

Roundtable on Sustainable Palm Oil
New Planting Procedures
Summary Report of SEIA and HCV Assessments

PT AGRO WANA LESTARI

Kotawaringin Timur Regency
Central Kalimantan
INDONESIA

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KOTAWARINGIN TIMUR REGENCY, CENTRAL KALIMANTAN , INDONESIA

1. Executive Summary

PT Agro Wana Lestari (PT AWL) located in Kotawaringin Timur Regency (District: Bukit santuai, Mentaya Hulu, and Telaga Antang) of Central Kalimantan Province, is one of oil palm companies, which have start to adopt the sustainable management practices for oil palm plantation. In November 2004, this company has obtained Location Permit of 10.000 ha from Bupati Kotawaringin Timur Regency, and revised its location permit in July 2010 to be 11.803,95 ha. In May 2010, PT AWL obtained another location permit adjacent to its current land holding with an area of 4.132,5 ha. Total Permit Location of PT AWL is 15.936 ha.

As part of its commitment PT AWL has enforced the RSPO New Planting Procedure with immediate effect. As part of the management of sustainable oil palm cultivation, PT AWL has made the identification of High Conservation Value (HCV), Social Impact Assessment (SIA) and Environment Impact Assessment/Analisis Mengenai Dampak Lingkungan (EIA/AMDAL). Identification of HCV and the SIA conducted in two stages: Stage 1 (one) conducted from 17 to 23 October 2009 and stage 2 (two) conducted from 9 to 15 June 2010. It asses by an RSPO approved assessors from HCV Team Forestry Faculty of Bogor Agricultural University (IPB). Environmental Impact Assesment was conducted in 2008 and then amended and re-issued to include the new concession area of ± 4,132,5 Ha in 2011. This EIA approved by Governor of Central Kalimantan Province decree No. 188.44/167/2011 in 20th May 2011.

Based on the HCV identification report, the condition of land cover in the PT AWL area location permit can be grouped into 5 (five) parts: Open area (0,95%), Secondary Forest (25,48%), Mixed Crops (33,79%), Shrubs (5,88%), and Oil Palm (33,9%). This land cover condition due to exploitation of forest that has been done by previous company and the activities of Community Farming. Location permit of PT AWL is situated in a part of Mentaya watershed, it is include some of sub-watershed: Kuayan River, Keminting river, Tanah haluan River, and Penyahuan River. In general the condition of geomorphology of the study area comprises of Flat (26,87%), Sloping (27,28%), Hilly (28,40%), rather steep (9,83%), steep (5,41%) and very steep (2,22%).

The results of the identification of HCV study showed that there are five types of HCV values, the HCV 1 (HCV 1.1, HCV 1.2, HCV 1.3), HCV 2(HCV 2.3), HCV 3, HCV 4 (HCV 4.1, HCV 4.2) and HCV 6 in PT AWL Location Permit. The total

identified is about 2.404,47 hectares. Important element of the existence of HCV 1, i.e. the existence of an important area as habitat for important species. The important element of HCV 2 is the existence of areas that contain representative populations of most naturally occurring species. The important of HCV 3 is the existence of rare or endangered ecosystem. The important element of HCV 4 is with respect to water catchment areas, water sources of rivers, flood control and erosion areas and firebreaks. The important element of HCV 6 is the sacred sites at which traditional ceremonies take place that have importance to local peoples. Based on the land system in PT AWL, soil conditions of this area dominated by Honja land (56,09%), and the other are Juloh (11,63%), Pangkaluna (24,72%) and Runagankau (7,57%). There is no peat soils in this land system .

From the social impact study it can be concluded that there is potential and significant impacts by the presence of PT AWL towards social sustainability for local community. The immediate activity that will have an impact on social sustainability is the recruitment of workers for plantation development such as land clearing and nursery. As per the company's plans, the immediate impact of recruitments would be experienced by the 2.249 people and 605 households residing in the nearby villages. It is identified too that PT. AWL will given a positive impact to the surrounding community such as better village accessibility, business opportunity and employment opportunity.

From the Social Environmental Impact study conducted by CV Green Enviro Consultant, it can be concluded that there is potential impact by the presence of PT AWL towards the environmental impact to the area. The possible environmental impact that can occur in this project can be divided into 3 phases of its development namely, Pre-development, Land Development, Operational stage and Post development. These impact can be broadly summarized as reduction in air quality, increased in noise level, increased in surface run-off, increased in erosion and sedimentation, reduction in water quality, increased in soil fertility and finally potential for open burning.

2. Scope of The EIA, HCV Assessment, and Social Impact Assessment

2.1. Organizational Information / Contact Person

Company name : PT Agro Wana Lestari
Address : Jl. Pangeran Antasari II No. 26, Sampit, Kalimantan Tengah, Indonesia
Location : Regency: Kotawaringin Timur
District: Bukit Santuai, Mentaya Hulu, and Telaga Antang
Villages: Keminting, Tanah haluan, Tumbang Penyahuan, Tanjung Jaringau, Tumbang Sangai.
Contact Person : Mr. Gnanasegaran Kasiya/ Wilton Simanjuntak
Telephone : Phone: +62-21-52892260 Fax: +62-21-52892259
Email : wiltons@goodhope-id.com
Deed in Corporation : Akta No. 41,Tgl. 21 januari 2006, Notaris Nurita Zouharminy, SH
SK Mekumham No. C-12536 HT.01.01.TH.2006 Tgl. 2 Mei 2006
Capital Status : PMA (Penanaman Modal Asing)/ Foreign Investmen Company
Status Business Land : Location Permit No. 356, Mei 2010, 4.132,5 ha and Location Permit No. 414, July 2010, 11.803,95 ha Issued by Kotawaringin Timur Regent
Total Area of Location Permit : 15.936 ha

2.2. List of Legal documents, regulatory permits and property deeds related to the project area

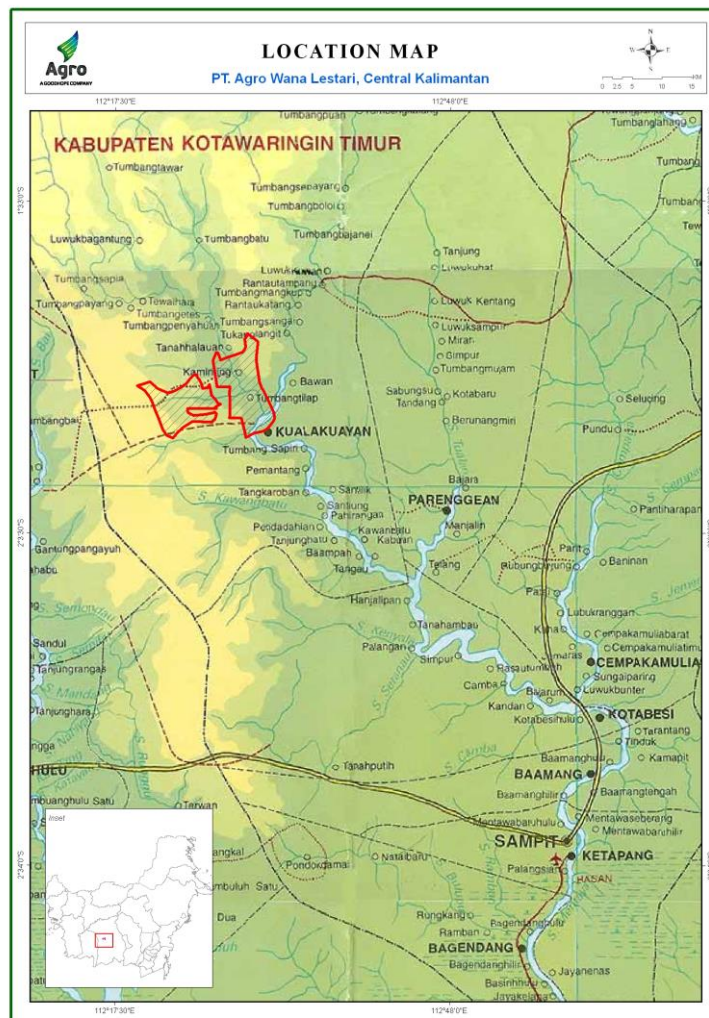
The following are lists of licenses held by PT AWL

Tabel 1. Relevant legal documents, regulatory permits and property deeds of PT AWL

No	Permits	Remarks
1	Akta No. 41, Tgl 21 Januari 2006, Notaris: Nurita Zouhirany, SH. SK Menkumham No. C-12536 HT.01.01TH.2006 Tgl. 2 Mei 2006 SK Menkumham , No. AHU-63506. AH.01.02.TAHUN.2006 Tgl. 10 Nov 2006	Deed of Establishment Company PT AWL Limited Company Aproval Deeds Notification Receipt of Company Amandement of PT AWL
2	Decree of Kotawaringin Timur Regent, No. 414, dated 19 Juli 2010	Location Permit for PT Agro Wana Lestari, Mentaya Hulu with an area size of 11.803,95 hectare
3	Decree of Kotawaringin Timur Regent, No. 356, dated 27 Mei 2010	Location Permit for Additional Area of PT Agro Wana Lestari, Mentaya Hulu with an area size of 4.132,5 hectare
4	Decree of Kotawaringin Timur Regent, No. 1014, dated 26 June 2012	Extension of the Location Permit for PT AWL with an area size of 4.132,5 hectare
5	Taxpayer Identification Number (NPWP)	02.549.381.8-712.000

6	Plantation Busines Permits (Izin Usaha Perkebunan/IUP)	<ul style="list-style-type: none"> - IUP No. 525.26/418/VIII/ EK.SDA/2010, Agustus 2010, covers an area of 11.803,95 ha - IUP for Additional Area No. 525.26/272/VI/EK-SDA/2010, Juni 2010, covers an area 4.132,5 ha
7	Social Environmental Impact Assessment/ Analisa Mengenai Dampak Lingkungan (SEIA/AMDAL)	The first AMDAL was issued for the existing concessions in 2008 – this AMDAL was then amended and re-issued in 2011 to include the new expansion area. This AMDAL approval is dated 20th May 2011 by Governor of Central Kalimantan decree No. 188.44/167/2011.

Figure 1. Location of PT Agro Wana Lestari in Kotawaringin Timur Regency, Central Kalimantan Province, Indonesia



2.3. Area and Time Plan for New Plantings

PT AWL proposed new planting area in PT AWL location permits (15,936 ha) . In the time of this the company has been ongoing operational activities such as land clearing and planting. The company has already planted about 3947 ha for the 2008-2010 periods and for the new planting area planted after 2010 is 4798,2 ha and no HCV area being planted. The process of land development and planting of oil palm following the procedures of RSPO New Planting Procedures (NPP). Activities undertaken are land acquisition or compensation to land owners in addition to the socialization of plantation development plan or Free Prior and Informed Consent (FPIC).

Table 2. PT. AWL Planted area before 2010

Year Planting (ha)		Amount (ha)
2008	2009	
805	3142	3947

Table 3. Time plan for New Planting in PT AWL

Year Planting (ha)					Amount (ha)
> 2010	2014	2015	2016	2017	
4798,2	396,1	950,6	627,4	340,7	7113

3. Assessment Process and Procedures

3.1. Assessor and Their Credentials

3.1.1 HCV and SIA Assessors and their credentials

The High Conservatuion Value and Social Impact Assessment of PT AWL was carried out by HCV Team- Faculty of Forestry IPB. IPB has an office located at Jl. Lingkar Akademik, Kampus IPB Darmaga Bogor-16680, Phone: +62 251 8621677/ Fax: +62 251 8621526, Email: fahutan@ipb.ac.id.

Table 4. The Team members of HCV and SIA Assesor

No	Expert Name	Position	Status
1	Ir. Nyoto Santoso, MS	Team Leader	Approved by RSPO
2	Handian Purwawangsa, S.Hut., MS	Social Expert	Approved by RSPO
3	Ahmad Faisal Siregar, S. Hut.	Social Expert	Approved by RSPO

4	Jimmy Syahrasyid	Social Expert	
5	Dian Purbasari, S.Pi.	Social Expert	
6	Dr. Ir. Burhanuddin Mas'ud, MS	Wildlife and Social Expert	5
7	Ir. Heru B. Pulonggono, MSc.	Environmental Service Expert	Approved by RSPO
8	Iling Nasihin, M.Si.	Flora and GIS Expert	Approved by RSPO
9	Ir. Jarwadi Budi Hernowo, MS	Wildlife and Ornitologist	Approved by RSPO
10	Eko Adhiyanto, S.Hut.	Ecology and Flora Expert	Approved by RSPO
11	Ir. Rachmad Hermawan, MSc.	Environmental Services Expert	Approved by RSPO
12	Sutopo, S.Hut.	Wildlife and Ornitologist	Approved by RSPO
13	Sayidina Ali, Amd.	GIS Expert	Approved by RSPO

3.1.2. Environment Impact Assessments Assesor and Their Credentials

The Environmental Impact Assessment of PT AWL was carried out by CV Green Enviro Consultant has an office located at Jl Penega Raya V Blok BI No.10, Email: gec@yahoo.co.id

Table 5. The Team Members of EIA Assesor.

Position	Name	Expertise	Certification	Competence
Team Leader	Ir.Muhammad Wahyudin, Msi.	Environment Management	AMDAL A, B, C	000186/SKPA/LSKINTAKINDO/V/2010
Geophysical-Chemical	1. Ahmad Junaidi ST	Civil Engineering	AMDAL A	000167/SKPA/LSKINTAKINDO/III/2010
	2.Saijo SP, MP	Agriculture	-	-
Biologist	1. Anwar Fauzi, SPi	Aquatic biota	AMDAL A	000179/SKPA/LSKINTAKINDO/IV/2010
	2. Yulian M.Kusuma, S.Hut	Vegetation and GIS	AMDAL A	-
Socio-Economic	Riko Ijami, MKes	Community health	AMDAL C	-

-Culture- Communit y Health				
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3.2. Assessment Methods

3.2.1. Methods used in the Social Impact Assessment

As stipulated in the RSPO Principles and Criteria, the social impact assessment was carried out by the method of Participatory Social Impact Assessment. The technique used in the study include document review, participatory observation, semi-structured interviews and in depth interviews, and focus group discussions. The framework of SIA Assessment that is to determine condition of the current existing condition at PT AWL, especially socio-economic conditions, socio-economic impact on the surrounding community and public perceptions.

Sampling technique used was purposive sampling (determination of sample based on an assessment carried out by reserchers that the sample is considered most suitable for purpose of data need) and Simple Random Sampling (sampling that gives equal oportunities to be taken to every element of the population). Purposive sampling is used to determine sampling location and sample random sampling is used to determine respondents in the villages.

3.2.2. Methods used in the HCV Assessment

Scope of the study area is within the location permit granted to PT AWL and the study is extended to surrounding villages and other areas that are considered important. Field survey was conducted on two stages: Stage 1 conducted in 17 to 23 October 2009 and stages two: to conducted from 9 to 15 June 2010. More than 34 observation points located in and around the study area that are relevant to this study were visited. Distribution of sites visited during the assessment process is provided in Figure 5.

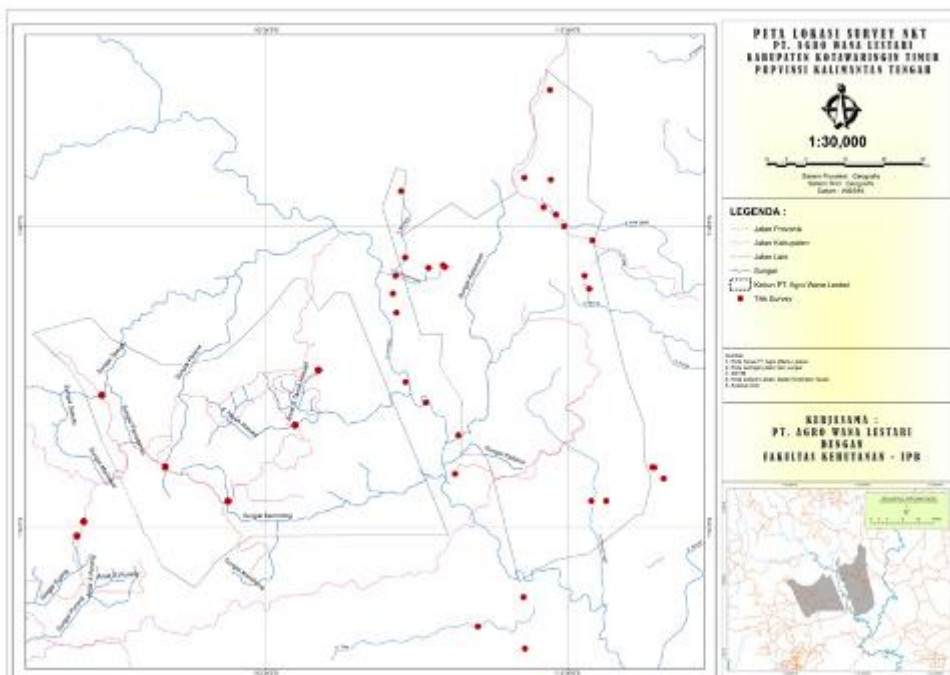


Figure 3. The process and steps of HCV Identification in PT AWL

3.2.3. Methods use in Environment Impact Assessment

This assessment was involved primary and secondary data collection, field environment sampling, and survey with purposive proportional sampling, terrestrial studies, stakeholders interview, land use and impact to surrounding community, socio-economic study, health and cultural aspects data collection and reference was made to the national, sector and regional regulations.

3.3. Stakeholders' Consultation

The process of the HCV and SIA development and preparation of management and monitoring plans of PT Agro Wana Lestari involved the consultation of the relevant stakeholders such as governmental offices, the local community, the government appointed official of local village and sub-district, the local NGOs, independent consultant (HCV team-IPB) and the local existing plantation/forestry companies. On October 2009 and June 2010, a stakeholders' consultation of the HCV and SIA management plan involving the relevant stakeholders outlined in the above and also the management team of PT AWL was conducted and facilitated by the RSPO approved assessors from IPB in the area. Communications with the key stakeholders were carried out through interviews, interaction, and discussion between the company and the stakeholder's in order to gain a better understanding of the management plans for the stakeholders. The inputs from the presentation by various stakeholders during the stakeholders' consultation workshop in PT AWL Meeting Room on June 2011 related to HCV, were also integrated into the SEIA document.

The process of EIA (AMDAL) public consultation was conducted in 7 August 2010 in Convention Hall of Bukit Santuai Sub-District. It involved the relevant stakeholder such as governmental offices, the local community, the government appointed official of local villages and Sub-districts, local NGOs, and The consultant.

4. Summary of Assessment Findings

4.1. Social and Environment Impact Assessment

The stakeholders in the context of the Social Impact Assessment are the stakeholders who create or received the impact of the presence and operation of the oil palm plantation. Based on the results of field studies, some 66 stakeholders which were divided to : Tenure issues, community development, environment & Health, NGO, and Media.

The results of the identification of social issues through participatory processes with stakeholders indicated that there are three main issues in the area: Land Tenure,

Environment, and Socio Economic. Main issues related to land tenure are land disputes, unclear boundaries between villages, and lack of BPD roles in the village government related to LC that conducted by PT AWL.

Main issues related to Environment is pollution to watershed because of PT AWL activities. Main issues related Socio Economic are: Lack of communications and coordination between company and community, Lowland productivity caused by lack of skills and knowledge of village community in agriculture technique, Lack of public health services, lack of educational facilities, and high dependency of communities to the river/watershed.

Positive impacts of most people to perception the activities of PT AWL are: accessibility, business opportunity, and employment opportunity. The social risk if not anticipated early will accumulate and bring collective actions to communities. Design for strategic communications between company and community is need so that social activities can be carried out effectively without disrupting production process. Some of recommendations to the company are: Build the social communication strategy to surrounding communities, Land tenure issues (etc. Land Compensation/land dispute) should be involving all stakeholders (government official, customary leader, land owner), Develop CSR programme that focused to develop public facilities or improve productive activities of villager, and Building Plasma scheme includes with organizational.

4.2. HCV Assessment

According to Kotawaringin Timur Regent Decree, the location permits of PT AWL is classified as non-forest land (Other Use Land/APL) . The study revealed that there are no primary forest areas left within the additional location permit of PT AWL. In the report of HCV (IPB, 2011), stated that the land covers in this region are dominated by open area, secondary forest, mixed crop, shrubs, and oil palm. There are eight types of HCV occur in the location permit of PT AWL, i.e. **HCV1 (HCV1.1, HCV1.2, HCV1.3), HCV2 (HCV2.3), HCV3, HCV4 (HCV4.1 and HCV4.2), and HCV6** covering a total area of approximately 2.404,47 hectares or 14,11% of the total area size of the study area.

The presence of HCV 1 was due to the existence of an important area of protection for biodiversity species within the location permit. There are 8 species of Flora identified as Critically Endangered Species. The wildlife species that are considered important are Orangutan (Endangered). In addition to the key species, there are other threatened species were recorded i.e. 8 Critically Endangered Species, 10 Endangered species, 10 Vulnerable species, three species are listed in the CITES's Appendix (Refer to Appendix I.)

In regard to HCV 2, there are areas that contain representative populations of most naturally occurring species: populations of higher predators (e.g. Raptors/Eagles); low density far ranging species (e.g. Orangutan). In regard to HCV 3, there are forest ecosystem that still in good condition for secondary forest and have some caves in the area. In regard to HCV 4

there are watersheds and flood control areas within the project site. In addition to this they are areas of erosion and sedimentation control found in the area.

In regard to HCV 6, there is the sacred sites at which traditional ceremonies take place that have importance to local peoples. Summary of the presence of HCV area in the study area is shown in Table 5 and map of the distribution of its location is shown in Figure 5.

Table 6 . Summary of HCV present/absent in areas of PT AWL

HCV's	Component	HCV exist	HCV Area	Area (ha)
HCV 1.1	Areas that Contain or Provide Biodiversity Support Function to Protection or Conservation Areas.	Present	Riparian: kelamaan Tanduk, Anak Setai, Randa, Pelambungan, Tapang mangku, Kelamaan, Beringin, Sub Tanah Haluan, Tanah haluan, Keminting, Pametahan, Pelanan, Sekutu, Keloma, Embung & KSMA	645,58
HCV 1.2	Critically Endangered Species	Present	Hills/Slopes: Santuai, Langgai, Lawas, Durian, and Kambe/Hantu. Riparian: Kelamaan Tanduk, Anak Setai, Randa, Pelambungan, Tapang mangku, Kelamaan, Beringin, Sub Tanah Haluan, Tanah Haluan, Keminting, Pametahan, Pelanan, Sekutu, kaloma, Danau KM33	2.015,62
HCV 1.3	Areas that Contain Habitat for Viable Populations of Endangered, Restricted Range or Protected Species	Present	Riparian: Kelamaan, Tapang mangku, Anak Satai, Randa, Pelambungan, Kelamaan Tanduk, Beringin, Sub Tanah haluan, Tanah Haluan, Keminting, Pametahan, Pelanan, Sekutu, Kaloma, Danau KM 33 Hills: Santuai, Langgai, Lawas, Hantu, Durian.	2.015,62
HCV 1.4	Areas that Contain Habitat of Temporary Use by Species or Congregations of Species	Absent		
HCV 2.1	Large Natural Landscapes with Capacity to Maintain Natural Ecological Processes and Dynamics	Absent		
HCV 2.2	Areas that Contain Two or More Contiguous Ecosystems	Absent		
HCV 2.3	Areas that Contain Representative Populations of Most Naturally Occurring Species	Present	Bukit Santuai and Bukit Langgai	1.137,27
HCV 3	Rare or Endangered Ecosystems	Present	Bukit Santuai	1.137,27
HCV 4.1	Areas or Ecosystems Important for the Provision of Water and Prevention of Floods for Downstream communities	Present	Riparian: Kelamaan Tanduk, Anak Setai, Randa, Pelambungan, Tapang Mangku, Kelamaan, Beringin, Sub Tanah Haluan, Tanah Haluan, Keminting, Pametahan, Pelanan, Sekutu, Kaloma, Danau KM 33, KSMA, Embung	645,58
HCV 4.2	Areas Important for the Prevention of Erosion and Sedimentation	Present	Hills/Slopes: Santua, langgai, Beringin, Tempilak, Lawas, Pelapis, Bukit A , Bukit B, Samulang, Durian, Kambe/Hantu	1.704,42
HCV 4.3	Areas that Function as Natural Barriers to the Spread of Forest or Ground Fire	Absent		
HCV 5	Natural Areas Critical for Meeting the Basic Needs of Local People	Absent		
HCV 6	Areas Critical for Maintaining the Cultural Identity of Local Communities	Present	Sacred and Culture sites, Hills: Santuai, Langgai, Lawas, Beringin	4
TOTAL HCV AREAS				2.404,47

Some threats to the existence of HCV in the PT AWL, have been identified as follows:

- 1) Illegal logging and land clearing for agriculture
- 2) Game hunting of wildlife
- 3) Illegal fishing through fish poisoning
- 4) Burning for land clearing for subsistence farming and oil palm development
- 5) Land development by contractors who do not comply with company procedures in safeguarding HCVs.

Figure 5. Location Map of HCV Area in PT AWL



5. Internal Responsibility

We hereby sign off on the above Summary EIA, SIA, and HCV Assessments in PT Agro Wana Lestari. The above may be amended and clarified for improvement during the development of the plantation but it will be compliance with RSPO Standards.

On behalf of PT Agro Wana Lestari

A handwritten signature in black ink, appearing to read 'Wilton', with a long, sweeping stroke extending upwards and to the right.

Wilton Simanjuntak

RSPO Manager

21 July 2014