

## Summary Report of SEIA and HCV Assessment

### PT Persada Graha Mandiri

#### Silat Hilir Sub-District, Kapuas Hulu District, West Kalimantan Province

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### 1. Executive Summary

PT Persada Graha Mandiri (PGM) is located in Silat Hilir Sub-District, Kapuas Hulu District, West Kalimantan Province. PT PGM's location permit is based on Kapuas Hulu District Head's Decree No. 303 dated 1 October 2012, which is valid until 1 October 2013 and covers an area of 18,868 ha. PT PGM has conducted a Social and Environmental Impact Assessment (SEIA) for the oil palm plantation development plan of PT PGM covering an area of 20,000 ha. The SEIA document was prepared by CV. Intergraha Citra Persada.

A social impact assessment (SIA) of PT PGM was performed in February 2013 by an internal team from PT SMART. The methodology used to identify social, economy, cultural situations in villages located in the vicinity of PT PGM's estates or mill included: a social survey with questionnaire, in-depth interviews, and focus group discussions. Primary data was collected through field visits. Secondary data was collected through a literature review of references like the SEIA study, High Conservation Values (HCV) Assessment report, and supporting literature from official government sources.

Identification and analysis of HCV in PT PGM was performed by a team from the Forestry Faculty of Bogor Agricultural University (Institut Pertanian Bogor – IPB) from March to April 2010. The team consisted of eight RSPO-approved HCV Assessors.

The HCV identification and analysis of PT PGM identified seven HCVs, namely: HCV1.1, HCV1.2, HCV1.3, HCV 2.3, HCV4.1, HCV5 and HCV6.

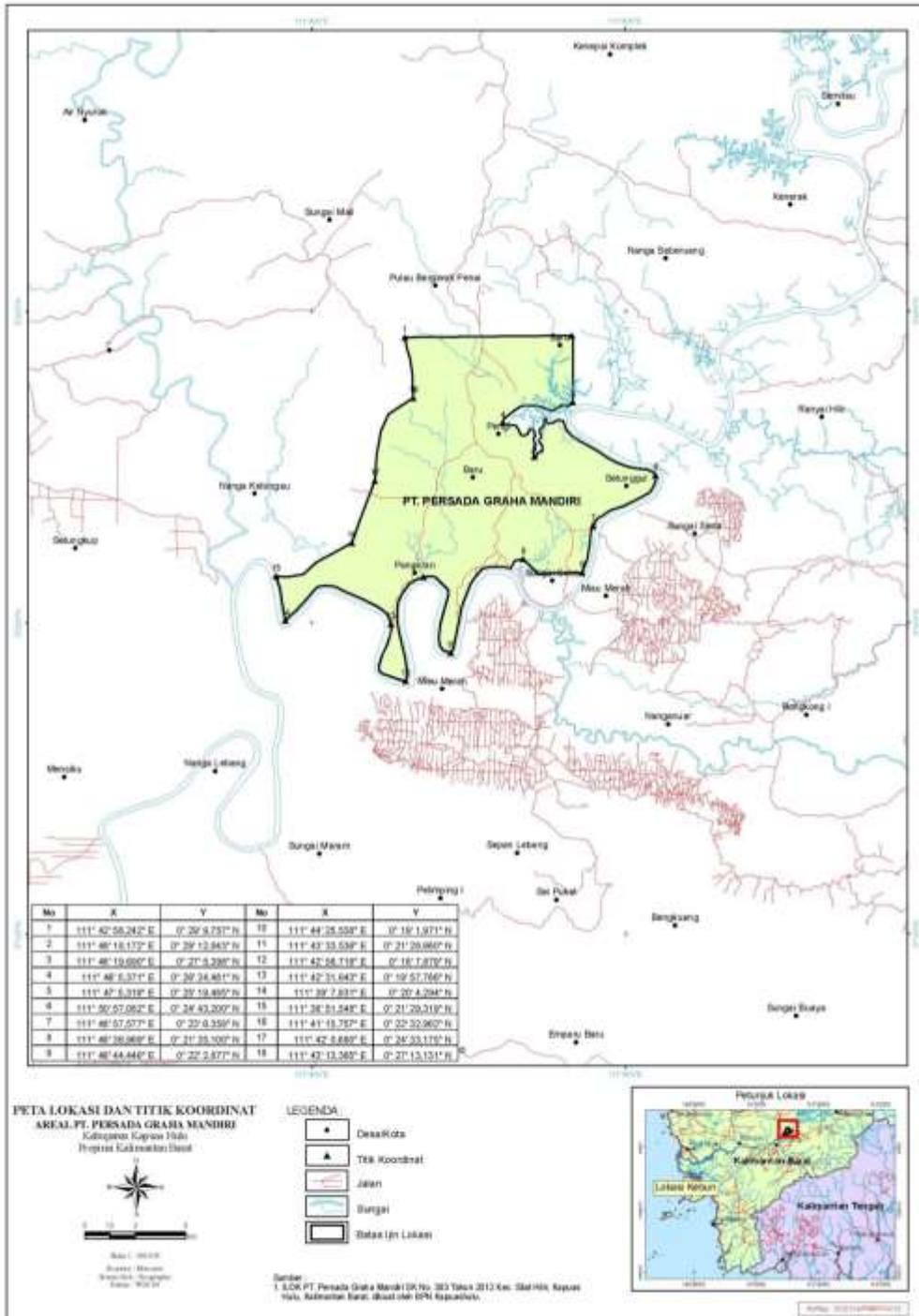
### 2. Scope of SEIA and HCV Assessment

- Company Name : PT Persada Graha Mandiri
- Location : **Silat Hilir Sub-District, Kapuas Hulu District, West Kalimantan Province**
- Geographical location : 111°38'51,548" – 111°50'57,082" E and 0°18'7,879" – 0°29'12,843"
- Boundaries
  - a. North : Area for other purposes (*Area Penggunaan Lain – APL*)
  - b. East : Area for other purposes (*Area Penggunaan Lain – APL*)
  - c. West : Sintang District
  - d. South : Oil palm plantation owned by PT Salim Group
- Licenses
  1. Extension of location permit based on Kapuas Hulu District Head's Decree No. 303 dated 1 October 2012, which is valid until 1 October 2013 and covers an area of 18,868 ha.
  2. Plantation business permit: Kapuas Hulu District Head's Decree No. 241/2012, dated 12 July 2012 covering 19,750 ha of oil palm plantation and a palm oil mill with capacity of 80 tonnes per hour.

3. Land use title (HGU): In process.

- Location Map: Figure 1

Figure 1 : Location map of PT PGM in Kapuas Hulu District



Note: Maps with higher resolution have been attached in appendix 1.

### **3. Assessment Process and Procedures**

#### **a. SEIA Assessment**

PT PGM has conducted a Social and Environmental Impact Assessment (SEIA) for its oil palm plantation development covering an area of 20,000 ha. The SEIA document was prepared by CV. Intergraha Citra Persada.

In addition, the company has also documented a Social Impact Assessment (SIA). The SIA was prepared by an internal team from PT SMART in February 2013. The team was led by an RSPO-approved HCV assessor's specialist in social impact management:

#### **SIA Team Leader:**

##### **Yosaphat Ardhilla Renato S. Ant.**

Currently working in PT SMART as a Corporate Social Responsibility (CSR) Officer specialising in social and cultural anthropology, he received a bachelor's degree in Anthropology from the Anthropology Study Programme of the University of Gadjah Mada (UGM) in 2010. He is also a member of the HCV Resources Network and an RSPO-approved specialist in participatory rural assessment, socioeconomic or cultural studies, participatory mapping and conflict resolution.

#### **Team Members:**

##### **Laurentius Vita Baskara S. Sos.**

A CSR staff specialising in social development and welfare, he obtained a bachelor's degree in Social Studies from the Faculty of Social and Political Studies at UGM in 2010. He has performed several social impact assessments for plantations and mills managed by PT SMART. He is also trained in the fields of Free, Prior, Informed Consent (FPIC) and social mapping.

##### **Veranita Mei Pratiwi S. Ant.**

A CSR staff specialising in social and cultural anthropology, she obtained a bachelor's degree in Anthropology from the Cultural Anthropology Study Programme of UGM in 2010. She is involved in several SIAs for PT SMART's plantations and mills.

##### **Suma Nugraha, S.E.**

A CSR staff specialising in socio-economics and politics, he earned a bachelor's degree in Economics from Bogor Agricultural University (IPB) in 2008. He previously worked as a supervisor in the World Bank Survey Project and Bravo Media Centre where he was assigned as a special staff for Vice President of Republic Indonesia. He has also worked as a supervisor in media relations and monitoring at PT FOX Indonesia Political and Strategic Consulting. He has been involved in social data collection and social impact management and monitoring at several of PT SMART's plantations and mills.

##### **Widodo C Yuwono**

Currently the Social Impact Assessment & Grievance Section Head at PT SMART, he previously pioneered CSR activities as the CSR Section Head. He obtained his bachelor's degree from Institut Keguruan Ilmu Pendidikan.

#### **Assessment Method**

##### **a. SIA Assessment**

The methodology used to identify social, economy, cultural situations in villages located in the vicinity of PT PGM's estates or mill included: a social survey with questionnaire, in-depth interviews, and focus group discussions. Primary

data was collected through field visits. Secondary data was collected through a literature review of references like the SEIA study, High Conservation Values (HCV) Assessment report, and supporting literature from official government sources.

Primary data was collected through field visits with several methods as mentioned above, while the literature review was considered a satisfactory source of secondary data. The other source of secondary data was the company's records of its CSR programme and local maps. The data was analysed according to relevant RSPO principles.

#### **b. HCV Assessment**

The HCV assessment was conducted by a team from the Forestry faculty of IPB.

##### **Team Leader**

##### **Ir. H. Nyoto Santoso, MS**

The Leader of HCV Team from IPB's Forestry Faculty, he obtained his master's degree from the Natural Resources and Environment Management Study Programme of IPB in 1992, He is an expert in biodiversity management and conservation. Since 1987 he has specialised in EIA, mangrove ecosystem management, inventory of flora and fauna of mangrove ecosystems, peat land, tropical rainforest and biodiversity management planning for the plantation industry, and management planning for forest conservation.

##### **Team Members**

##### **Ir. Siswoyo, MSi**

One of the HCV Team members from the Forestry Faculty of IPB, he specialises in flora ecology. He gained his post-graduate degree in Forest Management Science from the Forestry Faculty of IPB in 1999. His wide-ranging experience in HCV studies dates back to 2000. He also lectures on flora physiology at the Forestry Faculty of IPB.

##### **Handian Purwawangsa, SHut, MSi**

One of the HCV Team members from the Forestry Faculty of IPB, he specialises in social and cultural studies. He obtained his master's degree from IPB's Forestry Science Studies programme in 2008. His experience in social studies dates from 2002.

##### **Ir. Heru B Pulonggono, MSc**

A member of the HCV Team of the Forestry Faculty of IPB, he specialises in hydrology and soil conservation. He gained his master's degree with a specialty in Tropical Geography from Kyoto University, Japan. He is a lecturer at the Soil Science and Land Resource Department of the Agriculture Faculty of IPB.

##### **Ahmad Faisal Siregar, S. Hut**

Involved in social studies since 1997, his area of expertise is social and cultural. He gained his bachelor's degree in Forestry at IPB in 1998. He continued with post-graduate studies at IPB, specialising in Tropical Biodiversity Conservation. In addition, he is the current Executive Director of Research and Development at the Institute of Mangrove Indonesia.

##### **M. Sayidina Ali, AMd**

A member of the HCV Team from the Forestry Faculty of IPB, his area of expertise is geographical information systems. He obtained his diploma from the Ecotourism study programme at the Natural Resource and Ecotourism Conservation Department of the Forestry Faculty of IPB in 2007. He has been involved in HCV studies as a GIS

specialist since 2006. He is currently undertaking a bachelor's degree from the Forestry Faculty of Nusa Bangsa University, Bogor.

### **Sutopo, S.Hut**

One of the HCV Team members from the Forestry Faculty of IPB, his area of expertise is wildlife studies. He started his first HCV study in KPH Madiun in 2007, focusing on wildlife, while preparing his mini-thesis for a bachelor's degree, titled "Bird Species Diversity in Several Habitat Types in KPH Madiun - Perhutani Unit II East Java". He graduated from the Forest Resource and Ecotourism Department of IPB in 2008.

### **Sulfan Ardiansyah, S.Hut**

A member of the HCV Team from IPB's Forestry Faculty, he is an expert assistant in flora ecology. He obtained his bachelor's degree in Forest Resource Conservation and Ecotourism from the Forestry Faculty of IPB in 2008. He has specialised in flora ecology since 2009.

## **The HCV Assessment Phases**

The HCV identification and analysis was performed in PT PGM's concession from March 2010 to February 2011. It included seven days of field survey from 14 to 27 February 2010.

### **Data Collection Methods**

Stages in the HCV identification and analysis for PT PGM's concession included: collection of documents / HCV assessment report, review of HCV assessment reports, data and information collection, data analysis, HCV identification, mapping, and preparation of a management and monitoring plan for the identified HCV areas (HCVA).

### **HCV1, HCV2, HCV3**

The condition of the ecosystem in general and the types of vegetation and wildlife in some observation sites were recorded as field data. The types of vegetation and wildlife recorded were subsequently determined by referring to binomial nomenclature to identify the name of their type,. Their conservation status was then determined by referring to the list of protected species according to the IUCN, CITES, Government Regulation No. 7/1999 and several other Indonesian regulations.

### **HCV4**

Identification of HCV4 involved combining several methods. The field survey was conducted at certain locations in the region, such as the watershed, lakes, springs, riparian ecosystems, wetland ecosystems, land with a high rate of erosion, burnt areas, land clearing sites , nursery areas and sources of water supply for the community and employees. To obtain relevant data, some employees and members of the local communities around and within the study area were interviewed.

### **HCV5**

Various methods were used to identify HCV5 areas. Interviews were conducted with a number of respondents and a more detailed focus group discussion (FGD) was organised. Possible HCV5 areas as identified in the FGD were then checked on the ground.

### **HCV6**

Sources of data in the identification of HCV6 were members of the local communities including community leaders, as well as information from research, historical and other available documents. Information was also collected through the FGD.

#### 4. Summary of Assessment Findings

##### 4a. SEIA Assessment

The conclusions of the SIA were as follows:

1. PT PGM's presence has had a positive social impact on the communities living near its operations.
2. Positive impacts generated by PT PGM for the society include job and business opportunities, improved community welfare and contribution to regional development. Economic development and rising income levels are contributing to higher standards of living, as well as greater money circulation that creates substantial opportunities for further development in the region.
3. Acquisition and land compensation has been accomplished with prior notification and reached mutual agreement between the company and members of the community who receive compensation. Compensation process is in line with existing procedures in PT PGM.
4. PT PGM policy in relation with health and safety procedures have been implemented. This also brings another positive impact for the company's employees as their safety are now guaranteed.
5. Negative impact emerged in the social impact analysis and identification of PT PGM include local community's concern over land clearing and local labor quotas. Another negative impacts are the decline in the quality of public health in relation with lower water quality, diseases caused by air pollution, and the poor quality of environmental sanitation.

##### List of Social Issues which have Social impact in PT PGM:

No.	Social impact	Social issue
1	Improved employment opportunities and community income	Community income has improved since the company began developing infrastructure for its operations. Those members of the community member who are employed by the company earn a steady income.
		The company engages local contractors according to its needs.
		The growth in grocery stores, local businesses and increasing economic activity is generating more income for the community.
		Plasma programme in partnership with local communities.
2	Community concerns and social conflict	The company needs to pay attention to the local labour quota and adjust its labour requirements accordingly.
		Concerns due to uncertainty over the company's investment and management plan .
		Land acquisition and compensation can potentially cause conflict if there is disagreement about the compensation value for the acquired land or for crops planted by the community.
		Clarity over the plasma programme and a well-planned CSR programme.
		Involvement of government officials, informal leaders and cultural organisations in every stage of the land acquisition process and prior to construction.

3	Public health	Waste generated by the company's operations needs to be reused responsibly. Hazardous waste should be properly managed in partnership with third parties.
		Management and monitoring of water quality is required because water is a basic essential for the community.
		FFB transportation to the mill often creates air pollution and dust. The company needs to spend necessary efforts to reduce such pollution which can cause respiratory diseases.
4	Contribution to local development	In every aspect of its operations, the company complies with relevant laws and regulations, including paying tax.
		The number of graduates with higher education is increasing in the study area. The higher level of education in the local community underscores the company's contribution to the community.
		Villagers living in the vicinity of the company's operations receive various forms of social and cultural support from the company.

### General recommendations based on SIA

#### 1. Improvement of employment opportunities and community income

The company can improve employment opportunities for the local community by providing adequate information on relevant positions and qualifications to the local government to ensure that local workers are well informed and recruited. Once employed, all workers' health and safety are protected by the company's occupational health and safety policies.

Recommendations to increase community income include: stimulating the growth of local businesses (grocery stores and small shops) to fulfil the daily needs of the local communities and the company's workers. In addition, the company can also provide opportunities for local contractors to partner with it to provide the products or services it requires.

PT PGM also needs to develop a plasma programme which can potentially generate economic value for the local community and smallholders who participate in the programme. Plasma plantation development would require adequate communication and transparent information to be provided to the community, in order to avoid future conflict with the community due to uncertainty.

#### 2. Community concerns and social conflict

Socialisation in the early phase of PT PGM's operations underwent the process of FPIC. This started with socialisation of the company's investment plan, land compensation plan and EIA, with the company explaining its proposals regarding the oil palm plantation.

The process of delineating the area for land for compensation is important and will be useful if there is any future claim on the land acquired by the company. This is aligned with PT PGM's existing procedures on land compensation.

The company also needs to explain its plasma and corporate social responsibility (CSR) programmes, and update the community on their progress. These programmes are helpful in reducing the risk of social conflict. Communication on the plasma development is especially important because the local communities have high expectations of the programme. On the other hand, these high expectations could result in social conflict if the information provided to the local communities is incorrect or misunderstood. The company's managers should therefore be pro-active in reaching out to the local communities who participate in the plasma programme.

PT PGM needs to provide the local government with information on available job positions and qualifications as well as up-to-date data on employment. The company should prioritise pro-active communication with local stakeholders, socialisation in the initial phase of the plantation development and utilising local workers. These actions will make the company more cost efficient because it will not need to import workers from other areas. The company also needs to provide training on entrepreneurship so that the local community can diversify their sources of income. The delivery of this training can be done together with local officials who are competent in the field of entrepreneurship.

### **3. Public health**

The company needs to practise pro-active communication with stakeholders in the study area to inform the local communities about environmental and health management. The company also needs to educate and monitor its contractors closely in terms of environmental management in its operations and applying best practices in handling palm oil mill effluent and hazardous wastes. Environmental and social impacts should be monitored and reported regularly to the relevant government office. All these activities are recommended to address any negative impact on public health.

### **4. Contribution to local development**

Synergies can be achieved by integrating the social impact management programme with the long-term CSR programme into a strategic plan. The strategic plan could include: educational initiatives such as scholarships for outstanding students, and supporting social and cultural activities in the study area. The company's compliance with legal requirements to pay taxes also indirectly contributes to local development.

#### **4b. HCV Assessment**

Seven HCVs have been identified in PT PGM's concession: HCV1 (HCV1.1, HCV1.2, HCV1.3), HCV2 (HCV2.3), HCV4 (HCV 4.1), HCV5 and HCV6. They cover 1,172.95 ha of riparian, spring and swamp areas, as well as cultural heritage sites

#### **Recommendations**

1. Managers of PT PGM should prepare a management and monitoring plan for identified HCVA.
2. As soon as the HCVA management and monitoring plan is prepared, the managers of PT PGM should implement it.
3. The company should engage other relevant stakeholders to implement the management and monitoring plan.

### **HCVA management and monitoring plan**

#### **1. HCVA management**

The HCV management plan for PT PGM, covers the management of riparian areas, springs, lake areas, hills and cultural heritage sites. Actions to protect and improve the condition of HCV areas include:

- Marking of HCV area boundaries
- Maintenance of HCV area boundary markers
- Protection of flora and fauna in HCV areas
- Rehabilitation and enrichment in the HCV areas
- Socialisation to the local communities
- Employee training

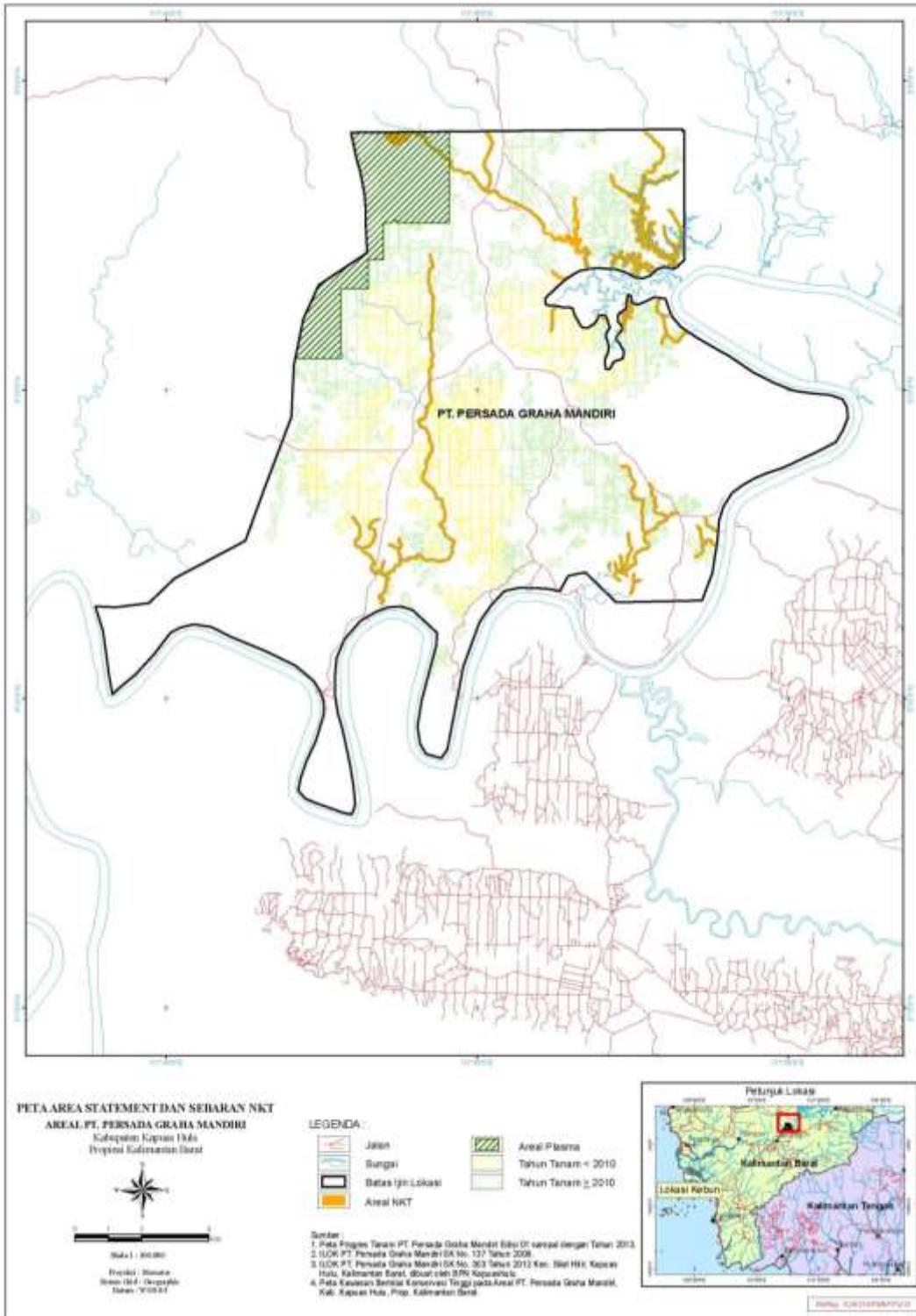
- Development / improvement of SOP for managing HCV
- Organisation Empowerment
- Coordination with relevant authorities

## **2. Recommendations for monitoring**

The following should be monitored in all HCV areas in the concession area of PT PGM:

- Disturbance intensity to the HCV areas, including fire risk
- Biodiversity and population density of rare, threatened, endangered species in HCV areas
- Rehabilitation and survival rate of vegetation planted in HCV areas
- Changes in river width
- Surface water quality and source of water
- Water biota in river

**Figure 2 : Map of HCVA and project plan in PT PGM**

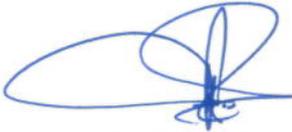


Note: Maps with higher resolution have been attached in appendix 1.

### **Internal responsibility**

We hereby sign off on the above Summary Report of SEIA and HCV, The above may be amended and clarified for improvement during the development of the plantation but it will remain in accordance with RSPO Standards and Principles.

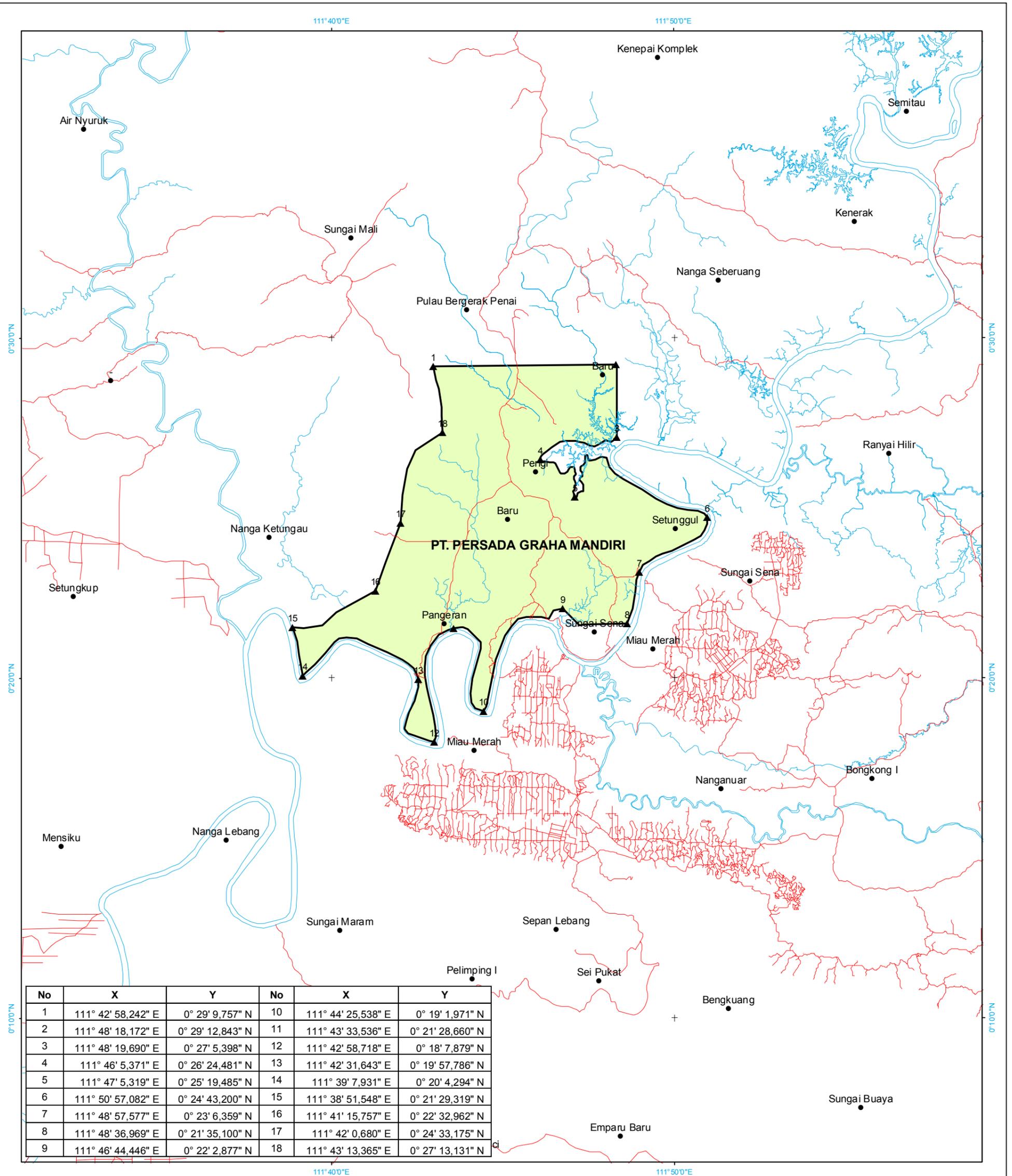
On behalf of the Management of **PT Persada Graha Mandiri**,



**Dr. Haskarlianus Pasang**

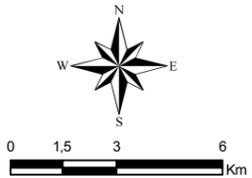
Head of Sustainability Division

Date: May 10<sup>th</sup>, 2013



No	X	Y	No	X	Y
1	111° 42' 58,242" E	0° 29' 9,757" N	10	111° 44' 25,538" E	0° 19' 1,971" N
2	111° 48' 18,172" E	0° 29' 12,843" N	11	111° 43' 33,536" E	0° 21' 28,660" N
3	111° 48' 19,690" E	0° 27' 5,398" N	12	111° 42' 58,718" E	0° 18' 7,879" N
4	111° 46' 5,371" E	0° 26' 24,481" N	13	111° 42' 31,643" E	0° 19' 57,786" N
5	111° 47' 5,319" E	0° 25' 19,485" N	14	111° 39' 7,931" E	0° 20' 4,294" N
6	111° 50' 57,082" E	0° 24' 43,200" N	15	111° 38' 51,548" E	0° 21' 29,319" N
7	111° 48' 57,577" E	0° 23' 6,359" N	16	111° 41' 15,757" E	0° 22' 32,962" N
8	111° 48' 36,969" E	0° 21' 35,100" N	17	111° 42' 0,680" E	0° 24' 33,175" N
9	111° 46' 44,446" E	0° 22' 2,877" N	18	111° 43' 13,365" E	0° 27' 13,131" N

**PETA LOKASI DAN TITIK KOORDINAT AREAL PT. PERSADA GRAHA MANDIRI**  
Kabupaten Kapuas Hulu  
Propinsi Kalimantan Barat

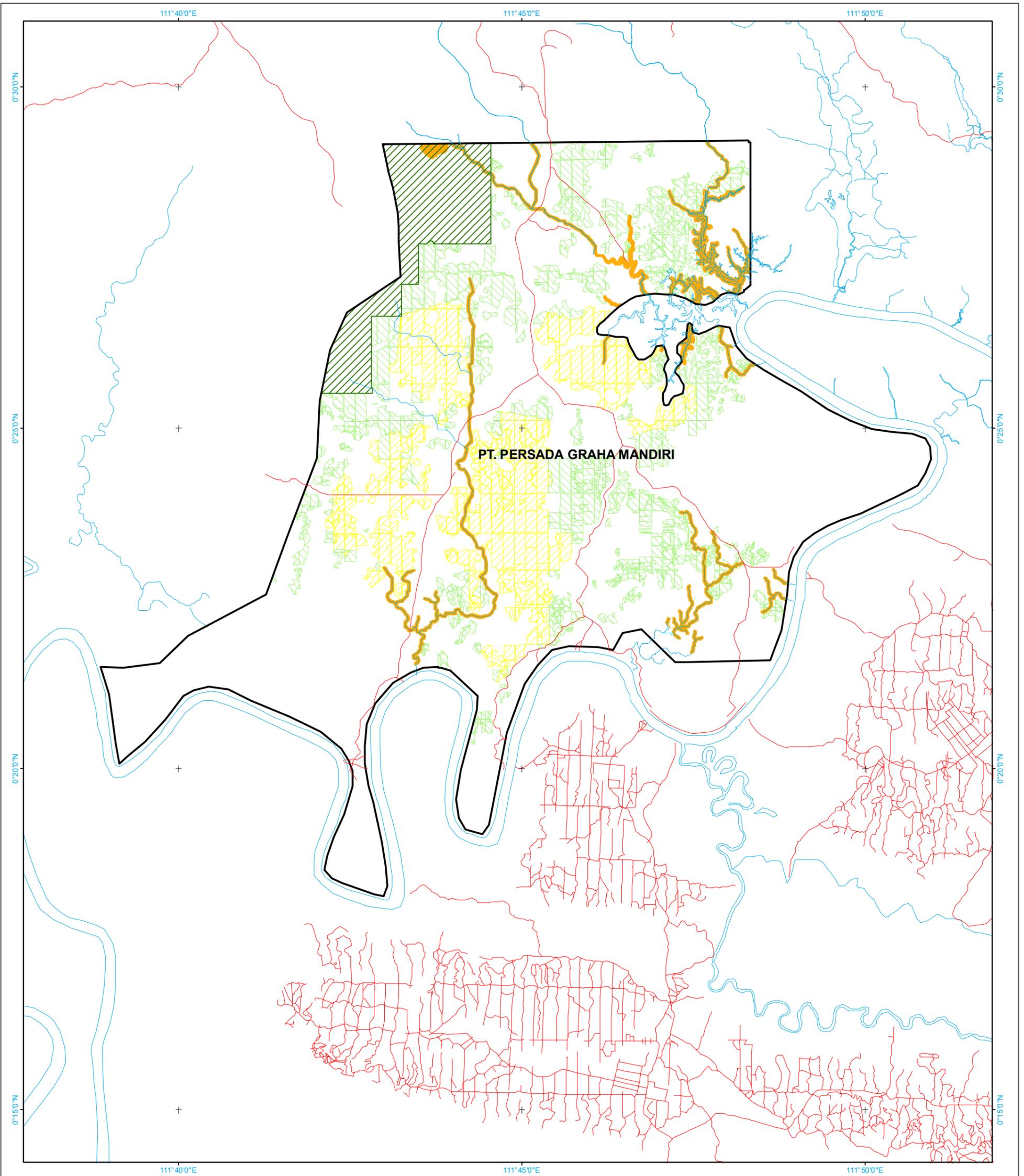


Skala 1 : 200.000  
Proyeksi : Mercator  
Sistem Grid : Geographic  
Datum : WGS 84

- LEGENDA :**
- Desa/Kota
  - Titik Koordinat
  - Jalan
  - Sungai
  - Batas Ijin Lokasi

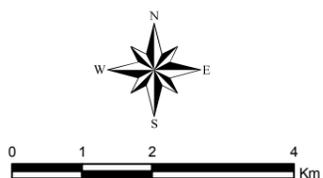
Sumber :  
1. ILOK PT. Persada Graha Mandiri SK No. 303 Tahun 2012 Kec. Silat Hilir, Kapuas Hulu, Kalimantan Barat, dibuat oleh BPN Kapuas Hulu.





**PETA AREA STATEMENT DAN SEBARAN NKT**

**AREAL PT. PERSADA GRAHA MANDIRI**  
Kabupaten Kapuas Hulu  
Propinsi Kalimantan Barat



Skala 1 : 100.000

Proyeksi : Mercator  
Sistem Grid : Geographic  
Datum : WGS 84

**LEGENDA :**

- |  |                   |  |                    |
|--|-------------------|--|--------------------|
|  | Jalan             |  | Areal Plasma       |
|  | Sungai            |  | Tahun Tanam < 2010 |
|  | Batas Ijin Lokasi |  | Tahun Tanam ≥ 2010 |
|  | Areal NKT         |  |                    |

**Sumber :**

1. Peta Progres Tanam PT. Persada Graha Mandiri Edisi 01 sampai dengan Tahun 2013.
2. ILOK PT. Persada Graha Mandiri SK No. 137 Tahun 2009.
3. ILOK PT. Persada Graha Mandiri SK No. 303 Tahun 2012 Kec. Silat Hilir, Kapuas Hulu, Kalimantan Barat, dibuat oleh BPN Kapuashulu.
4. Peta Kawasan Bermilai Konservasi Tinggi pada Areal PT. Persada Graha Mandiri, Kab. Kapuas Hulu, Prop. Kalimantan Barat.

