Summary Report of SEIA and HCV Assessments
PT Kalimantan Sawit Abadi
Kotawaringin Barat Regency, Central Kalimantan Province

---

1. Executive Summary

PT Kalimantan Sawit Abadi (PT KSA), a subsidiary of PT Sawit Sumbermas Sarana, is an oil palm company with its Permitted Area (*Izin Lokasi*) located in Kotawaringin Barat Regency, Central Kalimantan Province, Indonesia. Geographically, the PT KSA Permitted Area is located at 111°27'18.5151"-111°31'19.1759" East and 2°18'16.1018"-2°21'0.5150" South. Administratively, it is located in Kondang Village, Kotawaringin Lama District, Kotawaringin Barat Regency, covering an area of 1,800 hectares, as indicated in the Location Permit (*Izin Lokasi*) issued by the Regent of Kotawaringin Barat, No. Ek.525/67/XII/2012 dated December 11, 2012.

PT KSA has conducted HCV assessment and Social Impact Assessment (SIA) and developed an Environmental Management and Monitoring Document (*Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan* – UKL-UPL) in accordance with RSPO Criteria 7.1 and 7.3, and New Planting Procedures requirement.

The HCV assessment and the Social Impact Assessment (SIA) were conducted in February 2014 by Aksenta (PT Gagas Dinamiga Aksenta) whose team members are RSPO approved HCV assessor and experienced SIA assessors. A comprehensive and participative assessment involves both internal and external stakeholders whose feedbacks are incorporated into the report as well as the planning and management of PT KSA.

The UKL-UPL was developed by the management of PT KSA and has been endorsed by the Office for Environmental Affair (*Badan Lingkungan Hidup*) of Kotawaringin Barat Regency, followed up by the issuing of the Environmental Permit (*Izin Lingkungan*) and Plantation Business License (*Izin Usaha Perkebunan*-IUP) from the Regent of Kotawaringin Barat.

The Permitted Area of PT KSA is located on a flat, low land area (10-50 m a.s.l.). Most of the area is located at 20-30 m a.s.l. (c.80%) and dominated by the slope of 0-8% (c.99%).According to the land system data and map quoted in the HCV assessment report, soils in the Permitted Area is dominated by order *Histosol* (*Tropohemists* and *Tropofibrists* Great Group) (covering c.77% of the area) and order *Ultisol* (*Tropudults*, *Paleudults*, *Tropohumults* Great Group) (covering c.15.1% of the area).

Some parts of the Permitted Area of PT KSA consist of deep peat (peat soil depth more than 3 meters). It covers c.462 hectares or 26% of the total area size of the Permitted Area. A significant part of the peat areas is no longer forested. It has been degraded by illegal logging activities. There is no primary forest in the Permitted Area of PT KSA.

Through the Forestry Ministerial Decree No. SK.184/Menhut-II/2014, the land status of the Permitted Area of PT KSA, is officially changed to be "Other Uses Area" (*Areal Penggunaan Lain* - APL) from previously Convertible Forest Area (*Hutan Produksi yang Dapat Dikonversi*-HPK). According to the Indicative Map of New Permits Suspension (*Peta Indikatif Penundaan Pemberian Izin Baru*) Revision VI (May 2014), Sheet 1513, there is no part of the Permitted Area located in the Moratorium Area.

The HCV assessment revealed that there are HCV areas identified in the Permitted Area of PT KSA which cover a total area of 335.7 hectares or 18.7% of the total area size of the Permitted Area. The HCV areas identified consist of HCV 1 (species diversity), HCV 3 (ecosystems and habitats) and HCV 4 (ecosystem services). There are no HCV 2 (landscape-level ecosystems and mosaics), HCV 5 (community needs) and HCV 6 (cultural values) found in the Permitted Area.

The Key elements of HCV areas is a secondary peat swamp forest as a habitatofat least 15 threatened species of wildlife (HCV 1.2) and at least 5 endemic and/or restricted-range species of wildlife (HCV 1.3), comprising 5 species with Endangered status (EN) and 10 species with vulnerable status (VU). The area also supports at least two Bornean endemic species of wildlife. The southern part of the Permitted Area is seldom visited by one individual of Orangutan (*Pongo pygmaeus*; globally threatened with endangered status, endemic to Borneo). However, the Permitted Area is not the core habitat of the Orangutan, instead spots to find sleeping trees and forage for food in the resources scarce environment (HCV 1.4).

The presence of peat swamp forest, which is a threatened ecosystem, constitutes the presence of HCV 3. Whereas HCV 4 is related to peat swamp forest as a water retention and flood control (HCV 4.1) and riparian buffer along the main river of Sungai Asam as an erosion and sedimentation control (HCV 4.2).

From the Social Impact Assessment (SIA) it can be concluded that there are existing and potential significant impacts by the presence and operations of PT KSA towards social sustainability of local community (pentagon assets: natural, financial, human, physical, and social assets), positively or negatively. PT KSA's programs and plan that has created or are considered would create significant positive impacts to the local community (financial asset in particular) have been identified, which are: (i) the land compensation scheme, (ii) the development and management of partnership small-holders plantation (a minimum 20% of the total size of the Plantation Company will be allocated as "kebun masyarakat" – local community plantation), (iii) the development and management of "Tanah Kas Desa" plantation (additional 10 hectares inside the Permitted Area will be dedicated to each village around the Permitted Area as its future income stream to fund the village development programs), and (iv) the financial assistances (soft loan) to the local community for the development and management of their own small holder plantation, through "Kemitraan Swadaya" (a scheme for the local community who interest to develop their plantations) or "Kemitraan Binaan" (a scheme for the local community who has owned plantations and would like to receive a soft loan to cover the maintenance cost).

The compensation scheme is implemented through a participatory process that free of coercion, intimidation or manipulation. The management unit of PT KSA conducted its land compensation according to the Standard Operating Procedure (SOP) for land compensation which has accommodated and incorporated the Free Prior Informed Consent (FPIC) principles. Most of the local community agreed to release their lands based on the consideration that those lands within the area that are currently inside the PT KSA Permitted Area have been unproductive for so long.

The partnership small holder's plantation will create a new income stream for the local community in addition to their current incomes. The "Tanah Kas Desa" plantation will create a new significant income stream to the village. While the financial assistance offered to the local community who interest to develop an oil palm plantation or maintain their existing oil palm plantation will help to ensure the continuity of Fresh Fruit Bunch (FFB) supply for the company's mill and make the social relations stronger and more positive.

Two activities are considered will create significant negative impacts to the local community: (i) the land acquisition and (ii) the land clearing and plantation development. The first activity will obviously reduce the size of the local community lands which have been a backbone of the local community livelihood and local economy, and an important natural asset for future development of their livelihood and economy. The second activity would create a significant environmental impact by destroying aquatic habitats which have been an income sources for 5-10% of the local community (their livelihood rely on fishing in pond, swamp and rivers).

2. Scope of SEIA and HCV Assessment

2.1. Organisational Information and Contact Persons

Company name	PT Kalimantan Sawit Abadi
Deed of establishment	July 9, 2012. Teguh Hendrawan, S.H., M.kn.
Adjustment article of association	June 18, 2013. H. Eko Soemarno, S.H.
Parent company	PT Sawit Sumbermas Sarana
Capital status	Domestic Investment (*Penanaman Modal Dalam Negeri* - PMDN)
Taxpayer notification number	02.225.164.9-713.000
Type of business	Oil Palm Plantation & Processing
RSPO membership	1-0111-07-000-00. April 18, 2007.
Company address	Jalan H. Udan Said, No. 47, RT 11 Kelurahan Baru, Pangkalan Bun 20152
Office contact number	+62 532 2197
Contact person	Rimbun Situmorang
Status of concession area	Permitted Area according to the Location Permit issued by the Regent of Kotawaringin Barat, No. Ek.525/67/XII/2012 dated December 11, 2012.
Geographical location	See Figure 1.
Surrounding entities	North: Permitted Area of PT Citra Borneo Indah (PT CBI). East: Concession (HGU) of PT KSA of Batu Kotam Estate. South: Concession (HGU) of PT KSA of Batu Kotam Estate. West: Lamandau River and Batu Kotam Village

2.2. List of Legal Documents, Regulatory Permits and Property Deeds related to the Area Assessed

The latest legal status of the area of PT KSA is Permitted Area (*Izin Lokasi*). The Environmental Permit (*Izin Lingkungan*) and the Plantation Business Permit (*Izin Usaha Perkebunan*-IUP) for PT KSA have been issued by the Regent of Kotawaringin Barat. The Location Permit was issued on December 11, 2012, while the IUP was issued on June 14, 2013, covering a total plantation area of 6,989.76 hectares (included in the IUP which was issued for PT KSA's previous Permitted Area adjacent to the assessed Permitted Area).

The areas within the PT KSA Permitted Area which consisted of Convertible Production Forest (*Hutan Produksi yang Dapat Dikonversi* - HPK) according to the Map of Forest Area and Aquatic Conservation and Certain Area Established as Forest Area in Central Kalimantan Province (*Peta Kawasan Hutan dan Konservasi Perairan serta Wilayah Tertentu yang Ditunjuk Sebagai Kawasan Hutan di Provinsi Kalimantan Tengah* – Forestry Ministeral Decree No SK.529/Menhut-II/2012 dated September 25, 2012), have all been converted to the status of "Other Uses Area" (*Areal Penggunaan Lain*-APL) on February 21, 2014, through the Forestry Ministerial Decree No. SK.184/Menhut-II/2014, which covers a total size of 1,774.93 hectares.

Table 1. Permits and licenses issued for PT Kalimantan Sawit Abadi

No	Permit/license	Issued by	Number and date	Note
1	Location Permit (*Izin Lokasi*)	Regent of Kotawaringin Barat (Bupati)	No. Ek.525/67/XII/2012 dated December 11, 2012	1,800 ha
2	Endorsement to the Environmental Management and Monitoring Document (UKL-UPL)	Head of Environmental Affair Office (*Badan Lingkungan Hidup*) Kotawaringin Barat	No. 660/158/BLH.II/III/2013 dated March 28, 2103	-
3	Environmental Permit (*Izin Lingkungan*)	Regent of Kotawaringin Barat (Bupati)	-	-
4	The Plantation BusinessLicense (*Izin Usaha Perkebunan*-IUP)	Regent of Kotawaringin Barat (Bupati)	No. 525/190/Ek, dated June 14, 2013	6,989.76 ha
5	Instruction for Forest Area Demarcation for Forest Area Release	Director General of Forestry Planning, Ministry of Forestry	S.1070/VII-KUH/2013 dated August 14, 2013	1,774 ha
6	Approval for Release of Forest Area (*Izin Pelepasan Kawasan Hutan*)	Forestry Minister	No. SK.184/Menhut-II/2014 dated February 21, 2014	1,774.93 ha

2.3. Location Map

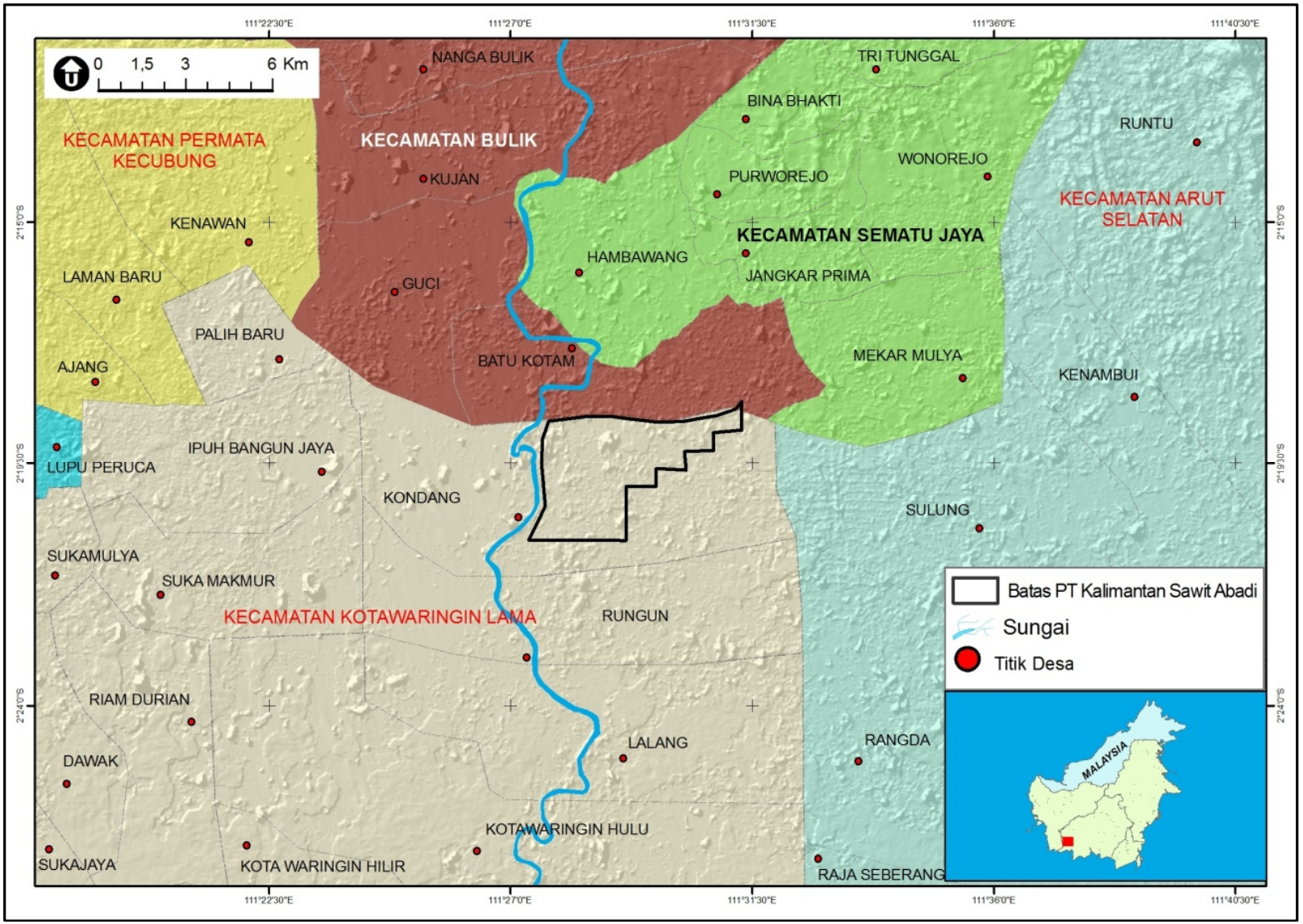


Figure 1. Location of PT Kalimantan Sawit Abadi Permitted Area

2.4. Area and time-plan for new plantings

The land status of the area that is currently a Permitted Area of PT KSA used to be a Forest Area with Convertible Production Forest (*Hutan Produksi yang Dapat Dikonversi*-HPK) status. It has been converted to be "other uses area" (*Areal Penggunaan Lain*-APL) on February 21, 2014, based on the Forestry Ministerial Decree No. SK.184/Menhut-II/2014, which covers a total area size of 1,774.93 hectares. In addition, according to the Indicative Map of New Permits Suspension (*Peta Indikatif Penundaan Pemberian Izin Baru*) Revision VI (May 2014), Sheet 1513, there is no part of the Permitted Area located in the Moratorium Area.
The proposed new planting area of PT KSA will be within the area permitted in the Plantation Business License (*Izin Usaha Perkebunan*-IUP) that has been issued by the Regent of Kotawaringin Barat. The total area allocated in the Location Permit for PT KSA is 1,800 hectares, (however the Ministry of Forestry release only 1,774.93 hectares) of which 1,400 hectares will be developed as the company plantation (*Kebun Inti*) and another 400 hectares will be allocated for community plantation through a partnership smallholder scheme (*Kebun Masyarakat* or *Kebun Plasma*).
After the New Planting Procedure has been approved by the RSPO Secretariat, land clearing and planting will continue in 2014 and is programmed to be completed by end of 2014.

3. Assessment Process and Procedures

3.1. Assessors and Their Credential

3.1.1. HCV Assessment

The HCV assessment of PT KSA was conducted by Aksenta (PT Gagas Dinamiga Aksenta) with its office located at Jalan Gandaria VIII/10, Kebayoran Baru, Jakarta 12130, Tel./Fax +62 21 739-6518, E-mail aksenta@aksenta.com. All team members who conducted the assessment have been approved by the RSPO. Its team members are:

1. **Pupung F. Nurwatha** (pupung@aksenta.com). Has a Bachelor in Biology from Padjadjaran University (Unpad). He has experience in wildlife research since1990, skilled at doing Community Based Biodiversity Assessment and manages a group of wildlife conservationists. He has experience in conducting studies of HCV in the plantation sector and is an RSPO Approved HCV Assessor – Team Leader, specializing in biodiversity conservation. In this assessment, his role is to identify the HCV 1, 2 and 3, and lead the team.

2. **Robert H. Sinaga** (rohansinaga@aksenta.com). A Science Scholar in Applied Meteorology from Faculty of Mathematics and Natural Science, Bogor Agricultural University (IPB). He has experience in GIS and Remote Sensing technique in Biology Conservation and land use issues. He has conducted research in radiation quantities in the forest and energy use in the forest using the GIS techniques and Remote Sensing. He is an RSPO Approved HCV Assessor – Discipline Specialist, specializing in ecosystem **services. In this assessment, his role is to identify the HCV 4.**

3. **Erizal** (erizal@aksenta.com). Graduated from Forest Resources Conservation Department, Faculty of Forestry, Bogor Agricultural University (IPB). He has lots of experiences of working in the social aspect of agriculture and forestry initiatives and facilitating the village local champions for village and community development initiatives. He is an RSPO Approved HCV Assessor – Discipline Specialist, specializing in socio-economy and socio-cultural. In this assessment, his role is to identify the HCV 5 and HCV 6.

4. **Muhamad Juan Ardha**. Graduated from Forest Resource Conservation and Ecotourism Department, Faculty of Forestry, Bogor Agricultural University (IPB). He has experience and competency in data spatial processing through remote sensing and GIS. In this assessment, his role is as a GIS specialist to conduct spatial analysis and HCV area mapping.

3.1.2. Social Impact Assessment

The SIA of PT KSA was conducted by Aksenta (PT Gagas Dinamiga Aksenta) simultaneously with the HCV assessment. The key consultants conducting this assessment have been approved by RSPO. The team members are:
1. **Muayat Ali Muhshi (**muayat@aksenta.com**)**. Completed his Bachelor's degree at the Forest Resources Conservation Department, Faculty of Forestry, Bogor Agricultural University (IPB), has experience as a researcher at Walhi and member of the editorial team of the book entitled "*The role of logging companies in the regional economic development of East Kalimantan*" (Walhi dan World Resource Institute, 1990-1991). He has been the coordinator of the Yayasan Pelangi Indonesia Forestry Program, and has done a study titled "*Integrasi Bina Desa dalam Kerangka Pengelolaan KPHP*" supported by ODA – in cooperation with the Indonesian Ministry of Forestry, and the UK Tropical Forestry Management Program; has done a study called "*Non-timber forest products in correlation to community-based forest management*" which was supported by NOVIB-Netherlands (1991-1997). Muayat has been the coordinator of the National Consortium for Support of the Community Forest System (KpSHK, 1997-2003) for 6 years, and the executive secretary of the Community Forestry Communication Forum for 5years (FKKM, 2003-2008). He has also experience as a consultant in a Forestry policy project supported by the World Bank (September-October, 2004); as a Social Forestry Specialist for the ESP Program-USAID, and has carried out a study called "*Community Forestry Initiative to support the forest rehabilitation program in Jav*a" (January-April, 2006). Within the Aksenta team, Muayat carries out several social studies in the oil palm sector, and HCV 5 and HCV 6 assessments. His role is a team leader of the Social Impact Assessment Team.He is an RSPO Approved HCV Assessor–Discipline Specialist, specializing in socio-economy and socio-cultural aspects.

2. **Sigit Budhi Setyanto**(sigit@aksenta.com)**.**Completed a Bachelor of Agriculture at Department of Soil Science, Faculty of Agriculture, University of Jember. Experienced in the 'Development Communities Tobacco Growers' since 1990 one of them for Philip Morris Inc. Since 2004 active as an auditor for the SCS Starbuck's CAFÉ Practice

Program in Indonesia and Papua New Guinea in addition to the Agriculture Marketing Specialist at the International NGOs for Rural Agro-enterprise Development (Raed) Program. Received training nationally and internationally for Sustainable Organic, SCS-Starbucks CAFÉ Practices, Rainforest Alliance for Sustainable Agriculture, Forest Management and Chain of Custody and from DOEN for the Roundtable Sustainable Palm Oil. Together with Aksenta has studied, among others, "Social Economic Study of Oil Palm in West Pasaman and Sanggau", Social Impact Assessment and HCV Assessment for several oil palm companies in Indonesia. In 2010 received accreditation from the RSPO as a Discipline Specialist for the study of HCV in the social and cultural fields (HCV 5 and 6). His role in this Social Impact Assessment is as a team member with a focus on socio-ecology study of capital and sustainable livelihood.He is an RSPO Approved HCV Assessor–Discipline Specialist, specializing in socio-ecology and socio-cultural.

3. **Risa Desiana Syarif**(risa@aksenta.com)**.**Completed her Bachelor's degree in Forest Management, Faculty of Forestry, Bogor Agricultural University (IPB), with an additional minor in communication and Community Development. During her study, she was active in the arts and culture federation of Bogor City and active in several college activities such as in the committee of International*Symposium on Forest Monitoring Methodologies for Addressing Climate Change,* in cooperation with JICA. Risa has carried out several *High Conservation Value* dan *Social Impact Assessments*in Oil Palm Plantations in Indonesia. Her expertise is*Geographic Information System Specialist*, but she has also carried out several Social Impact Assessments with a focus on social-cultural aspects and community development. She is an RSPO Approved HCV Assessor–Discipline Specialist, specializing in GIS techniques and Remote Sensing.

3.2. Assessment Methods

3.2.1. HCV Assessment

(a) The HCV Assessment Phases

The HCV assessment was conducted through a series of phases, such as: (i) Desk study, (ii) Field survey, (iii) Data analysis and spatial analysis of HCV area, and (iv) Mapping the indicative HCV areas.

(b) HCV Identification Method

The assessment covers the Permitted Area (*Izin Lokasi*) of PT KSA that has been approved as the company's project area. Assessments also expanded into villages and other areas that could be considerably of relevant importance to the proposed plantation area. The field survey was conducted during February 11-18, 2014.

The understanding and scope of HCV used in the palm oil sector is still very much based on the HCV concept applied in the forestry sector. For the purpose of this

assessment, *HCV Toolkit* (ProForest 2003) and *Good Practice Guidelines for High Conservation Value Assessment: A Practical Guide for Practitioners and Auditors* (ProForest 2008) were used as main references, but also made reference Indonesia HCV Toolkit 2008 (*Identification of High Conservation Value Areas in Indonesia*, the Consortium for the Revision of HCV Toolkit Indonesia 2008). Other references such as IUCN, CITES, and other guidelines as well as the relevant laws and regulations of Indonesia were also subjects of consideration.

During the field assessment, the HCV assessors were accompanied by the field staff of PT KSA and local representatives who is knowledgeable of the historical and current status of their physical as well as social environment and related issues within the assessment area. In addition to conducting observations and measurements in the field, the team also extracted information from the local community in the villages of Kondang and Batu Kotam by ways of individual interviews, Focus Group Discussions (FGD), participatory mapping, as well as public consultations. At the same time, confirmation and cross checking of the findings were carried out with the local people using the technique of purposive sampling – which included the socialites, the enclaves' owners (if existed), and the related interest parties.

(c) Identification Method for HCV 1, 2, and 3

The target of HCV 1, 2, and 3 identification was to find out the areas that have important values in the biological context. Such areas were marked by the location status, the origin of the communities, or the existence of the ecosystem of flora and fauna with high values. The significant values of flora and fauna refer to the threatened status (IUCN Red List: Critically endangered [CR], Endangered [EN], Vulnerable [VU]), endemicity status (endemic and/ restricted - range), and rarity status, in accordance to the national and international law (IUCN and CITES) that protect such flora and fauna. Moreover, the significance of the value of the wildlife as well as the habitat was also based on the ecology roles from the species and from the cultural and traditional point of view.

The inventory was conducted using reconnaissance survey method to analyze the existence of the important flora and fauna. The existence of every fauna was recorded through:

(1) Direct observation, either through the identification of visual appearance or sound (for both diurnal and nocturnal animals).

(2) The existence of the marks or residual from the animals' activities in their former habitat (such as tracks, scars on trees, nest, scales, skin [snake], feathers [bird], or hairs [mammal], etc.).

(3) The finding of the residual of animals' body parts (skull, horn, skin, hair, tusk, scales, and other recognized part of the animals' body) that were possibly hunted or caught by the local people in the observed locations. Interviews were carried out to complement the information about the time and location of the hunting activities.

(4) The secondary information was the existence of the animals that were documented based on external information, such as local people information or the local authorities. The consistency of such information was always monitored through cross checking with other relevant parties as well as checking the validity of the description on every species of animals from the interviewed people. All information was then matched with the natural distribution and the history of the existence of such species in the locations (as mentioned in the literature references). The data was then compared to the type and condition of the habitat at the time when the survey was conducted. Any mismatching between the description and their natural distribution zone and habitat, will put the existence of such species in doubt.

(d) Identification Method for HCV 4

In order to identify the existence of HCV 4 in the study area, two approaches were applied. The first approach was analysis to find out the interactions and correlations between the water system and the study area in a wider context. The approach also covered the area outside the Permitted Area. The second approach was another analysis to find out the significant values of such locations and their impacts to the assessment area. Thus, in this analysis, the perspective used was the inside of the assessment area.
Based on both approaches, the phases of identifying HCV 4 were analysis of the secondary data, field survey, and the integrated data analysis of secondary data and the field survey. The identification of the HCV 4 areas was conducted by analyzing the area from the metrology point of view, the soil analysis, topography, watershed, and the field survey and interviews. The field observation was carried out on the chosen locations; i.e. watersheds, springs, river, land clearing, and other locations representing the condition of the water and soil management in the study area.

(e) Identification Method for HCV 5 and HCV 6

The focus of the HCV 5 assessment was the area inside the plantation that has significant values to fulfill the basic needs of the local community. The focus of the HCV 6 assessment was the area inside the plantation that has the significant values for the identity and sustainability of the tradition or culture living of local community. The methods adopted in the assessment of HCV 5 or 6 are (i) Participatory mapping of locations containing elements of HCV 5 and 6, (ii) interview the local community, either with individual or through Focus Group Discussion (FGD), and (iii) field observation and analysis.

3.2.2. Social Impact Assessment

The SIA covers the all villages around the Permitted Area (*Izin Lokasi*) of PT KSA that could be considerably of relevant importance to the proposed plantation area. The field survey was conducted on February 11-18, 2014. The SIA team visited the villages of Kondang, Batu Kotam, Rungun, Sulung, Batu Hambawang, and Mekar Mulya.

The Social Impact Assessment was carried out based on several principles as bellow:

(1) Participative. Issues identification and information searching were done in participative way. This participative approach enabled of the participants as the subjects in mapping the social issues they are facing, expressing their opinions and ideas, as well as being involved in designing the administration and changing of the issues. (See **Appendix** 1for the list of stakeholders in participative process).

(2) Multiparty. Issues identification and information searching were done in multiparty way by involving related parties directly or indirectly in giving or receiving the impacts.

(3) Rapid and ex-ante. Issues identification and information searching were done in rapidly and based on the forecast of the changes tendencies that occur rather than the factual and accurate data – as the solution to the Social Impact Assessment approach and time limitation.

(4) Appreciative. Issues identification and information searching were guided positively, not only to find out the gap on the location but also to collect the data about expectations, potentials, and ideas in order to find out solutions and social issues that happened.

(5) Social learning cycles. The social impact assessment is not a linear process that is instantly created but a cycled process which functions as the social learning processes to respond the changes in the environment.

The methods and techniques applied in the Social Impact Assessment were:

(1) Literature study. This method was used for the purpose of gathering the understanding on the socio-context and environmental aspect of the location that was evaluated. It was carried out in the early phase-before going to the field and at the result analysis phase.

(2) Dialogue. This method was used to identify the nature of the relevant parties, identify the potential issues to impact, gathering information about expectations, ideas, and opinions to bring the solutions for the actual issues. The process was carried out through the meetings both in formal and in non-formal sequence with definite topics (Focus Group Discussion).

(3) Field observation. This method was used to understand directly the actual facts that will be indicator of the issues and social impact happened.

(4) In-depth interview. It was used to get a deeper understanding about the issues. It was done in-depth by interviewing the key socialite who will act as respondents. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts.

(5) Triangulations. The above methods were carried out in integrated way to reciprocally verify the actual issues, opinions and ideas.

The findings obtained from the methods above were analyzed. The baseline of the

analysis was based on the RSPO criteria which relevant to sustainable social aspects. There commendations also covered other issues that were not entailed in the RSPO criteria, in the form of ideas or aspirations as the result of the field analysis.

3.3. Stakeholder Consultation

During the field assessment, both teams of HCV assessment and SIA conducted stakeholder's consultations. For the HCV assessment, the consultation was held as a formal public consultation in Pangkalan Bun (the capital of Kotawaringin Barat Regency), on February 17, 2014. The public consultation was attended by at least 36 attendees from different key stakeholders (see **Appendix 1**) and Head of the Environmental Affairs Office of the Regent as a keynote speaker.

The SIA team conducted its stakeholders consultation using informal methods through a series of in-depth interviews and Focus Group Discussions during February 11-18, 2014 (see **Appendix 2**: list of local resources persons interviewed and FGDs participants).

4. Summary of Assessment Findings

4.1. HCV Assessment

The field survey of HCV assessment found that some parts of the Permitted Area of PT KSA consist of deep peat areas (peat soil depth more than 3 meters). The peat field survey conducted later by an independent consultant (PT CERIndonesia) revealed that deep peat covers a total area of c.462 hectares or 26% of the total area size of the Permitted Area (see **Appendix 3**).

A significant part of the peat areas, especially the north-central part of the Permitted Area, is no longer forested. They have been degraded by illegal logging activities conducted by "outsiders"; people in a group who are coming to this area from other areas far from villages around the Permitted Area. Peat swamp forests consisting secondary forest and logged over forest are still found in southern part of the Permitted Area. The HCV assessment clearly indicated that there is no primary forest remains in the Permitted Area of PT KSA.

The HCV assessment revealed that there are three types of HCV occur in PT KSA Permitted Area, which are HCV 1, HCV 3 and HCV 4. There are no HCV 2, HCV 5 and HCV 6 found in the PT KSA Permitted Area.

Table 2. Summary of the occurrence of HCV areas in PT KSA Permitted Area

HCV type	Occurence	Description
HCV 1		
HCV 1.1	No	There are no protected areas or proposed protected areas in or adjacent to the Permitted Area.
HCV 1.2	Yes	Several threatened species of wildlife occur in the Permitted Area.

HCV type	Occurence	Description
HCV 1.3	Yes	Several endemic and/or restricte-range species of wildlife occur in the Permitted Area.
HCV 1.4	Yes	There are areas used as wildlife corridors: connecting peat swamp forest in the Permitted Area with Lamandau River to the West.
HCV 2	No	The Permitted Area does not consist of forest or natural ecosystems within a wider landscape. The remaining natural ecosystem has been fragmented.
HCV 3	Yes	Threatened ecosystem occur in the Permitted Area: peat swamp forest.
HCV 4		
HCV 4.1	Yes	Peat swamp forest functioning as a water retention and flood control.
HCV 4.2	Yes	Riparian buffer along the downstream of the main river of Asam River functioning as an erosion and sedimentation control.
HCV 4.3	No	There are no rivers or water bodies in the Permitted Area functioning as a natural fire-break.
HCV 5	No	There are no areas in the Permitted Areafunctioning as sites or providing resources fundamental for satisfying the basic necessities of local communities or indigenous peoples.
HCV 6	No	There are no areas in the Permitted Areafunctioning as sites or providing resources or religious/sacred importance for the traditional cultures of local communities or indigenous people.

The HCV areas cover a total area of 335,7 hectares or 18.7% of the total PT KSA's Permitted Area size (1,800 hectares). A key element of HCV area is secondary peat swamp forest as a habitat of threatened wildlife species (HCV 1.2) and endemic wildlife species (1.3). At least 15 threatened species of animals occur in the Permitted Area of PT KSA (key elements of HCV 1.2). It consists of 4 species of animals with Endangered status (EN), comprising 2 species of mammals; Bornean white-bearded gibbon (*Hylobates albibarbis*) and Proboscis monkey (*Nasalis larvatus*); and 2 species of reptiles of Malaysian giant turtle (*Orlitia borneensis*) and Spiny turtle (*Heosemys spinosa*); and 10 species of animals with Vulnerable status (VU), comprising 6 species of mammals and 4 species of reptiles. The peat swamp forest is also found as a habitat of endemic and/or restricted-range species (key elements of HCV 1.3), such as Proboscis monkey (*Nasalis larvatus*) and Bornean white-bearded gibbon (*Hylobates albibarbis*).

Besides the above threatened and/or endemic species, a nest of Orangutan (*Pongo pygmaeus*; globally threatened with endangered status, endemic to Borneo) is found in the southern part of the Permitted Area. Based on the condition of the nest, it is estimated to be 3-4 month old.The majority of natural habitats surrounding the Permitted Area has been severely degraded. It has been logged illegally and/orconverted to an agriculture land by local communities and to oil palm plantation by oil palm companies. To survive with this changing, degraded environment, and threats of huntings, the Orangutan needs to expand its home range and move more frequently to forage for food and to find sleeping trees in a safe environment. It can be concluded that the Permitted Area is not the core habitat of the Orangutan, instead a corridor and spots to find resources (sleeping trees and food trees) to survive with the rapidly changing environment (HCV 1.4).

The peat swamp forest also harbors several forest tree species that are threatened of extinction (key elements of HCV 1.2), such as Red balau (*Shorea belangeran*; Critical Endangered), Jelutung (*Dyera polyphylla*; Vulnerable) and seedlings of Ramin (*Gonystylus bancanus*; Vulnerable).

The presence of peat swamp forest, which is a threatened ecosystem, constitutes the presence of HCV 3. Whereas HCV 4 is related to peat swamp forest as a water retention and flood control (key elements of HCV 4.1) and riparian buffer along the main river of Sungai Asam as an erosion control (key elements of HCV 4.2).

The details of these HCV areas are presented in **Table 3**. The distribution of HCV areas in PT KSA Permitted Area is depicted in **Figure 2**.

Table 3. The HCV types, key elements and coverage in the Permitted Area of PT KSA

No	Area name	HCV type	HCV key elements	Area (ha)	Note
1	The downstream of Asam River	1.4, 4.2	Wildlife corridor. Erosion and sedimentation control	9.58	Land cover: secondary forest.
2	Peat swamp forest	1.2, 1.3, 3, 4.1	Habitat for threatened and endemic wildlife species. Threatened ecosystem. Water retention and flood control	326.12	Land cover: secondary forest. Timber extraction is still taking place. Hidrologically, the peat swamp forests that occur in the Permitted Area is part of the wider peat swamp hydrological system in this area.
3	Wildlife corridor	-	Supports to HCV 1.4	-	Not an HCV area but functioning as an HCV Management Area (9.06 hectares).
Total of HCVarea (ha)				**335.7**	
Proportion of HCV areato the size of Permitted Area (%)				**18.7**	

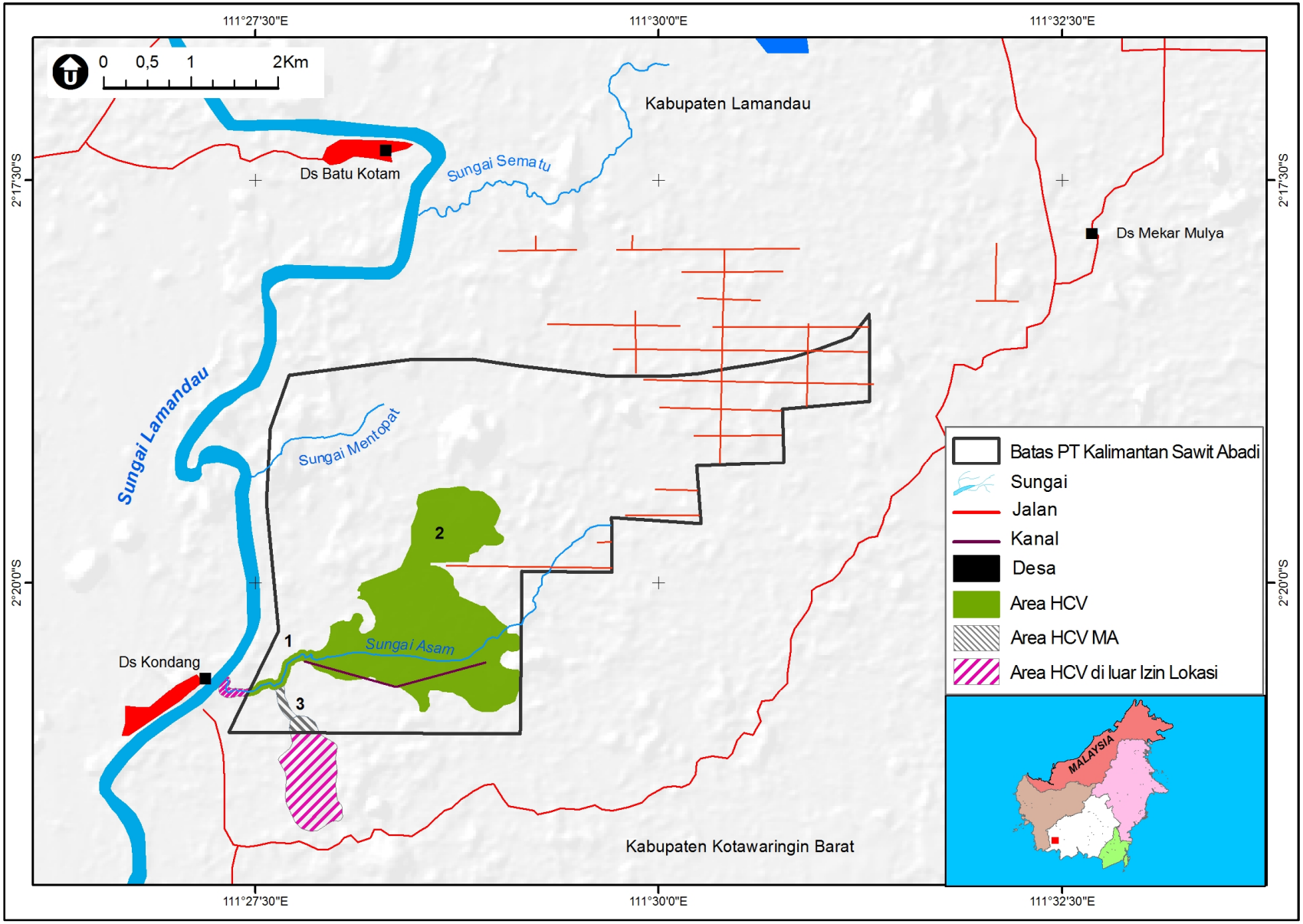


Figure 2. Map of HCV area in PT KSA Permitted Area

General recommendations for HCV protection and management. Several general recommendation are made, which can immediately be followed up to protect and manage the HCV areas and their key elements:

(1) The key outputs of the HCV assessment are HCV data on the occurrence of HCV key elements and their areas and HCV map depicting HCV areas in the Permitted Area. The boundaries of the HCV areas are indicative, therefore the area size presented in the report (335.7 hectares; 18.7%) are also indicative figure. To make sure the exact boundaries, therefore the exact size of the HCV areas, it is really recommended the company to immediately conduct the HCV area delineation on the ground.

(2) Develop the HCV Management Plan, which is a systemic and programmatic plan practically reliable in medium and long term to protect, maintain and enhance the HCV areas and their key elements.

(3) Conduct an outreach program to all employees, especially on land compensation and land clearing that need to take into account the existent of HCV areas and their key elements inside the Permitted Area (ensure the operators of land clearing aware about boundary of the HCV areas and avoid destroying the HCV areas), and to the local communities on the importance of conserving HCV areas and their key elements.

(4) Conduct an outreach program to all employees and local community about wildlife species that are threatened by extinction and engage them in the collaborative conservation program.

(5) Develop a committed institution for the HCV management and monitoring: (i) setup a working unit to ensure the conservation efforts will achieve the objectives of HCV management, (ii) train or recruit a staff to be fully dedicated to the protection, management and monitoring of HCVs, (iii) develop policies and standard operation procedures as guidance for the HCV management and monitoring.

4.2. Social Impact Assessment

The results of the Social Impact Assessments (SIA) have shown that the general plan of PTKSA has an important social impact on social sustainability of the local community. However, since the company has not fully commenced its operations, the impact of the company's presence and operational plans can be divided into (i) potential social impact that has happened or is happening and (ii) social impacts that are predicted to occur.

The management unit of PT KSA is facing both positive as well as negative perceptions of the local communities make on the company. However, in general, the majority of the local communities are having a positive opinion to the company’s existence and its plan to develop an oil palm plantation. Since it is still at the earliest stage of the plantation development i.e. very limited activities conducted by the company, so far, there is no significant economic contribution of the company to the surroundings villages. The key results of the social impact assessment to the oil palm plantation development plan of PT KSA can be concluded as follows.

There are existing and potential significant impacts from the presence and operations of PT KSA towards social sustainability of local community (pentagon assets: natural, financial, human, physical, and social assets), positively or negatively. The compensation scheme is considered giving a positive impact to the financial asset of the local community. The local community who agreed to release their lands located inside the Permitted Area for the development of oil palm plantation received compensation through a participative process that free of coercion, intimidation or manipulation. Most of the local community agreed to release their lands based on the consideration that those lands have been unproductive for so long. Historically, the local community did not utilize lands in this area intensively, apart for extracting timbers and fishing. Generally, the local community use the money their received from the compensation to buy lands closer to their village, to pay the tuition fee of their children, to purchase building materials for recondition of their houses, or to buy a vehicle to support their daily activities.

Other commitment and plan of the company that will create a significant, positive impact to the local community (their financial asset in particular) are the development and management of (i) partnership small-holders plantation (a minimum 20% of the total size of the company plantation will be allocated as "kebun masyarakat" – local community plantation) as required by the prevailing laws and regulation (the Ministerial Agriculture Decree No. 98/2013 on the Guidance for Plantation Business Permit) and (ii) Tanah Kas Desa plantation (additional 10 hectares inside the Permitted Area will be dedicated to each village around the Permitted Area as its future income stream to fund the village development programs). In addition to these two schemes, PT KSA also develop other initiatives of giving financial assistances (soft loan) to the local community for the development and management of their own small holder plantation, through (i) "Kemitraan Swadaya" (a scheme for the local community who would like to develop their plantations) and (ii) "Kemitraan Binaan" (a scheme for the local community who owned plantations and would like to receive a soft loan to cover the maintenance cost).

It is projected that after the oil palm reached an age of 5 years the partnership small holder plantation will create income for the participant of the scheme about IDR 20 million annually or IDR 1,750,000 per month in average (assumptions: 30% of the total revenue from selling FFB to the company's mill, the price of FFB at IDR 1,750,00/kg, the productivity of the plantation is 20 tones FFB/hectares/year, each participant has 2 hectares). The participant of the "Kemitraan Swadaya" and "Kemiraan Binaan" would receive more income that can be up to IDR 30 million annually. From the Tanah Kas Desa plantation (10 hectares) each village would receive income about IDR 350 million annually.

Beside giving impacts to the financial asset of the local community, the partnership development and management of community plantation (through schemes of partnership small holders, "Kemitraan Swadaya" and "Kemitraan Binaan") would also create a significant positive impact to the natural asset of the local community by increasing the value of the land after it is planted compare to the much lower value of

the previous unproductive, less productive and/or inaccessible lands, and to the human asset by increasing the quality and accountability of the local community in oil palm plantation development and management.
Despite creating positive impacts, two activities are considered will create significant negative impacts to the local community (natural asset in particular), which are (i) the land acquisition and (ii) the land clearing and plantation development. The first activity will obviously reduce the size of the local community lands that have been a backbone of the local community livelihood and local economy, and an important natural asset for future development of their livelihood and economy. The second activity would create a significant environmental impact through draining of the swamps and ponds in the Permitted Areas that would destroy aquatic habitats that have been an income source for part of the local community. It is predicted that at least 5-10% of the local community rely on fishing in pond, swamp and rivers for their livelihood.

General recommendations of social management. The effect of PT KSA existence and its development plan on social sustainability are dynamic, which is in line with the physical change of the local environment as well as the social change of the local communities. Therefore, the main recommendation of this assessment is that the company needs to immediately prepare its Social Management Plan, which is a systemic and programmatic plan practically reliable in medium and long term to guarantee achievement of its social vision to keep its existent and operational are in harmony with the local communities and socially sustainable. The objectives of this strategic plan are (i) to mitigate the negative impacts (adverse effects), (ii) to advance the positive impacts, (iii) to mitigate the company social risks and (iv) to contribute to mitigating, managing and/or eradicating social issues (through community development and CSR program).

In particular, from social impact assessment point of view, it is advisable to the company to facilitate the establishment of a new multi-stakeholders institutions or strengthen the existing ones (representing the company, the local communities and other relevant parties) as an institution to participatory monitor and manage social impacts (both believed to have happened and predicted to happen in the future) created by the existence and operational of the company, regularly and collaboratively. To strengthen this institution it is recommended that who they are involved in this institution should be then equipped with sufficient knowledge and skills in the area of natural resources collaborative management, participatory planning, social facilitation and creating and maintaining procedure and governance mutually agreed by all relevant parties.

Internal responsibility

Formal signing off by assessors and company

This document is the summary of assessment result on High Conservation Value (HCV) and Social Impact Assessment (SIA) in PT Kalimantan Sawit Abadi for its Permitted Area (extension) of 1,800 hectares in Kotawaringin Barat Regency, Central Kalimantan Province, and has been approved by the Management of PT Kalimantan Sawit Abadi.

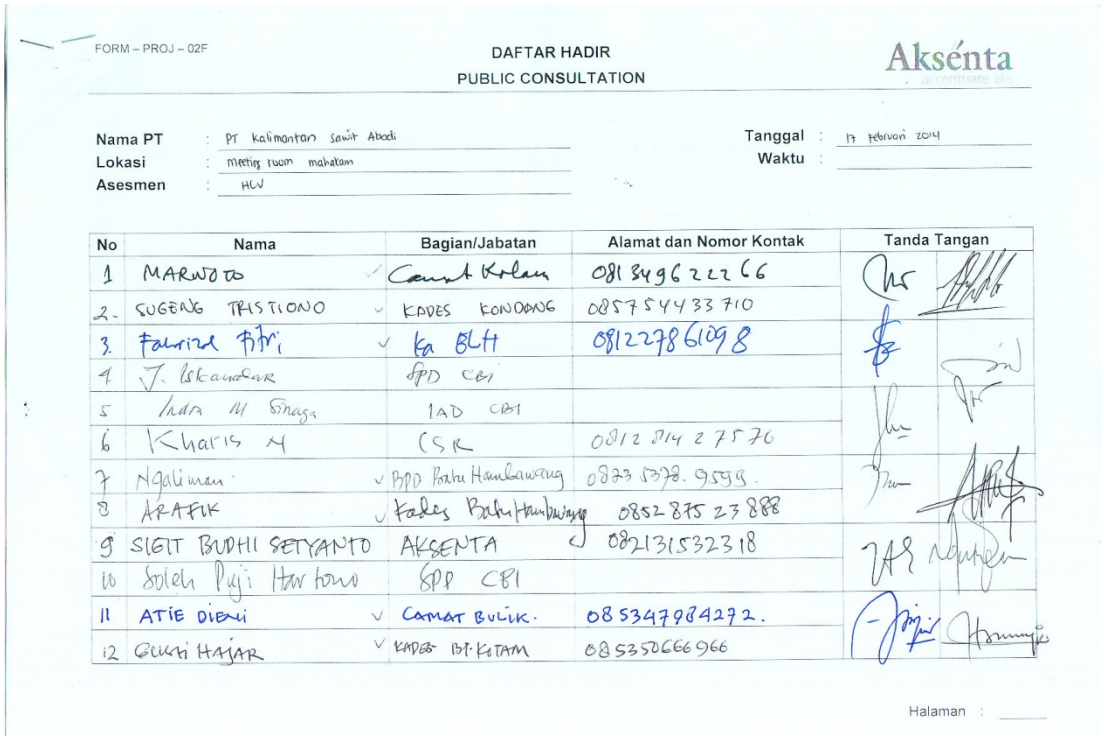
Aksenta **(PT Gagas Dinamiga Aksenta)**	**PT Kalimantan Sawit Abadi**
	
Pupung F. Nurwahtha HCV & SIA Team Leader Dated: August 29, 2014	**Rudy Hendrarto** QHSE Manager Dated: August 29, 2014

Statement of acceptance of responsibility for assessment

Assessment result document on High Conservation Value (HCV) and Social Impact Assessment (SIA) of PT Kalimantan Sawit Abadi developed by Aksenta will be applied as one of the guidelines in managing palm oil plantation in PT Kalimantan Sawit Abadi.

Ramzi Sastra
Director
Dated: August 29, 2014

Appendix 1. List of participant of the public consultation for PT Kalimantan Sawit Abadi



FORM – PROJ – 02F

DAFTAR HADIR
PUBLIC CONSULTATION

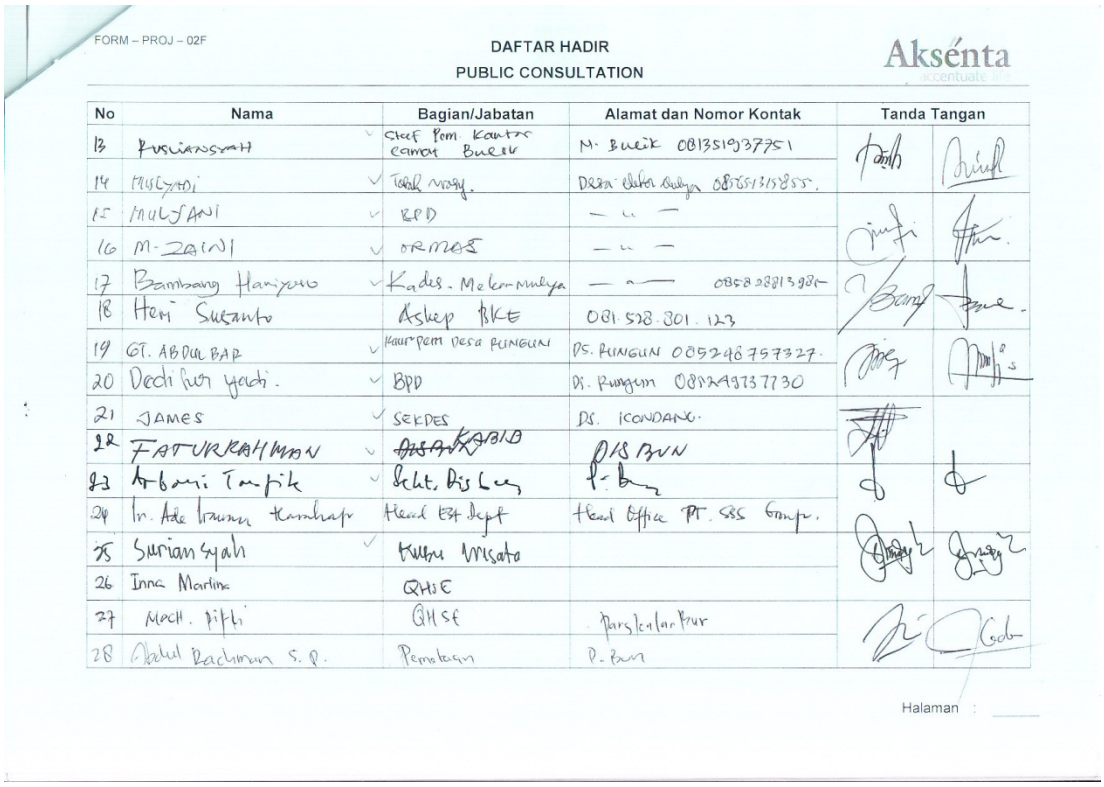
Aksénta

Nama PT : PT kalimantan sawit Abadi
Lokasi : meeting room mahakam
Asesmen : HCV

Tanggal : 17 februari 2014
Waktu :

No	Nama	Bagian/Jabatan	Alamat dan Nomor Kontak	Tanda Tangan
1	MARWOTO	Camat Kolam	081349622266	
2.	SUGENG TRISTIONO	KADES KONDANG	085754433710	
3.	Fahrizal Fitri	Ka BLH	081227861098	
4	J. Iskandar	BPD CBI		
5	Hadi M Sinaga	IAD CBI		
6	Kharis M	CSR	0812 814 27570	
7	Ngaliman	BPD Batu Tambawang	0823 5378. 9599.	
8	ARAFIK	Kades Batu Tambawang	0852 875 23888	
9	SIGIT BUDHI SETYANTO	AKSENTA	082131532318	
10	Soleh Puji Hartono	BPD CBI		
11	ATIE DIENI	CAMAT BULIK.	085347984272.	
12	Gusti Hajar	KADES BT. KOTAM	085350666966	

Halaman :



FORM – PROJ – 02F

DAFTAR HADIR
PUBLIC CONSULTATION

Aksénta

No	Nama	Bagian/Jabatan	Alamat dan Nomor Kontak	Tanda Tangan
13	Rusliansyah	Staff Pem. Kantor Camat Bulik	M. Bulik 081351937751	
14	Muslyadi	Tokoh masy.	Desa Batu Buluh 081551315855.	
15	MULYANI	BPD	— " —	
16	M. ZAINI	ORMAS	— " —	
17	Bambang Haryono	Kades. Mekarmulya	— " — 085823813984	
18	Heri Sutanto	Askep BKE	081.528.301.123	
19	GT. ABDUL BAR	Kaurpem Desa Pungun	DS. PUNGUN 085248757327.	
20	Dedi Iwan yadi.	BPD	Ds. Pungun 081249737730	
21	JAMES	SEKDES	DS. ICONDANG.	
22	FATURRAHMAN	~~KABID~~	DISBUN	
23	Arbani Tanjik	Sekt. Dis Lun		
24	Ir. Ade Iswan Hambali	Head Est Dept	Head Office PT. SSS Group.	
25	Surian Syah	Kebun Nrisata		
26	Inna Martina	QHSE		
27	Moch. Fitri	QHSE	Pangkalan Bun	
28	Abdul Rachman S.P.	Pemetaan	P. Bun	

Halaman :

FRM – PROJ – 02F

DAFTAR HADIR
PUBLIC CONSULTATION

Aksenta
accentuate life

No	Nama	Bagian/Jabatan	Alamat dan Nomor Kontak	Tanda Tangan
27.	Ansori Najib	EHS	PT CBI	
28.	Budy Sepotra	Ka. Koperasi	Bt. Kotcum	
29	Agan Zulisworo	EM - Wil I	CBI	
30.	Septin Anggraini	QHSE (QMS)	CBI	17/2/14
31.	Vera Eu	QHSE	CBI	
32.	Rija Dewana S	SIA / Aksenta	Aksenta Jakarta	
33	ERIZAL	HCV / AKSENTA	JAKARTA	
34	Pupung F. Nurwata	HCV / Aksenta	Jakarta	
35	Robert H Sinaga	HCV / Aksenta	Bogor.	
36	M Juan Ardha	HCV / Aksenta	Bogor	

Halaman : ______

Appendix 2. List of local resource person (informants)during SIA field study in PT Kalimantan Sawit Abadi

No.	Name	Position	Address
1.	Pak Ngaliman	Anggota BPD	Desa Batu Hambawang
2.	Harsono	KASI Kecamatan Sematu Jaya	Kecamatan Sematu Jaya
3.	Rizqianto	Staf Balai Desa Mekar Mulya	Desa Mekar Mulya
4.	Ponirinmexa	Staf Balai Desa Mekar Mulya	Desa Mekar Mulya
5.	Hadi Suyono	Mantan Kades Mekar Mulya (Pengumpul sawit)	Desa Mekar Mulya
6.	Gusti Abdul Bar	KAUR Pemerintahan & Bendahara Desa	Desa Rungun
7.	Gusti Muhammad Nur	Tokoh Masyarakat	Desa Rungun
8.	Nova	Bidan	Desa Rungun
9.	Gusti Tajudin	Pedagang	Desa Rungun
10.	H. Ardiansyah	Pedagang	Desa Rungun
11.	Udi Supriadi	Motorist	Desa Rungun
12.	Mahmuda	Mantan Kades Kondang	Desa Kondang
13.	Usa	Ibu Rumah Tangga	Desa Kondang
14.	Dani	Petani sawit	Desa Kondang
15.	Asih	Petani sawit	Desa Kondang
16.	Arnila	KAUR Umum Kondang	Desa Kondang
17.	Hengki	Pelajar	Desa Kondang
18.	Pika	Pedagang keliling	Desa Kondang
19.	Johani	Nelayan	Desa Kondang
20.	Rustadi	Buruh sawit	Desa Kondang
21.	Rohimah	Buruh sawit	Desa Kondang
22.	Roni	Buruh sawit	Desa Kondang
23.	Pukan	Buruh sawit	Desa Kondang
24.	Bes	Buruh sawit	Desa Kondang
25.	Pak Sili Ruwadmen	Petani sawit, mantan kades	Desa Kondang
26.	Duransah	Pengumpul gaharu & pasak bumi	Desa Kondang
27.	Hartono	Kepala Desa Sulung	Desa Sulung
28.	Retno	Kabag Pemerintahan Ds Sulung	Desa Sulung
29.	Kaspul Anwar	Ketua BPD Desa Sulung	Desa Sulung
30.	Nuraini	Bidan PUSTU	Desa Sulung
31.	H. Gusti Muhis	Pengumpul Karet	Desa Batu Kotam
32.	Drs. Gusti Hajar	Kades Batu Kotam	Desa Batu Kotam
33.	H. Gusti Siriam	Pengumpul Karet	Desa Batu Kotam
34.	H. Gusti Rahim	Pengumpul Karet	Desa Batu Kotam
35.	Sonya	Staf Kecamatan Nanga Bulik	Kecamatan Nanga Bulik
36.	Andi Aneka	Staf Kecamatan Nanga Bulik	Kecamatan Nanga Bulik
37.	Ria	Staf Kecamatan Nanga Bulik	Kecamatan Nanga Bulik
38.	Kusnadi	Warga Desa Mekar Mulya	Desa Mekar Mulya
39.	Ibu Yati	Ibu rumah tangga	Desa Batu Hambawang
40.	Ibu Aminah	Ibu rumah tangga	Desa Batu Hambawang
41.	Nasarudin Tahir	Head Of SPD	PT KSA
42.	Bapak Soleh	SM Plasma	PT KSA

Appendix 3. The peat distribution in the PT KSA Permitted Area