



PT SAWIT MITRA ABADI

KETAPANG REGENCY

WEST KALIMANTAN PROVINCE

INDONESIA

SUMMARY OF HCV AND SEIA REPORTS

MAY 2014

RSPO NEW PLANTING PROCEDURES

Summary Report of HCV Assessment and SEIA

1. Executive Summary

PT. Sawit Mitra Abadi (PT SMA) which is located in Nanga Tayap sub-district, Ketapang Regency of West Kalimantan Province obtained its initial plantation area license for 15,800 ha based on Ketapang Regent Decree No. 106 Year 2005 dated 27th April 2005. In 2008, the size of license area was reduced to 13,400 ha based on Ketapang Regent Decree No. 37 in 2008 on License Area Extension. Upon the renewal of the location permit, the license area was further reduced to 8,374 ha as per HGU certificate No.2 BPN of Ketapang Regency, West Kalimantan dated on 15th October 2009.

After obtaining the licence area, PT SMA hired a team led by Mr Purwo Susanto (Yayasan Kelapa Sawit Berkelanjutan Indonesia), an RSPO-accredited HCV lead assessor, to conduct HCV assessments and SEIA in March 2009. Villages where the assessments were conducted are: Mensubang and Bayangan sub-villages which belong to Mensubang Village. Both villages are within Nanga Tayab sub-district area. Other sub-villages are Teluk Keramat, Tanjung Medan, Teluk Parak, Cali and Pangkalan Jihing sub-villages which belong to Pangkalan Teluk Village.

Based on the results of the HCV assessment, various types of vegetation are found within the Management Unit (MU) area; consisting of secondary forest (2294.92 ha), secondary swampy forest (75.01 ha), swampy shrubs (356.15 ha), mixed garden (3656.81 ha), oil palm plantation (1798.22 ha), open space (81.06 ha) and dry-land farming (112.13 ha). The MU area is also adjacent to Gunung Palung National Park and Gunung Tarak Protected Forest.

The initial HCV identification showed that PT. SMA concession area contains High Conservation Value Area of around 1025.54 ha (15.88 % from 8,374 ha of the total concession area) which consist of areas which is important for biodiversity around 909.44 ha (10.86%), important natural landscape for ecological dynamic around 699.55 ha (8.35 %), endangered ecosystem around 75.47 ha (0.90 %), area important for environmental service around 484.30 ha (5.78 %), area for locals' basic needs around 265.59 ha (3.17 %) and area important for cultural and traditional identity around 27.87 ha (0.33 %). The High Conservation Value area is based on documents analysis, field assessments and field surveys.

The HCV identification was conducted on two stages. The first stage was in March 2009 and with the second stage (revision edition) was conducted in May 2011.

The HCV assessment is conducted based on the Land Use Title (HGU) issued by BPN (HGU Certificate No.2 BPN, Ketapang, West Kalimantan dated 15th October 2009) which declared the HGU for PT SMA is for around 8,374 ha. Based on the HGU, the area of PT SMA could legally be managed into oil palm plantation.

The AMDAL (Socio-environmental Impact Assessment), Izin Lingkungan (Environmental licence) and IUP (Plantation Operational licence) have been obtained.

Land System in the area of PT SMA is based on the map of Land Systems (RePPProT 1987), and was divided into four classes, namely Honja (HJA), Pakalunai(PLN), Rangankau(RGK) dan Telawi (TWI). See Table 1 and Figure 1 below.

Table 1. The Land System of PT SMA

Land System	Type of Soil	Group of Soil	Size (Ha)	%
HONJA (HJA)	Tropodult	Ultisol	6397.35	72.04
TELAWI (TWI)	Tropodult and Dystropepts	Ultisol and Inceptisol	477.19	5.37
PAKALUNAI (PLN)	Dystropepts and Tropodult	Inceptisol and Ultisol	1045.96	11.78
RANGANKAU (RGK)	Paleudults and Dystropepts	Ultisol and Inceptisol	960.26	10.81

Source: Map of Land Systems (RePPProT,1987)



Figure 1. Land System of PT SMA

2. Scope of the HCV Assessment and SEIA

- Company PT Sawit Mitra Abadi

- Location Nanga Tayap District, Ketapang Regency, West Kalimantan Province

- Geographical Location Latitude 110°24'10" to 110°31'22"
Longitude 01°10'58" - 01°27'58"

- Surrounding Area a. North : Gunung Palung Reserve Area , Community settlement ,

b. East : Community land and settlement , Pawan River

c. West : Gunung Tarak Reserve Area

d. South : Community land and oil palm plantation

- Permits

a. Location Permit: License area for 15,800 ha based on Ketapang Regent Decree No. 106 Year 2005 dated 27th April 2005.

License Area Extension. Regent Decree of Ketapang No: 037/PEM/2008 dated 28th January 2008
Renewal No. 90/2009 dated 4th March 2009.

b. Plantation Operational License/IUP: through the Regent Decree of Ketapang No : 551.31/0707/ Disbun-C/2005 dated 11th April 2005

c. Land Use Title (HGU): Issued by BPN (HGU Certificate No.02 BPN, Ketapang, West Kalimantan dated 15th October 2009 which declared the HGU for PT SMA is for around 8,374 ha.

- Location Map:

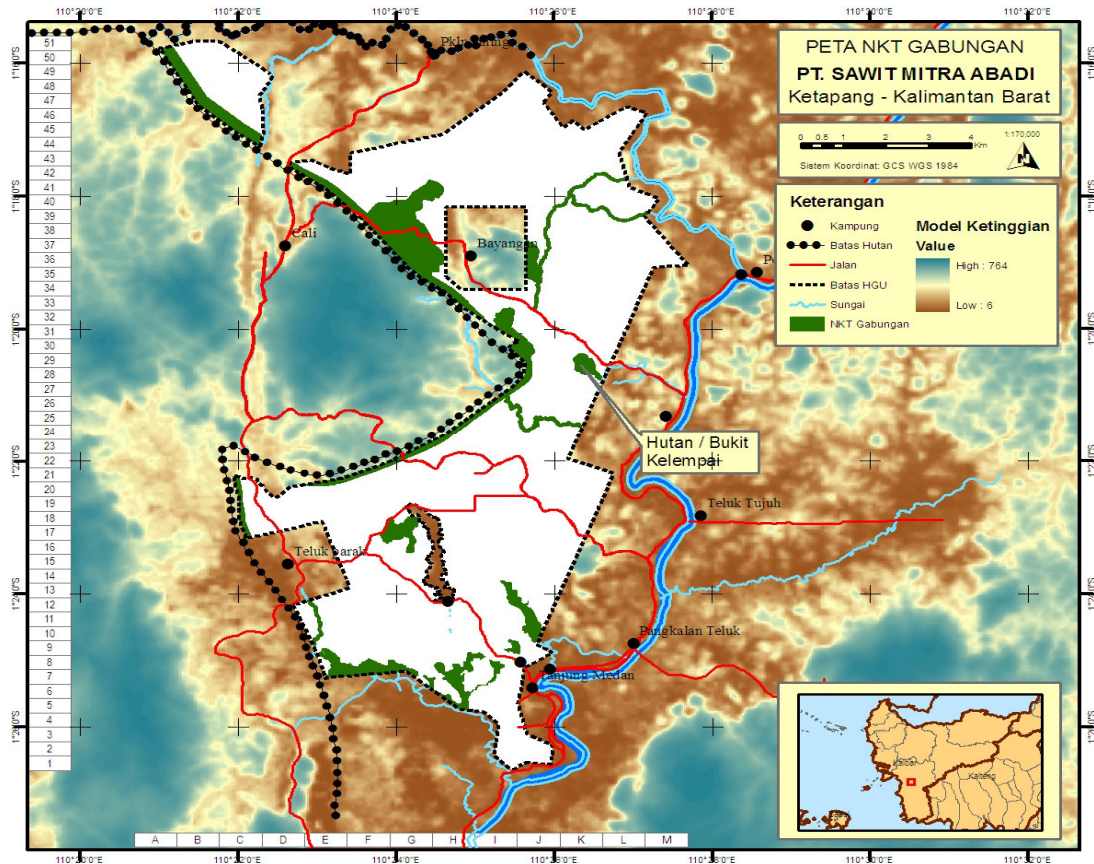


Figure 2. Location map and HCV map of PT SMA

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, had conducted two stages of field data collection, the first stage was 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 Discipline 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

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 borders, soil type, area topography and to create an assessed area overview on landscape context..	Mapping all data and information found and conduct analysis
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. SEIA Assessment

The SEI assessment was conducted in three stages. The first stage was the 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 data, villages/sub-district and districts monographies.

The second stage involved field work, which included in-depth interviews, as well as Focus Groups Discussions (FGD) and direct observations.

The third stage was the, analysis of the data and preparation of the report. The report was submitted to PT SMA 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. Dialogue; 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 for gaining direct understanding on the facts and which indicated the occurring social impacts and issues.
5. In depth interviews; to explore and gain deeper understanding on the emerging issues through interview with 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 completely a linear process but it is a process cycle which functions as an understanding of social changes in the response to the environmental changes that occur.

SIA Team Leader: Dr Asril Darussamin
 Members : Drs. Adi Suryadi, MSi
 M. Sugeng Kusbianto, BSc

4. Summary

a. Summary of HCV Assessment Findings

The licence area of PT SMA contains the HCV area identified for 1025.54 ha. (10.86 % from the total concession area of 8,374 ha) (see Table 3 below)

Table 3. Summary of HCV assessment findings at PT SMA

HCV Attribute	Size (Ha)	Working Block
1. Area important for Biodiversity	909.44	Sempadan S. Benapis; S. Kenehare; S. Paduan; S. Perupuk; S. Sindur; S. Majo; Sempadan Hutan Lindung; Hutan Sekunder Area 1; Hutan Sekunder dan Bukit Area 2; Hutan Sekunder Area 3; Hutan Sekunder Area 4; Hutan Rawa Sekunder S. Benapis; Bukit Kelempai;
2. Area important for Natural Ecology Dynamic.	688.55	Sempadan Hutan Lindung; Hutan Sekunder Area 1; Hutan Sekunder dan Bukit Area 2; Hutan Sekunder Area 3; Hutan Rawa Sekunder S. Benapis; Sempadan Hutan Lindung;

3 Endangered and Threatened Ecosystem	75.47	Hutan Rawa Sekunder S. Benipis
4. Area important for Environmental Services	484.30	Sempadan S. Benapis; S. Kenehare; S. Paduan; S. Perupuk; S. Sindur; S. Majo; Bukit Kelempai; Hutan Sekunder dan Bukit Area 2; Hutan Rawa Sekunder S. Benipis; Rawa Majo; Rawa Atas; Rawa Bawah
5 Area important for Local Community Basic Needs	265.59	Hutan Sekunder Area 2
6 Area important for traditional culture identity	27.87	Situs arkeologi Batu Kelempai
Total HCV area	1025.54	

b. Summary of SEIA Findings

Demography/Social issues, PT SMA location permit area is within the administration of the Nanga Tayap sub-district, Ketapang Regency. The villages are inhabited mainly by the Malays and the Dayaks, whose livelihood are influenced by the cultures that is strongly bound with the natural resources around the area.

In the context of the presence and development of PT SMA, 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, employment conditions and business opportunities.

Ethnically, The majority of the population who inhabit the villages around PT SMA are the Malay and Dayak tribes. The other tribe that also settled in this area are the Javanese that came through the transmigration program. The Malays came first because of the migration to avoid influences of power at the time of Majapahit Kingdom as well as in the era of colonialism. The Dayak people came due to the shifting cultivation practices. The religion embraced by the society here are Islam, Christianity and the belief of Kaharingan(Pagan worship).

Education, The level of education of those who have settled around the area of PT SMA prior to the presence of oil palm plantation is mostly at the basic school level. The situation has changed since the palm oil company investment in this area whereby the company

have CSR programme has given scholarships to some potential students from the community. Government education programme also increased the education levels of within the community due to the improved road access to the residential area where the students can attend higher level education and even travel to the capital city. However the desires of the community to send their children to a higher level 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 there are Pustu available. Clinics and doctors are only found in the Township of Nanga Tayap. The government hospital is located in the city of Ketapang Regency. Health care services provided is limited, but there is no paramedic available during emergency situations in 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 source is obtained from wells. However, in the dry season, the wells dry up and they will 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 SMA gives the community new business opportunities that became their sources of income as suppliers, contractors and providers of public transportation services. With the number of community working in the company as a non-permanent employees (KHL), daily permanent employees (KHT) and permanent staff, the number of eating places and grocery shops also increased, due to the increased purchasing power of the community.

Potential positive and negative developments, The local population will expect some positive outcomes from presence of PT SMA in the area of which the main expectation are for employment and business opportunities. Improved roads would be next positive outcome for the local population; to improve accessibility to the area, and access to school for the children. Related to this, the other positive impact of the presence of the company could 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 is also likely to be expected.

Development of the plasma scheme by the company has a major positive impact for the community as members of the plasma will have a stable income from this scheme.

Land Acquisition, The company has provided compensation for communities land that will be planted with palm oil, based on the rules and procedures published by the local government. The company also implemented policies that will not impose against land owners who are not willing to give up their land in exchange for the compensation. These lands which are inside the HGU will be considered as "enclaves". However, a potential

conflict may arise when the company implements a policy of compensation of land without looking at the plants that were grown on the land as the community may demand the replacement of plants or crops growing on their land. Conflicts may also occur between villagers associated with the determination of the boundaries of land between villages or kampongs and the plasma scheme. Settlements of conflicts are facilitated by the company.

Villagers will also 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 be a challenge for the initial phases of land-rights acquisition by the company. As it is a common case 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 SMA

Yayasan Kelapa Sawit Berkelanjutan Indonesia as HCV & SIA Assessor

Purwo Susanto
Team Leader HCV

Dr Asril Darussamin
Team Coordinator SEIA

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 SMA by Yayasan Kelapa Sawit Berkelanjutan and PT AKSENTA will be applied as part of the guidelines in developing and managing PT SMA.

Prepared By



Dr. Faizal Amri Amran
Group Sustainability Manager

Approved By



Jude S. Holloway
Director