Summary of the changes in the HCS approach assessment – PT AKL II

Context:
The HCS report for PT AKL phase 2 was assessed by the HCSa reviewer and made publically available in March 2021. The reviewer pointed out that the implementation of the process had few holes in the step 4 and 5 that are identifying the priority and connectivity of the patches.

There were few patches identified as HCS that were most likely better to use as development area as it would be difficult to maintain such patches over time because of their small size and distance to other patches (see Table 1).

| Finding: | For step 4 and 5, the company states that “All identified HCS patches are connected to HCV areas so that they are designated as HCS conservation areas.”. This is not true. There are several patches that are not connected to HCV or HCS areas (in this analysis; perhaps they are connected to the adjacent concession), for instance patches 51, 53, 58, 65, 62, 63 (see figure below). These are all low priority patches and should therefore be considered for development (after an RBA, assuming this is a low forest cover landscape). No give and take process was carried out. In summary, it seems that the core area and distance from other patches were calculated correctly, but that the decision tree was not correctly applied. The result is that there is likely too much area designated as HCS, including small patches that are unlikely to persist over time due to distance from other patches and small size. I recognize that most of these areas fall outside of the izin lokasi boundary, and some fall within the other HCS assessment - perhaps acknowledging this would support the decisions presented here. |

Table 1: Reviewer comment on the HCSa review report
Following the reviewer advise, the following changes have been applied:

1. Running the entire decision tree again with an emphasis on step 4-5: recalculate the connectivity of the patches (step 4-5) with HCV areas.
2. Re assessing the give and take process (step 13): the consultant conducted a rapid biodiversity assessment on the potential “take” areas and the process was discussed and finalised together with the estate in order to make the best decision for the final ICLUP design.

The result shows few differences, that are presented below.
Changes in the report:

**Paragraph 8.1 Changes in the decision tree – Step 4&5: analysis of Connectivity**

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<td>Connectivity analysis was carried out on HCS patches with a core area of &lt;100 ha (medium, low, and low priority patches without cores. The connectivity is considered for HCV areas. Medium, low, and low priority patches without cores are considered high priority patches if they have connectivity with 200-meter distance from the HCV area. Furthermore, the high priority patch is categorized as an HCS conservation area.</td>
<td>Connectivity analysis was carried out on HCS patches with a core area of &lt;100 ha (medium, low, and low priority patches without core). The connectivity is considered against high priority patches (Stage 4) and HCV areas (Stage 5). A medium, low, and low priority patch without a core is considered a high priority patch if it has connectivity within 200-meters of the high priority patch and HCV area. Furthermore, these high priority patches are categorized as HCS conservation areas.</td>
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Based on the analysis of the connectivity of the HCS patch to the HCV area (Figure 36). All patches in the study area were identified as being connected to the HCV area so that it was designated as an HCS conservation area. Meanwhile, there are 3 patches (ID 51, 62, 65) in the landscape area that are not connected to the HCV area. The 3 patches will be analyzed at a later stage.

The connectivity analysis in stage 4 was not carried out, this is because there are no high priority patches in the study area and landscape area. Based on the results of the analysis (stage 5) of the connectivity of the HCS patch to the HCV area (Figure 36), in the study area it was identified that all patches were connected to the HCV area in the form of rivers and their borders, so that all of these patches were designated as HCS conservation areas (see Table 33).

The results of stage 1 to stage 5 analysis concluded that all HCS patches in the study area (28 patches) were designated as HCS conservation areas, and 34 HCS patches in the landscape area were designated as HCS conservation areas. In addition, in the landscape area there are 3 patches (ID51, 62, 65) that are not connected to the HCV area, so these 3 patches will be analyzed at a later stage.
**Paragraph 8.1 Changes in the decision tree – Step 13: Give and take**

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<th>Report Give and take process first report – PT AKL II</th>
<th>Report Give and take process in the updated report – PT AKL II</th>
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<td>At this stage, the analysis was not carried out because all patches in the study area had been designated as HCS conservation areas in stages 4&amp;5. All patches in the study area are connected to the HCV area and form an intact/complex area. However, there are 3 patches in the landscape area that are not designated as HCS conservation areas. <strong>The 3 patches did not go through the Give and Take analysis because they are outside the study area (PT AKL Phase II Location Permit) and are designated as potential development areas.</strong></td>
<td>The Give and Take processes are carried out to adjust the design of conservation areas and development areas through simplification of boundaries. The Give and Take process is only carried out in the study area (PT AKL Phase II unit management area). The HCS conservation areas that have been defined in stage 5 are included in this process, which aims for the viability and optimization of the area. Determination and consideration of HCS conservation areas by taking each other, namely (i) patches that are considered less effective in the management of conservation areas, which will make it difficult to manage and monitor conservation areas (ii) patches with high risks and threats because they are located around settlements, roads and community gardens, (iii) isolated and fragmented patches with other patches or HCS conservation areas. Determination and consideration of the proposed HCS conservation area by giving, namely (i) increasing the shape, size and core area of the conservation area, (ii) minimizing risks and threats to the conservation area, (iii) making the area a habitat/enclosure for animals., and (iv) improve and optimize the protection, monitoring and management of conservation areas. The results of the “Give and Take” process (Figure 40) determined that the <strong>Take area in the study area was 79.4 ha</strong> which was considered a development area and the Give area in the study area was <strong>93.9 ha</strong> which was considered a conservation area (HCS). Based on the results of the decision tree stages 1 to 13, there are <strong>25 HCS patches</strong> in the study area that are designated as HCS conservation areas. <strong>Based on the results of the decision tree analysis stages 1-13, an Indicative conservation area (HCV and HCS) is determined in the study area of 958.0 ha.</strong></td>
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Paragraph 8.3 Final Draft ICLUP

The decision tree stage was carried out on 65 HCS patches in the study area and HCS patches in the landscape area with a coverage of 1 km from the study area. The decision tree stages carried out are stages 1-7 and stages 9-12, while stage 8 is not carried out because there is no medium priority patch to be analyzed, and stage 13 is not carried out because the low priority patch is in a landscape area (outside the PT Location Permit). AKL Phase II). The decision tree analysis resulted that 28 HCS patches in the study area were designated as HCS conservation areas because they are

Stage 13 (Give and Take) is carried out only in the study area and results in the Take area in the study area being 79.4 ha which is considered a development area and the Give area in the study area is
connected/has connectivity to the HCV area, and 3 HCS patches in the landscape area were designated as potential development areas.

The results of the integration of conservation areas and potential development areas in the study area show that the conservation area (HCV and HCS) is 943.6 ha and the potential area for oil palm development is 2,147.3 ha (Figure 40).

93.9 ha which is considered a conservation area (HCS). Based on the results of the decision tree stages 1 to 13, there are 25 HCS patches in the study area designated as HCS conservation areas with a total area of 101.2 ha.

The results of the integration of conservation areas and potential development areas in the study area show that the conservation area (HCV and HCS) is 958.0 ha and the potential area for oil palm development is 2,132.9 ha (Table 34 and Figure 41).