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RSPO NEW PLANTING PROCEDURE

**SUMMARY REPORT OF PLANNING AND
MANAGEMENT**

PT. AGRO INDOMAS (CENTRAL KALIMANTAN)

KABUPATEN SERUYAN
CENTRAL KALIMANTAN
INDONESIA

SEPTEMBER 2014

1. EXECUTIVE SUMMARY

PT Agro Indomas Central Kalimantan (PT. AICK) located in Danau Sembuluh District, Seruyan Regency, Central Kalimantan Province, is one of the oil palm plantation which is start to adopt sustainable management practices for oil palm plantation. As part of its commitment PT Agro Indomas (Central Kalimantan) has enforced the RSPO New Planting Procedure using the Guidance Document approved by RSPO in September 2009. As part of the management in sustainable oil palm cultivation, PT Agro Indomas (Central Kalimantan) has conducted Social Environmental Impact Assessment (EIA/AMDAL), High Conservation Value Assessment (HCV Assessment), and Social Impact Assessment. The EIA/AMDAL was conducted by CV Environment Technology in 2007 and this EIA document approved by Governor of Central Kalimantan Province in 2007. The HCV and SIA Assessment was conducted by HCV Team from Faculty of Forestry IPB/Bogor Agriculture University (one of RSPO approved assessor team) in August-September 2009.

Since 1996, PT Agro Indomas (Central Kalimantan) has obtained location permit from Seruyan Regent (Previously under Kotawaringin Timur Regency), it consisting of several location permits as letter No. 22.460.42/1996 (\pm 12,000 ha), No. 02.460.42/1999 (\pm 3,860 ha) No. 211.460.42/2005 (\pm 1.000 ha), No. 102/2005 (\pm 3.000 ha) No. 4/2006 (\pm 1.300 ha) No. 92/2007 (\pm 752 ha) and Plantation Business Permit No. 525/34/EK.2007 dated 31st October 2007 (+ 20,500 ha) and No. 525.26/469/VIII/EKBANG/2007 dated 28th Augusts 2007 (+ 1,000 ha)

The results of the identification of HCV assessment showed that there are nine types of HCV : HCV 1 (HCV 1.1, HCV 1.2, HCV 1.3); HCV 2 (HCV 2.2, HCV 2.3); HCV 3; HCV 4 (HCV 4.1); HCV 5 and HCV 6 in PT Agro Indomas (Central Kalimantan) location permits. The total HCV identified is about 854 ha. The key elements of the existence of HCV 1 are Hill with slope more than 40% and riparian belt. HCV 3 is the existence of rare or endangered ecosystem. 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 developments of palm oil plantation have potential and significant impacts by the presence of PT Agro Indomas (Central Kalimantan) towards social sustainable for local community. The positive impacts or benefits generated towards the surrounding communities are in employment and business opportunities, the village situation became crowded, better development of accessibility and infrastructures villages. 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

SEIA and HCV Assessment Report

1. Report of Social and Environmental Impact Assessment (AMDAL) of PT Agro Indomas (Central Kalimantan) by CV Environment Technology, 2007.
2. Report of RKL/RPL (Environmental Management and Environmental Monitoring Workplan Exercise) PT PT Agro Indomas (Central Kalimantan) by CV Environment Technology, 2007.
3. Report of Identification and Analysis of High Conservation Value of PT PT Agro Indomas (Central Kalimantan) by HCV Team Faculty of Forestry IPB (Bogor Agriculture University).

4. Report of Social Impact Assessment PT PT Agro Indomas (Central Kalimantan) by Faculty of Forestry IPB (Bogor Agriculture University).

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

Table 1. List of legal documents, regulatory permits, and property deeds related to the area assessed

No	Licenses and recommendation	Number	Remarks
1	Deed of establishment	Deed of Company on PT Agro Indomas from Republic of Indonesian Ministry of Justice C2-16807.HT.01.04.TH.95 (Based on Act. No. 69 by notary: Ny. Enimarya Agoes Suwarko Registered 28 September 1995)	Dated 21 December 1995
2	Tax Registration Code Number	Ministry of Finance, Tax Number 01.548.959.4.057.000	
3	Location Permits (Izin Lokasi)	1. Location permit from Head of National Land Authority (BPN), Kotawaringin Timur No. 08.460.42 /Revised of Location Permit No. 22.460.42	Dated 16 th September 1996 (\pm 12,000 ha)
		2. Location Permit from Kotawaringin Timur Regent no. 211. 460. 42	Dated 5 th March 2005 (\pm 1,000 ha)
		3. Location Permit from Head of National Land Authority (BPN), Kotawaringin Timur No. 02.460.42	Dated 3 rd February 1999 (\pm 3,860 ha).
		4. Location Permit from Seruyan Regent No. 102, 2005.	Dated 30 th April 2005 (\pm 3,000 ha)
		5. Location Permit from Seruyan Regent No. 04, 2006	Dated 17 th January 2006 (\pm 1,300 ha)
		6. Location Permit from Seruyan Regent No. 92, 2007	Dated 19 th April 2007 (\pm 752 ha)
4	Plantation Business Permits (Izin Usaha Perkebunan)	1. Revised IUP No. 525/342/EK.2007	Dated 31 th October 2007 (\pm 20,500 ha)

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No	Licenses and recommendation	Number	Remarks
		2. IUP No. 525.26/469/VIII/EKBANG/2007 from Head of Kotawaringin Timur Regent	Dated 28 th Augusts 2007 (\pm 1,000 ha)
5	Conversion Forest Permit	1. Ijin Pelepasan Kawasan Hutan (Forest Conversion Permit) No. 499/Kpts-II/1997 from Forestry Ministry	11,930 ha
		2. Proposed Forest Conversion Permit	3,783 ha
5	Environmental Permit (Izin Lingkungan)	No. 188.44/ 281/ 2007 form Governor of Central Kalimantan Province.	Dated 22 nd June 2007

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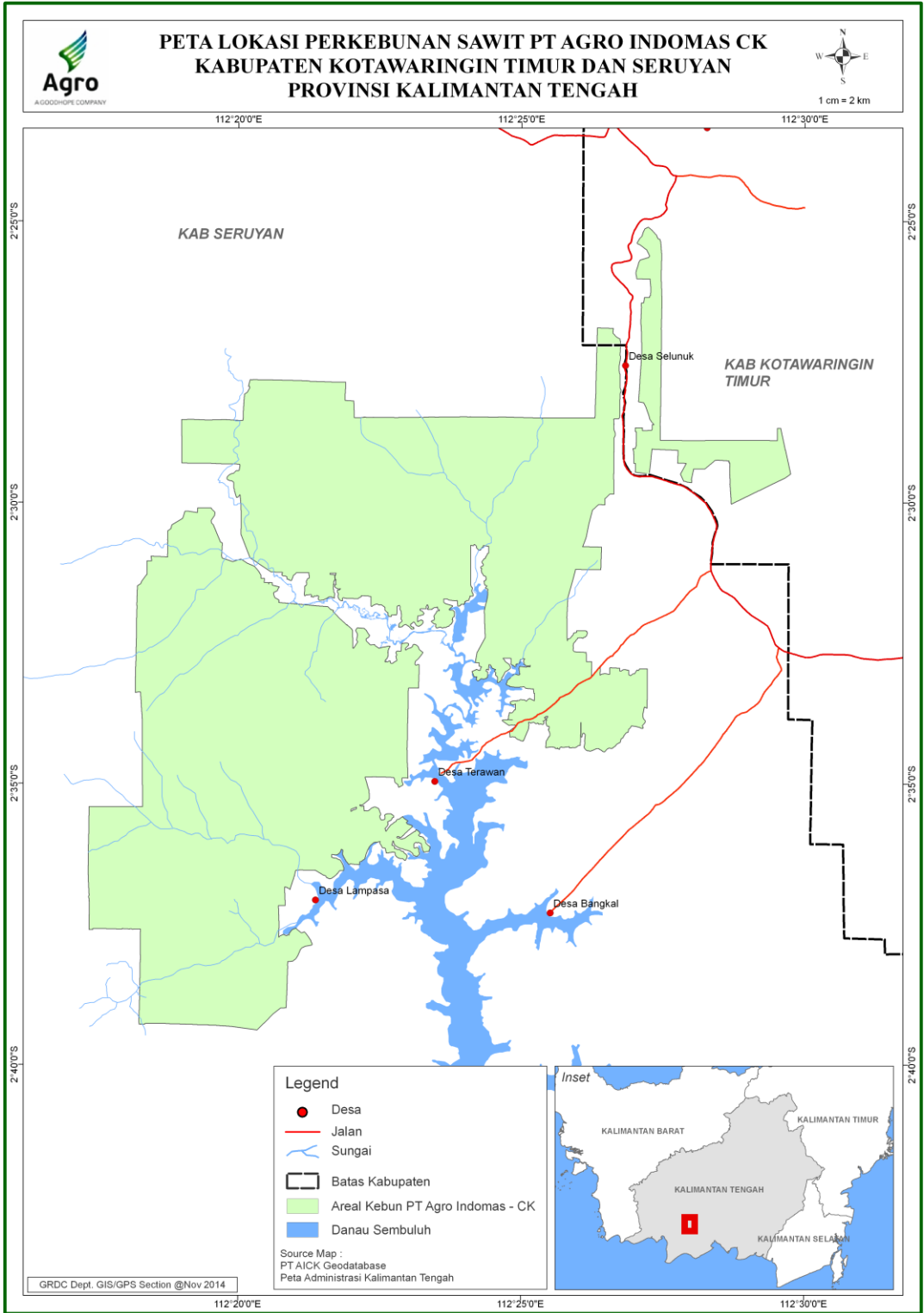
Location Map



Figure 1. Location of PT. Agro Indomas (Central Kalimantan) in Indonesian Country

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ID Peta : 01DK1411002



ISO A4 Portrait - General - 2012

Figure 2. Location of PT. Agro Indomas (Central Kalimantan) and Surrounding Entities

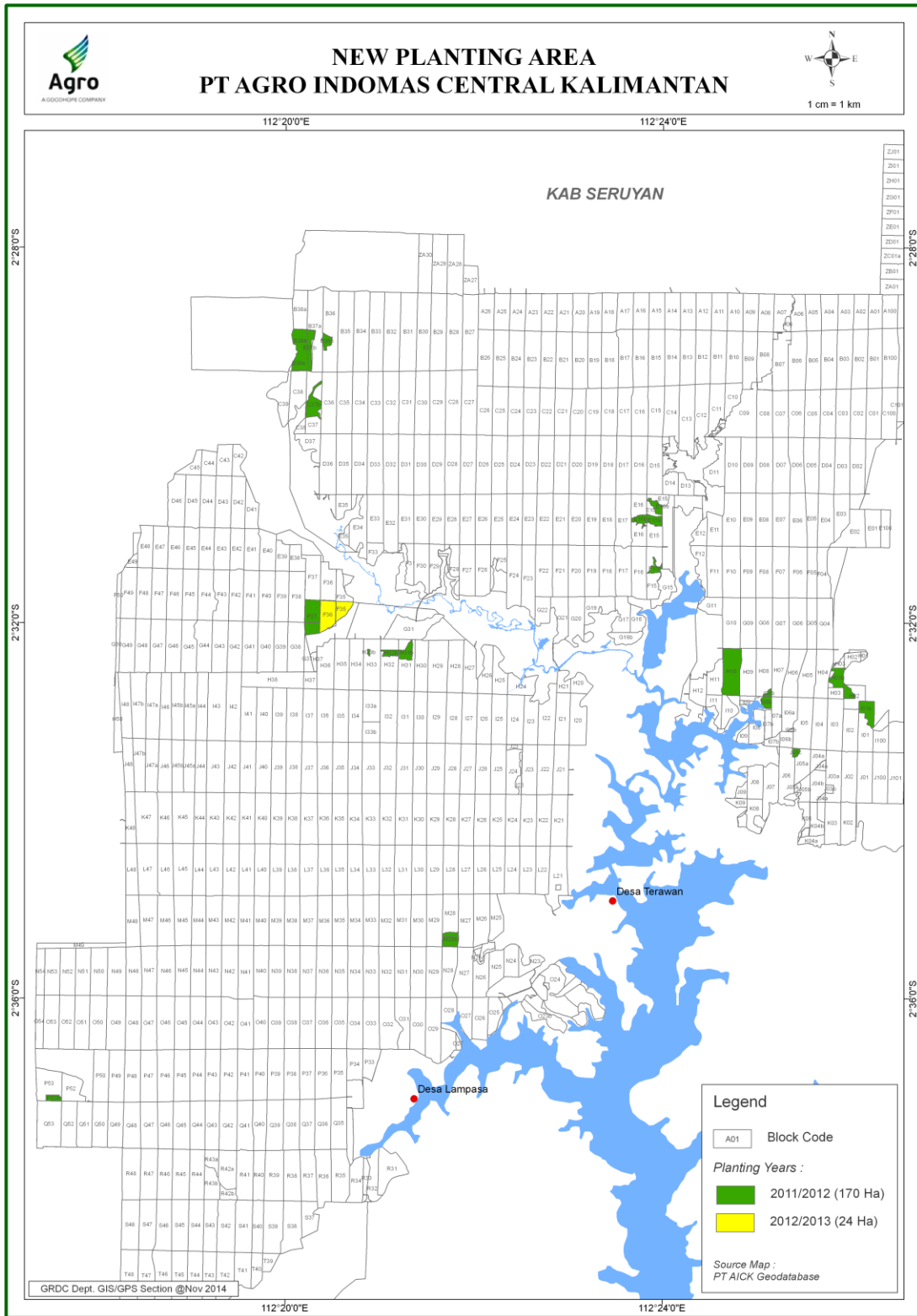


Figure 3. Location of new planting area of PT. Agro indomas (Central Kalimantan) which have

been planted in 2010 - 2013

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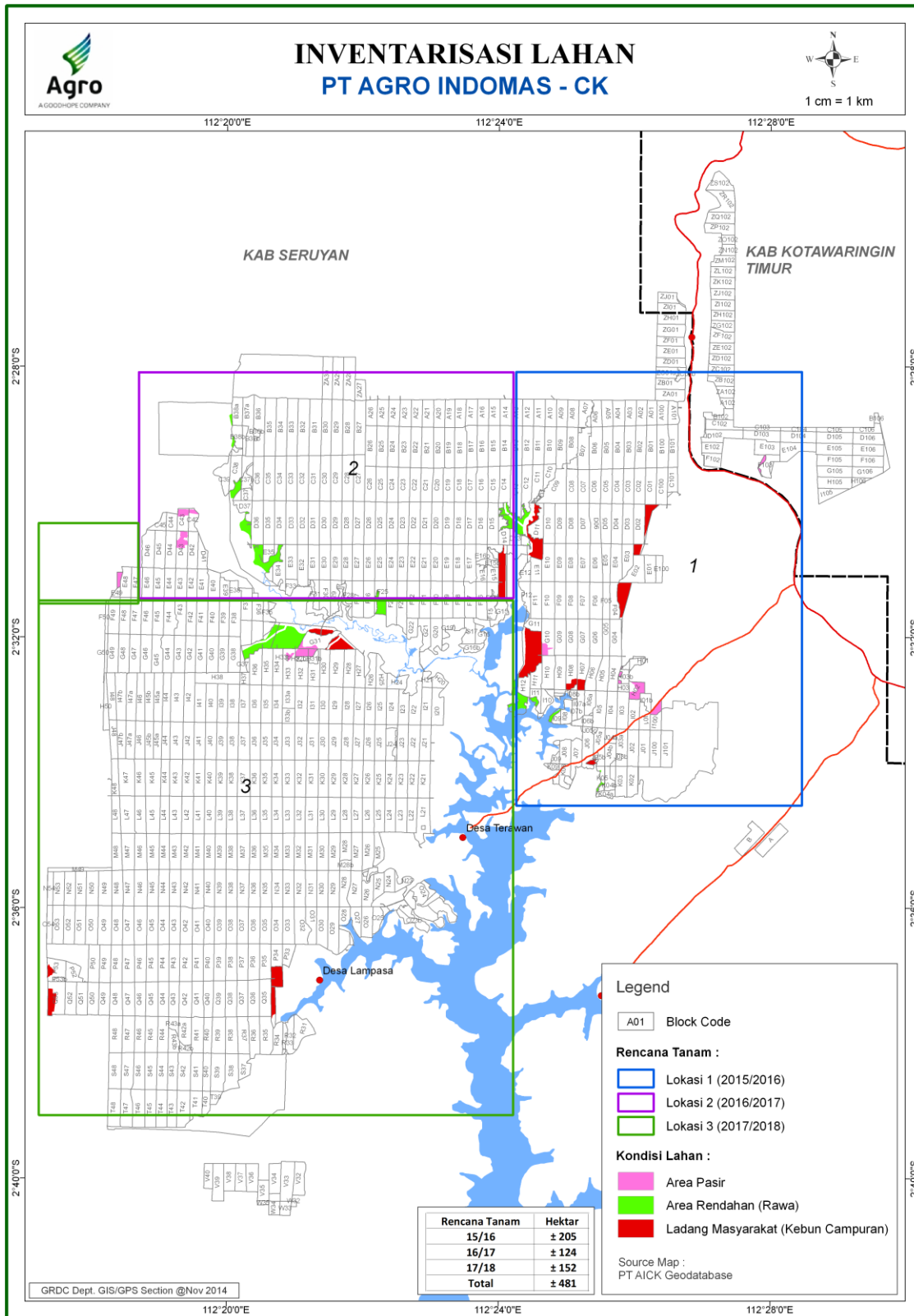


Figure 4.. Proposed new planting area of PT. Agro indomas (Central Kalimantan) in 2015 –

Area and time-plan for new plantings

The new planting area of PT Agro Indomas (Central Kalimantan) was in its permitted area. Currently, new planting areas have been planted from 2011 2013 (194.00 ha) and proposed new planting for 2015/2016 – 2017/2018 (\pm 481 ha) with no any primary forest, no any peat lands and no HCV area being planted. The process of land development and palm oil planting are following the procedures of RSPO New Planting Procedures (NPP). Undertaken activities are land acquisition or compensation to the land owners and as addition activity is socialization of plantation development plan or Free Prior and Informed Consent (FPIC).

Table 2. Summary of plantings area in PT Agro Indomas (Central Kalimantan)

Plantation Area	April 2010 – March 2013	Proposed New Planting			Total Proposed New Planting (Ha)
		2015/2016	2016/2017	2017/2018	
Proposed new planting Area (Ha)	194.00	205.00	124.00	152.00	\pm 481.00

3. SEIA AND HCV MANAGEMENT AND PLANNING PERSONNEL

Personnel Involved in planning and implementation of HCV and SEIA

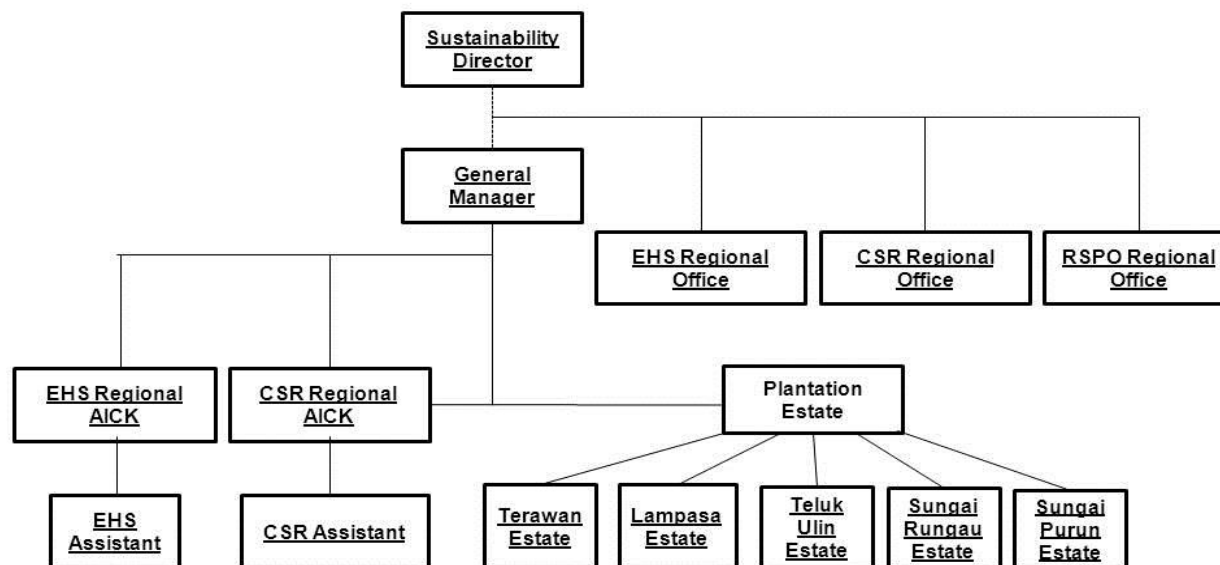


Figure 5. Personnel involved in planning and implementation in PT AICK

Stakeholder to be involved

The process of EIA, SIA and HCV development and preparation of management and monitoring plan PT AICK was involved the consultation with related stakeholders, such as: Plantation Agency (Disbun), Forestry Agency (Dishut), Environmental Agency (BLH), Local Community, Local NGO, The Local Government (Village and District), Educational Consultant, Mass Media, Other Plantation Company and independent Consultant (IPB). Stakeholder consultation for sharing information about EIA, HCV, and SIA management plan involving relevant stakeholder and respondents. The process of HCV and SIA stakeholder consultation was conducted on 21st October 2009.

4a. SUMMARY OF SEIA MANAGEMENT AND MITIGATION PLAN

The assessment of Social Impact Assessment (SIA) studies identified negative and positive impacts on the environment and surrounding community of PT AICK. The summary of preparation and management plans on SIA as the following table :

Table 3. The summary of social management and monitoring plans of PT. AICK

Program	Activity
Land tenurial issues solving in surrounding community	Land inventory that still claimed by surrounding community
Improving of plasma scheme	Inventory of land location, size and status for plasma scheme plantation and develop a participatory plasma plan
Improving Economic Aspect for the community	<ul style="list-style-type: none"> • Analysis of economic potential in the surrounding communities • Improving capacity for entrepreneurship and alternative livelihoods • Developing fisheries demonstration plot • Organizational and institutional improvement for plasma scheme • Facilitating the potential youth for attending a training course such as mechanic.
Improving Educational Quality for the Community	<ul style="list-style-type: none"> • Develop an educational plan from kindergarten, elementary school, junior high school until senior high school • Build Tunas Agro Junior High School • Developing an educational facilities for the surrounding communitis • Provide a scholarship program
Socialize and improvement Community Health Quality	<ul style="list-style-type: none"> • Analysis of health issues and problem in the surrounding communities • Medical check-up and health treatment • Socialization and awareness about disease
Developing communication and network with all related stakeholders	<ul style="list-style-type: none"> • Conduct a routine meeting with all related stakeholders • CSR Publication activities in mass media.
Reuse-Reduce-Recycle Campaign	Conducting a campaign, training and

Program	Activity
	socialization of 3R (Reduce, Re-use, Re-cycle) for local communities and employees.
Reducing the river and lake pollution	Evaluating a waste management and improving and mantaining wates facilities
Improving ground water stock	<ul style="list-style-type: none"> • Ground Water Conservation • Provide a clean water to the communities
Employment improvement	<ul style="list-style-type: none"> • Improving understanding and knowledge of employment regulation • Labour Union engagement • Safety work improvement and provide PPE

4b. SUMMARY OF HCV MANAGEMENT AND MITIGATION PLAN

HCV Management Plan Programme

The HCV development and preparation of management and monitoring plans started from 2008 by preliminary assessment in cooperation with WWF – Indonesia. The preliminary assessment showed the presence of HCV with no primary forest and no peat land in PT Agro Indomas Central Kalimantan, then in 2009 PT. Agro Indomas (Central Kalimantan) continued the assessment by independent consultants from Bogor Agriculture University (IPB), one of the RSPO accredited assessor. The assessment conducted from Augusts – September 2009. From that assessment identified nine types of HCV, and provides recommendation for the company in managing the HCV area present within the concession area, also to enable all the available resources to be focused, integrated and effective achieving the HCV management outcome.

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 Agro Indomas (Central Kalimantan) was based on the structure of strategy mapping. In strategy map, the process were all focused on three fields under the management and responsibility of the plantation management, 1) Stakeholder, 2) Operation, and 3) People & Resources.

Plan for HCV Monitoring and Regular Review of Data

The basic programs and activities that fulfill the HCV management are in regular monitoring and review. The purpose of review is to measure the achievement, effectiveness, efficiencies, impact, and sustainability of the programs. Thus, the purpose of monitoring is to evaluate whether the activities run as they are expected; whether the outputs of the process are as they were projected previously; and whether the resources investments (human, fund, time) are as they were planned.

Monitoring and review are aimed to a set of indicators as the key performance indicators and should be managed systematically, consistently, and well documented. The monitoring should

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be implemented regularly and it is dependent on the classifications of the activities and the target indicator to evaluate (the detail of such activities are presented in the book of Management and Monitoring plan of HCV within PT Agro Indomas (Central Kalimantan) concession) in five years periodical time plan, with five years for summative review and every one year for formative review.

Management and mitigation plans for threats to HCV areas

The identified basic activities which are planned to run in order to achieve the basic targets for the enhancement and maintenance of the HCV areas are:

1. Inventory and Identification of all HCV Areas and that threats or disturbances
2. Socialization about the existence and importance of protecting HCV areas to the local communities and people around the HCV areas
3. Socialization about the existence and importance of protecting HCV areas to employees
4. Develop an SOP of management and monitoring HCV
5. Dialogue with stakeholders, especially government for increasing protecting HCV elements and areas
6. Develop organization structure for HCV management and monitoring system
7. Reduce sediment loads and river siltings by river leaching

Management plans to enhance or maintain conservation values of identified HCV Areas

The process of strategy mapping, the practical vision is defined as the basic targets. Those basic targets include five ideal states which are going to be achieved through the efforts of HCV protection and management. Those ideal states are:

1. Demarcate all of HCV areas boundaries
2. Maintain the boundary poles
3. Provide HCV signboard in all HCV areas with hunting ban to protect flora and fauna reserved include the sacred place
4. Enrichment and rehabilitation in HCV areas
5. Reserve the riparian zone

Monitoring plan of HCV

To ensure the implementation of management HCV was implemented, PT AICK also has a monitoring plan of HCV with the standard of the monitoring. The monitoring plans of HCV are:

1. Measure the intensity of HCV disturbance in HCV areas include fire hazards potential
2. Calculate and measure the most recent land cover and the development of land cover periodically
3. Monitor the development of the buffer zone condition
4. Monitor recent condition and density plant species biodiversity include protected and endangered species
5. Monitor recent condition and density of wildlife species biodiversity include protected and endangered species
6. Monitor the realization of rehabilitation activity and percentage of rehabilitation coverage area
7. Monitor the river quality periodically

Development Plan

PT Agro Indomas (Central Kalimantan)'s development plan has incorporated the findings from Social Environmental Impact Assessment (SEIA – AMDAL), HCV assessment and Social Impact Assessment for implementing the operational plans.

5. Internal Responsibility

This document is the summary report of Planning and Management in PT Agro Indomas (Central Kalimantan) and has been approved by the Management of PT Agro Indomas Central Kalimantan



Wilton Simanjuntak
RSPO Manager