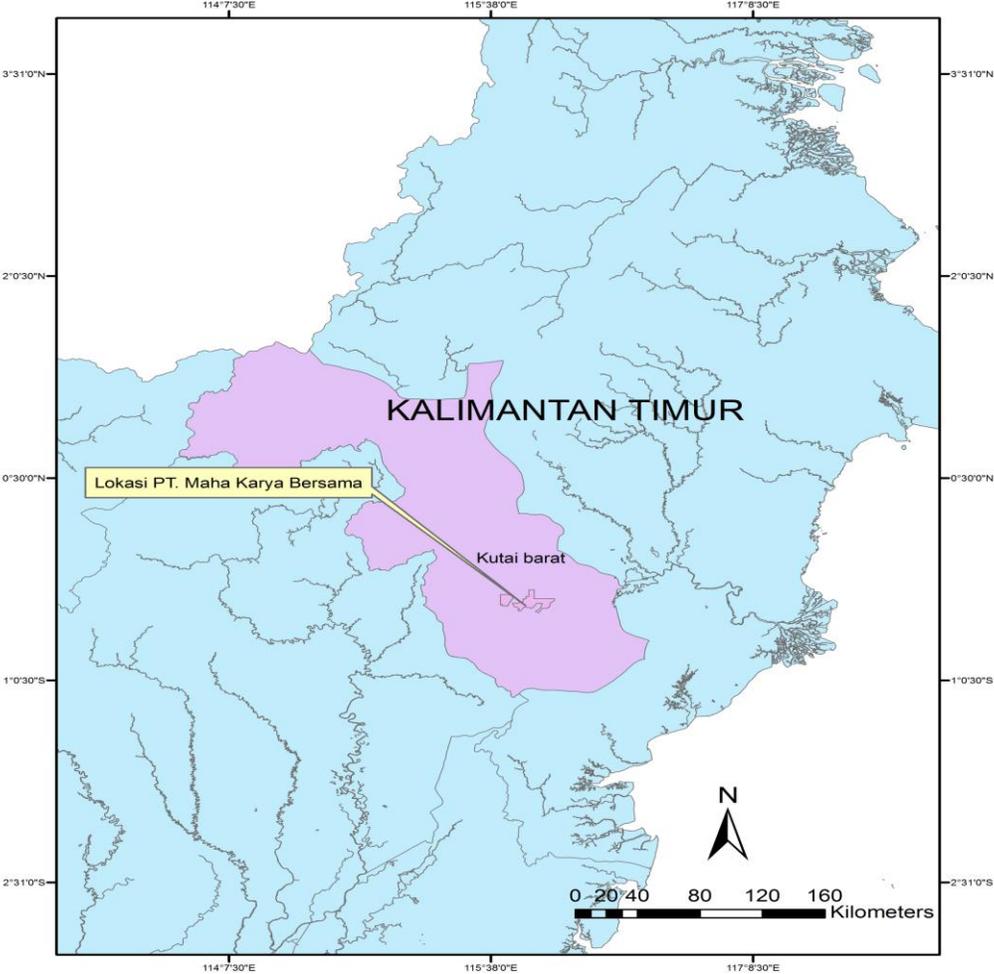
b. List of regulatory permit

| No. | Number | Title |
|-----|--|---|
| 1 | Undang Undang RI No.5 Tahun 1990 (Indonesia Law No.5 of 1990) | Konservasi Sumber Daya Alam Hayati dan Ekosistemnya (Conservation of Life Natural Resources and their Ecosystems) |
| 2 | Undang-Undang RI No. 32 Tahun 2009 (Indonesia Law No.32 of 2009) | Perlindungan dan Pengelolaan Lingkungan Hidup. regarding Protection and Environmental Management) |
| 3 | Undang Undang RI No.41 Tahun 1999 (Indonesia Law 41) | Kehutanan (Forestry) |
| 4 | Peraturan Pemerintah No. 38 Tahun 2011 | Sungai (River) |
| 5 | Peraturan Pemerintah No.7 Tahun 1999 (Government Regulation no. 7 of 1999) | Pengawetan Jenis Tumbuhan dan Satwa (Preservation of Plants and Animals) |
| 6 | Keputusan Dirjen PHPA No. 1289/kpts/DJ-IV/96 | Pola Pengelolaan Kawasan Suaka Alam, Kawasan Pelestarian Alam, Taman Buru dan Hutan Lindung. |
| 9 | Keputusan Presiden No. 32 Tahun 1990 | Pengelolaan Kawasan Lindung |
| 10 | Keputusan Presiden No. 43 Tahun 1978 | <i>Convention On International Trade In Endangered Species Of Wild Fauna and Flora</i> |
| 11 | Keputusan Menteri Kehutanan dan Perkebunan No. 104/kpts-II/ 2000 | Tata Cara Mengambil Tumbuhan Liar dan Menangkap Satwa Liar |
| 12 | Peraturan Menteri Pertanian Nomor 14/Permentan/PL.110/2/2009 | Pedoman Pemanfaatan Lahan Gambut Untuk Budidaya Kelapa Sawit. |
| 13 | Presidential Decree No.32 of 1990 | Management of Protected Areas. |
| 14 | Presidential Decree No.43 of 1978 | Convention On International Trade In Endangered Species Of Wild Fauna and Flora. |

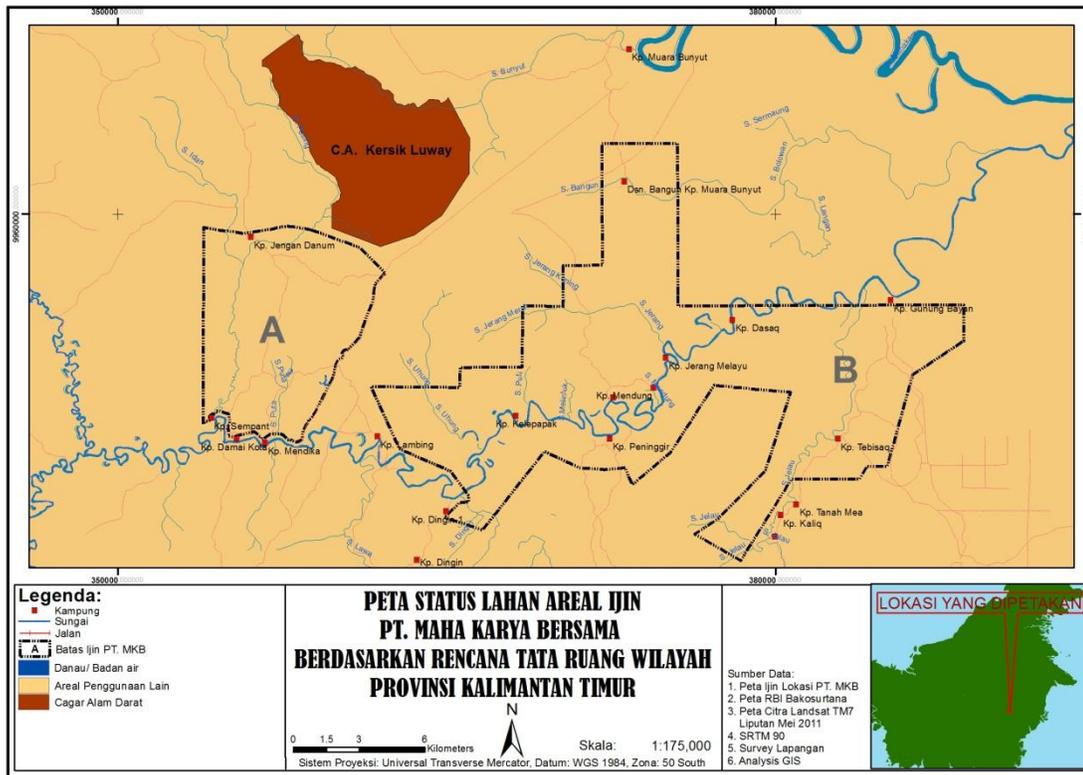
| No. | Number | Title |
|-----|---|--|
| 15 | Minister of Forestry and Plantations decree No. 104/kpts-II / 2000 | Procedure for Taking Wild Plant and Wildlife Capture |
| 16 | Regulation of the Minister of Agriculture Number : 14/Permentan/PL.110/2/2009 | Peat Land Use Guidelines For Oil Palm. |
| 17 | National Interpretation of RSPO Principles and Criteria (RSPO P & C / Roundtable on Sustainable Palm Oil) for the Production of Sustainable Palm Oil Republic of Indonesia, in May of 2008. | |
| 18 | Guidelines of Identification High Conservation Value area in Indonesia, June 2008. | |
| 19 | Konsorsium Revisi HCV <i>Toolkit</i> Indonesia: 2008, Panduan Identifikasi Kawasan Benilai Konservasi Tinggi di Indonesia. | |

2.3 Location map-both at landscape level and property level.

a. Maps of PT. MKB Location in East Kalimantan



b. Map of Land Use Area of PT. MKB in Kutai Barat Regency



2.4 Area of New Plantings and Time-plan for New Plantings.

The proposed new planting area of PT MKB is approximately **22,912** ha, consisted of **18,330** ha for kebun inti (nucleus estate) and **4,582** ha (around 20%) for kebun plasma (smallholders scheme) which will be dedicated for farmers or growers under estate management. The aim of smallholder scheme is to contribute income and maintain harmonious relationship with the local community.

The partnership program was developed in document *Naskah Kerjasama Pembangunan Perkebunan Kelapa Sawit Program Kemitraan* (Memorandum of Understanding on Palm Oil Development Partnership Program) dated on March 21, 2012. The proposed time-plan for new planting will commence in October 2012 and prior to the new planting date, PT MKB shall put notification in RSPO website to allow related parties have their comments to the plan. PT MKB has the time-plan for new planting area in detailed as listed below.

| Activity | 2012 (ha) | 2013 (ha) | 2014 (ha) | 2015 (ha) | 2016 (ha) | 2017 (ha) | TOTAL (ha) |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|
| 1. Land Clearing | | | | | | | |
| Inti (Nucleus Estates) | 1,600 | 3,600 | 4,800 | 4,808 | 2,400 | 1,122 | 18,330 |
| Plasma (Smallholders) | 400 | 900 | 1,200 | 1,202 | 600 | 280 | 4,582 |
| Total Land Clearing | 2,000 | 4,500 | 6,000 | 6,010 | 3,000 | 1,402 | 22,912 |
| 2. Nursery | 400,000 | 900,000 | 1,200,000 | 1,202,000 | 600,000 | 280,400 | 4,582,400 |
| 3. Planting | | | | | | | - |
| Inti (Nucleus Estates) | 1,600 | 3,600 | 4,800 | 4,808 | 2,400 | 1,122 | 18,330 |
| Plasma (Smallholders) | 400 | 900 | 1,200 | 1,202 | 600 | 280 | 4,582 |
| Total Planting | 2,000 | 4,500 | 6,000 | 6,010 | 3,000 | 1,402 | 22,912 |

Due to land release process, PT. MKB has established procedure *Prosedur Pembayaran Tali Asih Pembebasan Lahan* (Land Acquisition and Calculation) dated on January 18, 2010. The total compensated land area as September 2012 was are 1,499.11 ha in Mendung, Jerang Dayak, and Jerang Melayu Village while in other villages are still in progress of verification and measurement by independence team from community groups.

The TUV NORD assessor team has checked and verified related documents on land acquisition and its calculation and concluded that PT. MKB has performed the land acquisition resolution through free prior and informed consent as reported in SEIA report and Minutes of Meetings with Communities on Public awareness of the Project.

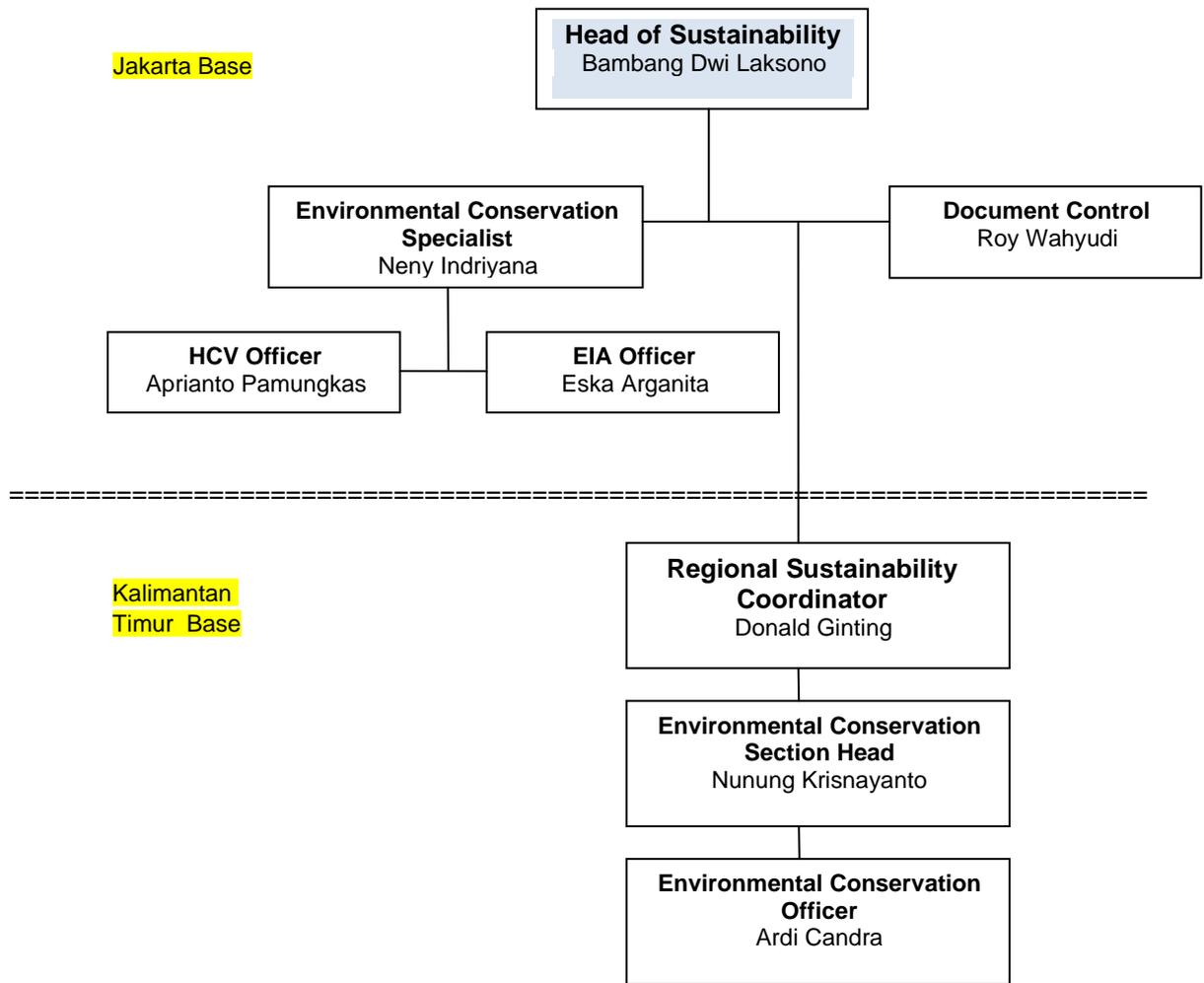
3. SEIA and HCV Management & Planning Personnel

3.1. Organisational information and contact persons

| | | | | | |
|-------------------------|--|-----------|-----------|------------------------|-----|
| Company Name | PT. Maha Karya Bersama, a subsidiary of First Resources Ltd. | | | | |
| Capital Status | Domestic Investment Company (PMDN) | | | | |
| Act of Establishment | No. 40 dated on January 15, 2008 issued by Notary Khairu Subhan, SH and legalized by Ministry of Law and Human Right No. AHU-05955.AH.01.01. dated on February 6, 2008 | | | | |
| Tax Notification Number | P2.0000111 03 027 | | | | |
| Company Address | APL Tower –Central Park, 28th Floor Podomoro City, Jl. Letjen. S.Parman Kav.28, Grogol-Petamburan, Jakarta Barat, Indonesia (Corporate Office) Jln.Jend.Sudirman Blok A 12 RT.007 Kel.Kelandangan Ilir-Balikpapan 73113 (Regional Office) JL. Simpang Raya Kecamatan barong Tongkok (Sub regional Office) | | | | |
| Type of Business | Oil Palm Plantation and Processing | | | | |
| Status of business land | Location | Permit by | Decree of | Regent Kutai Barat No. | |
| | 525.26/K.617a/2010 dated on July 1, 2010 with total area 24,638 | | | | |
| Status of business land | Plantation | Permit by | Decree of | Regent Kutai Barat No. | No. |
| | 525.29/K.775/2011 dated on October 3, 2011 with total area 24,638 Ha | | | | |
| Contact Person | Director – Atan Masri Corporate Sustainability Head – Bambang Dwi Laksono Email Address: bambang.dwilaksono@first-resources.com | | | | |
| GPS | E : 115°41'21" – 115° 55'03" S : 0°22'05" – 0° 23' 04" | | | | |
| Region Boundaries | | | | | |
| North side | CA Kresik Luway, Areal KBNK, Perkebunan Kelapa Sawit PT. Dian Abdi Nusa, PT. Banpu, PT. Teguh Sinar Abadi, PT. Borneo Persada Energi Jaya, Kampung Muara Bunyut, Kampung Jengan Danum, Kecamatan Muara Pahu | | | | |
| South side | Perkebunan Kelapa Sawit PT. Lonsum, HPH PT. Rimba Karya Raya, Areal KBNK | | | | |
| West side | Areal PT. Borneo Persada Prima Jaya | | | | |
| East side | Perkebunan Kelapa Sawit PT. Lonsum, PT. Gunung Bara Utama, PT. Kalimantan Energi Lestari, Areal KBNK | | | | |

3.2 Personnel involved in planning and implementation.

Findings from HCV and SEIA assessment and recommendation are integrated within the operational management plan of the Group. The implementation of management and monitoring of the HCV and SEIA mitigation plans will be managed under the direction of Head of Sustainability in Jakarta Base which is supported by Controller SPO Document and Specialist Environment and Conservation, Officer HCV and Officer EIA. In East Kalimantan Base by Coordinator Regional Sustainability, supported by Head Environment & Conservation Section and Officer Environment & Conservation. The organization chart is shown below.



3.3 Stakeholders to be involved.

Stakeholders to be involved in SEIA and HCV management plan consist of local communities surrounding PT MKB and relevant government institutions, detailed as below.

a. Local communities are the people located inside and around the licensed area of PT.Maha Karya Bersama :

- Damai
- Mendika
- Jengan Danum
- Dingin
- Peninggir
- Kaliq
- Kelepapak
- Tebisaq
- Tepulang
- Sempatn Kelauq
- Muara Bunyut
- Mendung
- Jerang Melayu
- Gunung Bayan
- Tana Mea
- Sansang
- Lambing
- Jerang Dayak

b. The Head of relevant villages

c. Local Government Agencies, District Government Agencies

4a. Summary of Management and Mitigation Plans (SEIA)

PT MKB has prepared the SEIA report Assessment for PT. MKB was conducted by a government accredited EIA consultant PT. Integral Multi Talenta, which also prepare management and mitigation plans. The AMDAL document was approved on dated on July 4, 2012 by Decree of the Regent Kutai Barat No. 660.1/004/AMDAL/BLH-KBR/VII/2012

Top management of PT. MKB are committed to accomplish the environmental management plans and has issued decrees and policy such as:

- SK CEO tentang penetapan kawasan HCV (Decree of HCV area establishment PT. MKB) No.014/SUSTAINABILITY_FR/P/VIII/2012 dated August 1, 2012
- SK CEO tentang pembukaan lahan yang berwawasan lingkungan dan konservasi (Decree of land clearing in environmental and conservation conduct) NO : 009/SUSTAINABILITY_FR/P/II/2012
- dated February 1, 2012
- SK Kebijakan Lingkungan dan K3 (Decree of Environmental, Health and Safety Policy)

- 001/SUSTAINABILITY_FR/P/IX/2011 dated September 20, 2012
- SOP Identification, Management, and Monitoring of High Conservation Value No. 01/FR.EAC/IMM
- dated April 13, 2012

4a.1 Mitigation plans to minimise negative for socio-economic impacts.

PT. MKB has developed mitigation plans to minimize negative for socio-economic impacts. The potential negative impacts that has identified such as :

- the increasing land conflicts/social conflict between peoples due to the increasing value of land during land acquisition process also during operational period of the PT. MKB ,
- changing patterns of community livelihoods, and
- social disparities between indigenous communities and the migrants.
- the behavior of an increasingly consumerist society inline with increase of income opportunities,

The mitigation plans are :

- Identification and mapping of traditional land ownership, inheritance and claim that there is in the area of licensing PT. MKB involving verification of their teams - each village representatives and landowners
- Survey with the related parties in on definitive delineation of land ownership
- Social Survey to the community characteristics including local wisdom
- Development of alternative income generating activities to safeguard their economic standing after post-development of the project.
- Identify the health infrastructure in the villages around PT. MKB

4a.2 Management plans to enhance socio-economic contributions.

PT. MKB has developed management plan to enhance socio-economic contribution. Below are the step of management & monitoring plan:

- To improve regular communication and socialization to community groups, community leaders, traditional leaders, head of the vilagers, youth leaders, both at land acquisition as well as during the operational process
- Increasing personnel approach to the residents and community groups
- Comparative study to other locations, projects, or areas that already success in partnering with smallholder scheme (*plasma*)
- To develop and socialization of Standard Operating Procedure (SOP) of land acquisition, claims and disputes
- To facilitate the land cleaning and clearing process, especially with regard to the village boundaries

- To prepare and control all legal documents (such as land release process, plantation licenses, land compensation and other documents)
- To develop education program, to encourage, cooperate and establish communication with the Education Office of West Kutai District and community, to build educational facilities, and provide scholarship program
- To create a community development program through a communication forum, increase local communities awareness of good agricultural practice (GAP), and aquaculture, and build communication network with stakeholders
- To develop public program for health, cooperate with public health or health center, establish health facilities such clinic, doctor, and paramedic, and provide of clean water infrastructure
- To provide and repair the road accesibility
- To repair *rumah lamin* (custom house)
- To assess economic potential for the economic empowerment of society, such as paddy fields, rubber plantations, agriculture and aquaculture; prepare the institutional and community level organizations; encourage the development of agriculture and aquaculture; conduct relevant agriculture, aquaculture, and business opportunities training
- Cooperation with relevant agencies and other relevant parties, increase local capacity through training for the community,
- To develop smallholder mechanism (*plasma*) by giving 20% of land for communities with partnership scheme
- To facilitate the formation of cooperatives institution (*koperasi*) and conducting development and institutional capacity building to *koperasi*
- Comparative study to the other plantation

4a.3 Mitigation plan for negative environmental impact

The environmental issues in the study area is the potential reduction of river quality, decreasing of air quality, and increasing noise level.

4a.3 Mitigation plans for negative environmental effects

The environmental issues in the study area is potentially the reduction of river water quality, also decreasing of air quality and increasing noise level if the mill starts to operate. PT. MKB has developed mitigation plan to reduce negative environmental impacts, such as

- To conduct water and air quality as well noise measurement regularly as required by government regulation
- Pollution prevention of river, land, and air through application of environmentally technology palm oil plantation and mill when its operate

41.4 Management plans to promote positive environmental effects

The presence of PT. MKB is expected by local community to have positive environmental effects to provide clean water and protect the water resources that have been delineated in HCV area.

Moreover improvement quality of community health and development environment conservation program and descend level of air pollution

The steps taken in the SEIA development and preparation of management & monitoring plans for the environmental aspect are:

- Conduct periodic training of waste handling (garden and plant)
- Utilization of waste treatment technologies that are environmentally friendly
- Monitoring the quality of waste water at WWTP outlet
- Monitoring the quality of the River (Kedang Pahu, Dingin, Idan, Jerang, Padang, Pesing, Putra, Puti, Uhung, Jelau, Melinuk, Mendung, Mensidan, and Bangun) regularly especially at the inlet and outlet
- Monitoring the quality of the lake (Melintuk, Mensidan Rukam, Selepapak, Sembilik, Mendung, and Padang) regularly
- Conduct campaigns, training and socialization of the 3R (Reduce-Reuse-Recycle) to the community
- Increase the awareness and skills of our employees and the community in realizing sustainability principles seek

4b. Summary of Management and Mitigation Plans (HCV)

4b.1 Plan for HCV monitoring and regular review of data.

The HCV monitoring and review plan is aimed to evaluate whether the activities implementation are as expected, the outputs of the process are as per targets; and the human and finance resources are adequate

4b.2 Management and mitigation plans for threats to HCV areas

Management and mitigation plans for HCV 1

- Issue management decree for HCV establishment area and SOP to manage and to monitor HCV area.
- Conduct awareness campaign to all plantation and surrounding community, about the existence of the entire HCV
- Create a definitive map of HCV
- Provide map area and signboard of identified HCV, photograph of protected species, and sign warning of illegal hunting or fishing
- Provide riparian signboard of buffer zone surrounding the area of the identified HCV (50 m for river < 30 meter wide, 100 m for river > 30 m wide, 50 m for lake and radius 200 m around spring water) protected from illegal hunting, fishing, and poisoning using electricity and/or explosive substances
- Prohibit to use agrochemicals along buffer zone, sign warning not to have plantation and build

roads, canals and other infrastructures in HCV area

- Conduct regular monitoring of identified protected species
- Conduct enrichment planting and/or rehabilitation for HCV area which have low vegetation coverage.

4b.3 Management and Mitigation plan for HCV 4

- Define the water catchment area as water resources for local community.
- Provide riparian signboard of buffer zone surrounding the area of the identified HCV (50 m for river < 30 meter wide, 100 m for river > 30 m wide, 50 m for lake and radius 200 m around spring water) protected from illegal hunting, fishing, and poisoning using electricity and/or explosive substances
- Prohibit to use agrochemicals along buffer zone, sign warning not to have plantation and build roads, canals and other infrastructures in HCV area
- Implement policies and/or SOP to regulate the use of agrochemical and waste management and conduct publication and awareness campaign on the SOP.
- Measurement and monitoring of the water quality regularly.
- Implement zero burning policy during land clearing activity
- Identify areas that are prone to fires and preserve fire barrier area
- Establish procedure of emergency responses and preparedness to land burning and provide fire extinguishers and facilities.

4b.4 Management and Mitigation plan for HCV 5

- Communicate with local community to utilize forest product in sustainable manner.
- Put up signboard identifying the types of HCV area with clear warning of consequences of illegal hunting and logging, and excessive harvesting of forest products.

4b.5 Management and Mitigation plan for HCV 6

- Provide map area and signboard of identified HCV and together with local community to protect the area
- Provide free access for local community towards the public cemetery area

4b.6 Management plan to enhance or maintain conservation values of identified HCV areas

The process of strategic mapping, the practical vision was adopted in defining the Basic Targets. Those Basic Targets included six items to be achieved through the efforts of HCV management as follow:

- To conserve the protected species in existing areas to the proposed area
- To reserve the sustainability of the local habitats
- To maintain the riparian and/or buffer zone as the hydrological and ecological buffer (the protection of water cycle and wildlife species)
- To manage and control of erosion and fire risk

- To conserve water catchments areas
- To preserve the local cemetery and cultural sites.

In general, management of HCV areas is classified into three approaches:

A. Technology Approach

a.1 Inventory and identification of land conditions

Inventory and identification of land will be conducted in the area of riparian, lake, spring water, protected animals, traditional orchards, *rumah lamin*, cultural heritage

a.2 Marking boundaries

Marking boundary in the of HCV area and when there is changes of HCV area, it will be followed by changes the boundary

a.2 Provide of signboard

Provide signboard in the area of identified HCV, containing information of HCV areas and its contents, such as protected flora and fauna, ecosystems and habitat.

a.4. Rehabilitation and enrichment of species

B. Socio-Economic Approach

B.1 Community Awareness

Conducting regular education to the community about the importance of conservation and biodiversity HCV areas.

B.2 Training of employees

Improving the ability of employees of PT. MKB , especially for the Environment & Conservation Section through the training of HCV management and biodiversity held by relevant agencies.

C. Institutional Approach

c.1 Development and Improvement of SOP

c.2 Capacity building in internal of PT. MKB organization

c.3 Coordination with relevant agencies, such as community leaders, village heads, district, Government of West Kutai regency, East Kalimantan provincial government officer, and NGOs.

5. Internal responsibility

Formal signing off of management and mitigation plans.

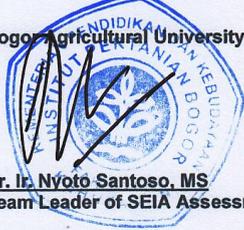


INTERNAL RESPONSIBILITY

Formal Signing Off by Assessors and Company

This document is the summary of SEIA (Social Environment Impact Assessment) in PT. Maha Karya Bersama and has been approved by the Management of PT. Maha Karya Bersama

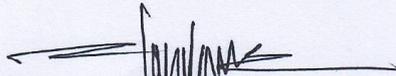
Bogor Agricultural University,



Dr. Ir. Nyoto Santoso, MS
Team Leader of SEIA Assessment

May 31, 2012

Management of PT. Maha Karya Bersama



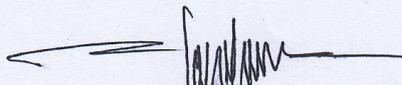
Ir. Azaria Yoga Prasetyanto
Director

May 31, 2012

Statement of acceptance of responsibility for assessments

Assessment result document on Social Environment Impact Assessment (SEIA) PT. Maha Karya Bersama by Faculty of Forestry - Bogor Agricultural University (IPB) will be applied as one of the guidelines in managing palm oil plantation in PT. Maha Karya Bersama

Management of PT. Maha Karya Bersama



Ir. Azaria Yoga Prasetyanto
Director

May 31, 2012

ATTACHMENT

Assessor of AMDAL

The AMDAL document of PT. Maha karya Bersama, was prepared by independent consultant PT. Integral Multi Talenta and approved by local government. The team members are :

1. Agus Nurhadi Irawan, S.Hut, (Team Leader)
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4. Ir. Sulaeman, MP.
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Assessor of HCV

The HCV assessment was carried out by an independent consultant from Faculty of Forestry - Bogor Agricultural University (IPB) in May 2012. The team members consist of consultant accredited and approved by the RSPO includes:

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Assessor of SEIA

The SEIA assessment was carried out by an independent consultant from Faculty of Forestry-Bogor Agricultural University (IPB) in May 2012.

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