

HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

Company Name: SIPEF

HCS Assessment Area: PT Mukomuko Agro Sejahtera, Sungai Teramang Estate

19 April 2021

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, Ryan Karida from Aksenta 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, Ryan Karida and Riswan Zein.

- 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/>).**

Satisfactory.

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: Very clear well written report with obvious findings given the highly fragmented / disturbed nature of this landscape – No HCS inside the concession. MMAS has taken over the concession and offering partnership schemes with the community to increase production through various options including 1) partnership (either in the form of village community gardens, full management, and plasma), (2) allocation of certified seeds that will later become partners, and (3) purchase of fruit / FFB all of which will follow the RSPO certification. The HCSA has been applied to this concession so that any areas of community owned oil palm plantations that may contain HCS forest can be safeguarded. In this case there are no areas that require conservation beyond areas of HCV identified.

Reviewers Recommendation: No Major recommendations 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

- 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 elements need to be completed or re-done.

Reviewers Recommendation: No Recommendations

2. Social Issues (4 hours)

Please review Section 3 and Section 4 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 adequately represent and explain the community engagement, FPIC processes, and participatory mapping activities carried out?

Finding: Yes. PT MMAS are taking over areas that have to a large extent already been planted and are in the process of engaging communities to gauging interest in the partnership program that is being offer. In summary, consultation with farmers trough the FPIC process (that includes door-to-door discussions with farmers / land owners, to offer various kinds of partnerships ((1) partnership (either in the form of village community gardens, full management, and plasma), (2) allocation of certified seeds that will later become partners, and (3) purchase of fruit / FFB all of which will follow the RSPO certification). There are a number of smallholder farmers that have agreed to entering into partnership, those that are undecided as well as farmers that have declined. Due to the fact that the area has been planted, participatory mapping has been carried out well as communities have a crucial stake with the area concerned.

Reviewers Recommendation: None

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

Finding: A land tenure study has been carried out in the concession without coercion. Community land mapping was carried out measuring the area of land in field together with land owners, village administration, company teams, and adjacent land owners to provide an

explanation of the boundaries of the land. As independent village administrator and adjacent land owners were present during the tenure study in the field, this can qualify as have being vetted

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: As stated above, there is a participatory and land tenure map. The landscape is now dominated by smallholder cash cropping (previously rubber but now a dominance of oil palm) with many community members working in oil palm plantations – tending their own plantations during spare time. Rice field occupy a small area of the landscape. Most food is now purchased. All productive areas under agriculture are clearly mapped. Areas under oil palm are obviously for cash crop and the application of 0.5 hectares for each person is not appropriate in cash crop landscapes. As stated above, plantation owners / land owners will make decisions if they are more secure under these partnership arrangements or whether they are better off retaining full management of their land for food security in the future.

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: Yes. FPIC was not just restricted to this HCSA assessment. Communities with their representatives were also involved in SIA and HCV assessment preceding the HCSA assessment. During all of these assessments the community has had the opportunity to raise concerns about the MMAS takeover. The assessments have documented some of these concerns. The community has no issues with the MMAS takeover, many are not yet willing to release their land directly to MMAS but wish to join the partnership scheme. PT MMAS will continue to outreach and negotiate with farmer about the partnership scheme.

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: The FPIC test has been met with a portion of land owners and negotiations are still ongoing. MMAS will not proceed until there is agreement by the individual owners. As this is a takeover and land use plans will not change (areas of oil palm will remain as oil palm), therefore individual owners' views and wishes are concerning whether they want to enter into partnership agreements or not. As stated above, during the process of HCSA (and SIA, HCV), mapping and tenure assessments that have included consultations and questionnaires the community would have had many opportunities to seek representation.

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: No recommendations

Reviewers Recommendation: None

3. [Ecological and Conservation Values](#) (4 hours)

3.1. Does the summary provided in Section 5 of the Summary Report adequately represent the findings of the HCV study?

Finding: Minor correct needed. The final version of the HCV study, deemed Satisfactory by ALS does not include HCV 6. The HCSA reports HCV 6 as present (Tabel 15. Ringkasan dan temuan area NKT di areal kajian)

Reviewers Recommendation: No further recommendations

- 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 HCSA 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: Satisfactory

Reviewers Recommendation: No recommendations

- 3.3. Please review Section 8.2 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: Not required as all patches overlapping with previously identified HCV areas

Reviewers Recommendation: None

- 3.4. Are the forest conservation management and monitoring activities outlined in Section 9.1 adequate? Do they take into account forests and protected areas outside the concession?

Finding: Yes. Of particular noted in the HCSA report and important is the need to socialize conservation areas that have been converted by communities in riparian areas and restore some semblance of a more sustainable landscape.

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. An adequate 1 km buffer was applied. As this is a highly fragmented landscape no more than this was required

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. Original land cover was carried out using images from Sentinel 14 June 2020 and 4 July 2020, (10 and 20 meter res), with additional Google Earth images (7 Aug 2017) with a very high resolution of 1 meter. Image had no cloud cover Resolution used were adequate for detailed vegetation mapping.

Reviewers Recommendation: None

4.3. Please do a quality check using the images provided in 6.2. 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: Image classification was accurate, and no obvious error were noted

Reviewers Recommendation: No recommendations

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: Yes. A large number of plot (88) were set up and a landscape that indicated very little HCS area (more mature forest types). Many plots were bare land upon assessment and therefore not measured for carbon stock

Reviewers Recommendation: No recommendations

5.2. Please review Section 2.1 of the Summary Report. Was the forest inventory team qualified?

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

Finding: Yes. A summary of their experience has been provided

Reviewers Recommendation: No recommendations

5.3. Please review Section 7.6 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 7.3, 7.4, 7.5, and 7.7, 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: All carbon stock calculations were carried out correctly. Rework sample of plots show insignificant difference in stock that would not change any results. The reviewer noted that a Scheffe cannot be carried out on fewer than three different vegetation groups. ANOVA / t-test is sufficient to show if there is statistical difference. There was significant difference between vegetation strata.

Reviewers Recommendation: None required

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

- 6.1. Please review Section 6.4 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: Yes

Reviewers Recommendation: None.

- 6.2. Please review Section 8 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: This is unusual case for HCSA. Community lands currently occupy the majority of the concession area and are already oil palm. Areas such as rice fields and KMD could be enclaved. It should be noted that this will NOT change the final outcome of the ICLUP.

Reviewers Recommendation: No further recommendations

- 6.3. Please review Section 8 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: All HCS were outside the concession but even so, the PA was followed and conducted correctly.

Reviewers Recommendation: None

- 6.4. Please review Sections 9 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. HCS adds little to the conservation plan in this case. Areas of conservation are based on good quality HCV assessment and proposes areas that have been converted by communities to be restored along riparian strips that will protect biodiversity to the maximum amount possible in this high fragmented and disturbed landscape.

Reviewers Recommendation: None