

# **SOCIAL IMPACTS ASSESSMENT OF KPKKT FORESTRY OPERATIONS REVIEW AND UPDATE**



**PREPARED FOR KUMPULAN PENGURUSAN  
KAYU KAYAN TERENGGANU  
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## EXECUTIVE SUMMARY

The 108, 900 ha forest concession area of DTC is bordered by a few villages or kampongs whose population is predominantly Malay farmers growing mainly oil palm or rubber to support their livelihood. A small proportion of these kampong folks gather minor forest products, such as bamboo and rattan, while some are involved in fishing to supplement their families' income. The villages are well equipped with basic infrastructural facilities, like roads, schools and clinics, and are supplied with basic services, such as electricity and piped water. Notwithstanding these, the kampong folks still depend on water from the forests for their domestic uses. A few of the local folks either work in the PESAKA sawmill or in KPKKT itself.

KPKKT is one the several parties which has been involved in land use operations in the area together with government agencies, such as Felda, Felcra and Risda, as well as private companies and individuals from the local communities. Unlike land development projects which require the clearing of natural vegetation, forest harvesting by KPKKT has been carried out on a selective basis and has less potential to contribute to environmental problems in the communities. From the year 2004 to 2012, KPKKT has harvested on selective basis more than 14 000 ha of its concession areas adhering closely to the reduced impact logging guidelines issued by the Forestry Department. The guidelines have helped to minimise the impacts of KPKKT's forestry operations on the environment and subsequently on the local communities.

Concerned with the well-being of the local communities, KPKKT carried out a social impact assessment exercise in 2009 in effort to identify the problems faced these communities and determine appropriate mitigation strategies to address them. The issues raised by the respondents then include river water quality for various uses, damage to crops by wildlife and road safety especially to school children. Specific mitigation measures were proposed which essentially require KPKKT to be in regular consultations with the relevant authorities and the local communities themselves.

As part of a continuous improvement process, KPKKT has taken the initiative to review and update the earlier social impact assessment exercise. The company wishes to find out what problems and issues still remain with the local communities and will determine ways and means to address them. Towards that end, KPKKT would re-examine its past social action plans, particularly those incorporated in the SIA Report, 2009. In addition, an update of the issues will be carried out by consulting the local communities themselves. Furthermore, mitigation measures will be proposed to address the problems or lessen their impacts on the local communities.

The main objective of this report is to revise SIA Plan, 2009 of KPKKT. In so doing, the report reviews the implementation of the SIA Action Plans of 2009, identifies current social issues from the perspectives of the local communities and recommends strategies to mitigate social impacts. Discussions were held with staffs of KPKKT to understand the implementation of the SIA, 2009 while focus groups discussions with 66 members of five kampongs were carried out to determine the current social impacts of forestry operations.

Being one of the responsible parties, the review reveals that KPKKT has implemented several activities to address the issues raised by the local communities in 2009. Most of these activities were taken to alleviate the impacts of forestry operations while others attempted to solve the causes of the impacts. The former group of activities were implemented under the company's Corporate Social Responsibility Programme (CSR) while the latter falls under Stakeholders' Consultations Programmes (SCP). Under the CSR programmes, financial and in-kind contributions were given to the local communities, for examples; donations to flood victims, for education and religious activities; and supplying water pipes to selected kampongs. On the other hand, the SCP was implemented to inform, discuss, and obtain feedbacks from various parties on issues of interest to all.

The social impacts identified, their mitigation measures and the monitoring plans are shown in the Table X. The mitigation strategies either address the source of the problems or try to lessen the impacts on the local communities. The former would require close cooperation and sustained efforts of the various responsible parties. The latter is dependent upon the long-term capability of KPKKT to make the necessary supports or contributions

In order to implement the mitigation plan and monitoring activities KPKKT will:

- i. Assign the responsibilities of implementing the mitigation and monitoring activities to the Compliance and Enforcement Unit (CEU) which was formed in 2008 and enhanced in 2011.

In this context, the responsibilities of the CEU include:

- a. To formulate plans with timing and responsibilities for the implementation of the implementation and monitoring activities
  - b. To communicate and consult with the local communities and other relevant stakeholders on social impact issues
  - c. To maintain records on all implementation and monitoring activities
  - d. To make proposal for the review of the SIA when necessary
- ii. Establish a Joint Consultative Committee (JCC) to discuss and make recommendations on issues related to social impacts of KPKKT forestry operations.

The membership of the JCC comprises representatives of KPKKT and its contractors, Chairmen of the JKKK of the neighbouring kampongs, and representatives from relevant government agencies, such as the Forestry Department, PERHILITAN, KETENGAH, FELDA, Fisheries Department, and Drainage and Irrigation Department. The CEU will act as the secretariat of this JCC.

The terms of reference of the JCC include:

- a. To discuss relevant issues raised by the CEU, community leaders and various stakeholders
- b. To discuss the responses of the various government agencies on the various issues raised.
- c. To make recommendations for KPKKT to address issues raised by the local communities.

KPKKT is fully aware that its operations do contribute to certain environmental issues faced by the local communities and is fully committed to mitigate them. Towards that end, KPKKT will continue to extend its help to the local communities in any possible manner. Also, in the interest of the local communities, the company will cooperate with any parties, governmental or non-governmental, in their efforts to help the local communities to address those problems. KPKKT realises that environmental and social issues are every complex in nature and require sustained efforts of the various parties including the local communities themselves.

Table X – Impacts, Mitigation and Monitoring Plans

No	Impact on	Mitigation Measure	Monitoring
1	Employment opportunities for local communities	<p>KPKKT will continue to Inform its logging contractors to give priority to orang kampongs for job opportunities</p> <p>KPKKT will continue to advertise its job openings at appropriate places in the kampongs, for examples, at Balai Raya and mosques, and also in the internet</p>	<p>Continue requesting contractors to submit list of workers and prepare a summary with information on places of birth and current residence before the start of logging operations</p> <p>Hold regular meetings of the JCC to discuss various social issues, including employment opportunities</p>
2	Forest products collection activities	<p>KPKKT will support the application of orang kampong to the Forestry Department for permits to collect minor forest products, like bamboo, rattan and petai, if any.</p>	<p>Hold regular meetings of the JCC to discuss various social issues, including the gathering of forest products by orang kampongs.</p>
3	River water quality for domestic consumption	<p>KPKKT will continue to brief the loggers to adhere strictly to harvesting guidelines of the Forestry Department on reduced impact logging and road maintenance</p> <p>KPKKT will take measurements on water quality at the watershed areas at certain regular intervals</p>	<p>Carry out regular inspection and monitoring of forestry operations and maintain appropriate records</p> <p>Keep records on water quality measurements and carry out analysis on trends of water quality near the dams</p> <p>Hold regular meetings of the JCC to discuss various social issues, including domestic water supply</p>
4	River water quality for recreation	<p>KPKKT will continue to brief the loggers to adhere strictly to the guidelines of the Forestry Department on reduced impact logging and road constructions and maintenance</p>	<p>Carry out regular inspection and monitoring of forestry operations and maintain appropriate records</p> <p>Hold regular meetings of the JCC to discuss</p>

			various social issues, including water recreation activities
5	River water quality for fisheries	<p>KPKKT will continue to brief the loggers to adhere strictly to the guidelines of the Forestry Department on reduced impact logging and road construction and maintenance</p> <p>KPKKT will cooperate with the relevant agencies in any efforts to increase the quantity of fish in the rivers within its forest concessions</p>	<p>Carry out regular inspection and monitoring of forestry operations and maintain appropriate records</p> <p>Hold regular meetings of the JCC to discuss various social issues, including river fisheries</p>
6	Damage to crops by wildlife	<p>KPKKT will continue to inform the villagers prior to logging operations near their kampongs</p> <p>KPKKT will cooperate with the relevant agencies to protect the oil palm plantations</p>	<p>Hold regular meetings of the JCC to discuss various social issues, including wildlife attacks to crops of the orang kampongs</p>
7	Accidents during logs transportation	<p>KPKKT will continue to advise its logging contractors to adhere strictly on rules and regulations on logs transportation</p>	<p>Carry out regular inspection and monitoring of logs transportation and maintain appropriate records</p>