HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

Company Name: Genting Plantations Berhad
HCS Assessment Area: PT. Surya Agro Palma
22 October 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. The HCS assessment was led by PT. Sonokeliling Akreditas Nusantara

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

Yes. Kasuma Wijaya is a Registered Practitioner.

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

Yes. Kasuma Wijaya and Kresno Dwi Sentosa

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).**

Not applicable. Assessment prior to January 2015.

Questions for peer reviewers

(Peer Review Panel: Neville Kemp)

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: Well written and clear report. All data sets and appendices included and present a very thorough assessment.

Reviewers Recommendation:
No further information request or data required

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: Yes

Reviewers Recommendation: No Recommendations needed

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: No further aspects of the report require amending

Reviewers Recommendation: None. All information provided. Report Complete

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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: Yes. Both information about the acquisition of land, and detailed process for the FPIC for the HCS survey is presented. Communities were consulted trough the HCS survey and involved in field sampling.

Reviewers Recommendation: No further information required

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

Finding: Land Tenure seemed to be conducted internally by the community and the company only sought to land for compensation (GRTT) when land tenure was clear. The company did not proceed with GRTT if there were remaining conflicts. It is noted that land tenure is traditional, and few community members have gained certificates although letters for clarifying land ownership have been issued by local (sub-district) government. Local government officials issues letters and can be considered to have vetted land ownership in accordance to Indonesian law and processes to make sure that the land is free of conflicts. An example of these ownership letters has been provided.

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: Yes

Reviewers Recommendation: Land for community has been identified through PM process and included in shapefiles as well as in the document. The area for food production within the concession and surrounding landscape does not reach 0.5 hectares / person however, the company is aware of this and has considered food security issues when acquiring land. At present much of the food for the community is purchased and areas surrounding the plantation have not been considered within the calculation for future food security.

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: Inclusion of the 10% deemed appropriate by HCSA was not reached (this would be 1,200 people). However, from the description in the text communities seemed well represented and given adequate room for concerns to be raised. Evidence has been provided of meetings with community representatives (records of consultation (both by the company for land acquisition and PT SAN for HCS survey).

Reviewers Recommendation: No further information is required

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: Land is only developed after GRTT has been carried out, so it is assumed that views are addresses and reflected in the development of the plantation. There is still a considerable amount of land that has not yet been developed as communities have not released their lands t the company. Therefore, customary owners can say no, and the Prior informed test is met.

Reviewers Recommendation: None

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 (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: Adequate information provided. Most areas of HCV areas have been described.

Reviewers Recommendation: No further information required

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: N/A for ALS. Good Quality 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: No RBA was carried out and was not needed. All MP Patches identified were identified for conservation.

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: Yes

Reviewers Recommendation: None

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: Yes, connecting areas adjacent to concession are included in the AoI and the areas delineated seems very reasonable. (Medium Cover Landscape)

Reviewers Recommendation: None

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: Yes, V. high resolution and reasonable date (6 months prior)

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?

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

Finding: Initial vegetation classification was accurate within the plantation boundaries. Classification was less accurate outside of the boundaries but this did not affect HCS results as the classifications were for scrub areas, mixed agroforestry or rubber and oil palm. All forest areas were identified properly. Areas that appeared to be forest were checked (as per company response below and shown to be not HCS forests or potential HCS forest patches.

Reviewers Recommendation: None

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: As the initial land cover classification was relatively accurate, the number of plots and areas sampled are well set up.

Reviewers Recommendation: No further action of information required

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: Yes

Reviewers Recommendation: A brief resume of the HCS team has been provided.

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: 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?

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

Finding: No errors were encountered. A high-quality analysis. Some plots yielded high carbon stocks but when compared with adjacent plots were correctly identified and classified as YRF / Scrub etc.

Reviewers Recommendation: No further information required

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: The initial vegetation classification was calibrated with the result of the forest inventory. A contingency table has been provided to indicate initial accuracy and changes made where necessary in this challenging landscape

Reviewers Recommendation: In landscapes such as West Kalimantan differentiating from Jungle rubber and young regenerating forest or even Low dense forest can be very challenging. Areas of scrub and Rubber / Agroforest were changed to YRF (added as potential HCS) and some very small areas removed (YRF to scrub). On the whole, the assessment has been very conservation with areas promoted to potential HCS. as they were shown to generally have a concentration of rubber trees within according to the forest inventory data. This assessment can regarded as precautionary.

No further information is required.

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: PM data does not enclave land from the area of potential HCS as no Tembawang has been identified. Most areas are rubber. Given that land acquisition is based on community consent to release these rubber areas for OP no areas have been enclaved per se. YRF patches have been merged properly and core areas identified for accurate connectivity analysis.

Reviewers Recommendation: None

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 Analysis was conducted correctly after receiving initial as well final vegetation classifications data

Reviewers Recommendation: No further recommendations

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: Yes

Reviewers Recommendation: None