

PUBLIC SUMMARY REPORT NEW PLANTINGS ASSESSMENT

SIME DARBY (LIBERIA) PLANTATION Inc

Stage II 15,000 ha
Grand Cape Mount County

Republic of Liberia

Report Author

Charlie Ross – Revised October 2011

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1.0 EXECUTIVE SUMMARY

Sime Darby (Liberia) Plantation Inc. (Sime Darby) plans to develop 15,000 ha of land to oil palm at Grand Cape Mount County, Liberia. This development is Stage II of an ongoing planting that started in 2009 with reconnaissance fieldwork of a concession granted to Sime Darby for development to oil palm and rubber.

A Social and Environmental Impact Assessment (SEIA) and a High Conservation Value (HCV) Assessment were completed in 2011, which recognised the following:

- · There was no primary forest identified
- All areas required to maintain or enhance one or more HCV
- · There was no peat soil identified
- · All local peoples' land

Maps have been prepared and presented in the SEIA and HCV Reports to identify all of the above findings.

Charlie Ross, BSi RSPO Lead Auditor, reviewed the SEIA and the HCV assessment for the new plantings during June 2011. The verification methodology involved a desktop review of the SEIA and HCV reports against the RSPO Criteria and Indicators for new plantings. The verification process included cross-checking information contained in the SEIA and HCV against information obtained from literature searches and satellite images.

Abbreviations Used

CITES Convention on International Trade in **Endangered Species** EIA **Environmental Impact Assessment** EPA **Environmental Protection Agency** HCV High Conservation Value IUCN International Union for Conservation of Nature RSPO Roundtable on Sustainable Palm Oil SEIA Social and Environmental Impact Assessment SIA Social Impact Assessment SOP Standard Operating Procedure

2.0 SCOPE OF THE SEIA AND HCV ASSESSMENTS

2.1 Organisational Information and Contact Person

Sime Darby (Liberia) Plantation Inc is based in Monrovia, Republic of Liberia

Contact Person: Mr Azmi Jaafar Phone: + 231 880624228

Email: azmi.jaafar@simedarby.com

2.2 List of Legal Documents, Regulatory Permits and Property Deeds Related to the Areas Assessed

The SEIA report is the basis to obtain the Environmental Permit from Environmental Protection Agency of Liberia.

Evidence of Land Tenure: Lease of land issued by Government of Liberia in April 2009 for a period of 63 years with an option of renewal for 30 years; Maps and Boundary Markers.

2.3 Location Maps

Maps showing the project location, landscape level and property level for the new development area are included as Figures 1, 2 and 3 in this Summary Report. The SEIA Report includes additional maps showing the topography, drainage and land use.

Preliminary maps have been prepared of the new development and include areas set aside for riparian reserves, roads, housing and layout of oil palm blocks.

2.4 Area of New Plantings and Time-Plan for New Plantings

The area of the new plantings is 15,000 ha. The new development will commence following the completion of the RSPO public notification period for review by stakeholders and is planned for completion within two years of the commencement date.

3.0 ASSESSMENT PROCESS AND PROCEDURES

3.1 Assessors and their Credentials

The SEIA was carried out by Green Consultancy Inc of Liberia, whose senior staff Mr Solomon Wright and Mr Abraham Tumbey are licensed by the EPA Liberia as EIA evaluators.

The assessment of HCV sites was led by Dr S K Yap with the assistance of a team of biologist, forester, social scientist and GIS scientist. Dr Yap is an RSPO approved HCV assessor (Team Leader and Biodiversity). Dr Yap has previously been employed by the Forest Research Institute of Malaysia and presently operates a consulting company based in Malaysia:

Dr Yap Son Kheong S K Yap Forestry and Landscape Advisory Services (Company No. 001390483-M) 31 Lorong Zaaba Taman Tun Dr Ismail 60000 Kuala Lumpur

The HCV assessment team members were:

Dr S K Yap – Team Leader, Ecology

Mr Roslan Yaacob – GIS Mr Solomon P Wright – Social

Mr E Abraham Tumbey Jr – Geology/Soil Ms Patience Awhavbera – Flora/Fauna

Mr Ezekiel H Kpehe – Forestry



Figure 1: Project Location

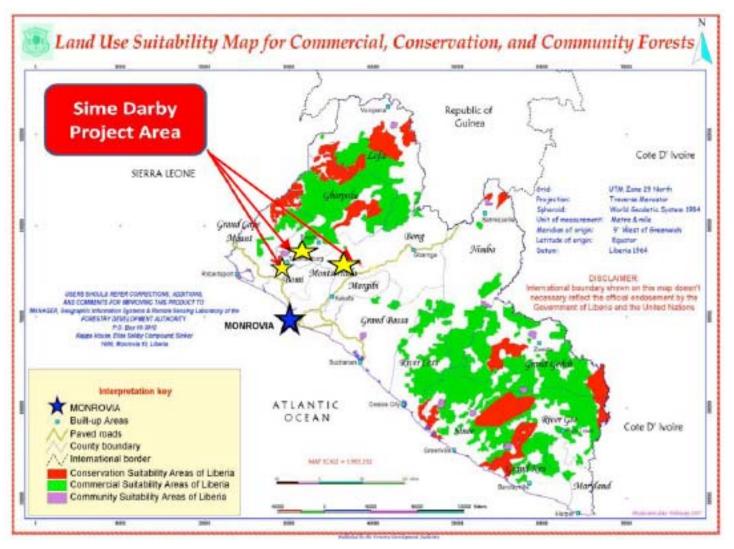


Figure 2: Landscape Map showing Forested Areas

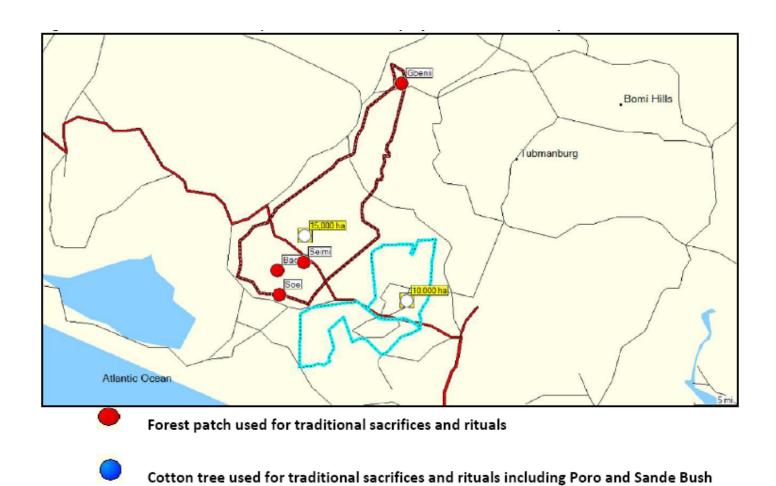


Figure 3: Sacred Sites Within the 15,000 ha area of the Project Site in Grand Cape Mount County

3.2 Assessment Methods

The SEIA and HCV assessments were carried out with a documentation review followed by a ground survey of the project site. Both assessments were conducted in the proposed oil palm plantation area as Stage II development of a larger concession held by Sime Darby (Liberia).

Green Consultancy Inc. carried out the SEIA from 06 to 12 January and from 16 to 21 February, 2011. When local communities were recorded within or next to the project area a consultation would be conducted with the residents.

A survey using the Participatory Rural Appraisal (PRA) methodology was conducted in the communities within and around the project site. In addition to acquiring useful and relevant information from participants, the methodology allowed for a broader participation by illiterate as well as literate people by using materials all are comfortable with. The methodology can bring out local knowledge, for instance by asking residents to define their own categories for analysis. PRA is generally known to foster confidence and a wish for increased participation among the participants.

S.K. Yap Forestry and Landscape Advisory Services carried out the HCV assessment fieldwork from 07 to 13 May, 2011. The HCV assessment was conducted by a team of professional biologists and environmental personnel familiar with the local environment. It consisted of preliminary documentation review and the second phase on ground surveys were conducted based on an HCV decision making chart involving the following steps:

- Identify potential HCV sites (mainly desktop preliminary assessment)
- Identify specific HCV components in the field and through consultation
- Zone HCV sites
- Identify limits of acceptable change
- Plan precautionary activities
- Monitor impact of management activities
- Evaluate impact of management activities
- Adopt management where appropriate

Document Review

Preliminary assessment of the presence of HCV attributes within the project site was done by reviewing published information, discussion with the regulatory agencies and NGO. Published data of protected sites, endangered, rare and threatened species and the various enactments were used wherever appropriate. Planning was then made to determine the locations of these potential sites within the project area by using GPS. Data were also gathered through meetings with the management of Sime Darby Liberia Inc. and by meeting with members of local communities. The assessment was done based on the HCV attributes listed in the HCV Toolkit.

Ground Survey

Determination of HCV sites within the project area was conducted with an inspection of the area by a team of biologists. During the inspection, sites with residual natural vegetation were marked out and an assessment of the ecology conducted. During the ground surveys the presence of species of flora and fauna was recorded by going through the project area by the existing roads. For the landscape assessment surrounding land use especially residual forested sites were inspected and the potential flora and fauna determined. The presence of fauna was assessed by walking through the area recording visual sightings along roads, droppings, calls and information from the local communities. The occurrence and distribution of all identified HCVs were mapped using GPS. These data were then overlaid on existing maps.

People, organizations/ institutions and other stakeholders of the Project, including interested parties have also been identified at local and national level. Data on the importance of concession areas to local community values were collected through interviews with various village groups (e.g., village executive and council, hunters, fishermen, and traditional healers). This was done by filling out data sheets on the significance of the project area as sources of basic needs or as areas of cultural value.

3.3 Stakeholder Consultation

Stakeholder consultation was initiated by meeting with representatives of relevant Government Departments and by placing a public notice in the local daily newspaper in February 2011. This was followed by public meetings held at 17 towns and villages in the project area between 16 and 21 February 2011. At the public meetings, Sime Darby representatives and the SEIA consultants described details of the proposed development and the changes that are likely to occur. The consultants recorded details of the meeting discussions, including concerns raised by local people as well as their aspirations such as the opportunity for employment and improved access to education and health services. Details were recorded of the locations and dates of communities visited, list of stakeholders and photographic record of each meeting. A list of the key stakeholders and communities consulted are shown below.

Government Departments

Environmental Protection Agency Ministry of Agriculture Forestry Department Authority Grand Cape Mount County

Local NGOs

Ms Letta Mosenene – Fauna and Flora International Dr Nouhou Ndam – Fauna and Flora International Conservation International – Liberia

Public Meetings at Local Communities

Local Town Chiefs Name Town/Village

| 1 | Abraham Konneh | Marnivalor |
|----|-----------------|------------|
| 2 | Varney Kiazulu | Mesila |
| 3 | Momo Mamoballah | Soe |
| 4 | Lamie Boifee | Banford |
| 5 | Boimah Keidee | Kornomah |
| 6 | Boimah Pasaye | Number 2 |
| 7 | Morris Kromah | Mecca |
| 8 | Sadiya Kromah | Bacca |
| 9 | Abraham Kohn | Massatine |
| 10 | Varney Brown | Gbenii |
| 11 | Mohammed Kromah | Seimi |
| 12 | Morris Gadieh | Didior |
| 13 | Zopon Grand | Dangatee |
| 14 | Kollie Jallah | Burphy |
| 15 | Samuel Judge | Sambola |
| 16 | Sando Kollie | Geedah |
| 17 | Sando Gollier | Mbalikou |

3.4 List of Legal, Regulatory and Other Guidance Referenced

National Environmental Policy of Liberia
Environmental Protection & Management Act, Liberia
National Forestry Policy of Liberia
Land Rights & Land Tenure Policy of Liberia
The High Conservation Value Toolkit, ProForest 2003
International Union on Conservation of Nature (IUCN)
Red Data List

Convention on International Trade in Endangered Species of Wild Fauna and Flora 1973 (CITES)

4a SUMMARY OF ASSESSMENT FINDINGS FOR SEIA

4a.1 Summary of Key Findings in Respect of Socioeconomic Impacts to Country, Region and Local Communities

Between 1990-2005, civil war and government mismanagement destroyed much of Liberia's economy, especially the infrastructure. Many businesses fled the country, taking capital and expertise with them, but with the conclusion of fighting and the installation of a democratically-elected government in 2006, some have returned. Liberia had been a producer and exporter of basic products - primarily raw timber and rubber. Local manufacturing, mainly foreign owned, had been small in scope. The Government has taken steps to reduce corruption, build support from international donors, and encourage private investment. The reconstruction of infrastructure and the raising of incomes in this ravaged economy will largely depend on foreign investment in key sectors, such as agriculture.

Despite gains made under the current regime the government still faces numerous challenges. Per capita GDP was estimated at US\$195 in 2007, still below prewar levels, ranking Liberia among the poorest countries in the world. According to the nation's Poverty Reduction Strategy, 64% of the population lives below the poverty line and 73% of these reside in rural areas.

The project area has low population and high poverty rate that are largely due to the lack of infrastructure and investment in the area, which is compelling the youthful population to migrate to other economically more attractive areas of the country. The proposed Sime Darby oil palm development project fits within the framework of the Government of Liberia Poverty Reduction Strategy. The project will create jobs, provide basic social services, add value to Liberia's oil palm sector and generate revenues from taxes to support the Government's post war development agenda.

4a.2 Summary of Key Findings in Respect of Socioeconomic Impact in Respect of Emergent Communities (workers, suppliers, etc)

The oil palm development concession shares a border with an existing Rubber Plantation which employs a considerable number of local people. The land within the Sime Darby concession has been cleared and used extensively for shifting cultivation. Sime Darby will compensate people who currently reside within the concession with relocation to newly built housing as part of the compensation package.

The proposed oil palm plantation would generate employment for about 2,500 workers during the site preparation, construction and operational period. These would have a positive impact by generating direct employment and spin-off service employment opportunities within the region.

The Development Plan includes information on the housing accommodation that will be constructed for the resident workforce. Permanent houses will be built and supplied with water, electricity and sanitation services. Resident workers and their families will have access to facilities for health, recreation and places of worship. The Plan includes information on the company's programs for training and occupational health and safety for developing a skilled workforce and a safe workplace.

Initially, the demand for skilled workers will not be able to be met from local communities and recruitment will be necessary from outside the project area. During the project development stage the externally recruited skilled workers will be mostly single males and there is likely to be an increase in petty crime and promiscuity. Sime Darby will give preference to local workers, for example from the adjacent rubber plantation in order to minimise the recruitment from outside the project area. During the project development stage, Sime Darby will apply the training programs that it has used successfully at its other oil palm operations to develop a skilled local workforce.

The project will generate spinoff business opportunities for local companies and entrepreneurs, who will be given preference provided they meet the entry level commercial criteria. The employment and business opportunities are expected to have beneficial outcomes for the local economy and in parallel with the development other infrastructure such as transport and communications will be improved.

4a.3 Issues Raised by Stakeholders and Assessors Comments on Each Issue

The SIA component of the SEIA took into account the requirements of Government and the feedback received from local communities on their concerns about the new oil palm development and their aspirations for improvements to their livelihoods.

In general the stakeholders welcomed the development of the project because they recognized the benefits to individuals and the local communities due to direct employment and improvements to basic infrastructure, such as roads and communications. Issues raised and the response are summarized below:

Project Timeline – The project development will start immediately following completion of the RSPO notification period for the new plantings. The first work will involve a detailed survey to establish the boundaries of land within the concession that is occupied and used by local people, such as for agriculture. This will be followed by start of the land development and the overall land clearing and planting to oil palm should take approximately 2 years.

Crop compensation – The company will assess the existing crops grown within the concession in consultation with the owner and reach agreement on the compensation to be paid.

Resettlement – The compensation package will include construction of new housing and will be based on direct negotiation with affected people, government and the company, with regard to the Laws of Liberia.

Employment – priority for employment will be given to the project host communities. Local people who meet the selection criteria will be given first offer of employment. Where skills are not available locally, initially experienced persons will be recruited from outside the project area. Training and localization of the workforce are important company priorities.

The BSi Assessor has reviewed the Sime Darby responses to the issues raised by stakeholders and considers that the company has responded appropriately for the early planning stage of the proposed development.

4b SUMMARY OF ASSESSMENT FINDINGS (FOR HCV ASSESSMENT)

4b.1 Overall HCV Identification and Proposed Measures to Maintain and Enhance those Identified

From the assessment of the 15,000 ha for the proposed oil palm plantation it was observed that there was low biodiversity in both flora and fauna owing to the clearing of the natural forests during the previous plantation establishment as well as the many sites of slash and burn cultivation for cassava and corn conducted by the local communities. The present vegetation cover consisted of secondary vegetation that had established owing to the absence of management during the country period of civil unrest. There were no sites with significant HCV attributes except for the riparian buffer belts (HCV 4.2)

and the towns within the project sites (HCV 5 and HCV 6).

The management practices for maintaining and enhancing the values of HCV sites were prescribed for each estate. To ensure that this could be understood by the management and field workers a training module was developed. Monitoring regimes were proposed to ensure that the HCV values would be maintained. Regular consultations with stakeholders would be established through a liaison committee.

For HCV 4 and HCV 5 sites the management recommendations are to maintain the existing vegetation in its natural state within the prescribed buffer belt. The process of natural regeneration will encourage introduction of more species. The increase in diversity of plants will also improve the food sources for the animal species and nesting sites. The vegetation cover will also provide a buffer from the surrounding oil palms having any impact on the forested area.

In sites identified to have attributes of HCV 4.1 and HCV 4.2 the existing natural vegetation shall be maintained and excluded from the future replanting program.

For all the above HCV sites demarcation on maps and signage on ground will be essential to avoid possible encroachment. For HCV6, all sites of religious and cultural significance shall be mapped in consultation with local communities and will be excluded from the development.

4b.2 Documentation Showing Obtained Free, Prior and Informed Consent of any Indigenous Peoples Affected by the Development of the Concession

The SEIA Report includes a copy of the record of public meetings held at each of the towns and villages of the project area. The meeting record includes a list of attendees, together with their signatures, a photographic record and information on the issues raised and discussed. The public meetings were supportive of the proposed development which will bring employment opportunities to the area. Sime Darby has stated that it will implement its 'Land Acquisition SOP" for all negotiations involving land acquisition from local people. Provided that the SOP is consistently implemented and detailed documentation recorded, the company should be able to demonstrate FPIC.

4b.3 Data Sources and Quality

In investigating the area to assess the contribution of the project area to conserving ecosystems, the following official sources were consulted:

- · Liberia Biodiversity Strategy Action Plan
- Biodiversity and Protected Areas Liberia
- United Nations Environment Programme World Conservation Monitoring Center (UNEP–WCMC).
- World Database on Protected Areas (WDPA) Version 6

- The Ramsar Bureau, 2002, List of Wetlands of International Importance
- Conservation International Liberia
- Conservation and Wildlife Department
- · Forestry Development Authority
- Agriculture Ministry Liberia

No specific ecosystem that had been defined by the sources consulted was recorded in the project site. Intact forests were only observed at the South Lorma and Kpelle National forests areas, which are outside of the project area.

All areas that have been legally gazetted as Protected Areas under the country legislation were determined. The Liberia Forest Re-assessment map produced in 2004 was reviewed. The project area was located outside the National Forests that had been designated for protection (Figure 2).

Literature research on threatened and endangered species was through the IUCN Red List of Threatened Species (www.iucnredlist.org), Appendix I of CITES (www.cites/org/eng/resources/species.html).

Liberia contains 14 threatened and endangered mammals, according to the National Biodiversity Strategy and Action Plan (2003):

African elephant (Loxodonta africana)

Chimpanzee (Pan troglodytes)

Diana Monkey (Cercopithecus diana)

Liberian Mongoose (Liberritia kuhn)

Nimba otter shrew (Micropotamogale la mollier)

Red colobus (Procolobus badius)

Allens's round leaf Bat (Hipposideros marisae)

Buettilkofer's Epauletted fruit Bat (Epopops buettikoferi)

Jenktins Duiker (Cephalophus jentinki)

Pygmy Hippopotamus (Choeropsis liberiensis)

Sperm whales (Physeter catodon)

Spotted-necked otter (Lutra maculicellis)

West African Manate (Trichecnus senegabnsis)

Zebra Duiker (Cephalophus zebra)

Information on the presence of these species in the project area was also obtained from reports from villages and towns. The list of protected animals of the Forestry Development Authority Protected Wildlife legislation also was referenced.

4b.4 HCV Toolkits Employed

In the absence of a HCV Toolkit for Liberia, the High Conservation Value Toolkit (ProForest 2003) was used for this assessment.

4b.5 Decisions on HCV Status and Related Mapping

The assessment includes the identification of all surface water resources within the concession and recommendations for the establishment of buffer zones and the measures to be taken to protect and maintain the quality of the surface water and riparian vegetation.

The locations of all areas identified as having HCV values present, including HCV4, HCV5 and HCV6 were recorded by GPS during fieldwork and transferred to a GIS database.

A map is available showing the buffer zone adjacent to the rivers that will be set aside and protected from disturbance, as well as locations of HCV5 and HCV6 sites. The area of land that will be set aside from development is approximately 600 ha.

5.0 INTERNAL RESPONSIBILITY

5.1 Statement of Acceptance of Responsibility for Assessments

Sime Darby (Liberia) Plantation Inc acknowledges and confirms acceptance of the Assessment Report contents, including assessment findings.

5.2 Formal Sign-off by Assessors and Company

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BSi is a leading global provider of management systems assessment and certification, with more than 70,000 certified locations and clients in over 100 countries. BSi Standards is the UK's National Standards Body. BSi Group Singapore provides independent, third party certification of management systems. BSi has a Regional Office in Singapore and an Office in Kuala Lumpur.

Signed for on behalf of: Sime Darby (Liberia) Plantation Inc



Mr Azmi Jaafar Head, Liberia Project

Date: 19 July 2011

Signed for on behalf of: BSi Group Singapore Pte Ltd

Charlie Ross Lead Auditor

Date: 13 July 2011