

# HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

*PT Sukajadi Sawit Mekar*

*HCS Assessment Area: 19,802 ha*

*Published Date: 19 November 2018*

**Background information:**

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

Jules Crawshaw is an Independent assessor listed as Registered Practitioner Organisation on the [HCSA website](#) who led the HCS assessment.

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

Yes, Jules Crawshaw is the HCS Team Leader who is an independent assessor listed as Registered Practitioner Organisation on the [HCSA website](#).

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

Yes, both Jules Crawshaw and Indrawan Suryadi are Registered Practitioners. Indrawan Suryadi is a Registered Individual under the Registered Practitioner Organisation of Daemeter Consulting.

- 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>).**

Satisfactory 2 - Report is Satisfactory at first resubmission, the case is closed and the Public Summary is published.

102	High Conservation Value Full Assessment PT Sukajadi Sawit Mekar	PT Sukajadi Sawit Mekar	RSPO 5.2	<a href="#">Jules Crawshaw</a> Fully licensed	08/02/2018	Satisfactory 2	<a href="#">Click here</a>	30/08/2018
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## Questions for peer reviewers

*(Peer Review Panel: Alex Thorpe, Cynthia Chin)*

### 1. Peer Review Summary

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

**Finding:**

There is almost no forest remaining in the SSM concession. The potential HCS area identified is 261 ha (Section 6.6). The final HCS area is 158 ha, but of this area, 79 ha is proposed for a “give and take” land swap with land in PT GAP, a neighbouring Musim Mas owned license area. This brings the proposed final HCS area in PT SSM down to 79 ha (Table 12, Section 10.2).

The proposal to give and take between concessions is a bit outside the box and difficult to assess given the lack of information on PT GAP. Has an HCS assessment been carried out at PT GAP? If yes, why aren't these areas already conserved under the ICLUP for PT GAP?

The number of inventory plots measured is low. Assessors explained reasons for this in the report. The peer reviewer understands this difficulty for the LDF and YRF strata, but probably more plots could have been measured in scrub areas. In hindsight it probably would have been logical to carry out a combined inventory of PT MAS and PT SSM (also PT GAP?). Strata are similar, and the combined strata areas would have enabled more effective sampling.

There are gaps in data submitted, so it has been difficult for peer reviewers to carry out technical reviews (particularly related to GIS and inventory).

**Reviewers Recommendation:**

Given the very lack of forest available to conserve, the finalisation process required is limited to adding some further justification of findings, and submission of a more complete data set. Key requirements are as follows (see more detail under individual questions):

(2.2) Could the assessor team mention whether there is a need for a separate tenure study and if not, why?

(3.1) Include justification of why HCV was deemed present or absent. This can be part of Table 4. It would be an added plus had Figure 3 from the HCV assessment full report were included on HCVMA's.

(4.1 & 4.3) Revise the landscape boundary to match toolkit and carry out quality control on land cover stratification.

(6.2 & 6.3) Need to describe in more detail the patch analysis process, results and discussion of conclusions. Need to submit complete shp of patch analysis workings – patch core area, patch area, connectivity, risk analysis, final patch class, recommendation.

(6.4) Provide more information and justification on the give and take plan involving land in PT GAP.

**Company Responses:**

Regarding the reviewers' remark "In hindsight it probably would have been logical to carry out a combined inventory of PT MAS and PT SSM (also PT GAP?). Strata are similar, and the combined strata areas would have enabled more effective sampling." A combined inventory **was** done; however, the companies are independent and wanted separate reports and separate data sets to be used. This precluded the use of a combined inventory. PT GAP was reviewed by a different reviewer. The summary report will be made available to the SSM reviewers.

Other responses are dealt with in the appropriate sections.

**Final Reviewers Comments:**

The justification for invoking "give and take" is not very strong. Although the conservation value of the small patches is low, given that SSM has already planted 90% of their area, and the total HCS area is only 158 ha, it would seem that conserving the 79 ha may have some value. Nevertheless, if SSM/GAP/Musim Mas is not willing to conserve both areas (SSM and GAP) and insists on invoking the give and take clause, then the Assessor's recommendation to conserve the PT Gap area should be followed.

**Final Company Responses:**

It is not the matter that PT SSM is not willing to conserve the area. Given that the areas that are to be moved using the "give and take" mechanism are small patches of forest surrounded by oil palm. The "take" areas are currently depauperate forest, with no nearby areas of good quality forest that will enable recruitment, therefore the best scenario as recommended by the experienced assessor is followed, which is to "give" area to better location. It is the view of the assessor, that invoking the "give and take" mechanism is the best option for the environment for the long run.

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

**Finding:**

Yes.

**Reviewers Recommendation:**

None.

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:**

There is nothing that needs to be redone. However, the company needs to ensure community buy-in into the proposed land use plan.

**Reviewers Recommendation:**

Identify and consult with individual land owners as well as communities impacted by the conservation plan, and seek buy in. Incentives may be required. Community members should be included in regular monitoring activities.

**Company Responses:**

The company has set up management structures that involves collaboration and communication with the community under the Fire Free Village (*Desa Bebas Api*) Programme. It is recommended within the HCV assessment that PT SSM extends this already successful programme to include socialisation and seeking buy-in from the community regarding the conservation plan. The conservation plan largely centres around (1) creating corridors within the landscape where natural areas still exist and (2) allowing highly depleted natural resources to recover, through limiting resource extraction.

**Final Reviewers Comments:**

No further comment.

## 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:**

Community engagement in the project area was based on the company's Standard Operating Procedures (SOP) on FPIC. This mention gaining understanding of the community-owned areas, providing information, the right of communities to give consent or reject the project as well as drawing up an agreement if consent is given. Following this, the process of compensation ('ganti rugi') is also mentioned.

**Reviewers Recommendation:**

None.

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

**Finding:**

There was no mention of a tenure study in the summary report. There were also no reported customary rights (in reference to the SIA done). It was assumed (from the SIA) the whole area was for sale, despite the fact that there were some who did not want to sell their land.

**Reviewers Recommendation:**

More information on tenure issues is desirable. In the absence of such information, there should be mention of the need for a study to be done to obtain it.

**Company Responses:**

From the HCSA Social guidance step 1.4 the purpose of a tenure study is described as "using their [the communities'] knowledge of their lands and resources, and explain the underlying system they use to control, own, manage and transfer lands and resources." It was deemed that such a study was not relevant. The reasons are (1) the company owns all the land within the concession (based on purchasing land outright "wall-to-wall"). (2) There are no plasma areas within the assessment area. (3) Part of the participatory mapping that was done was to determine whether the community used any natural resources within the concession; the result shows that the community did not use any natural resources within the concession.

**Final Reviewers Comments:**

A tenure study was deemed unnecessary because the company owns all the land within the concession (based on purchasing land outright “wall-to-wall”); there are no plasma areas within the assessment area; and part of the participatory mapping that was done was to determine whether the community used any natural resources within the concession; the result shows that the community did not use any natural resources within the concession.

- 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:**

Yes (in Section 10.1).

**Reviewers Recommendation:**

None.

- 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:**

Table 3 summarizes the engagements with stakeholders, topics discussed, and responses/comments given by the participants.

**Reviewers Recommendation:**

None.

- 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:**

Table 3 reflects the views of participants. The company's SOP mentions the right of communities to give or refrain consent. However, no specific mention was given to legal representation with regards to the agreements.

**Reviewers Recommendation:**

The company needs to include the mention of the right to legal representation when FPIC SOP is mentioned. The first bullet point of Section 3.1 would be an appropriate place to do this.

**Company Responses:**

The FPIC SOP states that if the community rejects development, the company will respect the community's decision and the company will not force or intimidate the community. Furthermore, the company never prohibits the communities from using legal representatives, the company is aware that it is the right of the communities. As part of the land compensation (ganti rugi process), the agreements are endorsed by the government and the community also provides a formal letter stating that they are willing to sell their land without coercion from any parties. The assessor saw this as an appropriate third-party review.

**Final Reviewers Comments:**

Nevertheless, the company's FPIC SOP does state that if the community rejects development, the company will respect the community's decision and the company will not force or intimidate the community. As part of the land compensation (ganti rugi process), the agreements are endorsed by the government and the community also provides a formal letter stating that they are willing to sell their land without coercion from any parties.

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

**Finding:**

None.

**Reviewers Recommendation:**

None.

### 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:**

Section 4.1 states that a total of 7,987 ha of HCVs were identified inside and outside of the concession (587 ha inside and 6,500 outside). Table 4 is a summary of HCVs assessed to be present and their respective sizes. Figure 8 depicts the HCVAs identified.

**Reviewers Recommendation:**

Include justification of why HCV was deemed present or absent. This can be part of Table 4. It would be an added plus had Figure 3 from the HCV assessment full report were included on HCVMA's.

**Company Responses:**

An additional Table 5 has been added to the Summary Report which provides a justification of HCV presence or absence.

**Final Reviewers Comments:**

No further comment.

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

**Finding:**

The guidance used for the assessment were HCV Resource Network Common Guidance (2013) (CG) and the Indonesian HCV toolkit (2008) (NI) (where more detail was required). The timeline and methods (from secondary data review to field work) are standard assessment approaches. Threats assessment was based largely on consultations with various stakeholders and the assessors' experience. Participatory processes were in place in engaging with local communities. Many threatened species of wildlife were observed during the assessment. Landscape level significance was deemed to be absent as the nearest protected areas were at least 50 to 70 km away. The 'analytical approach' was used to assess HCV 3, which was assessed to be present. Numerous rivers and wetlands are present throughout and surrounding the assessment area, thus HCV 4 was deemed present. Local communities still depend on the natural resources in the AOI and also there is at least one graveyard within the AOI. Table 28 summarises threats in relation to each HCV present while Section 6.2 synthesizes management and monitoring measures, taking into account HCVMA. Cross-cutting recommendations were also given, drawing on a comprehensive picture towards biodiversity, building on the findings of the report. Table 29 list out management and monitoring prescriptions for each HCV.

**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?

**Finding:**

The decision tree resulted in the need for Pre-RBA and RBA, indicating that there were many small patches. Remaining patches were in wet swampy areas and were conserved.

**Reviewers Recommendation:**

None.

- 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:**

Table 13 details threats, management and monitoring recommendations. Most threats were addressed adequately.

**Reviewers Recommendation:**

Under HCV 1, the fifth bullet point in the 'Threats' column mentions agriculture chemicals entering the river system. However, there was no specific management recommendation for this. Could this be addressed?

**Company Responses:**

The following recommendations have been added to HCV 1:

- Planting of beneficial plants between the roads and drains and also between the oil palm and drains.
- Continued implementation of the SOP which limits herbicide, pesticide and fertiliser application next to water bodies.
- Maintaining the natural course of rivers.

**Final Reviewers Comments:**

Table 13 details threats, management and monitoring recommendations. Most threats were addressed adequately.

#### 4. Image Analysis

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

**Finding:**

No. The AOI is made up of three blocks, with a 1 km buffer around the outside. The toolkit stipulates the landscape should include a minimum 5 km wide external buffer.

**Reviewers Recommendation:**

Revise the landscape boundary to match toolkit.

**Company Responses:**

The 5 km buffer map has been included in the summary report (Fig 26) – this shows that the assessor has tried to make the most of forested corridors within the landscape.

**Final Reviewers Comments:**

A map has been included using a 5 km buffer around the boundary (Figure 26, P. 72). No further recommendation.

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

**Finding:**

Yes, Sentinel 2 imagery was captured 1 October 2016 and 8 February 2017 (although some areas were obscured by cloud) and Landsat 8 imagery P104/R62 was captured April 2017. Landsat 8 was used to gain an understanding of the vegetation present across the broader landscape.

**Reviewers Recommendation:**

None.

- 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:**

No landcover shp file was sent with SSM data but we found it in MAS dataset! Also, no shp of concession boundary provided.

Most of the area is already planted (palm oil covers 90% of area). In general stratification looks satisfactory but there are a few small errors e.g. in eastern part of the concession some land has been stratified as LDF forest, but it is obvious from the image that the land has already been cleared. There are similar errors in stratification in the buffer zone (less important in the big picture).

**Reviewers Recommendation:**

Need to carry out quality control on land cover stratification. Sufficient to map forest/non-forest in buffer.

**Company Responses:**

The assessor accepts the recommendation and will take a more formal approach to quality control of the land cover mapping (using KAPPA methodology). Quality control was done informally in field by checking the initial map against the in-field conditions. Also, the map was checked by SSM staff, who had a good knowledge of the in-field conditions. These processes led to a number of minor revisions.

**Final Reviewers Comments:**

No further comment.

## 5. Forest Inventory

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

**Finding:**

Although limited information provided, the plots appear to have been selected, set up, and measured properly.

The number of plots measured is very low. Assessors explained in the report that due to the lack of contiguous forest patches, and the presence of smallholder rubber scattered through forest areas, they struggled to find suitable sampling points. The peer reviewer understands this difficulty for the LDF and YRF strata, but probably more plots could have been measured in scrub areas.

No shp file of plot location and plot numbers provided, but there is a map in the report.

**Reviewers Recommendation:**

Need to provide shp of inventory plot locations.

**Company Responses:**

A plot location file is provided.

**Final Reviewers Comments:**

No further comment.

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

**Finding:**

Yes, Jules Crawshaw is a Registered Practitioner.

**Reviewers Recommendation:**

None.

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

**Finding:**

Yes.

**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?

**Finding:**

The small number of plots measured basically precludes any meaningful analysis of variance ANOVA or Scheffe's test. Assessor states this in the report. Average carbon stock per ha figures appear to be in the correct ball park for the strata described. Also see comments re land cover stratification in 4.3.

**Reviewers Recommendation:**

See comments re land cover stratification in 4.3.

**Company Responses:**

Response follows 4.3.

**Final Reviewers Comments:**

No further comment.

## 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:**

Impossible to judge given the limited inventory exercise.

**Reviewers Recommendation:**

None.

- 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:**

Participatory mapping was carried out in three villages.

No patch analysis working files provided, so it is not possible to carry out checks. However, all forest and YRF areas are allocated to HCS.

**Reviewers Recommendation:**

Need to submit shp of patch analysis workings – patch core area, patch area, connectivity, risk analysis, final patch class.

**Company Responses:**

A shapefile has been provided which includes patch core area, patch area. Connectivity is not relevant because there are no HPP. At step 7 all patches are deemed to be high risk because they are all close to the intensive oil palm roading network. The final result is provided in Appendix 3 of the summary report.

**Final Reviewers Comments:**

The shape file sent does not include patch ID, core area, or other attributes relevant to demonstrating the patch analysis process and results.

**Final Company Responses:**

It seems the assessor omitted to upload the shapefile of potential HCS patches. However, a map and the attributes had been provided in the summary report which shows patch ID, core area and the decision as to whether it is HCS or not. So, it is exactly the same data.

- 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:**

No patch analysis working files provided, so it is not possible to carry out checks.

**Reviewers Recommendation:**

See recommendation in 6.2.

**Company Responses:**

See response in 6.2.

A patch file is provided.

**Final Reviewers Comments:**

See response in 6.2.

**Final Company Responses:**

See response in 6.2.

- 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:**

The integrated conservation and land use planning process has been carried out in a logical process, apart from some lack of clarity on the take and give process.

There is give and take process reported wherein 79 ha is “taken” from PT SSM and an unknown area of land is given at sister company PT GAP which is located further to the south. “Take” patches are not well identified in Section 9.1 or Section 10 or in shp file data. There is no information at all provided on the “give” area size or condition.

Although the “take” patches are small and forest condition not great, given the low forest cover in the landscape and also SSM have already planted 90% of the area, the recommendation to give almost 50% of the remaining HCS area needs to be better justified.

**Reviewers Recommendation:**

Provide more information and justification on the give and take plan.

**Company Responses:**

A map of the give and take is provided in Figure 34 of the main SSM HCS report. Also, the first management recommendation states “1. Some of the HCS patches that are neither on peat nor in HCV areas (79.17 ha) will become islands of forest surrounded by oil palm. Such islands of forest will be hard to protect. Their conservation value will be limited, based on a combination of small areas and large edge effects. These factors will mean their ecosystem will decay quickly. The recommendation is to invoke the “give and take” option of HCS, as allowed by the HCS Toolkit. This will enable these current HCS areas to be forfeited and the HCS area to be relocated to the scrub area in the south of PT GAP, a sister company of PT SSM. This area in PT GAP connects to a larger landscape forest outside the HGU (where orangutans are confirmed present) and HCV / HCS areas within PT GAP. Creation of a single large conservation block, based on theories of island biogeography, will have a larger long-term conservation value. The land swap is on a 1:1 basis. So, 79.17 ha of plantable area is set aside in PT GAP.

This case was actually discussed at an HCS training at Bogor and was agreed that it seemed a reasonable application of give and take by the trainer.

**Final Reviewers Comments:**

The justification for invoking “give and take” is not very strong. Although the conservation value of the small patches is low, given that SSM has already planted 90% of their area, and the total HCS area is only 158 ha, it would seem that conserving the 79 ha may have some value. Nevertheless, if SSM/GAP/Musim Mas is not willing to conserve both areas (SSM and GAP) and insists on invoking the give and take clause, then the Assessor’s recommendation to conserve the PT Gap area should be followed.

**Final Company Responses:**

It is not the matter that PT SSM is not willing to conserve the area. Given that the areas that are to be shifted using the “give and take” mechanism are small patches of forest surrounded by oil palm. The “take” areas are currently depauperate forest, with no nearby areas of good quality forest that will enable recruitment, therefore the best scenario as recommended by the experienced assessor is followed, which is to “give” area to better location. It is the view of the assessor, that invoking the “give and take” mechanism is the best option for the environment for the long run.