

RSPO

**RSPO New Planting Procedure
Summary Report of Planning and Management**

PT Karya Makmur Sejahtera

**Kotawaringin Timur Regency
Central Kalimantan
Indonesia**

1. Executive Summary

PT. Karya Makmur Sejahtera (KMS) is an oil palm plantation company located in sub-district of Mentaya Hulu, Kotawaringin Timur Regency, Central Kalimantan Province, Indonesia. PT KMS received its Location Permit based on Decree of Kotawaringin Timur Regent No. 213.460.42, dated 28 February, year 2005 with total area \pm 13.000 ha. PT KMS also received Plantation Permit (IUP) based on Decree of Kotawaringin Timur Regent No. 525.25/605/VIII/EkBang/2006 on 4 August 2006 with total area \pm 13.000 ha. Based on Kadastral information from National Land Agency (BPN), it could be described that PT. KMS consist of 2 (two) blocks of plantation, namely PT. KMS A with area size of 7.687,69 ha and PT. KMS B with area size of 5.294,32 ha. Some part of PT. KMS Area is overlapping with the other Goodhope Asia Holding Subsidiary namely PT. Agro Wana Lestari (see figure 3). This area will be excluded from PT. Karya Makmur Sejahtera Management and will be managed by PT. Agro Wana Lestari.

The concession area of PT. KMS is situated in 5 vilages namely Tumbang Payang, Keminting, Tanah Haluan, Tumbang Panyahuan and Teweihara, District of Mentaya Hulu, Kotawaringin Timur Regency, Central Kalimantan province. As part of sustainable oil palm management, PT KMS seeks to comply with RSPO's New Planting Procedures which was enforced on 1st January 2010. The plantation operational lisencc (Izin Usaha Perkebunan/IUP) was approved by Kotawaringin Timur Regent. Some part of PT. KMS Area is still under Forest Production Area Status and the company is still ongoing to get an approval of Forest Swap Area from Ministry of Forestry Indonesia in order to comply with the requirement in the process to obtaining Land Use Right (HGU).

PT. KMS already conducted HCV Assessment using HCV Approved assessor from Faculty of Forestry IPB. The result of this assessment showed that there is no primary forest in location permit of PT KMS. Based on analysis of Land System indicated that peatland was not found in the location permit. The results of the identification of HCV assessment showed that, there are four types of HCV: HCV 1 (HCV 1.1, HCV 1.2, HCV 1.3); HCV 2 (HCV 2.3); HCV 4 (HCV 4.1, HCV 4.2); and HCV 6 in PT KMS location permits. The total HCV identified is about 1.870,6 ha. The key elements of the existence of HCV 1 are Hill with slope more than 40% and riparian belt. HCV 2 is the existence of areas that contain representatives populations of most naturally occurring species. HCV 4 are the area related to potential damage from Hills and Riparian belt. HCV 6 are the sacred place/graves at which the place have an importance for local people.

The results of Social Impact Assessments (SIA) has shown that developements of palm oil plantation have potential and significant impacts by The presence of PT KMS towards social sustainable for local community. The positive impacts or benefits generated towards the surrounding communities are employment and business opportunities, the village situation became crowded, better accessibility and the development of village infrastructures. While the negative impacts generated are such as increased pollution as a result of the use of chemicals, fertilizers and soil surface erosion, increased dust, social conflict and so on.

2. Reference Documents

2.1. List of Reports

- a. Report of Social and Environmental Impact Assessment (AMDAL) of PT KMS by CV Mitra Alam Lestari, 2008.
- b. Report of RKL/RPL (Environmental Management and Environmental Monitoring Workplan Exercise) PT KMS by CV Mitra Alam Lestari, 2008.
- c. Report of Identification and Analysis of High Conservation Value of PT KMS by HCV Team Faculty of Forestry IPB (Bogor Agriculture University).
- d. Report of Social Impact Assessment PT KMS by Faculty of Forestry IPB (Bogor Agriculture University).

2.2. List of legal documents, regulatory permits, and property deeds related to the area assessed

The following table shows List of legal documents, regulatory permits, and property deeds related to the area of PT. KMS

Table 1. List of legal documents, regulatory permits, and property deeds related to PT. KMS

No	Licenses and recommendation	Issued by	Number	Remarks
1	Deed of establishment	Eliwaty Tjitra, SH	118	Registered 20 October 2003
2	Tax Registration Code Number	Directorate General of Taxes, Ministry of Finance	02.355.685.5-022.000	
3	Location Permits (Izin Lokasi)	Regent of Kotawaringin Timur	No. 213.460.42 dated 28 February 2005 (±13.000 ha).	
4	Plantation Business Permits (Izin Usaha Perkebunan)	Regent of Kotawaringin Timur	No. 525.25/605/VIII/Ekban g/2006	Registered 4 August 2006
5	Forest Swap recommendation letter	Governor of Central Kalimantan	Governor of Central Kalimantan Decree No. 522/1348/Ek dated 30 December 2013, with total area ±3.763 Ha	Letter from Ministry of Forestry issued on 19 November 2012; No. S.835/KUH-4/2012 (It is waiting for The formation of integrated team which were ratified by Forestry Ministry.
5	Environmental Permit	Regent of Kotawaringin Timur	No. 15/Komisi-Kotim/VI/2008	Registered 26 June 2008

2.3. Location maps

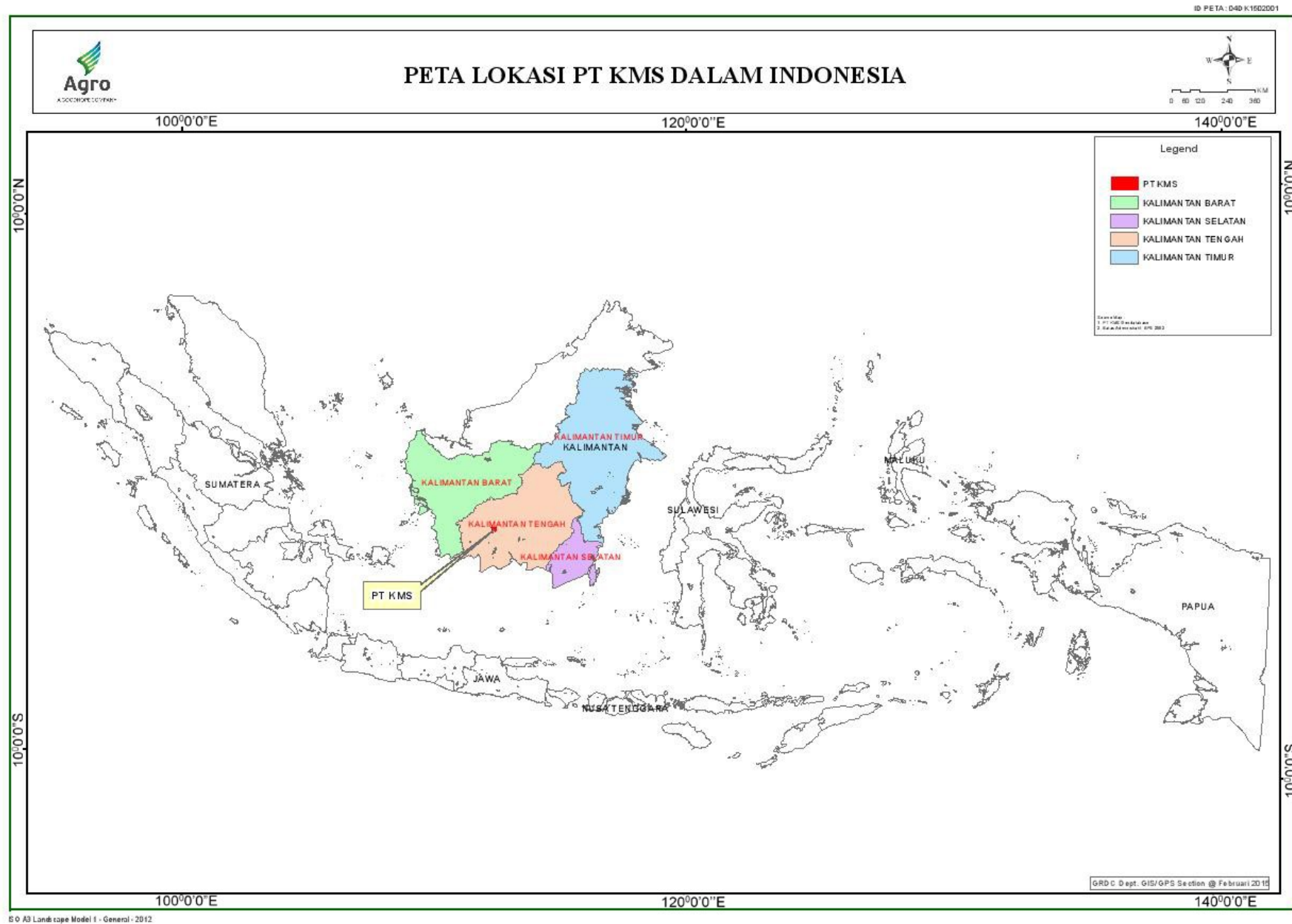


Figure 1. Location of PT Karya Makmur Sejahtera in Indonesia

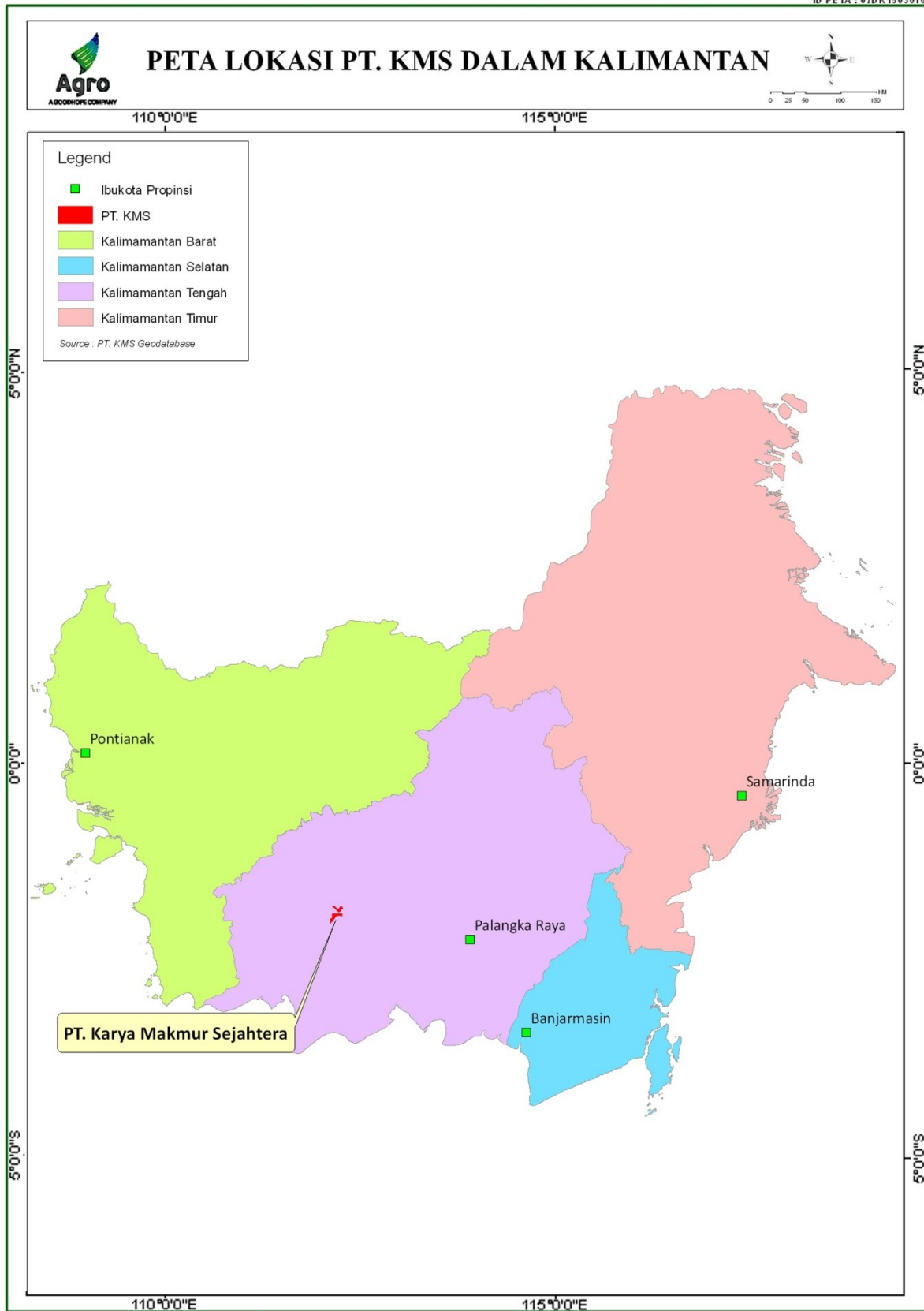


Figure 2. Location of PT Karya Makmur Sejahtera in Central Kalimantan Province, Indonesia



MAP OF SURROUNDING ENTITIES

PT.KARYA MAKMUR SEJAHTERA

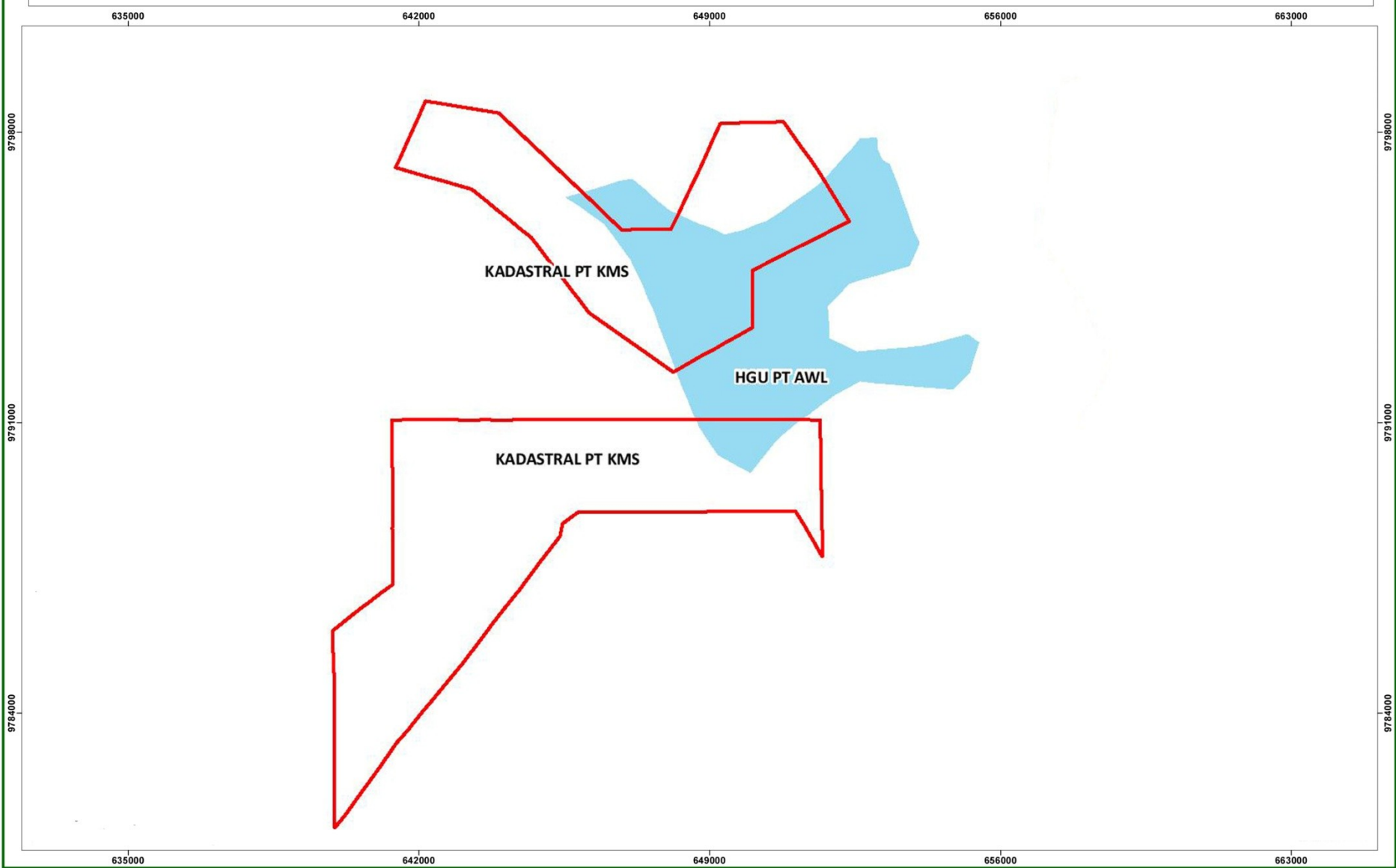
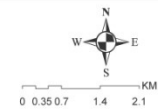


Figure 3. Map of PT. KMS Surrounding Entities

2.4. Area of new plantings and time-plan for new plantings

PT KMS proposed new planting area in its location permits (13,000 ha) . In the time of this verification, the company has been ongoing operational activities such as land clearing and planting. PT. KMS has already planted about 1017,60 ha for the 2010-2014 periods, and no HCV area being planted. The company also has a plan for the developing new planting area on the 2016-2019 periods, with total area is about 2.738 ha and all of the HCV Area is excluded from this development plan. The process of land development and planting of oil palm following the procedures of RSPO New Planting Procedures (NPP). Activities undertaken are land acquisition or compensation to land owners in addition to the socialization of plantation development plan or Free Prior and Informed Consent (FPIC).

Table 2. PT. KMS Planted area on 2010-2015 periods

Year Planting (ha)					Amount (ha)
2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Total
476,9	57,3	189,6	68,8	225,0	1017,60

Table 3. Time plan for New Planting in PT KMS

Year Planting (ha)				Amount (ha)
2015/2016	2016/2017	2017/2018	2018/2019	2738
125	525	1160	928	

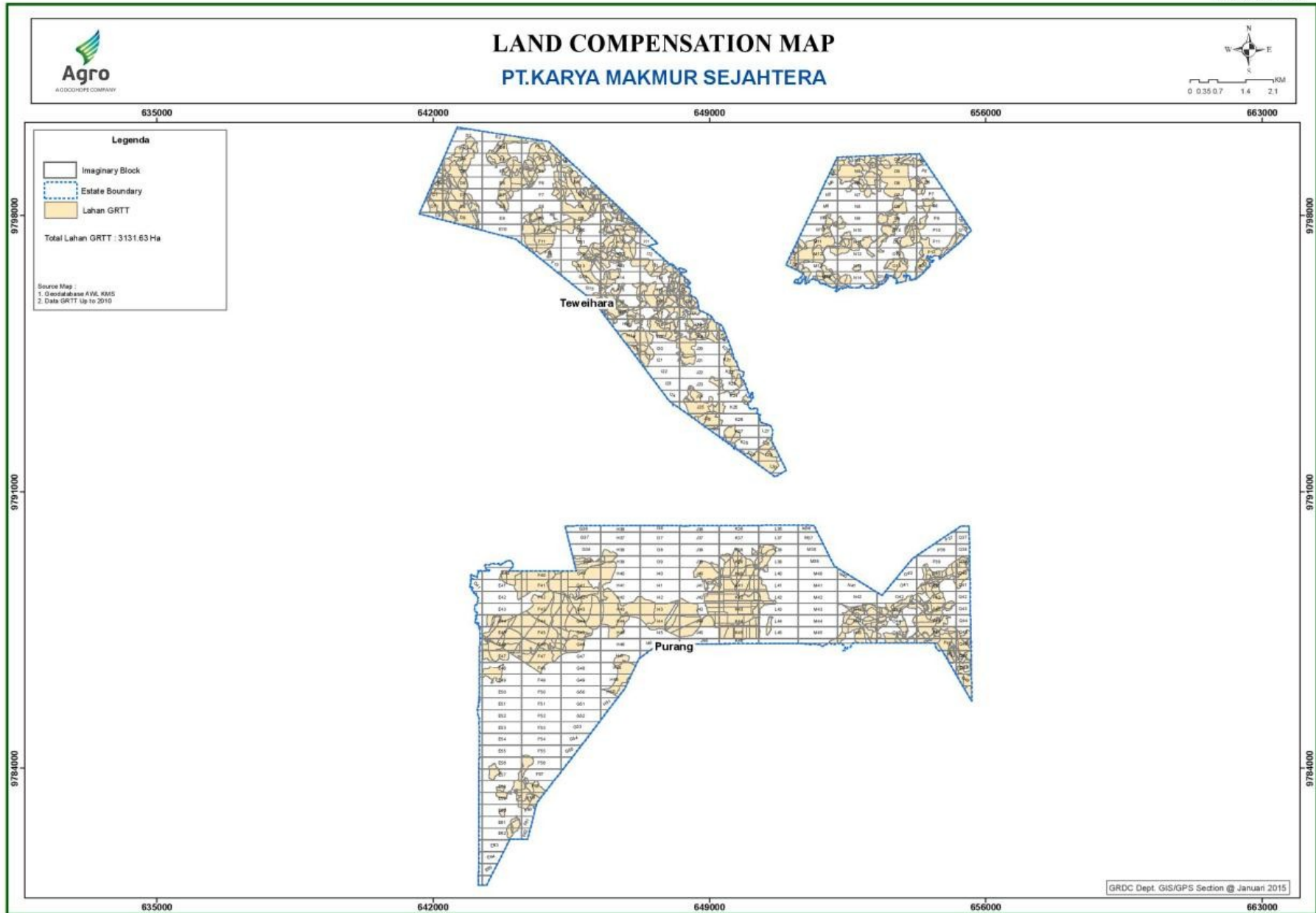
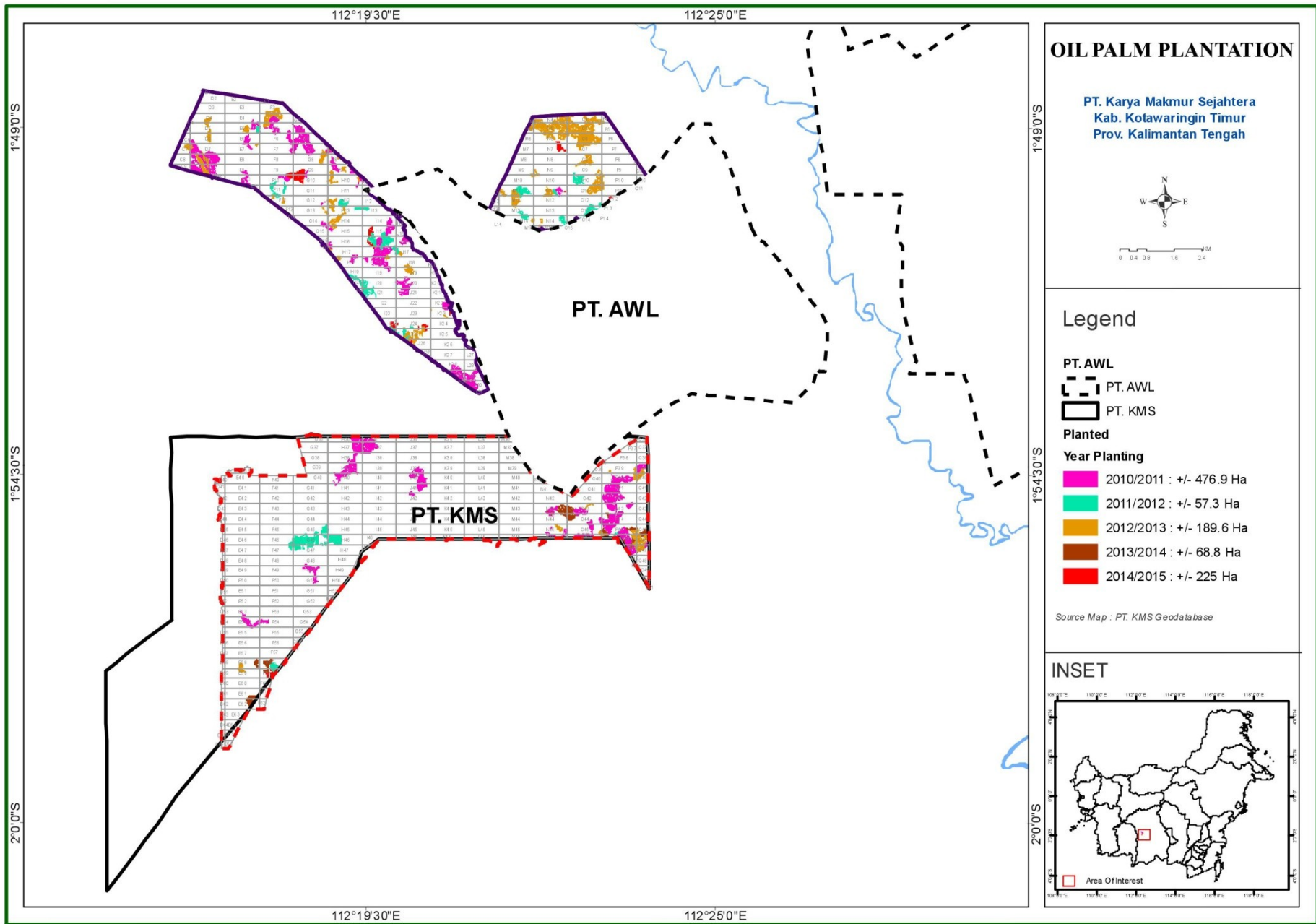


Figure 4. Map of PT. KMS Land Compensation Based on FPIC Process

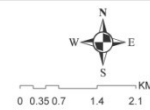


Peta untuk PKH_10222014

Figure 5. Map of New Planting Area in (After year 2010) the PT KMS Plantation



PLANTING PLAN MAP PT.KARYA MAKMUR SEJAHTERA



635000 642000 649000 656000 663000

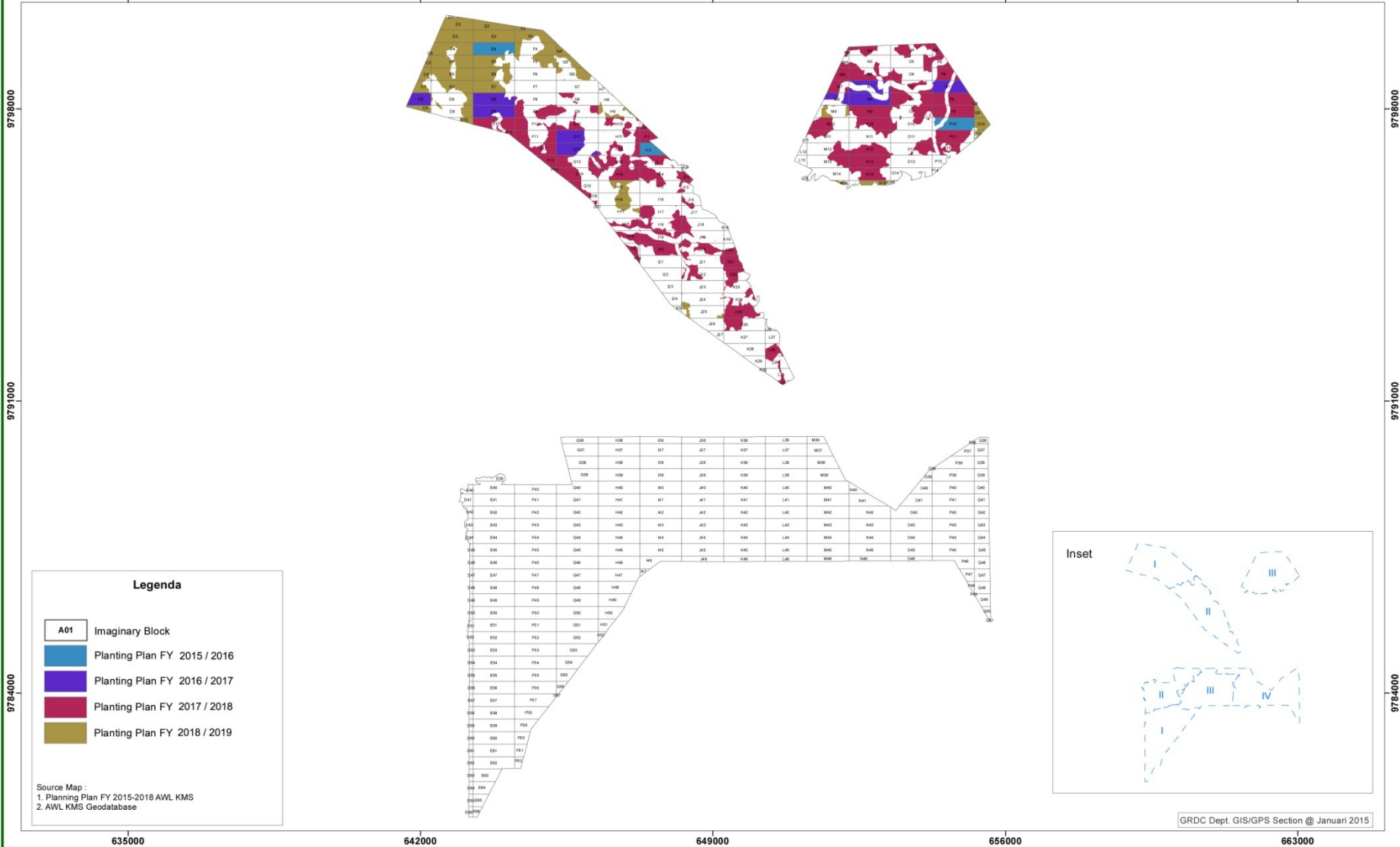


Figure 6. Map of Proposed New Planting Area of PT. KMS

3. SEIA AND HCV MANAGEMENT AND PLANNING PERSONNEL

Personnel Involved in planning and implementation of HCV and SEIA

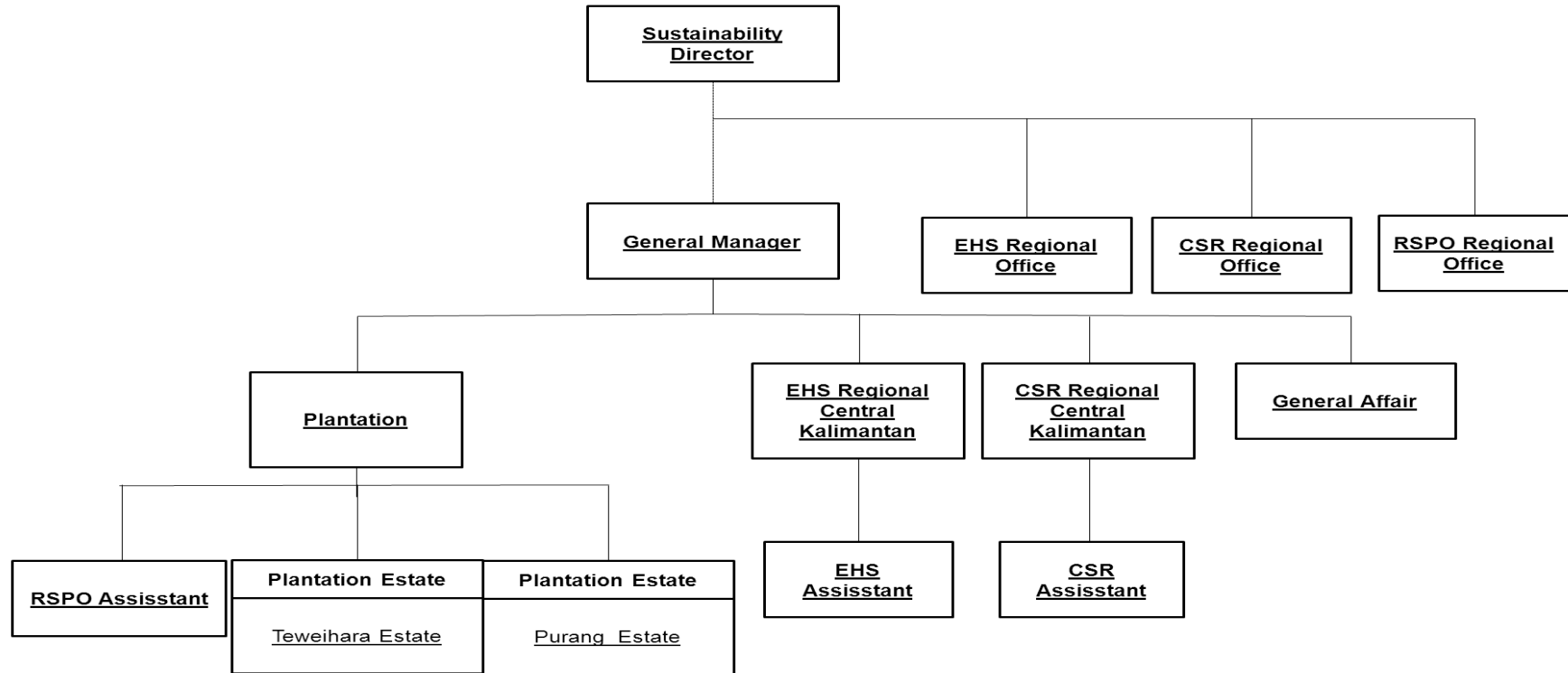


Figure 7. Personnel involved in planning and implementation of New Planting Procedure in PT KMS

3.2. Contact Persons

Contacts details of the company are as follows:

Company name	:	PT Karya Makmur Sejahtera
Address	:	Jl. Pangeran Antasari II No. 26, Sampit, Kalimantan Tengah, Indonesia
Location	:	Regency: Kotawaringin Timur District: Mentaya Hulu Villages: Keminting, Tanah haluan, Tumbang Penyahuan, Tanjung Jaringau, Tumbang Sangai.
Contact Person	:	Mr. Gnanasegaran Kasiya/ Wilton Simanjuntak
Telephone	:	Phone: +62-21-52892260 Fax: +62-21-52892259
Email	:	wiltons@goodhope-id.com
Deed in Corporation	:	Act No. 118, Date. 20 October 2003, Notaris Eliwaty Tjitra, SH
Capital Status	:	PMA (Penanaman Modal Asing)/ Foreign Investmen Company
Status Business Land	:	Location Permit from Regent of Kotawaringin TImur Regency No. 213.460.42 dated 28 February 2005.
Total Area of Location Permit	:	13.000 ha

3.3. Stakeholder to be involved

The process of EIA, SIA and HCV development and preparation of management and monitoring plan PT KMS involved the consultation with relevant stakeholder, such as: Plantation Office (Disbun), Forestry Office (Dishut), Environmental Office (BLH), Local Community, Local NGO, The Government Local Office (Village and District), and independent Consultant (IPB). Stakeholder consultation for sharing information about EIA, HCV, and SIA management plan involving relevant stakeholder and respondents. The process of Stakeholder Consultation of EIA (AMDAL) was conducted in May-June 2008 and August 2010. The process of HCV and SIA stakeholder consultation was conducted in October 2009 and June 2011.

4. Summary of SEIA Management and Monitoring Plan

The assessment of EIA (Environmental Impact Assessment) in the executive summary of AMDAL, Environmental Management and Monitoring Plan (RKL/RPL), and SIA (Social Impact Assessment) studies identified negative and positive impacts on the environment and surrounding community of PT KMS. The summary of preparation and management plans of EIA assessment is related to the company activities impact and shall be managed by PT. KMS. This management plans is divided into 4 (four) stages of company activities.

a. Pre-Construction Stage

Company should manage and monitor an important impact of company activities at this stages which is focusing on social and economic aspect such as the number and distribution of community population, income rate of community, work and business opportunity and public anxiety.

b. Construction Stage

In this stage, company should manage and monitor physical and chemical component (micro climate, soil, water and land fire potential); biological component (flora and fauna biodiversity and population) and also for social and economic aspect (work opportunity and income rate)

c. Operational Stage

The important impact that should be managed by company on this stage includes environmental aspect which includes air quality, noise quality, soil characteristics, physical and chemical water quality. For social and economic aspect the important impact that should be managed by company includes work opportunity, income rate, public anxiety and potential conflict. In public health aspect, the company should manage some component includes the spread and contagion of disease, potential traffic accident, and occupational health and safety.

d. Post Operational Stage

In the post operational stage the company should manage some social and economic impact includes work opportunity, income rate, public anxiety and potential conflict

The study of Social Impact Assessment (SIA) identified the negative and positive impacts to the environment and surrounding community of PT Karya Makmur Sejahtera. The summary of preparation and management plans on SIA are as follows:

Table 4. Summary of preparation and management plans on SEIA PT. KMS

No	Description	Action Plan
1.	Land tenurial conflict mitigation	<ul style="list-style-type: none">• Boundaries Demarcation• Socialization• Drafting a clear and firm SOP for solving land tenurial conflict• Precautionary Solving for land tenurial conflict• Participatory land mapping• Socialization and Advocation• Facilitation for village boundaries decision with local government
2.	Improving family education quality for employee and local community	<ul style="list-style-type: none">• Schooling and learning motivation inventory that affecting to the low educational level in the local community• Provide Scholarship for underprivileged and achievement students• Provide a non-formal education• Develop educational facility• Provide a honorary teacher for local school
3.	Improving employee and local community health quality	<ul style="list-style-type: none">• Develop health facility for the employee and local community• Provide a medical personnel• Establish a clean water program• Environmental education• Provide an environmental sanitation facility
4.	Infrastructure	<ul style="list-style-type: none">• Improvement the infrastructure of roads and bridges

No	Description	Action Plan
		<ul style="list-style-type: none"> • Provide an electricity generator
5.	Community engagement	<ul style="list-style-type: none"> • Training and education of Agriculture, plantation, farm and fisheries cultivation • Develop an alternative livelihood • Local community agriculture intensification • Open a business opportunity for local community
6.	Environmental pollution management	<ul style="list-style-type: none"> • Water and soil conservation • Environmental education
7.	Smallholder	<ul style="list-style-type: none"> • Smallholder program realization
8.	Build communication and network with all related stakeholders	<ul style="list-style-type: none"> • Regular meeting with all stakeholders • Publication on local mass media about company social activities
9.	3 R Campaign (reuse-reduce-recycle)	<ul style="list-style-type: none"> • Campaigning, training and socialization about 3 R for employee and local community
10.	Employment improvement	<ul style="list-style-type: none"> • Improve employee understanding and knowledge about employment regulation • Establish a Labour Organization • Improve a safety work • Provide a Personal Protective Equipment Facility

5. Summary of HCV Management and Monitoring Plan

5a. HCV Area Assessment Result Identification

The results of the identification of HCV study showed that there are 7 (seven) types of HCV values the HCV 1 (HCV 1.1, HCV 1.2, and HCV 1.3); HCV 2 (HCV 2.3); HCV 4 (HCV 4.1 and HCV 4.3), and HCV 6 in PT KMS location permits (13.000 ha). The total HCV identified is about 1.870,60 ha . The HCV location that managed by PT KMS is show on the following table.

Table 5. The Result of HCV Assessment in PT. KMS

HCV/ components	Existence / presence of HCV	Location	Area size (Ha)
HCV 1. Areas which have important level of biodiversity.			
HCV1.1. Areas which possess or provide supporting function for biodiversity of protection area or conservation area	Exist (present)	Riverside zone of S. Egang	189,80
		Riverside zone of S. Keminting	20,25
		Riverside zone of S. Mahawai	4,30
		Riverside zone of S. Pametehan	14,67
		Riverside zone of S. Pelanan	19,52
		Riverside zone of S. Purang	102,92
		Riverside zone of S. Sekutu	118,89
		Riverside zone of S. Anak Purang	14,80
		Lakeside zone of Tajahan	1,00
HCV1.2. Spesies which is nearly	Exist	Koridor Bukit Santuai-Bukit Hawuk	97,32

HCV/ components	Existence / presence of HCV	Location	Area size (Ha)
extinct	(present)	Bukit Santuai	677,52
		Bukit Gelombang Tujuh	167,60
		Riverside Zone of Sungai Egang	*)
		Riverside Zone of Sungai Purang	*)
		Bukit Onyang	81,47
		Bukit Hawuk	285,80
HCV1.3. Areas which provide habitat for population of species which are threatened, limited in their distribution, or protected, which are still able to survive.	Exist (present)	The Corridor of Bukit Santuai-Bukit Hawuk	*)
		Bukit Santuai	*)
		Bukit Hawuk	*)
HCV1.4. Areas which provide habitat which is used temporarily by species or group of species .	Non existent (absent)		
HCV2. Areas of landscape which is important for natural ecological dynamics.			
HCV2.1. Areas of extensive landscape which possess capacity to maintain natural ecological dynamics and process.	Non existent (absent)	-	
HCV2.2. Natural areas which contain two or more ecosystems with continuous (not broken) boundary lines.	Non existent (absent)	-	
HCV2.3. Areas which contain population of representative natural species which are able to survive	Exist (present)	The Corridor of Bukit Santuai-Bukit Hawuk	*)
		Bukit Santuai	*)
		Bukit Hawuk	*)
HCV3. Areas which possess ecosystem which is rare or threatened with extinction.	Non Existent		
HCV4. Areas which provide natural environmental services.			
HCV4.1. Areas or ecosystems which are important as water supplier and flood control for downstream community.	Exist (present)	Riverside zone of S. Egang	*)
		Riverside zone of S. Keminting	*)
		Riverside zone of S. Mahawai	*)
		Riverside zone of S. Pametehan	*)
		Riverside zone of S. Pelanan	*)
		Riverside zone of S. Purang	*)
		Riverside zone of S. Sekutu	*)
		Riverside zone of S. Anak Purang	*)
		Lakeside zone of Tajahan lake	*)
HCV4.2. Areas which are important for erosion and sedimentation prevention.	Exist (present)	Bukit Santuai	*)
		Bukit Hawuk	*)
		Bukit Semulang	74,73
		Bukit Gelombang Tujuh	*)
		Bukit Onyang	*)
HCV4.3. Areas which function as natural barrier to prevent the expansion of forest and land fire.	Non existent (absent)	-	

HCV/ components	Existence / presence of HCV	Location	Area size (Ha)
HCV5. Areas which possess important function for fulfilling the basic need of local community.	Non existent (absent)	-	
HCV6. Areas which possess important function for cultural identity of local community.	Exist (present)	Sacred cemetery of Tajahantang	0,01
Total area size of HCV			1.870,60

5b. Summary of HCV Area Management and Mitigation Plan

The HCV Assessment showed there are no primary forest and no peat land inside PT. KMS Concession. From this assessment, the HCV assessor also provides some recommendation of management and monitoring to maintaining the High Conservation Value in the concession area of PT. KMS. The purpose of management and monitoring plan of HCV were:

1. 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.
2. 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 process of the HCV preparation of management and monitoring plans for PT Karya Makmur Sejahtera was based on the structure of strategic mapping. In strategy map, the processes focused on three fields under the management and responsibility of the plantation management, 1) Stakeholder, 2) Operation, and 3) People & Resources. The HCV Area management plan will be evaluate in five years of periodical time, and it will be annual review in every year. The list of HCV management and monitoring plans is shows on the following table.

Table 6. The Summary of PT. KMS HCV Area Management and Monitoring.

No	Description	Section	Action Plan
1	HCV Area Management	Management and Mitigation Plans for threats to HCV Area	<ul style="list-style-type: none"> Inventory and Identification of all HCV Area that threaten and disturbance
			<ul style="list-style-type: none"> Socialization about the existence and importance of HCV areas to local communities and people around it
			<ul style="list-style-type: none"> Socialization about the existence and importance of HCV areas to employees
			<ul style="list-style-type: none"> Develop a SOP for HCV Area management
			<ul style="list-style-type: none"> Coordinate with all related stakeholder, especially government for encouraging the protection of HCV Areas
			<ul style="list-style-type: none"> Establish an organization structure for HCV Area management
		HCV Area Management plan to enhancing or maintaining conservation	<ul style="list-style-type: none"> Demarcation of all HCV areas boundaries Maintaining the HCV Areas boundary pole

No	Description	Section	Action Plan
		value of identified HCV Areas	<ul style="list-style-type: none"> • Installation of HCV signboard in all HCV Areas • Enrichment and rehabilitation in HCV Areas • Reserving the riparian zone
2	HCV Area Monitoring Plan	HCV disturbance and land cover monitoring	<ul style="list-style-type: none"> • Measure the intensity of HCV disturbance in HCV Areas include fire hazard potential
			<ul style="list-style-type: none"> • Calculate and measure the most recent land cover and the development of land cover periodically
			<ul style="list-style-type: none"> • Monitor the development of buffer zone condition
		Monitoring of Biodiversity	<ul style="list-style-type: none"> • Monitor the recent condition and density of wildlife species biodiversity include protected and endangered species
			<ul style="list-style-type: none"> • Monitor the recent condition and density of plant species biodiversity include protected and endangered species
HCV Area Rehabilitation	<ul style="list-style-type: none"> • Monitor the realization of rehabilitation activity and percentage of rehabilitation coverage area 		
Riparian Monitoring	<ul style="list-style-type: none"> • Monitor the river quality periodically 		

For identified HCV area which is overlapping with PT. Agro Wana Lestari, management and monitoring activity of HCV area will be conducted under management of PT. Agro Wana Lestari (the other subsidiary of Goodhope Holding).

6. Internal Responsibility

We hereby sign off on the above Summary Report of Planning and Management. The above maybe amended and clarified for improvement during the development of the plantation but it will be compliance with RSPO Standards.

On behalf of PT Karya Makmur Sejahtera

A handwritten signature in black ink, appearing to read 'Wilton', with a long, sweeping flourish extending upwards and to the right.

Wilton Simanjuntak

RSPO Manager