



## RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.org/?q=page/535>). It has also been posted on local on site notice boards.

Date of notification:

Tick whichever is appropriate

<input type="checkbox"/>	<b>This is a completely new development and stakeholders may submit comments</b>
<input checked="" type="checkbox"/>	<b>This is part of an ongoing planting and is meant for notifications only</b>

**Company: First Resources Group**

**Subsidiary: PT Swadaya Mukti Prakarsa**

**RSPO Membership No : 1-0047-08-000-00**

### **Location of Proposed New Planting:**

Sub-District Simpang Hilir, Sub-District Sei Laur and Sub-District Simpang Dua, Ketapang District and Kayong Utara District, West Kalimantan Province.

### **GPS Reference :**

**a). Entire area:**

Latitude : 00° 04' 52" to 00° 04' 57" south and Longitude 116° 22' 30" to 116° 30' 11" East.

**b). Proposed new plating area:**

- 1) Area 1 : Latitude 0° 49' 41.377" to 0° 59' 10.999" South and Longitude 110° 17' 0.437" to 110° 24' 37.733" East
- 2) Area 2: Latitude 0° 59' 33.319" to 1° 5' 57.825" South and Longitude 110° 17' 17.453" to 110° 25' 19.278" East

- 3) Area 3: Latitude 0° 57' 4.558" to 0° 59' 12.747" South and  
 Longitude 110° 20' 1.942" to 110° 23' 34.594" East

## Location of the Proposed New Planting

PT Swadaya Mukti Prakarsa, a subsidiary of First Resources Group, is developing approximately 21,019 ha of oil palm plantation and 12,384.28 ha of which are not planted yet, including three new development area. The plantation area located at Sub-District Simpang Hilir, Sub-District Sei Laur and Sub-District Simpang Dua within Ketapang District and Kayong Utara district.

General company location information is:

Description	Information
Government Administration	Sub-District Simpang Hilir, Sub-District Sei Laur, and Sub-district Simpang Dua, Ketapang District and Kayong Utara District
Forestry and Agricultural Management Unit	Dinas Pertanian dan Perkebunan (agriculture and plantation agency) Ketapang District Dinas Kehutanan (Forestry agency) Kayong Utara District
Watershed	Laur Matan
Boundary	:
North	: PT. Cipta Usaha Sejati Plantation concession
South	: Gunung Palung National Park and Matan river
East	: PT. Mulia Bhakti Kahuripan and PT. Usaha Tani Sejati Plantation concession
West	: PT. Cipta Usaha Sejati Plantation concession

The permits that have been obtained by the company are:

- a. HGU Certificate No. 42 with total 10.920,89 ha dated 16 June 2005
- b. HGU Certificate No. 34 with total 2.028,20 ha dated 8 September 2008
- c. Land reserve from the West Kalimantan Governor No. 525/0248/DPU-E with total 2.900 ha dated 28 March 2013
- d. Extension of Location Permit issued by Bupati Ketapang No. 23/PEM/2013 with total 1.470 ha dated 10 January 2013
- e. Extension of Location Permit issued by Bupati Ketapang No. 24/PEM/2013 with total 3.700 ha dated 10 January 2013
- f. Taking over from previous Group to First Resources by Act No 3 dated 3 January 2013 by Notary Rusnaldy, SH

A comprehensive and participatory independent Social and Environmental Impact Assessment (SEIA) and High Conservation Value (HCV) assessment, which included internal and external stakeholders, were conducted by RSPO registered assessor from Bogor Agriculture University. The results are incorporated into the operational management planning to develop the new planting. The Independent assessment by RSPO approved/registered assessors results are:

- The condition of land cover over new planting area is no longer Primary Forest

- The area is categorized as secondary forest, mix plantation, dry land agricultural and bare land, and most of them fall in Other Purpose Use Area (APL) and Convertible Production Forest.
- All identified HCV areas are required to be maintained or enhanced All local people's land were recognized and involved in SEIA, SIA and HCV field surveys activities

Location maps were prepared and presented in the SEIA and HCV assessment reports, including all findings and management recommendation from the assessor. The project location is shown in Figure 1 and Figure 2 below. The SEIA and HCV Summary reports include additional maps showing the topography, landscape, HCV and compensated land. HCV maps constructed include areas for buffer and riparian reserve.

### PETA LOKASI PERKEBUNAN PT SWADAYA MUKTI PRAKARSA

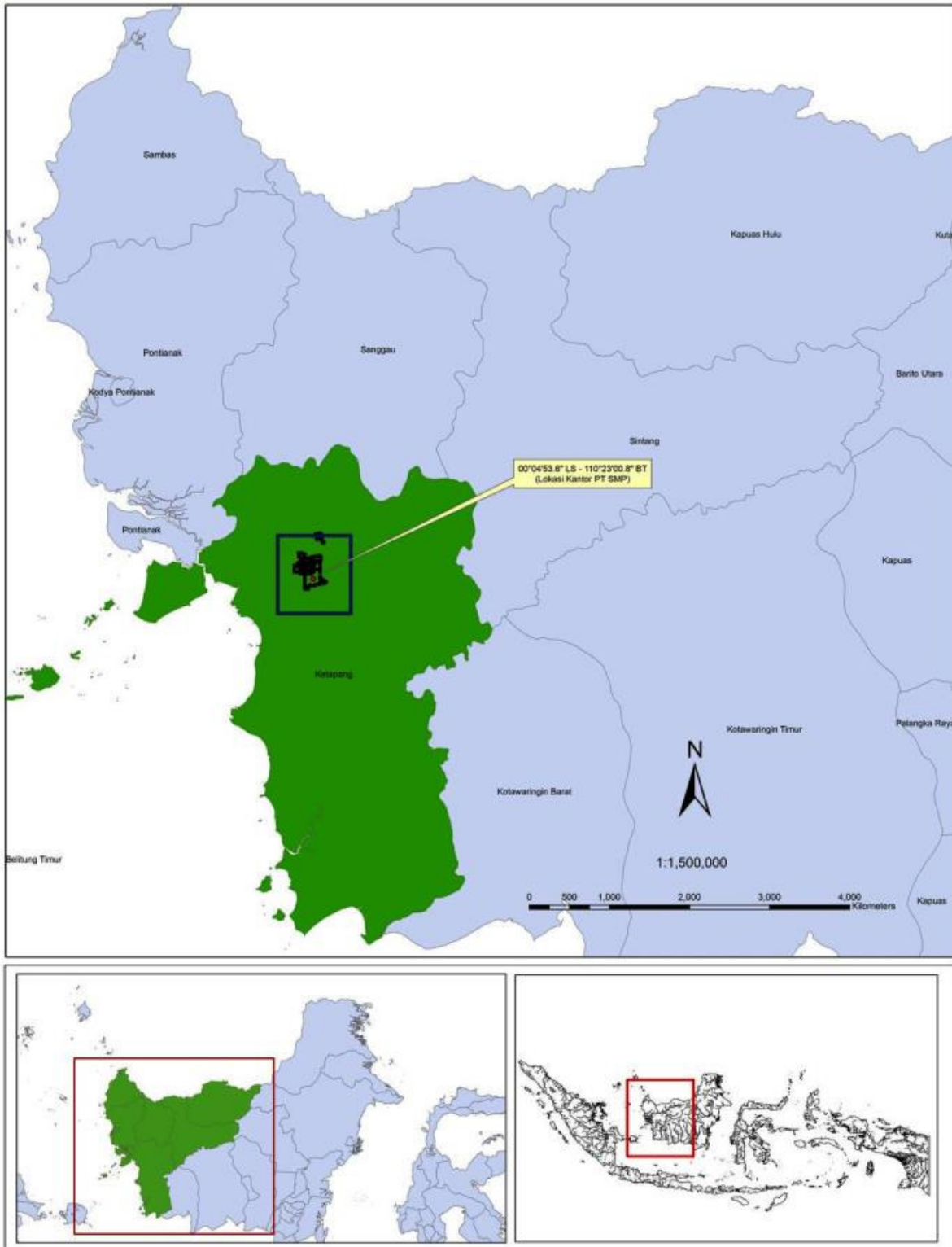
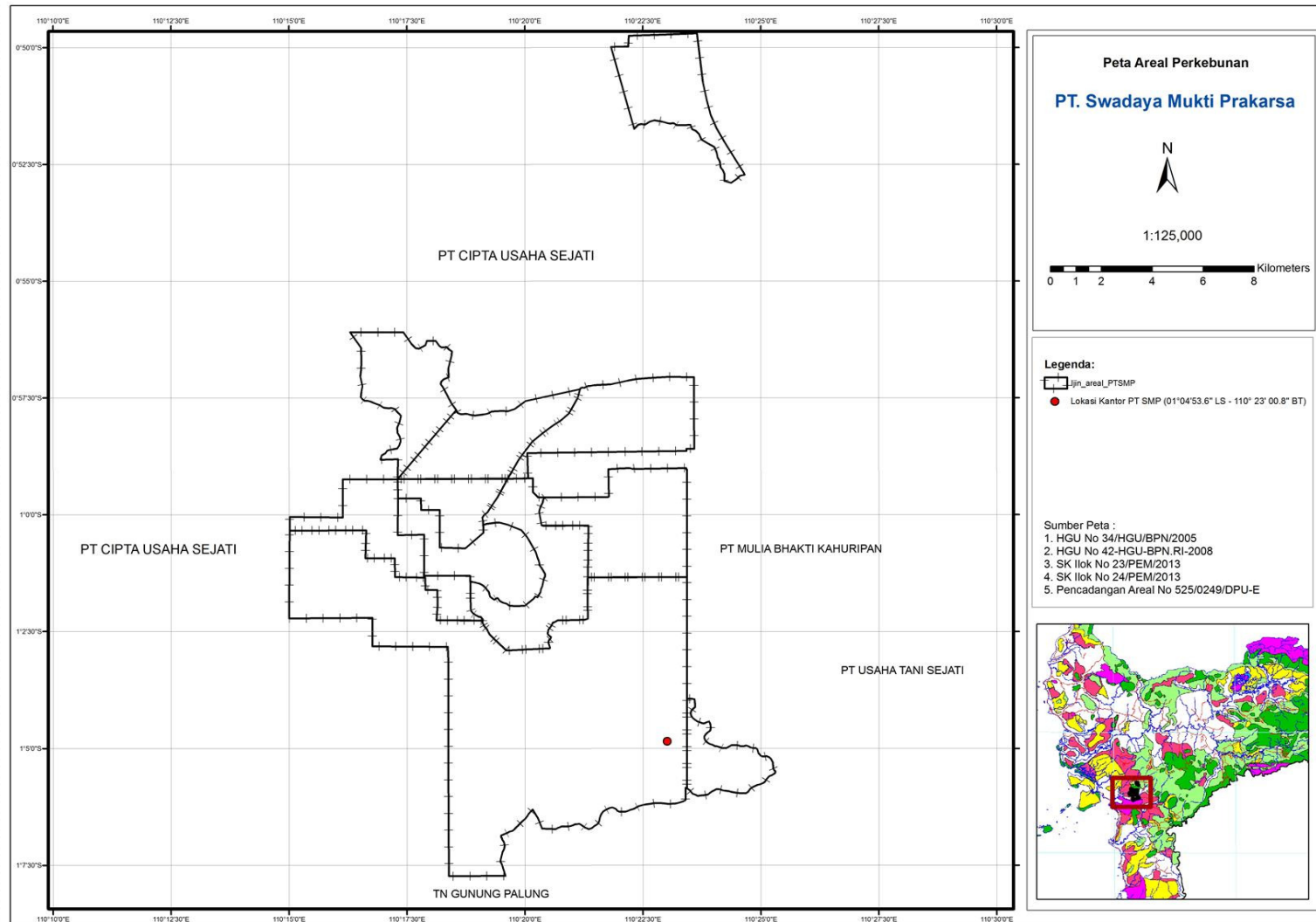


Figure 1 Location of PT Swadaya Mukti Prakarsa oil palm plantation in Ketapang and Kayong Utara District as shown in West Kalimantan Province.

**RSPO New Planting Procedure Assessment Report**  
**PT Swadaya Mukti Prakarsa – West Kalimantan**



**Figure 2** Landscape map of PT Swadaya Mukti Prakarsa, Ketapang District and Kayong Utara District, West Kalimantan Province

## **SUMMARY FROM SEI ASSESSMENTS:**

The Social Impact Assessment in area of PT. Swadaya Mukti Prakarsa was carried out by an independent consultant from Fakultas Kehutanan Institute Pertanian Bogor, Kampus IPB Darmaga- Bogor, Kabupaten Bogor- Jawa Barat Indonesia 16001, Tel 62-251- 621947, Fax 62-251-621947, E-mail: [fahutan@ipb.ac.id](mailto:fahutan@ipb.ac.id). The team consists of RSPO-approved HCV Assessors as below:

- a. **Dr. Ir. H. Nyoto Santoso, MS.** is HCV team leader of faculty of Forestry, Bogor Agricultural University. He is an expert in the field of management and biodiversity conservation and holds a Master of Science in natural resource management in the environment from IPB in 1992. He has been an expert in environment issues since 1987 and a faculty member in the Department of Forest Resources Conservation and Ecotourism Faculty of Forestry – IPB for ecology, wildlife management, forestry, environmental regulations, conservation and ecology of primates (forestry management science courses and master programs primate-IPB).
- b. **Rae Birumbo, S.Pi**  
Team member of HCV and and *Social Environmental Impact Assessment (SEIA)* faculty of Forestry, Bogor Agricultural University, with expertise on Social and culture. Getting a Bachelor's degree in 2002 at the University of Gadjah Mada, Yogyakarta. Experience in social studies starting with the activity of Coastal Economic Empowerment (PEMP) from year 2002 to 2005. In the year 2007-2010 was join with LPP Mangrove Bogor. HCV and SEIA surveys ever conducted in Papua, Borneo, and Sumatra.
- c. **Gilang Prastya Pambudi, S.Hut**  
Member for SEIA Faculty of Forestry, Bogor Agricultural University team with expertise in the field of social issues. Award a Bachelor of Forestry (S1) Studies on Forest Resources Conservation and Ecotourism Faculty of Forestry in 2011. Experiences in socio-cultural studies began in 2011.
- d. **Erlangga Pradipta, S.Kom**  
As member of the Faculty of Social Forestry - Bogor Agricultural Economic and Social Affairs. Award Bachelor in Computer Engineering Department of Informatics - School of Computer Science Bogor in 2011. Experiences in the field of social studies, especially in terms of social since year 2011.

## **Assessment Methods (Data sources, data collection, dates, program, and places visited)**

The primary and secondary data required in the preparation of this study was collected from different sources which including from relevant government agencies as well as the Company and supported by field data verification.

1. Secondary Data  
Secondary data from various sources, this data is needed to make the identification and analysis of social sustainability at PT Swadaya Mukti Prakarsa, such as Monograph of Ketapang Regency, District (Kayong Utara, Simpang Hilir, Simpang Dua, Sungai Laur), Villages from Central Statistical Body, and Company's social activities data, land acquisition report, company's manpower data, as well as the environmental management and monitoring plan of PT Swadaya Mukti Prakarsa.
2. Primary Data

- Primary data collection was conducted by quantitative method. The basic representation of socio-economic aspects, work areas, as well as patterns of interaction with the company which is focused on Community perception, community dependence/interaction to forest, social-custom, land legality, and company impacts. The location surveys were Matan Jaya Village (Simpang Hilir District), Sempurna (Sungai Laur District), Mekar Raya (Simpang Dua District), Mekar Harapan (Sungai Laur District), Gema (Simpang Dua District), Batu Daya (Simpang Dua District)
3. Field Observation  
Field observation was used to observe the real conditions on the ground in order to:
    - a. Ensure that obtained data same is not materially different to the reality on the ground.
    - b. Obtaining more detailed information through direct observation in the field about various aspects related to socio-economic conditions in and around PT Swadaya Mukti Prakarsa area.
  4. Interview  
Using using 2 (two) approaches:
    - a. Semi structured interviews  
Semi structured interviews conducted with key person (key person interviews) with the purpose to obtain more detailed information and understanding in accordance with the field of expertise or authority of each respondent (key person). Therefore, the more appropriate selection method of respondents for key person interviews was by purposive sampling rather than random sampling.
    - b. Structured interviews.  
Structured interviews conducted by using an interview questionnaire as a guide. Additionally the SIA addendum was conducted by participatory approach such as: focus groups discussion with employees, small holder and contractors. The selection of respondents in the interviews was conducted using simple random sampling technique.







## **Summary of assessment findings of SEIA**

The information on the SEIA document contain about positive and negative impacts from PT Swadaya Mukti Prakarsa activities. Some identified positive impacts from company's operational such as: road maintenance program, smallholder scheme programs, job vacancy, increase land values, increase of migrants from other villages. However information regarding distribution of company's positive impact to affected parties still limited in Matan Jaya village. The other villages still not affect and has no enough information about PT Swadaya Mukti Prakarsa.

Several identified negative impacts are: land tenure issue, farming areas, plantation, and Non Timber Forest Products were reduced due to limited area. A part of negative impact from company's activities according to the stakeholder view, such as unsolved land case in Batu Daya village covering 1,088.31 ha land claimed (this is related to the previous management) and delaying of smallholder scheme plantation development plan.

Majority of Gema villagers had negative perception on the presence of PT SMP, whereas the main cause is custom violation by PT SMP's staff (while still under previous management) who did pioneering / measuring land without asking permission and violated the tomb of indigenous people / ancestors. Following of PT Swadaya Mukti Prakarsa planing to increase oil palm plantation area with total 2,900 hectare in four villages i.e. Sampurna village, Laur village, and Batu Daya Village, Simpang Dua village, on Tuesday, September 17, 2013, the company's management team conducted discussion at Ketapang regent office the public and community leaders from two communities groups had expressed their views, among other communities about land acquisition, inter-village boundary which is not yet clear and clean. Related to the land issues, the community requested to be involved during resolution conflict process.

## **SUMMARY FROM HCV ASSESSMENT:**

The identification and analysis of HCV was carried out in the area PT. Swadaya Mukti Prakarsa (SMP), Ketapang and Kayong Utara Regency, West Kalimantan Province. Assessment covered both in 12387.72 ha within non planted area and 8634.37 ha that has been cleared/planted. Land cover condition over PT. Swadaya Mukti Prakarsa concession consist of six type i.e. secondary forest (4.631,84 ha), mix plantation (5921,53 ha), palm oil (9.376,22 ha), dry land agricultural (240,73), bare land (826,71 ha) and river (22,06 ha). Based on soil map and RePPRoT landsystem map there is no peat land exist, soil type dominated by ultisol and inceptisol order which recognized as mineral soil. Around the SMP area could be found protection area at the south border with Gunung Palung National Park, and protection forest namely Batu Daya and Bukit Juring.

Forest status is very important information to determine HCV 1 and HCV 2. Regarding forest status, the HCV assessors were still use the MoF Decree No.529/2012 that has expired and replaced with the new one Decree No.936/2013 which is effective from 30 December 2013. Total HCV area both in non-planted and planted areas, is 1069.46 Ha, which consists of 1016.67 Ha from areas that have not been planted, and 52.79 Ha in planted area. This 52.79 ha should be calculated in remediation mechanism. The present of HCV1, HCV4, HCV5 and HCV6 is found at PT.SMP concession. Figure 4 below shows the distribution of HCV area in PT. Swadaya Mukti Prakarsa.

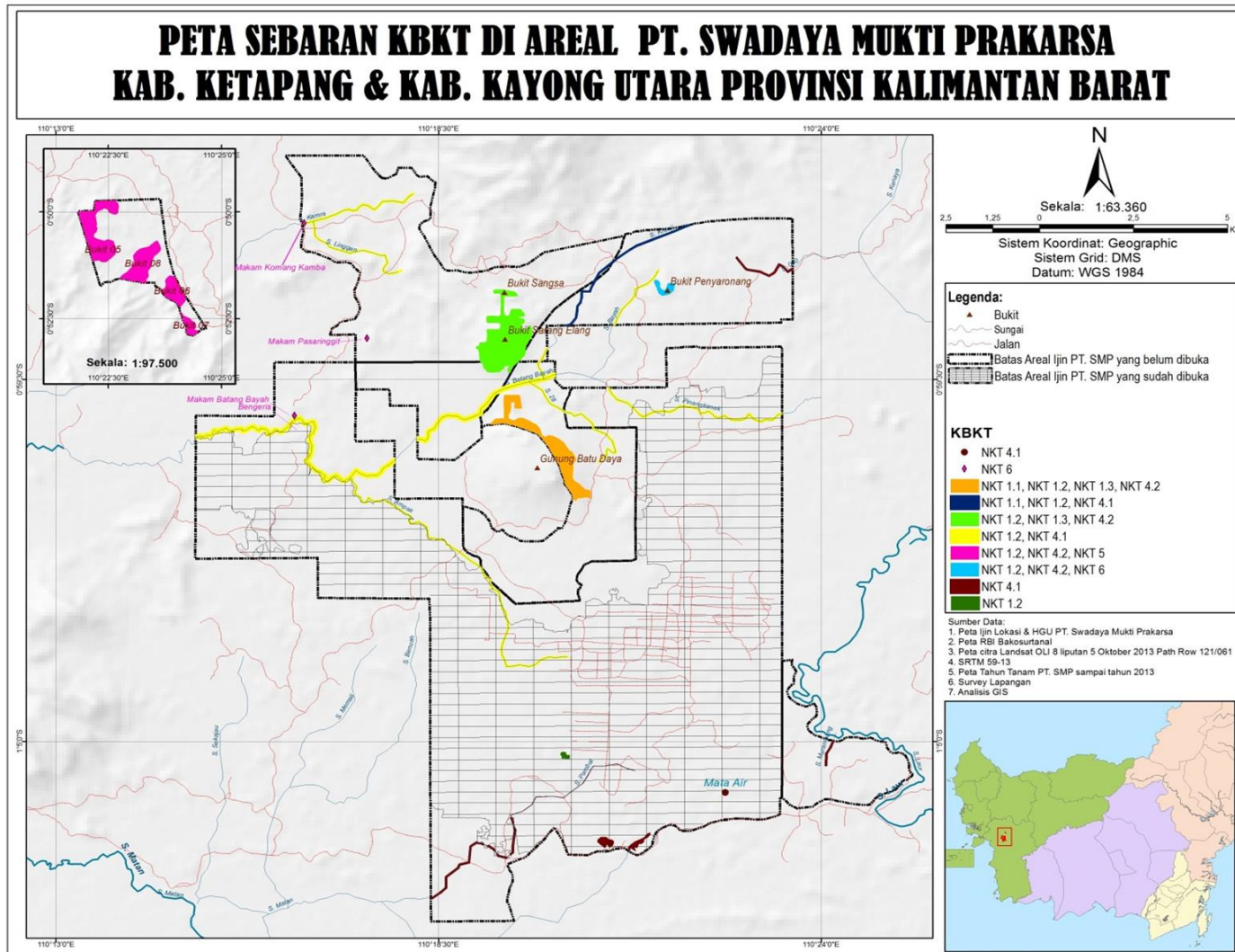


Figure 4 HCV distribution on PT Swadaya Mukti Prakarsa plantation concession

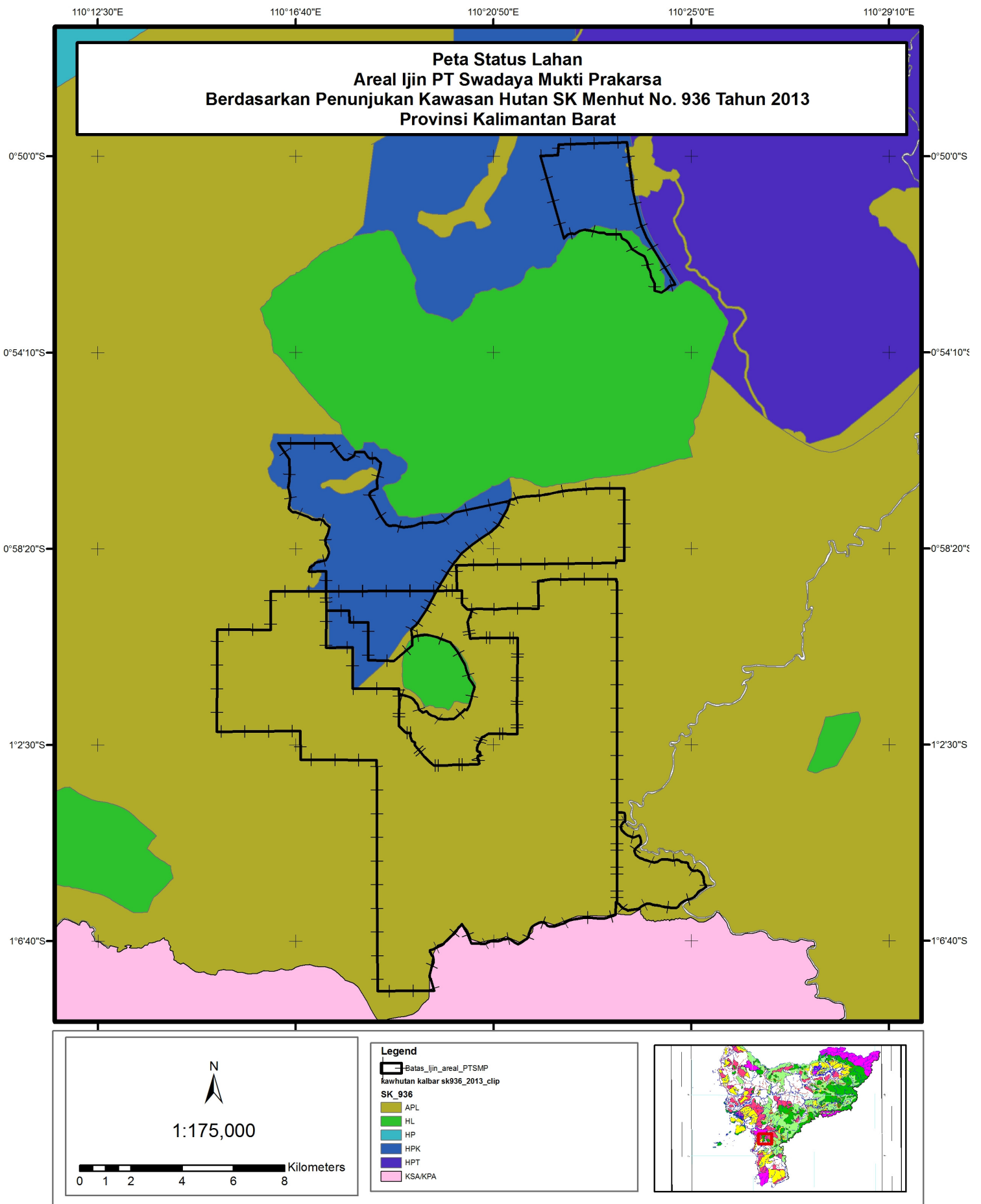
The important element of HCV 1 is HCV 1.2 and HCV 1.3 regarding to existence of Critically Endangered Species according to IUCN, CITES and Indonesian government regulation PP No. 7/1999. There are 9 wildlife species (2 species of mammal and 7 species of birds) categorized as protected species in PP No.7/1999, while 1 mammal species is listed in the CITES Appendix I and 8 species (2 of mammal, 5 species of birds and 1 species of reptile) are listed in Appendix II. According to Red List IUCN criteria, one species is listed as EN/*Endangered* species, 2 species are VU/*Vulnerable* and two of birds included in NT/*Near Threatened* list. There are two flora species are categorized as protected species by government regulation PP No. 7, 1999, and two flora species are listed in Appendix II CITES. Based on Red List IUCN, there are 31 (thirty one) flora species with details: 1 species is CR/*Critically Endangered*, 3 species are EN/*Endangered*, 3 species are VU/*Vulnerable*, 19 species are LR/*Lower Risk* and 2 species are DD/*Data Deficient*. The highest concentration of fauna species are found around the rivers and scattered hills over PT. SMP concession.

Specifically in the areas that have not been planted there are two protected flora species according to PP No. 7/ 1999, namely Tengkawang (*Shorea stenoptera*) dan Kantung Semar (*Nepenthes gracilis*), two flora species are listed in Appendix II CITES namely Kantung Semar (*Nepenthes gracilis*) and Anggrek Tanah (*Spathoglottis plicata*), and 10 flora species are listed in Red List IUCN.

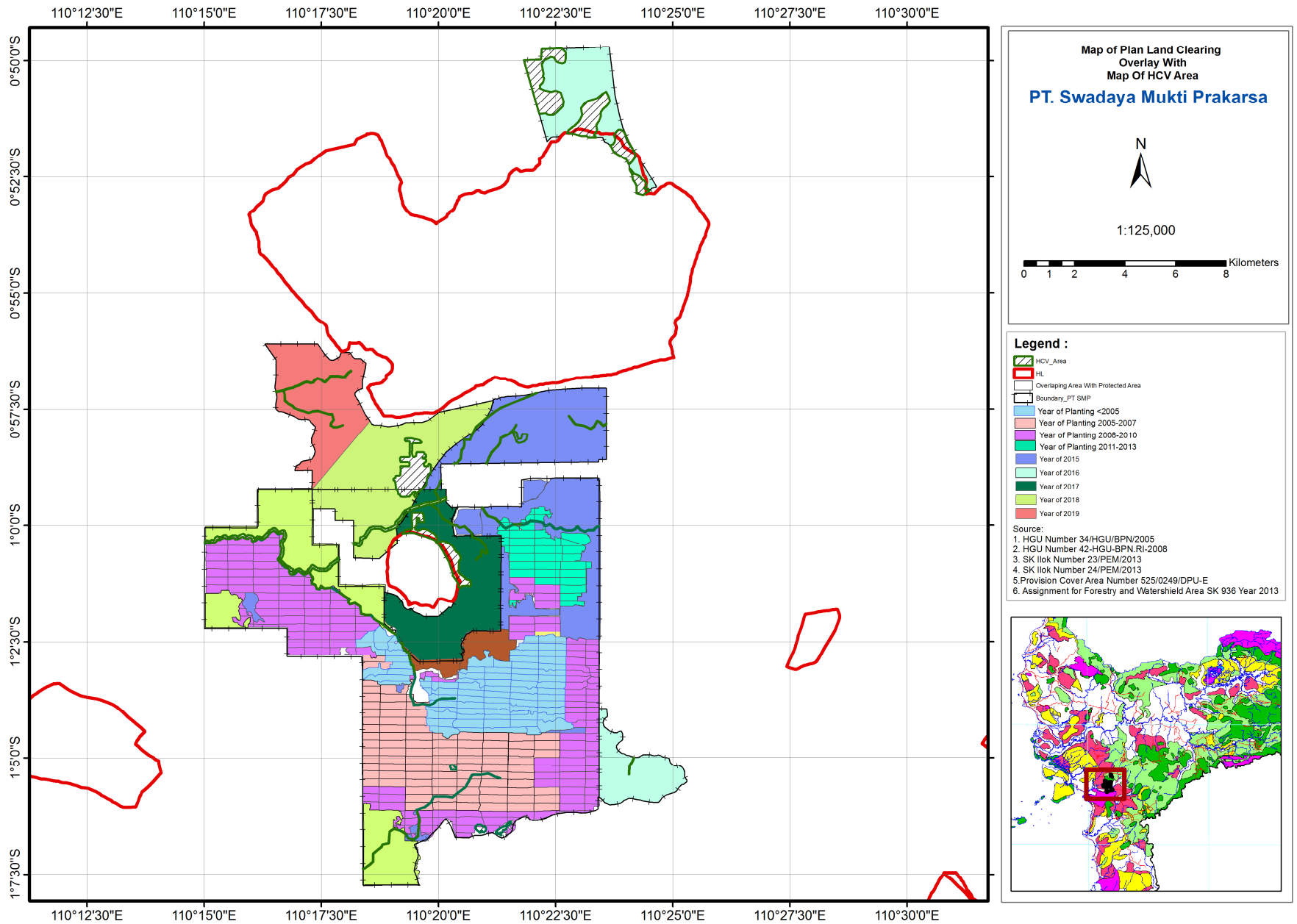
In wildlife category, there are 9 protected according to PP No. 7 /1999 namely: Kelampiau/owa (*Hylobates agilis*), Kucing Hutan (*Prionailurus bengalensis*) Elang Brontok (*Spizaetus cirrhatus*), Elang Capung (*Microhierax fringilarius*), Haruai/Kuwau (*Argusianus argus*) Pekaka Emas (*Pelargopsis capensi*), Rangkong (*Buceros rhinoceros*) Burung Madu Kelapa (*Anthreptes malacensis*).dan Burung Pijantung (*Arachnothera longirostra*). The eight species are listed in CITES Appendix, and based on IUCN Red List there are some wildlife species namely: *Hylobates agilis* (*Endangered*), *Macaca nemestrina* (*Vulnerable*), *Sus barbatus* (*Vulnerable*), *Buceros rhinoceros* (*Near Threatened*) and *Argusianus argus* (*Near Threatened*). All the flora and fauna species listed above are identified as HCV 1.2 and HCV 1.3.

HCV 1.1 identified based on forest status, and since this HCV assessment used the old forest status then there is possibly few other areas to be considered as HCV areas and . During the audit, the verifier has found the new forest status issued by Ministry of Forest 962/2013 regarding to forest status designation of West Kalimantan Province, and overlaid with the concession area as shown in Figure 5. To response this issue, the management of SMP has constructed management plan based on the new forest status to ensure that the protected areas will not be opened (see figure 6).

Based on this data can be described that the forest status of PT.SMP is dominated by Other Purpose Area (APL) and Convertible Production Forest (HPK) and small portion of Bukit Juring protected forest (149.2 Ha) located on new development area, and at the south part of the concession is bordered with Gunung Palung National Park.



**Figure 5** Forest status at PT Swadaya Mukti Prakarsa plantation concession



**Figure 6** Land clearing plan overlaid with HCV and forest status.



Findings on HCV 4 consist of HCV 4.1 and 4.2. HCV 4.1 related to the existence of ecosystem or area that important for water supply and flood controlling to the downstream area. Based on hydrology map known that PT. SMP was in Laur watershed and Matan watershed. Some rivers found around the non- cleared/planted area, and the existence of these rivers are source for water supply and could be considered as HCV 4.1. Total of HCV 4.1 including the buffer is 195.12 Ha with details: Sungai 28 (Blok K-43) (8,14 ha), S. Ampak (10,17 ha), S. Batang Bayah (128,24 ha), S. Bayah (4,04 ha), S. Kamra (10,10 ha), S. Kranji (11,36 ha), S. Linggan (6,94 ha), S. Merambang (1,44 ha), S. O60 (3,88 ha), S. Pambat (7,41 ha) and S. Pinangkanak (3,40 ha).

The important elements for HCV 4.2 are related to the potential erosion and sedimentation caused by topographic condition. There are three parameters used to predict erosion level/rate namely: topographic/slope, soil type and rain intensity. Intersection of these parameters would populate erosion hazardous level distribution over the concession. Area has slope > 40% is classified as HCV 4.2 with total area 1217.28 Ha and located only on non-planted/cleared area included Bukit 05 (204,97 ha), Bukit 06 (72,17 ha), Bukit 07 (30,89 ha), Bukit 08 (136,75 ha), Bukit Batu Daya (125,43 ha), Bukit Bulobala (31,10 ha), Bukit Nibung (7,20 ha), Bukit Pakit (10,41 ha), Bukit Penyarong (12,45 ha), Bukit Sarang Elang (183,41 ha), Bukit Sihombung (14,91 ha) and Bukit Temiang (19,64 ha).

The existence of HCV 5 is based on interviews/discussions with local communities distributed in 6 villages namely Desa Matan Jaya, Sempurna, Mekar Harapan, Mekar Raya, Batu Daya, and Gema. There are natural ecosystem provides basic community needs in Mekar Jaya village and Gema village. Bulobala hills, Sihombun hill and Pakit hill in Desa Mekar Raya, and water spring in Gema village classified as HCV5. Community of Mekar Raya villages used to utilize hills for subsistence foods, medicine source, and fuel wood, meanwhile community of Gema village used water spring for daily water supply.

The existence of HCV 6 found as archeology site that has strong history relation to the community, in this case ancient cemetery is identified as HCV 6, covered Kuburan Batang Baya, Kuburan Komang Kamba, Kuburan Pasaringgit, and there is one scared place for worshipping in Bukit Penyarong and Bukit Pakit.

## **Stakeholders' Consultation**

While having HCV and SEI Assessments on the ground, the process had been through consultation process with various stakeholders, There were two stakeholder consultation process, the first stakeholder consultation process was done on December 2013 during HCV assessment, was attended by representative of local government, the local community, customary representatives, the government officials of local villages and sub-district. The 2<sup>nd</sup> public consultation regarding post HCV assessment on the ground was conducted on September 11<sup>st</sup> , 2014, attended by 19 participants from various stakeholders such as, Community leader, local police officer, customary representatives and the government officials of local villages and sub-district.

## **SUMMARY OF PLANS:**

### **a. Summary of Management and Mitigation Plans (SEIA)**

The SIA development and preparation of management & monitoring plans for PT SMP was based on the SIA Assessment findings conducted in 28 November – 4 December 2013 by the RSPO Accredited Assessors from Faculty of Forestry stated as stated on Table IX-1 and Table IX-2 on page IX-3 to IX-16. The management plan may assist in reducing the occurrences of negative impact and promoting positive ones in the future if the company and communities commit to implement the planning consistently.

Environmental management and monitoring program of PT SMP includes the following aspects: land tenure; establishing communication with stakeholders; improving the quality of public education; improving the quality of public health; increasing public accessibility; economic empowerment; and environment management program

The schedule of management and monitoring depends on the level of urgency and risk for the company. Aspects of tenure and communication with stakeholders are concerned at all times during the process of liberation and development of the garden. As for the contribution of the social aspects (health, education, community access, community economic and environmental improvement) monitoring scheduled on semester and year basis

Referring to the recommendation arised from SIA of PT SMP, the company needs to disseminate the plasma development program (mechanisms, type of cooperation, schedule), construct communication with relevant villagers related to tenure issue of Batu Daya, encouraging government to resolve the land boundary between villages, priorities absorption of labor from the village nearby, and improve facilities for employees

During 2013, the company's efforts to manage the positive and negative impacts through:

- Recruitment of local workers of West Kalimantan to work in plantation (reaching 60% of 1471). On the other hand, the mill employed 82 local workers of the total 104 workers (78%).
- Implementation of community development programs in villages around PT SMP, covering five sectors, i.e. social-economy, environment, education, human resources and infrastructure.

### **b. Summary of Management and Mitigation Plans (HCV).**

The HCV Assessment conducted in 30 November 2013 – 3 December 2013 and management plan has been constructed as follow:

#### *1). HCV area protection*

##### *a). Boundaries marking*

Boundaries marking of HCV area will be conducted along outer HCV areas. If there is modification of HCV area, the outer boundary demarcation will be immediately changed so that the width of remain HCV area will be consistent within the limit in the permit area of PT. SMP. Demarcation of the various HCV areas will consider natural boundaries, communication with community, the annual budget, the progress of palm oil palm development, and the permit status of the areas..

##### *b). Signboard installment and maintenance*

Signboard installment and maintenance at the place HCV present in order to inform the present of HCV to the workers and community surroundings.



- c). Ground fire controlling and prevention  
To avoid land fire spreading within and around PT. SMP, it is planned to build fire tower as early warning system.

2). *Activities to maintain HCV functions*

- a). Inventory and identification land cover within the HCV area using satellite imagery periodically, and direct observation to the ground. This activity will conduct on rivers bank and hills area.

- b). Rehabilitation and species enrichment

Rehabilitation needed to implemented when condition of land cover has degraded at least >25% of total each HCV area and/or there is loss of >25% species that exist in such HCV area.

- c). Management of protected species:

- i). Protected Flora Management.

Protected flora management is focusing on tree species that listed in Redlist IUCN such as: *Spathoglottis plicata*, *Dipterocarpus costulatus*, *Shorea gibosa*, *Shorea hopeifolia*, *Shorea kunstlerii*, *Anisoptera grossivenia*, *Dryobalanops beccarii*, *Cantleya corniculata*, *Eusideroxylon zwageri*, *Calophyllum macrocarpum* and *Shorea stenoptera*. In addition to the rare presence, over harvesting thread could be big constrain to preserve those species. Management plan to protected the existence of flora protected species are to:

- Allocate and management to the local protected areas (HCV)
- Implement best management practices with low risk to the environment.
- Improve and maintain stand structure with re-vegetation on bare land and vegetation enrichment.
- Conduct inventory and mapping activity in order to collect species composition and condition of trees.
- train the staff on improving species and inventory
- Build tree nursery as a part of ex-situ conservation.
- Establish Standard Operating Procedure related to management and monitoring of protected species.
- Coordination and corporation with the external parties.
- Education and socialization to the local community around the PT. SMP concession
- Routinely control and monitor.

- ii). Protected Wildlife Management.

- Wildlife management is focusing on maintenance of owa (*Hylobatus agilis*), rangkong (*Buceros rhinoceros*), kua (*Argusianus argus*), and elang brontok (*Spizaetus cirrhatus*).
- The management plan is to prevent species from disturbance and potential threats such as hunting, and illegal logging on their habitat; and to improve habitat quality with vegetation enrichment

The HCV monitoring plan for the non-planted/cleared area has been constructed as follow:

- Monitoring on boundaries marking of HCV and its change
- Monitoring on biodiversity and density condition of flora and wildlife (protection and RTE (*Rare, threatened, endangered*)) in the HCV area.
- Monitoring on land cover condition
- Monitoring on staff and community perception and knowledge regarding to the HCV protection.
- Monitoring on riverbanks changing and water quality.
- Monitoring on water biota in the river.

**VERIFICATION STATEMENT:**

The social and environmental assessments (SEIA) and High Conservation Value (HCV) were detailed, comprehensive and professionally carried out. The management plan has included the findings of the SEIA and HCV conducted by the RSPO registered assessors as well as incorporating the HCV and SIA assessments findings. While HCV & SEIA Assessment on the ground, stakeholder consultation and public consultation had been conducted. PT Swadaya Mukti Prakarsa has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. On 26 May and 2 June 2014, TUV Rheinland auditors conducted desktop verification and review relevant documents. The company opted for a document audit. Three TUV Rheinland auditors were present with the management team of PT Swadaya Mukti Prakarsa at their head office in Jakarta on that time to verify the findings of the desk study and held further discussions on the review and verification conducted. It is the opinion of the TUV Rheinland auditors that the HCV & SEIA assessment and management plan at PT Swadaya Mukti Prakarsa are comprehensive, professional and complied to RSPO principles, criteria and indicators for the ongoing plantation activities.

**Signed on behalf of**  
**TUV Rheinland Indonesia**



**Dian S. Soeminta**  
**Lead Auditor**  
**Date: October 06, 2014**

On behalf of the company, I acknowledge the responsibilities of the company to implement the management and mitigations plans.

**Signed on behalf of the company,**



**Alfred Lawrence Purba**  
Director

**Date: October 06, 2014**