



Summary Report of SEIA and HCV Assessments
PT. Prima Mitrajaya mandiri
Kutai Kartanegara District – East Kalimantan Province, Indonesia

1. Executive Summary

PT Prima Mitrajaya Mandiri (PT PMM) is a subsidiary of PT Evans Indonesia under the auspices of MP Evans Group PLC. MP Evans Group PLC has been registered as a member of the RSPO (membership number 1-0027-06-000-00).

PT Prima Mitrajaya Mandiri (PT PMM) received a license (Izin Lokasi) to use land area of 20.000 hectares according to SK Bupati Kutai Kartanegara No.39/DPtn/UM-38/XII-2005 dated December 26, 2005, which was extended by SK Bupati Kutai Kartanegara No.88/DPN.K/IL-84/XII-2006 dated December 29, 2006. On June 26, 2007 there was an extension and revision by SK Bupati Kutai Kartanegara No.47/DPN-L/IL-46/VI-2007 for use of land for oil palm plantation area of 21.500 hectares. PT PMM receive the IUP from Bupati Kutai Kartanegara on July 26, 2007 by SK No. 503/50/SK-Disbun Kukar/VII/2007. PT PMM has conducted a review of environmental and social factors highlighted in the EIA document that has been verified by the government through SK Bupati Kutai Kartanegara No. KAKK/27/AMDAL/KELAPA SAWIT/2008.

Location of PT PMM is at 116°28' - 116°46' E and 0°10' - 0°24' LS, in the province of East Kalimantan, Indonesia. Administratively the area is located in three sub-districts, namely Kota Bangun, Muara Kaman and Muara Wis, Kutai Kartanegara District, East Kalimantan Province.

There are five estates in PT PMM, i e. Loleng Estate (LLE), Benua Puhun Estate (BPE), Kaman Hilir Estate (KHE), Bukit Jering Estate (BJE) and Muara Wis Estate (MWE).

PT PMM has conducted HCV Assessment carried out by Envirologic Consulting led by Dr Sanath Kumaran and Aksenta led by Resit Sozer. Both Dr Sanath Kumaran and Resit Sozer are an RSPO-accredited HCV lead assessors. Envirologic Consulting carried out HCV assessment in Loleng Estate and Benua Puhun Estate in August 2011 whilst for the other PMM estates namely Bukit Jering Estate, Kaman Hilir Estate and Muara Wis Estate were carried out in June 2012 by Aksenta.

Envirologic Consulting and Aksenta have assessed HCV comprehensively for PT PMM using HCV Consortium for Indonesia (2009) Guidelines for identification of HCV in Indonesia to comply with RSPO New Planting Procedure (NPP) and the

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Indonesian National Interpretation of RSPO Principles and Criteria (RSPO INA-NIWG, May 2008).

From document tracings and interviews of stakeholders, the assessors noted that the area was a timber concession (HPH) which has been logged and re-logged about 30 to 40 years ago. From the interviews conducted, it was also found by the assessors that the area experienced severe fires in 1982 and 1997 which had greatly impacted the vegetation and land cover.

From the field assessments of this survey it was found that the location of PT PMM has no primary forest. Satellite imagery of 2009 and 2011 examined by the assessors found that the project site is dominated by secondary forest and there is no evidence of tropical rain forest.

From the HCV assessment it was found that the area consists of:

- HCV 1 : 977,87 ha or 7,5% of the “Kadastral”
- HCV 3 : 0,92 ha or 0,007% of the “Kadastral”
- HCV 4 : 600,02 ha or 4,65% of the “Kadastral”
- HCV 6 : 0,06 ha or 0,0006 % of the “Kadastral”

The AMDAL study (EIA Assessment) of PT PMM had covered all environmental and social aspects of the various oil palm plantation development activities ranging from land clearing, maintenance and harvesting. Apart from outlining the positive and negative impacts of the various activities, the study also recommended environmental and social management plans to monitor and enhance the positive effects and reduce the negative impacts of oil palm cultivation.

2. Scope of the SEIA and HCV Assessment

a. General Data of the Company

| | |
|---------------------------------|---|
| Company Name | : PT Prima Mitrajaya Mandiri |
| License of Establishment | : Notary Ni Putu Sri Sunardewi, SH, No : 13, dated 13 September 2005, approval of Human Rights and Justice No. C-16441 HT.01.01TH.2006, dated 06 June 2006 |
| Capital Status | : Foreign Investment (<i>Penanaman Modal Asing - PMA</i>) |
| Taxpayer Notification Number | : 02.504.353.0-058.000 |

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- Company Address : **Head Office:**
Gedung Graha Aktiva Lt 10, Suite 1001, Jl. HR Rasuna Said Blox X-1 Kav. 03, Kuningan, Setiabudi, Jakarta Selatan
- Regional Office:**
Jl Kadrie Oening Ruko No 3 and 4, Kecamatan Samarinda Ulu, Samarinda, Kalimantan Timur, Indonesia
- Type of business : Oil Palm Plantation & Processing
- Status of concession land and Permit : 1. The last revision of Permitted Area (Izin Lokasi) No. 47/DPN.K/IL-46/VI/2007, dated 26 June 2007 (\pm 21,500 ha) which state that according the RTRWP, this area is non forest area (KBNK/APL).
2. Ijin Usaha Perkebunan/IUP (Plantation Operational Permit) No. 503/50/SK-DISBUN KUKAR /VIII/2007, dated 26 July 2007 (\pm 21,500 ha).
3. Recommendation of cadastral HGU from Kutai Kartanegara Regent No. 345/590/PPT/A.PTN/VI/2011, dated 27 June 2011 for \pm 9,971.06 ha (INTI).
Recommendation is not included KKPA areas (2,927 ha) due to the land Authority (BPN) will issue the land title of KKPA separated with INTI
4. Area Allocation Mapping Analysis from Balai Pemanfaatan Kawasan Hutan/ BPKH Wilayah VI No. S.499/BPKH IV-2/2011, dated 13 June 2011 state that the proposed areas for \pm 16,577 is not included in forest area (Areal Penggunaan Lain/APL)
5. The Social Environmental Impact Assessment (AMDAL) No. KAKK/27/AMDAL/KELAPA SAWIT/2008, dated 24 September 2008.was approved by Kutai Kartanegara Regent.
- Contact person : Mr. Daud Bukit (Senior Manager PT PMM)
Geographical Location : 116°28' - 116°46" E and 00°10' - 00°24' S

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Surrounding Entities

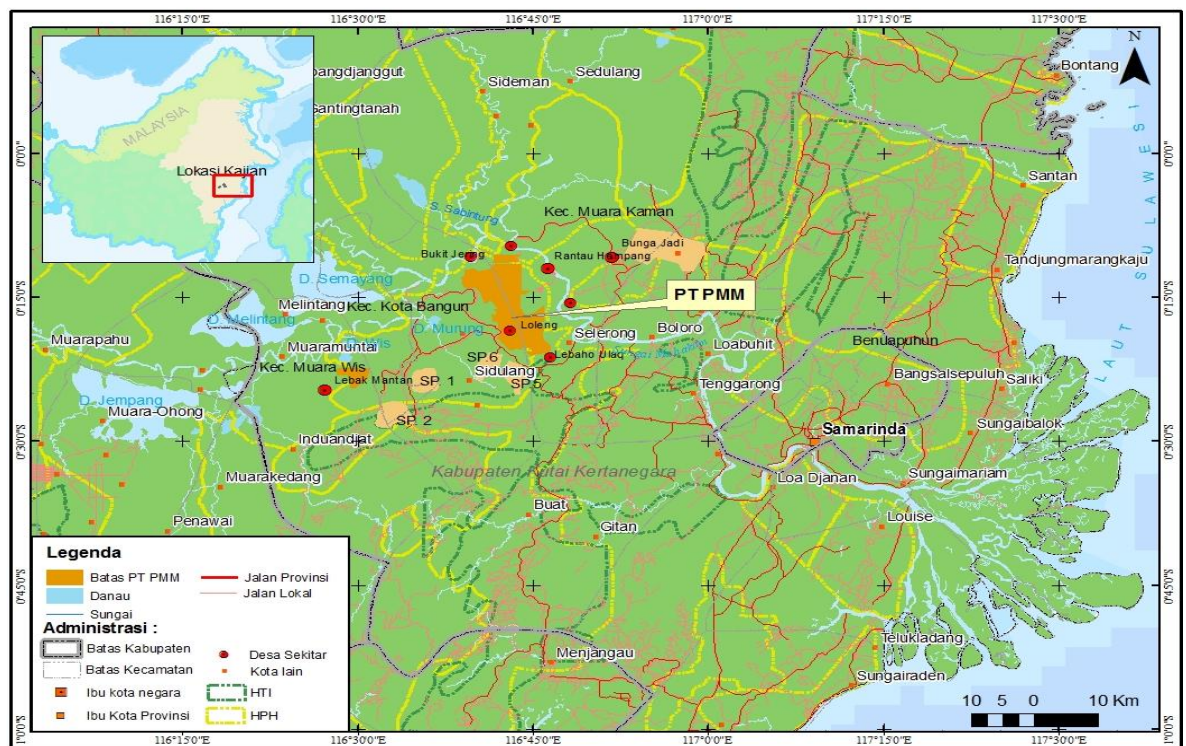
- North : Settlement of local community Muara Kaman Ilir and Bukit Jering villages.
- South : Settlement of local community Lebaho Ulaq village
- West : Settlement of local community Loleng village
- East : PT. Teguh Jayaprima Abadi, forest area, and Benua Puhun village.

The scope of Social and Environment Impact Assessment of PT Prima Mitrajaya Mandiri cover the “Proposed Kadastral Area” and the villages surrounding the project i.e. Desa Loleng, Desa Lebaho Ulaq, Desa Benua Puhun, Desa Muara kaman Hilir, Desa Bukit Jering, dan Desa Lebak Mantan..

b. Legal Documents

The permits that have been obtained by the company as mentioned above.

c. Location Map.

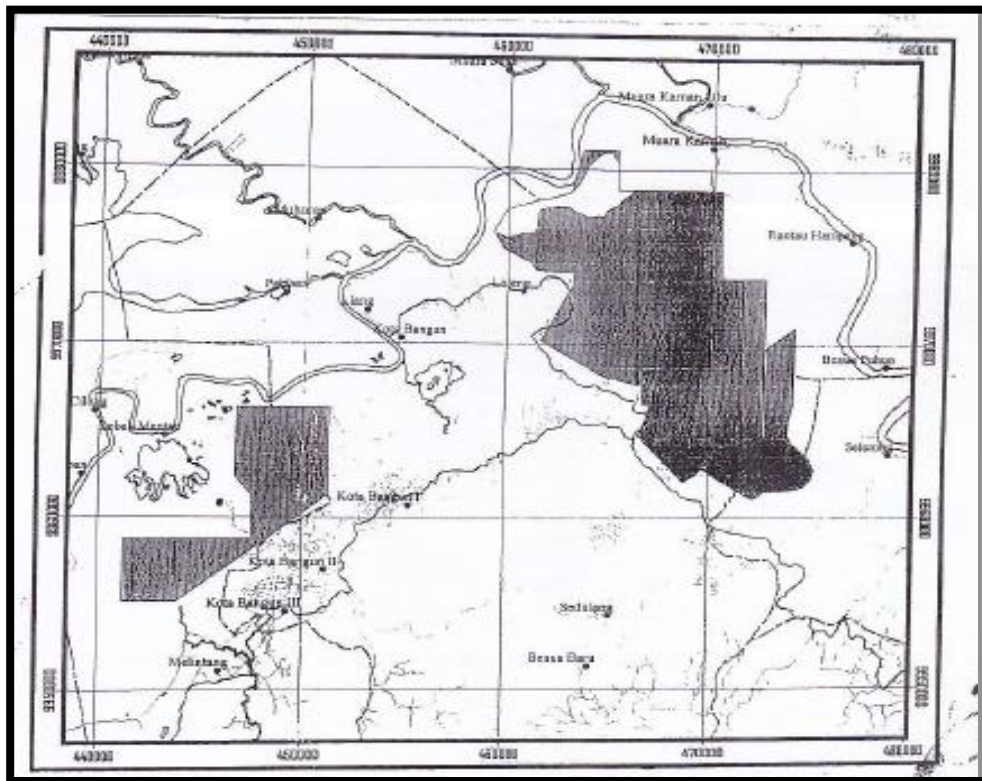


Picture 1. Location of PT. Prima Mitrajaya Mandiri in East Kalimantan Province

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Picture 2. Location of PT. Prima Mitrajaya Mandiri in Kutai Kartanegara District.



Picture 3. Land permit of PT. Prima Mitrajaya Mandiri

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d. Area and time-plan for new plantings

PT Prima Mitrajaya Mandiri development plan has incorporated the findings from SEIA (AMDAL), HCV Assessments and Social Impact Assessments by Envirologic Consulting and Aksenta as described above when implementing the operational plans. Management plans for HCV areas and management plans for handling social impacts have been drawn up.

The total area located in the Plantation Permit (Izin Usaha Perkebunan, IUP) of PT. Prima Mitrajaya Mandiri is \pm 21,500 ha and proposed for kadastral area (HGU) is only \pm 12,899 ha. The areas has been planted since 2007 is 9,424 ha (INTI: 6,698 ha and KKPA/Scheme Smallholders: 2,726 ha), proposed new planting areas is \pm 2,021 ha (\pm 1,818 ha INTI and \pm 202 ha KKPA/Scheme Smallholders). The HCV management plan has been developed for these areas (\pm 1,411 ha) and unplatable areas around \pm 44 ha. According the operational management of PT. Prima Mitrajaya Mandiri land development will commence in year 2013.

3. Assessment Process and Procedure

a. Assessor and their credential

HCV Assessor and their credential

The HCV assessment in the Permitted Area (Izin Lokasi) of PT PMM was done by the RSPO accredited assessors from Envirologic Consulting and Aksenta. Envirologic Consulting conducted HCV assessment for Loleng estate and Benua Puhun estate on 20th – 23rd August, 2011. Besides Aksenta conducted HCV assessment for Bukit Jering estate, Kaman Hilir estate, dan Muara Wis estate on 17th – 24th June, 2012. Envirologic Consulting as an assessor located at 18 Jalan 20/2, Paramount Garden, 46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia; Telephone/fax: +603 7960 5601; E-mail: sanath@kenviro.com. Then Aksenta located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com.

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Key consultants from Envirologic Consulting have been accredited and approved by RSPO. The team members are:

1. **Sanath Kumaran, PhD** (sanath@kenviro.com), has 17 year profesional working experience in natural rasources conservation and management in Malaysia, Indonesia, and Papua New Guinea. He is a conservation planning expert with Envirologic Consulting, an international specialist consultancy based in Petaling Jaya, Malaysia and has field experience in High Conservation Value assessment, development of management plans and monitoring indicators. He has vast working indicators in scientific fieldwork and policy level on natural resources management and community absed natural resources management. Dr. Kumaran has worked in the field and as an agronomist with oil palm companies. He has also served WWF-Malaysia in various project related to forest conservation, forest certification, and forest trade network. His role in this HCV assessment was a team leader.
2. **Hanjoyo (Aseng Tan)**, is a field trained botanist working as freelance consultant in botanical survey and above ground biomass assessment for Fauna & Flora International – Indonesia Programme (FFI – IP). He is responsible for organizing fieldworks in HCV assessment in logging concessions and oil palm plantations, leading the above ground biomass survey team and organizing replanting and rehabilitation projects. He is also actively involved in conservation awareness programmes. He is also an advisor in marketing strategy and company spokeperson for several trading companies. His role in this HCV assessment was a team member for HCV 1, 2, and 3 related to the biodiversity assessment.
3. **Angga Rachmanshah**, graduated from School of Life Science and Technology, bandung Institute of Technology (ITB), Indonesia specializing in ecology and biosystematics. He works as a herpetologist with Fauna & Flora International – Indonesia Programmes (FFI – IP). He undertakes herpetofauna surveys as a part of High Conservation Value Forest (HCVF) and Biodeiversity Assessments. Prior to joining FFI – IP, he freelanced and worked with National University of Singapore, University of California Berkeley, and in private sectors in Sumatera, Java, Kalimantan, Sulawesi, and Papua New Guinea. He was a part of a team which discovered several herpetofauna species in Indonesia. His role in this HCV assessment was a team member for HCV 1, 2, and 3 related to the biodiversity assessment.
4. **Andhy Priyo Sayogo**, graduated from Department of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University (IPB). He works as an ornithologist with Fauna & Flora International - Indonesia Programmes (FFI – IP). His main responsibility is undertaking bird surveys as a part of High Conservation Value Forest

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(HCVF) and Biodiversity Assessments. He has conducted several bird surveys in Sulawesi, Sumatera, Kalimantan, Lombok, dan Java. In addition, he is a member of Indonesia Raptor Research & Conservation Network (RAIN). His role in this HCV assessment was a team member for HCV 1, 2, and 3 related to the biodiversity assessment.

5. **Rahmawati**, graduated from Faculty of Forestry, Tanjungpura University (Untan), Pontianak, West Kalimantan, Indonesia specializing in Forest Management. She works at Fauna & Flora International - Indonesia Programmes (FFI – IP) implementing HCV assessment for socio-economic and cultural component in close collaboration with senior orang utan scientist, senior biologists, and carbon specialists using standard methods for site specific and landscape level HCV assessments. She has conducted HCV assessments in Kalimantan and Java for timber companies, oil palm concessions, cement manufacturers, and coal mining companies. His role in this HCV assessment was a team member for HCV 5 and 6 related to the socio cultural assessment.

Meanwhile, key consultants from Aksenta have been accredited and approved by RSPO. The team members are:

1. **Resit Sozer** (resit@aksenta.com), Master's degree in Tropical Ecology at the University of Amsterdam (UvA). Have expertise and experience in the field of wildlife management; study habitat and population, as well as wildlife conflict mitigation. Currently, in addition to consulting with HCV, manage wildlife rescue centre in Sukabumi. Competence in the assessment of HCV has been recognized by the RSPO and the entry in the list of RSPO HCV Accredited Assessor - Team Leader, and a charge of identifying HCV 1, 2, and HCV 3.
2. **Andri Novi** (andri.novi@aksenta.com) a Literary from Padjajaran University, Bandung with science culture literature and linguistic culture. Experienced in Participatory Action Research and Community Development and was a Capacity Building & Regional Development Training Expert for National Programs of Community Empowerment (PNPM). Has conducted the Social Impact Assessment in several oil palm plantations in Indonesia and in 2010 obtain the accreditation from RSPO as a Discipline Specialist to HCV studies in social and culture. Andri Novi jointly wrote a book name "*Panduan Menakar Otonomi Komunitas (Guideline on Community's Autonomy)*" which was published by Yappika and wrote an article "*Tata Kehutanan Majemuk; Redistribusi Kekayaan Alam Nusantara (Forestry complex System; Redistribution of National Natural Resources)*" in the Community Forestry Journal. Beside that, Andri Novi has translated the "*Seni Membangun Kapasitas Pelatihan dalam Pengembangan Komuniti Forestri (The Art of Training Development Capacity in Forestry Community)*"

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which was published by RECOFTC. As the study team Aksenta SIA (Social Impact Assessment) and the study of HCV 5 and HCV 6.

3. **Fersely G. Feliggi** (gets@aksenta.com), graduated from undergraduate year of Department of Geophysics and Meteorology, Faculty of Mathematics and Natural Sciences, Bogor Agricultural University (IPB). He was actively involved in the studies related to the meteorology, climatology, and hydrology. He is experienced in mapping, spatial analysis, and remote sensing for applied natural resources management, water resource management, and watershed management as well as environmental risk assessment. In this assessment, his role is identifying HCV 4.
4. **Risa Syarif** (risa@aksenta.com), finished Bachelor programme in Bogor Agriculture University (IPB) of Forest Management Department. She is experienced and has skills in Spatial, like Remote Sensing and Geographic Information Systems (GIS). In this assessment, as GIS Specialist, spatial analyst and mapping of HCV areas.

SEIA Assessor and their credential

The Social Impact Assessment of PT PMM was carried out at June, 17th – 24th 2012 by Aksenta which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The key consultants conducting these assessments have been accredited and approved by RSPO. The team members are:

1. **Miranty Magetsari**, she is graduated from Physics discipline, Faculty of Mathematics and Natural Sciences, Bandung Institute of Technology (ITB). A relevant training attended by her was ISO 14001 Environmental Management System, OHSAS 18001 Health Management System and Safety Work, and ISCC audit. She is experienced as a consultant in the development of the quality management system for various industry and professional certification body. She is also experienced in the professional training and certification based on competence aspect. Together with Aksenta she was doing a study related to the SIA and HCV for various palm oil companies and forestry industrial companies in Indonesia, and also a RSPO audit due to due diligence system. Her role in this assessment was a team leader.
2. **Erizal** (erizal.bogor@hotmail.com), is graduated from Forest Resources Conservation Department, Faculty of Forestry, Bogor Agricultural University. He has good experience of work in agriculture, forestry, and the research of biodiversity and social capacity. His activity's concern is "Bina Desa" with the main activity as the emergence of Kader Pelopor in the Village in "Pelatihan Tokoh Pelopor Desa". This time, he is participating in the social

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development and he has ever been the trainer related to the business, the development of bamboo handicraft, such as, working together with Non-Timber Forest Product Indonesia Programme, Forest Department of West Java, DPRD of Bogor Regency, and Cirebon City, DPRD of South Sumatera, UKM Ternate and Bogor Agricultural University. Since 2010, he joined in the Social Impact Assessment Team of PT Gagas Dinamiga Aksenta.

3. **Gelar Satya Budhi**, He is graduated Master of Science in Community Development from University of Putra Malaysia. He is senior researcher on social economic and community development aspect, which is some commodities are plantation, food plants, horticulture, ranch and forestry. Ever collaborated in research of applied research and participatory action research with some national institution (Bappenas, Bank Indonesia Pusat, Bank Indonesia Bandung, Kementrian Pertanian, Pemda DKI, IPB, Unpad) either or international (ICRAF, CIFOR, IFPRI, ACIAR, JBIC, ESCAP, IDRC). Active writing an article on some journals in Indonesian language and English about some topics, which is published by PSE-KP, UI and some universities. In teens articles release in some mass media like Kompas, Suara Pembaruan, Bisnis Indonesia, Suara Karya and Pikiran Rakyat. Conveying working paper on some seminars in Indonesia or abroad, like under one's belt by Asian Productivity Organization (APO). Some writes from his research published on book *Improving Smallholder Farming Systems in Imperata Areas of Southeast Asia* published with International. Since 2007 – 2009 become member of eight teams to help research of Agriculture Ministry. Now Gelar Satya Budhi engage in some Social Impact Assessment (SIA) and HCV activity in social and culture sector in Aksenta. His role in this Social Impact Assessment is as a Team Leader.
4. **Muayat Ali Muhshi** (muayat@aksenta.com), He graduated from the Faculty of Forestry graduated from Bogor Agricultural University (IPB) – Bogor majoring in Forest Resources Conservation. He is experienced as a reseracher at WALHI and as a member of Book Editor "*Peran HPH dalam Pembangunan Ekonomi Regional Kaltim*" (Walhi and World Resources Institute, 1990-1991). He is also experienced as a Forestry Program Coordinator in Pelangi Indonesia Foundation and doing a studi: "*Integrasi Bina Desa dalam Kerangka Pengelolaan KPHP*" supported by ODA – in cooperation with Ministry of Forestry – UK Tropical Forestry Management Program; and the study of "Hasil Hutan Non-Kayu dalam Rangka Pengelolaan Hutan Berbasis Masyarakat" supported by NOVIB – the Netherlands (1991-1997). And also he worked in many roles for many years. His role in this Social Impact Assessment is as a team member.

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5. **Nandang Mulyana** (nandang@aksenta.com), He graduated from the Faculty of Agriculture Graduated from UMJ (Jakarta Muhammadiyah University) – Jakarta majoring in Economics and a Master Degree holder from Bogor Agriculture University. He is experienced in the field of education, environment, socio-environment, and community development programme (CDCSR), collaborated with Unocal Geothermal of Indonesia Ltd and Chevron Geothermal Salak since 2000. Nandang Mulyana wrote a book on “*Membedah UMKM di Indonesia; Sebuah Kajian tentang Strategi Pemberdayaan dan Pengembangan UMKM Indonesia*” published by Lugas. He has conducted several HCV and Social Impact Assessments in oil palm plantations in Indonesia with Aksenta. In year 2010. Achieved the RSPO accreditation as Discipline Specialist Social (Participatory rural assessment; socioeconomic or cultural studies; participatory mapping; conflict resolution). His role in this Social Impact Assessment is as The Team Leader focus on social economic and community development assessment.

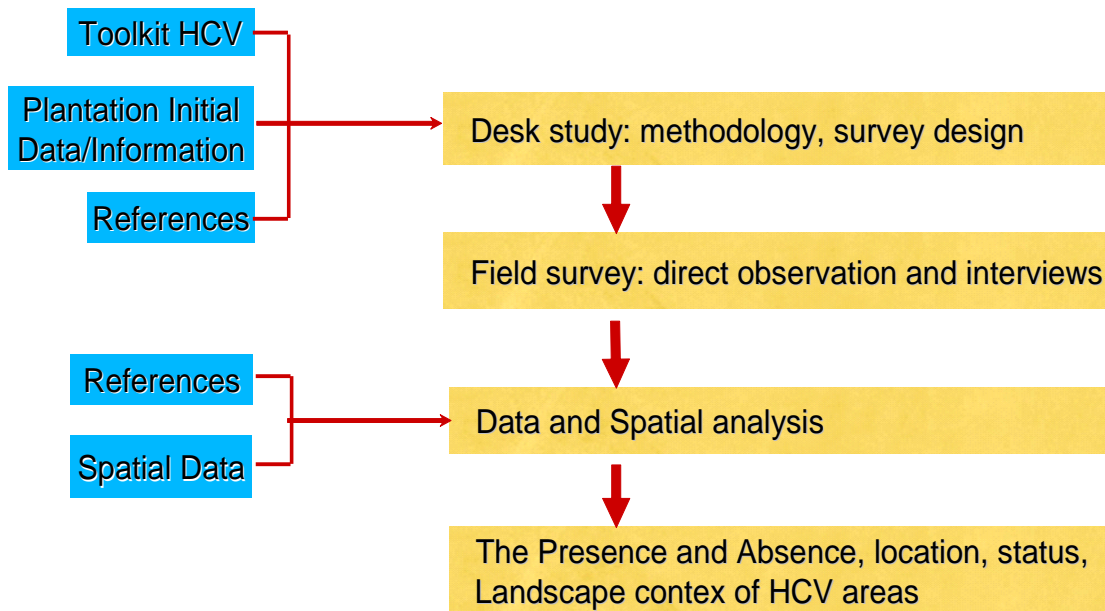
b. Assessment Methodology

HCV Assessment Methodology

The HCV assessor teams consisting of experts in Biodiversity, Environmental Services, Social and Cultural Rights and supported by GIS experts, done by either Envirologic Consulting or Aksenta. Collected data facilitated by staff from the plantation and assisted by surrounding desa community. The SEIA was also conducted by Aksenta together with the HCV assessment and done in the same manner.

Identification of HCV was generally done through a series of stages from pre-assessment, field survey to analysis of the final results. The stages of these activities can be seen briefly in the diagram below

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Assessment Process, Methodology and Data Achievement

| Assessment Process | Methodology | Data Achievement |
|-------------------------------|---|--|
| Pre Assessment | | |
| Mapping and landscape | <ul style="list-style-type: none"> Field data collection to verify secondary data and information such as protected/conservation areas, road system, river system, boundaries, soil types and classes, topography, and; to conduct a comprehensive overview of the area. | <ul style="list-style-type: none"> Mapping all data and information into a map and conducting analysis. |
| Field Survey | | |
| Field Survey Fauna (wildlife) | <ul style="list-style-type: none"> Qualitative field assessment (rapid assessment). Direct field observation; interview and discussion with stakeholders, such as local community, staffs of the company, and other related parties. | <ul style="list-style-type: none"> Qualitative condition of the habitat; Endangered, critical, and protected wildlife species within the list of IUCN and the prevailing regulations and its distribution. Qualitative condition of wildlife species' population (number and status of reproduction). Location of wildlife |

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| | | |
|---------------------------------------|--|--|
| | | <p>species encountered.</p> <ul style="list-style-type: none"> • Species hunted by the community. • Benefits and disturbances of wildlife species. • Level of threat and survival opportunity of wildlife species. |
| Flora | <ul style="list-style-type: none"> • Interviews and direct field observations. • Initial mapping of ecosystem distribution. • Observation on forest structure, species density and dominance of each type of ecosystem. | <ul style="list-style-type: none"> • Data of flora with particular status. • Species protected by the Indonesian government or assumed to be endangered in the IUCN list. • Threat and opportunity to maintain the area |
| Social, Economic, and Cultural Aspect | <ul style="list-style-type: none"> • Opening and closing meeting • Interviews and field visits using FGD (Focus Group Discussion), and list of structured questions. Collection of data on the villages' demography, customs, culture, and community's relationship with forests | <ul style="list-style-type: none"> • Traditionally protected areas. • Level of dependency toward the area, • Environmental services related to the assessed area. |
| Hydrology / Environmental Services | <ul style="list-style-type: none"> • Field data collection to verify secondary data and information such as, river system, Rainfall , topography, water sources and; to find interaction between water management in plantation with landscape context • Field data collection and secondary data analysis to find important area for hydrology and environmental services | <ul style="list-style-type: none"> • Defined Important area to control erosion and sedimentation • Defined Riparian reserves • Defined Water sources • Defined Water catchment area. |

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SEIA Assessment Methodology

SEIA assessment was conducted by Aksenta in Desa Lebaho ulaq, Loleng, Muara Kaman Ilir, Bukit Jering and Lebak Mantan during the same time as the HCV assessment.

SEIA activities were carried out over a period of 8 days from 17th-24th June 2012 by the team consisting of Miranty Magetsari, Erizal, Gelar S. Budhi, Muayat Ali Muhshi, and Nandang Mulyana. Assessments were conducted by field observations, interviews, FGD (Focus Group Discussion) and document reviews.

Stages of the SIA assessment included:

- Social rapid Assessment
- Document reviews
- Participatory mapping

Data collection method included:

- Primary and secondary data reviews
- Dialogues
- Field Observations
- Indepth Interviews
- Triangulation

The methods used to analyze the social impacts and risks were qualitative using the tools of sustainable livelihood, RSPO Principles and Criteria, FPIC principles, national laws and regulations, and other applicable standards.

Public consultation was conducted on June, 22nd 2012 to obtain feedback from the findings of HCV and SEIA from various interested parties. Inputs from the public consultation are documented as evidence in the Final HCV and SEIA reports.

The Public Consultation was attended by Aksenta, PT PMM employee, leaders of cooperatives (KKPA), community leaders, traditional leaders, village chiefs, district representatives, government agencies such as Agriculture and Forestry Department, Department of Environment and other stakeholders such as neighboring plantation companies.

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4. Summary of Findings

a. Summary of SEIA Findings

From the results of the study, it was found that the presence of PT PMM had created a positive impact on the livelihoods of the surrounding villagers who also viewed the activities of the company favourably.

Some of the positive impacts were:

- KKPA locations determined together with the community.
- Employment for villagers who were fishermen and farmers on shifting agriculture leading to regular income and financial stability.
- Compensation paid on land acquisition was used by the villagers to start small businesses.
- The total number of people employed by the company is 2.300 and in the short term 3.391 households will enjoy the positive benefits arising and subsequently the cumulative benefits will enhance the economic potential of the district and the people.
- With opening of estate roads, children from the desas have better access for schooling in Kota Bangun.
- Workers rights of worship, respect of local customs and giving priority of employment to locals has created a positive effect.

Strategic issues highlighted in the study include:

- The lack of facilities such as schools, clinics and electricity supply which is limited.
- In newer estates such as Muara Wis, crèches and houses of worship were not available yet.
- In Muara Kaman Ilir a group of villagers are unhappy with the change in the cooperative recognised by the company.
- Some areas in the “Kadastral” overlap with “izin” for mining companies and this has to be resolved amicably.
- Village boundaries have not been verified by the authorities.

b. Summary of Assessment Findings for HCV Assessment

From the HCV assessment, it was found that the area consisted of 977.87 ha of HCV 1 or 7.5 %, 0.92 ha of HCV 3 or 0.007 %, 600.02 ha of HCV 3 or 4.65% and 0.06 ha of HCV 6 or 0.0006% of the ‘Kadastral’ area.

It was also found that some of the HCV areas are overlapping with other HCV areas. HCV 2 and 5 were not found in the area.

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In total the HCV area identified was 1.410,71 ha and this accounted for 10,9% of the “Kadastral” area.

Summary of HCV findings at PT PMM (Please refer to Index in Map 2 and Map 3)

| No. | Map Index | Areas | Ha | Description | HCV | Map |
|-----|-----------|---------------------------------------|-------|---|---------------------------------|-------|
| 1 | Index 1 | BJE Blok A13-20, B13-15 | 110,0 | Mahakam River riparian area in the form of natural vegetation ± 20 meters from the river bank and the swamp behind it. This acts as a flood mitigation and sedimentation control area. | HCV 4.1, HCV 4.2, HCV 4.3 | Map 2 |
| 2 | Index 2 | BJE Blok F 5-7, D7-20, C21-23, C26-28 | 309,6 | Mineral fresh water swamp located behind the natural levee of the Mahakam River, and acts as a flood mitigation, sedimentation control also as a natural firebreak. | HCV 4.1, HCV 4.2, HCV 4.3 | Map 2 |
| 3 | Index 3 | BJE Blok D8, E7-8 | 11,8 | Mineral Swamp with natural vegetation cover and acts as a flood mitigation and sedimentation control area. | HCV 4.1 HCV 4.2 | Map 2 |
| 4 | Index 4 | BJE Blok D9 | 0,92 | Fragments of fresh water swamp forests. There is a layer of humus-like peat (>2.3m), but the top layer of soil is alluvial. There are many species of birds, small mammals such as Beluk Ketupu, This area is at the border of the Mahakam river flood plains | HCV 1.3 HCV 3, HCV 4.1, HCV 4.2 | Map 2 |
| 5 | Index 5 | BJE Blok E9 | 1,3 | This natural spring has never dried out and is used as a water source for staff and workers. | HCV 4.1 | Map 2 |
| 6 | Index 6 | BJE Blok F 9 | 0,06 | Banggeris Tree (<i>Koompassia excelesa</i>) called Liang Nene, should be maintained as memorial on the history of the | HCV 6 | Map 2 |

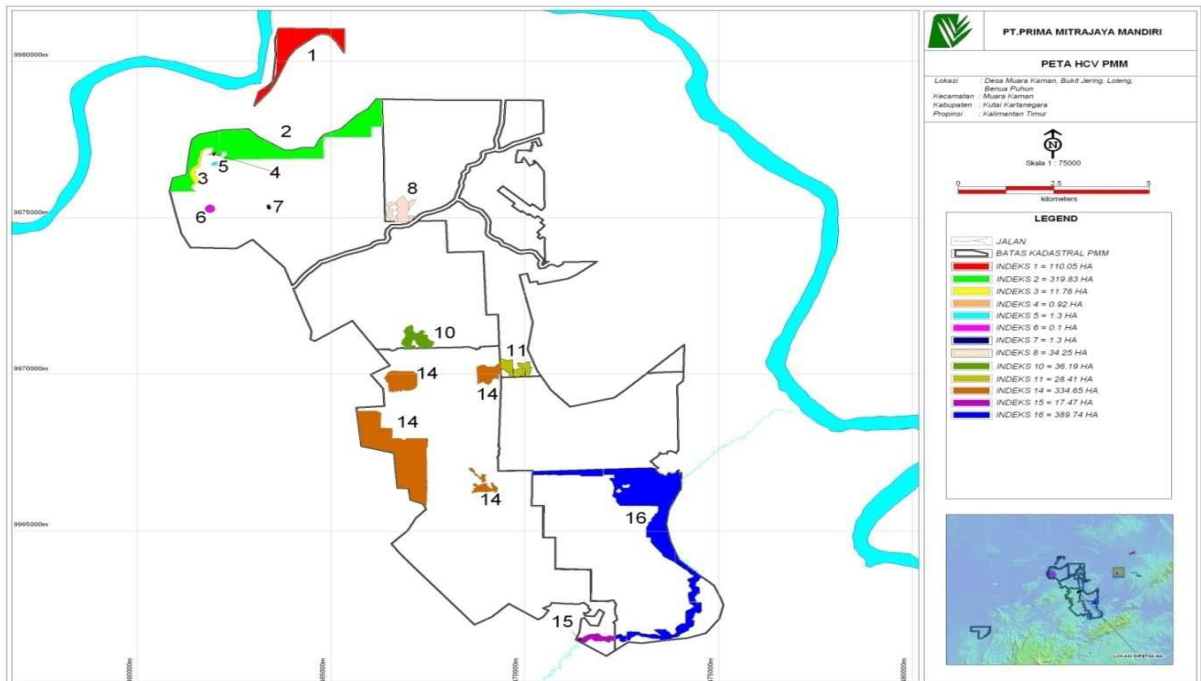
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|----|----------|--|--------|---|--|-------|
| | | | | ancestors of Bukit Jering Desa. | | |
| 7 | Index 7 | BJE Blok F14 | 1,30 | Secondary forest fragment in the form of an island which is a sanctuary for many species of birds and small mammals. | HCV 1.3 | Map 2 |
| 8 | Index 10 | BJE Blok J24-25 | 36,2 | Open area with bushes, shrubs and Mahang trees supporting the existence of deer and Rhinoceros hornbills. The area also acts as a water catchment and also for erosion control. | HCV 1.3, HCV 1.4, HCV 4.1 HCV 4.2 | Map 2 |
| 9 | Index 8 | KHE Blok F24-25 | 34,25 | Ex cultivated area abandoned for > 20 years and has grown into a secondary forest supporting many species of small birds and mammals | HCV 1.3 | Map 2 |
| 10 | Index 11 | KHE Blok K33-K35 | 28,41 | Area with bushes, shrubs and secondary forest that supports the existence of a number of species. This area is contiguous with Loleng Estate conservation area and is home to Rhinoceros hornbills, Monkeys and Ulin saplings. It also serves as a water catchment and erosion control area. | HCV 1.4 , HCV 4.1 HCV 4.2 | Map 2 |
| 11 | Index 12 | MWE Blok H17,I15-17, J13-15 and K13-14 | 128,38 | Secondary forests, swamps and other natural vegetation alongside Keham River. It is an habitat and corridor for rare species such as Proboscis monkeys, Rhinoceros hornbills, Grey Headed Fish Eagles and Gold Kingfishers. Also serves as a source of water, flood mitigation, erosion and sedimentation | HCV 1.2 , HCV 1.4 , HCV 4.1, HCV 4.2 HCV 4.3 | Map 3 |

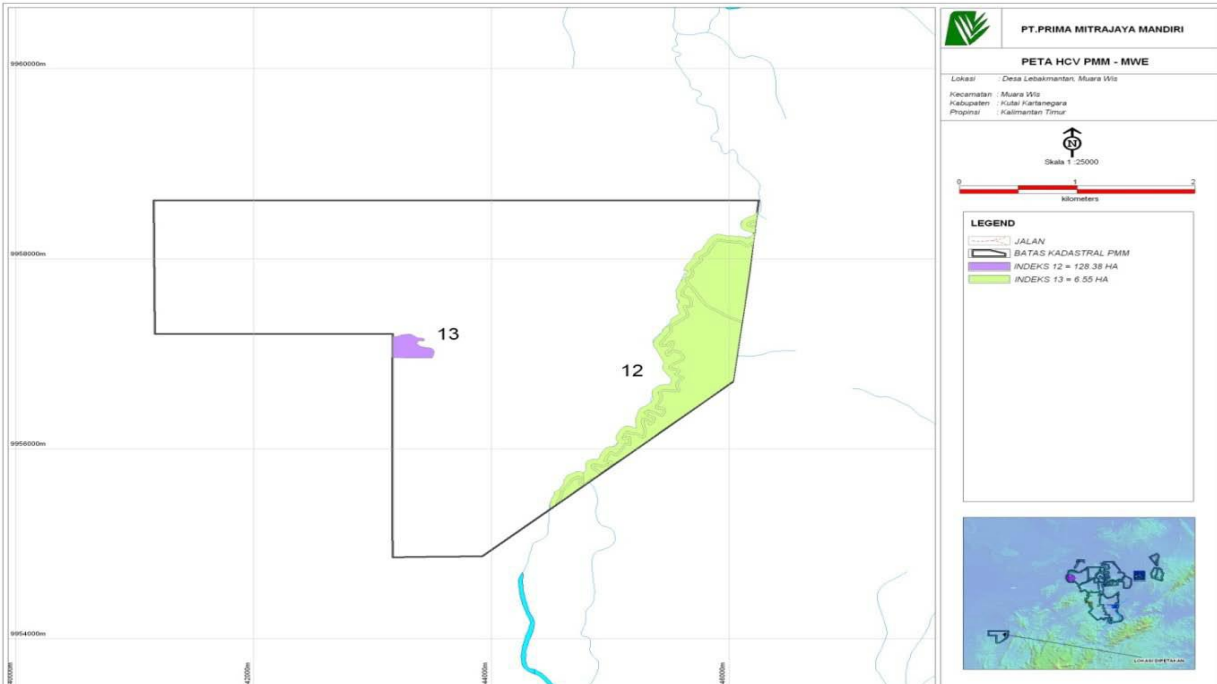
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|----|----------|--|----------------|--|-------------------------------|-------|
| | | | | control as well as a natural firebreak. | | |
| 12 | Index 13 | MWE Blok J8 | 6,55 | Ex-cultivated area abandoned for > 20 years and has become a secondary forest. The bigger part of this area is in PT JMS (neighbouring company). This area is an habitat for <i>Hylobates muelleri</i> (Mueller's gibbon). | HCV 1.2 | Map 3 |
| 13 | Index 14 | LLE Block K/L 23-26, K31, K/L 32, M21-23, N21-26, O24-26, N/O 31, O31-32 | 334,65 | This area of shrubs and secondary forests is an habitat that supports small populations of endangered species. Species found are Pied hornbills and Rhinoceros hornbills. | HCV 1.3 | Map 2 |
| 14 | Index 15 | LLE Block T 40-42 | 17,47 | This area has importance for erosion and sedimentation control along the Semilis River and is also an habitat for some animals. | HCV 1.3 HCV 4.2 | Map 2 |
| 15 | Index 16 | BPE Block O35-O48, P45-P47, Q45-Q48, R48-R50, S43-S50 | 389,74 | This area is an habitat for small populations of endangered species such as <i>Hylobates muelleri</i> , leopard cat, Greater Mouse Deer. Dipterocarp (<i>Shorea Floxworthy</i>) is found in block O40, and most of the area (109.94 Ha) is a riparian area for Semilis River | HCV 1.2 HCV 1.3 HCV 4.2 | Map 2 |
| | | Total | 1.410,7 | | | |

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Map 2. PT Prima Mitrajaya Mandiri HVC areas (BJE, KHE, LLE, and BPE) (HCV 1, 3, 4, and 6).



Map 3. PT Prima Mitrajaya Mandiri HVC areas (MWE) (HCV 1 dan HCV 4).

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5. Internal Responsibility

Formal Sign-off by Assessors and Company

This document is the Summary of SEIA (Social & Environmental Impact Assessment) and HCV (High Conservation Value) Assessment of PT Prima Mitrajaya Mandiri.



Sanath Kumaran, PhD
Ketua Tim HCV



Resit Sozer
Ketua Tim HCV



Miranty Magetsari
Koordinator Tim SEIA

Statement of Acceptance of Responsibility for Assessments

The Assessment Result of the Social & Environment Impact Assessment (SEIA) and High Conservation Value (HCV) Assessment of PT Prima Mitrajaya Mandiri by Enviologic Cpsulting and Aksenta will be applied as part of the guidelines in developing and managing PT Prima Mitrajaya Mandiri.



K. Chandra Sekaran
President Director