

HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

Company Name: First Resources
HCS Assessment Area: PT. Swadaya Mukti Prakarsa
Date Published: 23 April 2019

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?**

Yes, Ata Marie is a Registered Practitioner Organisation which lead the HCS assessment.

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

Yes, Alex Thorp is the HCS Team Leader and a Registered Practitioner.

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

Yes, at least two (2) HCS team members are Registered Practitioners. They include Alex Thorp, George Kuru, Dadan Setiawan and Sofyan Iskandar.

- d) Was the HCV assessment judged 'satisfactory' (highest rating) by the HCV Resource Network (HCVRN) Assessor Licensing Scheme (ALS)?**

No, not applicable for HCVRN ALS Scheme as the HCV Assessment was done prior to January 2015.

Questions for peer reviewers

(Peer Review Panel: Ihwan Rafina, Asep Firdaus)

1. Peer Review Summary

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

Finding:

1. **Report Structure** – *HCS assessment using toolkit v.01.*
2. **Project Descriptions** – *Project description already adequate.*
3. **Social Issues** – *Unclear information for FPIC process, land tenure study, participatory mapping and community engagement.*
4. **Ecological and Conservation Values** – *HCV assessment already adequate but not verified by HCVRN ALS scheme but need more information from the company (Monitoring Results, RBA Report for further reviews).*
5. **Landcover Analysis** – *Methodology already adequate.*
6. **HCS** – *Carbon value estimations already adequate.*
7. **Patch Analysis** – *Patch Analysis steps already represents with the toolkit v.01.*
8. **Indicative Land Use Plan** – *Indicative land use plan need more adequate information from social aspect (results with note to Participatory mapping and FPIC process follow up by the company).*

Reviewers Recommendation:

Company to provide HCV monitoring report, Detail RBA Activity Report and other HCS report recommendations.

Elaborate on social aspect (FPIC process, land tenure study, participatory mapping and community engagement representative's methodology).

Company to provide clear timebound action plan for land use plan development.

Company Responses:

1. Ecological and Conservation Values

Additional reports regarding conservation in PT SMP (HCV Management Report, Biodiversity Monitoring Report, Pra RBA and Overview RBA Report) has been attached.

2. Social Issue

FPIC Process – FPIC process, in accordance with The HCS Approach Toolkit Ver. 1, has been adopted by PT SMP and also stated in company Standard Operational Procedure (SOP) about Land Acquisition. Land acquisition and compensation process carried out by company certainly can be done after an

agreement between company and the landowner without any coercion and pressure from the company. When the HCS assessment is held, the FPIC process cannot be carried out similar to the steps in the FPIC Module in the Toolkit Ver. 1. This is because the company has been operated before the HCS assessment was carried out. However, we have implemented the FPIC principles in the assessment process. Completion of FPIC will be carried out by the company during the land acquisition and compensation process. In addition, company has conducted and passed the NPP (New Planting Procedure) audit on 2014, which one of the steps is stakeholder engagement and FPIC process initiated.

Land Ownership – The data collection of land ownership in company’s area is carried out by an internal team from the company with help of surrounding residents/community who understand about the landowner/user and border of the area to be acquired. This activity is a part of land acquisition and compensation program by the company which followed by land ownership validation with participation by landowner/user. Information about land ownership in PT SMP can be seen in the attached Additional Social Report.

Community Engagement – Company strives to realize a good relationship with the community by accommodating their suggestion and complaints towards the company. In conducting land ownership mapping activities, the company openly involved the community in helping to map ownership/user of land in the company concession.

3. Land Use Plan Development

The company has developed a time-bound action plan related to land use of PT SMP. This plan also includes improving the FPIC process, participatory mapping of land ownership, and protection of conservation areas. This action plan is outlined in several programs that will be implemented within a period of 5 years.

Final Reviewers Recommendation:

Important to update the company justification/clarifications in the HCSA Summart Report, also if possible, to update the stage of company development and conservation program in public domain (or at least in HCSA Platform).

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

Finding:

Yes, the HCS assessment was conducted by an adequate team from Ata-Marie (registered HCS assessor organizations) and from the PT SMP company.

Reviewers Recommendation:

No Recommendation.

- 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:

Steps to accommodate FPIC process in land acquisition and land use planning development already emphasized the concern.

Reviewers Recommendation:

Company to follow up HCS assessment recommendation to accommodate FPIC.

Company Responses:

The overall FPIC process will be carried out together with a series of land acquisition programs by the company. For area that have not been acquired, implementation of FPIC is stated in a time-bound action plan (see attached Additional Social Report).

Final Reviewers Recommendation:

Need to update this information in the final HCSA summary report, also important to provide regular monitoring report of the action plan to the stakeholder (public consultation/socialiations or other media/platform).

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:

1. On FPIC

With regards to Section 3.1. HCS report summary and Section 3.4 Final Report of HCS Assessment of PT. SMP (2016), Information about FPIC process has not been clearly described. As stated in the report:

"The Summary of the Planning & Management Report (executive summary) stated" The FPIC process is optimally carried out and followed by a land compensation program ". However, the report (citing from the SEIA Report) records a number of tenurial disputes will still be continued and recommends management and social monitoring solutions in order to improve land acquisition management. Detailed participatory mapping and FPIC have not been implemented in PT. SMP. PT SMP plans to carry out this activity internally. "(Point 3.4.)

First Resources plans to implement FPIC internally, thus FPIC as a whole is not part of Ata Marie's scope of work. (point 4.1)

2. On Community Engagement

Social baseline has not been described (stage 1 of the HCSA Module) as a basis for carrying out HCS assessments. Secondary references can be obtained from SEIA assessments, but have not been included in this HCS assessment report.

The method of determining representation of all villages has not been illustrated yet whose territory / land becomes the work area of PT.SMP (stage 2 of the HCSA module).

3. On participatory mapping

There is no information regarding data on the control and use of community land, both the rights regulated by state law (land ownership certificate) and based on customary law (in the form of customary land). The description of the control and use of land by the community is still very general. In accordance with stage 3 of the HCSA module, it is necessary to understand how the community owns, controls and manages the land. Land users can include tenants, smallholders, working farmers, other land tenant companies, or parties with legal or informal permits.

Reviewers Recommendation:

With regards to the above findings regarding FPIC, Community Engagement and Participatory Mapping, elaboration of this HCS assessment report is still needed:

- Why FPIC was decided to be carried out internally by PT. SMP and when will it be done? It needs certainty of time for the FPIC process because the social requirements in implementing the HCS assessment mention FPIC becomes the principles that must be done.

- It is necessary to include a social baseline study by referring to the results of the SEIA assessment by IPB as secondary data or if it has been done by the consultant team, it can be added to this report.
- It is necessary to explain the method used in determining the representation of the community whose land is included in the working area of PT. SMP.
- It is necessary to add information about the control/ownership of community land whether they have certificates (individuals) or in the form of customary (communal) land and how it is used by farmers, tenants, and those who get permission.

Company Responses:

1. FPIC

In the HCS Approach Toolkit Ver. 1, it is not stated that the FPIC process must be carried out by external parties. The implementation of FPIC process is to foster longterm relationship between the company and the community. So it is a complex process that is not only needed in the HCS assessment, but is also needed in the land acquisition process by the company. So that the whole process runs systematically, company will carry out this FPIC process in stages, followed by land compensation in accordance with the company's development plan. This means that the overall process has been carried out in areas that have been acquired / compensated. Whereas for the area that has not been acquired / compensated, it has been stated in a time-bound action plan (see attached Additional Social Report). In addition, company has implemented FPIC concept in land acquisition procedure as stated in the company SOP for Land Acquisition, as written "The process of land acquisition is carried out by respecting the rights of indigenous and local communities who have legal or customary rights to the land with the FPIC principle, including not using military involvement in the entire process of land acquisition."

2. Community Engagement

The Social baseline study is one of the components that stated in the stages of implementing the Social Requirements in the HCS Approach Toolkit Ver. 2. At the time this report was made, with reference to the Toolkit Ver. 1, it has not been stated that social baseline study is one of the stages that must be fulfilled in HCS assessment. However, this HCS report was prepared with reference to several secondary social references, including SEIA. Based on the SEIA report, it can be seen the initial social condition of community in the company's area. Summary of social baseline study can be seen in the Additional Social Report attached.

3. Community Representation

In the HCS assessment process, activities to identify parties who become community representatives carried out, including coverage of legal rights, customary rights, and land use rights. Discussions with community representatives in the company's area were conducted with a series of meetings and interviews with village heads, staff and/or community leaders from each village within the company's area. That can be seen in the HCS assessment report point 4.1. In the land acquisition program, company still involve each landowner to verify, identify the rights attached to the land, and negotiate the land compensation mechanism.

4. Participatory Mapping

Data collection on land ownership in the company's area is carried out by internal team together with local residents/community who understand about the landowner/user and border of the area to be acquired, followed by ownership validation with participation of the landowner/user. The description of information on data collection about land ownership in the company's area can be seen in the attached Additional Social Report.

Final Reviewers Recommendation:

Reviewers is requested by the HCSA office to review the report using HCSA toolkit version-2. Thus, reviewers did not use HCSA toolkit version-1. As I know, version-2 is the updated version of the HCSA Toolkit. When the HCS report of PT. SMP submitted to HCSA panel for review and it came in after the HCSA toolkit was updated, thus logically the HCS report of PT. SMP needs to be updated.

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

Finding:

The HCS assessment report is briefly reviewed regarding the utilization of the Land (part of point 4.4.), But I guess it is because there is no participative mapping of land controlled and used by the community/villagers, the information provided is still very general. Therefore, it can be said that studies on tenurial aspect have not been carried out optimally.

In the HCS Assessment report mentioned in point 4.4. the report presented is a summary, and detailed results of the meeting process and interviews are prepared in a separate report. However, peer reviewers have not received the report, so reviewers cannot provide further review.

Reviewers Recommendation:

To complete the HCS assessment report that refers to Module-2 regarding social requirements, a more complete "tenure study" has to be done.

Company Responses:

Based on HCS report, point 4.1, that community social studies conducted when the assessment process also aims to:

- a. Identify land use in the study area
- b. Identify the relationship between community and company
- c. Gather secondary data (population, health and education facilities).

Separately, company continues to gather information about the owner and use of community land as one of the requirements for the land acquisition program. This information can be seen in the attached Additional Social Report.

Detailed results of the meeting and interview process during the HCS assessment can be seen in the attached HCS Social Finding Report.

Final Reviewers Recommendation:

Please include them into the HCSA summary report.

- 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:

There is no specific information about whether participatory mapping has been done or not. When reading the summary report on the results of HCS assessment PT. SMP, the reviewer did not see a clear information about it.

As stipulated in module-2 of the social requirements in the 3-stage HCS approach, it is stated that data on the control and use of community land, both rights regulated by state law (ownership rights) and based on customary law (in the form of customary land) need to be mapped. It is necessary to describe the control and use of land by the people who are landowners, smallholders, workers' farmers, other land tenants, or parties with legal or informal permits.

Reviewers Recommendation:

Participatory mapping needs to be done and reported in the HCS assessment report of PT. SMP. If participatory mapping is being carried out, information on the results of the mapping needs to be included in the report.

Company Responses:

Data collection on land ownership in the company's area is carried out by internal team together with local residents/community who understand about the landowner/user and border of the area to be acquired, followed by ownership validation with participation of the landowner/user. The company has finished collecting land ownership data as much as 79% of the entire company's area. The company remains committed to completing the rest as stated in the time-bound action plan. Information about land ownership in the company's area can be seen in the attached Additional Social Report.

Final Reviewers Recommendation:

Please include them into the HCSA 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:

There are already records of the results of consultations (meetings and interviews) with the community and reported in a summary. In the HCS report, PT. SMP stated that the full report on the results of the meetings and interviews was reported separately. However, the reviewer has not received the results of the separate report.

The FPIC process is stated to be carried out internally by PT. SMP. However, until this peer review was carried out there was no information on whether the FPIC process had been carried out or not.

With regards the situation whether the community (community) submits the names of their representatives has not been explained in the report on how the representation process / methodology was carried out by the consultant team and PT. SMP.

Reviewers Recommendation:

It is necessary to ensure that the full results of the consultation process with the community are included in the report. Whereas in the summary report it is recommended to make a matrix / table regarding the results of each village and mention the names representing each village or community.

It is necessary to be informed that FPIC must be carried out in this HCS assessment process, if this has not been done then it can be considered this HCS report does not meet the social requirements of the HCS Approach Module-2.

It is necessary to be informed more clearly about determining the representation of the community and providing information on the results. So that it can be said that the meetings and interviews conducted in the HCS assessment process have fulfilled community representation criterion.

Company Responses:

Detailed results of the meeting and interview process during the HCS assessment can be seen in the attached HCS Social Finding Report. Matrix regarding the results of community consultation has been added to the summary report.

When the HCS assessment conducted, the operational estate activities have taken place and part of the land in the company's area has been acquired and compensated. The HCS assessment in PT SMP has implemented the FPIC process which includes:

- a. Raising public awareness of the aims and objectives of HCS and requesting approval for HCS activities in the field.

- b. Prepare the initial basis for social assessment that will be used for future FPIC activities.
- c. Checking the coverage and current use of land.

Results of this assessment will later be used as recommendations for land use plans that will be socialized to the community with FPIC and gradually. In addition, in the land acquisition program, company will continue to prioritize landowner's concern. This is as stated in the company's SOP for Land Acquisition.

In the HCS assessment process, activities to identify parties who become community representatives carried out, including coverage of legal rights, customary rights, and land use rights. Discussions with community representatives in the company's area were conducted with a series of meetings and interviews with village heads, staff and/or community leaders from each village within the company's area.

Final Reviewers Recommendation:

Please elaborate more in the HCSA summary report.

- 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:

Reviewers found the information from reports that between PT. SMP and the community still have different ways of looking at various processes in the development of oil palm plantations PT. SMP, for example in terms of land acquisition, land ownership demarcation, plasma planting and partnership contracts between smallholders and PT. SMP. This has been acknowledged created conflicts between the community and PT. SMP. Therefore, in this HCS assessment report several recommendations were made by the Consultant team to PT. SMP to make some improvements. Thus, in some cases, the views of the community still have not been resolved / adopted by PT. SMP.

Reviewers Recommendation:

If we look at this HCS assessment report, it was carried out in 2016 and within the last 1-2 years (2017-2018), it was stated that PT. SMP has made improvements in accordance with the recommendations submitted by the Consultant team, so it is better that the information is included in the summary report.

Company Responses:

The company strives to realize a good relationship with the community by accommodating suggestions and complains from the public. The mechanism is contained and regulated in the company's SOP for communication which facilitates the public to be able to submit complaints, either indirectly through the company's website; or directly to the estate office or representative office. In fact, the community visited the company when they had things that needed to be discussed regarding the partnership. With regular socialization, people already understand that if they have questions, they can come to company's public relation staff. In addition, the company also facilitates the settlement of land conflicts / other social issues that occur in the company's area. The settlement procedure is also regulated in the company's SOP which emphasizes the principles of justice and transparency as can be seen on the company online platform for submitting grievance (<http://www.first-resources.com/sustainability.php?pc=grievance>). Company also considers the assessor's recommendation regarding plasma system improvements, as manifested by the stipulation of "*calon peserta dan calon lahan program revitalisasi perkebunan (CPCL)*" and company's commitment in the realization of plasma compensation payments until 2018.

Final Reviewers Recommendation:

Please elaborate them in the HCSA summary report.

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:

Considering various experiences of oil palm plantation development carried out during the New Order government and then causing some problems in the legal, social, environmental, land aspects, the new owners (in this case First Resources) need to seriously look deeper into the internal company. Company purchases (through stock purchases, acquisitions or mergers) gives legal consequences to new owners a responsibility for all previous legal rights and obligations, including social conflicts, incomplete licensing, unclear boundaries, compensation that has not been transparent, etc.

For this reason, it is strongly recommended that through the HCS approach, all stages set out in HCS Module 2 is carried out without exception. Thus, the findings and results of the assessment can incorporate important references for improvement of plantation management, and in the future can guarantee the principle of sustainability.

Company Responses:

Basically, Steps of the Module 2 HCS Approach Toolkit has been implemented by the company, although the completeness of the process does not cover the entire area of the company yet. HCS assessment in PT SMP has been implemented FPIC process which includes:

- a. Raising public awareness of the aims and objectives of HCS and requesting approval for HCS activities in the field.
- b. Prepare the initial basis for social assessment that will be used for future FPIC activities.
- c. Checking the coverage and current use of land.

FPIC process is a complex process that is not only needed in the HCS assessment but is also needed in the land acquisition process by company. So that the whole process runs systematically, company will carry out this FPIC process in stages, followed by land compensation in accordance with the company's development plan. This means that the overall process has been carried out in areas that have been acquired/compensated. This FPIC and land acquisition mechanism are chosen by considering the characteristics of local communities, as mentioned in the HCS Approach Toolkit Ver. 1 that "As each community is unique and all peoples have different cultures and norms, so each procedure towards FPIC may be different." Whereas for the area that has not been acquired / compensated, it has been stated in a time bound action plan (see attached Additional Social Report).

Final Reviewers Recommendation:

Please make sure that all the reviewer recommendation has been taken in to account and elaborated in the HCS report of PT. SMP. This peer review is just to prepare that this HCS report of PT SMP is ready to be decided by the HCS office.

3. Ecological and Conservation Values

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

Finding:

The HCV report summary is still inadequate. There is a table on the results of HCV identification which states that the total area of HCVs is 1,012.95 ha of the total area of PT SMP 21,019.09 ha. In the summary report it was not clearly stated why HCV 2 was not found at the study site, even though the location was adjacent to the Protected Forest and Gunung Palung National Park. Also, there is no mention of the existence of HCV 1.2 especially wildlife and RTE plants.

Reviewers Recommendation:

Elaborate more on HCS report for HCV potential in PT SMP (include HCV 2, and HCV 1.2).

Company Responses:

Refer to the criteria and indicators of HCV Toolkit 2008, the result of field verification in the company's area showed that no area identified as HCV 2. In the field survey, no RTE species were found, both flora and fauna. It is because the land use condition in the field adjacent to the area mentioned above are dryland farming and community rubber plantation. This HCV document has been through a peer review and assessed in accordance with the HCV Toolkit 2008.

Final Reviewers Recommendation:

Add update information in the HCS summary report.

- 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:

HCV Assessment conduct prior January 2015 and not applicable for HCVRN ALS Review Scheme. Assessment analysis already consider landscape context in regional and national level. Methodology used for assessment based on Indonesia Toolkit (2008), this methodology fundamental as a basis for HCV assessment at that time being, justifications for HCV identifications already follow method on the toolkit, but with recent update development it is important to update HCV identifications and management/monitoring.

Reviewers Recommendation:

Company recommend updating their HCV area based on monitoring tool. Please provide report from management and monitoring tool from the company for further review.

Company Responses:

The company managed the HCV area to increase its benefits and objectives, which include the monitoring biodiversity, installation of sign board/plate in the conservation area, and HCV socialization to the communities (see attached Management of HCV Area report). This has a positive impact on the coordination and development of conservation awareness in the company environment.

Final Reviewers Recommendation:

Add update information in the HCS summary report. A side for conservation purpose company need to elaborate more creative activity to collaborate with community that can also provide basic/additional basic economic need.

- 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:

Pre-RBA and RBA located on patches that have high risk and are not connected. The RBA assessment uses guidelines for identifying and monitoring biodiversity in oil palm plantations by ZSL. The results of the RBA study indicate that most of the patches were designated as indicative areas of conservation because rivers were found > 2m wide. Some of the remaining small patches are carried out by advanced RBA and the results have no protected biodiversity value.

Reviewers Recommendation:

Please provide more information/report on RBA/Pre-RBA activity.

Company Responses:

Pra RBA and Overview RBA report have been attached.

Final Reviewers Recommendation:

Add update information in the HCS summary report, integrated the report the report with company conservation development documentations.

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:

It has been clearly explained about the activities of management and monitoring of forest conservation. These activities include protecting HCV and HCS areas, maintaining regional functions, and socializing and collaborating with local communities.

There is no mention of management considerations given for forests and protected areas outside the concession.

Company Responses:

PT SMP collaborates with the Gunung Palung National Park (TNGP) in several national park area management programs. This management collaboration includes:

- Restoration of national park ecosystems
 - Rehabilitation on the degraded area of TNGP
 - Monitoring and preservation of rehabilitation's plants
- Protection of national park
 - Installation of warning and prohibition signboards
 - Procurement of GPS devices for patrol
 - Renovation of patrol post facilitation
- Community empowerment
 - Conservation education

Final Reviewers Recommendation:

Add update information in the HCS summary report.

4. Image Analysis

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

Finding:

The AOI covers 35% of the total area of PT SMP's concession permits with the initial assumption that the area is a potential HCS area and has not yet been planted.

Reviewers Recommendation:

The AOI Assessment needs to look more broadly in the landscape to see the connectivity between potential forest areas within the concession and outside the concession.

Company Responses:

This HCS assessment is conducted by referring to the HCS Approach Toolkit Ver. 1. In that toolkit (module 3), it is not stated that AOI in classifying forest must cover a broader landscape than the company's concession. However, in the final result of HCS analysis, it is already considered the HCS connectivity within concession and forest near company's area.

Final Reviewers Recommendation:

Add update information/justifications in the HCS summary report.

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

Finding:

Quality, resolution and date are all met the requirements in accordance with toolkit v1.

Reviewers Recommendation:

No Recommendation.

- 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:

Land cover analysis only mentions land clearing. There is no detail classification such as open land, shrubs or others.

Reviewers Recommendation:

Company needs to break down land clearing into more detail classification i.e. shrubs, open land, etc.

Company Responses:

Land cover class in the form of “land clearing” define as new land cleared area for estate development activities, but have not been planted at the time. It means that these areas are bare land / no vegetation existed. This land cover class differ with the “open land” class which is an open area that not intended for estate development activities.

Final Reviewers Recommendation:

Add update information in the HCS summary report.

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:

The number of plots is sufficient for each land cover. However, the number of plots in the smallholder category is very large, even though it is not included in the HCS category, although in general it is stated that the condition of land cover is in the form of a young regeneration forest.

No sample plot is found in land clearing area.

Reviewers Recommendation:

There needs to be sample plots in that area in order to identify the new land cover after the land clearing.

Company Responses:

According to the previous statement, that land cover class in form of “land clearing” are new land cleared area for estate development activities, but have not been planted at the time. These areas are bare land/no vegetation existed. So, there is no need for sample plots of forest inventory in these areas.

Final Reviewers Recommendation:

Add update information in the HCS summary report.

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

Finding:

In general, the forest inventory team is led by people who are sufficiently qualified and experienced, and there is one botanist who is tasked with identifying tree species. The rest is a support team to make paths, clear paths, and measure trees.

Reviewers Recommendation:

No Recommendation.

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

Finding:

It has been stated quite clearly about the calculation of carbon content, namely using the Allometric Equations method. From these data it is used to calculate the amount of carbon biomass per plot, the average carbon biomass per ha in each stratum.

Reviewers Recommendation:

No Recommendation.

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:

Section 7.5 describes the calculation of carbon stocks based on the Allometric Equation and is considered sufficient.

Section 7.6 Presents documentation for each vegetation class (Forest, YRF, S, and SH), OL does not have documentation.

Section 7.7 Describes statistical analysis (ANOVA), which is sufficient.

Section 7.8 Presents an overview of the statistical analysis of the results of carbon stocks in each land cover class.

Reviewers Recommendation:

No Recommendation.

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:

Sample plots were already selected after the first land cover analysis, however there are no samples representing the land clearing area. It is necessary to have samples from that area in order to identify the change on the land cover.

Reviewers Recommendation:

HCS plots samples are also necessary in the land clearing area.

Company Responses:

Land cover class in form of “land clearing” are new land cleared area for estate development activities, but have not been planted at the time. These areas are bare land/no vegetation existed. Thus, there is no need for sample plots of forest inventory in these areas.

Final Reviewers Recommendation:

Add update information in the HCS summary report.

- 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:

In Section 9 a table of patch analysis results is presented. The table contains information about areas indicated for conservation, based on patch size, connectivity, risk factors, and connectivity with conservation areas. In addition, it is also mentioned the area that needs to be pre-RBA and RBA, and patches that are recommended to be built.

There is no mention of participatory mapping data for identification of enclave community land.

Reviewers Recommendation:

No Recommendation.

- 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:

Patch Analysis already done according to the HCS Toolkit v.1.

Reviewers Recommendation:

No Recommendation.

- 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:

Section 10.1 has already been mentioned regarding the integration of conservation of land use plans between HCS and HCV (including the riparian zone). There is a map showing the recommended areas for conservation and potential for development. Field verification has not been done.

Reviewers Recommendation:

Company to follow up field verifications and FPIC process to ensure the recommendations for land use plan properly, develop a timebound for land use plan recommendations.

Company Responses:

Field verification and FPIC process for the indicative conservation and development areas is carried out during the process of mapping land ownership in a land acquisition program. For lands that have been acquired (see attached Additional Social Report), verification and FPIC process have been done completely, including landowner's approval for the company's land use plan (conservation or estate development areas). Whereas for the area that has not been acquired/compensated, it stated in a time-bound action plan (see attached Additional Social Report).

Until now, the company has begun to implement the land use management and monitoring for conservation and development area, one of them is HCV and HCS area protection. Programs that need to be continued and/or not implemented before, have been included in the time-bound action plan to increase the success of company's land use and development.

Final Reviewers Recommendation:

Add update information in the HCS summary report. As part of monitoring and transparency company need to publish their action plan at least to HCSA.