

**HCSA Peer Review Report**  
**DSN Group – PT. Agro Andalan (PT. AAN)**

**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 Thorp lead the assessment and is a registered practitioner.
- c) Were at least 2 HCS team members Registered Practitioners?  
 Yes, the registered practitioners on the team include Alex Thorp, 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>). Report evaluation by HCVRN Quality Panel is **Satisfactory 2 - Report is Satisfactory at first resubmission, the case is closed and the Public Summary is published.** (updated 2 July 2018)

68	Report High Conservation Value (HCV) re-assessment PT Agro Andalan Sekadau Regency, West Kalimantan Province, Indonesia	PT Agro Andalan	RSPO NPP	<a href="#">Cecep Saepulloh</a> Provisional	28/07/2017	Satisfactory 2	<a href="#">Click here</a>	23/02/2018
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**Questions for peer reviewers  
(Peer review panel: Neville Kemp)**

**1. Peer Review Summary**

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

**Finding and Reviewers Recommendation:**

Overall a much-improved report.

Main remaining weakness: Lack of evidence and methodology about community consultations. Issues about how much FPIC evidence needs to be shown in HCSA reports is noted.

Provide evidence that the community were informed of the intent of HCS and agreed to the data collection as well as the results. Need attendance sheets for all meetings, sketch maps or participatory maps made with communities, and importantly, Public Memos (*Berita Acara including clear maps*) for all agreements by community. Also, simplify the explanation about methodology. Focus FPIC on the right of communities to include their forests within HCS areas or without consent from the company to conserve these forests. This is very important for the company to show that communities want to conserve the forests or potentially utilize them that may lead to deforestation. While the assessors and company have provided more information on consultations there is still a lot of room for improvement here re representation of all layers within the community, there are still issues with FPIC. See section 2. Further FPIC discussions and amendments to the guidelines for assessors and company to demonstrate Informed Consent is still flagged and currently being addressed through Social Requirement guidelines by HCSA Steering Group and therefore outside of the scope of this report.

The report now follows the template. Perhaps more detail is needed in the template to show this paper trail.

**Company's Response:**

After the peer review, the company responded that the evidence of methodology, participation in meetings, berita acara and more detailed maps are provided in the Participatory Mapping report and additional files added to SharePoint. See details in relevant sections below.

Additional shp files have been added to SharePoint to show patch analysis workings.

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

**Finding and Reviewers Recommendation:**

Yes. The team has had a number of years' experience conducting HCS assessments and should have the expertise needed. Ata Marie were trainers in the HCSA.

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 and Reviewers Recommendation:**

Some. Any aspects of FPIC that were not focused on ensuring communities have had the right to veto HCS areas on their land or show that communities actually support HCS. Needs to be verifiable through the provision of documentation. We have kept this recommendation though more information has been provided. Conclusions of informed consent cannot be drawn from the report and the company has stated it will ensure this moving forward.

**Company's Response:**

No 1: see response in Section 5 below.

No 2: more details in the appropriate section below and in the Participatory Mapping report.

## 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 and Reviewers Recommendation:**

No. Section 3.1 does not provide adequate information on community engagement, FPIC processes and participatory mapping.

Community engagement purposes are described not only to socialize and seek consent for HCS related activities, but also for negotiations for further land acquisition by the company. This appears very clearly from the Panduan FGD which is focusing as well on land transfer process, partnership schemes and plasma producers cooperative. Within the HCS report there is no indication that consent has actually been secured for the initial plan to develop a plantation on land used by communities although this is presented for conservation areas with a limited number of community members. Based on description of community engagement related activities, namely socialization, FGD and interviews, it cannot be established whether a FPIC process has effectively been conducted for the entire concession, however.

- Multiple purposes of community engagement is making the object of consent seeking for HCS areas unclear: for a community to agree on a HCS related activities (such as data collection) does not evidence the community's consent on the HCSA delineated, neither on further plasma plantations extension.

- The summary report format / template does not adequately provide the space / opportunity to reflect on FPIC process beyond a simple explanation of activities with communities. Although agenda of meeting includes "*discussion on FPIC principals*", there is still no record of discussions or documents signed acknowledging communities consent. The company and assessors have developed FPIC guideline, and the company should ensure its rigorous implementation moving forward including MoUs or agreements between the company and the communities.

Recommendation for HCSA. There should be more explicit information provided to assessors through the HSC toolkit as to the bounds of FPIC within a HCS assessment and information required for verification of the process (as included in the RSPO guidelines for FPIC) that should be included in the HCS summary report.

- There is no written agreement or signed document engaging the community. Berita Acara – signed by community representative (most often village authorities) and witnessed by head of village - do only attest that the meeting has taken place, but does not provide any information as to main conclusions reached or follow-up actions. The company has stated it will ensure this moving forward.

The reviewers have listed recommendations below:

**Engage with all communities:** Based on self-nomination principle, communities will decide on own representation mechanism. Need to demonstrate that this was done with formal written documents and attendance lists etc. The company should ensure this moving forward.

**Conduct genuine FPIC and respect the right of communities to withhold their consent for HCS:** To inform about concessions' boundaries, but also about implications of the project development for the communities and options available to them, is a first step in FPIC process, before a consent can be sought – with the possibility that the communities withhold their consent. Company needs to listen to communities claims, to better understand tenure issues, communities' livelihood and land use. Panduan FGD in the review of the land transfer process applied so far (part 4) should also cover FPIC related issues (how it was explained, conducted and formalized). The company should ensure this moving forward.

**Conduct social baseline assessments** to understand rights holders, decision making and groups that will be impacted by the delineation of HCS areas. The company should ensure this moving forward.

**Conduct participatory land use and land claims mapping:** To be successful, HCS approach has to be fully embedded into FPIC process and must integrate a participatory land use planning covering protection of HCV areas, peat lands, and other lands important to communities. GIS based Land Use Mapping has been done with limited community involvement: 1-3 persons for field work, and for public consultations, with questionable participation of women and adat representatives. Number of participants in results sharing and consultation sessions was small, about 14 persons with half being from company and consultant.

**Company's Response:**

After the peer review, the company has revised section 1 to clarify the community engagement processes carried out. They have also uploaded additional material to the share point folder under 1.5 to support the report, including the Participatory Mapping Report and evidence of attendance (See list of additional material uploaded in Section 3.4 of the report).

During both FGDs and the ICLUP meetings, Assessors discussed with communities their right to withhold consent to HCS and any other company initiative, and the possible positive and negative impacts of HCS set asides. In the case of AAN the remaining forest areas are under adat protection and therefore HCS and Adat are well aligned. The challenges identified were more related to HCS management.

Regarding FPIC, as mentioned in the summary report, we are only seeking consent for HCS related activities in the field, not for any land release. So indeed, the level of FPIC is still at the very beginning process. The ICLP is draft - it is the responsibility of the company to come to final agreements with the community.

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

**Finding and Reviewers Recommendation:**

No evidence of tenure study.

- Identification of livelihood's activities cannot be considered as a tenure study.
- Mapping of recommended HCV areas cannot be considered as a tenure study.

Such a tenure study is necessary as 7 villages are at least partially located within PT AAN concession, and it is stated in the SIA, that the area which was used to develop oil palm was initially used by communities as fields, oil palm and rubber plantations, and habitations. Besides there are adat forests (indigenous forests) overlapping with PT AAN concession, as attested by the Summary Report stating that all remaining forested areas are adat forests (indigenous forests) and as such qualify for HCV areas.

The reviewers have listed recommendations below:

**Conduct a thorough tenure study for potential HCS for the entire concession, and share it with concerned communities and their advisors:**

Tenure study is particularly important as remaining forest areas may constitute only part of original adat areas. The company should carry out transparent and participative tenure studies for the entire concession (including HCS area) moving forward. It is also important to study claims (even if not yet supported by formal evidence or title) of customary communities on their traditional areas or adat forests. Many traditional

forests may have already been converted in the past which may lead to future tenure conflicts and claims. Traditional ownership has previously been mapped through assistance by NGOs and these participatory maps may be an important source to identify potential future conflicts.

**Cooperate with organizations assisting community participatory mapping initiatives** and consult existing maps of indigenous territories registered at BRWA (Badan Registrasi Wilayah Adat), to define overlapping areas for a tenure study. This is important to understand existing and potential conflicts with communities.

**Company's Response:**

After the peer review, the company stated that during the various stages of community engagement, communities informed that apart from the adat areas identified during the FGDs and participatory mapping, all land should be treated as owned by individuals and/or small family groups. Village government and Adat bodies informed that final decisions regarding future usage of such land will be made by the respective land owners on a one by one basis, but requested that should owners be willing to negotiate, such negotiation processes should be carried out in a transparent manner involving both the above bodies as well as informing and involving all neighbouring landowners in land surveys, to avoid disagreements. The company should be careful in engaging in negotiations with individuals. There can be individual as well as collective tenure rights on an adat territory, but usually decision making is submitted to adat law which restricts individual decision on land related matters.

During FGDs the HCS assessor discussed and raised awareness regarding potential positive and negative impacts of setting aside land for various conservation and plantation development purposes, and Communities' right of refusal and complaint mechanisms. No record of such discussion.

We as HCS Assessor provide a recommended conservation land plan to AAN. Negotiation / finalisation of land use plans and negotiation with individual landowners is the responsibility of AAN.

- 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 and Reviewers Recommendation:**

Improved. Provided maps delineate recommended HCV and HCS areas. Resolved.

The reviewers have listed recommendations below:

**These general recommendations are directed at HCSA.**

**Provide quality participatory land use and claims guidelines for mapping:** A participatory land use and claims map establishes community occupation, and current/future utilization of the land.

**Provide clearer guidelines on levels of participation required involving all villages in concession area in the participatory mapping process** in order to map villages' assets, as HCS zoning might impact on community's ability to further access those areas (for shifting cultivation, NTFP or other usages...). It is of utmost importance that participatory mapping covers all relevant areas: no village or dusun should be left out of such field assessment.

**Provide guidelines on gender equality in the process of land use mapping:** Women need to be fully involved as they use natural resources for different purposes (food, medicine, handicraft...) and manage areas that can differ from what men are doing. For consultations on CSR programs as well, because women have different needs and priorities.

**Provide guidelines on self-reliant participatory mapping:** Company's employees involved in this work receive training about participatory mapping concept, NTFP identification, FPIC and basic mapping competencies. It is equally important that community members involved in the participatory mapping receive similar prior basic training and understand the purpose of mapping to ensure the quality of the process.

**Provide guideline on the scope of tenure studies to include formal and customary tenure rights:** To establish a land use and conservation plan, it is essential to ensure that formal and customary tenure rights are considered, that meaningful community participation is secured, and existing community-based conservation practices are valued.

**Provide guideline for engagement with other relevant stakeholders:** Cooperate with local organizations doing communities' participatory mapping and who have developed a methodology to ensure quality of the mapping process (JKPP, BRWA and their local networks).

**Company's Response:**

After the peer review, the company provided responses regarding land use mapping (finding #1 and recommendation #1). Participatory land use mapping was carried out and is described in the summary report and is documented in more detail in the Participatory Mapping Report, including maps. GIS files describing land use are also provided. The smallholder (SH), sawah, tembawang and settlement land cover classes (Figure 11 and Table 11 in the report) are all land that either is or has been in the past utilized by the respective land owners for agriculture purposes. The right of individual land owners to this land is not under dispute and is recognized by AAN.

Regarding Participatory mapping in Desa Nanga Pemubuh (finding no 2): Participatory mapping was carried out four dusun. There were some omissions in table 8 which have been corrected. Finding 2 removed based on additional information provided.

Regarding the review of ICLP (finding no.3): Correct, the discussions were held at village level. Generally 1 village per day in the afternoon / evening.

Regarding participation of women, (recommendation #3): Requests were made for women and youth representatives to be present at FGD and ICLP discussion meetings. This did not always result in their attendance. Attendance lists for initial consultation meetings and FGDs are provided in separate files uploaded to sharepoint. For Initial consultations: carried out within two days in 6 locations – short time frame. List of attendance include participants from Ata Marie and PT AAN (accounting up to over half of the participants). Attendance lists for ICLP meetings can be found in the Participatory Mapping Report also uploaded to sharepoint.

The 0.5 ha per person requirement was not in existence when the assessment was done (the project was carried out under the 2015 toolkit). Awareness raising and discussion on food security was carried out during the FGD and ICLP engagement activities. The reviewers highlight the importance of involving women in such discussions.

The purpose of the HCS participatory mapping exercise is primarily to identify and map conservation areas, not to map individual land owners - realistically that would take many months. Should not be called participatory land use mapping but conservation areas maps – this requires further clarification from the HSCA SC.

Other points and findings are taken on board.

- 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 and Reviewers Recommendation:**

There is record of consultations with affected communities, with lists of participants for initial consultations on the socialization of HCS Assessment and for FGD (but not all attendees signed attendance – as stated by company, and not always indicating position/gender of participant). Should initial consultations serve the purpose of FPIC, time and coverage seem limited and should be improved moving forward. There was no information to assert how participants have been chosen, and whether self-representation principle has been respected (which would have required an additional step after the initial consultations to effectively carry out FPIC process). No signed document to evidence consent given by communities. Summary of concerns raised in participatory mapping process indicate that more information is needed before getting final consent on proposed HCV areas. Please see above information on detailed information REQUIRED by HCSA to prove sufficient consultation with affected communities.

Time allocated for four initial consultation meetings seems short with three village consultations conducted in one day. Compared to the objective of these initial consultations *“which included socialisation of HCS program, seeking consent to carry out HCS related FGD and field activities, and discussion of field work plan and schedules”*, two-hour meeting (as confirmed by company) seems really short...

Initial consultations are meant to *“seek consent to carry out HCS related FGD and field activities”*. But to allow for self-representation, time should be allocated to communities to get organized once basic information on FPIC process has been provided. There is no signed document by communities attesting that consent has been given. See 2.3.

Limited coverage of communities: FPIC should involve all communities, but here not all villages (4 out of 8 villages) were covered by initial consultations and FGD were held in 1 to 4 dusun in six villages, meaning not all dusun were covered. Focus Group Discussions (FGD) and interviews at Dusun level were conducted *“with Kepala Desa, support staff and/or community leaders”* of each village within the AAN licensed area. But limited participation of community members and very limited participation of women (presence mentioned only in three out of 16 consultations). AAN's FGD Guidelines do not detail how women's and children's involvement, roles and rights are to be integrated in the process. People interviewed were mainly plasma farmers who have a direct interest in plantation development. Interviews were also

conducted with 1 sub-district head, 4 village chiefs, 1 head of cooperative and 2 AAN CSR people, but no interview with other community members, in particular women. This suggests that only limited stakeholders' perspective has been considered.

Issues/concerns raised by communities: The table summarizing results of discussions on Participative Land Use mapping is about "*Sosialisasi HCS-HCV*" (which is different from FPIC) and under "*tanggapan*" or reaction from community (which is different from consent) it reads that proposed sites can be considered for conservation "*however people require more details from the company on foreseen management*", which indicates a lack of information to ensure an informed FPIC. In addition, there are several suggestions as to HCV locations (need to identify other rivers, buffer zones, address contamination and waste management...) that also indicate that proposed HCV area delineation is not yet final at this stage.

Regarding locations: two villages, namely Nanga Menterap and Cupang Gading, were left outside of initial consultations because "small area overlapping" – who defines if this is small or worthwhile having consultations? However, impact can be real as these villages have among highest population. Initial engagement with Cupang Gading was not carried out because company not aware that the AAN concession overlapped on to their land.

The reviewers have listed recommendations below:

**As per 2.3.**

**Respect self-representation of communities:** Interactions with communities should involve wide participation by various social groups until decision making processes and representatives have been agreed by the communities. In terms of participation, affected communities decide on who will represent them (not the team facilitating the process).

**Ensure inclusiveness:** It is not enough to discuss with village chiefs, but it is necessary to engage with special interest groups: women who use specific areas for specific needs (medicinal plants...), indigenous peoples and elderly who understanding about village boundaries, customary management of natural resources, cultural and spiritual sites...

**Record everything and provide copies to communities and their advisors:** Attach detailed (gender) list of participants for each consultation, schedules, information provided and documents shared prior to consultations, minutes of meetings, signed agreements. Please clarify if multiple teams were used in different village on the same days.

**Company's Response:**

That with regard to Initial Consultation Meetings (finding no 1): Initial consultation meetings were primarily with village heads, dusun heads and other senior community members. These were introductory meetings to describe the HCS process, ask permission to initiate planned activities at dusun level and then discuss planning and scheduling. These meetings generally took around two hours.

With regard to FGD attendance (finding no 2): We requested attendance across a broad spectrum at FGDs including women. But actual attendance varied between villages and not all attendees signed attendance. List of attendance to all Initial consultation meetings have been uploaded to sharepoint (file = "Daftar Hadir Initial Consultation Meetings AAN HCS Assessment.pdf").

With regard to locations (finding no 3):

Cupang Gading: We did not carry out intensive engagement because at the start of the project we were not aware that the AAN concession overlapped on to their land. Village boundaries are not finalized - the boundaries we have mapped are estimates based on inputs from villagers. We carried out participatory mapping in the area. Just as background, the Cupang Gading area is dominated by steep land HCV, but there is no forest area remaining. In hindsight more engagement should have been done here. AAN community teams will need to pick up on this.

Nanga Menterap: the village center is located far from the concession and only one dusun (Sg Durian) controls land inside the AAN area. Although we did not carry out initial consultation at village level, we did carry out interviews and participatory mapping at Dusun level. Just as background, there is a significant area of plasma oil palm in the Dusun area (belonging to Dusun villagers) which was developed by a neighbouring oil palm company. The Sg Durian area is already heavily developed.

We have tidied up the list of Dusun in table 3. Some of those listed previously were sub Dusun.

Regarding the question on 8 Dusun located outside the AAN boundary. These were included for interviews and FGD because the villagers there control land inside the concession. Inside/outside refers to the location of the settlement itself.

Other recommendations noted.

- 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 and Reviewers Recommendation:**

Based on HCS template and the available information it is very difficult to answer this review question and we direct HCSA and the company to recommendation given in section 2.3

Since the first location permit delivered in 2008, PT AAN has secured less than 50% of the area covered by the izin lokasi within three years. The fact that until now izin lokasi has been extended suggests that the company is still in the process of acquiring land. A clear FPIC process been conducted at the initial stage may have helped clarify the situation (as well as lessen the potential for conflicts).

The reviewers have listed recommendations below:

**See section 2.3 about process of FPIC** - Sufficient prior information should be provided, including on the FPIC process, self-representation, decision-making, the possibility to get outside advice, and the option for communities to withhold their consent.

**FPIC should be an iterative process:** Socialization is only the first step in a FPIC process (to provide relevant information); then time needs to be given to communities for internal reflections and discussions, and to seek for outside advice if they wish to, before any consent can be given on the FPIC process itself, on the proposed project development and on the HCS approach.

**Follow-up on concerns, claims, questions, recommendations made by communities:** This is of utmost importance to build trust with communities, especially those who have already suffered land eviction and resources losses.

**Dedicate adequate time and resources for better engagement with communities:** Communities should be considered as peoples with rights (including legitimate tenure rights), not only recipient of company's information or sources for data collection.

**As to HCV/HCS approach, it is highly recommended that the company:**

- Discloses full final HCV reports and maps to communities and stakeholders;
- Provides opportunities to stakeholders and rights holders for meaningfully inputs and feedbacks on HCV reports, and
- Follows-up on the recommendations and concerns provided;
- Ensures that key communities' land use and land claims maps, as well as other social issues are integrated in the HCV reports, before using these as inputs for Integrated Conservation and Land Use Plan (ICLP);
- Involve stakeholders and rights holders in developing monitoring and management plans, Integrated Conservation and Land Use Plan (ICLP)
- CSR cannot be used to solve conflicts. CSR might ease tensions in short term, but no long term solution. Need to prevent conflicts, by conducting genuine FPIC (and not develop plantation in area where people have refuse the project), identifying better risks and draft a conflict map
- Do not “manage” conflicts (conflict-based impact management), but solve them.

**Company's Response:**

“Regarding finding #1: During all stages of engagement (initial meetings, FGDs and ICLP meetings), communities right to select representatives and reject AAN's proposals was described and discussed. - No record or evidence.

The concept of FPIC was explained in both the initial meetings, FGD and ICLP consultation. A simple document was used to describe FPIC concept (see file = Free Prior Informed Consent pengertian dan praktek by IS.pdf). A simple document was used to guide FGD activities (see file = Panduan FGD AAN v6.pdf). Methodology and findings of PM and ICLP meetings can be found in the Participatory Mapping report uploaded to the sharepoint. - Above comments remain valid.

Regarding finding #2: Community input into land use plans was extensive, e.g. in relation to identification of current and planned rice growing areas (sawah), fresh water sources, land for settlement and settlement expansion. This input is built into the final draft ICLP.

Other recommendations noted.

Note again that it is not the HCS assessor's role to carry out final negotiation on land release or land use plans. We are producing recommendations for conservation areas that have been developed in participation with local stakeholders. Please see above information on detailed information that should be required by HCSA to assessors prove sufficient consultation with affected communities.”

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

**Finding and Reviewers Recommendation:**

Recommendations are provided in sections 2-3.

### 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 and Reviewers Recommendation:**

Yes. The HCV report should be treated cautiously. Few of the Small Holder areas have been considered HCVA that may have been identified through participatory mapping. While it is not the role of the HCS assessment team to re-do an HCV assessment or provide feedback to the report through the ALS such as justifications as to why parts of the concession that have not been planted yet do not qualify as HCV (that is the role of the HCV assessor), information about HCV contained within the HCS report can be improved by the following:

- The HCVA should be illustrated in a clear map, simply and clearly, showing in the presence of HCV (1 – 6) and the size of each HCV area:
- A matrix of HCVs present and their management and monitoring prescriptions could be displayed in this section.

As shown in Table 3 *Map of Plantations Development in AAN area*, several identified HCV areas are surrounding or are directly contiguous to already developed oil palm plantations, or are overlapping with GRTT zone not yet planted. On the other hand only limited part (2,665.11 ha) of not yet planted area (13,575 ha which represents 77% of overall concession area) has been identified as HCV.

**Company's Response:**

After the peer review, the company provided responses that a map of showing HCVs has been inserted (Figure 6).

Text from HCV report justifying lack of HCV 2 has been added to the summary report.

A table of threats and management and monitoring recommendations has been inserted (Table 11).

- 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 and Reviewers Recommendation:**

Even though the HCV report has passed QC Panel, there is room for improvement!

In the HCV report, greater improved description of HCVs 5 and 6 are needed. The lack of attention given to community's livelihoods from Tembawang and mixed Rubber plantations may likely give rise to conflicts given the large and growing population in the AAN area. This is evidenced by foreseen village expansion (detailed in the HCS report) and the need for agricultural land in the future.

The failure of the HCV report to identify community mixed farming areas and rubber plantations also has an impact of HCS patches identified as pressure on remaining forest land will likely increase with expanding oil palm development especially if insufficient land is set aside for community use. No NTFP seems really unlikely considering that NTFP are important especially for food, medicine, handicraft... that are all primarily harvested or used by women. This might be due to the fact that no women were involved in the consultations. In the second public consultations the head of Sungai Sambang village mentioned that rattan is being used by women and constitute an important source for making cooking tools and pieces of furniture.

Under HCV 5, several rivers were not included like sungai Bindang and Semanuk that are said to be used by up to 100% of local population for their consumption (in Dusun Tembawang Nangka). While it was recommended during public consultations that all the rivers are set as HCV locations. During the second consultation, the local head of food security pointed at 94 forested locations as HCV and explained that only "land owner" are eligible to submit such location (to be saved from investors). It was agreed that communities, company and local authorities will work on defining such HCV sites. Not sure what is final decision on that (and how restriction imposed by the "legal owner of land" will be applied).

**The HCV report has now passed the ALS review process.** However potential shortcoming of the report have been identified. Not that some of the area identified as HCV 4 are not necessary off bounds to the company and there are no specific management recommendations for HCV 4. This may undermine the HCS patches identified and assumed viable as they are connected to HCV “conservation areas” Not that HCV4 (soil conservation) does not always mean to say that these areas are off limits to the company – as long as soil is conserved (and other HCV are not lost, Oil Palm may be suitable on these slopes and used as a strategy to prevent erosion and landslides.

**Company’s Response:**

After the peer review, the company provided responses that the HCV report has now passed the ALS review process.

Out of the 828 ha of HCS forest identified, 748 ha is also allocated as HCV so in general HCV and HCS are well aligned.

The lack of clear management and monitoring recommendations is a weakness e.g. the 700 ha of HCV steep land for which there are no specific instructions. In the ICLP it is assumed the HCV Assessor has allocated this area for conservation, but as noted by the peer reviewer, if these areas are not forested then logically re-establishment under certain management prescriptions should not be ruled out. This has been noted in the report. This has been updated with the management and monitoring recommendations for HCVAs including HCV 4.

- 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 and Reviewers Recommendation:**

Yes. Pre-RBA was carried out properly and patches removed from HCS. No RBA was necessary and warrant protection.

**Company's Response:**

After the peer review, the company responded that they only carried out pre-RBA. All polygons inspected produced a change of land cover class from a potential HCS class (BT/YRF) to a non – HCS class (either Smallholder – SH or scrub). This finding leads to the polygons being removed from the decision tree process.

A separate pre-RBA report was uploaded which sets out the procedures and results for each site. (see file = Laporan pra RBA AAN v4\_SI.pdf).

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 and Reviewers Recommendation:**

Yes.

- As most of the HCS forest areas are under adat control, it is recommended **to strengthen adat institutions and role** in regard to management and monitoring activities.

- **Community-based conservation practices** should be documented and optimized (refer to work done in this respect by the Indonesian Working Group on ICCAs) for participatory conservation management and monitoring plans.

**Company's Response:**

After the peer review, the company responded that they agree with all these recommendations. These will be undertaken by AAN during preparation of their Management and Monitoring Plan. In particular, involving existing adat institutions in management and monitoring has been added into the table.

#### 4. *Image Analysis*

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

**Finding and Reviewers Recommendation:**

Yes. The toolkit recommends an area of at least 1km outside of the concession to be taken into account. This has not been done in the assessment. Important to show the landscape context and to ensure that any important forest patches that are important for conservation on forest outside are considered in this context. A cursory look at the images provided shows there may be important patches of forest to the NE and SE of the concession. Any smaller patches of forest inside the concession that are linked to this may need to conserve.

Show the surrounding landscape through initial analysis image analysis and potential connectivity to patches inside.

**Company's Response:**

After the peer review, the company responded that Text from Section 1.3.3: "There are no government designated protection forest areas either bordering on or within 5km of the AAN area. The closest large forest area is located approximately 8km south of AAN on protected forest land (HL). Much of the HL area has been cleared by smallholders."

Surrounding landscape is shown on Figure 5. (not a good image I admit – we have high res imagery over the concession but it does not include external buffer). Buffer areas are all non-forest so there is no connectivity. Addition of reasonable imagery provides evidence that there are unlikely to be areas of connectivity with HCS patches identified in the concession

4.2. Please review Section 6.2 of the Summary Report. Were the images used of adequate quality, including resolution and date?

**Finding and Reviewers Recommendation:**

Yes. No issues with date of acquisition, resolution or quality.

- 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 and Reviewers Recommendation:**

Improved. The area of interest is a mosaic of rubber small holding, rice fields and, oil palm and forest / scrub patches. It is likely that the first interpretation of the land cover would have showed rubber and small holdings as “YRF or older Scrub”. It is also likely that these areas initially thought of as scrub and YRF were identified as small holder areas after the carbon stock inventory in the field – and therefore subsequently changed to SH (Small holder). IF THIS IS THE CASE, it would be much better the state this and thus account for the fact that NO Scrub and Young Regenerating Forest was sampled. This has been stated in the report

Actions that need to be taken and addressed in the report include:

Provide some form of accuracy analysis for the initial classification such as a contingency table to give the readers a higher level of trust in the results. This is especially important as samples were not taken from Scrub and YRF areas (see comment below). - Still difficult to tell which plots were mis-identified in the initial classification.

**Company’s Response:**

Re point 1: Pre-Inventory map has been added. The revision of land cover classes is based on the findings of the inventory team, the extensive Participatory Mapping work carried out (as explained in Section 3.1.3 and in more detail in the Participatory Mapping Report), and the pre-RBA work.

Re point 2: Accuracy analysis in the HCS Assessment toolkit is provided by the statistical analysis of inventory data. Not having any plots in the YRF and scrub does provide issues for the statistical analysis, and this is taken on board. However, replanning inventory “on the run” in AAN case is not easy. If there are clear large concentrations of strata (e.g. scrub) then replanning is straightforward. However, in a heterogeneous patchwork like AAN where field inspection of all planned scrub and YRF plots led to them being re-allocated to non- natural forest, we would in all probability get the same result in any new plot location. In fact, our gut feeling is that most of the remaining scrub area is likely to be controlled by smallholders, however we do not have data to make that adjustment, and it is not feasible to visit every polygon.

Also note that smallholder (SH) and tembawang classes are non-natural forest land cover classes which are not included in the patch analysis process. The carbon stock data for the SH class is provided for completions sake – they are also used by AAN in their GHG analysis.

Text from Section 7.2: “Plots located in the smallholder land cover class are generally in locations originally allocated to the YRF and scrub strata.”

Comments on Point 3: Area tables and maps in the draft summary report are all post field work. It is a patchwork of many classes so yes the map is rather difficult to look at. Shp files of land cover and imagery have been provided for detailed checking if desired.

Table 11 is following the template where only scrub and open land are separated out. Ok have revised it...

Notes on Point 4: Maps presented are as requested in the template. Scrub is not a potential HCS class, so it is not included in the patch analysis. Suggest look at the Participatory Mapping Report for more detailed maps, as well as shp files and images provided.

Re Point 5: Although for completeness sake some additional inventory could be done, in our opinion it will not impact the final HCS area. As noted above the trend in all sites visited is for areas of scrub/YRF to move to SH. In our opinion it is unlikely that any scrub areas will move up to YRF. Looking at the land cover map it can be seen that most scrub is associated with smallholder areas.

## 5. *Forest Inventory (NJK)*

- 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 and Reviewers Recommendation:**

Explanation accepted. No additional comments.

BM and BT need to be sampled (BM was initially stated at a significant 6% of the concession) to improve confidence and show the reader that areas of BM were under the carbon stock threshold and there was no need to alter initial and final land-use maps.

### **Company's Response:**

After the peer review, the company provided responses that as explained earlier and, in the report, sampling of SH was not targeted and was a result of the initial mis-interpretation of these areas as YRF, BT and BM. This pattern only becomes apparent after visiting each plot – it is therefore a gradual process. The low sampling of the forest strata is a result of this change in land cover stratification. Lack of sampling in the scrub strata has been discussed above.

Initial land cover map has been added to the report.

Note there is no longer any carbon threshold in HCS toolkit.

The AAN concession is a high population area where most of the land has been cleared in the past. Significant areas are utilised under mixed agroforestry – rubber, fruit trees and scattered natural forest trees which have been kept as a kind of timber bank. The only residual natural forest areas are those which are protected under adat controls.

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

**Finding and Reviewers Recommendation:**

Yes. No issues with carbon inventory team although sampling should have been intensified “on the fly” as SH was being discovered during sampling.

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

**Finding and Reviewers Recommendation:**

Yes.

- 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 and Reviewers Recommendation:**

Issues with Scrub and YRF as described above.

Photos of YRF and Scrub not consistent with what the report actually says was sampled as it is likely that the sampling discovered Scrub and YRF plots as SH. The first part of the report has been amended to incorporate this, but the photos have not been updated and still have YRF and Scrub labelling. Stats are good but having only 12 samples to work means results cannot be regarded as an accurate estimate of carbon stocks. Still some discrepancy with photo labels – best to state initially classified as .... Modified to SH after field survey (where appropriate)

**Company's Response:**

After the peer review, the company responded that they agree in hindsight that more plots should have been measured. Reasons behind this as discussed above.

## 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 and Reviewers Recommendation:**

Yes. This initial statement was based on information previous provided. With the addition of an initial vegetation map we can see where calibration has been made – this is less to do with the differentiation between Scrub – YRF – Dense but more differentiation between SH and regenerating forest. Recommendation / Finding removed.

### **Company's Response:**

After the peer review, the company responded that the major adjustment that has taken place is the removal of areas from YRF and scrub areas to SH. The residual area of YRF is only 80 ha. Also see comments about the scrub under question 4.3 point 2 i.e. that if we had time and resources to visit all the scrub polygons, they would probably be moved to SH also. Therefore, we completely disagree that calibration has not taken place. Calibration is not only based on carbon stocks but also results of inspections in the field, both from inventory and also participatory mapping activities.

- 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 and Reviewers Recommendation:**

Yes.

**Company's Response:**

After the peer review, the company responded that the data originally provided was focused on the results, i.e. patch number and the findings of the patch analysis for each patch. Additional shp files have now been provided in sharepoint showing patch core, patch connectivity, buffers and risk assessment.

- 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 and Reviewers Recommendation:**

Yes. Need to have a GIS shp file of all patches. Ata Marie have chosen to put in an additional step – connectivity with HCV areas. They also state that low priority patches not contiguous with HCV [or other mid-high priority patches] are recommended for development. Although this prioritizes some areas and reduces the need for RBA. This approach could be used in future assessments especially if the number of low priority patches is high.

The RBA identified that the low priority patches all consisted of community used areas. Even though they were viable for operation by the company, community use demonstrated that they should be placed in SH category.

**Company's Response:**

After the peer review, the company responded that the Shp data provided indicates priority. Additional data provided as discussed above.

- 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 and Reviewers Recommendation:**

Yes. Aside for the argument about potential YRF and Scrub that may have been missed due to the lack of sampling in these strata, within this highly fragmented landscape, the areas identified for conservation are probably the only ones available. Ecological viability has been maximized by adjoining the HCV and HCS areas in the land use plan (and selecting HCV patches during the Patch Analysis process). The social work identified areas for future development (that meets the minimum requirement of 0.5 per person living within the area / concession (if future development areas are combined with tembawang, rice fields and the extensive SH area). There is no evidence for final ground verification per se. Extensive social work, ground truthing and carbon stock sampling, as well as Pre-RBAs were carried out and probably considered adequate by the assessors. However, there are areas where a more coherent shape for forest conservation could be advocated for (such as recommendations for development surrounded by forest patches and HCV areas).

**Company's Response:**

After the peer review, the company responded that as surrounding areas are all SH, any refining of conservation boundaries will need to be negotiated with landowners.