



PT SEPANJANG INTISURYA MULIA

KETAPANG REGENCY

WEST KALIMANTAN PROVINCE

INDONESIA

SUMMARY OF HCV AND SEIA REPORTS

MAY 2014

RSPO NEW PLANTINGS PROCEDURE
Summary Report of HCV Assessment and SEIA

1. Executive Summary

PT Sepanjang Intisurya Mulia (PT SISM) obtained the licence area for oil palm plantations covering an area of 19,800 ha through the Regent Decree of Ketapang No. 107/PEM/2005, on 27th April 2005. PT SISM is located in the Nanga Tayap District, Ketapang Regency, West Kalimantan Province, Indonesia.

A preliminary HCV assessment was conducted by YASBI in December 2006 to assess the potential sites where HCVs could be present within the concession area.

In March 2009, PT SISM hired a team led by Mr. Purwo Susanto (YASBI), a RSPO-accredited HCV lead assessor, to conduct HCV assessments and SEIA. Villages where the assessments were conducted are : Dusun Mensubang, Dusun Teluk Keramat Desa Pangkalan Teluk, Dusun Pebantan Desa Pangkalan Suka, Dusun Sungai Beliang, Dusun Engkadin and Desa Nanga Tayap.

The HCV assessment was conducted in two stages; the first stage started in March 2009 and the second stage was concluded and published in May 2011. The HCV assessments was conducted based on the Land Use Title (HGU) issued by BPN which are the decree of Head of West Kalimantan BPN No. 540.2-903-41-2006 dated 27th November 2006. The letter from Regional District of West Kalimantan BPN No. 14/2006 dated 13th November 2006, declared the HGU for PT SISM was around 14,261.26 ha.

The HCV assessment results shows that the PT SISM concession area contains High Conservation Value Area of around 821.37 ha [5.76 % from the HGU (2006) area of 14,261.26 ha.] These consist of areas important for biodiversity at around 821.37 ha and important natural landscape for ecological dynamic at around 414.35 ha. There were no endangered ecosystem but areas important for environmental service was around 791.35 ha, and areas important for cultural and traditional identity around 53.66 ha.

The AMDAL (Environmental Impact Assessment), Izin Lingkungan (Environmental Licence) and IUP (Plantation Operational Licence) have been obtained. Land System in the area of PT SISM based on the Map of Land Systems (RePPPProT 1987), was divided into four classes, namely Honja, Bukit Pandan, Pakalunai dan Rangankau. (see Table 1 below).

Table 1. Land System of PT SISM

Land System	Symbol	Area	
		Hectare	%
Honja	HJA	8480.01	59.46
Bukit Pandan	BPD	237.32	1.66
Pakalunai	PLN	4894.61	34.32
Rangankau	RKG	545.22	3.82
Total		14,157.16	99.27

Source: Map of Land Systems (RePPPProT, 1987).

2. Scope of the HCV Assessment and SEIA :

- Company PT Sepanjang Intisurya Mulia
- Location Nanga Tayap sub districts, Ketapang Regency, West Kalimantan Province.
- Geographical Location Latitude 110°27'28,244" to 110°38'50.0352"
Longitude 01°21'21.708" - 01°28'0.2064"
- Surrounding Area
 - a. North : Palm Oil Plantation
 - b. East : Palm Oil Plantation and Protected Forest
 - c. West : Pawan River
 - d. South : Engkadin village and Protected Forest
- Permits
 - a. Location Permit: License area for oil palm plantations covering an area of 19,800 Ha through the Regent Decree of Ketapang No: 107, 2005 on 27th April 2005.
 - b. Plantation Operational License/IUP: through the Regent Decree of Ketapang No : 551.31/0633/ DISBUN-C/2005, dated 1st April 2005
 - c. Land Use Title (HGU) issued by BPN which are the decree of Head of West Kalimantan BPN No. 540.2-903-41-2006 dated 27th November 2006 and the letter from Regional District of West Kalimantan BPN No. 14/2006 dated 13th November 2006 which declared the HGU for PT SISM is for around 14,261.26 ha. Amendment to HGU HB 321693 No:39 dated 24th January 2011.

- Location Map:

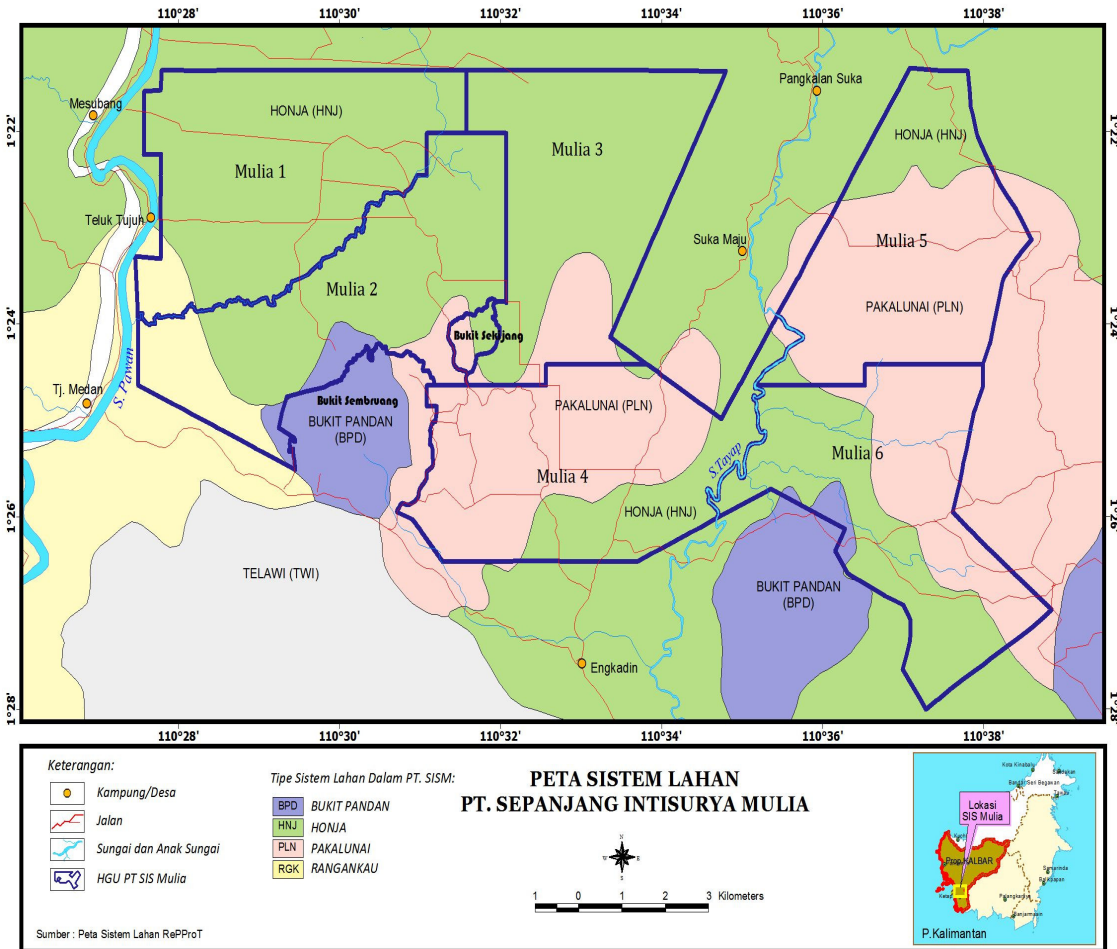


Figure 1. Location map of PT SISM and its land system

3. Assessment Methodology

a. HCV Assessment

The HCV assessor team, which involved experts in Biodiversity, Environmental Services, Social and Culture and supported by GIS expert, conducted two stages of field data collection, the first stage has conducted on 23rd March – 3rd April 2009 and the second stage on 8th – 14th May 2011. Data collection was facilitated by the staff of the company and assisted by the village community.

HCV Team Leader: Purwo Susanto (RSPO Approved HCV Assessor-Team Leader and Dicipline Specialist on Biodiversity and Conservation).

Members : DR. Kunkun Jaka Gumarya, RSPO Approved HCV Assessor on Biodiversity and Conservation

Ir. Edy Syahputra, MSi, Social and Cultural Aspect

Riswan, GIS Specialist

Bukti Bagja, Ecological Landscape aspect and Environmental Services

Wawan Gunawan, Biodiversity Aspect

Neny Indriyana, Field Coordinator

HCV 1, 2 and 3 identification

The target of HCV 1, 2 and 3 identification is to find the important area as defined by the biodiversity context. To find out whether an area is defined as protected area or not, an analysis is conducted based on TGHK (Forest Zone Consensus) Map and formal government document on Forest Area Status. The originality of community or ecosystem is checked through map analysis and ground checking. A method of *reconnaissance survey* is used to examine the presence of important flora and fauna.

HCV 4 Identification

HCV 4 is an important area related to water and land resources. To identify the presence of HCV 4, two approaches were taken, i.e. 1) an analysis to find out the interaction and relation between water system and plantation land area within the wider landscape context; and 2) an analysis to find out the importance of specific areas and their influence to plantation area.

HCV 5 and HCV 6 Identification

HCV 5 assessment will focus on the place or area within the plantation which is important for local community's fulfillment of basic needs. The manifestation of any area defined as HCV 5 is an area consisting of proper delienation and ownership which are legitimated by local tradition and custom. HCV 5 area can also exceed the delienation borders and/or collective ownership. An example of the first category is the mix-gardens where the sources of basic needs, such as for main sources of food (carbohydrates) were obtained from within the boundaries of those gardens under collective ownership. The example of the second category can be wildlife hunting area, fishing area, or area for sourcing of traditional medicines; as long as the area still available and there is no other option of value, such as health care clinic which is affordable by the locals. The second example is outside the ownership of the communities land areas.

The local communities' utilization of these HCV 5 areas for the fulfillment of their basic needs can be conducted directly or by conversion. Examples of direct utilization are : animal hunting or fishing for fulfilling the basic need of animal protein, gathering medicinal plant for meeting the basic needs of health, and collecting firewood for cooking. Meanwhile the example of conversion utilization include rubber tapping from their gardens/farms and the selling the latex for purchasing rice (staple food) or paying for their childrens' school tuition.

The focus of HCV6 identification and assessment is the place or area within the plantation area which are important for the identity and continuity of tradition and culture of the local communities.

HCV public consultations took place on 4th April 2009 and 15th May 2011 at the Mulia 1 Estate Office, Pangkalan Teluk village. The public consultations were conducted to obtain feedback towards the HCV findings from the related parties. The process of the public consultations, and the feedback and commentary from the participants were documented to provide inputs in the finalization of HCV report.

The public consultations were attended by the YASBI (Yayasan Kelapa Sawit Berkelanjutan Indonesia) team, PT SISM employees, community and traditional leaders, Head of villages around of PT SISM and local government staff.

Table 2. HCV assessment process, methodology, and data achievement

Assessment Process	Methodology	Data achievement
Mapping and landscape	Field data collection to verify the secondary data and information such as Protected/Conservation Area, road network, rivers, area	Mapping all data and information found and conduct analysis

	borders, soil type, area topography and to create an assessed area overview on landscape context.	
Fauna (wildlife) aspect	Quantitative field observation (rapid assessment). Direct field check and interview/discussion with other parties, such as local community, company staffs and other related parties.	Qualitative condition of habitat, species and distribution of endangered, critically endangered and protected wildlife which are included in IUCN red list, national regulation. Qualitative condition of wildlife species population (amount and reproductive status), location of wildlife encountered, hunted wildlife by community, the use of wildlife and wildlife disturbances, The level of wildlife threat and opportunity for wildlife survival.
Flora aspect	Interview and direct field survey. Initial mapping on ecosystem distribution, observation on forest structure, species diversity or dominance on each ecosystem type.	Data of Flora with special status, protected species by law or assumed as endangered on IUCN red list. Threat and opportunity for area survival.
Social, Economic, and Cultural Aspect	Interview and field visit through FGD (focus group discussion) and PRA (Participatory Rural Appraisal) using structured list of questions. Data collection on village monography, customs, culture, tradition and community relation to the forest.	Protected area by custom, level of dependency of community to environmental services area related to the assessed area.

b. SEI Assessment

The SEI assessment was conducted by PT Aksenta in three stages. The first stage was a desktop study to collect existing data from public sources. Further collection of data was also conducted in the villages, sub-district and district administration offices. The information collected includes data on public health, villages/sub-district and districts' monographies.

The second stage was the field work which included in-depth interviews, as well as Focus Groups Discussions (FGD) and direct observations. The field work was conducted over eight days in the field, at the eight villages around PT SISM i.e. Pangkalan Teluk, Mensumbang, Pangkalan Suka, Sepakat Jaya, Sebedak Raya, Nanga Tayap, Riam Baru and Penjawaan villages.

The third stage was analysis of the data and preparation of the report. The report was submitted to PT SISIM for review and comments before being finalised.

The methods used for social impact assessment consists of:

1. Literature Review; used to gain understanding on the social and environmental context of the study area.
2. Primary Data Collection; used to obtain village demography data as background for understanding the social life of local community.
3. Dialogues; used to identify the parties, to explore the issue of impacts, to explore hopes, idea and aspiration to find out solution of occurring issues, conducted through both formal and non-formal meetings.
4. Field Observation; used to gain direct understanding on the factual indications for the social impacts and issues present.
5. In depth interviews; to explore and gain deeper understanding on the emerging issues from the chosen key figures as resource persons.
6. Triangulation; integration of the above methods to verify the emerging issues, opinions and ideas.
7. Social Learning Cycle; social impact assessment is not a completely linear process but it is a process cycle which functions as an understanding of social changes in response to the environmental changes that occurs.

SEIA Focus Group Discussion was conducted with the community on 3rd December 2010 at the Mulia Estate Office, Pangkalan Teluk village.

SIA Team Leader: Ganip Gunawan
Members : Andri Novi Hendarto
Nandang Mulyana

4. Summary

a. Summary of HCV Assessment Findings

The licence area of PT SISIM contains a total HCV area identified for around 821.37 ha (5.76 % from the total concession area of 14,261.26 ha) (see Figure 2 and Table 3 below).

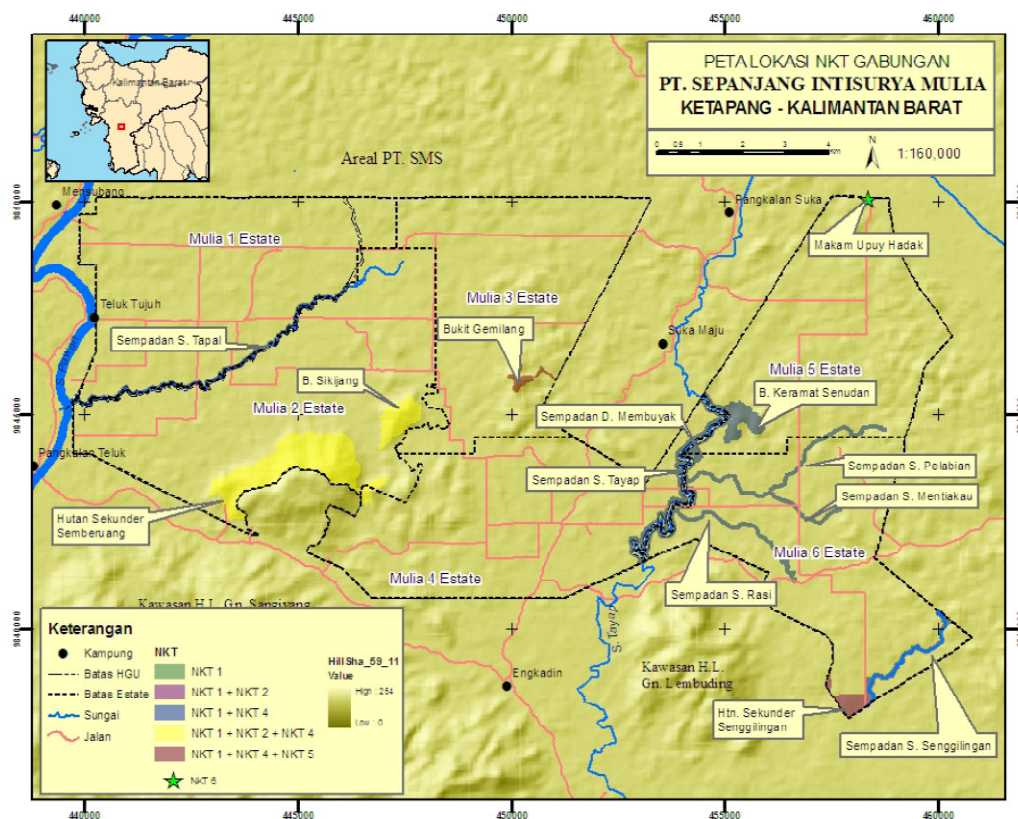


Figure 2. Map of Combined HCV at PT SISM

Table 3. Summary of HCV assessment findings at PT SISM

HCV Attributes	Ha	Location Area
1. Area important for Biodiversity	821.37	Sempadan Sungai Tapal; S. Mentiakau; S. Pelabian; S. Rasi; S. Senggilingan; S. Tayap; Sempadan Danau Membuyak; Bukit Gemilang; Bukit Keramat Senudan; Bukit Sekijang; Hutan Sekunder Semberuang; Hutan Sekunder Senggilingan
2. Area important for Natural Ecology Dynamic.	414.35	Bukit Sekijang; Hutan Sekunder Semberuang; Hutan Sekunder Senggilingan
3 Endangered and Threatened Ecosystem	-	-
4. Area important for Environmental Service	791.35	Sempadan Sungai Tapal; S. Mentiakau; S. Pelabian; S. Rasi; S. Senggilingan; S. Tayap; Sempadan Danau Membuyak; Bukit Gemilang ;

		Bukit Keramat Senudan; Bukit Sekijang; Hutan Sekunder Semberuang;
5. Area important for Local Community Basic Needs	22.39	Bukit Gemilang
6. Area important for traditional culture identity	53.66	Bukit Keramat Senudan; Makam Upuy Hadak
Total HCV area	821.37	

b. Summary of SEIA Findings

Demography/Social issues, PT SISM location permit area is located within the villages of Sungai Beliun, Engkadin, Sukamaju Village, and Mensubang, Kecamatan Tayap, Kabupaten Ketapang Nanga. The villages are inhabited mainly by Malays and Dayaks, whose natural livelihoods are naturally influenced by the cultures that are bound strongly with the natural resources around it, which in turn, gave birth to the livelihood systems that rely on the existence of these natural resources.

Hence, in the context of the presence and development of PT SISM, the culture and livelihood of the community are inseparable and even became the basic social issue that appears associated with the presence of oil palm investments. Among the identified issues are land acquisition, establishment of cooperative partnership, participation in regional development, employment, education, income generation, and business opportunities.

Ethnically, The majority of the population who inhabit the villages around PT SISM are the Malay and Dayak tribes. Other tribes that also settled in this area include the Javanese that came through the transmigration program. The Malays came first as they came to avoid influences of power at the time of the Majapahit Kingdom as well as in the era of colonialism. The Dayak peoples' arrival came by shifting cultivation systems which have been practiced since times of yore. The religions embraced by the local society are Islam, Christianity and the traditional belief of Kaharingan (Paganism).

Education, The level of education of those who have settled around the area of PT SISM prior to the presence of the oil palm plantation were mostly at basic school levels. The situation has changed since the oil palm company began investing in this area. Through the company's CSR programme, scholarships are provided to some potential students from the local community. The Government's education programme had also increased the education levels within the community. With improved road access, the students can attend higher level education and even travel to the capital city. However, the community's desire

to send their children for higher education are ultimately constrained due to the higher fees which they may not afford.

Health, The existing healthcare facilities in each village are provided by the government. In each village, Pustu is available but Clinics and doctors are only found in the Township of Nanga Tayap. The government hospital is located only in the city of Ketapang Regency. Limited health care services are provided, and there is no paramedic during emergency situations due to the absence of KB. The company is currently helping the community in the field of health services by opening a company clinic which is also open to the communities surrounding the area. A large part of the community's clean water is sourced from wells. However, in the dry season, these wells dry up and they will have to rely on river water for their daily needs such as washing and cleaning but not for consumption. Rain water is collected for drinking purposes, or sometimes they buy clean water or request help from the company to send clean water in tanks.

Economy, The presence of PT SISM provided the opportunity for new business sectors that become sources of income, namely suppliers, contractors and public transportation services. With the number of the community who work in the company as a non-permanent employees (KHL), daily permanent employees (KHT) and permanent staff, the number of eating places and grocery shops had also increased, due to the increased purchasing power of the community.

Potential positive and negative developments. The local population expects some positive outcomes from presence of PT SISM in the area such as employment and business opportunities. Improved roads are expected to be the next positive outcome for the local population, to improve accessibility to the area, and to improve access to school for the children. The presence of the company could also result in improved education facilities with possibly better school buildings, support to the teachers (allowances) and/or scholarships for children. Improvement in the health sector can also be expected.

Development of the plasma scheme by the company will have a longer term positive impact for the community. Members of the plasma will have a stable income from the plasma scheme development by PT SISM.

Land Aquisition, The company has provided compensation to free communities land that will be planted with palm oil, based on the rules and procedures published by the local government. The company has also implemented policies whereby those who are not willing to give up their land will have their land considered as enclaves within the land concession area. Potential conflict may arise when the company implements a policy of compensation of land without considering the type of plants that were planted on the land, as the community demanded for the replacement of plants they have grown on their land. Conflicts may also occur between villagers associated with the determination of the

boundaries of land between villages or plasma areas. In current practice, such settlements were facilitated by the company.

From the negative impacts perspective, the villagers will be very wary of any perceived water pollution or over-usage by the company, due to their reliance on the rivers to supply them with water for their daily needs, especially during the dry seasons.

The informal land ownership system in the area will also be a challenge for the initial phases of land rights acquisition by the company. As is common in many other areas, there will likely be some land rights ownership conflicts, with multiple people claiming ownership of the same plot of land.

Considering the low population density, CSR efforts by the company are expected to have a good impact. The relative amount of money spent per habitant will be relatively high, and if planned participatively, CSR activities are more likely to bring satisfaction to the villagers.

5. Internal Responsibility

Formal sign-off by Assessors and Company.

This document is the Summary of HCV (High Conservation Values) Assessment and SEIA (Social and Environment Impact Assessment) of PT Sepanjang Intisurya Mulia.

Yayasan Kelapa Sawit Berkelanjutan Indonesia as a HCV Assessor
PT Aksenta as a SEIA Assessor

Ir Purwo Susanto
Team Leader HCV-YASBI

Ganip Gunawan
Team Coordinator SEIA-
PT AKSENTA

Statement of Acceptance of Responsibility for Assessments.

The assessment results of the High Conservation Value (HCV) Assessment and Social and Environment Impact Assessment (SEIA) of PT SISM by Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI) and PT AKSENTA will be applied as part of the guidelines in developing and managing PT SISM.

Prepared By



Dr. Faizal Amri Amran

Group Sustainability Manager

Approved By



Salim Bin Abdul Rahim

Director