

HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

Company Name: Genting Plantations Berhad
HCS Assessment Area: PT. Sawit Mitra Abadi (SMA)
23 December 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 assessment was led by a Registered Practitioner Organisation; PT. Sonokeliling Akreditasi Nusantara.

b) Was the HCS Team Leader a Registered Practitioner?

Yes, the HCS Team Leader is Kasuma Wijaya from PT. Sonokeliling Akrediteas Nusantara

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

Yes. The team consists of at least 2 Registered Practitioner – 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://hcvnetwork.org/find-a-report/>).

Yes.

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 concise report, all elements of the reports have been completed.

This report has shed some light on ambiguities or differences of interpretation within the toolkit that may need further exploration and assist HCSA improve the toolkit.

Reviewers Recommendation: No further recommendations

Company's Response:

Recommendation Accepted

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: Brief Resume of Peer reviewers has been provided in the Appendices

Company's Response:

The Report has been updated

- 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:

All elements of the report have been completed.

Notes on PA analysis and RBA

Regarding the Patch Analysis and omission of pre-RBA check / RBA, the peer reviewer has consulted with the HCSA secretariat and concludes that LPP in Low-Forested landscapes do require a RBA. The HCSA acknowledges that the language of the toolkit is ambiguous and is in the process of making the language used clearer. The company / assessment team does not need to redo this step (that would potentially need field visits). Focus is instead placed on assuring connectivity of the MPP and LPP that have been marked for conservation.

Reviewers Recommendation:

No further recommendations.

Company's Response:

The Report has been updated

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. Section 3 of the report explains the process of community engagement, FPIC and Participatory Mapping well.

Reviewers Recommendation: None

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

Finding: Tenure studies are carried out by the company as part of the negotiation process for land acquisition as required in Indonesia. The status of land ownership in the PT SMA concession area rarely have official certificates and are limited to “SKT” (Letter explaining Land Information) and SPPT (Land Use Statements) issued by local government. In general, community ownership is only documented through Letter of Recognition of Rights (SPH) which is issued by the village government head. As Local government officials issue letters relating to land ownership, this can be considered vetted in accordance to Indonesian law and processes to assure land is free from conflicts. Examples 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. In the context of the HCS assessment, the key components such as areas important for food security and livelihoods of the local communities has been included. It is noted that the fulfilment of 0.5hectares per person will be difficult to achieve in this landscape and the company needs to work together with local communities to find alternatives such as intensive rice field (sawah) development.

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: Record has been provided. Community provided their own representatives. No issues were raised about conducting the HCS assessment. It is noted in the report that far <10% of the community was involved in consultations but that those consulted do represent the community adequately. The reviewer does not contest this assumption given the homogeneity of the majority of the community, and well documented issues relating to land use, food security as well as participation during PM and forest inventory and given adequate room for raising any concerns. Evidence has been provided of meetings with community representatives.

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: Views of the community were reflected during the GRTT process. Not all land has been acquired by the company and areas of significance for the community are not developed on. These include customary rules regarding any areas within settlements, grave sites, *Tembawang*, honey bee nesting sites / trees, *Mentawa* trees, and durian trees. The views of communities are therefore addressed and reflected in the development of the plantation. Therefore, owners can say no, and the prior, informed test can be said to have been 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: No additional information is required.

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: Yes. A reasonable summary is available.

Reviewers Recommendation: None

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: There are two HCV reports. The extension report has been judged satisfactory and is of good quality.

Information about the Peer Review process for the original HCV assessment and report (2011) is unclear. The 2011 report probably would not pass current standards of the ALS scheme. While information on all HCVs (biodiversity, environmental services and basic needs / culture) is reasonably complete, the data was not used to apply a precautionary approach to land cover class defined within the concession. Assuming that the land cover classes are accurate, secondary forest (delineated in 2010) are likely to contain HCVs have been subsequently cleared. It should be noted that differentiating between secondary forest and agroforestry / rubber is always difficult from satellite images (especially Landsat 7 used for the assessment) and unfortunately, the sample plots did not cover all areas to verify this, so there is no information within the 2011 report to clarify land cover status. This potential forest / HCV loss could be addressed through the LUCA field verification where more firm evidence of land cover in 2010 / 2011 and potential HCVs could be clarified from GRTT documentations and consultations held with the company and communities.

Reviewers Recommendation: No recommendations for this HCS assessment peer review are required.

- 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.

Reviewers Recommendation: See recommendation under section 6.3

Company's Response:

Recommendation accepted

- 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: The recommendations are comprehensive and take into account actions needed with stakeholders in the wider landscapes including communities, other companies and the Forestry and conservation agencies that consider connectivity of HCS inside the concession with areas of forest outside of the concession.

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: Acceptable. While the toolkit does mention that the AOI should be extended to natural boundaries (such as rivers and water catchment boundaries) or administrative units, the assessors have used a rectangle shape around the concession that captures connectivity with the wider landscape and the landscape context. It should be noted that in doing so in this instance, the AoI has now been classified a Low Forested Landscape (rather than potentially a Medium Forested Landscape if the natural and administrative boundaries had been followed) and this will potentially capture more HCS forest patches when carrying out the Patch Analysis – i.e. is conservative and acceptable.

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. Images were less than 12 months and had the minimum spatial resolution required with <5% cloud cover over the AOI, with some (minimal) haze.

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: The Initial Land Cover Classification looks very reasonable. No obvious errors were observed pre-forest inventory considering the difficulty of differentiating between young regenerating forest and agroforestry with rubber.

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: The total number of plots applied fell slightly short of the corrected calculated number planned. This is reasonable and adequate in this case.

Reviewers Recommendation: The numbers of plots implemented in the field very closely approaches the number that are theoretically required for 90% confidence. Due to accurate mapping and restricted area of patches, an additional few plots per strata is unlikely to change the results and especially the extent of the HSC patches. A brief explanation why the field team were unable to sample all planned plots for each stratum when in the field has been provided and is reasonable.

Company's Response:

1. Generally, this study uses SD based on studies from GIZ and KLHK for biodiversity and climate change (Bioclimate Project) and measurement for estimation of carbon stock (UNFCCC).
2. There was an error by the assessor when calculating the number of plots and it has been corrected.

- 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 description of the forest inventory team's qualifications / experience has now been provided.

Company's Response:

The report has been updated

- 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: Equations used were appropriate

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 observed in the forest data provided.

Reviewers Recommendation: Please provide the raw forestry data in Excel format

Company's Response:

The requested file has been attached

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 final vegetation classification map was very similar to the initial vegetation classification. The level of accuracy of the initial map was very high (due to a landscape dominated by OP and previous HCV work having been done in the concession). Minor calibrations were made taking into account the results of the inventory to define HCS patches.

Reviewers Recommendation: No further recommendations

Company's Response:

1. The raw data has been attached
2. The report has been updated

- 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?

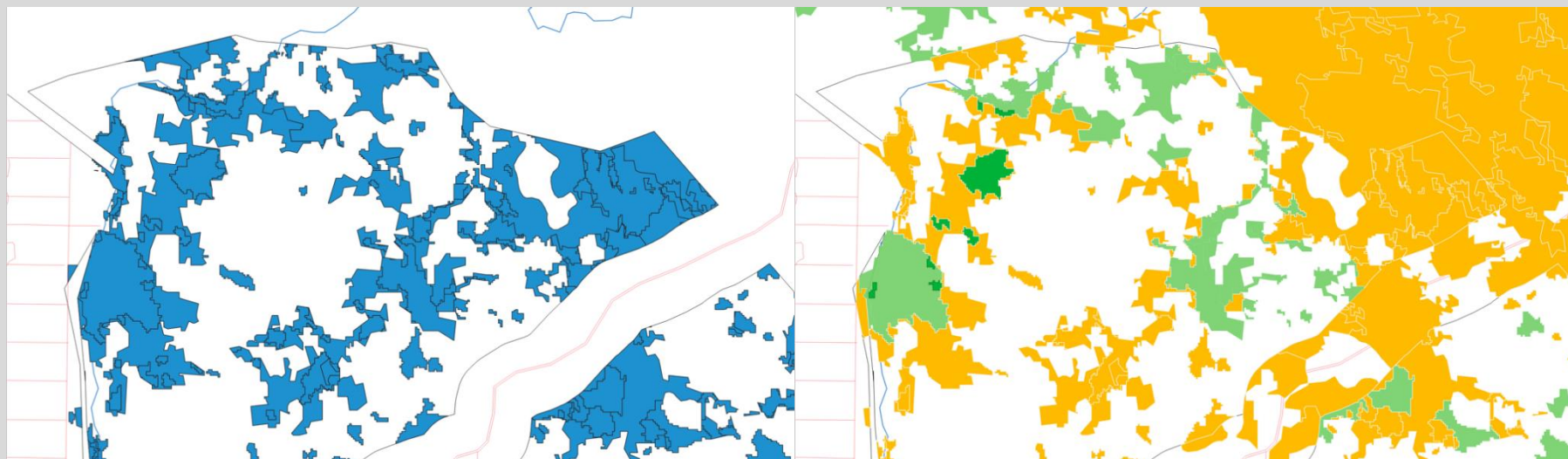
The HCSA Toolkit explain how to merge patches and identify the core area.

Finding: PM was used in the analysis and to and to help differentiate forest from rubber. However, some areas of PM classified "rubber" were included in the patch analysis. However, the forest patches from the final vegetation classification map were included in step 2 of the PA and this assumes that there is a lower confidence of PM compared to the final vegetation classification map.

The patches were merged correctly.

However, the core size was only assessed within the concession / development boundary. An advise note was released on 22 June 2000 (see <http://highcarbonstock.org/wp-content/uploads/2020/06/Advice-Note-03-HCV-HCSA-Assessments-2020-06-22.pdf>) to rectify the misleading figure in Module 5. Patches on the periphery of the development area and that are physically connected would have been high priority patches. Fortunately, in this case all patches in question have been scheduled for conservations. Even though they were identified as Medium or low priority.

Reviewers Recommendation: No actions are needed to correct the PM map and reflect areas of forest included in the patch analysis that are labelled as rubber, as this will not change the results but the assessors / company should make sure that potential conservation of these areas will not have negative consequences for the community (i.e. double check on status of forest / rubber). See example below (map on the left are rubber (*Kebun Karet*) as per PM GIS layer. Map on right shows young regeneration forest (light green), Forest (darker green) and Agroforestry / rubber (Orange).



No actions are required for core definition as the Advice note was published after this assessment. It should be noted that some patches on the periphery should be regarded as higher priority if connected to forest outside the development areas and prioritised for effective conservation actions.

Company's Response:

Recommendation Accepted

- 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: The PA was used correctly up until step 6. Pre-RBA / RBA should normally be completed for the Low Priority patches that are not connected to HPP (see note for 6.2 above) or are not connected to HCV areas already delineated should have a Pre-RBA and potentially RBA. *“In Low Forest Cover Landscapes, small patches are likely to have greater importance for conservation of biodiversity as they will be the last refuges, thus LPPs in Low Forest Cover Landscapes move to a pre-Rapid Biodiversity Assessment check (Step 9).*

*It should be noted that the information in earlier versions of the V2.0 toolkit diagram and toolkit text is misleading and can cause assessors to immediately discard small LPP. However, the text in Step 6 is clear and current online versions of the flow diagram are correct

(http://highcarbonstock.org/wp-content/uploads/2018/04/Def-HCSA-Module-5-16_04_2018_Web.pdf). The HCSA is clarifying this text.

The Landscape / Area of Interest has been classified as a Low Forest Cover Landscape - see page 8 of report *“Tutupan hutan sekunder di lanskap termasuk Low Forest Landscape dengan luas tutupan hutan sebesar 20% (berdasarkan perhitungan GIS) dari total seluruh lanskap 8 km dari batas areal izin PT SMA”*. The GIS layer is still using the assumption that this is a Medium Forest Cover Landscape (30-80%).

Under normal circumstances with clear text and guidance in the toolkit, a RBA check for the 17 LPP Patches No. 15, 18, 19, 20, 21, 22, 23, 24, 26, 27, 29, 37, 44, 45, 53, 55, 56 (that collectively cover 30.34 hectares) would be required. A Pre-RBA is a relatively simple check in the field that can be done by company staff to identify any attributes that could prevent development such as steep slopes, wet ground, common access and use by communities and propose either i) conservation, ii) enclaved for community. The HCV report seems to indicate that some of these areas are in Belukar Rawa and therefore wet environments that may be important for biodiversity.

Reviewers Recommendation:

Given the potential ambiguity within the toolkit and the small area of patches concerned, a RBA is not being requested here. However, where opportunities exist to maintain increase connectivity between patches in the final land use plan and where wildlife corridors (such as riparian HCV areas) require restoration, this should be prioritized in the final management plan and the review recommends that this is stated clearly by the company.

Company’s Response:

Recommendation Accepted

- 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