

**Roundtable on Sustainable Palm Oil  
New Planting Procedures  
Summary Report of Assessments**

**PT Agrindo Indah Persada**

**Merangin District  
Jambi, Indonesia**

## **TABLE OF CONTENTS**

<b>TABLE OF CONTENTS.....</b>	<b>2</b>
<b>1. Executive Summary .....</b>	<b>3</b>
1.1. Summary of Assessment Findings.....	3
1.2. Assessment result.....	4
<b>2. Scope of the SEIA and HCV Assessments:.....</b>	<b>5</b>
2.1 Organisational Information / Contact Person .....	5
2.2. List of Legal documents, regulatory permits and property deeds related to the areas assessed: .....	5
2.3 Location maps – both at landscape level and property level: .....	6
2.4. Area of new plantings and time-plan for new plantings .....	8
<b>3. Assessment process and procedures.....</b>	<b>9</b>
3.1. Assessors and their credentials:.....	9
3.2 Assessment Methods (Data sources, data collection, dates, program, and places visited) .....	11
3.3 Stakeholders' Consultation.....	14
<b>4. Summary of Assessement Findings.....</b>	<b>16</b>
4.3.a. Summary of assessment findings for SEI assessments.....	16
4.3. b. Summary of assessment findings (For HCV assessments) .....	17
<b>5. Internal responsibility.....</b>	<b>19</b>

## **1. Executive Summary**

### **1.1. Summary of Assessment Findings.**

PT Agrindo Indah Persada (PT AIP), a subsidiary of Wilmar International plantation (WIP) group has shown commitment to attain sustainability through the implementation of the RSPO P & C right from the beginning. The company obtained a location permit from Merangin - Regent through letter No. 343/PEREKO & SDA/year 2010. The location permit was granted to PT Agrindo Indah Persada for the cultivation of Oil Palm in Tabir Barat sub district, Merangin District with a total area of 1200 ha. The Location permit issued on November 12, 2010, is valid until November 12, 2013.

Wilmar International Limited, being a member of RSPO member has commence the adoption of the sustainable palm oil practice in PT Agrindo Indah Persada (PT AIP) in Merangin District Jambi, which has Geographic positioning system coordinates of S 1<sup>o</sup> 54' to 1<sup>o</sup> 56' and E 102<sup>o</sup> .4' to 102<sup>o</sup> 7' by going through the RSPO New Planting Procedure which was approved in September 2009 by RSPO Executive Board starting from January 1<sup>st</sup> 2010. Administratively the location of PT Agrindo Indah Persada spreads over 3 villages of Pulau Tebakar Village, Tanjung village, and Muara Langeh village, Tabir Barat Sub District; in Merangin, Jambi Province. PT Agrindo Indah Persada is ready to implement the recommended environmental and social management plan as specified in the High Conservation Value (HCV) and Social and Environmental Impact Assessment (SIA) report.. The Environmental Social Impact assessment was done separately. The Environmental Impact assessment in the form of UKL/UPL was done by UNJA (University Jambi) a government approved EIA consultant and the Social Impact assessment was done by Aksenta, an RSPO accredited assessors. The High Conservation Value Assessment was also done by Aksenta.

The required legal documents such as, Location Permits (Izin Lokasi), UKL/UPL (Environmental Management Workplan and Environmental Monitoring Exercise), SIA and HCV reports are available. The HCV and SIA analysis were conducted in January 2011 and the UKL/UPL (Environmental Management workplan and Environmental Monitoring Exercise) was approved by the district Environmental department of Merangin District on May, 6 2011 No. 660/04./Amdal-KLH/2011.

There is no Virgin Forest (Primary Forest) in this area. The UKL/UPL report and HCVF assessments conducted in various concessions state explicitly that the majority of the concession areas were degraded land or shrub areas as a result of years of shifting cultivation by local community. This area therefore cannot be classified as a forest but of a mature fallow where the vegetation shows some sort of recovery to a mature state. A small part of secondary forest was found within the location permit boundary of PT Agrindo Indah Persada in Aksenta's HCV assessment. The soil type based on the Soil/Agronomic report conducted by Wilmar R and D department and the HCV report shows that the dominant soil types are Ultisol and Inceptisol. Three types of HCVs identified within the location permit boundary of PT Agrindo Indah Persada, with the total indicative HCV area of 370.60 ha are

## RSPO New Planting Procedure Assessment Report

### PT Agrindo Indah Persada – Jambi

Page 4 of 20

HCV 1, HCV 2 and HCV 6.. Elements for HCV 1 are the existence of customary forest Bukit Murau, that double up as a corridor for IUCN Critical species like Sumatera Tiger (*Panthera tigris*), IUCN Endangered species such Agile gibbon (*Hylobates agilis*), Sumatran clouded Leopard (*Neofelis diardi*), and Sunda Pangolin (*Manis javanica*).

IUCN Vulnerable species such as Malayan Sun Bear (*Helarctos malayanus*) and Horn bill (*Buceros rhinoceros*) are also present. HCV 1 also cover for areas that Contain or Provide Biodiversity Support Function to Protected or Conservation Areas i.e. buffer zone for Natural Productive Forest.

The important elements for HCV 4 are related to the protection of steep areas within the location permit that can cause serious erosion problem, the protection of buffers around freshwater spring, water cathment such Langeh Dareh and riparian reserves for Simpang Pelepat River, Batang Seling River, Cuban Dareh, Cuban Tenang, and Bukit Murau. These riparian reserves has a good forest cover and can become an effective fire barrier. Element for HCV 6 is the 45.66 ha of Bukit Murau customary forest which is considered sacred by the Suku Anak Dalam (Indigenous people in Jambi).

The SIA assement by Aksenta highlighted that, in general, the existence of PT Agrindo Indah Persada will have a significant social impact to the basic requirement to the social sustainability of local community. The impact of the company presence with its plantation development plan towards social sustainability is discussed in the Summary of Assessment Findings for SIA Assessment. Those findings have defined how the company's business management influences the key issues in every component of the social sustainability of local community.

#### **1.2. Assessment result**

The social and environmental impact assessments were detail, comprehensive and professionally carried out. The management plan have included the findings of the UKL/UPL, HCV and SIA assessments by consultants accredited and approved by the RSPO (and for UKL/UPL, a consultant approved by the government). PT Agrindo Indah Persada has adhered to the RSPO New Planting Procedures and has documented the assessments and plans according to the RSPO templates issued in May, 2010. TUV Reinland auditors conducted desktop study and verified all the related documents since 20 & 21 May 2011. TUV Rheinland Auditor confirmed that the assessment and plan are comprehensive, professional and compliant to the RSPO principles, criteria and indicators.

## RSPO New Planting Procedure Assessment Report

### PT Agrindo Indah Persada – Jambi

Page 5 of 20

## 2. Scope of the SEIA and HCV Assessments:

### 2.1 Organisational Information / Contact Person

Contacts details of the company are as follows:

<b>Company Name:</b>	PT Agrindo Indah Persada
<b>Address:</b>	Gedung B & G Lt. 10 Jl. Putri Hijau No. 10 Kesawan Medan Barat Jl. Lintas Sumatera KM. 13 Desa Tambang Baru Kecamatan Tabir Lintas Kabupaten Merangin Provinsi Jambi. District : Merangin, Sub District : Tabir Barat, Villages : Pulau Terbakar, Tanjung Beringin, Tanjung Putus, Muara Langeh
<b>Contact Person:</b>	Mr. MG. Sharma/Muhammad Ilham
<b>Telephone:</b>	Phone: 061 4145777; fax: 061-4154891
<b>Email:</b>	<a href="mailto:Mumammad.ilham@wilmar.co.id">Mumammad.ilham@wilmar.co.id</a>
<b>Deed In corporation</b>	C-13909 HT.01.01.TH.2001
<b>Capital Status</b>	PMA (Penanaman Modal Asing) Foreign Investment Company
<b>Status Business Land</b>	Location Permit No. 343/PEREKO & SDA/2010 from Merangin Regent
<b>Total Area</b>	1200 ha

### 2.2. List of Legal documents, regulatory permits and property deeds related to the areas assessed:

The permits that have been obtained by the company since the first company operation in 1996 such as:

- i. Location permit no. 343/PEREKO & SDA/2010 from Regent-Merangin dated November 12, 2010 with total area (1200 ha)
- ii. Approved UKL/UPL No. 660/04./Amdal-KLH/2011 tanggal 6 Mei 2011 dari Kantor Lingkungan Hidup Kabupaten Merangin.
- iii. History of Technical Consideration for Land Use Spatial In Order to propose of location permit PT Agrindo Indah persada No. 68/PPP/PTPT/Tanggal 1-11-2010 from dari National Land Agency Merangin District
- iv. Recommendation of Boundary between location Permit PT AIP and Productive Forest states Area No. 522/147.a/PH/DISBUNHUT/2011 from Plantation and Forestry Agency Merangin District issued on March 29, 2011.

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## PT Agrindo Indah Persada – Jambi

v. Minutes of Boundary checking between location Permit area PT AIP and Forest Area Sei Aur in Tabir Barat Sub District, Merangin District with total boundary length 8500m

### 2.3 Location maps – both at landscape level and property level:

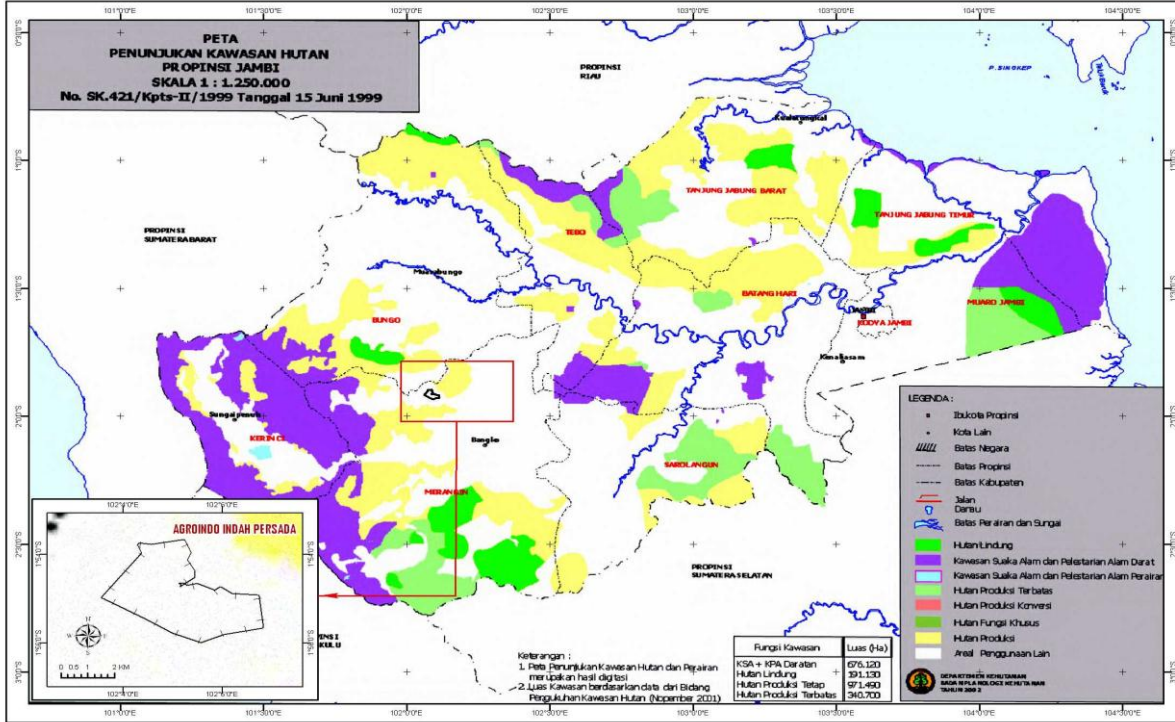
I Company's location in Jambi Province Indonesia



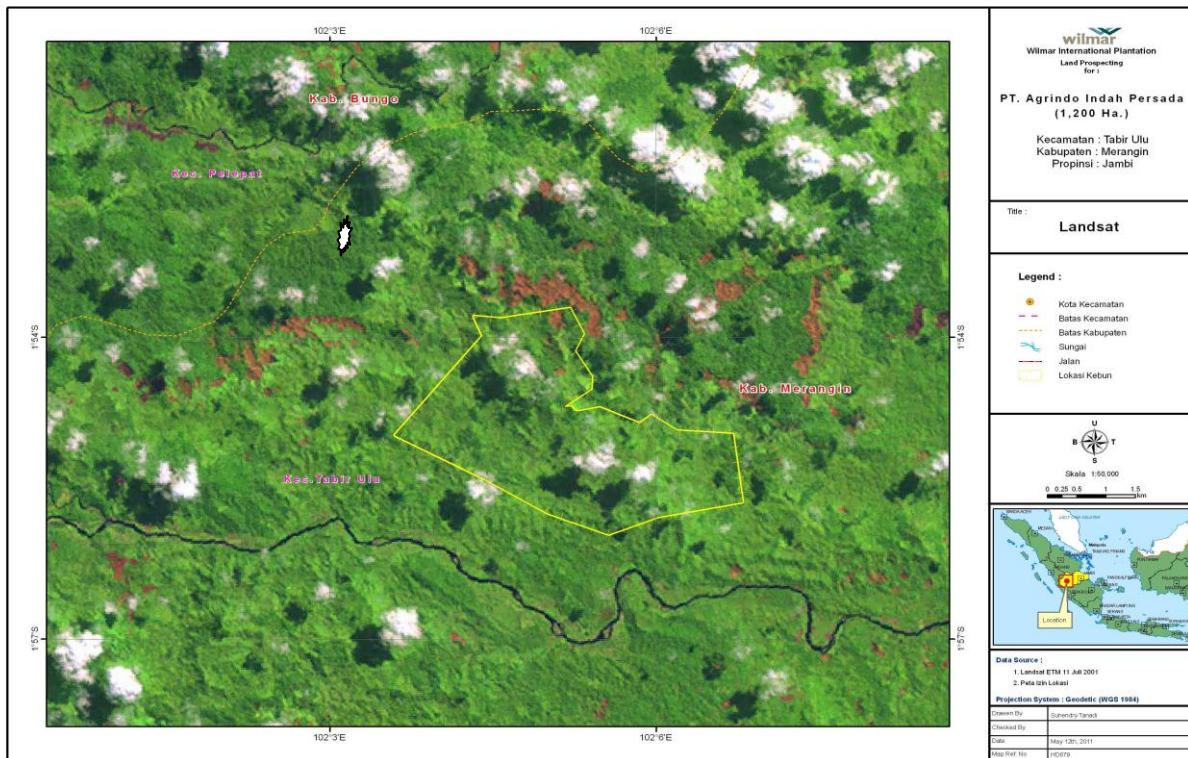
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### 2. Landscape map PT Agrindo Indah Persada



### 3. Satellite Imaginary PT Agrindo Indah Persada



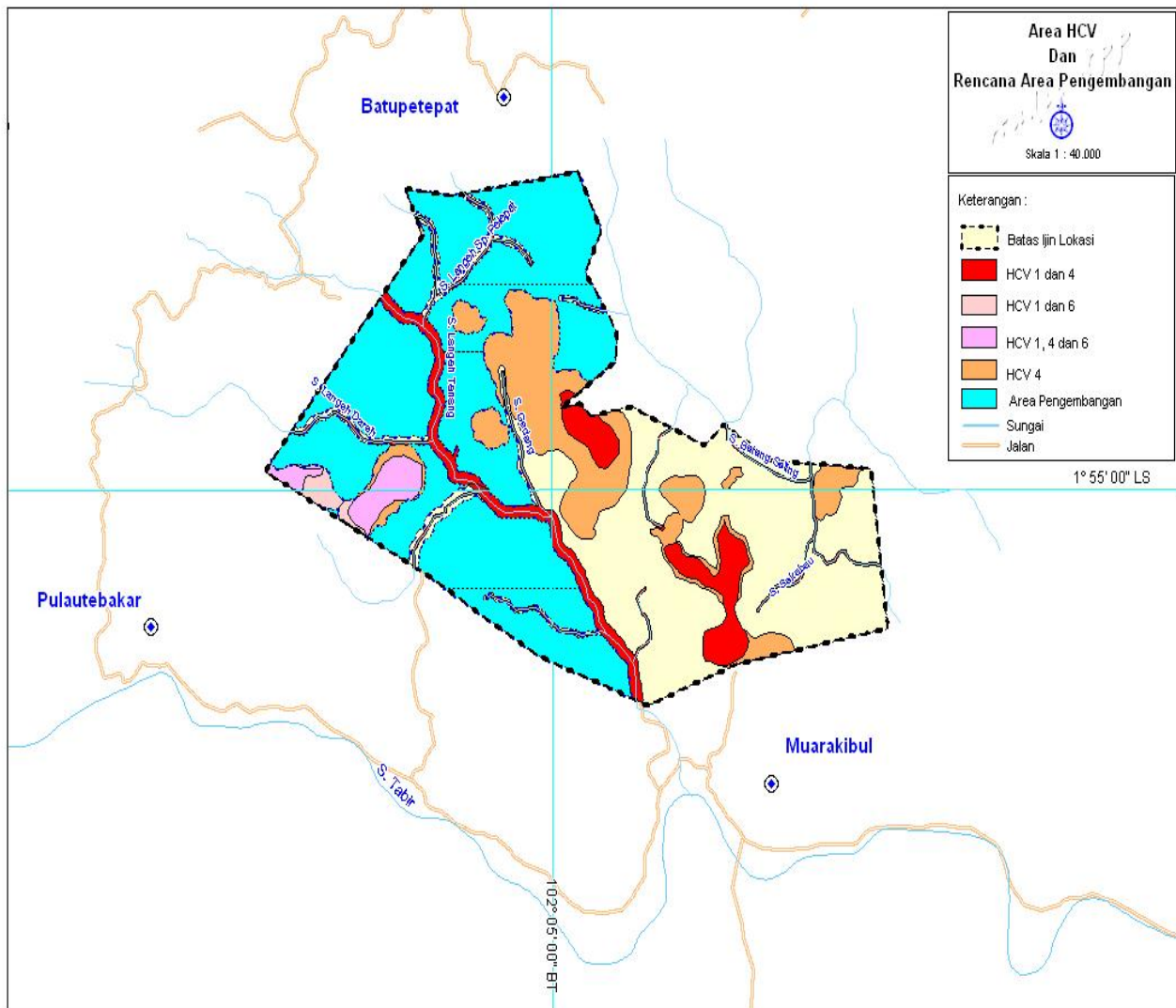
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## PT Agrindo Indah Persada – Jambi

### 2.4. Area of new plantings and time-plan for new plantings

The proposed new planting area by PT Agrindo Indah Persada is within the location permit (Izin Lokasi) which have been agreed by the owners of the land (Report on Land Compensation of PT Agrindo Indah Persada) and the area does not contain forests nor any high conservation values. In accordance with the operational management data of PT Agrindo Indah Persada, subject to the New Planting Procedure approval the operation will commence in August 2011 with total estimated planting area of about 500 ha, after receive notification from CB. The progress of new plantation development is in compliance with RSPO New Planting Procedure.

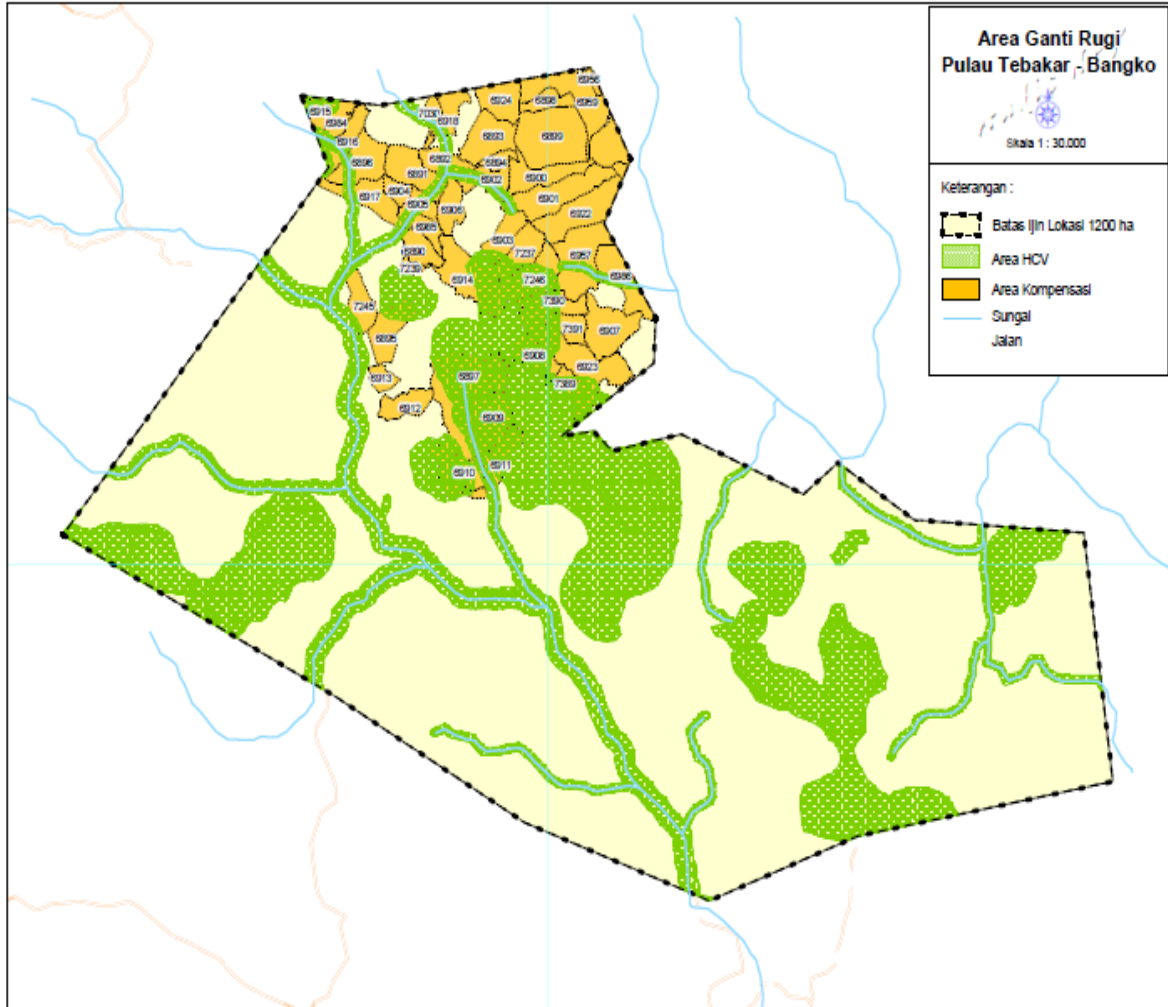
### 4. Land Clearing 2011 Planning Map





**RSPO New Planting Procedure Assessment Report**  
**PT Agrindo Indah Persada – Jambi**

5. Land Compensated Area as of April 2011



### 3. Assessment process and procedures

#### 3.1. Assessors and their credentials:

1. The social impact assessment of PT. Agrindo Indah Persada was carried out by Aksenta an independent consultant which is located at Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The team members consist of consultants accredited and approved by the RSPO includes:

a. **Andri Novi** ([andri.novi@aksenta.com](mailto:andri.novi@aksenta.com)) He graduated as a Strata 1 in Bachelor of Art from Padjadjaran University with specific discipline ii culture, art and linguistic science. He has expertise on Participatory Action Research and Community Development and was involve on Capacity building & Regional Development Training Expert for National Community Capacity Program (Program Nasional Pemberdayaan Masyarakat, PNPM). Involved on Sosial Impact Assessment in many oil palm planta-

## RSPO New Planting Procedure Assessment Report

### PT Agrindo Indah Persada – Jambi

Page 10 of 20

tion company and in year 2010 has been accredited as RSPO assessor as Specialist Discipline for HCV assessment.

b. **Nandang Mulyana** ([nandang@aksenta.com](mailto:nandang@aksenta.com)). He graduated as a strata 1 for Economy from UMJ Jakarta, and he completed his master (S2) for urban and villages development planning science in Bogor Agricultural Institute. He has experience in education, environment science, socio-economic and community development program/CSR. In cooperation with Unocal Geothermal of Indonesia Ltd dan Chevron Geothermal Salak, Ltd since 2000. In Aksenta his role is to conduct "Social Impact Assessment" and "High Conservation Value Assessment" in oil palm plantation companies. In year 2010 he was given the accreditation by RSPO as Discipline Specialist. In this assessment he acted as coordinator for social relationship, socio-economic and community development aspect.

c. **Sigit Budhi Setyanto** ([sigit@aksenta.com](mailto:sigit@aksenta.com)): He graduated from the Faculty of agricultural Jember University. He has experience in managing community development programme since 1990 with Philip Morris, Inc. In 2004 he worked as a Café Practice Program auditor/inspector in Indonesia and Papua New Guinea. He has served as Marketing Agriculture Specialist in Rural Agro-enterprise Development (RAeD). Involved on Sosial Impact Assessment in many oil palm plantation company and in year 2010 was given the accreditation by RSPO as Specialist Discipline for HCV assessment.

2. The HCV assessment in the project area of PT. Agrindo Indah Persada was carried by Aksenta an independent consultant based in Jl. Gandaria VIII/10, Kebayoran Baru, Jakarta 12130; Telephone/fax: +62 21 739-6518, E-mail: aksenta@aksenta.com. The team members consist of consultants accredited and approved by the RSPO includes:

a. **Ganip Gunawan** ([ganip@aksenta.com](mailto:ganip@aksenta.com)). He graduated with Strata 1 on Conservation of Forest Natural Resources, from the Faculty of Forestry, Bogor Agricultural Institute. He had a Master degree strata 2 on Geography, from the University of Indonesia. He has interest, expertise and experience on socio-conservation, planning and decision making for participatory collaborative, facilitator, and trainer for collaborative natural resources management. He has experience on HCV and SIA assessment in plantation sector. He is a member of HCVF working group in Indonesia. In year 2010 he has been accredited by RSPO as Team Leader for HCV identification in oil palm plantation. He was the Team Leader for this assessment whose role was to coordinate the team members.

b. **Robert H. Sinaga** ([rohansinaga@aksenta.com](mailto:rohansinaga@aksenta.com)). He graduated from Faculty of Meteorology, Bogor Agricultural Institute (IPB), Bogor. He has extensive experience in the field study especially on natural resources analysis, and natural resources, GIS operation, and remote sensing technique for conservation Biology, and other land use issues. Competence in conducting the study of HCV especially in GIS related fields. Discipline Specialist with specialization HCV 4.

c. **Wibowo A. Djatmiko** ([bowie@aksenta.com](mailto:bowie@aksenta.com)). He graduated from the Bogor Agricultural Institute. Has conducted studies on wildlife under natural environment. He has conducted training in places

like " Second Asian School for Conservation Biology (SEAMEO BIOTROP), International Training Course on Practical Approach to Management Biodiversity Conservation (Malayan Nature Society\_INTAN-CDG, Kuala Lumpur), he is student for strata 2 related to Biological Conservation in Indonesia University. Experienced in conducting studies of HCV in the plantation sector and biodiversity monitoring in the mining sector. Competence in conducting the study of HCV has been recognized by the RSPO and entered in the register RSPO HCV Accredited assessor - Discipline Specialist with specialization HCV 1, 2 and 3 (Biodiversity & Conservation).

d. **Fuad Say Benny** ([sabeni@aksenta.com](mailto:sabeni@aksenta.com)). He graduated with S1 from Faculty of Forestry Bogor Agricultural University in 1983. In the course of his career he was always working with environment, forestry and natural resources related matters. He has extensive expertise and experience in the field of socio-Conservation and participatory decision-making, as well as trainers for analyzing environmental processes and environmental audits. He has experience in conducting social analysis in the forestry sector, especially for timber plantation forest, and is currently in the process of accreditation registration RSPO as Discipline Specialist for HCV5 and HCV 6 (Socio-Economic and Cultural Affairs). In this assessment he is responsible for identification of HCV 5 and HCV-6.

e. **Yanto Ardianto** ([yanto@aksenta.com](mailto:yanto@aksenta.com)). He graduated from Meteorology department, Bogor Agriculture Institute. He has experienced in GIS and remote sensing techniques for biology conservation and analysis for natural resources and water natural resources management, GIS operation and spatial analysis. In PT AIP HCV assessment he was responsible for conducting spatial analysis and HCV mapping.

### **3.2 Assessment Methods (Data sources, data collection, dates, program, and places visited)** **Social Impact Assessment on the ground was carried out as follows:**

1. **Participative:** identification of issues and information search were done in a participative way. This participative approach enabled the participants as the relevant subjects in mapping the social issues they are facing, expressing their opinions and ideas, as well as being involved in designing the management and mitigation of issues. (The list of stakeholders in participative process is presented in the SIA Report).

2. **Multiparty:** Issues identification and information searching were done in multiparty way by involving related parties directly or indirectly impacted by the development of oil palm plantation in the area.

3. **Rapid and Extent:** Issues identification and information searching were done in rapid way and based on the forecast of the impacts from changes that will take place from the feedback as the approach to the Social Impact Assessment within the time allocation.

4. **Appreciative:** Issues identification and information searching were guided positively, not only to find out the gap at the location but also to collect the data on expectations, potential problems, and ideas for identification of solutions and social issues that may arise.

**5. Social Learning Cycles:** The Social Impact Assessment is not a linear process which is instantly created but a cycle and process which function as the social learning processes to respond the changes in the environment.

The methods and techniques applied in the Social Impact Assessment were:

- i. **Literature Study:** This method was used for the purpose of gathering information on the socio-context and environmental aspect of the location which was evaluated. It was carried out in the early phase-before going to the field and at the result analysis phase. (This was described in the SIA report of PT Agrindo Indah Persada – Merangin, February 2011 by Aksenta);
- ii. **Dialogue:** This method was used to identify the nature of the parties, identify the potential issues and impacts, gathering information about expectations, ideas, and opinions to enable identification of potential solutions to address these potential issues and impacts. The process was carried out through meetings both in formal and in non-formal sequence focusing on specific topics (Focus Group Discussion or FGD);
- iii. **On-the-Spot Observation:** This method was used to understand directly the actual facts on the ground which serve as indicators of the issues and social impacts;
- iv. **In-depth Interview:** This technique was used to get a deeper understanding about the issues. It was done in-depth by interviewing the key people who will be affected by the development of plantation. The criteria of choosing the respondents were based on the knowledge possessed or their direct experience over the impact or impacts.
- v. **Tri Angulations:** This method was carried out in integrated way to reciprocally verify the actual issues, opinions and ideas.
- vi. **Social Learning Cycle:** The Social Impact Assessment is not a linear process which is instantly created but a cycle process which functions as the social learning processes to respond the changes in the environment.

**HCV Identifying Methods on the ground was carried out as follows:**

The Indonesian HCV toolkit 2008 was employed for conducting the HCV assessment in PT AIP. The assessment covers the permitted area which is included into the company's project area. The assessment was also expanded into villages and other areas which are of considerably importance to the surrounding proposed plantation area. The field survey was conducted in January 2011. The survey area covers 62 observation spots (location map of observation spots is presented in HCV report of PT Agrindo Indah Persada, January 2011 by Aksenta). In the process, each observation team was accompanied by the field staff from the company and local representatives who are familiar with the site. Besides field survey, the team also collected information from the local community through interviews of selected individual, Focus Group Discussion (FGD), as well as public consultations (the

list of stakeholders in the participative process is presented in HCV report of PT. Agrindo Indah Persada February 2011 by Aksenta).

At the same time, confirmation and cross checking of the findings were carried out with the local community using the technique of purposive sampling – which includes the communities, the enclaves' owners (where existed), and the related interested/affected parties. The understanding and scope of HCV for the oil palm plantation is confined to the HCVF definitions which is applicable to the forestry sector as adopted by the RSPO. The Identification of High Conservation Value in Indonesia was developed by the Konsorsium Revisi HCV Toolkit Indonesia (2008) (the toolkit for the revision HCV consortium). Other references used include IUCN, CITES, and other guidelines as well as the relevant Laws of Indonesia were also taken into consideration. (The summary is presented in HCV report of PT Agrindo Indah Persada 2011 by Aksenta).

#### **Identifying Methods for HVC 1, 2, and 3**

The identification for HCV 1, 2, and 3 were confined to areas which have important values in the biological context. Such areas are characterized by the location status, the origin of the communities, or the existence of the ecosystem of flora and fauna with high values. The significant values of flora and fauna refer to the status defined by the law, endemics (endemic, limited spread), and scarcity (scarce, facing extinction or almost extinct) was in accordance to the national and international law (IUCN and CITES) which protect such flora and fauna. The significance of the value of the wildlife as well as the habitat was also determined based on the ecological roles from the species and from the cultural and traditional point of view. The method of inventories was carried out using reconnaissance survey to analyze the existence of the importance of flora and fauna. The existence of fauna was recorded through:

- Direct observation, either through the identification of visual appearance or sound (for both diurnal and nocturnal animals),
- The existence of the marks or residual from the animals' activities in their former habitat (such as footprints, claw mark on trees, nest, scales, snake skin, bird feathers, or mammal hair, etc.).
- The presence of residual of animals' body parts (skull, horn, skin, hair, tusk, scales, and other recognized part of the animals' body) which were possibly hunted or caught by the local people in the observed locations. Interviews were carried out to confirmed the information about the time and location of the hunting activities.
- The secondary information was the existence of the animals which were documented based on external information, such as local people information or the local authorities. The consistency of such information was monitored through cross checking (check and recheck) with other relevant parties as well as checking the validity of the description on every species of animals from the feedback from interviews with the local people. All information was then matched with the natural distribution and the history of the existence of such species in the locations. The data was then compared to the

type and condition of the habitat at the time when the survey was done. Any mismatching between the description and their natural distribution zone and habitat, will result the existence such species in doubt.

#### **Identification Methods for HVC 4**

In order to identify the existence of HVC 4 in area, two approaches were applied in the assessment. The first approach was through analysis of the interactions and correlations between the water catchment system and the proposed plantation land in a wider context. This approach also covered the area outside the proposed plantation area. The second approach was an analysis on the significant values of such locations and their impacts to the proposed plantation's location. Based on both approaches, the phases of identifying HVC 4 was carried out by doing an integrated analysis of the secondary data and field survey. Identification of the HVC 4 areas was based on analyzing the area from the meteorological point of view, the soil analysis, topography, watershed, and the field survey and interviews. The field observation was carried out in specific locations; i.e. springs, river, proposed area for land clearing, the current land use in the area, and other locations representing the condition of the water catchment in the area.

#### **Identification Methods for HVC 5 and HCV 6**

The focus of the HCV 5 assessment was the area inside the proposed plantation which has significant values to fulfill the basic needs of the local community. The focus of the HCV 6 assessment was the area inside the proposed plantation which has the significant values for identification and sustainability of the tradition or cultural living of local community. The methods adopted in the assessment of HCV 5 and 6 are:

Participatory Mapping of locations containing elements of HCV 5 and 6.

- Interview the local community, either with individual or Focus Group Discussions.
- Ground assesment and analysis.

The HCV assessment was carried out through a series of phases i.e. Desk Study, Field Survey, Data Analysis, Spatial Analysis of HCV area, and indicative HCV mapping as shown in HCV report of PT Agrindo Indah Persada, October 2010 by Aksenta.

#### **3.3 Stakeholders' Consultation**

The process of the HCV and SIA development and preparation of management plans and monitoring PT Agrindo Indah Persada 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 (Aksenta) and the local existing plantation companies. A stakeholders' consultation of the HCV and SIA management plan involving the stakeholders from local communities, village heads, government agencies, NGOs, Other surrounding plantation companies, PT Agrindo Indah Persada, Management team and RSPO accreditation assessors from Aksenta was held on February 8, 2011 in Pulau Tebakar village. Communication with the stakeholders

**RSPO New Planting Procedure Assessment Report**  
**PT Agrindo Indah Persada – Jambi**

Page 15 of 20

concerned were through interviews, interaction, and discussion between the company and the stakeholder's in order to achieve understanding of the management plans for the stakeholders. The inputs from the presentation by various stakeholders during the stakeholders' consultation workshop in Merangin District on January 28, 2011 related to HCV result and in Pulau Tebakar village in February 08, 2011, were also integrated into the SIA document.

The issues raised during the workshop were: Communication issues between the stakeholder and information sharing (Publicization/Forum) is about labour recruitment and job creation. (The question and answer records are summarised in the report on stakeholders' consultation workshop in SIA document).

## **4. Summary of Assessment Findings**

### **4.3.a. Summary of assessment findings for SEI assessments**

The finding from the Environmental Impact Assessment in UKL/UPL document and SIA assessment identifies both positive and negative impacts from the proposed operational activities of PT Agrindo Indah Persada. The positive impacts of the activities identified are uplift of the local people's financial income, opening of more job opportunities and several others whilst the negative impacts that are possible to occur are the threats to the existence of the ecology as well as the potential conflict of workforce, socio-cultural disturbance, and others. The SIA study result by RSPO Accredited Assessors (Aksenta) stated that, in general, the existence of PT Agrindo Indah Persada has a significant social impact to the basic requirement to the social sustainability of local community. Those findings have defined how the company's business management influences the key issues in the respective components of the social sustainability of local community (details in the SIA report of PT Agrindo Indah Persada, February 2011 by Aksenta, summary page iii, page 5-1 and 6-1).

The stakeholders mentioned in the context of Social Impact Assessment are those who may affect or being affected by the operation of the oil palm plantations and mills. The identification of those parties was carried out through a series of Focus Group Discussion (FGD) meetings within the management and local community as well as on site interviews such in Segedang village, Random village and Senipah village. There is a detail stakeholders consulted during the assessments and this is presented in the SIA report of PT Agrindo Indah Persada, February 2011. There were several FGD activities conducted during Social Impact Assessment process i.e 7 February 2011 at workers housing, 8 February 2011 in Merangin, Tabir Barat village and UPT Pulau Terbakar; February 10, 2011 in Tambang Baru Village.

Awareness and discussion sessions were held by the company in villages and with other stakeholder on stakeholder related matters (dispute settlement, environmental issues etc.). The customary hierarchical standing within the communities were considered through the involvement of communities' representatives and village leaders including village heads, hamlet heads and customary heads. More meetings will be held to further publicise information on the new plantings in any areas where awareness needs to be improved.

Documented evidence are available showing the discussion process, decision making process and also a dispute settlement process and the consent process of involved stakeholders. Samples records of these meetings were available with proper records of minutes of meeting, attendance lists and their position held within the community.

A Registered surveyor was engaged to establish the area boundary and these are marked physically by pegs and on maps. All the stakeholders were duly informed with regards to ongoing negotiations in regards to the proposed development of the expansion areas.



## RSPO New Planting Procedure Assessment Report

### PT Agrindo Indah Persada – Jambi

Page 17 of 20

Records indicated that presentations were made to the local villages throughout the expansion areas as these areas came under consideration. This is included for all areas which will be part of the New Plantings and will be ongoing until all negotiations are completed. There are records of meetings and includes participants from the company and community representatives for each area. There are also historical records on the communication on the proposed development and all meetings held with local people and their representatives. Every one was happy with the meetings outcomes and therefore other meetings are planned to explain even more the expected outcomes of this new development.

Altogether many members of the local communities and villages attended this sessions. Both the benefits and negative impacts were discussed at each of these meetings. All attendance registers were completed and available for each session. Minutes of all meetings held were viewed and indicated widespread attendance and included all the agenda items discussed. PT Agrindo Indah Persada is aware about the FPIC and transparency in relation to dealings with customary landowners and has incorporated this in its procedures. They have developed systems for handling compensation claims and have integrated the FPIC principle in all negotiations. The communities are represented by Local Administrators of each community group including Village Head, Hamlet head and customary chiefs. The communities have also given their consent based on a full understanding of the matter/proposal and sufficient information is provided. Land acquisition is ongoing. The area has appointed a spokesperson to address these issues and to discuss on behalf of each village and community within the new concessions.

All Landowners can demonstrate ownership of land being developed through history of tenure. Boundaries are normally natural such as Roads, Rivers and Customary land. Boundary pegs are now to be put in place and identified and are to be located and marked via GPS and also included in maps for all areas involved in the expansion. There is proof where disputes have been resolved or are being resolved and ongoing disputes are being monitored. The company has established a system to negotiate with the parties in dispute before legal means. Dispute resolution mechanisms are established through open and consensual agreements with relevant affected parties using either legal means or negotiation with the party in dispute. This will need to be explained to ensure they all benefit from the new plantings. All other village in the areas has raised no objections to the new development.

PT Agrindo Indah Persada has a conflict resolution procedures as stated on SOP-BM-01, rev. 00, that was written with involvement of the local community. PT Agrindo Indah Persada has appointed a person, i.e. Bina Mitra department (Mr. Asnawi) to deal with any matters arising from land compensation issues and disputes.

#### **4.3. b. Summary of assessment findings (For HCV assessments)**

The condition of land cover throughout all concession areas at the time of assessment can no longer be considered as a Primary Forest (Virgin Forest). The Environmental Impact assessment

## RSPO New Planting Procedure Assessment Report

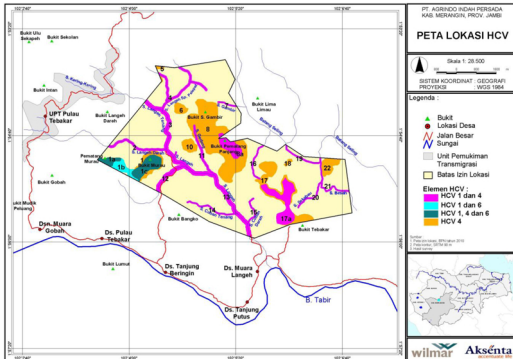
### PT Agrindo Indah Persada – Jambi

Page 18 of 20

(UKL/UPL) and HCVF assessments conducted in various concessions stated explicitly that the majority of the concession areas were degraded land or shrub areas attributed to shifting cultivation practices by local community. Only a small part of secondary forest was found within the location permit boundary of PT Agrindo Indah Persada in Aksenta's HCV assessment. The soil type based on the HCV report is predominantly Ultisol and Inceptisol. Three types of HCVs were identified by Aksenta, i.e. HCV 1, HCV 4, and HCV 6 within the location permit boundary of PT Agrindo Indah Persada, with the total indicative HCV area of 370.60 ha. Elements for HCV 1 are the existence of customary forest Bukit Murau, that double up as a corridor for IUCN Critical species i.e. Sumatera Tiger (*Panthera tigris*), IUCN Endanger species such Agile gibbon (*Hylobates agilis*), Sumatran clouded Leopard (*Neofelis diardi*), and Sunda Pangolin (*Manis javanica*). IUCN Vulnerable species such as Malayan Sun Bear (*Helarcotos malayanus*) and Horn bill (*Buceros rhinoceros*), HCV 1 also cover for areas that Contain or Provide Biodiversity Support Function to Protected or Conservation Areas i.e. buffer zone for Natural Productive Forest. HCV location are separated in 22 location

The important elements for HCV 4 are related to the protection of steep areas within the location permit that can cause serious erosion problem, the protection of buffers around freshwater spring, water catchment such Langeh Dareh and riparian reserves for Simpang Pelepat River, Batang Seling River, Cuban Dareh, Cuban Tenang, and Bukit Murau. These riparian reserves have good forest coverage and can become an effective fire barrier. Element for HCV 6 is the 45.66 ha of Bukit Murau customary forest which is considered sacred by the Suku Anak Dalam (Indigenous people in Jambi).

A map for all identified HCV in PT AIP.



## 5. Internal responsibility

Signing off by HCV & SEIA assessors

**Ganip Gunawan**  
Title: Team leader Assessment PT AIP

Acknowledgement of internal responsibility by  
**PT Agrindo Indah Persada**

I the undersigned, being the legal representative of the inspected company, agree with the contents of this report. The TUV Rheinland assessment findings and conclusion are acknowledged and accepted.

**Simon Siburat**  
Title: ...Group Sustainability Controller.....