PT SUSANTRI PERMAI

KAPUAS REGENCY

CENTRAL KALIMANTAN PROVINCE

INDONESIA

SUMMARY OF HCV AND SEIA REPORTS

MAY 2014

RSPO

RSPO NEW PLANTING PROCEDURES
Summary Report of HCV Assessment and SEIA

1. Executive Summary

PT Susantri Permai (PT SP) has obtained a licence area for oil palm plantations covering an area of 15,000 ha through the Regent Decree of Kapuas No: 946/2006 dated 30th September 2006. The Plantation Operational License (IUP) was approved by the Regent of Kapuas No: 945/2006 dated 30th January 2006.

PT SP commissioned Environmental Management & Monitoring Pty Ltd of Australia (EM & M) to conduct an SEIA which involved assessing the environmental and socio-economic aspects and impacts plus an ecological (HCVF) assessment study. The ecological assessment of HCVF was led by Mr Jarwadi B. Hernowo of the Dept. of Forestry Resources Conservation, Faculty of Forestry, Bogor Agricultural University (IPB) whilst the Social Impacts Assessment was conducted by Mr Iman K. Nawireja. The report was published in December 2007.

Subsequently, PT SP hired a team from the Faculty of Agriculture Palangkaraya University Indonesia led by Ir. Bismart Ferry Ibie (of Palangkaraya University), to conduct an assessment of the flora, fauna and HCV at PT SP. This report was published in October 2008. In 2009, PT SP commissioned a collaborative team from the Faculty of Agriculture Palangkaraya University and Yayasan Kelapa Sawit Berkelanjutan Indonesia (YASBI) led by Ir. Bismart Ferry Ibie, to conduct a final HCV assessment. This report, peer reviewed by YASBI, was published in September 2009.

Based on the result of the final HCVF assessment, there no longer exists any primary forest in the area. PT SP's concession area consists of 7 landsystems (RePPProT, 1987) with mineral soils and topography dominated by flat, undulating to rolling/hilly areas ranging from 2 to 15 % and some limited areas in the 15 – 40 % slope class. The soil types throughout the area are *Podsolik, Regosol* and *Alluvial* soils.

The final HCV assessment had identified a total HCV area of 926.30 ha, which consists of HCV 1, HCV 2, HCV 4, HCV 5 and HCV 6 (overlap); as some areas have been found to contain more than one HCV. Further details are shown in the summary of the HCV Assessment findings below.

A HCV public consultation, took place on 12th September 2009 at the District office of Kapuas Hulu in Sei Hanyu Village, Kapuas Tengah District, Kapuas Regency. The public consultation was conducted to obtain feedback of the HCV findings from the related parties.

The process of public consultation, feedback and commentary from the participants were documented to provide inputs in finalization of the HCV report.

The public consultation was attended by 41 participants comprising: Assessor team, PT SP employees, community and traditional leaders, Head of Villages and local government representatives.

The AMDAL (Socio-environmental impact assessment), Izin Lingkungan (Environmental licence), IUP (Plantation Operational licence) have been obtained.

2. Scope of HCV Assessment and SEIA

- Company: PT Susantri Permai
- Location: Kapuas Hulu District, Kapuas Regency, Central Kalimantan Province.
- Geographical Location: Latitude 113°55'41.376" to 114°9'37.7748" Longitude 0°41'37.4352" to 0°53'43.9691"
- Surrounding Area:
  a. North : Production Forest
  b. East : Settlement and Other Development Area (APL).
  c. West : Production Forest
  d. South : Settlement and Other Development Area (APL) and Oil Palm Plantation
- Permits:
  a. Location Permit: Regent Decree of Kapuas No: 946/2006 dated 30th September 2006.
  b. Plantation Operational License/IUP: Regent of Kapuas, No.945/2006, dated 30th January 2006.

- **Location Map**

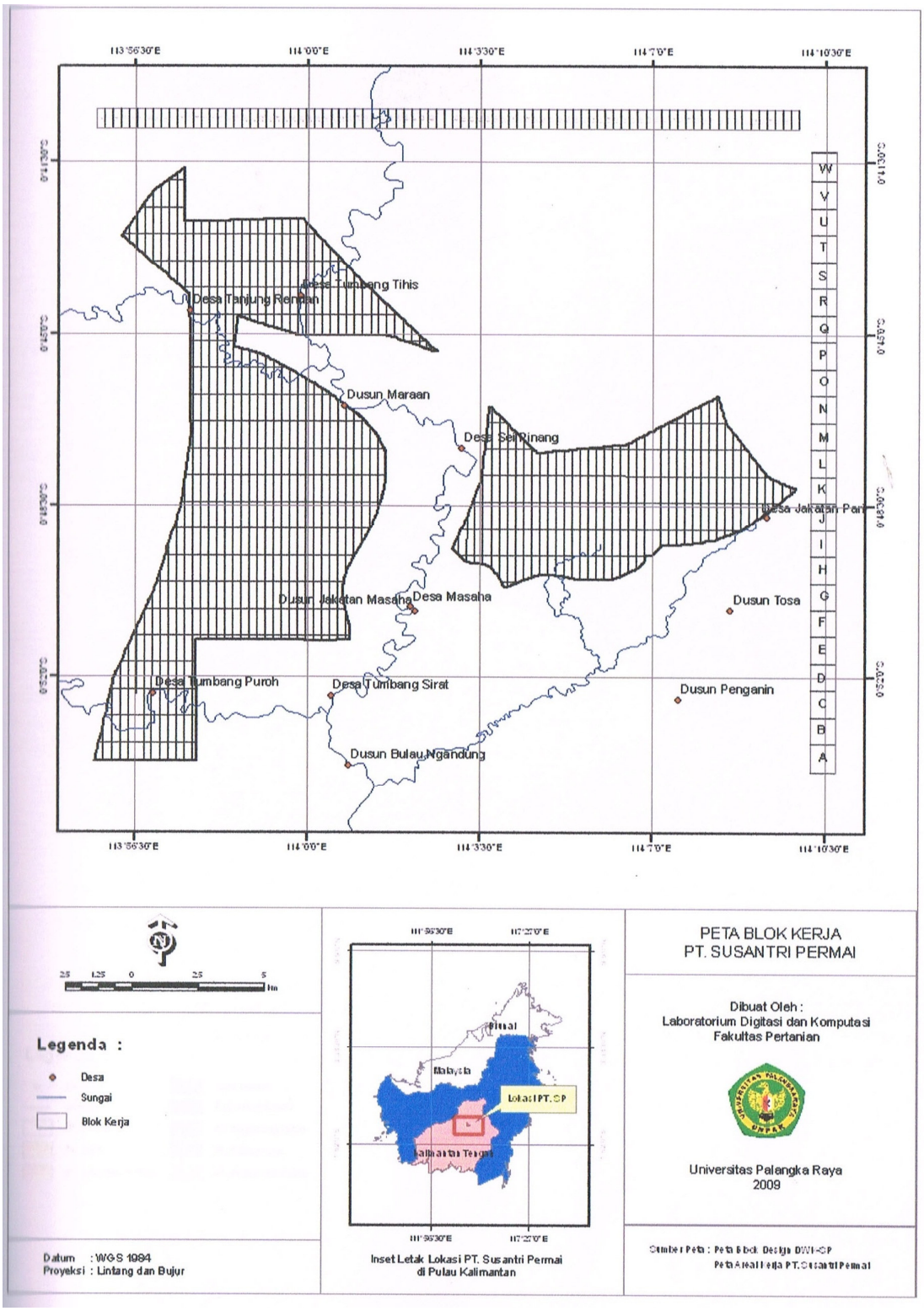


Figure 1. Location map of PT Susantri Permai**.**

3. Assessment Methodology

a. HCV Assessment

The HCV assessor team, which involved experts in Biodiversity, Environmental Services, Social and Culture was supported by a GIS expert from the Faculty of Agriculture, Palangkaraya University. The HCV Assessor Team was assisted by a supporting team which included the staff of the company and representatives from the village community.

HCV Team Leader:	Ir Bismart Ferri Ibie
HCV Reviewer	Ir Purwo Susanto (YASBI)
Members :	Penyang (Forestry)
	Antonius Triyadi (Forest Ecology)
	Yusuf Aguswan (GIS Specialist)
	Hendratoni (Biodiversity Specialist)
	Doni (Dendrology-Biodiversity Specialist)
	Jhony Hartly (Social Economic and Community Welfare Specialist)
	Evu Novitasari (Social Politic Specialist)
	Berson (Social and Cultural Specialist)
	Juli Chandra Taruna (Environmental Services Specialist)
	Yeni Haryati (Agroforestry)

Table 1. HCV assessment process, methodology, and data achievement

Assessment Process	Methodology	Data achievement
Mapping and landscape	Field data collection to verify secondary data and information such as protected/conservation areas, road system, river system, boundaries, soil types and classes, topography, and; to conduct a comprehensive overview of the area.	Mapping all data and information found into a map and conducting analyses on it.
Fauna (wildlife) aspect	Qualitative field assessment (*rapid assessment*). Direct field observation; interview and discussion with stakeholders, such as local community, staffs of the company, and other related parties.	Qualitative condition of the habitat; endangered, critical, and protected wildlife species within the list of IUCN and the prevailing regulation and its distribution; qualitative condition of wildlife species' population (number and status of reproduction); location of wildlife species encounter; species hunted by the community; benefit and

		disturbance of wildlife species; level of threat and survival opportunity of wildlife species.
Flora aspect	Interview and direct field survey. Initial mapping of ecosystem distribution; observation on forest structure, species density or dominance on each type of ecosystem.	Data of flora with particular status, species protected by the Indonesian government or assumed to be endangered in the IUCN list. Threat and opportunity to maintain the area.
Social, Economic, and Cultural Aspect	Interview and field visit using FGD (*Focus Group Discussion*), PRA (*Participatory Rural Appraisal*) and list of structured questions. Collection of data on the village's demography, custom, culture, and community's relation with forest.	Traditionally protected area, level of dependency toward the area, environmental services related to the assessed area.

b.SEI Assessment

The SEI assessment was conducted in three stages. The first stage was a desktop study to collect existing data from public sources. Further collection of data was 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, Focus Group Discussions (FGD) and direct observations. The field work was conducted over ten days in the field, in all the villages interacting with PT SP.

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

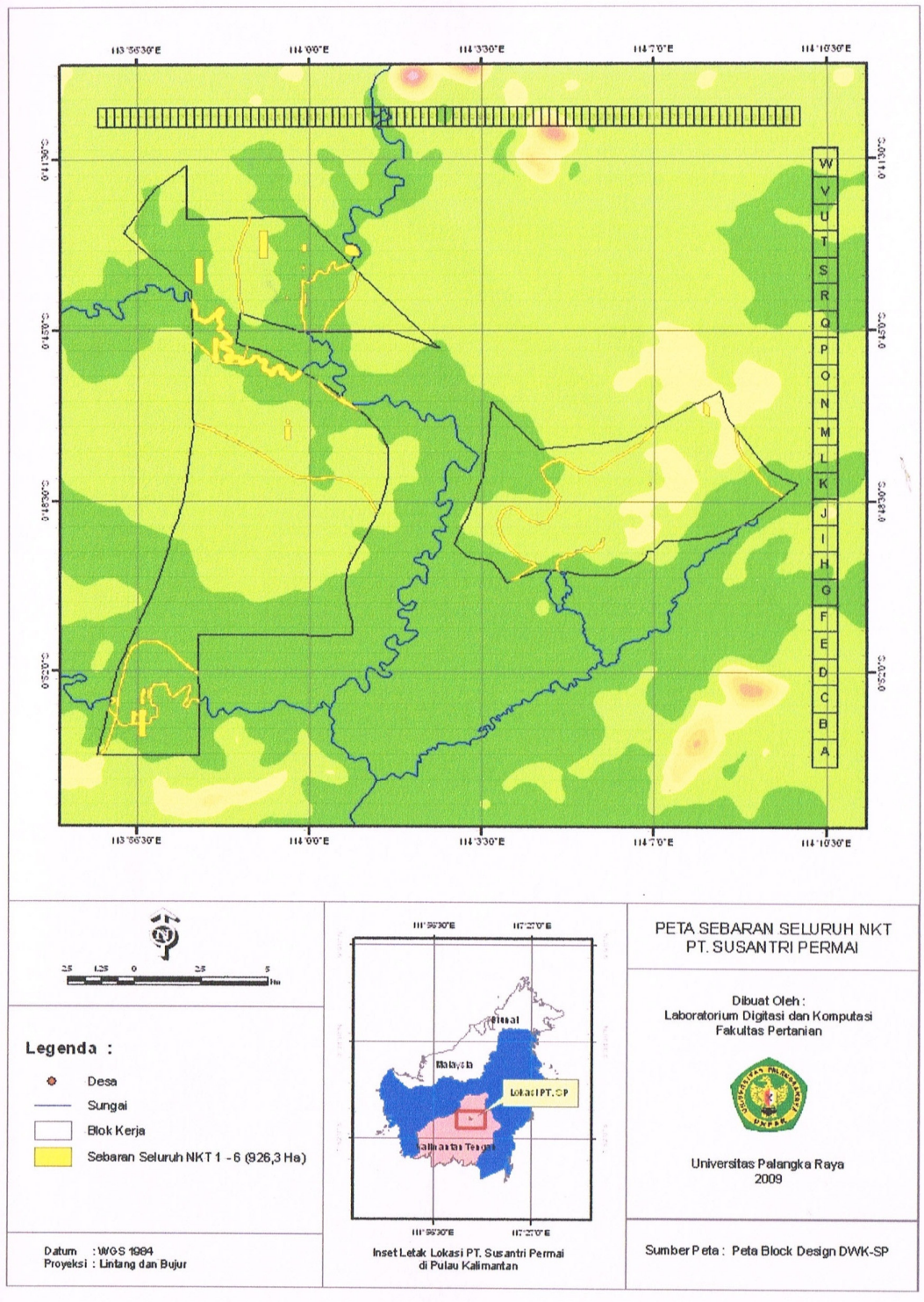
3. Summary of HCV Assessment Findings

The licence area of PT SP covers 15,000 ha. Final HCV assessment identified a total HCV area covering 926.30 ha or 6.18% of the concession area (see Table 3 below), which consists of HCV 1, HCV 2, HCV 4, HCV 5 and HCV 6 (overlap), as some areas have been found to contain more than one HCV.

Table 2. Summary of HCV assessment findings at PT SP

No.	Blok Number	Ha		Note
		HCV Sub Value	HCV	
1.1.	S33, S32, S31, S30, S29, S28, S27, R27, Q27, R13, R14, Q13, Q14, Q15, Q16, R16, R17, Q17, Q18, P17, P18, P19, O19, P20, O20, R21, P22, O22, P23, O23, O24, O25, O26, O27, N32, N33, H57,H58, H59, H60, I60, H16, I61, H62, I62, I63, B3, C3, C4, B4, B5, B6, B7, B8, B99, C8, C9, C10, C11, C12, C13, C14 & B7	366.94		Overlap with HCVA 2.3, 4.1., 5 and 6
1.4	S33, S32, S31, S30, S29, S28, S27, R27, Q27, H57, H58, H59, H60, I60, H61, I61, H62, I62, I63, B3, C3, C4, B4, B5, B6, B7, B8, B9, C8, C9, C10, C11, C12, C13 & C14	151. 14		Overlap with HCVA 1.1 & 4.1.
Total area of HCV 1			366.94	
2.3.	S33. S32, S31, S30, S29, S28, S27, R27, Q27, R13, R14, Q13, Q14, Q15. Q16, R16, R17, Q17, Q18, P17, P18, P19, O19, P20, O20, R21, P22, O22, P23, O23, O24, O25, O26, O27, N32, N33, H57, H59, H60, I60, H61, H62, I62, I63, B3, C3, C4, B4, B5, B6, B7, B8, B9, C8, C9, C10, C11, C12, C13 & C14	339.84		Overlap with HCVA 1.1, 1.2, 1.4. and 4.1.
Total area of HCV 2			339.84	
4.1.	S33. S32, S31, S30, S29, S28, S27, R27, Q27, R13, R14, Q13, Q14, Q15. Q16, R16, R17, Q17, Q18, P17, P18, P19, O19, P20, O20, R21, P22, O22, P23, O23, O24, O25, O26, O27, N32, N33, H57, H59, H60, I60, H61, H62, I62, I63, B3, C3, C4, B4, B5, B6, B7, B8, B9, C8, C9, C10, C11, C12, C13 & C14	823.28		Overlap with HCVA 1.1.
4.3.	U20, T19, S18, R19, Q19, S34, S33, R34, R33, R32, R31, Q31, Q30, Q29, P13, P14, P15, P16, P17, P18, O18, P19, O19, P20, O29, O30, N30, N31, N32, N33, N34, M13, M14, M15, M16, M17, M18, M19, L19, L20, L21, L22, L23, L24, L25, K25, K26, K27, K28, K29, K30, K31, K32, K33, K34, K35, J35, J36, H52, H53, H54, H55, I52, I51, I50, I55, J50, J51, J52, J53, J54, J55, J56, J57, J58, K58, K57, K56, L55, L56, L57, L58, L59, L60, L61, K61, K62, L62, L63, L64, L65, L66, L67, L68, M68, M69, M70, M80, L80, L81, L82, K82, K83, K84, K85, A2, A3, B3, B4, C4, D4, D5, E5, E6, E7, E8, E9, E10, E11, E12, D11, D12, D13 & D14.	431.59		Overlap with HCV 4.1.
Total area of HCV 4			762.91	
5.	B7		30.00	Overlap with HCV 1.1.
6.	K70, R25, S27,T27, r27,T22, P16, S14, M25, B7, B6, C8 & C7		170.00	Overlap with HCV 5
Total HCV area			**926.30**	

Figure 2. Map of Combined HCV at PT Susantri Permai



a. Summary of SEIA Findings

Social Issues:
The villages that are likely to be affected directly by the development of oil palm plantations by PT SP are Supang, Harung Tabengan, Ruhung Bungai, Tangirang, Sei Hanyu, Bulau Ngandung, Tumbang Puruh, Katanjung, Hurung Tampang, Baronang II, Tumbang Bokoi, Karetau Mantas, Lawang Tamang, Masaha, Sei Pinang, Tumbang Manyarung dan Tumbang Tihis in Kapuas Hulu District, Kapuas Regency, Central Kalimantan. Eight villages are located within the concession while the reminder has land that the inhabitants are presently using for subsistence agriculture that is also within the concession. Four villages are located outside the concession but have an indirect interest through the potential for employment.

Total population of all the villages is 14,130 with the size of villages ranging between 165 until 3,080 persons. There are approximately 4,500 people of working age available to meet the labour requirements of the project.

Ethnic Groups:
Dayaks account for 80 % of the population, with the remaining population made up by Banjars (15%) and Javanese (5%). The local people marry at a very young age, mostly at 15 to 16 and in some cases even younger.

Education:
There is an Elementary School in each village and approximately 67% of the total population has received elementary level schooling. Approximately 20% have attained Junior High School, 1% Senior High School and less than 0.1% has gained university education.

Health:
The people in the development area generally have poor health status due to lack of training in hygiene and the absence of safe drinking water supplies. In June-July 2007, there was an epidemic of diarrhea at Sei Hanyu, where more than 200 people were affected. A survey carried out in 2003 found that more than 60% of the people use water from the river for domestic purposes, including drinking without boiling. Health infrastructure is minimal, and medical facilities including medical personnel are required. Doctors only can be found in the cities located at the district and regency.

Economy:
About 90% of the Dayak households are involved in shifting cultivation of paddy (dry-land rice), the main commodity grown. Income from rice paddy is supplemented with rubber, illegal logging, illegal mining and to a lesser extent, fishing and hunting. The Banjar and Javanese are mainly involved in trading and operate small stores that are located in some villages.

Potential positive and negative developments:
The proposed oil palm development by PT SP is located within an area that has been subjected to heavy logging and clearing for shifting agriculture. PT SP's proposed oil palm development would eventually replace the logged over forest and secondary re-growth that is part of shifting cultivation system. However, PT SP will need to ensure that the local community retains adequate land to meet their requirements for the growing of food crops to minimize the likelihood of expansion of small scale agriculture to the surrounding forest land.

Land acquisition:

The local people do not have certificate of title of land, which is occupied on a customary basis which anyone is allowed to use. The process of opening up land as well as the planting of rubber is designated according to individual or family ownership. Presently, there are no disputes either within or between villages. There are defined village boundaries along linear features such as rivers and roads. However, there are no defined spatial or areal boundaries between villages from the roads and rivers.

The people will need to be compensated for the relinquishment of the land that they use for crops and rubber production. Guidance for the level of compensation or "ganti rugi" is set at district level but is usually agreed upon negotiations.

5. Internal Responsibility

Formal sign-off by Assessors and Company.

This document is the Summary of HCV assessment and SEIA (Social and Environment Impact Assessment) of PT Susantri Permai.

Faculty of Agriculture, Palangkaraya University
Yayasan Kelapa Sawit Berkelanjutan Indonesia
Environmental Management & Monitoring Pty Ltd

Ir. Bismart Ferry Ibei, M.Si	Iman K. Nawireja
Team Leader HCV	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 Susantri Permai by Faculty of Agriculture Palangkaraya University and Environmental Management & Monitoring Pty Ltd will be applied as part of the guidelines in developing and managing PT Susantri Permai.

Prepared By	Approved By
	
Dr. Faizal Amri Amran	Salim Bin Abdul Rahim
Group Sustainability Manager	Director