

Poliamba Limited

Proposed Lamendauen Plantation

Kavieng District

New Ireland Province

Summary Report of Social and Environment Impact Assessment

1.0 Executive Summary

New Ireland Province is situated in the north-eastern corner of Papua New Guinea. The main island, also known as New Ireland, is the second largest in the Bismarck Archipelago. Other islands within the province include New Hanover, Tigak, Djaul, Tench, Emirau, Mussau, Tabar, Lihir, Tanga and Anir. New Ireland is a narrow and mountainous island geographically aligned NW to SE. It is approximately 250km long and varies from 15 to 50km in width. The island can be divided into northern and southern New Ireland at 4°S latitude.

For political and public administration, New Ireland Province is divided into two districts: Kavieng in the north and Namatanai in the south. Kavieng district is sub-divided into four Local Level Government (LLG) areas: Murat Rural, Kavieng Urban, Lavongai Rural and Tikana Rural. Namatanai district is made up of four LLG areas: Namatanai Rural, Nimamar Rural, Tanir Rural and Konoagil Rural. Kavieng town is the administrative capital of the province. The total land mass of the province is 9,557km² and the population recorded in the 2011 National Census was 161,165.

Geologically, northern New Ireland consists mostly of karst limestone with raised coralline limestone forming the flat lowlands along the coast. The two main soil types are Inceptisols (young, well-drained and moderately weathered soils) and Mollisols (high organic matter limestone-based

soils). The region has a predominantly hot, humid, tropical climate with year round rainfall. Oil palm is currently grown on the coastal lowlands along the western and eastern coasts of northern New Ireland.

New Ireland has endemic plant and animal species resident in limited geographical ranges and therefore vulnerable to significant ecosystem disturbances. It also has a biologically rich marine environment dominated by fringing coral reefs, which are closely inter-linked to a range of shoreline habitats including sandy beaches, estuaries, sea-grass beds, mangroves and rocky shores.

Poliamba Limited (POL) is the only oil palm company operating in New Ireland Province. It is part of the Kula Group under New Britain Oil Palm Limited. POL operates a mill that processes fresh fruit bunches (FFBs) from its plantations and smallholder village oil palm (VOP) blocks. The company was certified by British Standards International (BSI) as a sustainable palm oil producer under the Roundtable on Sustainable Palm Oil (RSPO) in March 2012. Due to the present moratorium on lease-lease-back arrangements involving customary land, additional oil palm planting can only be carried out on State lease land and VOP blocks.

In 2012, Catherine Graham and Darryl Jee who are current State lease holders of Lamendauen Plantation invited POL to examine the viability of establishing an oil palm plantation on the land. This request was timely because a year earlier, the company had commissioned AJFM Dekker to carry out a High Conservation Values (HCV) assessment that included the Lamendauen Plantation area. In August 2013, Narua Lovai was engaged to conduct a social and environment impact assessment (SEIA) focussing on the Lamendauen Plantation area.

Lamendauen Plantation is located in Kavieng District on the east coast lowland area of New Ireland about 9.39km west of the POL mill and head office at Lakurumau. From its waterfront boundary, the plantation extends about 2,200m inland. The State lease covers 225ha but excluding buffer

zones and the disputed rear segment, the total plantable area is around 169ha. The coastal villages immediately next to the plantation are Lakarol to the west and Luburua to the east.

Lamendauen Plantation is a discontinued coconut plantation on land alienated by the State in the colonial period so the original vegetation was cleared a long time ago. There are no primary forests, fragile soils and peat soils in the area. Apart from the coconut palms on the foreground area, the leaseholders have allowed secondary vegetation to thrive on the rest of the plantation area. Due to its abandoned state, the local villagers enter the secondary re-growth area to collect coconuts and harvest poles and bamboo for traditional style houses as well as hunt for wild pigs. A number of people who have made gardens and set up VOPs in the rear portion of the plantation are claiming ownership of that area. This portion also has some sago stands from which the local villagers occasionally extract sago.

The Kavieng District Court recently reaffirmed the lease title held by Catherine Graham and Darryl Jee and the claimants for the rear portion of the plantation have indicated that they may pursue the matter in the National Court. In view of the recent history of land use on that part of the plantation, POL may choose to allow these claimants continued access to the land by including a specific clause in the lease agreement that caters for this arrangement. In addition, another group of landowners may be challenging the validity of the State lease over the whole plantation in the National Court. It is not certain whether these court actions will eventuate.

Apart from the two groups disputing the ownership of the land, the rest of the villagers acknowledge that the land is State owned and is currently leased to Catherine Graham and Darryl Jee. The people have adequate customary land beside and behind the Lamendauen Plantation to make gardens, collect coconuts, as well as extract sago, bamboo and poles.

The villagers support the setting up of the oil palm plantation as it may improve access to their land for traditional uses and cash crop cultivation as well as provide direct and indirect employment and spin-off contractual work. However, they are anxious about the potential contamination of the groundwater, shoreline spring water and near-shore marine waters by silt and agrichemical residues carried by rainfall runoff.

The village leaders are optimistic that improved access to the interior may also make it easier for them, with government and donor support, to install gravity-fed water supply systems using water from the foothills of the Schleinitz Range. This will eliminate the need to use the shoreline spring water during the dry season.

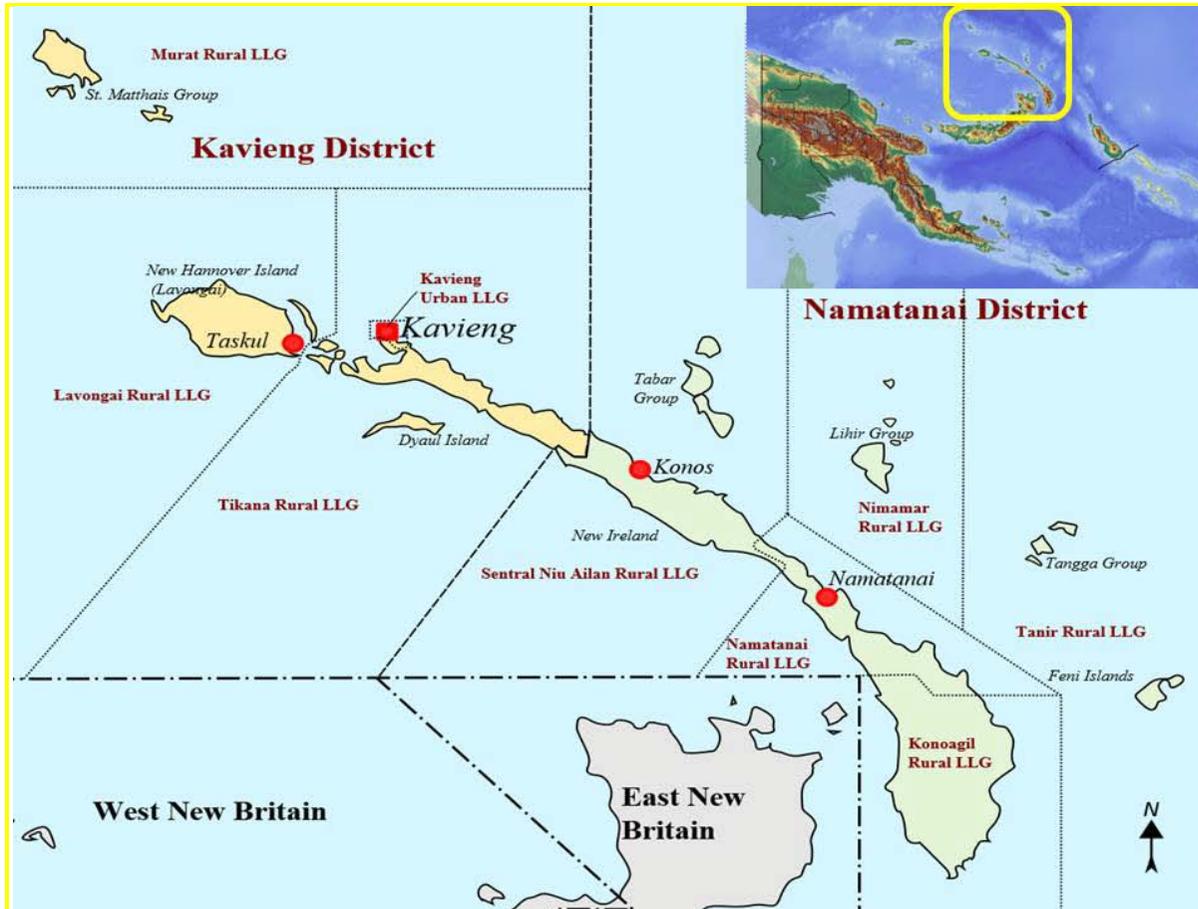
As this is an existing agricultural lease the current use and status of the land only needs to be confirmed via a SEIA. The assessment has verified the current FPIC situation as well as the absence of primary forest, HCV and peat soils. The recommended Environment Management and Monitoring Programme for the plantation is designed to enable POL to set up the oil palm plantation with appropriate safeguards that may prevent or minimize silt and agrichemical degradation of groundwater, shoreline spring water and near-shore marine water.

2.0 Scope of the Social and Environment Impact Assessment

- (a) Organisational information and contact persons
- Mr. Joe Castle
General Manager
Poliamba Limited
 - Dr. Petra Meekers
Group Sustainability Manager
NBPOL
 - Ms. Katrina Durham
Sustainability Manager
Poliamba Limited
 - Mr. Cedric LeBlowas
Field Manager
Poliamba Limited
 - Ms. Theresa Tendy
Lands Officer
Poliamba Limited
 - Ms. Carol Aigilo
Sustainability Officer
Poliamba Limited
- (b) List of Legal documents, regulatory permits and property deeds related to the areas assessed
- Copy of original lease title sighted

(c) Location maps

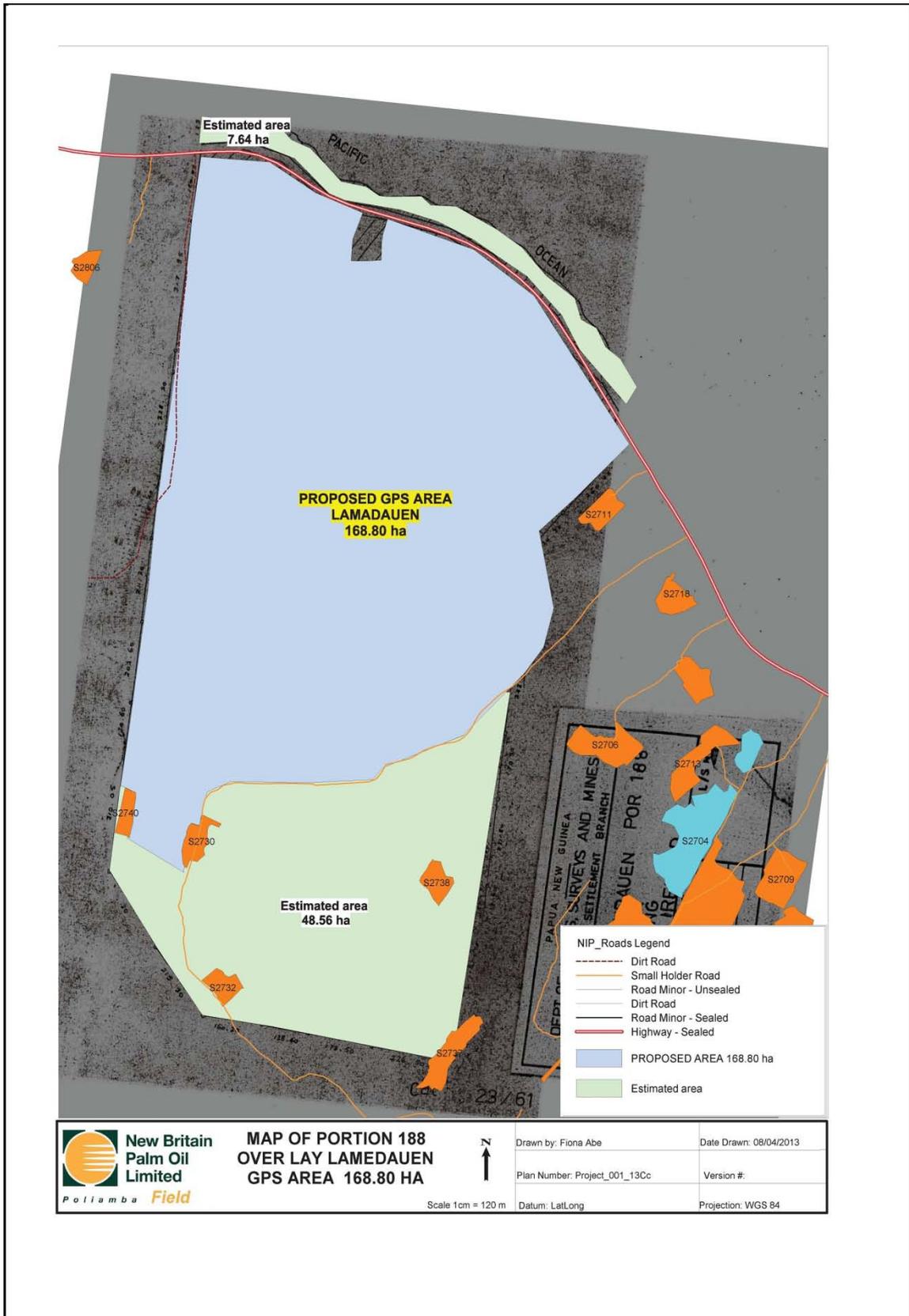
(i) Map showing location of New Ireland Province relative to rest of PNG



(ii) Map showing location of Lamendauen Plantation



(iii) Map showing layout of Lamendauen Plantation land



(d) Area of new plantings and time-plan for new plantings

- (i) Total area of plantation: 225ha
- (ii) Net area excluding unplantable areas: 169ha
- (iii) Planting schedule

Month/Year		Sep 2013	Oct	Nov	Dec	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug 2014
	Activity												
a	Negotiations with leaseholders on sub-lease agreement												
b	Site survey and marking of buffer areas, planting lots, roads and drains												
c	Removal of vegetation on plantable area												
d	Preparation of planting lots as well as installation of roads and drains												
e	Planting of cover crop and seedlings												

3.0 Assessment process and procedures

(a) Assessors and their credentials

Mr. Narua Lovai has a Bachelor of Science Degree in Applied Chemistry from the PNG University of Technology, a Master of Engineering Science Degree in Hydrology and Water Resources Management from the University of Adelaide, Australia and a Diploma in Professional Writing and Editing from Australian College QED, Sydney, Australia. He has worked with the PNG Department of Environment and Conservation, South Pacific Brewery, International Waters Programme (Secretariat of the Pacific Regional Environment Programme), Oil Search Limited and ExxonMobil PNG Limited.

Since 2006 he has been working as a Freelance Environment and Project Management Consultant. His expertise and skills include strategic planning, organizational management, outcomes-based project management, policy formulation and revision, natural resources legislation compilation and revision, baseline environmental data collection, waste management and cleaner technology, water pollution assessment and mitigation, hydrological data acquisition and analysis, integrated catchment management, environment impact assessment, socio-economic impact assessment, environmental compliance and audit monitoring, stakeholder engagement for community development, and professional writing and editing.

In relation to RSPO specifically he has continuously participated in RSPO audits and assessments since 2008.

(b) Assessment methods (data sources, data collection, dates, programme, places visited)

(i) Assessment methods

- Literature review
- Site inspection
- Stakeholder consultation

(ii) SEIA programme

Day	Time	Activity
4-Aug-13	PM	(i) Travelled from Port Moresby to Kavieng
5-Aug-13	AM	(i) Entry meeting with Poliamba Limited personnel
		(ii) Meeting with leaseholders
	PM	(i) Meeting with New Ireland Provincial Government Officials
		(ii) Meeting with NGOs working in the province
6-Aug-13	AM	(i) Meeting with local NGOs
		(ii) Meeting with representatives from villages next to Lamendauen Plantation
		(iii) Inspection of Lamendauen Plantation
	PM	(i) Meeting with representatives from villages next to Lamawan Plantation
		(ii) Inspection of Lamawan Plantation
7-Aug-13	AM	(i) Preparation for exit meeting with Poliamba Limited personnel
		(ii) Exit meeting with Poliamba Limited personnel
		(iii) Data compilation for SEIS reports
8-Aug-13	AM	(i) Returned to Port Moresby from Kavieng

(c) Stakeholders consulted

• **Meeting with leaseholders in Kavieng on 05 August 2013**

	Name	Designation
1	Catherine Jee Graham	Landowner
2	Ian Graham	Husband of Catherine Jee
3	Gerald Jee	Landowner
4	Geraldine Jee	Landowner

• **Meeting with Provincial Government officers and NGO representatives in Kavieng on 05 August 2013**

	Name	Location	Designation
1	Max Kuduk	New Ireland Provincial Affairs	Climate Change Coordinator; Environmental Officer
2	Venantius Gaul	New Ireland Lands Office	Customary and Alienated Lands Officer
3	Modi Ponti	Wildlife Conservation Society (NGO)	Program Coordinator

- **Meeting with Neighbouring Ward Committees in Luburua Village on 06 August 2013**

	Name	Designation
1	Michael Wotangas	President - New Ireland Oil Palm Growers Association – Luburua Village
2	David Tolivai	Tikana LLG Ward 9 Member – Lakarol Village
3	Ken Bart	Tikana LLG President – Luburua Village

- **Meeting with local NGOs in Fangalava Village on 06 August 2013**

	Name	Designation
1	Patrick Topital	President of Roots of Change
2	John Aini	President of Ailan Awareness and President of Lavongai LLG
3	Rose Elias	President of Women in Oil Palm – New Ireland

(d) List of Legal, regulatory and other guidance referenced

- (i) Environment Act 2000
- (ii) Public Health Act 1973
- (iii) Land Registration Act 1981
- (iv) RSPO PNG NIWG (Revised 17 March 2008)
- (v) RSPO New Planting Procedures (12 May 2010)

3.0 Summary of assessment findings (for SEI assessments)

(a) Summary of key findings in respect of socio-economic impacts to country, region and local communities.

- Increased area under planting, increased FFB, increased export of CPO and KPO and therefore more taxation revenue for the nation.
- More employment opportunities and therefore more regular wage earners and more income into the local economy.
- More opportunities for contractual support by local entrepreneurs.
- Improved access to customary land in the interior for subsistence gardening, cash cropping including VOPs and extraction of traditionally useful forest products.
- Better access to the hinterland may also facilitate installation of a gravity-fed water supply system for

Luburua village and Lakarol village by the LLG and Provincial Government.

(b) Summary of key findings in respect of socio-economic impact in respect of emergent communities (workers, suppliers, etc.)

- Additional outside workers will be accommodated in existing housing compounds. Major upgrading of plantation worker housing currently underway.
- While at work on the plantation, outside workers should keep away from customary owned land and forest resources.

(c) Issues raised by stakeholders and assessors comments on each issue.

(i) Plantation on State leased land so the establishment of the oil palm plantation is a matter between the lease holder and POL.

- The Kavieng District Court has upheld the validity of the lease title held by Catherine Jee Graham and Darryl Jee as joint tenants. This verdict is unlikely to be overturned by another law court in the country.
- POL and the leaseholders may agree to allow land claimants using the rear of the plantation to continue using the land.
- Most villagers acknowledge the ownership of the plantation land and welcome the planting of oil palm.

(ii) Nearby villagers are gravely concerned about the potential impact on the local environment by runoff contaminated by silt and agrichemical residues. The expected impacts are pollution of groundwater and near-shore marine water. Baseline data is essential to measure changes over time.

- The villagers are directly dependent on the environment for their subsistence livelihood so their concerns are understandable.

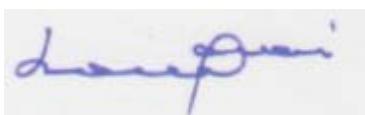
- In order to confidently respond to accusations of being the cause of various illnesses experienced by the villagers, POL is advised to build a water quality data base for groundwater and near shore marine waters beginning with pre-development water sampling for laboratory analysis.
 - NGOs acknowledged that without monitoring data POL cannot be accused of causing environmental degradation in the oil palm growing areas in the province.
- (iii) Villagers contemplating VOPs and other cash crops as a result of improved access to land behind the plantation ought to consider food security and increased dependency on imported processed food.
- This is entirely up to individuals and families that want to engage in cash cropping. Most people accept that too much processed food is not good for their health and they are making provision for local garden food. These can be either bought from the revenue they earn or grown in their food gardens. One local NGO known as *Roots for Change* is actively promoting organic farming as an alternative to traditional shifting cultivation. The objective is to reduce the rate of clearance of forest areas for new food gardens.

5.0 Internal responsibility

Formal signing off by assessors and company

Statement of acceptance of responsibility for assessments.

This summary of the SEIA report was compiled by Narua Lovai.



Narua Lovai

18 September 2013