# Annex 7: Remediation and Compensation Concept Note Template

*This template is designed to guide companies through the completion of a remediation and compensation concept note. Concept notes can be submitted separately for each management unit or collectively for all the management units.*

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| Name of RSPO member | Wilmar International Ltd. |
| RSPO Membership number | 2-0017-05-000-00 |
| Membership category | Trader/processor |
| Date of joining RSPO | 16/08/2005 |
| Date of first RSPO certification\* | 11/08/2010 |
| Total number of certified management units\* | 13 |

## Environmental and Social Remediation

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| Remediation and social compensation (per management unit) | |
| Name of management unit | PT Mentaya Sawit Mas (MSM) |
| Location (country, province and district | Indonesia, Central Kalimantan, Kotawaringin Timur |
| Total area of management unit (ha) | 16,371 |
| Description of impacts requiring remediation (e.g. riparian zones, steep slopes, areas prohibited by country-specific legislation) | |
| The LUCA report identified a total area of 494,66ha of riparian and 38,4ha of peat that needs remediation action. | |
| Description of remediation activity to address impacts | |
| **Riparian remediation**  A total of 494.66ha has been remediated. Continuous plan over 2 years to be left during replanting session as the oil palm planted is over 4 years old.  These areas are now demarcated up to 5 meters from the river bank, as described in a Standard Operating Procedure (SOP. 20/HCV/(3)/0418). The SOP also states that there is a prohibition of chemical application in the riparian area. The riparian boundaries are to be demarcated and signboards will be erected in specific areas. In some areas, restoration of riparian vegetation will be conducted. A team will conduct continuous monitoring and evaluation of on the compliance and implementation of the SOP  **Peat remediation**  Best management practices for peat are being implemented in the 38.4 ha of the area identified in the LUCA. We currently have 8 wiers, for the purpose of controlling the water levels with 8 station to monitor water level and 9 stations to monitor peat subsidence  The current area was planted in 2006 and 2007 at the period of replanting, a feasibility study will be conducted on the viability of the area to be restored. | |
| Description of potential social impacts (impacts on HCVs 4, 5 & 6) | |
| There was no social remediation required for PT MSM. | |
| Description of proposed activities to address impacts | |
| None required | |
| Name of management unit | PT Kurnia Kencana Permaisejati (KKP) |
| Location (country, province and district | Indonesia, Central Kalimantan, Kotawaringin Timur |
| Total area of management unit (ha) | 19,650 |
| Description of impacts requiring remediation (e.g. riparian zones, steep slopes, areas prohibited by country-specific legislation) | |
| The LUCA report identified a total area of 71.42 ha of riparian and 242.96 ha of peat that needs remediation action. | |
| Description of remediation activity to address impacts | |
| **Riparian remediation**  A total of 71.42 ha has been remediated. Continuous plan over 2 years to be left during replanting session as the oil palm planted is over 4 years old.  These areas are now demarcated up to 5 meters from the river bank, as described in a Standard Operating Procedure (SOP. 20/HCV/(3)/0418). The SOP also states that there is a prohibition of chemical application in the riparian area. The riparian boundaries are to be demarcated and signboards will be erected in specific areas. In some areas, restoration of riparian vegetation will be conducted. A team will conduct continuous monitoring and evaluation of on the compliance and implementation of the SOP.  **Peat remediation**  Best management practices for peat are being implemented in the 242.96 ha of the area identified in the LUCA. We currently have 12 wiers for the purpose of controlling the water levels with 12 stations to monitor water level and 12 stations to monitor peat subsidence.  The current area was planted in 2006 and 2007 at the period of replanting, a feasibility study will be conducted on the viability of the area to be restored. | |
| Description of potential social impacts (impacts on HCVs 4, 5 & 6) | |
| There was no social remediation required for PT MSM. | |
| Description of proposed activities to address impacts | |
| None required | |

\*where applicable

## Conservation Compensation

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|  | Liability being compensated per individual management unit | √ | Liability being compensated collectively across two or more management units |
|  | Area- based compensation | √ | Monetary equivalent compensation |

*Note: Please tick at least one box*

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| Summary of final **compensation** liability (per management unit or collectively) | |
| The total liabilities of Wilmar International Ltd. group under the RSPO compensation mechanism are 137.93 ha or equal to USD 344,825. These liabilities cover two companies, which are:  1. PT Mentaya Sawit Mas (79.13 ha)  2. PT Kurnia Kencana Permaisejati (58.8 ha) | |
| |  | | --- | |  | | Annotated map(s) showing the proposed compensation project area including sites and features mentioned in the text | | |
| D:\01_Folder Pertahun\Folder 2017\umum\data campuran\Puter\HD\Hutan Desa Telaga\Peta Hutan Desa Telaga Revisi kecil kompres.jpg  The proposed compensation area is Telaga Village Forest or HD (*Hutan Desa*) Telaga that holds permit from the Government under the SK.1228/MENLHKPSKL/PKPS/PSL.0/3/2018 with a total size of 2,758 ha. HD Telaga located on Telaga Village, Kamipang Sub-district, Katingan District, Central Kalimantan Province. The forest cover is secondary peat swamp forest with an average of 7m peat depth with a mix of heath forest on the edge of the peat land. The project will contribute to the protection of 2,195 ha of peat swamp forest, and rehabilitation of 563 ha degraded areas in Telaga Village Forest.  To access HD Telaga, mix of transportation means are used. It takes 1.5 hours’ drive from the District Capital to the Sub-district Capital, and another two hours using boat to get to the Telaga Village. From the village, it takes one hour to reach the nearest village forest border or two hours to reach the farthest village forest border. | |
| Outline of proposed **conservation** **compensation** activities & outcomes  [Maximum 200 words] | |
| The goal for the compensation actions is to contribute in the development of an effective conservation and livelihood improvement in HD Telaga, Central Kalimantan. Two objectives are targeted in achieving the goal: (1) The protection of high conservation and carbon dense areas through sustainable community-based forest management in Telaga Village Forest, and (2) The improvement of community livelihoods through sustainable agriculture and NTFP in Telaga Village Forest. This project is not a stand-alone compensation project, but a joint project where the compensation from PT MSM & PT KKP adds a significant value to the achievement of conservation goal in the area.  The scope of compensation plan is collectively for the total conservation liabilities. The compensation will contribute to the protection of 2,758 ha of deep-peat forest, rehabilitation of 5,63 ha areas, livelihood improvement of 229 community (68 women) through sustainable agriculture and NTFP improvement, and institutional capacity development in fire prevention and forest patrol through SMART (Spatially Monitoring and Reporting Tools). This is aligned with the HD management plan but the activities have not secured funding support.  The management unit bears the responsibilities in the project implementation. The management unit will provide ongoing support for LPHD in capacity development, project management, and monitoring & evaluating the project during the project period.  The compensation fund will be used to fund trainings on community patrol, trainings on fire prevention and SMART patrol, monitoring patrols, rehabilitation activities, and trainings on sustainable agriculture and NTFP improvement (i.e. honey). | |
| How do the compensation outcomes address the following key criteria: | |
| * Additionally [Max 100 words] | |
| HD Telaga is a peat swamp forest within palm oil plantations landscape, and continuous conservation effort in such fragile ecosystem is vital. This project is additional due to the urgently needed funding for the peat forest protection. This project will capitalize the past conservation efforts whom secured the land tenure and granted the HD permit, therefore remove the legal threats of land conversion into oil palm plantation albeit the smallholder oil palm threat remains. The planned conservation actions beyond the legal permit are strengthening the HD institution, supports on forest protection, and livelihood improvement activities. The compensation plan is aligned with but beyond than the HD plan, thus no funding is secured to support the activities as it is designed to reduce the deforestation threats from illegal logging, and forest degradation from illegal mining. This compensation plan is also designed to avoid the risk of reversal from the Village Forest land use into other land use. This is possible due to the common practice in the area, where the forest threats (i.e. illegal mining, logging, palm oil) will be happened to an area with no management activities. Imagine a conservation area (that should have been conserved) is still experiencing illegal logging activities. HD Telaga can be protected, if only we can demonstrate that HD is a better way in forest conservation, as it also adds benefit to the community. Other donor (US Forest and Wildlife Services) support already secured to strengthen the HD institution, while this project is expected to support the other conservation actions like forest protection and livelihood improvement. | |
| * Long-lasting (Max 100 words] | |
| With the available compensation fund, the project will not able to fund conservation activities to protect the fragile ecosystem for 25 years or more. However, the project might provide an assurance and set a foundation that entice potential buyers/donors in the future (including the government), which demonstrate social forestry as an effective and sustainable scheme in conservation and livelihood improvement. Only by then, the project impact will able to last for 25 years or even more.  This project will be implemented on a 35 years (renewable) community-based forest management under the social forestry scheme. By demonstrating this, the long-term conservation actions planned in HD Telaga can be implemented and budgeted on the village budget (APBDes) which will receive continuous budget-support from the national budget (APBN) and ensure the long-lasting project impact.  This project will help community to demonstrate their capabilities in protecting their forest and simultaneously improving their livelihood through better governance and natural resource management. This project will provide 5 years support to demonstrate the HD capabilities, afterwards the HD will receive further support from the village budget as the HD will have proven their track record in forest management. | |
| * Equitable [Max 100 words] | |
| We are targeting an international certification from Plan Vivo Standard for acknowledging community performance in managing their forest. Consequently, in implementing this project, we followed the IFC Performance Standard (2012) which requires the use of FPIC process in every process including project planning, monitoring, reporting, benefit sharing, and decision-making. Moreover, there will be a consultative meeting between Wilmar groups with the community to ensure that the community willing to work with the company, and afterward to design the development of the full compensation plan. Furthermore, we will encourage women participation in decision-making process, and targeting vulnerable people in accessing potential benefit from the project. | |
| * Knowledge-based [Max 100 words] | |
| As one of the strategies for long-term sustainable financing is to access global and national ecosystem-service markets, we will register this HD Telaga in the Indonesia National Registry System (SRN) and certify HD performance under the Plan Vivo Standard. We will apply a robust yet implementable methodology in registering and certifying HD Telaga in SRN (using Indonesian National Standard) and Plan Vivo (using Plan Vivo Methodology Framework). We will also provide annual reports to both SRN and Plan Vivo to update information on community performance in reducing deforestation (against baseline), hectares of rehabilitated peatland, numbers of positively impacted communities and the use of received funding. Once approve, that information will be posted on the SRN and Plan Vivo websites to demonstrate community management transparency in HD Telaga. | |
| What organisation(s) will be managing/delivering the **remediation** & **compensation** project? | |
| Community Forest Ecosystem Services (CFES) will be managing the compensation project.  The Remediation will be managed by ? | |
| Please indicate a proposed timeline for delivery of a) remediation and b) compensation activities and starting dates for interventions | |
| The proposed starting date for compensation activities in this project is January 2020. The payment for compensation activities to the village forest and the project manager is designed for 8 year-contract to bind their commitment to protect the village forest for 35 years. The first three years will be focused in strengthening the local institution and implementing forest protection activities, and the other five years will test the local institution capabilities in managing their forest independently, with result-based payments provided whenever the indicators of forest protection and livelihood improvement are delivered.  The compensation project will start from January 2020 until December 2027. The compensation fund will be used to fund trainings on community patrol, trainings on fire prevention and SMART patrol, monitoring patrols, rehabilitation activities, and trainings on sustainable agriculture and NTFP improvement. Details of activities will be presented in the proposal stage of the Compensation Plan.  In general, the timeframe for project outcomes and output is below:    The remediation project will start from? | |
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