

**Summary Report of SEIA and HCV Assessments on PT Kartika Prima Cipta  
Districts of Semitau, Suhaid, and Selimbau of Kapuas Hulu Regency,  
West Kalimantan**

**Executive Summary**

PT Kartika Prima Cipta (hereinafter referred to as “**PT KPC**”) is located in Districts of Semitau, Suhaid and Selimbau of Kapuas Hulu Regency, West Kalimantan. Its business has already obtained a Location Permit by virtue of Kapuas Hulu Regent’s Decree No. 16 Year 2007 dated 23 January 2007, granting the company a concession over a total area of ±20,000 hectares. This decree’s period was extended by virtue of Kapuas Hulu Regent’s Decree No. 302 Year 2012 dated 01 October 2012, granting PT KPC a concession of ±19,200 hectares.

An Environmental Impact Assessment document (“**EIA**”) has been prepared by a consulting firm, namely CV Intergraha Citra, which has also been authorised by Kapuas Hulu Regent based on Decree No. 290 Year 2006 on Environmental Feasibility of Oil Palm Plantation Activities of PT Kartika Prima Cipta in Semitau, Suhaid and Selimbau of Kapuas Hulu Regency.

PT KPC already has a Social Impact Assessment (“**SIA**”) document in its possession, internally prepared by PT Smart, Tbk.’s team of five headed by Mr Yosaphat Ardhilla Renato, S.Ant, which has already been registered under RSPO Approved High Conservation Value (“**HCV**”) Assessors and acknowledged as individuals having specific skills on socio-economic and cultural matters, as well as conflict resolution.

PT KPC has already conducted a High Conservation Value (“**HCV**”) assessment in its concession. Based on the HCV assessment, there are eight (8) HCV types identified as existing within the management unit’s concession, namely HCV 1 (HCV 1.1, HCV 1.2 and HCV 1.3); HCV 2 (HCV 2.3), HCV 3, HCV 4 (HCV 4.1 and HCV 4.3), and HCV5), making together a total HCV area of 7,514.49 hectares. The public consultation was held on 27 October 2009 in Nanga Suhaid Village. The company’s (i) HCV assessment reports, along with its documents of (ii) Environmental Management Plan (RKL) and (iii) Environmental Monitoring Plan (RPL) of the HCV Area (KBKT) have

been reviewed by Rahayu Harjanthi and Gary Paoli from Daemeter Consulting. The review was then made input to improvement of the existing HCV assessment reports and the HCV area RKL/RPL documents.

### **Scope of the SEIA and HCV Assessment**

- Company Name : PT Kartika Prima Cipta
- Administrative Location : Districts of Semitau, Suhaid and Selimbau of Kapuas Hulu Regency, West Kalimantan Province
- Geographic Location : (111° 56' 49,088" E - 112° 10' 52,460" E) and (0°30'18,890" N - 0° 38' 5,945" N)
- Bordering Areas
  - a. North : Kapuas River
  - b. East : Production Forest
  - c. West : State Forest
  - d. South : Kapuas River and Other Purposes Area (APL)
- Permits/Concessions
  - 1. EIA by Kapuas Hulu Regent's Decree No. 290/2006 dated 22 December 2006.
  - 2. Location Permit: Kapuas Hulu Regent's Decree No. 16/2007 dated 23 January 2007, covering a total area of ±20,000 hectares.
  - 3. The Location Permit extension: Kapuas Hulu Regent's Decree No. 302/2012 dated 1 October 2012 covering a total area of ±19,200 hectares.
  - 4. Plantation Business Concession for Cultivation (IUP-B): by virtue of Kapuas Hulu Regent's Decree No. 25/61/DisperhutBun-A dated 22 January 2007 with a total area of 18,000 hectares.
  - 5. Land Use Title (HGU): In process.
- Location Map : *see Figure 1*

Figure 1: Map of Location of PT Kartika Prima Cipta in Kapuas Hulu Regency

Please refer to figure 1 map in page 13.

### **Assessment Process and Procedures**

#### **a. Socio-Environmental Impact Assessment (SEIA)**

The company's SEIA documents were prepared by CV Intergraha Citra and has been authorised by Kapuas Hulu Regent by virtue of his Decree No. 290/2006 dated 22 December 2006 on Environmental Feasibility of Oil Palm Plantation Activities of PT

Kartika Prima Cipta in Semitau, Suhaid and Selimbau of Kapuas Hulu Regency. In addition to SEIA documents, on 13 February 2013 PT KPC also already has SIA documents in its possession, prepared by PT SMART's team of five headed by Mr Yosaphat Ardhilla Renato, S.Ant, which has already been registered under RSPO Approved High Conservation Value (“HCV”) Assessors and acknowledged as individuals having specific skills on socio-economic and cultural matters, as well as conflict resolution. Result of this SIA was made reference for preparing social impact management and monitoring plan. PT KPC's social impact management and monitoring plan have been prepared to follow up the SIA findings. Following are members of the SIA team.

**SIA Team Leader:**

**Yosaphat Ardhilla Renato, S.Ant.**

Born in Yogyakarta on 5 February 1987, he is a Corporate Social Responsibility (“CSR”) Officer to PT SMART, Tbk. Being an expert in social and cultural anthropology, he graduated bachelor of anthropology from Anthropology Department, Universitas Gadjah Mada (UGM) in 2010. He also joined HCV Resources Network and registered as a Social Discipline Specialist (*participatory rural assessment; socio-economic or cultural studies; participatory mapping; conflict resolution*) to RSPO Approved HCV Assessors.

**Team Members:**

**Laurentius Vita Baskara, S.Sos.**

Born in Yogyakarta on 29 April 1987, he is a staff to CSR Department with expertise on social development and welfare. He graduated bachelor of social from Social and Politics Faculty in 2010. His experience in surveying and assessing social impact includes his works in a number of PT SMART, Tbk.'s plantations and mills, such as social impact survey and analysis in North Sumatera, Jambi, Belitung, etc. In addition, he has also been trained on Free, Prior and Informed Consent (FPIC) and Social Mapping.

**Veranita Mei Pratiwi, S.Ant.**

Born in Magelang on 16 May 1987, she is a staff to CSR Department with expertise on socio-cultural anthropology. Graduated bachelor of anthropology from Cultural Anthropology of Universitas Gadjah Mada (UGM) in 2010, she has been involved in several SIA surveys in a number of PT SMART, Tbk.'s plantation areas and mill.

**Suma Nugraha, S.E.**

Born in Garut on 7 July 1984, he is a staff to CSR Department with expertise on social, economy, and politics. He graduated bachelor of economy from Economy and Management Faculty of Bogor Agricultural University (IPB) in 2008, and currently is pursuing his CSR master's degree from Trisakti University. He has been involved in social data gathering and social impact management monitoring in a number of PT SMART, Tbk.'s plantation areas and mill.

**Widodo C. Yuwono**

He currently holds position of Social Impact Assessment & Grievance Section Head. Having joined PT SMART, Tbk. since 1995, he graduated from Extra-School Education Major of IKIP-Jakarta State University. His carrier started as a Training Officer under Training & Development Department, tasked with training planning, making training syllabus, delivering training, and evaluation and training. Prior to holding position as Social Impact Assessment & Grievance Section Head, he was tasked with pioneering the company's CSR activities as a CSR Section Head whose main job was planning and implementing the company's CSR activities.

**Assessment Methods**

**a. SIA**

The method employed to collect data on socio-economic and cultural condition in the villages around PT KPC's plantations or mill is indirect collecting system, conducted through literature study on reading materials such as SEIA, HCV assessment, as and other governmental supporting data such as those in the local governments' website.

Primary data collected through literature study contains items representing necessary data. Secondary data to gather, in addition to the documents mentioned above, are PT KPC's CSR programme implementation documentation and local maps. The

secondary data was analysed against RSPO's principles relevant to sustainable social aspects.

#### **b. HCV Assessment**

Assessment of HCV Area in PT KPC's concession was carried out by a team consisting of individuals mastering ecology, hydrology and social fields, coordinated by Fauna & Flora International-Indonesia Programme (FFI-IP). This team consisted of experts and practitioners whose expertise covers fields of ecology (including zoology, botany and ornithology), hydrology, socio-economy and culture, including the area physical aspects and Geographic Information System (SIG). The HCV Assessment team is as follow:

##### **Dr. Ir. Asep Adhikerana, M.Sc.**

With 20-year experience as a bird ecology expert researcher to Indonesian Science Agency (LIPI), aside from other years of participation in field of Indonesian biodiversity consultancy. He started his carrier in nature conservation programme management in 2000 for ICDP-TNKS project, particularly for Performance Evaluation Component of Forestry Concession (HPH)-holding companies neighbouring TNKS area. He then became a programme manager to several international non-profit organisations, and currently is holding position of FFI-IP programme manager for Ketapang Regency region.

##### **Dr. Sebastian van Balen**

He is a Dutch expert-ornithologist who has been working in Indonesia for more than 30 years and engaged in various researches on biodiversity by various organisations and multinational companies, as well as contributed to research projects with various Indonesia-based domestic and foreign NGOs.

##### **Prof. Dr. Ir. Herujonp Hadisaputro, M.Sc.**

He is an expert-hydrologist from Tanjungpura University (UNTAN), Pontianak, who has been experienced in his field for more than 30 years, and has participated in various environmental research activities conducted by universities, non-governmental organisations, and international organisations. He held position as Dean of Faculty of Forestry of UNTAN for period of 2001-2005.

**Abdul Rahman Sangaji, S.Hut.**

Prior to joining FFI-IP, Sangaji was a primate and mammal researcher to Simpur Foundation since 2006. His area of research, which later on developed as a basis to his thesis, is Ketapang Regency area. He newly joined the FFI-IP and directly involved in activities assessing HCV areas in Ketapang areas and others covered by FFI-IP research.

**Joseph Adiguna Hutabarat, S.Si.**

He is an FFI-IP staff experienced on ornithology and has been involved in HCV area assessment activities in Ketapang Regency area.

**Darkono, S.Hut.**

Being an FFI-IP staff having broad experience on primate field, Darkono has been involved in HCV area assessment activities in Ketapang Regency area. These HCV area assessment activities have been run by FFI-IP since 2006

**Andi Erman**

He is an FFI-IP staff broadly experienced on primate field. He has been engaged in HCV area assessment activities which have been run by FFI-IP in Ketapang Regency since 2006.

**Hanjoyo**

He is an FFI-UP staff broadly experienced in field of botany and has been involved in HCV area assessment activities in Ketapang Regency area. These HCV area assessment activities have been run by FFI-IP since 2006. Currently he has specialised his skill in Bornean peatland vegetation.

**Ian Muhammad Hilman**

He is a rural socio-economic researcher who has carried out a large number of socio-economic researches in West Kalimantan for various non-governmental organisations.

**Sulhani**

He is also a rural socio-economic researcher who has carried out a large number of socio-economic researches in West Kalimantan for various non-governmental organisations.

## **Ade Jumahur**

He is a socio-cultural practitioner who has been involved in various community developments in West Kalimantan.

### **The HCV Assessment Phases**

HCV area assessment in PT KPC's concession was carried out using Indonesia HCV Toolkit (the last version of 2008) and directed to each HCV component. In general the study in this assessment activities include four following matters.

1. Area physical/landscape ecological field which comprises study of assessment area landscape based on the landscape physical characteristics (physiography, bio-region, soil, hydrology, and elevation) aiming at identifying local protection areas and specific landscapes that need to be protected.
2. Biology-flora field which includes assessment to identify protected plant species and their habitats.
3. Biology-fauna field which includes assessment to identify protected animal species and their habitats.
4. Economic, social, and cultural field which includes assessment to identify forms of interaction between traditional community and forest resources whose sustainability needs to be preserved.

### **Summary of Assessment Findings**

#### **a. SIA Assessment**

Based on the Social Impact Analysis and Assessment, following are the drawn conclusion.

1. The presence of PT KPC has brought about clear positive impacts to the social condition of the community living around its concession.
2. The positive impacts that it has brought to the community is related to improvement of the community's economy and increase of its income. Improvements of

employment opportunity and income increase for the community contribute positive impact to rising of its living standards and in increasing cash circulation. This opens a quite big opportunity to develop the area.

3. Land acquisition process and the compensation have been made with prior information, followed with making mutual agreement between the Company and the local community members to whom such compensation has already been made. This compensation making process was adjusted with the Company's procedure in place.
4. PT KPC's policies with regard to the Occupational Health and Safety Management have been enforced. This increases the positive impacts to the company staffs because of occupational safety assurance to the company staffs.
5. The negative impacts in the company's Social Impact Analysis and Assessment are social unrest regarding the land clearing, plasma estates development, land tenurial conflict, water resources management, environmental damages and quota of local workforce. Another negative impact is the community's health problems, often due to the water and environmental quality deterioration, illness caused by air pollution, the company's land clearing activities, erosion at the riverbanks, and poor environmental sanitation.

**List of Social Issues as PT KPC's Social Impacts:**

No	Social Impact	Social Issue
1.	Employment opportunity improvement and income increase for the community.	Increase of the community's income compared to the time before the company's infrastructure construction. Through the company's operational activities now the community have fix income.
		The Company empowers particular local contractors according to its needs.
		Rise of new kiosks and increase of livelihood sources because of the community's increasing economic activities.
		Plasma programme implemented under partnership scheme between the Company and the community.
2.	Social Unrest and Conflicts	Specific attention must be given to the local workforce quota and adjustment must be made with the Company's employment needs.
		Lack of the local community's understandings on the



		company investment and management plan.
		The land clearing activities potentially to incite unrest or polemic because of disagreement upon the compensation price of the lands along with the mature plants within them.
		Lack of the community's understandings on the planned plasma and CSR programmes.
		Involvement of the Government, community figures, and customary leaders in all activities of land clearing and pre-construction.
3.	Community's Health Problems	Reuse of the Company's ex-operation wastes in responsible manner to support its operation. Hazardous and toxic waste materials are managed under cooperation with third parties.
		Water quality management and monitoring because water is the main resource to the community living in the assessment area.
		Fresh Fruit Bunch (FFB) transporting activities often causes dust and pollution. The Company also endeavours to reduce level of the pollution which may potentially cause Acute Respiratory Tract Infections (ARTIs).
4.	Community development and increase of income	The company's compliance as to tax obligation indirectly helps or contributes to the local development
		The neighbouring community receives social aid from the company in various fields: social and cultural.

## General Recommendations based on the Social Impact Analysis and Assessment

### 1. Increase of the community's employment opportunity and income

Increase of employment opportunity for the local community with several management actions, such as: the Company provides information on its workforce demand to the local government according to the predetermined qualifications to allow employment of the local workforce. Employees already working for the Company must be provided with Occupational Health and Safety (OHS) security as the Company already applies OHS standards to each operation.

Management recommendation to increase the community's income will be to support the local community's business growth (small kiosks) to meet the needs of its members

working for the Company (employees). In addition, the Company can provide opportunity to local contractors to forge partnership and give them work according to what it needs. Also, PT KPC needs to proceed with plasma plantation development activities due to their potentials in improving the economic condition of the community and the outgrowers joining the programme.

## **2. Social Unrest and the Community's Health Problem**

According to the socialisation during investment phase, PT KPC's plantation will be built in the assessment area as provided in the EIA document. Thus far the land acquisition and compensation has gone through FPIC process and method. This socialisation process can be seen in the accompanying documents of public consultation on investment of oil palm plantation to be run by PT KPC. The area determination initiating the land compensation by the Company is a critical process useful to anticipate any possibilities of dispute over the already compensated lands in the future. This is according to the company's procedure in place regarding and compensation process.

PT KPC needs to socialise its workforce demand based on the quota and the current positions available. It should also communicate the most updated data to the villages/local governments. Such proactive communication to the stakeholders in the assessment area is needed. Socialisation and strict supervision over the Company's contractors need to be conducted to ensure their environmental control in their operational activities, their best practices in oil palm waste (including toxic and hazardous materials) management, and socio-environmental impact reporting to the relevant institution. These are a series of management endeavours in negative crucial impacts, namely social unrest and the community's health problem.

## **3. The Community's Living Standards Increase and Contribution to the Local Development**

This management programme can be synergised with the long-term CSR in which the programme and its supporting components are set forth as strategic plan. Efforts which should be set forth are: increase of educational activities by channelling scholarship to high-achieving children, supporting several traditional activities including local

traditional ceremonies. The company's compliance as to tax obligation indirectly helps or contributes to the local development.

#### **b. HCV Assessment**

There are eight (8) HCV types found within PT KPC management unit's concession, namely HCV 1 (HCV 1.1, 1.2, and 1.3), HCV 2 (HCV 2.3), HCV 3; HCV 4 (HCV 4.1 and 4.3), and HCV 5. In general, from the overlaying process the total HCV area within PT KPC's concession is 7,514.49 hectares.

Biodiversity in the company's concession is found manifesting in several flora and fauna species. Based on the HCV assessment there are 10 plant species having HCV; they fall under following categories: Critically Endangered (CR), Endangered (EN), Vulnerable (VU), and protected by Indonesian Government Regulation No. 7/1999. There are 46 bird species protected due to their statuses of Vulnerable, Near Threatened and Protected by the Indonesian Government Regulation No. 7/1999. There are three protected mammal species found and needing special treatment, namely Owa or *Kelempiau* (*Hylobates muelleri*), Sun Bear (*Helarctos malayanus*) and Flat-Headed Cat (*Prionailurus planiceps*).

Public consultation was held on 27 October 2009 in Nanga Village, Suhaid. This event was attended by around 71 participants comprising PT KPC management unit's representatives, HCV assessment team, and representatives of stakeholders around the management unit's concession including village/sub-village heads, customary figures, public figures and the local government staffs.

#### **Recommendation**

1. The HCV area should be kept included by the area of Land Use Permit (HGU) applied, instead of being excluded therefrom, as the HCV area is the concession holder's responsibility in adopting RSPO principles.
2. Therefore, a special management plan needs to be developed to cover the HCV areas, taking into account the securing efforts and their opportunity to be made source of income to the concession holder through environmental service business development, e.g. carbon trading scheme.

3. 'Zero Burning' technic must invariably apply to the land clearing activities, due to the wide peatland distribution area in the concession. This effort will be one of the methods to avoid greenhouse gas emission to the atmosphere.
4. A thorough planning followed by implementation at field level is necessary. This relates to corrective actions for the already cleared HCV areas such as peatland areas and riverbanks.
5. During the plantation development, soil conservation and erosion control must always be set as the main focus due to the erosion-prone lands.
6. Conserve riverbanks hydrologically important both to the landscape and the downstream community, in order to keep the ecosystem's balance. Avoid blocking the waterways, especially those with width of more than 5 metres.
7. It is advisable to develop the environmental management system according to the AMDAL document's guideline. This system should include wetland management plan (e.g. water reservoir) and waterways to prevent from chemical material contamination (coming out from insecticide and pesticide).

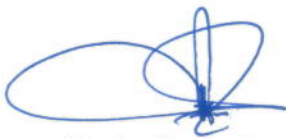
**Figure 2: The HCV Assessment and PT KPC Area's Project Plan**

Please refer to figure 2 map in page 14.

### **Internal Responsibility**

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

On behalf of the Management of **PT Kartika Prima Cipta**,



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

Figure 1: Map of Location of PT Kartika Prima Cipta in Kapuas Hulu Regency

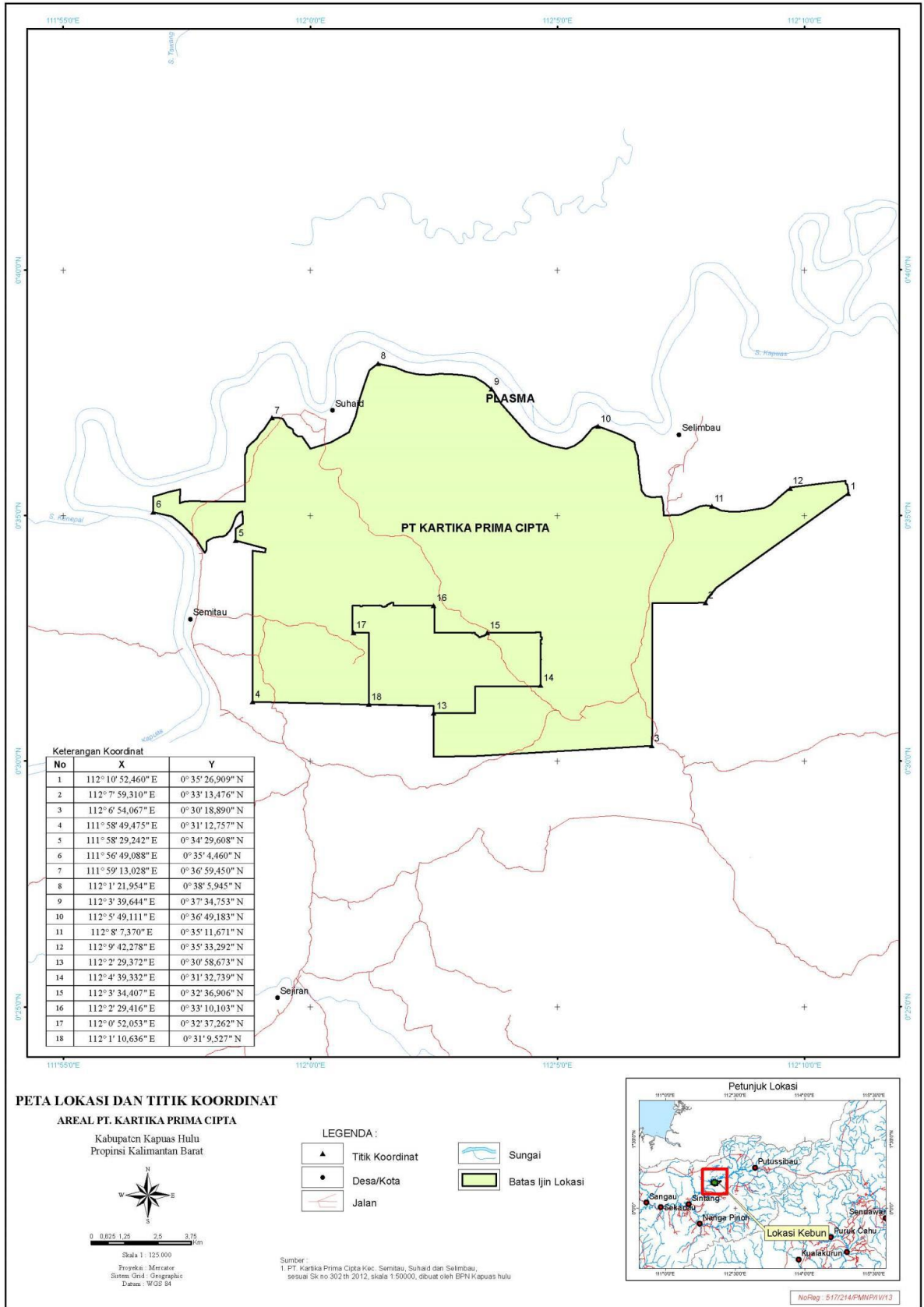


Figure 2: The HCV Assessment and PT KPC Area's Project Plan

