

Updated: 20 December 2019



HIGH CARBON STOCK APPROACH

HCSA PEER REVIEW REPORT

Company Name: Presco Plc
HCS Assessment Area: Sakponba Extension 1
13 August 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, Proforest led the HCS assessment.
- b) Was the HCS Team Leader a Registered Practitioner?**
Yes, the HCS Team Leader was Nana Darko Cobbina, a Registered Practitioner.
- c) Were at least two (2) HCS team members Registered Practitioners?**
No. Only 1 team members is a Registered Practitioner.
- 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/>).**
Satisfactory.

Questions for peer reviewers

(Peer Review Panel: Jules Crawshaw)

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:

The reviewer was impressed by the quality of this HCS report. The company has clearly made a serious commitment to HCS and this is brought out by the extensive social engagement that took place prior to bringing in Proforest.

Technically the forest measurement, mapping and patch analysis appear to have closely followed the HCS toolkit and the work has been done thoroughly. Similarly, the social engagement has been done thoroughly. The only criticism from the reviewer is that there is very little “evidence” presented of the engagement (e.g. minutes of meetings, attendance lists and the actual participatory maps). Also, the report mentions the company is committed “committed itself to ensuring that its operations do not unduly affect farmlands for food crop production.” The report should reference the sustainability commitments and the relevant SOPs.

It is the reviewer’s opinion that all the recommendations can be fulfilled by adding extra text and explanations at relevant points in the report to strengthen it.

Reviewers Recommendation:

1. The company has now provided very good evidence and documentation. The reviewer considers the company and assessment team to have done a very thorough job with this assessment.

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:

Table 1 lists the key members of the Proforest team that undertook this assessment.

It is not clearly stated that the GIS expert was a HCS registered practitioner at the time of the assessment. This is an HCSA requirement.

Reviewers Recommendation:

1. Include a short biography of the assessment team members in the appendix. This has been added.
2. State that the GIS expert was a HCS registered practitioner at the time of the assessment. With additional information provided the required team is complete.

- 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:

Definitely there is nothing that needs to be re-done. The only major omission is not including the HCS forests in the buffer areas. The company has all the relevant data so this should involve re-doing some of the maps. However this may involve revising the Management and Monitoring recommendations and engaging the community in forest protection activities outside the concession.

Reviewers Recommendation:

Follow the recommendations below. The HCS forests in the buffers have now been mapped.

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:

The company has defined five affected communities as a result of the development. These are Orogho, Owuo, Obanakhoro, Ologbo and Adolosa. Table 3 details the engagement that the company undertook with the affected communities prior to the HCS assessment. This appears to be very comprehensive. Section 4.1.4 describes the methods but there is no description of the findings. For example, it states “The process which include participatory mapping exercise was aimed at ensuring that all communities around the concession effectively participated in decision making about land use using their local knowledge.” There should be some reference to the outcomes as well as evidence. This would include minutes of meetings, attendance lists and the actual participatory maps.

It is stated “Presco has committed itself to ensure that its operations do not unduly affect farmlands for food crop production and therefore maintained an ongoing FPIC process with the local communities.” This is a crucial commitment and is a required part of the due diligence criteria. The company’s sustainability commitment and the underlying SOPs that relate to FPIC should be referenced and the discussion should be in terms of compliance with SOP.

The consultant has documented the outcomes of the community engagement that they undertook though only for 4 of the 5 affected communities

Reviewers Recommendation:

1. Provide a discussion of the outcomes of the company’s FPIC and provide evidence (e.g. minutes of meetings, attendance lists and the actual participatory maps). Very comprehensive evidence and supplementary materials have been provided to show FPIC. Particularly, there is a participatory map provided with a sign-off from each of the communities’ representatives
2. Reference the company’s sustainability commitments and the relevant community engagement / FPIC SOPs. A very comprehensive list of sustainability commitments has been provided. These have also been referenced in the summary report.
3. Add a description of the PM that was undertaken in Adolosa. Additional information about Adolosa has been added to table 4. It is also explained below that this community is only indirectly affected by development so full PM was not undertaken.
4. Summaries of the outcomes of the community engagement that was done by Proforest was provided in section 4.3.1. However this could be strengthened by referring to the actual participatory maps, minutes and attendance lists. All the required information has now been provided in Annex 1

and 2 of the summary report. Additionally, a full PM report has been provided.

5. Provide a map of the affected communities and their boundaries. On the HCV map (Fig 4) the reviewer can't see some of the affected communities and then there is another community, Ago-Ibineye, that is right on the concession boundary. However, it is not considered an affected community. So please provide justification for the selection of affected communities. Figure 5 has now been provided which clearly shows the boundaries of each of the villages. Though Ago-Ibineye seems to have been removed from the maps – the reviewer assumes this village was put on the maps in the incorrect location.

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

Finding:

There is no mention of a formal tenure study having been undertaken. However, section 4.1.3 does discuss the topic of land tenure.

There is a discussion of land tenure in the area after it was de-reserved. It is stated tenure resolves around a system “where a lead farmer obtains license from the responsible government agency and then allocates plots to farmers registered under him for taungya farming practice, the original concept of which is no longer strictly followed today.” It appears that a significant proportion of the area has been encroached and the farmers’ claim to the land is based on occupation. However, it is not made clear in the text relating to how the land is owned.

The text in the Social Requirements states “This study covers land tenure and rights issues in detail, including in relation to inheritance and transfer, and identifies potential or actual areas of conflict. The study also assesses existing community practices in relation to livelihoods and conservation, including the usage patterns of areas to be proposed for conservation, whether use is economic, social or cultural.” It is only really the historical perspective of land tenure that is covered in section 4.1.3.

Reviewers Recommendation:

1. Ensure all the topics required in the LTS are covered in section 4.1.3. Additional information that relates to land tenure has been added to section 4.3 of the report and now adequately explains land ownership in the area. Primarily it appears “ownership” is defined by occupation / use of the land rather than a land titling system.
2. Strengthen the discussion of existing land tenure in the concession. Section 4.3 has been added which now provides adequate information on this topic.

- 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 a short section (4.1.5) on food security although it does not present any calculations of areas for future garden areas. There is a discussion relating to the participatory land use map that was developed (see section 4). However, no map has been provided.

Reviewers Recommendation:

1. Provide the participatory land use map that resulted from the social fieldwork along with a discussion that led to the conclusions regarding “identification of community use areas; identification of HCVs (particularly 4 and 5) and documentation of any concerns with respect to the planned development.” Figure 6 uses current and future land use - this is used as a basis for HCV5 identification.
2. With respect to the minimum requirement of 0.5 ha per person for future garden areas. Proforest should go through Advice Note 1 section 4 (“Local people’s lands for food security”) and ensure all the required points are discussed. Particularly a table should be included which includes the village populations of the 5 affected communities and the required garden area. This should be related to the participatory map, showing that there is adequate farm land outside the concession to support the statement “there is a general willingness to relocate farming activities from the concession to nearby areas following compensation.” Calculations of food security requirements have now been presented in table 5. Future land has also been identified in figure 5 where the farmers have indicated a willingness to locate to following compensation being paid.

- 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 is a mention of extensive FPIC being undertaken by the company prior to the HCS assessment and during the HCS assessment by Proforest. The results of FPIC are provided in section 4.3.1 (although Adolosa community was not discussed). In table 3, socialisation of the various assessments is mentioned - “Information concerning Presco activities (RSPO engagement, EIA, HVC, etc...)”. Regarding the community nominating their own representatives – table 3 states one of the steps is “Identification (or creation) of committees/councils in

the local communities”

Reviewers Recommendation:

1. Provide specific information (especially about HCSA) about what was socialised to the community – e.g. include the presentation that was provided to the community. Section 11.2.3 has now been added to the report which gives a detailed description of what was socialised to the community and feedback that was elicited.
2. Provide more information about “Identification (or creation) of committees/councils in the local communities”. This should specifically state how the community nominated these representatives, the structures that were put in place and the responsibilities and authorities of these organisations. The section “Authority and decision-making structures in various communities” has been provided which addresses this requirement.

- 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: There is mention in table 3 of the following “Define in a participative way with the local communities the “rules of cohabitation” between the villages and the company in terms of means of communication, consultation, communities’ representation, individual and collective compensation, and settlement process in case of grievance/complaints. To communicate with the community’s procedures”. It appears that the company has made significant efforts to engage with the communities in a constructive manner. However, the write up does not specifically state that the communities were informed of their right to say “no” to development at any stage.

There is mention of how the communities had input into the development and conservation plans – e.g “The social and GIS expert of the assessment team followed each community to map all social HCVs and their proposed management areas during the second meeting with each community. The participatory mapping was helpful as it allowed the communities to identify their use areas within the landscape on a map. If the communities were dependent on natural resource in the landscape, the participants sketch a map to illustrate the location.”

Reviewers Recommendation:

1. Provide in the annexes a copy of the “rules of cohabitation” – this is important evidence. These have now been provided in Annex 8.
2. Describe how the requirement to say “no” to development has been socialised with the community. This concept is mentioned as a policy in Annex 8 and then confirmed in the community consultation notes (which have now been provided).

3. Describe how the right to independent legal representation has been socialised with the community. The company has mentioned that this is addressed in the community handbook (section “Conflict Management”) however this doesn’t specifically state that the community is advised it can get independent legal representation. No “Conflict Management SOP” was provided. The recommendation still stands.

Company’s Response: The conflict management SOP is under revision it will include the right to get independent legal representation with the financial support of Siat-Presco if needed.

4. Provide the resulting participatory map – highlighting the areas that were set aside from development, based on the PM. It appears that any of the land inside the area that was used by the community will be compensated and the community will move out, so there is no land set aside based on PM. This still should be clearly stated.

Company’s Response: The PM identified each of the community used areas according to each of the communities. They also agreed for Presco to develop all the areas within the acquired 2,500 ha on the basis that compensation will be paid for the loss of use. Since the extension area is part of a larger area of the former Urhonigbe forest reserved, farmers are expected to move to other parts of the reserve through the regular process of obtaining permit from the forestry department after they have been paid compensation for their crops.

2.6. What recommendations do you have for any improvements regarding community consultation and negotiation of Free, Prior and Informed Consent?

Finding: It appears that the community consultation and the FPIC were done very thoroughly. The only thing that is lacking is the supporting evidence in the report. It is suggested that the actual participatory map is presented in the body of the report (with an associated explanation of how this was used to derive the develop / conserve areas in the concession). This is a key piece of information. There is a lack of accompanying evidence in the report.

Reviewers Recommendation:

1. Provide the participatory map along with an associated explanation.
2. Provide accompanying evidence to support the statements made in the report – this should include:
 - Company policies and underlying SOPs
 - Minutes of meetings and attendance lists
 - participatory maps.

A very thorough set of evidence in the Participatory Mapping report and associated SOPs have now been provided.

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:

A very brief summary of the HCV findings is provided in section 5. One element that caught the reviewer’s eyes is HCV 3 “HCV 3: The Izabumwen pond, together with a recommended buffer of approximately 100 m, which total approximately 5.86 ha. This water body and associated wetland vegetation, which also serve as a shrine, is recommended to be set-aside as HCV 3 to provide ecosystem services and to support the continued services it provides for the local people” –ecosystem services does not seem like HCV 3, but HCV4.

Reviewers Recommendation:

1. Add an explanation of HCV1 and why this is considered potentially present and map out in which areas. The explanation provided about why HCV1 is potentially present (based on the likelihood of various species using it as a habitat) is acceptable. The reviewer believes it should be marked as present based on the precautionary approach.

Company’s Response: The statement 'HCV1 potentially present' comes from the HCV assessor, based on that recommendation, Presco considers HCV1 as present unless further information.

2. Explain in more detail why ecosystem services are considered HCV 3 and not HCV 4. There seems to be some confusion here, the HCV report has marked the wetlands as an endangered ecosystem, not because of ecosystem services (which as included in HCV4).

3. Correct the HCV 4 as being present (even if only present in the AOI)– this is inconsistent with the HCV report. Provide a map of the location of HCVs in the AOI. A map of the HCVs has been provided.

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: The assessment was judged as satisfactory by the HCVN.

Reviewers Recommendation:

No recommendation

- 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: It appears the RBAs were undertaken. Figure 20 shows the location of flora and faunal transects which overlap with areas of Medium and Low Priority patches in high risk areas that require a pre RBA and potentially an RBA. However, no textual description of the findings and the methods has been provided.

In section 1.5 the forest cover of the landscape is calculated as 19%, therefore, it is a low forest cover landscape. Consequently all LPP will require at least a pre-RBA.

Reviewers Recommendation:

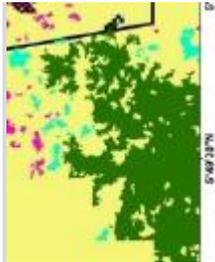
1. Provide a textual description of the methods and findings associated with the pre RBA and RBA. A sufficient description of the RBA has been provided but there was still no mention of the pre-RBA (which must always precede the RBA) – this requires an assessment of whether the land is suitable for development.

Company’s Response: The biodiversity assessment done during the HCV assessment in 2018 and the additional rapid biodiversity assessment done during the field visit didn’t provide any substantial information on biodiversity of the LPP patches. Textual description of the methodology and key outcome on the rapid biodiversity assessment has been provided in the section 8.1 on the Description of the patch analysis.

- 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:

The areas outside the concession but in the buffer zone have not been mapped as HCS forest. For example these HPP from Figure 21 which should be considered HCS forest.



It is mentioned that the company will be paying land compensation. However, it is not explained whether the company will be paying compensation for the HCS forest areas that they are not able to develop. If no compensation is paid for these areas, it should be explained what incentives are provided to the community not to clear the HCS forest areas for agriculture. Note that in SR9 there is a list of requirements for “Participatory management and monitoring agreements for conservation areas on lands owned and used by communities will be developed with each community or cluster of communities concerned.” It is assumed (at a minimum) the HCS forest outside the concession will be managed by the community.

Reviewers Recommendation:

1. Map the HCS forest areas in the buffer as HCS. The areas of forest in the buffer have now been mapped as HCS in figure 25.
2. Explain the compensation for area that is considered HCS forest and how these areas are protected if no compensation is paid for them. It is explained that no compensation was paid for these areas. Also there has been a specific explanation as to how these will be protected from deforestation.
3. Explain the community management of HCS forest of areas that are owned by the community. Please address this using the format in Social Requirement 9. It is now explained that forest guards have been appointed to protect forest areas.

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: The HCSA requires the AOI to include the concession plus a minimum of a 1 km buffer. Proforest has included a 5 km buffer. Consequently, the AOI has been correctly defined.

Reviewers Recommendation:

No recommendations.

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: The field study for the HCS assessment was done from 12nd to 21st October 2020. The image was a Sentinel image dated 2 Feb 2020. Page 15 of HCSA mod 4 states “Images must be no older than 12 months and have a minimum spatial resolution of 10 m.” The Sentinel bands that were used are of a 10 m resolution and the capture date is within the one year range and is therefore acceptable. It is cloud free.

Reviewers Recommendation:

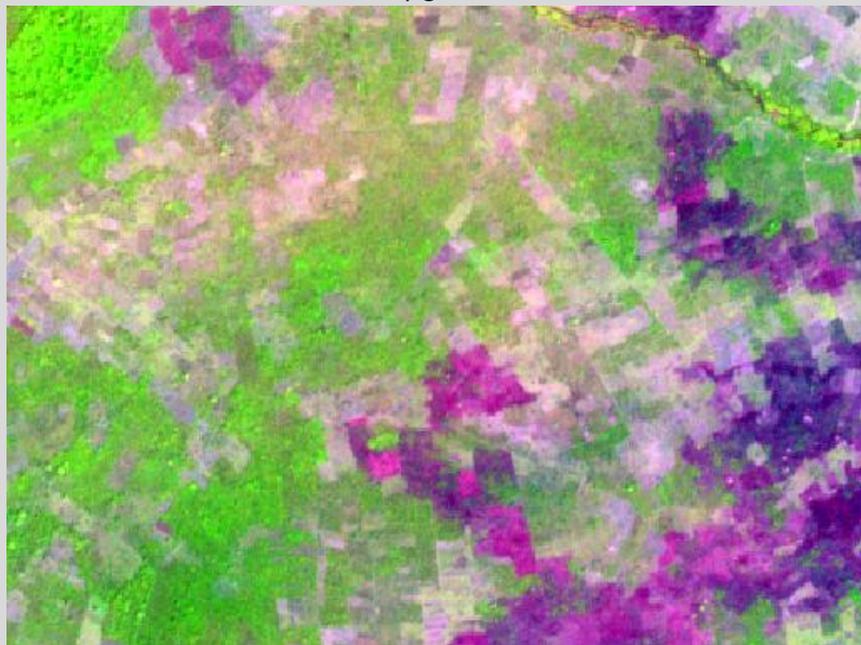
No recommendations.

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:

The classification looks reasonably good. Some of the areas that have been classified as scrub look more like agricultural land. E.g .



However this is not material to the HCS outcome. In table 7, agricultural land is defined, but no area is actually classified as agriculture. Later it appears that Proforest combined agricultural land and scrub (table 10).

The reviewer accepts that differentiating between scrub and YRF is difficult in an area like this, but this classification appears to be sufficiently accurate. There is no mention of ground truthing that was done during scoping (this is an obligatory step) (from HCS Mod 4 “The collection of a sufficient amount of in-situ ground truthing samples is mandatory to assess the accuracy of the final land cover classification”

Reviewers Recommendation:

1. Describe the ground truthing that was done during scoping. Provide the ground truthing data. The ground truthing data has now been provided along with a thorough description of the ground truthing methodology and associated error matrices.

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: 109 HCS plots were located throughout the concession. It is not described how these were located nor how the number of plots required was calculated.

The description of the plot set-up and measurement follows that of the HCS TK.

Reviewers Recommendation:

1. Describe how the number of plots per land cover class was determined. This should follow the guidance in Advice Note 1 section 2 (“2.1 Number of forest inventory plots”). A thorough explanation of the number of plots and sampling strategy has been provided.

- 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:

Table 1 shows a very strong team for forest inventory. Given that the forest is extremely degraded the number of species present was probably very limited.

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:

Chave 2014 was used as the allometric. The previous version of Chave's model was recommended in version 1 of the toolkit. This is considered a good model.

Reviewers Recommendation:

No recommendation

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: The carbon stocks appear low if compared with the table in HCS mod 4 pg 23. Though the TK states "These guidelines need to be validated for other regions such as Tropical Africa" and the reviewer has no experience with carbon stocks in Nigeria. Though based on the satellite image the forest appears very patchy, so one would expect the carbon stocks to be low.

All the data has been presented with straight numbers, not formulae in the spreadsheet, this makes it impossible to review.

Reviewers Recommendation:

1. Present the plot data and associated analysis with the formulae to calculate carbon stocks. Similarly, provide a table with carbon stocks per plot for each land cover class. The full plot data and associated formulae to calculate carbon stock have now been provided.
2. Provide a scheffe test and result to check whether there is a significant difference between YRF and scrub. The statistical analysis has now been provided which shows there is a statistical difference between YRF and scrub.

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: No shapefile of the forest plot locations was provided.

Reviewers Recommendation:

1. Provide a shapefile of the forest plot locations with the classification of land cover type in the attribute table. The plot data has been provided, however when intersected with the final landcover 37 of the 109 plots had different landcovers from the final landcover shapefile. This issue should be addressed.

Company's Response: 109 points were actually verified in the field including the 37 points. In order to obtain a statistically valid number of control points for each class, this fieldwork was completed with 191 control points from a high-resolution image interpretation. The evaluation of the soil classification is presented in the confusion matrix of the report for all 300 control points, with a very good overall accuracy (89%).

- 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: Step 1 of the patch analysis involves overlaying community lands (customary land use areas, community garden areas or future farmland) which are excluded from consideration as HCS forest. The data set provided to the reviewer has several shapefiles which are labelled as "farming areas." Although these are not added in step 1. Elsewhere in the text it is stated "The HCV assessment concluded that farmlands are not HCV and that there is a general willingness to relocate farming activities from the concession to nearby areas following compensation."

Reviewers Recommendation:

1. Add more explanation about each step of the patch analysis. Particularly step 1, where only HCV areas have been added. The company needs to explain at this point, why the community lands have not been included. Basically it explains that the community has plenty of land and is willing to move out of the future estate and farm elsewhere.

Company's Response: The extension is only a small area within the former Urhonigbe forest reserved, farmers have accepted to move to other parts of the reserve through the regular process of obtaining permit from the forestry department after they have been paid compensation for their crops.

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: The patch analysis appears to have been done correctly. The only issue is that none of the HCS forest external to the concession has been delineated as HCS. Map21 shows only the HCS forest areas within the concession being identified as “set aside”. Whereas there are extensive HCS Forest areas mapped external to the concession, but these are not mapped for conservation in map 21.

Reviewers Recommendation:

1. Identify all the HCS areas for conservation, both within and external to the concession. Figure 25 now shows all the conservation set asides both inside and outside the concession.

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:

The company has closely followed the HCS toolkit in the mapping of the HCS forest. The reviewer's only concern is that the company is paying land compensation to farmers who have agreed to farm elsewhere. The obvious place to relocate is to the areas that are currently not farmed – the forest areas in the buffer area. So additional information should be provided on where the farmers will re-locate their activities.

Reviewers Recommendation:

1. As part of the participatory mapping process, when the farmers agreed to accept land compensation and move elsewhere. The company should have marked out where the farmers intend to move.
2. There should be engagement of the community in the conservation activities – this is currently not mentioned.

The company has stated that they are training the community in HCV management – however the SOP states “The training will focus on collaborating with the local communities on the management of all identified HCV areas within Presco`s concession with a specific focus on HCV 5 and 6.”. There still needs to be some focus on ensuring that the community does not deforest areas outside the concession.

Company’s Response: The SOP has been updated to include “sensitization and collaboration with communities on the potential HCV and conservation areas outside Presco concession”.