

**Summary Report of Planning & Management of PT Cahaya Nusa Gemilang**  
**District of Marau, Ketapang Regency, West Kalimantan**

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**Executive Summary**

PT Cahaya Nusa Gemilang (hereinafter referred to as “**PT CNG**”) is domiciled at District of Marau, Ketapang Regency, West Kalimantan and has met legal requirements to perform land clearing for new plantation. It holds Location Permit, Plantation Business Concession (“**IUP**”) and Land Use Title (*Hak Guna Usaha* – **HGU**) as bases for running Oil Palm Plantation business. PT CNG has carried out an Environmental Impact Assessment (**EIA**) which, in accordance with the Minister of Environment’s Regulation No. 11/2006, is compulsory to plantation cultivation covering an area of  $\geq$  3,000 hectares and has been authorised by West Kalimantan Governor by virtue of Governor’s Decree No. 265/BLHD/2010 on Oil Palm Plantation Operational Feasibility dated 24 May 2010 (covering an area of:  $\pm$  3,374.17 Hectares) for PT CNG in Marau District, Ketapang Regency, West Kalimantan. The EIA document was prepared by the consultant named ‘Intergraha Citrapersada’ and performed by qualified persons from relevant disciplines.

The Company already has Social Impact Assessment (“**SIA**”) in its possession prepared by PT SMART, Tbk.’s internal team, whose coordinator has been registered under RSPO Approved HCV Assessors, and team members are competent in their respective discipline. SEIA document has been supplemented by Social Impact Management and Monitoring Plan. Social impact management was carried out by PT CNG’s management under the assistance of stakeholders being the company’s partner.

PT CNG’s High Conservation Value (“**HCV**”) Assessment was carried out within its IUP area, in which Faculty of Forestry of Bogor Agricultural University’s (“**IPB**”) ran its research in period of June-September 2010. The field assessment was done on 11-16 June 2010. The HCV Assessment Team consisted of seven, 3 out of whom are registered under RSPO Approved HCV Assessors. The findings of such HCV assessment concluded that no primary forest found within the PT CNG’s management concession. There are 7 (seven) HCVs identified in PT CNG’s concession, namely HCV

1 (HCV 1.1, HCV 1.2, and HCV 1.3), HCV 2 (HCV 2.3), HCV 4 (HCV 4.1), HCV 5, and HCV 6, forming a total area of 233,01 hectares.

The company has prepared Environmental Management Plan (“**RKL**”) and Environmental Monitoring Plan (“**RPL**”) documents as part of EIA, pursuant to the Governor’s Decree No. 265/BLHD/2010 dated 24 May 2010.

The company has also prepared HCV Area Management and Monitoring Plan prepared by the same Team as that of HCV Assessment document, elaborating HCV Area Management and Monitoring Plan based on the assessment findings. The company has arranged social impact management and monitoring plan referring to the SIA document. These three documents jointly serve as a guideline to PT CNG management unit in implementing environmental and social aspects management.

### **Reference Documents**

The reference documents are as follows:

1. EIA document authorised by West Kalimantan Governor by Governor’s Decree No. 265/BLHD/2010, May 2010
2. HCV Assessment Final Report within the concession of PT CNG, Ketapang Regency, West Kalimantan Province. Faculty of Forestry, IPB. 2011.
3. Social Impact Assessment (SIA) document by PT SMART’s internal team, March 2013
4. Social Impact Management and Monitoring Plan document, March 2013
5. RKL and RPL documents. May 2010
6. HCVA Management and Monitoring Plan within the PT CNG’s concession, Ketapang Regency, West Kalimantan. Faculty of Forestry, IPB. 2011.

### **Brief summary of the above documents:**

The presence of PT CNG has brought about positive impacts on its neighbouring areas’ environmental and social conditions. RKL-RPL documents were submitted to the

Provincial Environmental Management and Monitoring Office (BPPLHD) of West Kalimantan Province, Regency Local Environmental Monitoring Office, Provincial Plantation Office of West Kalimantan, Regency Plantation Office, Manpower Office, Ketapang Regency Health Office, and Kapuas Watershed Management Office. Environmental component monitoring is done periodically. Increase of income and improved socio economic condition are some positive impacts due to the presence of PT CNG. Negative impacts incurred were social unrest and declined community health quality. In PT CNG's concession 7 (seven) HCVs were identified, namely HCV1 (HCV1.1, HCV1.2, and HCV1.3), HCV2 (HCV2.3), HCV4 (HCV4.1), HCV5, and HCV6.

### **SEIA and HCV Management Planning Personnel**

#### **a. Company's Data and Contact person**

- Name of company : PT CNG
- Location : Rangkung, Randai and Batu Payung Dua Villages, District of Marau, Ketapang Regency, West Kalimantan
- Geographic site : 2° 4' 31,546" S - 2° 10' 47,611" S  
110° 29' 49,007" E - 110° 33' 44,729" E
- Borders
  - a. North : Protected Forest and Production Forest
  - b. East : PT Kencana Graha Permai's Concession
  - c. West : Pimping River and Production Forest Area
  - d. South : Kendawangan River
- Permits
  1. Permit Location: Ketapang Regent's Decree No. 384/2004 on Location Permit Authorisation for PT CNG's Oil Palm Plantation Development

covering an area of 35,000 hectares, dated 21 December 2004.

2. Location Permit Extension:

- Ketapang Regent's Decree No. 432/2007 on Extension of period of, and Amendment to, PT CNG's Oil Palm Development Location Permit, covering an area of  $\pm$  9,000 hectares, dated 12 December 2007.
- Ketapang Regent's Decree No.38/2009 on Extension of period of, and Amendment to, PT CNG's Oil Palm Development Location Permit, covering an area of  $\pm$  3.444,17 Ha

3. Land Use Title (HGU): PT CNG is still in process of obtaining the title with the relevant agencies.

4. Plantation Business Concession for Cultivation / IUP-B :

PT CNG has obtained Oil Palm Plantation Business for Cultivation (IUP-B) in accordance with Ketapang Regent's Decree No. 230/DISBUND/2012 dated 7 May 2012 on PT CNG Oil Palm IUP-B of 3,312 hectares.

- Parties Involved:

Those in charge for preparing HCV document, RKL, and RPL in favour of PT CNG is the company's management assisted by the Faculty of Forestry, IPB. Both were supplied with information collected from stakeholders comprising: village/sub-village head, village secretary, public figures, and local government staffs. They were invited to attend a public consultation held on 16 June 2010.

Social Impact Management and Monitoring Plan document was prepared with the help of relevant stakeholders. The management fully becomes PT CNG's liability and implemented in accordance with the findings of SIA made by PT SMART's Internal Team.

### **Summary of Planning and Management (SEIA)**

EIA has been made by PT CNG and has also been authorised by West Kalimantan Governor based on Decree No. 265/BLHD/2010 dated 24 May 2010. The AMDAL

document was prepared by qualified personnel of 'Intergraha Citra Persada' consulting firm, with expertise in their respective disciplines. In addition to the EIA document, the company has also possessed SIA document prepared by PT SMART's internal team led by Yosaphat Ardhilla Renato, S.Ant. (registered under RSPO as specialist in social impact management) in March 2013.

**Summary of PT CNG's Environmental Monitoring and Management Plan**

<b>No.</b>	<b>Environmental component parameters (Operating Phase)</b>	<b>Source of Impact</b>	<b>Environmental Parameters</b>	<b>Data Collection and Analysis Methods</b>	<b>Location</b>	<b>Monitoring Period and Location</b>	<b>Environmental Management Plan (RKL)</b>
a	Community income	Harvesting, and Fresh Fruit Bunch Transportation and plant treatment	Number of workers employed as per specifications, local community business opportunity	Data is obtained from secondary data collection and direct descriptive observation	Plantation neighbouring community,	Semi annually	Encourage local community business growth, provide entrepreneurship training, local community employee training. Set HSE standards for employees, plan on program community empowerment program by more accommodating local community interests and implement program community empowerment program to increase their capacity.

**Summary of PT CNG's Environmental Monitoring and Management Plan**

No.	Environmental component parameters (Operating Phase)	Source of Impact	Environmental Parameters	Data Collection and Analysis Methods	Location	Monitoring Period and Location	Environmental Management Plan (RKL)
b.	Community Health	Land clearing and plantation operation	Type of diseases occurred, water quality of Pimping, Sadokan, Puayan,. And Kendawangan rivers, transportation facilities, medical personnel, environmental convenience	Grab sampling, analysis is done by way of microbiology research by identifying the parameters of <i>E. Coli</i> and <i>Total Coliform</i> .	Neighbouring villages and their rivers (Pimping, Sadokan, Puayan, Kendawangan)	Semi annually	Provide medical service to community affected by water borne and air borne diseases, improve health service frequency periodically, intensive monitoring on pollution source, perform strict monitoring on liquid waste discharge,

## **Summary of Planning and Management (SIA)**

### **General Recommendations as Result of SIA:**

#### **1. Increase of Community Income.**

Improvement of local community's economy through several management actions, such as: the company provides information on its workforce demand to the local government according to the predetermined qualifications to set the employment salary equivalent to or above the minimum standard, community employment under local partnership and local procurement, HSE policy implementation, provides entrepreneurship training to community, and encourage the growth of local community's business activities through local procurement and local partnership. Other than internal operations, PT CNG develop plasma plantation which may potentially improve wellbeing of the community and outgrowers joining the programme.

#### **2. Social Unrest**

According to the socialisation during investment phase, PT CNG plantation would be built in the assessment area as provided in the EIA document. Thus far, the land acquisition and compensation has gone through FPIC process and method. The process is hindered due to disagreement on investment and company management operational scheme. Socialisation on the compensation requirement is necessitated to produce agreement with community and to initiate company's concession determination as the beginning of land compensation process. This is according to the company's procedure in place regarding the compensation process.

PT CNG needs to socialise its workforce demand based on the quota and the current positions available. It should also communicate the most updated data to the villages/local governments. In addition to the employment issue, PT CNG needs to perform the management, monitoring, and strict supervision on environmental pollutants mainly water pollutants. Deteriorating water quality will become a major problem if it is not well managed, because water is the primary resource to community living in the assessment area.



### **3. Community Health Problems**

Proactive communication with relevant stakeholders within the assessment area needs to be done intensively to ensure the restriction of expanded negative social impacts. Several communication issues with the company stakeholders are as follow.

- Communication with local contractors in order to strictly monitor that they perform environmental control in their operations during waste transportation and management operations.
- Communication with the management's internal, environmental office, and local community to perform the best management practices in processing oil palm wastes, toxic and hazardous materials, as well as socio-environmental impact management reporting.
- Communication with the local community to provide information on adequate sanitary pattern and environmental management.

These are the set of efforts to manage the principal negative impacts consisting of social unrest and community health problems.

### **Summary of Planning and Management (HCV)**

#### **Management recommendations:**

The management plan of HCV areas within PT CNG's concession, West Kalimantan, consists of management of HCV area in the form of riparian areas, lake riparian, spring areas, enclave areas, and funeral/cemetery/sacred places.

The management of HCV area within PT CNG's concession is held to sustain and improve HCV, including:

- HCVA border signs.
- HCVA border signs maintenance.
- Area, plant and wildlife protection.
- Rehabilitation and enrichment in HCVA.
- Counselling service to community.

- Employee training.
- HCVA Management SOP preparation/correction.
- Organisation.
- Coordination with relevant agencies.

**Monitoring recommendations:**

Indicators were monitored based on HCV categories found in each location. Whereas the HCVs found in PT CNG's concession, West Kalimantan, are HCV 1 (HCV 1.1, HCV 1.2, and HCV 1.3), HCV 2 (HCV 2.3), HCV 4 (HCV 4.1), HCV 5, and HCV 6.

The monitoring plan to implement will be directed to HCV management activities in each area.

HCV area monitoring activities with PT CNG's concession will cover the following.

- Problem intensity within then HCV area, including fire hazard.
- Diversity and density of plant species (including those of protected and RTE (Rare, Threatened, Endangered) status) in the HCV area.
- Diversity and abundance of wildlife species (including those of protected and RTE status) in the HCV area.
- The activity implementation realisation and cultivated plants' life percentage in activities of rehabilitating the HCV area.
- Change of river width.
- River, lake, and spring water quality.
- Aquatic biota in rivers and lakes.

**Plan for HCV Monitoring and Regular Review of Data**

Review on HCV Assessment Report and HCVA Management and Monitoring Plan document in PT CNG's concession was done by Resit Sozer in April 2011. The findings

of such review were further used as materials to rectify the HCV Report and HCV Area Management and Monitoring Plan.

### **Management and planning for threats to HCV areas**

1. Inventorying and identification of land cover in the HCV area should be done by taking into account the existing land cover. This activity should be done in riparian areas, lake areas, and spring areas.
2. Border signs


### **Management plan to enhance or maintain conservation values of the assessed HCV areas**

1. Maintain the signs.
2. Protect the area, and its flora and fauna.
3. Patrol the area and its plant and wildlife species, primarily in the susceptible parts of the area.
4. Manage the riparian areas, and lake and spring surroundings, which have already been planted with oil palms by practicing green management.
5. Rehabilitation and enrichment of riparian areas, lake areas, and spring areas should be done in already-deteriorated HCV areas.

### **Internal Responsibility**

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

On behalf of the Management of **PT Cahyanusa Gemilang,**



Dr. Haskarlianus Pasang  
Head of Sustainability Division  
Date: June 4<sup>th</sup>, 2013