

## HCSA Peer Review Report

### Goodhope – PT. Nabire Baru (NB) & PT. Sariwana Adi Perkasa (SAP) (PT. NB/SAP)

#### Background information:

a) Did a Registered Practitioner Organization lead the HCS assessment? If not, has the organization which led the assessment started the process of registration?

Yes, Ata Marie is a Registered Practitioner Organisation.

b) Was the HCS Team Leader a Registered Practitioner?

Yes, Alex Thorpe lead the assessment and is a registered practitioner.

c) Were at least 2 HCS team members Registered Practitioners?

Yes, the other registered practitioners on the team are George Kuru, Dadan Setiawan and Dadi Ardiansyah.

d) Was the HCV assessment judged ‘satisfactory’ (highest rating) by the HCV Resource Network (HCVRN) Assessor Licensing Scheme (ALS)? (See <https://www.hcvnetwork.org/als/public-summaries>).

As at 8 June 2018: the HCV report status for PT. NB is under **E/R1** - First resubmission is being evaluated by the Quality Panel; and the HCV report status for PT. SAP is **Satisfactory 2** - Report is Satisfactory at first resubmission, the case is closed and the Public Summary is published.

86	HCV Assessment PT Sariwana Adi Perkasa - Kabupaten Nabire, Papua Province, Indonesia	Goodhope Asia Holdings Ltd	RSPO NPP	<a href="#">Nini Jannah</a> Provisional	06/11/2017	Satisfactory 2	<a href="#">Click here</a>	06/06/2018
85	High Conservation Value Assessment PT Nabire Baru - Kabupaten Nabire, Provinsi Papua, Indonesia	Goodhope Asia Holdings Ltd	RSPO NPP	<a href="#">Nini Jannah</a> Provisional	31/10/2017	E/R1 With ALS since 21/04/2018		

**Questions for peer reviewers**  
**(Peer Review Panel: Jules Crawshaw, Ario Bhirowo)**

**1. Peer Review Summary**

1.1. What are the major findings and recommendations from the peer review?

**Finding:**

In general this appears to be a well executed and documented HCS survey. The land cover mapping, plotting, analysis and method of generating the final plan are in line with the HCS toolkit V1.0.

Although, not directly the HCS assessors' responsibility; clearly there are major social and environmental issues taking place in this landscape. There have been a multitude of complaints made to the RSPO (just to name one of the indicators of this issue). However, this is not explained clearly and needs to be made a lot more transparent.

The HCV assessment needs to be strengthened considerably. The area's value as a biodiversity hotspot is not apparent in this assessment. Similarly the extent of peat land is not discussed.

**Reviewers Recommendation:**

A chronology of the social and environmental problems needs to be provided which takes into account the viewpoints of the company, community and stakeholders. The companies' SOPs relating to FPIC need to be presented and the effectiveness of the implementation needs to be discussed.

Discussion of the area of peat is required. The value of the area as a biodiversity hotspot needs to be emphasized.

After the peer review, the company has stated that the 2016 LINKS FPIC Gap Analysis Report has been uploaded along with the Annexes to the HCV report address the FPIC issues. See individual questions below for further detail. A short discussion on peat land has been added to the HCS Report (Section 1.3.4). Peat areas identified are scattered riverine deposits – not large contiguous areas or domes. All remaining undeveloped peat areas are within HCV/HCS boundaries. For more detail see the HCV report and HCV Report Annex 9 (Laporan Gambut). Note that new HCV reports uploaded are updated versions - post the first round of ALS peer review.

After the final peer review, the peer reviewer affirms that this is now a very thorough and well documented report (however no final review was undertaken of sections 5 and 6).

1.2. Did the HCS assessment team include or have adequate access to relevant expertise to undertake the HCS assessment?

**Finding:**

The HCS assessment team are appropriately qualified and have executed this assessment adequately.

**Reviewers Recommendation:**

No recommendations.

1.3. What elements of the HCS Approach still need to be completed in order to create a final land use and conservation plan? Are there aspects which you feel need to be re-done?

**Finding:**

A land use and conservation plan has been generated. Regarding the LUCP map in section 10 it would be a lot more helpful for the reviewer if this included landcover (both within and external to the concessions) with the conserve / develop areas overlaid. This would enable the reviewer to understand the assessor's logic.

Issues that need to be addressed are:

- no information is provided about land cover or land management external to the concession. For example, to ensure that stopping illegal logging within the concession doesn't just transfer it elsewhere.
- Regarding management and monitoring there needs to be a clear explanation as to who owns or leases the conservation areas within the concessions. Some sort of sign-off, that they have agreed to the M&M recommendations should be shown.
- RePPProT maps a lot of this area as peat of varying depths. This does not come out clearly in the summary report. Certainly it is a major consideration for HCS.

- The threat section appeared quite weak insofar as this area is a biodiversity hotspot, how will developing these large additional areas for oil palm not result in a large loss of biodiversity? This needs to be clearly explained.

**Reviewers Recommendation:**

After the peer review, the company has made several improvements and statements below in response to the peer reviewer's findings:

1. Land use zoning in areas surrounding NB/SAP are shown in Figure 4.
2. A landscape level landcover map has been added to the report (Figure 7), and land cover in surrounding area has been added to the ICLUP Map to inform connectivity (Figure 18).
3. The only areas recommended for development following the toolkit are non-HCS/HCV areas (scrub), so impact on biodiversity is limited. However, the issue around additional plasma development is not settled - a compromise solution may finally involve some clearance of YRF in high risk locations (e.g. along the public highway).
4. Regarding leakage of illegal logging impacts, illegal logging is quite rampant throughout the whole Kabupaten wherever road access allows. Forests in NB/SAP have already been logged over several times for merbau. So, although yes there may be some leakage effect from improved control in NB/SAP, it will not be large. Illegal logging remains a key source of income for both indigenous communities and migrants. Until either they can be incentivized to stop it, and/or the demand reduced, it will be difficult to stop. Income from plasma plantations is a potential income replacement for Wanggar and Sima communities.
5. All areas inside the NP/SAP boundaries have been compensated by the company. This includes both inti and plasma areas, undeveloped areas etc. From a conservation management perspective all inti land is clearly under control of the company. For plasma zoned areas, although compensation has been paid, legal tenure is now with the individual koperasi petani plasma as each koperasi holds its own HGU permit. Koperasi leaders were active throughout the HCV/HCS consultation process and understand the conclusions.
6. Section 1.3.4 on peat has been added.
7. The management and monitoring section has been strengthened (Table 35) to include the requirement for sign off from stakeholders and continued participation of communities and local adat bodies in conservation processes.

After the final peer review, the peer reviewer commented that Figure 18 is a good map. Although it would be good to have the date and source of the land cover mapping external to the concession added to the data sources on the map.

Regarding the "compromise solution," the reviewer is unaware that HCS has room for compromises. The "Case Study: Alternative Solution for Plasma Land Development Commitments" is an excellent piece of work however it relies on conversion of YRF which is not allowed by HCS.

Regarding the statement “All areas inside the NP/SAP boundaries have been compensated by the company.” The reviewer assumes all the conservation areas have been compensated. This assumes that the Koperasi is taking on responsibility for management of conservation areas in their estate. If this is the case information about the compensation and the management structures needs to be added to section 10 of the report as it is a crucial point. It sounds like the lack of authority by adat leaders is a major weak link in the plan. If villagers start selling conservation areas to newcomers, what safeguards does Goodhope have in place to prevent this happening?

## 2. *Social Issues*

- 2.1. Does the summary provided in Section 3.1 adequately represent and explain the community engagement, FPIC processes, and participatory mapping activities carried out?

### **Finding:**

Yes the summary provided explains the community engagement, FPIC processes, and participatory mapping activities carried out by the HCV and HCS assessors. There is no reference to the work done by Goodhope nor by LINKS Consulting, which appears to be substantial based on the reports provided.

### **Reviewers Recommendation:**

The report would benefit by explaining the community engagement and FPIC processes undertaken by Goodhope prior to the arrival of the HCV/S team. The summary should reference:

- Goodhope's FPIC SOPs
- Activities undertaken by Goodhope to implement these SOPs (and as such give the assessors confidence that the community was sufficiently well informed and had agreed to oil palm development to warrant undertaking HCV/S assessments).
- Work undertaken by LINKS should be mentioned in this section.

After the peer review, the company responded that they have added a new Section (Section 3.1.1) on the historical FPIC activities. For more detail, reviewers are suggested to also see the following:

1. FPIC Gap Analysis Report prepared by Lingkar Komunitas Sawit (LINKS) The report has been uploaded into SharePoint.
2. HCV Assessment Annex 4: Social Assessment Report

After the final peer review, the peer reviewer commented that the section added to report provides a good insight to the checkered past of development in the area.

There seems to be a lot of accusations and counter-accusations e.g. "the violent practices used by the Police Mobile Brigade" and "The previous existence of a Brimob unit at NB/SAP was not in order to influence or intimidate people to feel afraid to protest against the company, but rather to safeguard the development from unknown armed groups who were often seen in and around the plantations and in the

surrounding villages.” These statements seem extremely inconsistent and as a reviewer it is hard to assess where the truth lies. Although it appears that work is ongoing to resolve these issues.

## 2.2. Has a tenure study been completed and has it been vetted by independent social experts?

### **Finding:**

Yes – a community land use and tenurial study is mentioned in table 9. This was done for Kampung Sima, Jaya Mukti, Yaro Makmur and Kampung Wanggar Pantai. In both cases this took just one day and was under the “activity” of a focus group discussion. The reviewer assumes this is just a description of land tenure in a general nature in the area without any attempt to map it. This is probably adequate and important information.

There is no mention of this study being vetted by an independent expert.

### **Reviewers Recommendation:**

Get the land tenure study vetted by an independent expert.

After the peer review, the company responded that the Land use and land tenure systems were analysed during participatory mapping and FGDs, but no stand-alone land tenure study has been prepared. Land tenure in the two land owner communities is communal. Land tenure maps were developed by the Company from participatory surveys during land release negotiations. These are available and were vetted in the LINKS FPIC Gap Analysis Study. We did not attempt to re-map the land tenure.

- 2.3. Is there a participatory land use map and does it contain the key components of community land use including the minimum requirement of 0.5 ha per person for future garden areas?

**Finding:**

Table 9 references a participatory mapping exercise however no *actual* participatory maps could be found. Nor are there any calculations based on the number of inhabitants and the area that would have to be set aside for future garden areas.

All the mapping is clipped to the boundaries of the concessions and the actual village locations are external to the boundaries. So based on the information provided it is not clear where the arable land which is used (or potentially will be used) by the villages for gardens is located.

**Reviewers Recommendation:**

Based on the number of inhabitants of each village the minimum required area for gardening should be calculated. The current area that is used for gardening should be mapped as well as additional areas of arable land (to take into account population expansion).

After the peer review, the company responded that with regards to participatory mapping work, please see the following:

1. Map of land cover across landscape (Figure 7)
2. Map of participatory mapping field activities (Figure 8).
3. Calculation of community land requirements for agriculture and related discussion in Section 10.1.2.
4. HCV Report Annex 8: Participatory Mapping Report (includes attendance lists).

The major types of land use identified are sago collection, timber cutting, fishing, hunting and gathering of various other non-timber forest products. Smallholder agriculture activity is very small scale and almost all located outside concession boundaries.

A large part of our participatory mapping effort was in identification of sago areas. This included remapping of the Dusun Sago area near Sima that is described in the Pusaka complaint (see Section 10.1 and 10.2 for land use discussion).

Gardening activity by indigenous landowner villagers (Wanggar and Sima) is limited and located outside the concession boundaries. During FGD, communities said they have more than sufficient residual land for gardening purposes. The key food security issues for indigenous people are related to sago areas, fishing (both sea and fresh water) and hunting/gathering. Almost all areas identified for these activities

(except sea fishing areas) are forested and are either outside the concession area or are overlapping with HCV and/or HCS. Therefore it was concluded that there is no need to set aside land inside the concession area for smallholder agriculture.

The three transmigration village communities do more gardening activities, but they have their own land allocation, and do not control any land in the concessions.

After the final peer review, the peer reviewer suggested that the information presented seems adequate. Clearly there was considerable effort undertaken to plot the location of the sago resource (Sima Dusun Sagu), which resulted in the whole area being set aside as HCV 5.

2.4. Is there a record of consultation with affected communities and FPIC processes on the proposed development, the HCS Approach and issues/concerns they raised? Did the community nominate their own representatives?

**Finding:**

Yes there is a record of consultation with the communities as well as a summary of their points of view. This section is well presented.

The reviewer queries why findings are presented for Wanggar and Sima villages but not Jaya Mukti, Yaro Makmur?

The only point that is contradictory is:

*“Community accepted the HCV 1-6 and HCS areas identified during participatory mapping. Key points coming from the meeting:*

1. *Communities requested that all plasma areas be developed including forested areas (Note again as at Sima, this request does not align with results of HCV 1-4 or HCS assessments).”*

As the reviewer understands; if the community really had accepted it, then they would not be requesting development of the HCV/S areas.

The next sentence presents a potential solution *“2. Communities requested any plasma land that needs to be conserved (due to HCV/HCS/peat) should be replaced elsewhere.”*

**Reviewers Recommendation:**

Findings for the villages of Jaya Mukti, Yaro Makmur should be presented.

A response from the companies regarding the relocation of HCV/S area that falls inside the plasma area should be sought.

Minutes of meetings and attendance records should be provided and referenced in this section.

It is very concerning to read the following sentence *“Allegations of environmental damage, human rights violations, as well land tenure disagreements have been forthcoming since 2013, and on 28 April 2017, Goodhope was issued with a temporary stop work order by the RSPO complaints panel, with instructions to address these complaints.”* The reviewer considers this important background and details of these issues should be fully documented (maybe in a separate document and referenced in the summary report).

There is no information provided as to whether the community elected representatives. It is assumed that the meetings were “open to all” – however this should be explicitly stated.

After the peer review, the company suggested that Jaya Mukti, Yaro Makmur and Wami villages are transmigration villages. Communities only control land inside their respective transmigration boundaries, and as such do not lay claim to any land inside the concessions. These three Communities were consulted with regard to HCV 5 and 6 – see Nabire Baru HCV Report and Annex 4 Social Report.

Regarding plasma areas which are overlapping on HCS/HCV. The company has indicated flexibility / willingness to negotiate about relocation of plasma areas. The Company has committed to not develop sagu areas, HCV and HCS, but much of the remaining undeveloped plasma land is HCV/HCS. Letters received by Ata Marie from the communities requesting that all existing plasma areas be developed were received after all consultation was carried out and teams returned to home office. So yes, there remains conflicting opinions regarding siting of plasma areas, and clearly a compromise needs to be negotiated. We suggest a possible solution in the case study presented (p 75-82). However, settling this issue will take time and is beyond the scope of this assessment. There are legal issues also – Plasma areas are under separate HGU titles under the name of the Koperasi petani plasma.

Regarding records of consultation, consultation was done in combination with HCV team. Reviewers are requested to reference the following HCV Report Annexes on sharepoint:

Annex 2: Pre-Assessment stakeholder consultation meeting report (includes Berita Acara and Daftar Hadir)

Annex 3: Post-Assessment stakeholder consultation meeting report (includes Berita Acara and Daftar Hadir)

Annex 4: Social Assessment Report

Annex 8: Participatory Mapping Report (includes (includes Berita Acara and Daftar Hadir).

Reviewers are also suggested to look at the 2016 LINKS FPIC Gap Analysis Report on sharepoint (includes Berita Acara and Daftar Hadir in Part II)

Regarding the complaints to RSPO and the RSPO Stop Work Order, please see summary discussion in Section 3.1.1. For further details, please see the above Annexes and the LINKS Report. The letter from RSPO regarding the Stop Work Order has also been uploaded to sharepoint.

All meetings were planned well in advance and invitations sent to all potential stakeholders. On several occasions meetings in Sima were postponed due to key stakeholders not being available. Meetings were well attended. Yayasan Pusaka, who has been assisting the Sima community with their complaint to RSPO, were invited to all meetings and their representatives attended most of the meetings at Sima, as well as he public consultation meetings in Nabire.

After the final peer review, the peer reviewer commented that Goodhope appears to responding to complaints and trying to resolve issues in a professional manner. This is largely related to resolving social issues.

Nevertheless, the reviewer has queried "*Allegations of environmental damage*", however there has been no mention of verification of the veracity of this environmental damage and subsequent restoration activities by Goodhope. That is if these allegations were found to be true. A section addressing this is required in the report. Especially given that most of the land that has been converted to oil palm was allowed through the

use of an HCV report that the RSPO considers “*demonstrates the poor quality of the HCV Assessments<sup>1</sup>*” Similarly page 19 of the HCV report shows that large areas of primary forest have been cleared.

- 2.5. Were their views addressed and reflected in the plans and implementation of the plantation? Is there specific reference to the customary owners being made aware that they can say no to the development and they have the right to independent legal representation with regard to their agreements before they sign (to meet the ‘prior informed’ test)?

**Finding:**

All this work has been undertaken “mid-development” (i.e significant areas have already been developed) so it inherently fails the “prior” test. No information is provided about what happened prior to development. However, there are clearly plans for subsequent developments. Regarding the subsequent developments it is clear that customary owners have been consulted and their views and wishes have been documented. Clearly the community wants development, but not everyone (“*It is undeniable that there are still some community members that remain sceptical of the benefit of the continued operation of NB/SAP*”). However, there is no mention as to whether they have been provided with independent legal representation. Nor is there a discussion for finding a solution for the sceptics who may want an area excised as a “NO GO” area.

**Reviewers Recommendation:**

The Companies’ FPIC SOPs should be included along with a separate document that includes a chronology of the FPIC implementation and associated social issues. This should be developed based on the companies’ records but also from interviews with the community so as to get a balanced point of view.

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<sup>1</sup> From RSPO stop work order.

Currently there appears to be no consideration for the sceptics' points of view. This needs to be taken into consideration and documented. Similarly, the point about legal representation needs to be discussed (even if the companies have not provided assistance with this). It should be clearly stated as such.

After the peer review, the company responded that the peer reviewers are suggested to look at the documentation referred to in no 2.5 above to understand the chronology of FPIC implementation.

Attendees during the consultation process included the full range of opinions from those previously pro and contra the development. Free and open discussions took place and the HCS study conclusions reflect the outcomes of these consultations. At the end of the consultation process participants agreed to the planned conservation plans and going forward agreed to work on potential solutions for the plasma issue.

After the final peer review, the peer reviewer states that "Reviewers are suggested to look at the documentation referred to in no 2.5 above" – this is section 2.5 and there is no reference to chronology here?

Can the assessor point to a document where the next steps referred to have been agreed to by all participants?

2.6. What recommendations do you have for any improvements regarding community consultation and negotiation of Free, Prior and Informed Consent?

**Finding:**

The companies' FPIC SOPs have not been presented. Without this crucial starting point it is hard to make recommendations. The fact that there are many clear indications that the FPIC process has not been well implemented (e.g. stop work orders, allegations of environmental damage, human rights violations, as well land tenure disagreements). Also statements such as "Some attendees said many community members do not understand the requirement for environmental management, and also were not aware of the exact location of boundaries (Concession boundaries, plasma area boundaries, conservation area boundaries etc)." suggests that the FPIC process has been rushed and not

implemented properly initially. The reviewer “guesses” that the companies have been forced to take FPIC commitments seriously at this late stage of development in response to a series of problems.

**Reviewers Recommendation:**

The Companies’ FPIC SOPs should be included along with a separate document that includes a chronology of the FPIC implementation and associated social issues. This should be developed based on the companies’ records but also from interviews with the community so as to get a balanced point of view.

After the peer review, the company states that the peer reviewers are suggested to look at the documentation referred to in no 2.5 above to understand the chronology of FPIC implementation.

A list of company FPIC related SOPs is shown on p 54 of the LINKS Report (Tabel 4).

After the final peer review, the peer reviewer commented that again, there is no documentation referred to in section 2.5. However, there is an adequate discussion of the FPIC process in section 3 of the summary report, this indicates that Goodhope is moving forward with FPIC processes.

### 3. *Ecological and Conservation Values*

3.1. Does the summary provided in Section 4.1 of the Summary Report adequately represent the findings of the HCV study?

**Finding:**

The main information provided in Section 4.1 is a table of the HCV areas by each individual HCV. This section needs to be strengthened with a map of the locations of each HCV and a short description of each HCV.

**Reviewers Recommendation:**

Place a summary HCV map in this section and a short justification of the presence of each HCV.

After the peer review, the company states that the following material has been added to the report:

1. Table 10 - Area and Justification of individual HCVs
2. Map of HCV Synthesis
3. Table 11 – Description of Synthesis (legend to map).

After the final peer review, the peer reviewer commented that the added material addresses the recommendations adequately. However the synthesis map would be much improved if it showed the forest areas external to the concession.

- 3.2. If the HCV assessment was not judged satisfactory (highest rating) by the ALS scheme of the HCVRN (as noted in the introductory information from the HCS Secretariat – please see page one of this document), please do a cursory review of the HCV report as it relates to HCVs 1-4. Do you have any general comments on the quality of the site description, the analysis of the landscape and national or regional context, or the methods used to undertake the HCV study? Were the determinations of the absence/presence and extent of HCVs 1-4 well-justified? Are the HCV management and monitoring maps accurate?

**Finding:**

The section on the site description and wider landscape context is reasonably good, although somewhat jumbled from the structure specified by the HCVRN (e.g. the section on scale, intensity and risk is at the end of the wider landscape context section). Also there is no national and regional context section.

The reviewer queries why the assessor did not use RePPProT in this assessment. RePPProt shows a large proportion of these concessions to be peat soil. This receives very little mention, especially such a key point!

In the section on the location of protected areas, there is only a discussion of Taman Nasional Laut Teluk Cendrawasih and almost nothing on the terrestrial protected areas (which border on these concessions). Similarly, intact forest landscapes are present right up to the border of these concessions. These are both very important points, but are not adequately discussed.

Table 2, which enumerates land cover change is important information, but the category “Tidak Ada Perubahan tutupan” is not adequate. One needs to know what is the and cover in this area, despite the fact that it has not changed in the period of interest.

Table 3 gives good information about the ecosystems in the area, however it does not relate to any of the subsequent maps. Furthermore the reader has no idea of the extent of each ecosystem. As such an area of ecosystem and a corresponding map needs to be provided. Similarly a land cover map is provided (map 7) but there is no corresponding description of the land covers, so the reader does not know if, for example “hutan” is primary forest and what sort of species are there. Furthermore the categories should be linked to the categories in table 2.

There is some discussion of threatened species (although nothing on birds) in the Scale, Intensity and Risk section, which is not really the correct section for a discussion of threatened species. Additionally, it does not emphasize that Papua is a biodiversity hotspot.

**Reviewers Recommendation:**

The assessor should follow the HCVRN structure for these sections. Additionally, write a national and regional context section.

As far as format is concerned, the relevant maps should be placed adjacent to the relevant text, so the reader can read the text and look at the map directly.

RePPProT data set should be added. The presence and extent of peat needs to be emphasized.

More discussion is required of the adjacent protected areas and the Intact Forest Landscapes. This needs an accompanying discussion on threatened species and general biodiversity values in the landscape.

There needs to be a description of landcovers and this needs to correspond with the areas in table 2 which enumerates land cover change.

After the peer review, the company states that these recommendations have been passed on to the HCV Assessor. Note that the HCV reports uploaded to SharePoint are new versions post peer review (March/April 2018).

After the final peer review, the peer reviewer states that The HCVRN structure has been followed along with a National & Regional context section.

The reviewer states that RePPProT is not accurate in Papua. The reviewer has no experience with RePPProT in Papua, but it is very accurate in other parts of Indonesia.

IFL maps have been added and there has been information provided about threatened species and general biodiversity values in the landscape.

3.3. Please review Section 9.2 of the Summary Report. Was the methodology used for the Pre-RBA and the Rapid Biodiversity Assessments (if any) satisfactory? Did the RBA(s) reveal any significant biodiversity values that should have been captured in either the HCV assessment but were not, or warrant protection?

**Finding:**

Because all the forests were high priority patches no RBAs were required.

**Reviewers Recommendation:**

No recommendations.

3.4. Are the forest conservation management and monitoring activities outlined in Section 10.3 adequate? Do they take into account forests and protected areas outside the concession?

**Finding:**

There is no discussion of protected areas outside the concession nor any discussion on creating corridors.

There are two threats identified, (1) felling of trees for timber and (2) land clearing for agriculture. Though in the management and monitoring it is not made clear whether the companies will buy or lease the HCV/S areas in order to maintain management authority over them. If the company that is not going to buy or lease that land the reviewer cannot see how the companies will legally undertake the management recommendations.

**Reviewers Recommendation:**

A good explanation needs to be provided as to why habitat fragmentation is not seen as a threat.

Explain whether the companies will buy or lease the HCV/S areas. If they are not going to buy or lease the lands then a good explanation needs to be provided as to how they will be protected.

After the peer review, the company states that with regards to the protected areas outside the concession, see Figure 4 (Land use zoning) and Figure 7 (land Cover in Region – new map), and Figure 18.

Almost all forest areas inside the concessions are already connected to extensive forest areas outside the concession. SAP is directly connected to a large HL area on its western boundary as mentioned on p 7.

Forests in the south of NB are also connected to extensive forest areas outside the concession. Forests immediately connected along the south boundary are zoned as production forest zone (PT Jati Dharma Indah logging concession) and some small unallocated patches of APL (other land use) and HPK (conversion forest land). Steep mountains rise on average from 5km south of the southern boundary - these are HL areas. Therefore conservation of proposed HCV/HCS areas will provide sufficient connectivity without the need for additional corridors.

Fragmentation is not seen as a big threat as smallholder shifting agriculture activity is currently limited. It is possibly going to increase along the main public road but is unlikely to spread far inside forest areas. Strong adat control of land limits this activity too.

All areas inside the NP/SAP boundaries have been compensated. This includes both inti and plasma areas.

After the final peer review, the peer reviewer commented that Figure 18 shows well the landscape plan and connection with the forest areas external to the concession.

The other points have been dealt with elsewhere in this review already.

#### 4. *Image Analysis*

4.1. Please review Section 6.1 of the Summary Report. Was the Area of Interest correctly identified?

**Finding:**

The total concession area (HGU) is not consistent. HCSA Assessment Summary stated that the area of NB/SAP is **21,046 Ha**, while HCS Assessment Registration Template stated the area of NB/SAP based on the HGU permit is **20,917.35 Ha**.

**Reviewers Recommendation:**

To be consistent in the information of concession area, whether it is 21,046 Ha or 20,917.35 Ha.

After the peer review, the company responded that the Shape files we received has area of 21,046 ha. As is common, area on license document is not same.

4.2. Please review Section 6.2 of the Summary Report. Were the images used of adequate quality, including resolution and date?  
*The HCSA Toolkit describes the expected quality of the images.*

**Finding:**

Data explaining the date of spot recording and land sat imagery 8 that is used for analysis is not available.

**Reviewers Recommendation:**

Make a table contain the date of spot recording and land sat imagery 8 used for analysis

The company suggested to refer to Section 6.2.

- 4.3. Please do a quality check using the images provided in 6.3. Was the initial vegetation classification done properly? Do the land cover areas in the tables in Section 6 look reasonable? Are there any obvious errors in classification?

**Finding:**

6.4. The method is in line with HCS Toolkit V1.0. However, the result of classification is not as defined by the toolkit. For example, the summary report only mentioned “forest” without classification, while according to HCS Toolkit V1.0 the forest is classified into low density forest, medium density forest and high density forest.

**Reviewers Recommendation:**

Provide explanation why the assessment can only identified forest with no further classification.

The company suggested that all forest areas are assessed to be Low Density Forest.

## 5. *Forest Inventory*

- 5.1. Please review Sections 7.1 and 7.2 of the Summary Report. Were the sample plots selected, set up, and measured properly? Please check the inventory plot layout for adequacy.

**Finding:**

In PT NB Yaur District – sample for forest plot is not available, and the scrub sample is very limited.

**Reviewers Recommendation:**

Plots distribution need to be more even or equal in each PT and district. More plots in Yaur District is needed to be able to determine the forest condition in that area.

After the peer review, the company commented that the Forest strata across the PTs are considered to be the same. Therefore, plot locations were decided based on distribution of each strata, not on PT (or district).

- 5.2. Please review Section 7.3 of the Summary Report. Was the forest inventory team qualified?

**Finding:**

No finding. Already in line with HCS Toolkit V1.0.

**Reviewers Recommendation:**

Ok.

5.3. Please review Section 7.4 of the Summary Report. Was the allometric chosen adequate?

**Finding:**

No finding. Already in line with HCS Toolkit V1.0.

**Reviewers Recommendation:**

Ok.

5.4. Please review Sections 7.5, 7.6, 7.7 and 7.8 of the Summary Report, and do a cursory review of the forestry data and statistical analysis. Are there any obvious errors in the raw forestry data? Are there any flags where a result does not seem consistent with your rough interpretation of the land cover image? Do the final carbon classes seem accurate given what is known about other forests in the region?

**Finding:**

No finding. Already in line with HCS Toolkit V1.0.

**Reviewers Recommendation:**

Ok.

**6. Land use planning**

- 6.1. Please review Section 8.1 of the Summary Report. Was the initial vegetation classification map adequately calibrated and adjusted to take into account forest inventory results?

**Finding:**

No finding. Already in line with HCS Toolkit V1.0.

**Reviewers Recommendation:**

Ok.

- 6.2. Please review Section 9 of the Summary Report. Was participatory mapping data used in step one to identify community lands that should be enclaved? Were patches merged correctly? Was the core area correctly identified? Was the connectivity analysis done correctly?

**Finding:**

The summary mentioned that PM is already completed (in section 10.1), however the map is not available.

**Reviewers Recommendation:**

Provide PM map in the summary.

After the peer review, the company suggested to see Figure 8. Map of Participatory Mapping Field Activities, and HCV Assessment Annex 8: Participatory Mapping Report.

- 6.3. Please review Section 9 of the Summary Report, and select a few sample patches to test that the Decision Tree was used correctly. Were the patches correctly identified as High, Medium, or Low Priority? Was the Patch Analysis done according to the HCS Approach Decision Tree?

**Finding:**

This section mentioned that there is a recommendation for an area to be developed. Information on the patches said that this area is “Low priority patches in medium or high forest cover landscapes with area of 0 ha”. However, the patch is visible in the legend. I assume that this means the 0 ha area actually has hectares/areal because it is shown on the map legend.

**Reviewers Recommendation:**

Provide the ha of each area that is recommended for development.

After the peer review, the company responded that: Sorry don't understand the Finding. As can be seen from Tables 25 and 26, under the base case scenario all potential HCS areas (i.e. 100 % of YRF and Forest) are recommended for conservation. Most are high priority patches, and the remainder are connected to high priority using the 200m buffer.

The only areas recommended for development following the toolkit are non-HCS strata (scrub).

- 6.4. Please review Sections 10.1 and 10.2 of the Summary Report. Were the final integrated conservation and land use planning steps completed to maximize the ecological and social viability of the conservation areas (HCV, HCS, peatland, riparian zones, customary forest, etc)? Were the results of the final ground verification (if any) adequately incorporated into the land use plan and final HCS map?

**Finding:**

Based on land use and integrated conservation map, there is 1 small conserved patch in PT NB surrounded by 1 potential developed area as well as areas that are already being developed. How does the company make sure that this small conserved area would not be disturbed considering that it is being surrounded?

**Reviewers Recommendation:**

Consider land swap for small conserved area as above.

After the peer review, the company responded that not sure which patch the reviewer is referring to, but yes land swap is one of the potential solutions for solving the plasma issue while minimising overall impact.