

Public Report Sustainable Forest Management System

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PUBLIC AUDIT REPORT – SFM

TO BE SUBMITTED TO THE CLIENT, IFCC AND TO AJA EUROPE



CLIENT NAME: PT DAYA TANI KALBAR

TOTAL HECTARES: 41,353 ha

SCOPE OF REGISTRATION: Sustainable Forest Management of 41,353 hectares of Plantation Forest in West Kalimantan Province

STANDARD/CRITERIA: IFCC SFM & CLIENT DOCUMENTED MANAGEMENT SYSTEM

TYPE OF AUDIT: Stage 2

AUDIT START DATE: November 6, 2019
AUDIT END DATE: November 9, 2019

In signing this document the Audit team confirms that they have had no involvement with the company under audit in terms of consultancy, training, direct employment etc. within the last 2 years and have no other involvement (financial, shareholding or commercial) that would constitute a Conflict of Interest

LEAD AUDITOR: Riyadi Sigit Pamungkas

SIGNATURE:

AUDIT TEAM: Priyo Handoko

SIGNATURE:

Mashari

SIGNATURE:

MAJOR CARS : 0

MINOR CARS : 3

SITE NAME (Legal Name):	ADDRESSES OF COMPANY SITES VISITED INCLUDING COUNTRY	DATE OF EACH SITE VISIT:
PT Daya Tani Kalbar	Batu Ampar and Kubu Raya District, Kubu Raya Regency and Simpang Hulu District Ketapang Regency – West Kalimantan - Indonesia	November 6 to 9, 2019
SITE NAME (Legal Name):	ADDRESSES OF ADDITIONAL SITES NOT VISITED BUT STILL COVERED BY THE REGISTRATION INCLUDING COUNTRY – TO BE COMPLETED IF CLIENT IS UNDER A SITE SAMPLING AUDIT PLAN	
	NA	

Brief Description of the concession

The area became concession based on the Decree of the Minister of Environment and Forestry of Republic of Indonesia No. SK.33/Menlhk/Setjen/HPL.0/1/2019 on January 17, 2019 concerning Amendment to the Decree of the Minister of Forestry Number 60/KPTS-II/1997 on January 28, 1997 concerning the Granting of the Industrial Plantation Forest Concession Rights of ± 56,060 hectares in Province of West Kalimantan Province to PT Daya Tani Kalbar. The area of IUPHHK-HTI PT. Daya Tani Kalbar which originally approximately 56,060 hectares changed to approximately 44,530 (forty-four thousand five hundred thirty) hectares consisting of Production Forest area of ± 42,232 (forty two thousand two hundred thirty two) hectares and Limited Production Forest of ± 2,298 (two thousand two hundred ninety eight) hectares. This change was related to the Land for Agrarian Reform Objects (TORA) policy.

PT Daya Tani Kalbar adjusted the RKUPHHK-HTI with the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No: SK.8503/MenLHK-PHPL/UHP/HPL.1/12/2018 regarding the Approval of the Adjustment of Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forests RKUPHHK-HTI) period 2017 to 2026 in the 2018 to 2019 activity year on behalf of PT Daya Tani Kalbar in West Kalimantan Province on December 10, 2018. Spatial plans based on the Adjustment of the RKUPHHK-HTI for the 2017-2026 period in the 2018-2019 activities years are as follows:

- a. Staple Plant = 17,110 ha (30.52%)
- b. Livelihood Plant = 14,626 ha (26.09%)
- c. Peat Protection Function Area = 24,324 ha (43.39%)

Based on the Decree of the Minister of Environment and Forestry Republic of Indonesia No. SK.33/Menlhk/Setjen/HPL.0/1/2019 on January 17, 2019, the concession area is ± 44,530 ha, there is a conversion of natural forest after December 31, 2010 of 3,177 ha, so the certified IFCC area is 41,353 ha which divided to staple plant area of 2,403 ha, livelihood area of 14,626 ha and 24,324 ha of peat protected area.

PT Daya Tani Kalbar has a ten-year plan, the Business Plan for Utilizing Timber Forest Products in Industrial Plantation Forests (RKUPHHK-HTI) for 2017 to 2026, approved based on the Decree of the Minister of Environment and Forestry of the Republic of Indonesia No: SK.8503/MenLHK-PHPL/UHP/HPL.1/12/2018 Regarding the Adjustment Approval for the 2018-2019 activity year on December 10, 2018. PT Daya Tani Kalbar has allocated a Protected Area covering an area of 19,903.43 ha (44.70%). The type of protected areas in work area of PT Daya Tani Kalbar covers a river border area of 7,728.37 ha (17.35%), Buffer Zone of 1,495.50 ha (3.36%), KPPN of 715.13 ha (1.61%), KPSL of 5,480.32 ha (12.31%), Cultural heritage area is 321.75 ha (8.72%) and the peat dome peak area is 4,162.36 ha (9.35%).

PT Daya Tani Kalbar is geographically located at coordinates 109° 37' 00" to 110° 04' 45" East and 0° 32' 35" to 0° 53' 45" South.

PT Daya Tani Kalbar in government administration is located in Batu Ampar District, Kubu Raya District and Simpang Hulu District, Ketapang Regency, West Kalimantan Province. The concession is bordered by several companies, namely:

- East side with PT. Mayangkara Tanaman Industri, PT. Asia Tani Persada and PT. Mayawana Persada
- North side with PT. Kandelia Alam, PT. Sari Bumi Kusuma, PT. Menggala Rambu Utama
- South side with PT. Gerbang Benua Raya plantations.

PT Daya Tani West Kalimantan has a slope of work area classes, namely:

- Flat (0-8%) = 52,417 ha (93.5%);
- Ramps (8-15%) = 3,594 (6.4%);
- Slightly steep (15-25%) = 49 (0.1%).

PT Daya Tani Kalbar's IUPHHK-HTI working area as a whole is peat land consisting of types:

- Sulfaquents; Hydraquents = 715 ha (1.27%);
- Tropaquepts; Fluvaquents; Sulfaquents = 4,764 ha (8.50%);
- Tropohemist, Tropofibrists = 23,330 ha (41.62%);
- Tropohemist, Troposaprist, Tropaquents = 27,251 ha (48.61%).

The company engaged in forest concession with the type of timber planted of *Acacia crassicarpa*.

Description of the socio-economic conditions of the concession and the concession's social programs

Based on the AMDAL document, High Conservation Value Assessment and interviews with Forest Protection Head of PT Daya Tani Kalbar, Sumber Agung Village Head and Simpang Aur Neighborhood Head, Tanjung Beringin Village, it is known that PT Daya Tani Kalbar's working area is located in the administrative area of Sumber Agung Village, Muara Tiga Village and Tanjung Beringin Village, Batu Ampar District, Kubu Raya Regency and in the administrative areas of Labai Hilir Village and Sekucing Kualan Village, Simpang Hulu District Ketapang Regency. In the five villages there were no indigenous peoples found in accordance with the requirements of the law (Law No. 27 of 2007 and Presidential Decree No. 111 of 1999). The people who live around these villages consist of Dayak, Malay, and transmigrant communities of Javanese, Sundanese, and others who embrace Christianity and Islam. Customs and culture that developed in the villages of migrants (transmigration) are dominated by Javanese cultural customs, while in villages that are still dominant Dayak ethnicity, their cultural customs are Dayak customs. The daily livelihoods of the people in the five villages are mostly farmers, fishermen, hunting for natural products and plantations, other livelihoods as teachers, employees of surrounding companies, health workers, security officers, etc.

Related to conflict resolution, it is known that the Management Unit already has a conflict resolution mechanism in the form of Standard Operating Procedure (SOP) and Work Instruction (WI) issued on August 1, 2017 and several SOPs have been revised according to the prevailing conditions and regulations. This procedure is used as a reference if there is a conflict so that the resolution or resolution of social conflicts is resolved by the principle of free, prior and informed consent (FPIC).

In order to establish good communication with the parties, PT Daya Tani Kalbar actively builds communication with the parties including with the village to district governments, to the Head of the West Kalimantan Provincial Forestry Office and the Ministry of Environment and Forestry.

PT Daya Tani Kalbar has prepared a Report on the Mapping of Potential Conflicts in the Working Areas of IUPHHK HTI PT Daya Tani Kalbar in 2018 and 2019. Based on the study of the calculation of various indicators (according to the provisions in Perdirjen PHPL No. P.5/PHPL/UHP/PHPL.1/2/2016) it is known that PT Daya Tani Kalbar has a Controlled Status (Low) with a value between 35 - 52%. In addition, the 2018 Conflict Resolution Work Plan and the 2019 Conflict Resolution Work Plan have also been prepared.

PT Daya Tani Kalbar has made a cooperation agreement with the community and with its partners in accordance with a participatory and fair agreement by considering the rights and obligations of the parties. Some of the agreements that have been made are in the forms of livelihood plants, harvesting and planting cooperation with the village and contractors

In order to minimize the negative impacts and optimize the positive impacts of the management of industrial plantations, PT Daya Tani Kalbar has compiled/integrated the results of the AMDAL study, High Conservation Value Assessment and applicable laws and regulations into the HTI management plan contained in the Work Plan for Timber Forest Product Utilization Business in Industrial Plantation Forest (RKUPHHK-HTI) document of PT Daya Tani Kalbar for a period of 10 years from 2017 to 2026 that was approved by the Minister of Environment

and Forestry through Decree of the Minister of Environment and Forestry Number SK.6130/MenLHK-PHPL/UHP/HPL.1/11/2017 on November 14, 2017.

In the RKUPHHK-HTI document of PT Daya Tani Kalbar contains a plan for the preservation of social functions which includes: Community Empowerment Plans through partnerships, Institutional Plan, and Social Management Plan.

The Management Unit of PT Daya Tani Kalbar provides adequate support in developing the capacity of the surrounding community, through the CD/CSR Program carried out including Community Forest Community Development (PMDH); Facilities and Infrastructure Development; Economic Partnership (Collaboration with village communities). The PMDH program includes education, youth assistance, religious assistance, Desa Makmur Peduli Api (DMPA) program.

Desa Makmur Peduli Api (DMPA) Program is one of the efforts of the Management Unit of PT Daya Tani Kalbar to harmonize productive economic programs based on community empowerment. The types of community empowerment programs that have been realized are honey farm, goat, chicken and pig livestock, coffee cultivation. In addition, management/utilization of livelihood plants has been planned for the communities in the five target villages around the PT Daya Tani Kalbar concession area.

Description of the Ecological conditions of the concession

PT Daya Tani Kalbar has an Environmental Management Plan (RKL) document, an Environmental Monitoring Plan (RPL) and an AMDAL document that has been approved by the Ministry of Forestry's AMDAL Central Commission No. 156/DJ-VI/AMDAL/96 and AMDAL of PT Daya Tani Kalbar's UPHHK-HTI Peatland Canalization Activity with an Environmental Feasibility Letter with the Decree of the Governor of West Kalimantan No 192/BLHD/2011.

PT Daya Tani Kalbar has allocated protected area of 19,903.43 ha (44.70%). Types of protected areas in the work area of PT Daya Tani Kalbar include river border area of 7,728.37 ha (17.35%), Buffer Zone of 1,495.50 ha (3.36%), KPPN of 715.13 ha (1.61%), KPSL of 5,480.32 ha (12.31%), Cultural Heritage of 321.75 ha (8.72%) and peat dome peak area of 4,162.36 ha (9.35%).

There are a number of species of flora and fauna scattered around the protected forest area. Among the flora and fauna identified species protected under CITES, IUCN, and local regulations governing them. PT Daya Tani Kalbar has identified key species that are protected and threatened / endangered, as well as their habitat and migration patterns including landscape considerations; and implementing appropriate management steps to minimize the negative impact of the Management Unit's operational activities on the species. The results of the identification found a key species in the management area, namely Sun Bear (*Helarctus malayanus*).

HCVF assessment in the area of PT. West Kalimantan's Tani Daya was carried out in 2014 by PT. Ekologika Consultants. From the results of identification in the field, it is known that conservation values are present or absent in forest areas within the Management Unit. PT Daya Tani Kalbar's High Conservation Value (HCV) Assessment Report (2013), in the concession area found 138 different plant species belonging to 46 families. Of these findings, 37 of them were identified as having High Conservation Value (HCV). These species are included in the status issued by the IUCN Redlist, CITES and Government Regulation No. 7 of 1999. Of all the species found, 16 of them are endemic to the island of Kalimantan (Borneo), which is mostly from the Dipterocarpaceae family. Table 2.7 follows the list of findings of plant species identified in the IUCN Redlist, CITES, R.I legislation and endemic plants in the island of Kalimantan (Borneo).

Documents for Peat Ecosystem Restoration Plan and Proposed Groundwater Surface Height Compliance Point, Automatic groundwater level gauge installation point, and rainfall monitoring station point for business responsible. PT Daya Tani Kalbar. 2017. The preparation of PT Daya Tani Kalbar's RPEG documents refers to PP

No.71 of 2014 jo. PP No.57 of 2016 concerning Protection and Management of Peat Ecosystems, Letter of the Director General of Pollution and Environmental Damage Control No: S.55/PPKL/PKG/PKL.0/3/2017, on March 29, 2017 concerning the order for the Implementation of Peat Ecosystem Restoration.

- FLEG area is allocated as a Protected Function Area for Peat Ecosystem covering ± 18,568 ha.
- FBEG area allocated as a Peat Ecosystem Protection Function Area of ± 33,541 ha.
- To achieve an allocation of a percentage of Livelihood Plant at least 20%, then fulfilled from the FLEG area for the utilization of NTFPs as PermenLHK No. P17/MENLHK/SETJEN/KUM.1/2/2017.

Some potential disturbances to forest areas are the danger of pests and diseases, the danger of forest fires, the danger of theft of timber forest plantations, illegal logging of natural wood in protected areas, local superior crops and livelihood and disruption due to pressure on land (claims and land conversion).

Forest and land fire control has been carried out by PT. Daya Tani Kalbar by completing SOP, procurement of fire facilities in the form of cars, hoses, water pumps, PPE and other equipment as well as installing warning boards about the dangers of forest and land fires on site. PT. Daya Tani Kalbar also conducts routine fire simulations and checks for fire extinguishers. A fire brigade unit in the company has been formed which is in charge of daily monitoring of hotspots that indicate hotspots and patrols from illegal logging activities.

Results of the Public Consultation

Prior to conducting the Recertification Audit, PT AJA Sertifikasi Indonesia conducted a public consultation commencing October 15, 2019, asking stakeholders to provide feedback and information about PT Daya Tani Kalbar. Public consultations were uploaded to the PT AJA Sertifikasi Indonesia website ([www: ajaindonesia.com](http://www.ajaindonesia.com)), sent to parties via email or letter, and published in local newspapers. There were no input received.

The audit team also collected information from the mass media about PT Daya Tani Kalbar, which was given material consideration in the audit process conducted by PT AJA Sertifikasi Indonesia.

The Management Unit has identified all the requirements needed for this certification process, which consists of legal aspects that include compliance with international rules and regulations and conventions. The management system has been developed to cover all activities in the field of certification, which are registered for certification covering an area of 41,353 hectares.

Findings on the certified client conformity with the certification requirements and description of critical issues in relation to the conformity.

Based on the results of the stage 2 audit of PT Daya Tani Kalbar, there are 3 non-conformities of minor category, namely:

No	Non-conformity (NC)	Corrective Action to be Undertaken	Category
1	PT Daya Tani Kalbar has not made a separation of solid and liquid waste in the Temporary B3 Waste Storage. Temporary storage place for B3 waste has not yet have an oil trap. Indicator 1.6.6.	The management unit has separated the solid and liquid waste sites and made an oil trap in a temporary storage area for B3 waste. The management unit has a recommendation letter to obtain a B3 Waste Temporary Storage Permit on February 25, 2019 from the Public Housing Agency for Settlement and Environmental Areas.	Minor
2	The Management Unit has not mixed chemicals for spraying activities properly and correctly, mixing chemicals carried out	The Management Unit has made a proper special place for mixing chemicals for spraying activities. Mixing	Minor

	outside the B3 warehouse without special facilities for chemical mixer. Indicator III.3.3.	chemicals is carried out with special facilities equipped with water wash and chemical mixture disposal areas so as not to cause pollution.	
3	PT Daya Tani Kalbar still has a shortage of SIO and SILO from partners (contractors) of harvesting and equipment rental. As for the 70 units of heavy equipment and 72 operators, there is still a lack of SILO ownership by 56 units and SIO by 64 people. Indicator I.1.13.	The management unit has made: a letter of appeal to all heavy equipment (contractor) partners to comply with SIO and SILO compliance obligations. The Management Unit has conducted socialization to the work partners or contractors of harvesting and leasing heavy equipment that have heavy equipment to complete it with SILO and SIO in accordance with the number of heavy equipment and operators operating the heavy equipment.	Minor

Conditions under which the certificate is issued

Certificate is valid until 07 April 2023 provided that PT Daya Tani Kalbar completes all corrective actions according to the time schedule proposed in its corrective action responses and does not have the same problems at the next Surveillance visit. If the non-conformities are not closed at the next Surveillance, the certificate will be suspended until such time as AJA is able to perform a closeout visit.