BACKGROUND AND OBJECTIVE

SCOPE OF WORK

PROGRESS ACTIVITIES

MONITORING AND EVALUATION
To realize its sustainability principle, PT RLU and its subsidiaries initiated a pilot project on Forestry Partnership Program based on applicable regulations. The Forestry Partnership Program was also developed as one of the social inclusion efforts to empower communities in and around the RLU HTI concession area.

In 2017, PT Lestari Asri Jaya (LAJ), PT Wanamukti Wisesa (WMW) and PT Multi Kusuma Cemerlang (MKC), in partnership with Wana Aksara Institute, completed a study of mapping the potential areas of conflict in its concessions based on Perdirjen PHPL Kementerian Lingkungan Hidup dan Kehutanan No. P.5/ 2016. One of the recommendations from the study was to develop a forestry partnership scheme for areas where many existing productive rubber plants are managed by the community. To follow up with the recommendations made in the Environment Social Due Diligence (ESDD) conducted in 2017, RLU implemented the Community Partnership Program (CPP) Smallholders In Situ program. In addition, this program is a partnership between PT RLU and smallholders on smallholder occupied land as a win-win solution in alignment with the concept of Forestry Partnership Program (social forestry).

**BACKGROUND AND OBJECTIVE**

**BACKGROUND**

Facilitate RLU Group in implementing the Forest Partnership (Kemitraan Kehutanan) Program in line with government regulations.

The integrated rubber supply chain for the business continuity of RLU Group.

Improve the livelihood of smallholders who live and manage rubber plantations within the concessions.

Finding responsible resolution in handling potential of land/tenurial conflicts.
SCOPE OF WORK

The CPP Smallholders In Situ program is one of the partnership rubber business models, which involves:

1. Individuals or families who have occupied and developed rubber area within the RLU subsidiaries HTI concessions with an area of 10 Ha or less.
2. Forest Smallholders Group (KTH), which consists of rubber smallholders in PT RLU.

The CPP program is to be implemented in the production area or protected (conservation) area. After a series of dialogue, participatory mapping, and engagement, the stakeholders are required to make a cooperation agreement with the signing of the MOU/ agreement between KTH representing individuals or farm families within PT RLU. With the principles of free prior inform consent (FPIC), sustainability, legal certainty, and accountability in this partnership, the relationship between these parties has equal legal standing. Under the MOU/ agreement, rubber smallholders who are part of KTH will obtain legal protection to manage the land they currently occupy in the long term.

CPP Smallholders In Situ program is carried out under guidance from various facilities such as the provision of production facilities, technical capacity building, and the marketing facilities. As the first step, the company is to identify smallholders and communicate the program with them. Once the smallholders form an agreement with RLU, RLU will provide technical support to build the capacity of smallholders to increase their rubber production and agroforestry gardens, as well as to increase the institutional capability of KTH to conduct business transactions with RLU and subsidiaries professionally.

If KTH institution already has sufficient capacity, further capacity building support will be provided and managed independently by KTH. Besides providing technical support for increasing rubber productivity and increasing capacity, KTH institutions also cooperate with local NGOs or specialized consultant institutions to gain further expertise (related news: https://ekonomi.bisnis.com/read/20191206/99/1178647/pt-loj-bina-petani-hutan-di-tebo-jambi).

Once the smallholders agree to collaborate with the company, their socio-economic baseline status is collected and recorded. Regular consultation with the smallholder groups is undertaken based on the stakeholder engagement activities as defined under the stakeholder engagement framework and plan. Meetings and capacity building workshops are also documented. The formats provided in the Stakeholder Engagement Framework and Plan is to be used for any engagement activities conducted under this program.
CPP Smallholders In Situ-Jambi, as presented in the below figure, was carried out across 3 locations which are Sungai Karang Village (located inside PT Wanamukti Wisesa), and Napal Putih and Pemayungan Village (both located inside PT Lestari Asri Jaya).

The progress of activities that have been carried out until the third quarter of 2020 are as follows:

**SUNGAI KARANG VILLAGE**

- Social baseline study and participatory mapping
- Established a partnership agreement (Naskah Kesepakatan Kerjasama) as a social forestry permit between the company and KTH Karang Jaya in collaboratively managing 32 Ha of land
- Strengthening KTH organization capacity
- Strengthening KTH member on rubber quality and production
- Integrated farming (agroforestry) workshop with Jogjo Tani
- Facilitate purchasing rubber and other crops of KTH Karang Jaya smallholders to RLU
- CPP Smallholders in Situ outreach to other rubber smallholders in Sungai Karang village
- Fire-free fallow training
- “Masyarakat Peduli Api” training, facilitated by KPHP Tebo Barat
- Obtaining the Minister of Environment and Forestry Decree on the Recognition and Protection of the Forestry Partnership (SK Pengakuan dan Perlindungan Kemitraan Kehutanan) between PT Wanamukti Wisesa - KTH Karang Jaya. This is the first SK issued in the Industrial Plantation Forest area in Jambi Province.
- Post-permit Social Forestry Program online workshop, held by Indonesian Ministry of Environment and Forestry
- Establishment of Social Forestry Business Group (Kelompok Usaha Perhutanan Sosial) KTH Karang Jaya

Photo 2. KTH's rubber purchasing process by RLU (PT Wanamukti Wisesa)
NAPAL PUTIH VILLAGE

Photo 3. First planting of integrated farming program in KTH WML

- Social baseline study and participatory mapping
- Established a partnership agreement (Naskah Kesepakatan Kerjasama) as a social forestry permit between the company and KTH Wana Mitra Lestari (WML) in collaboratively managing 32 Ha of land
- Strengthening the KTH organization capacity
- Strengthening the capacity of KTH member in rubber quality and production
- Initiate CPP Smallholders in Situ outreach to other rubber smallholders in Napal Putih Village
- Facilitation in developing a temporary community rubber warehouse
- Initiate the discussion on purchasing a smallholders rubber trade to RLU
- Rubber quality improvement training
- "Masyarakat Peduli Api" training, facilitated by KPHP Tebo Barat
- Integrated farming (agroforestry) workshop with Joglo Tani
- Facilitating the establishment of KTH Anugerah Rimba Lestari with 20 HH members
- Established a partnership agreement (Naskah Kesepakatan Kerjasama) as a social forestry permit between the company and KTH Anugerah Rimba Lestari in collaboratively managing 113 Ha of land
- Obtaining the Minister of Environment and Forestry Decree on the Recognition and Protection of the Forestry Partnership (SK Pengakuan dan Perlindungan Kemitraan Kehutanan) between PT Lestari Asri Jaya - KTH WML. This is the first SK issued in the Industrial Plantation Forest area in Jambi Province.
- Facilitating KTH Anugerah Rimba Lestari to propose the SK KULIN KK to MoEF (ongoing process)
PEMAYUNGAN VILLAGE

- Facilitating the development and establishment of KTH Rimba Lestari Sejahtera (RLS)
- Facilitating the development of agreed MoU between KTH RLS and company in managing 15 ha land in RLU concession
- Increase smallholder capacity on integrated farming/agroforestry system (fishery)
- Facilitating the purchase of smallholder agriculture products
- Facilitating the development of the smallholder group
- Integrated farming (agroforestry) training
- Facilitating the development of the demo plot of integrated farming (vegetable and fish)
- Facilitating the purchasing of vegetable & fish to RLU cooperation

To date, two farmers groups are involved in the pilot to implement the CPP Smallholder In Situ Program. A total of 129 ha of land with 33 farmers are in these two farmer’s groups.

CPP in East Kalimantan, implemented in PT Multi Kusuma Cemerlang/BU 5 project site, in Tepian Langsat Village and Tepian Budaya–Meratak Village. The development of activities to date includes, among others:

TEPIAN BUDAYA VILLAGE

- Stakeholder engagement (KPHP & NGO)
- Social-economic study and participatory mapping
- Series of dialogue with smallholders
- Prospective participants comprise 30 smallholders with land area around of 57 ha
- Community discussion and rapid assessment

Photo 4. Farmer family of KTH showing their agroforestry harvest

Photo 5. Dialogue, socialization and surveys involving company, community and village government
MONITORING AND EVALUATION

An annual ESG Audit is conducted every year to monitor the project’s progress by an independent third party. Progress of the CPP Smallholder Program and its implementation status will also be covered in the audit. The E&S Committee and ESAB meet quarterly to discuss the progress of the CPP Smallholder Program and issues that might need to be addressed. All documentation about the progress of program and concerns raised (including the resolution adopted) are provided to the ESAB.

GRIEVANCE REDRESS MECHANISM

Grievance Redress Mechanisms provide a way to reduce risk for projects, offer communities an effective avenue for expressing concerns and achieving remedies and promote a mutually constructive relationship between communities and company. It is an important tool through which the stakeholder’s concern and complaints are registered and addressed.

Grievance Mechanism has been developed for the project and is to be implemented accordingly as part of the socialization process of the CPP Smallholder Program. The Mechanism developed provides details of the roles and responsibilities, standard operating procedure, as well as monitoring and reporting process to be adopted for the project.

Photo 6. Interviews with internal and external stakeholders during ESG audit