

Poliamba Limited

Proposed Lamawan Plantation

Namatanai 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 15km 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 consists of five LLGs: Sentral Niu Ailan Rural, 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.

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

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 VOP blocks. In March 2012, POL was certified by British Standards International (BSI) as a sustainable palm oil producer under the Roundtable on Sustainable Palm Oil (RSPO). Due to the present stoppage on lease-lease-back arrangements involving customary land, additional oil palm planting can only be carried out on State lease land and village oil palm (VOP) blocks.

In 2012, Ken and Maxie Morgan who are current State lease holders of Lamawan Plantation invited POL to explore the viability of establishing an oil palm plantation on the land. Consistent with the RSPO New Planting Procedure, the company commissioned AJFM Dekker in 2011 to carry out a High Conservation Values (HCV) assessment on its Plantations which included areas situated near the Lamawan Plantation. In August 2013, Narua Lovai was engaged to carry out a socio-environmental impact assessment (SEIA) for the Lamawan Plantation area and this report presents its findings and recommendations.

Lamawan Plantation is located in the Sentral Niu Ailan LLG area of Namatanai District on the lowland east coast area of New Ireland about 79km east of the POL mill at Lakurumau. From its high water boundary, the plantation extends about 1,300m inland and varies in width from 800m to 1,400m. The State lease covers a total area of about 158ha but the exclusion of buffer zones may compress the net plantable area to around 90ha. The coastal villages immediately next to the plantation are Lavatbura to the west and Katedan to the east.

Lamawan Plantation is a disused coconut plantation on land alienated by the State in the colonial period so the original vegetation was cleared decades ago. Since the plantation ceased commercial operations successive leaseholders have allowed the land to naturally regrow with secondary vegetation. Apart from a sandy strip in the foreground of the plantation which is inhabited by edible land crabs, there are no HCVs including primary forests, fragile soils and peat soils in the area. During the quarterly migration between their terrestrial habitat and the sea, the land crabs are captured by the local villagers for subsistence consumption. The sandy strip may qualify as a HCV 6 site but in any case it is well within the mandatory foreshore and Buluminski Highway reserve. In addition, the villagers occasionally intrude into the secondary re-growth area to collect coconuts, harvest poles and bamboo for traditional style houses as well as hunt for wild pigs.

The villagers recognize that the land is State owned and is currently leased to Ken and Maxie Morgan. The people maintain that they have adequate customary land beside and behind Lamawan Plantation to make gardens, collect coconuts, as well as extract sago, bamboo and poles.

The villagers support the establishment 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 nearby watercourses, swamps and near-shore marine waters by silt and agrichemical residues transported by rainfall runoff.

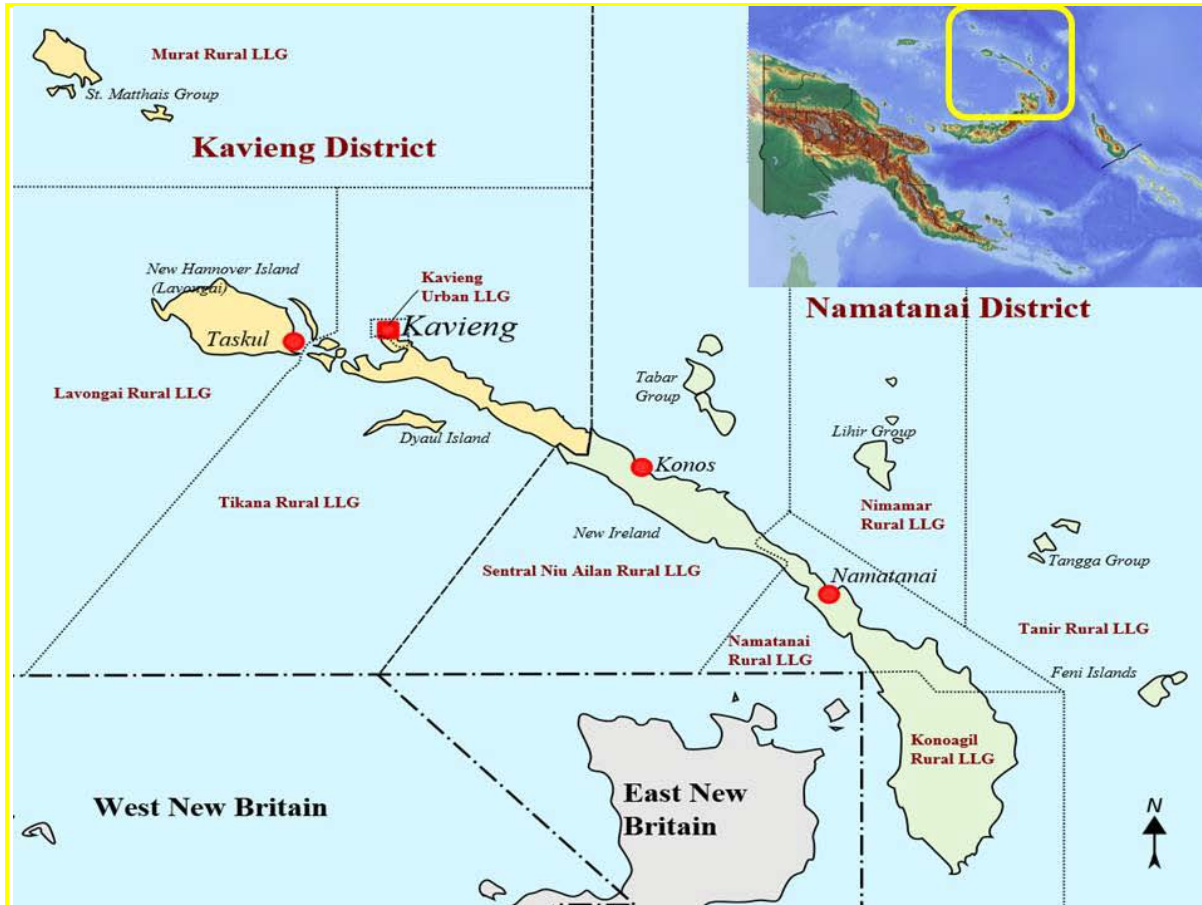
An Environment Management and Monitoring Programme has been recommended to POL to set up the oil palm plantation with appropriate safeguards formulated to prevent and minimize silt and agrichemical degradation of the nearby watercourses, swamps and near-shore marine waters.

2.0 Scope of the Social and Environment Impact Assessment

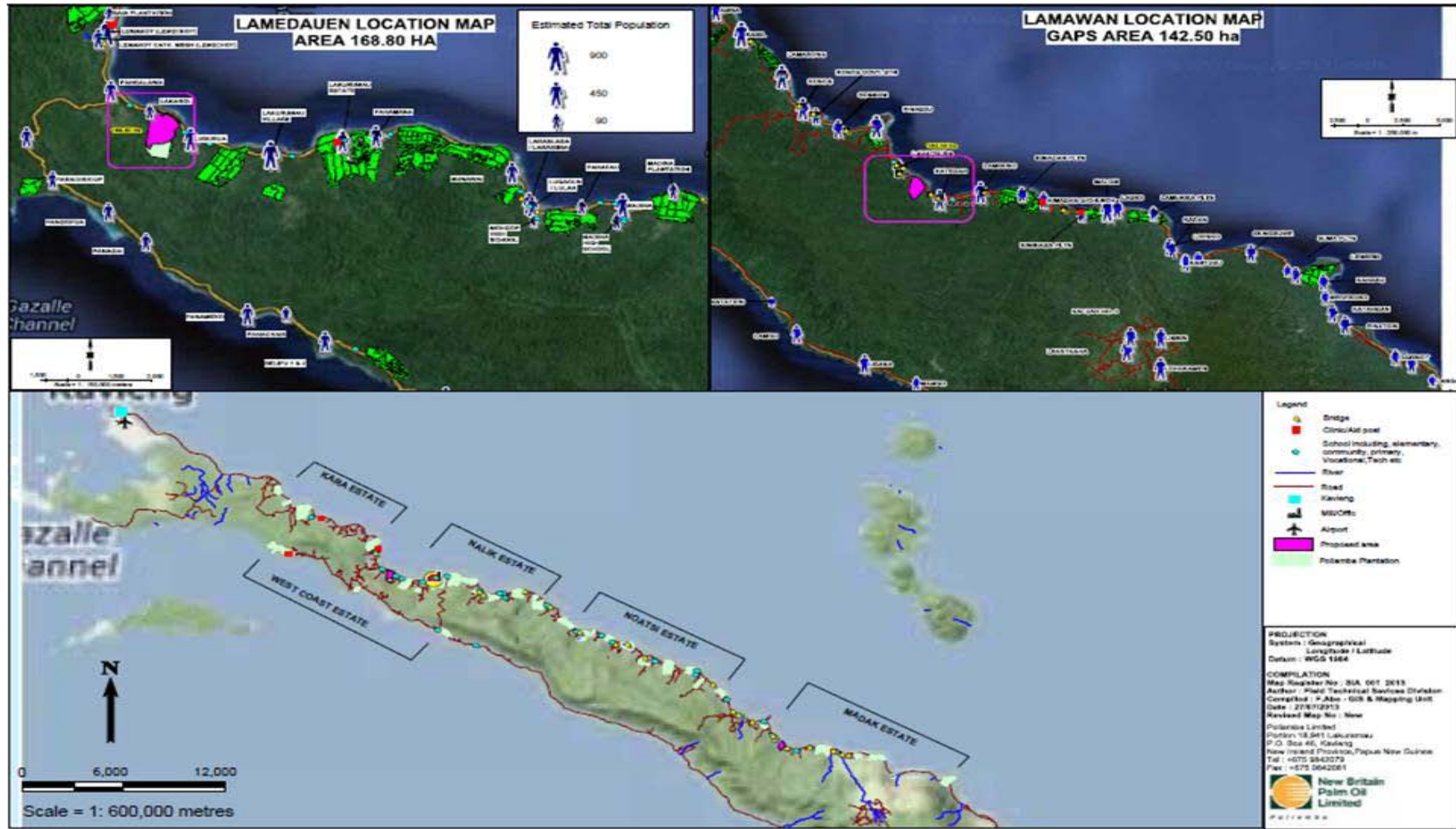
- (a) Organisational information and contact persons
- Mr. Joe Castle
General Manager
Poliamba Limited
 - Dr. Petra Meekers
Group Sustainability Manager
NBPOL
 - Ms. Katrina Durham
Sustainability Manager
Poliamba Limited
 - Mr. Cedric LeBlowas
Field Manager
Poliamba Limited
 - Ms. Theresa Tendy
Lands 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

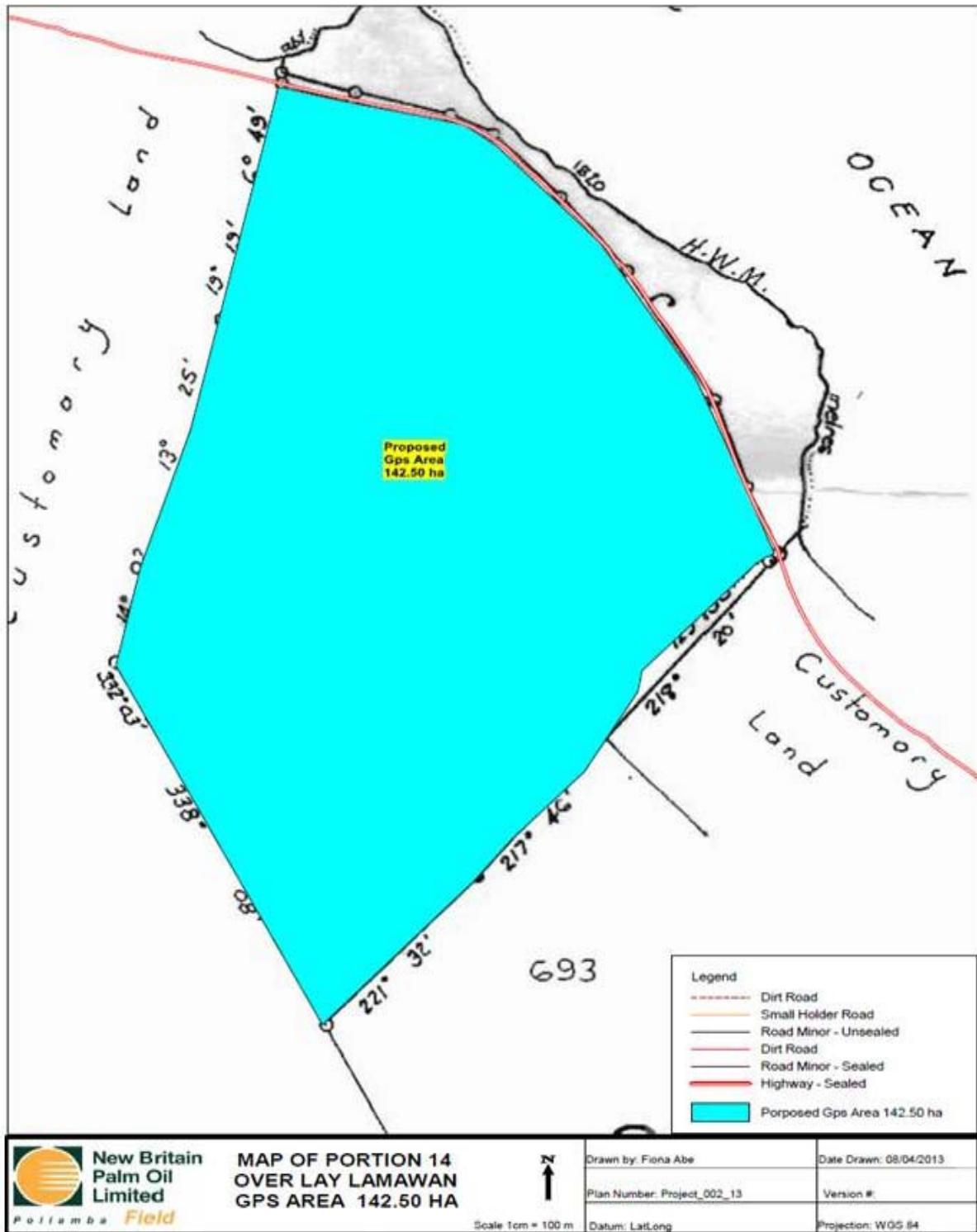
(i) Map showing location of New Ireland Province relative to rest of PNG



(ii) Map showing location of Lamawan Plantation



(iii) Map showing layout of Lamawan Plantation land



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

- (i) Total area of plantation: 158ha
- (ii) Net area excluding unplantable areas: 90ha
- (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	Ken Morgan	Landowner
2	Maxie Morgan	Landowner
3	Hilda Bernard	Relative of Landowner
4	Aureen Piteari	Relative of 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 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

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

	Name	Designation
1	Pakeri Monde	Church Leader – Katedan Village
2	John Mairom	Community Member – Katedan Village
3	Raphael Bilinga	Community Member – Lavatbura Village
4	Chris Lavis	V.P.C Chairman – Katedan Village
5	Ekonia Tobokon	V.P.C Chairman – Lavatbura Village
6	Rupen Gabriel	Vice V.P.C Chairman – Lavatbura Village
7	Noel Barpmus	Pastor – Lavatbura Village

(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.

(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. Illegal squatting on customary land is unlikely.
- Whilst 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) The plantation is on State leased land so its conversion to oil palm is a matter between the lease holder and POL.
- The nearby villagers acknowledge the ownership of the plantation land and welcome the planting of oil palm.
- (ii) The nearby villagers are anxious about the potential impact on the local environment by runoff contaminated by silt and agrichemical residues. The expected impacts are pollution of surface watercourses 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 dispel accusations of responsibility for 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

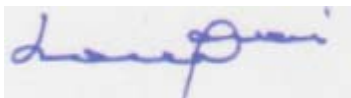
- degradation in the oil palm growing areas in the province.
- (iii) Villagers contemplating VOPs and other cash crops as a result of improved access to land behind the plantation ought to consider food security and increased dependency on imported processed food.
- This is entirely up to individuals 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.
- (iv) A sandy strip on the foreground area of the plantation beside the Buluminski Highway serves as the terrestrial habitat for land crabs that migrate seasonally to the sea for breeding. During these migrations they are captured for food by the villagers.
- The sandy strip habitat may qualify as a HCV 6 site but it is already well inside the mandatory foreshore and road reserve so it should get the required protection.

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