

HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

Company Name: Genting Plantations Berhad
HCS Assessment Area: PT. Palma Agro Lestari Jaya
25 February 2020

Dear peer reviewers:

Thank you for agreeing to review this HCS study. As you know, we are asking you to do a desk review of the material provided and to highlight any concerns you have about the land cover classification, land-use planning, or consultation processes. We have invited you as an expert in your field, and hope that you will bring your own experience and knowledge to this review to help the company improve its study. We are not asking you to provide a pass/fail decision, just to give your honest opinion and suggestions for changes to the company's plans or activities to ensure that the HCS Approach methodology is implemented correctly. Please refer to the latest [HCSA Toolkit](#) as reference.

Some of the issues raised in the review may be complicated and long-standing, especially those related to land tenure and historical conflict with communities. It is not within the scope of the review for you to do hours of research and determine who is at fault, or to examine stakeholder activities outside of the particular concession or plantation which is the subject of the review. Rather we ask that you call attention to topics that need further research or more information from the company, to improve community relations in the future or to reassure external stakeholders that the intent of the HCS Approach is being followed.

Background information to be provided by the HCSA Secretariat:

- a) Did a Registered Practitioner Organisation lead the HCS assessment? If not, has the organisation which led the assessment started the process of registration?**

Yes. Kasuma Wijaya from PT. Sonokeliling Akreditasi Nusantara led the HCS Assessment.

- b) Was the HCS Team Leader a Registered Practitioner?**

Yes.

- c) Were at least two (2) HCS team members Registered Practitioners?**

Yes. Kasuma Wijaya and Kresno Dwi Santosa are HCSA Registered Practitioners.

- d) Was the HCV assessment judged 'satisfactory' (highest rating) by the HCV Resource Network (HCVRN) Assessor Licensing Scheme (ALS)? (See <https://hcvnetwork.org/reports/find-a-report/>).**

Yes. The HCV assessment was Satisfactory.

Questions for peer reviewers

(Peer Review Panel: Kimberly Carlson and Jules Crawshaw)

The estimated time to complete each section is noted in parentheses.

1. Peer Review Summary (2 hours, Lead Reviewer)
- 1.1. What are the major findings and recommendations from the peer review?

Please refer to the peer review results in this report.

Finding: In general, this HCS assessment is clearly written, and substantial information was provided about the HCV assessment. However, the vegetation classification results do not align with visible vegetation cover in the original satellite images, and the decision tree was not correctly applied to the land cover maps. As a result, it is not clear that the HCS patches identified through this assessment follow the HCSA. Moreover, substantive two-way communication with the community regarding an ICLUP appears insufficient to meet the standards outlined by the Toolkit.

Reviewers Recommendation:

The report should be substantially revised, including the general points here as well as the specific reviewer recommendations in following sections:

1. Revise the vegetation classification section so that it aligns with the methods actually applied.
2. Re-do the Decision Tree to identify indicative conserve and develop patches, including removal of community lands, consideration of full patch areas (those that span the concession boundary) to calculate patch core area, and following the instructions beyond step 5 as needed.
3. Fully address specific reviewer comments, outlined in sections below.

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

Please refer to Section 2 of the Summary Report.

Finding: The team consisted of six individuals, including at least two who are HCS Assessment registered practitioners and at least one fully licensed ALS HCV-HCS assessor. In addition, there were individuals with expertise in biodiversity, GIS, remote sensing, SIA, and FPIC. It is not clear which individual had the skills and knowledge to identify trees (botanist).

Reviewers Recommendation:

1. Identify the individual with plant identification abilities.

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?

Please review Section 10 of the Summary Report and the peer review results in this report.

Finding: Substantial communication with local communities regarding the ICLUP following principles of FPIC needs to be completed before the ICLUP can be finalized. Moreover, the decision tree needs to be redone (see comments below) because it was incorrectly applied.

Reviewers Recommendation:

1. Develop an ICLUP with full community involvement before conversion or development of any concession lands.
2. Re-do the patch analysis using the decision tree.

2. Social Issues (4 hours)

Please review Section 3 of the Summary Report and please also look at the full HCV report (Section 4) for how HCVs 5 and 6 were assessed.

The HCSA Toolkit provides more information on the expected quality of community consultation and FPIC procedures.

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:

Information has been provided about the socialisation of the outcomes of the SIA to the community, including information on risks of oil palm.

A timeline of FPIC has been provided, but this only provides information about a single meeting with each of the villages. Clearly there has been a lot of contact with the villages (e.g. as part of the Participatory mapping, HCV and SIA) but no information is provided on any of these activities. Furthermore, the statement “Kegiatan FPIC telah dilaksanakan oleh perusahaan pada bulan Oktober - November 2018” causes concern. FPIC is a process, not something that can be done in a two-month period. There is no information provided about FPIC with the rank and file members of the community. The company’s FPIC procedures can be found as attachment/lampiran 1 of the report, but they are not referenced in the main text.

For land acquisition, this has involved putting together a working group made up of staff, government and community representatives. This group will oversee the process of land acquisition and take responsibility for issues both now and in the future. There is a mention of participatory mapping that has taken place, including making a sketch map of the locations where the oil palm concession will be opened. There is a map of the results of the participatory mapping (Gambar 3.2), including agricultural land presumably for food security.

There is no mention of what legal representation the communities have.

There is no mention of the ICLUP and agreeing on set asides for conservation and how these conservation areas will be managed. The reviewer understands that the process is incomplete at this stage, but the company must be aware that an ICLUP is required before conversion can start.

Reviewers Recommendation:

1. Please reference the company’s FPIC policies and procedures provided in Lampiran 1 in the main body of the report.
2. Label all maps as “draft,” because the ICLUP has not been finalized.
3. Provide a complete timeline of FPIC processes with the communities affected, including socialization meetings regarding the impact of oil palm development (table 3.1).
4. In Section 3.1, please refer to the map of communities in text (Gambar 1.6) in the explanation of how the communities identified in Table 3.2 were deemed to be the “affected” communities.
5. Some reference should be added to the statement beginning “Peserta diskusi secara umum...” to link it to table 3.2, where these individuals are listed.
6. Mention the legal representation that the communities have.

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

Finding:

There is an extremely brief section in the SIA (pg 28 SIA) on land ownership and land use which mentions ownership and control of the land for each village in a sentence or two. In addition, the Summary Report provides an explanation of how customary ownership works and how communities transition from customary land ownership to more modern forms of land ownership (e.g., where land is surveyed and titles are issued).

Reviewers Recommendation: None.

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:

The participatory land use map is provided as Gambar 3.2. The report states that areas of community livelihood have been confirmed in the field using GPS units. There is a section on this map “Pemetaan Partisipatif” which proposes area for oil palm (“Rencana Areal kebun perusahaan”) but the other categories are not clear e.g. lahan pertanian, kebun campuran – are these areas that are being set aside for food security or some other set aside? With a really clear discussion, this could be a very useful map.

In the Summary Report, the company explains that the community cannot grow enough to meet their requirements for food. The balance is made up by buying subsidised rice. These difficulties, it is stated in the report, make the community want to give up their padi fields to be converted to oil palm, with the idea that the community can be labourers for the company and earn wages to buy food. (“masyarakat memiliki keinginan untuk menyerahkan areal ladang (padi) kepada perusahaan untuk dikonversi menjadi sawit”). This seems slightly counter-intuitive – why wouldn’t the community convert the less productive areas (rubber and mixed agriculture) to oil palm? Calculations that include the number of inhabitants and of the community set asides for food security have not been provided.

Reviewers Recommendation:

1. Clearly explain how areas set aside for food security were identified and explain the categories depicted on the map, including which are for food security (Gambar 3.2)
2. Calculate the amount of community land available per capita for future garden areas, compare this to the HCS criteria of 0.5 ha / person, and report this in the Summary Report.

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:

It is stated that the company chose a working group to assist with the land acquisition process, and that these community representatives are operatives within the government structure, and represent the community on a range of issues, not just communication with PT PALJ. However, the FPIC approach requires that the community choose the people they want to represent them. (*“Proses identifikasi diawali dengan menentukan jabatan/posisi yang memiliki peran sentral di desa yang berpengaruh di masyarakat, lalu dilakukan analisis antara kekuatan pengaruh stakeholder dengan penguasaan akses sumber daya alam, serta potensi konflik dan kerjasama antar stakeholder.”*)

Very little information has been provided about FPIC within the community, from what the reviewer understands, the company has only formed a working group who will / have subsequently socialised the land acquisition process to the community. The reviewer is concerned that the company has understood FPIC as being “completely” about the process of land acquisition. Whilst land acquisition is certainly an element of this process, developing an ICLUP is also a major part of the process. So far there has been no mention of setting aside HCV Areas or HCS Forest and gaining agreement from the community about how these areas will be managed & monitored.

Reviewers Recommendation:

1. If the reviewer’s understanding is correct – that there has been no socialisation to the community about the ICLUP – this should take place immediately. Any further land acquisition should stop until FPIC has been undertaken. If the reviewer’s understanding is incorrect, section 3.1 of the summary report needs to be expanded to include how HCV Areas or HCS Forest concepts have been communicated, how planning for food security is being done, and the process of working together with the community to develop an ICLUP.

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:

Information regarding the views of the customary owners is missing from section 3 of the summary report. There is mention of the socialisation of the results of the SIA, but no mention of the fact that landowners have the right to say no. It should be noted that many landowners feel pressured to sell once they know that the government has issued a development license over their lands. Moreover, there is no mention of socialisation of the right to legal representation.

Reviewers Recommendation:

1. Section 3 of the summary report needs to be expanded to include information about socialisation that has already taken place and how this information was used.
2. Mention must be made of the customary owners right to legal representation (if this has been socialised).
3. Additionally, mention must be made of the customary owners right to say no to development (if this has been socialised).

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

Finding:

The description of FPIC is provided, but there is a major misunderstanding insofar as the company indicates that their FPIC activities took place over a 2 month period (Oct-Nov 2018) and included one meeting with each community. Additionally, FPIC from the company's perspective seems to be about processing GRTT (compensation) as efficiently as possible. A serious gap in the documentation is the lack of a description about how the company and the community are working together to develop an ICLUP – which is one of the main purposes of doing an HCS study.

Reviewers Recommendation:

1. Expand the description of FPIC that has taken place so that it does not appear to be a one-time engagement but a process (if indeed this is the actual approach of the company).
2. Describe how the company is working with the community to develop an ICLUP.
3. Include a description of how the FPIC policies and procedures referenced in the Lampiran have been implemented at PT PALJ.

3. Ecological and Conservation Values (4 hours)

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

Finding:

This section adequately represents the findings of the HCV study, and includes maps of each HCV type as well as discussion of major threats to HCVs and management and monitoring recommendations.

Reviewers Recommendation: None.

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?

The HCV Report can be found in the SharePoint.

Finding:

The HCV Assessment was deemed to be satisfactory. Therefore, there is no review of this section of the report.

Reviewers Recommendation: None.

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?

Note that this is a check of procedures, not outcomes. The HCSA Toolkit provides more information on the expected quality of the RBA and the Pre-RBA.

Finding:

The company did not undertake any pre-RBA or RBA assessments.

However, a pre-RBA or RBA might be needed, since the company did not follow procedures outlined in the patch analysis decision tree. For the low priority patched (LPP) the company has stated that they are indicative conserve because they are connected to HCV areas. However, the Toolkit states that this is only true if these HCV areas have core >100 ha (Step 5), an analysis that was not presented in the Summary Report. If LPPs are not connected, they are supposed to go through a test whether the concession is in a low or medium forest cover landscape – which wasn't done. If they were in a low forest cover

landscape, they would have needed a pre-RBA and possibly RBA. Similarly, the medium priority patch (MPP) needs to go through a risk assessment, and potentially pre-RBA and RBA – this was not done either. For the MPP the company states that it overlaps with an HCV area, so it becomes indicative conserve. In this case the net result is the same.

Reviewers Recommendation:

1. The company should follow the toolkit. For the MPP patch no risk assessment or pre-RBA was done. If there are RTE species found in that patch during the HCV assessment, these can be used to justify it being indicative conserve. For the LPPs, these may need an RBA, if they are not connected to large (>100 ha core area) HCV areas and the landscape is low forest cover. For this reason, it is recommended to repeat the PADT.

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:

The management and monitoring recommendations are extremely generic and in some cases inconsistent with the rest of the report. For example, the statement, “Sosialisasi dan komunikasi dengan masyarakat sekitar mengenai batas-batas areal NKT-SKT, fungsi penting NKT-SKT, serta melakukan pengelolaan dan pemantauan secara partisipatif” is provided in 10.3, but the only communication with the community that has been mentioned in the report is regarding the land acquisition process. Furthermore, many of the areas that are HCS have had compensation paid to the community – from this it would appear that the way of protecting the forest is to pay compensation and as such have management over the forest areas.

The Summary Report mentions coordination with surrounding land managers to ensure appropriate management of patches outside the concession.

Reviewers Recommendation:

1. As a general comment it would be more helpful if the management and monitoring recommendations could be made more specific. For example, regarding rehabilitation – state where are the priority areas in this landscape – perhaps the connections between remnant forest patches and HPP. Though it is also accepted that the toolkit has very little detail on this point.

4. **Image Analysis** (6 hours, including land use planning/Decision Tree Section 6 below)

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

The HCSA Toolkit explains how the AOI should be identified.

Finding: The company states that the AOI is a 1 km buffer around the PT PALJ permit boundary. The reviewer was not provided a shapefile delineating the AOI, but based on visual analysis, this seems enough to incorporate the broader landscape outside of the concession. The rationale for the 1 km buffer around the permit boundary is unclear – the company suggests in their response below that 1 km is enough to account for connected areas within 200 m of PT PALJ forest patches, but this is not stated in the report itself, where the justification is highly generic.

Reviewers Recommendation:

1. The company provide a justification for this boundary that provides a specific rational based on the landscape and application of HCS approach to that landscape to better align with the toolkit recommendation (i.e., “Rationale for the determination of the boundary must be provided.”)

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: The images used appear to be of adequate quality. The primary image was from Sentinel-2 (10 m resolution). The cloud cover within the AOI was reported as <20%, whereas the Toolkit requires <5% cloud cover. Nevertheless, the image appears to have low cloud coverage within the AOI, in line with Toolkit recommendations. Yet, the image does have substantial haze, which should also be reported and discussed according to the toolkit (“The data must be of a quality that is sufficient for the analysis with less than 5% cloud cover within the Area of Interest (AOI), with no or very minimal localised haze”). The image was collected on Aug 20, 2018 and the forest inventory was done from July-August 2019, which fits within the requirement of <12 months between image and assessment.

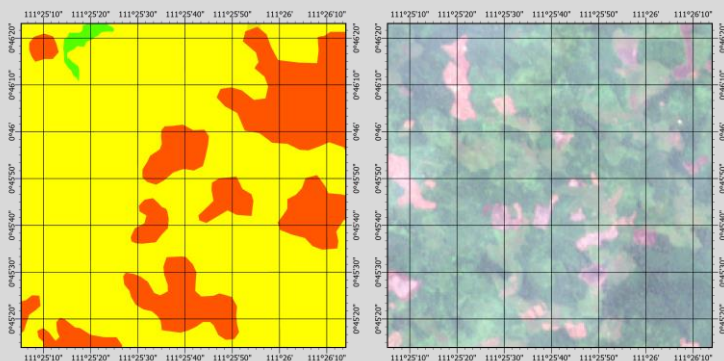
Reviewers Recommendation:

1. The company report the specific cloud coverage (%) and degree of haze, and how these may have affected the quality of results, within the AOI of the Sentinel image.

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?

The HCSA Toolkit provides more information regarding the expected quality of the image analysis.

Finding: The report indicates that the company applied an object-based classification approach to the Sentinel satellite imagery, followed by visual interpretation. This approach is theoretically robust given high user knowledge of the area, and appropriate to the imagery. However, when I compared the Sentinel satellite image to the “Tutupan Lahan Awal” shapefile, it was clear that the initial land cover classification does not delineate the land cover in the satellite image, as described in the report. For instance, there are numerous patches of cleared/open lands (e.g., for shifting agriculture) in the Sentinel image that are classified as “kebun campuran” in the shapefile, and large areas of “lahan terbuka” in the classified image that appear as vegetated in the Sentinel image. I have pasted an example below, with the Sentinel imagery on the right and the initial classification on the left. The brownish areas on the satellite image are bare or recently cleared lands, while the green areas are vegetated. There are substantial discrepancies between these two depictions of the same area:



Tutupan Lahan Awal for PALJ

Nama

- Badan Air (Lainnya)
- Belukar (B)
- Hutan Sekunder (HK1)
- Kebun Campuran (SH)
- Lahan Terbuka (LT)
- Pemukiman (Lainnya)
- Pertanian Lahan Kering (AGRI)

Based on my assessment, I infer that the company applied some other method (beyond object-based classification + visual interpretation) to delineate initial vegetation classes. I also wonder whether they may have used imagery or field data from 2019 instead of 2018, which could account for many of

these differences given the rapid rate of vegetation regrowth and dynamic landscape. This is not necessarily problematic, but the clear differences between the provided satellite data and the description in the company report suggest that the report does not provide an accurate description of the actual approach used.

Further focusing on areas that appear to be forested, in general the classification seems appropriate, although visually it was difficult to discern some of the areas classified as “belukar” from those classified as “hutan kerapatan rendah” in the satellite imagery because both appear to have substantial tree cover. I also wonder why the company did not include an intermediate class – young regenerating forest – in their initial classification, given that “belukar” is supposed to be dominated by grass and shrubs, rather than trees, while many of the ‘belukar’ areas were clearly covered by trees. In general, the company did not provide any methods for why they chose to classify the image into particular classes (e.g., belukar instead of HRM, or SH instead of AGRI). Based on my assessment, I’m not sure that the areas presented in the tables accurately reflect the land cover as depicted by the satellite imagery.

Importantly, the shapefiles provided to the reviewers did not delineate vegetation classes outside of the concession boundary, while these maps apparently exist based on Gambar 6.3 in the report. Thus, I was not able to evaluate the robustness of classification in the 1km buffer around the concession boundary.

Reviewers Recommendation:

1. The company modify the report to expand on their methods, so that the methods reflect the actual classification approach used, including the specific vegetation classes considered appropriate for the AOI, and justify the differences between information observed in the satellite data and in their classified vegetation maps.
2. The company provide geospatial data for the full AOI, not just the concession.

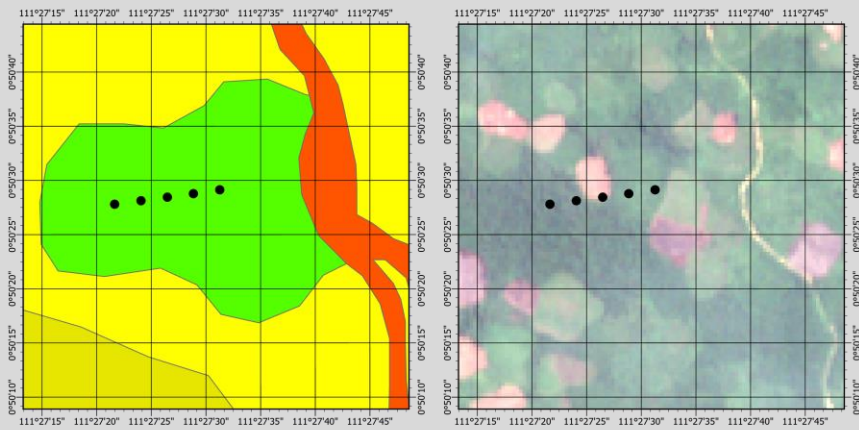
5. Forest Inventory (4 hours)

- 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.

The HCSA Toolkit describes the expected quality of the forest inventory process.

Finding: The company sampled 125 plots, including plots in potential HCS areas and those in non-HCS classes. They present assumptions about the mean biomass value and standard deviation for each class to determine sample size. The company sampled far more than they apparently needed to based on their formula. They used a transect approach, and sampled plots at 75 meter intervals. Plot size was 500 m² (>15 cm DBH) and sub-plot size was 100 m² (> 5 cm DBH). Samples were taken well within the boundaries of delineated land cover classes. This approach fits within the recommendations set out by the Toolkit

However, I'm concerned that at least some of the plots cross land cover classes, as seen in the 2018 Sentinel satellite imagery. For instance, I paste an example of a transect to sample the "belukar" class below. While according to the final classified map, the area is homogenous, the transect actually crosses 2-3 distinct vegetation classes (potentially intersecting with an area that was cleared for smallholder agriculture in 2018). Beyond being an example of where the satellite imagery is not reflected in the vegetation classification, this observation reduces my confidence in the results of the sampling, because it suggests that at least the 'belukar' class (as sampled) may represent several distinct vegetation classes in reality.



Tutupan Lahan Awal for PALJ

Nama

- Badan Air (Lainnya)
- Belukar (B)
- Hutan Sekunder (HK1)
- Kebun Campuran (SH)
- Lahan Terbuka (LT)
- Pemukiman (Lainnya)
- Pertanian Lahan Kering (AGRI)
- Plot_Inventory_Location for PALJ

Reviewers Recommendation:

1. The company should re-classify plots to new land covers if the field assessment suggests that they are not in the original, remotely sensed class. If plots need to be re-classified, this could require re-doing the biomass analysis.

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

The HCSA Toolkit describes the expected qualifications of the forestry team.

Finding: The team was led by a remote sensing and GIS specialist with a science degree, as well as three forest inventory staff with forestry degrees. In addition, people from PT PALJ and the community apparently helped with measurements. No one was identified as a species identification technician, although apparently someone carried out this work because many of the trees were identified in the forest inventory. Assuming that at least one person had expertise in tree ID, the team appears qualified, but it is hard to say based on information provided.

Reviewers Recommendation:

1. If there was a botanist/tree ID specialist on staff, provide the qualifications of this specific individual, including their training in tree identification.

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

The HCSA Toolkit provides more guidance on choosing an allometric equation.

Finding: The authors used an equation presented by Ketterings et al. 2001, which uses tree DBH and average site wood density to calculate tree biomass and which was calibrated for mixed secondary forests in Sepunggur, Sumatra, Indonesia with DBH ranging from 8-48 cm. The company states that this equation is suitable for use in secondary forests in the tropics, although the original article states that it is suitable for use in secondary forests in Sumatra. Since Sumatra and Borneo are floristically similar, and because the forests in this HCS study can be categorized as secondary and/or agroforest, it seems reasonable to use this equation for this HCS study.

Reviewers Recommendation: None.

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?

The HCSA Toolkit provides more guidance on what statistical analysis should be used.

Finding: In general, the analysis is sound and the company does a good job of reporting each step. There are no obvious errors in the raw forestry data, and tree species appear in the plots where they are most expected (e.g., meranti in the HK1 plots, rubber in the mixed rubber plots; however see comment in part 5.1 above).

Based on my re-analysis of the plot data, the company has correctly applied the allometric equation and calculated plot-level carbon stock values. The ANOVA indeed indicates significant differences between classes at the $p < 0.10$ level. Table 7.3 (Perbedaan Nyata) incorrectly reports significant differences between belukar, karet campuran, and kebun campuran classes, whereas in fact there are no differences between these classes.

It is hard to assess whether the result is consistent with land cover because of the discrepancies between the satellite data and the land cover maps described above. The final carbon classes (based on class names) seem reasonable given what is known about other forests in the region. For instance, the low density forest plots have about 40% of the carbon found in intact mineral soil forests in Borneo (Slik et al. 2010), which is in line with biomass loss from heavy logging in tropical forests (Bryan et al. 2013).

Reviewers Recommendation:

1. Correct Table 7.3 about the significant differences between carbon stocks in Belukar (B) and SH1 and SH2.

6. Land use planning (6 hours with Image Analysis above)

- 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?

The HCSA Toolkit provides more guidance on how to incorporate the forest inventory results into the land cover map.

Finding: Section 8.1 of the Summary Report only provides the updated map of land cover, with no description of changes made between the preliminary and final map. Based on the shapefiles of initial and final classification provided, the only change was that some areas originally classified as “belukar” (scrub) were re-classified as “karet” (rubber). The accuracy assessment of the final land cover map was provided in the Lampiran section (3), and reports thematic accuracy of 84% overall based on comparison of the plot data and the land classification data.

Reviewers Recommendation:

1. The company should provide details on how the original map was modified, and why, to develop the final map.

- 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?

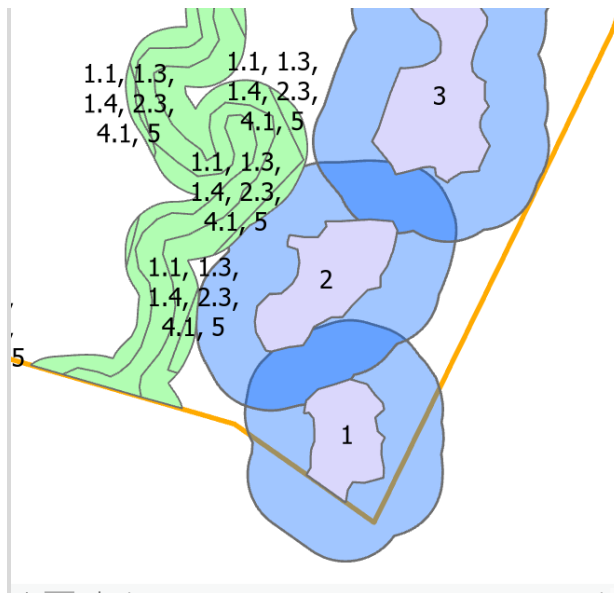
The HCSA Toolkit explain how to merge patches and identify the core area.

Finding: The summary report provides the results of the decision tree, and the decision tree process itself is provided in the Lampiran (4).

Step 1. It appears that there is overlap between community lands and HCS patches input to the decision tree. Specifically, community lands (kebun campuran + lahan pertanian + pemukiman, as indicated in the participatory mapping shapefile provided to peer reviewers and verified by the STEP 1 PA for PALJ raster provided to peer reviewers) overlap with HCS patches in Steps 1, 2, and onward. The Toolkit requires that they be removed from consideration after Step One. Thus, it appears that participatory mapping data were not used in step one to identify community lands that should be enclaved.

Step 2. Patches that extend beyond the boundary of the concession are supposed to remain connected for the analysis, but the company has split the patches based on the concession boundary, which is incorrect. The toolkit states that “HCS forest patches that extend outside the boundaries of the proposed development area are assessed for their full size irrespective of the concession boundary.”

Steps Four-Six. The company has marked all patches as “indicative conserve” because the company states that they are either connected to an HCV area (<200 m) or overlap with an HCV area. However, there are a couple of problems with this. First, not all low priority patches are actually connected to an HCV area – for instance patch #1 (purple) is more than 200 m (blue) from the nearest HCV (green):



Second, this deviates from the Toolkit approach, which focuses on connectivity between and to High Priority Patches and HCV areas with cores of >100 ha. There was no apparent analysis of HCV core areas. Thus, the company has identified patches to conserve that are not necessarily in this category according to the Toolkit.

Step 9 – This step could include low priority patches if they are located in Low Forest Cover Landscapes (which is likely the case for PT PALJ), so it is possible that a pre-RBA is needed for one or more patches if following the decision tree correctly.

Reviewers Recommendation:

1. The company exclude community lands from consideration as HCS using the participatory mapping results.
2. The company re-do the Decision Tree analysis, following the Toolkit instructions. These include properly accounting for core area of patches that extend beyond the concession boundary (Steps 2-3), and following the guidelines regarding connectivity to HCV areas (Step 5), and correctly following the remainder of the Decision Tree (also see comments below, Section 6.3).

- 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?

The HCSA Toolkit explains how to prioritize patches and go through the Decision Tree.

Finding: Patch priority appears to be identified correctly based on core area. However, as noted above, there were several issues with the Patch Analysis. All patches were indicative conserve because (according to the company) they either co-occur with HCV areas or are within 200 meters of HCV areas (but these HCV areas should have core >100 ha, potentially an issue), so the company did not carry out steps 6-10 or 12. There was no apparent ‘give and take’ (step 13) described in the report. There was a ground check, but it is not clear when this occurred or what was done.

Reviewers Recommendation:

1. The company report the core area of the HCV area(s) connected to the low priority patches. If the core area of these HCV area(s) <100 ha, the company should instead correctly re-do steps 6-10 of the decision tree. If reanalysis is done, it should assess the full patch for patches that intersect with the concession boundary (see comments on Section 6.2 above).
2. The company describe when the ground check occurred, and what methods the company used to ground check the HCS set-aside areas, with particular attention to detection of previously undetected community lands in HCS areas.

- 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: It seems that the company has not shared the HCV and HCS set-aside areas with the community or begun to work with the community on the process of developing an ICLUP. Although the Toolkit emphasizes the importance of integrating HCV and HCS set-asides with community land use plans and garnering support, the Summary Report text suggests instead that these locations will be “diinformasikan kepada para stakeholder terkait” – informed to the relevant stakeholders and “Sosialisasi dan komunikasi dengan masyarakat sekitar mengenai batas-batas areal NKT-SKT” – socialized and communicated with the nearby community regarding the borders of the HCV and HCS areas. In other words, it is not clear from the Summary Report that the company will use an FPIC process in development of the ICLUP, but instead simply plans to communicate the outcomes to the community, which is not in line with the recommendations of the Toolkit. The initial list of management and monitoring activities seems sound. Finally, this section does not discuss or refer to development of a grievance mechanism, needed for resolution of possible disputes.

Reviewers Recommendation:

1. Although the ICLUP does not need to be finalized for completion of the HCSA process, the company should at least ensure that the community understands and supports the overall planning idea, and reports upon this communication in their Summary Report.
2. There should be recognition in the Summary Report that the community must agree upon and participate in mapping the boundaries of set-asides and community lands before they are finalized (i.e., following FPIC processes).
3. The company include development of a grievance mechanism to resolve disputes that arise with respect to HCS areas or refer to an already-existing mechanism.