

Summary Report of SEIA, SIA and HCV Assessments of
PT Tekukur Indah

RSPO
NEW PLANTING PROCEDURES

Summary Report of SEIA, SIA And
HCV Assessments

PT Tekukur Indah
Berau District
East Kalimantan Province
Indonesia

Summary Report of SEIA, SIA and HCV Assessments of
PT Tekukur Indah

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1.Executive Summary

PT Tekukur Indah (TI), is an oil palm company located in Berau District, East Kalimantan Province. It is owned by Batu Kawan Berhad and managed by Kuala Lumpur Kepong Berhad who is a member of RSPO.

PT TI has conducted Social Environmental Impact Assessment (SEIA) or UKL-UPL, High Conservation Value (HCV) Assessment and Social Impact Assessment (SIA) in compliance with RSPO Criteria 7.1 and 7.3 on new planting.

The area of PT TI undergoing New Planting Procedures is 2,911 hectares (ha) as indicated in the Location Permit (Izin Lokasi) No.108 dated 1st March 2012 and is renewed in April 2014 (No. 297) . It is situated in subdistrict of Teluk Bayur, Berau District. In addition, the company has also obtained Plantation Business Permit (IUP-B) No. 405 /2014 dated 10 June 2014 from the Regent of Berau , stating that the acquired area is 2,888 ha, of which 2,060 ha is for parent company (Inti), 283 ha is allocated for river riparian and 545 ha for smallholder scheme (Plasma).

The geographical location of PT TI is 117⁰16'00" East and 02⁰04'00" North in the subdistrict of Teluk Bayur. The forestry map of East Kalimantan (SK No.942/Menhut-II/2013) indicated that PT TI is in Other Usage Area (APL) and thus outside the forest area (Kawasan Hutan). According to HCV assessment and SEIA reports, the concession area does not have any peat soil.

The eastern part of PT TI is surrounded by transmigrasi agricultural land and KKPA Laba Sari and padi fields.Two villages are located in this area viz Desa Labanan Jaya and Desa Labanan Makmur.On the western part is the community agricultural land. Two villages are located in this area, viz Labanan Makarti and Dusun Seduung.The northern region is surrounded by River Segah whereas southern region is partly dissected by a road leading to Samarinda.One of the villages occupying this area is Tumbit Melayu.

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The SEIA was conducted by PT. Integral Multi Talenta and the report (No. 197/2014) was approved by Regent of Berau on 20 March 2014. The Environmental Permit (Izin Lingkungan) was also approved by Regent of Berau on 20th March 2014. HCV & SIA assessments were conducted by Aksenta and reports were completed in June 2013 and May 2013, respectively. All the HCV members who conducted the HCV assessment are RSPO-approved assessors.

The SEIA and HCV assessment reports clearly indicated that PT TI:

- is not situated in primary forest
- has no peat soil
- is not a protected area

The results of the HCV study showed that there are 2 types of HCV found in PT TI concession area. They are HCV 1 (species diversity) and HCV 4 (ecosystem services). HCV 2 (landscape-level ecosystem), HCV 3 (ecosystems and habitats), HCV 5 (community needs) and HCV 6 (cultural values) were not found. The total HCV area identifies is 129.7 ha or 4.5% of Location Permit of 2,119 ha.

Element of HCV 1 covers threatened and endangered species like proboscis monkey, gibbon, pangolin, otter civet and flat-headed cat. Element of HCV 4.1 (as vital water catchment areas) involves flood banks of river like Sg Segah, Sg Seduung, Sg Lapungan, Sg Niram, Sg Longban, Sg Semuda Kira and Semuda Kanan. Banks of Sg Lapungan and Sg Tahap serves as areas of erosion and sedimentation control (HCV 4.2). HCV 4.3 was not found in PT TI.

The Social Impact Assessment study indicated that there is a potential significant impacts towards the local communities due to the presence of PT TI. The immediate positive impact is the recruitment of local workers to participate in plantation development activities such as land clearing and planting. Another potential positive impact is the proposed implementation of Corporate Social Responsible (CSR) activities by PT TI for local communities. A negative impact cited in the study is the

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impact of clearing land has on the surrounding areas. For this reason, a plan to mitigate these potential impacts will be implemented by PT TI to comply with SEIA/SIA Management and Mitigation Plan which is another separate report submitted to RSPO under NPP.

From the Social Environmental Impact Assessment (SEIA) study conducted, it can be concluded that there are potential environmental impacts caused by development activities of PT TI.

The possible environmental and social impacts that can occur in this project can be divided into 4 phases, Pre-development, Land Development, Operational and Post Development stages. These potential impacts on the local community can be broadly summarised as follow: deterioration of air and water quality, increase in noise level, increase in surface run-off, increase in erosion and sedimentation. Mitigation and Management Plan (a separate report to RSPO) have been drawn up to minimise these potential impacts.

2. Scope of SEIA and HCV Assessments

2.1 Organisation Information and Contact Person

Company Name	PT Tekukur Indah
Parent Company	Batu Kawan Berhad
Address	Jl Tekukur Indah, RT 07 Kampung Labanan Jaya Kecamatan Teluk Bayur, Kabupaten Berau-77352, Kalimantan Timur
Office Contact No.	0554-25377
KL-Kepong Berhad RSPO Membership No.	1-0014-04-000-0
Person-In Charge	Hj Bakri Jamaluddin
Email	Bakri.j@klk.com.my

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Position	Production Director
Capital Status	PMA (Foreign Investment Company)
Taxpayer No.	02.033.765.5-727.000
Status Concession Area	Izin Lokasi; IUP-B; UKL-UPL
New Planting Area	2888 ha

2.2 List of Legal Documents, Regulatory Permits and Property Deeds

No.	Document	Issued By	No. & Date	Remark
1	Location Permit (Izin Lokasi)	Regent Berau, 2991 ha	No.108 dated 1st March 2012	Renewed: No. 297 dated 28 April 2014
2	Plantation Business Licence-B (Izin Usaha Budidaya Perkebunan)	Regent Berau	No. 405 dated 10 June 2014	-
3	Social Environmental Impact Assessment (UKL-UPL)	Regent Berau	SK Bupati Berau No.196 dated 20 March 2014	-
4	Environmental Permit	Reagent Berau	SK Bupati Berau No. 197 dated 20 March 2014	-

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5	Company Registration (Tanda Daftar Perusahaan Perseroan Terbatas	Badan Pelayanan Perijinan Terpadu, Pemerintah Kabupaten Berau	170414500222 dated 14 March 2012	-
6	Taxpayer Notification No.	02.033.765.5-727.000	-	-
7	Akta Pendirian	Akta No.31 Tanggal 18 Januari 2007 Notaris Sony Thio,SH Berau	18 January 2007	-
8	Pengesahan Akta Pendirian	SK Kemenkumham No.13-00165HT.01.01-TH.2007	27 January 2007	-

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2.3 Location Map of PT Tekukur Indah-Landscape & Project Levels

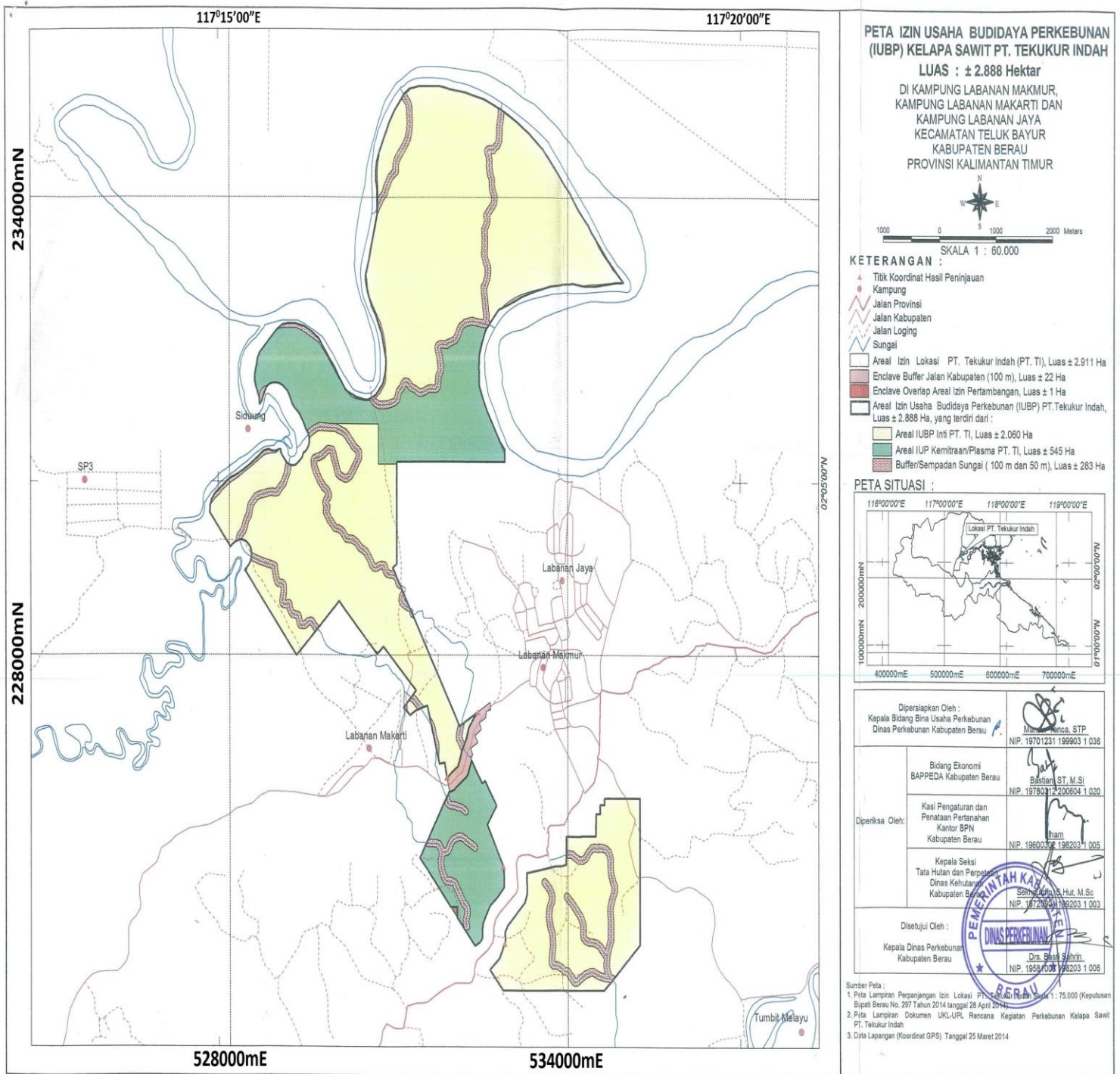


Figure 1. Location Map of PT Tekukur Indah-Project Area

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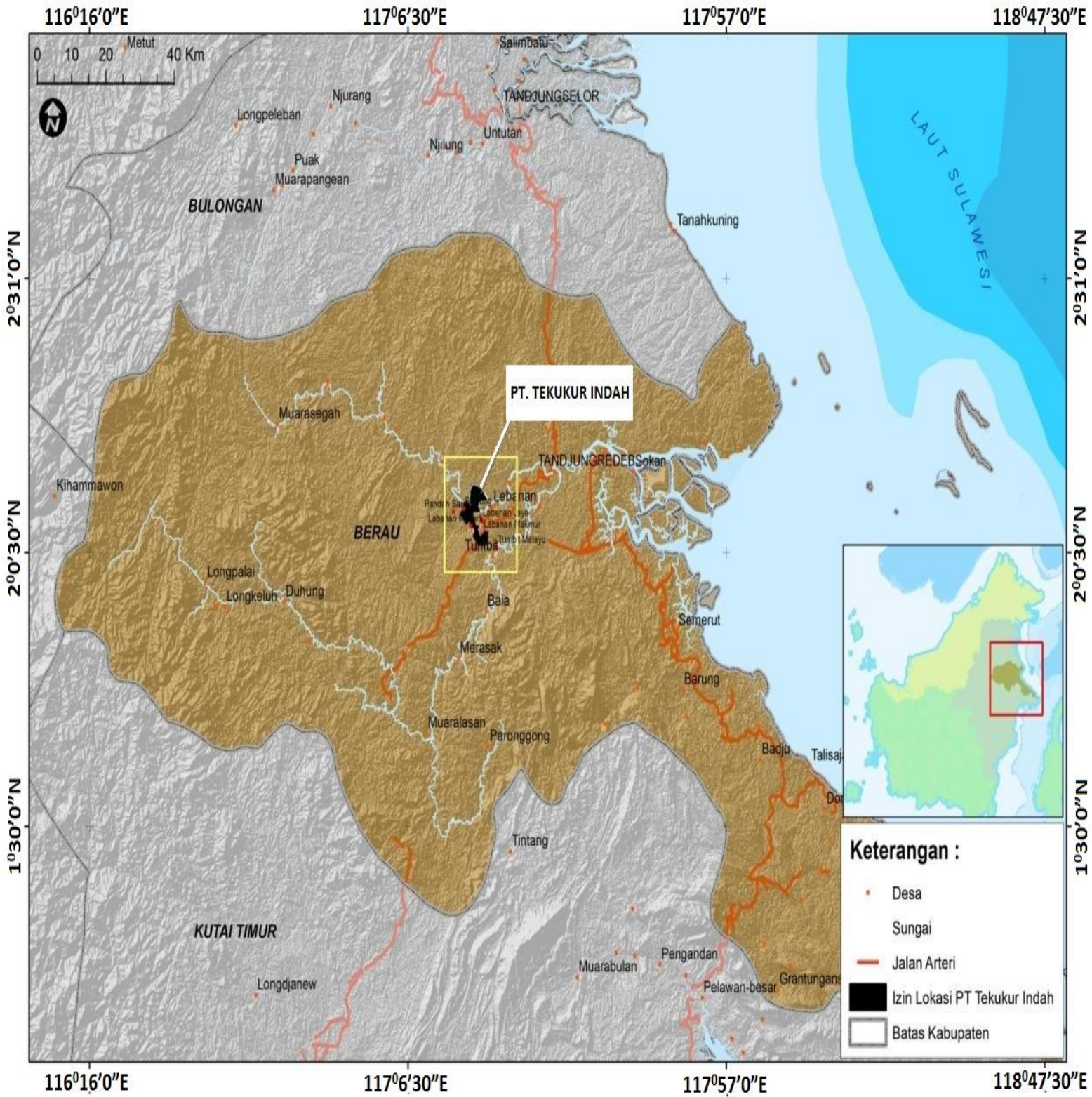
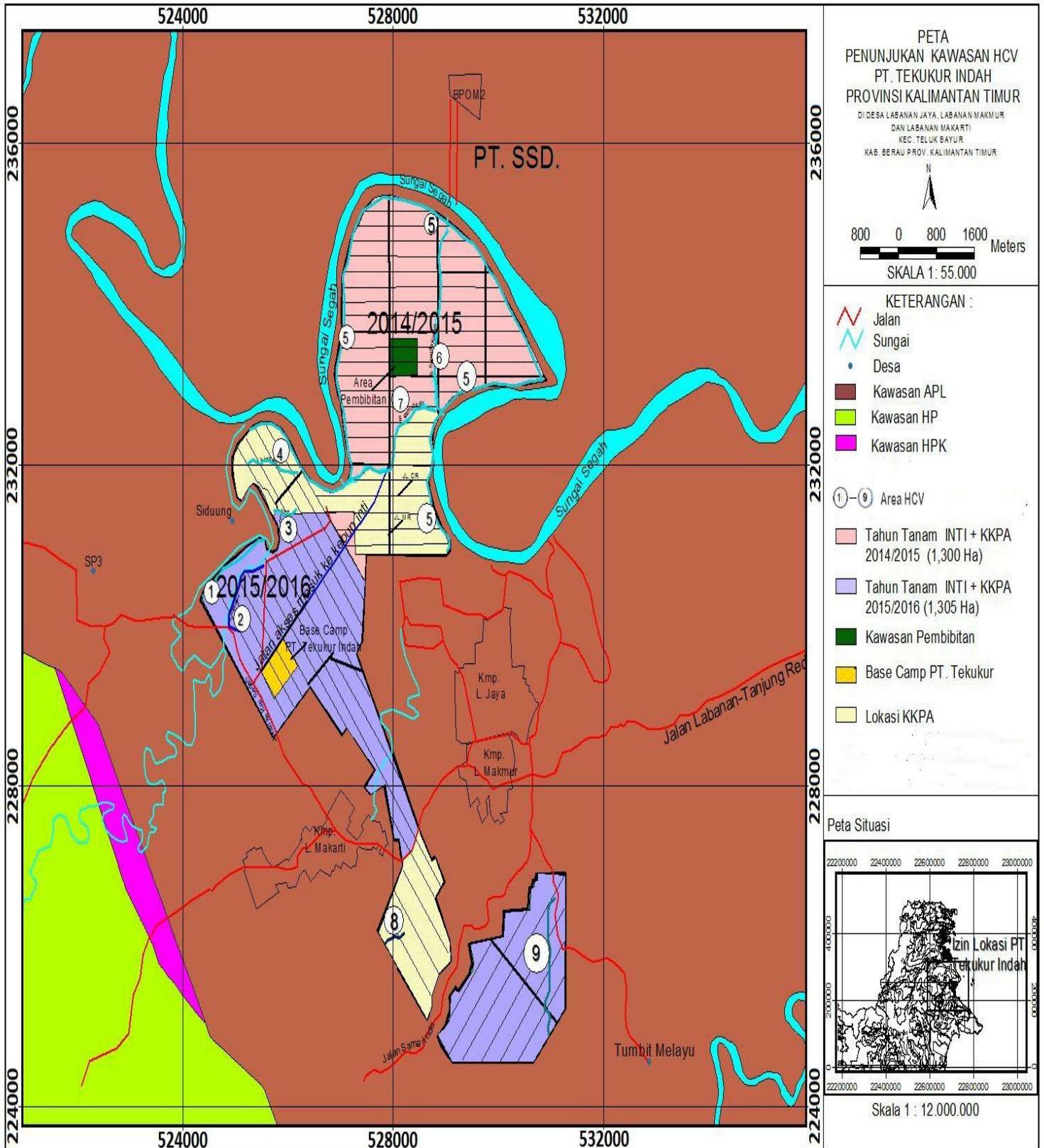


Figure 2. Landscape Map of PT Tekukur Indah

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Figure 3. Map indicating Land Clearing, Planting Program and HCV Areas of PT TI



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3. Assessment Process and Procedures

3.1 HCV and SIA Assessors and their Credentials

3.1.1 HCV Assessors and their Credentials

The HCV assessment of PT TI was conducted by Aksenta with its office located at Jl Gandaria VIII/10, Kebayoran Baru, Jakarta 12130, Tel/Fax +6221739-6518, Email: aksenta@aksenta.com).

The team of assessors who conducted the study has been approved by the RSPO. Its team members are:

1. Pupung Firman Nurwatha (pupung@aksenta.com) -Team Leader
Has a Bachelor in Biology from University of Padjadjaran University. He has experience in wildlife research since 1990, skilled at conducting community-based biodiversity assessment and manages a group of wildlife conservationists. He undergoes various training including Fieldwork Techniques for Conservational Expeditions in 2002 in London. He has experience in conducting studies of HCV in the plantation sector and is a RSPO-approved assessor specialising in HCV 1,2 and 3.

2. Robert Horaliman Sinaga (rohansinaga@aksenta.com)
Has a science degree in Applied Meteorology from Faculty of Mathematics and Natural Science, Bogor Agricultural University (IPB). He has experience in GIS and Remote Sensing technique in Biology Conservation and land use issues. He has conducted research in radiation quantities in energy uses in the forest using GIS techniques and Remote Sensing. In this assessment, his role is to identify HCV 4 and carry out HCV mapping. He is RSPO-approved HCV assessor specialising in ecosystem services of HCV 4.

3. Muayat Ali Muhshi (muayat@aksenta.com)
He graduated from the Faculty of Forestry Graduated from Bogor Agricultural University (IPB) – Bogor majoring in Forest Resources

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Conservation. He was a researcher at WALHI and is a editor of a book entitled “*Peran HPH dalam Pembangunan Ekonomi Regional Kaltim*” (Walhi and World Resources Institute, 1990-1991). He is also a coordinator in Forestry Program in Pelangi Indonesia Foundation and is doing a study on: “*Integrasi Bina Desa dalam Kerangka Pengelolaan KPHP*” supported by ODA – in cooperation with Ministry of Forestry – UK Tropical Forestry Management Program. He has experience in social and HCV studies in oil palm and forestry sectors and is RSPO-approved assessor. In this HCV study, he serves as HCV 5 & 6 assessor.

4. Risa Desiana Syarif risa@aksenta.com

Holds a degree in forestry from Agricultural Institute of Bogor. Experience in analysis of remote sensing and GIS data. In this study, she focuses on spatial analysis and mapping of HCV area.

3.1.2 SIA Assessment-Assessors and their Credentials

The team members consists of:

1. Andri Novi (andri.novi@aksenta.com) holds a Bachelor of Literature from University of Padjadjaran majoring in cultural sciences, literature and linguistics. He has experience in the field of Participatory Action Research and Community Development and was a Regional Development Capacity Building & Training Expert for the National Community Empowerment Program (PNPM). He has done Social Impact Assessment in some oil palm plantation companies in Indonesia and in 2010 received approval from RSPO as a Discipline Specialist for the study of HCV in the social and cultural fields (HCV 5 & 6).

His role in this assessment is to study social impacts.

2. Sabeni (sabeni@aksenta.com) , graduated in Forestry from Bogor Agricultural Institute. He has gained a lot of work experience related to environment, forestry and natural resources. His interest is towards social development of community especially in empowering community. He also gained expertise in the field of social-conservation

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dan participative decision making. He has a lot of experience in conducting social analysis in forestry sector dan currently he is in the process of obtaining RSPO accreditation as Discipline Specialist. In this assessment, he conducts study on social institutions and policies.

3. **Miranti Magetsari** (aget@aksenta.com), graduated from Bandung Institute of Technology, Physics Department, Faculty of Mathematics and Natural Sciences. Has attended relevant training in ISO 14001 Environmental Management System, OHSAS 18001 in Management and Occupational Health and Safety Management system certification. She is also involved in ISCC audit and has a lot of experience in conducting SIA and HCV assessments for oil palm dan HTI in Indonesia. In this assessment, she is the team leader.

3.2 Assessment Methods (Data sources, data collection, dates, program, place visited)

3.2.1 Methods used in the HCV Assessment

The HCV assessment team consists of specialists in the area of biodiversity, environmental services, social and cultural and supported by a GIS expert. Identification of HCV is generally done through a series of stages from pre-assessment (desk study), field survey to analysis and interpretation of final results.

During the field assessment which is conducted from 28/1-2/2/2013, the HCV assessors were accompanied by staff of PT TI who are knowledgeable of physical and social environments in the area under study. In addition to making observations in the field, the team also collected information from the local community in the villages of Labanan and other surrounding locations by ways of individual interviews, focus group discussions (FGD), participative mapping as well as public consultations. The team also performed confirmation and cross-check findings through purposive sampling ie cross-check with community leaders and stakeholders surrounding concession area.

Definition and scope of HCV assessment used in the oil palm sector is still very much based on HCV concept applied in the forestry sector. For

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the purpose of this assessment, HCV Toolkits (2003, 2008) of the Proforest were used but reference is also made to Guidance of Indonesian HCV Toolkit 2008. Other references used that are relevant in the assessment also include IUCN, CITES and other relevant guidelines/regulations in Indonesia.

3.2.2 Methods used in Social Impact Assessment Impact Assessment (SIA)

SIA assessment was conducted simultaneously with HCV assessment focussing on villages surrounding concession area of PT TI from 28/1-1/2/2013.

Stages of SIA assessment included:

- 1.Desktop study prior to field assessment
- 2.Field assessment: field data collection
- 3.Data analysis and synthesis:identification of key stakeholders, key social issues, main social impacts, main social risks.

Data collection method was conducted through a rapid social assessment method which includes a combination of methods or techniques of:

- 1.Secondary data reviews
- 2.Open dialogue through Focus Group Discussion (FGD)
- 3.Participatory mapping
- 4.Field observations
- 5.Semi-structured interviews and indepth interviews
- 6.Triangulation

The methods used to analyse 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.

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3.3 Stakeholders' Consultation

Early public consultation was conducted during SEIA in order to obtain feedback from the various relevant stakeholders prior to land acquisition and land compensation in line with Free Prior Informed Consent (FPIC) process.

Another round of public consultation was conducted by Aksenta on 1/2/2013 and were attended by 44 stakeholders which included employees of PT TI, leaders of cooperatives (KKPA), community leaders, village chiefs, district representatives, and government agencies.

4. Summary of Findings

4.1 Summary of HCV Findings

From HCV assessment, it was found that HCV areas covered 129.7 ha or 4.5% of the total concession area of 2,911 ha (Location Permit). The summary of the findings is shown in Table 2.

Table 2. Summary of HCV Findings in Location Permit of PT TI

Index	Element HCV	Area (ha)	Description
1	1.2,1.3,1.4, 4.1	14.9	Area along riparian of Sg Siduung (100 m wide). The area is still covered by riparian forest which serves as a wide flood plain.
2	1.2,1.3,1.4, 4.1	20.2	Area along riparian of Sg Lapungan (50m wide). Some of this area is still covered by riparian forest which serves as a flood plain.
3	1.2,1.3,1.4, 4.1	8.9	Area along riparian of Sg Nram (50m wide). Serves as flood plain and tree canopy is still closed

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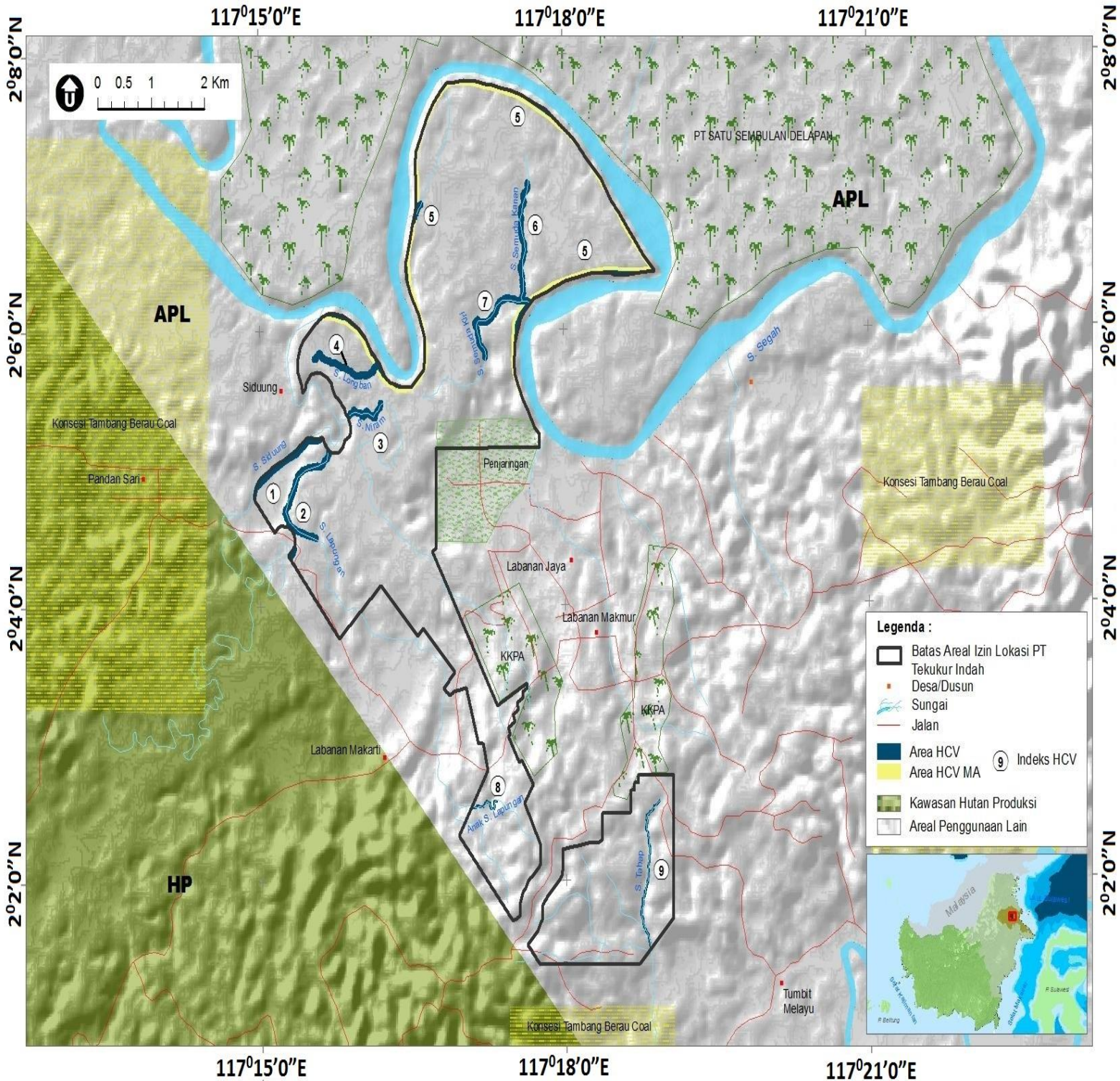
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4	1.2,1.3,1.4, 4.1	13.8	Area along riparian of Sg Longban (50m wide). A large part of the riparian is still covered by fragmented forest and scrubs
5	1.2,1.3, 1.4, 4.1	26.6	Area along riparian Sg Segah (100m) in the north of Location permit.
6	1.2,1.3, 1.4, 4.1	16.8	Area along riparian of Sg Semuda Kanan (50m wide). A large part of the riparian is still covered by fragmented forest on the lower portion of the river. Encountered proboscis monkey, weasel, beaver and terrapin
7	1.2,1.3, 1.4, 4.1	17.0	Area along riparian of Sg Semuda Kiri (50m wide). A large part of the riparian is still covered by fragmented forest on the lower portion of the river. Encountered proboscis monkey, weasel, beaver and terrapin
8	4.1,4.2	2.6	Area along stream of Sg Lapungan which serves as water source for irrigation.
9	4.2	8.9	Area along stream of Sg Tahap (20m wide).
Total HCV area (ha)		129.7	
Total area PT TI (ha)		2,911	
% HCV area		4.5	

Note: Please refer to Figure 4 below on index numbering

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Figure 4 Map indicating HCV Areas as indicated by Index 1- 9



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Some threats to HCV inside concession areas of PT TI, both actual and potential, have been identified as follow:

1. Illegal land clearing by community especially along river banks can potentially harm HCV 4.
2. Development activities of KKPA (plasma) scheme surrounding PT TI can potentially jeopardise HCV areas.
3. Game hunting of wildlife eg pangolin, gibbon, otter, etc
4. Land clearing by burning especially during drought season
5. Land development by contractors who do not comply with company standard operating procedures in safeguarding HCVs areas.

4.2 Summary of SIA Findings

1. Majority of Labanan community, accepts the presence of PT TI as indicated by their willingness to sell their un-utilised land to be converted into productive land.
2. The development of PT TI has the potential to promote economic growth of surrounding villages.
3. PT TI has to ensure that the issue between the community and Cooperative Laba Sari is settled with BPN
4. Of the four villages, village Dusun Siduong Muara is most susceptible to negative impacts of land clearing.
5. Farmers of Daerah Penjaringan (padi planting using irrigation from surrounding rivers) are concerned that planting of oil palms will affect the water level of River Loangban and Lapungga and thus causing the padi field to dry out.

4.3 Summary of SEIA (UKL-UPL) Findings

1. Local communities are generally positive towards the development of their land by PT TI.

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2. There is an expectation of job opportunity for local communities around the area to be developed by PT TI.
3. There is a concern of negative environmental impacts as a result of development like air quality, safety and health, noise, soil erosion, sedimentation and quality of surface water.

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5. Internal Responsibility

This document is the Summary Report of High Conservation Value (HCV) , Social Environmental Impacts Assessment (SEIA) and Social Impact Assessment (SIA) on PT Tekukur Indah (PT TI).

The HCV and SIA are conducted by Aksenta.

Aksenta

(PT Gagas Dinamiga Aksenta)

Management of

PT Tekukur Indah



Sujatnika

Managing Director

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a series of loops and a final vertical stroke.

Haji Bakri Jamaludin

Production Director