1

This presentation describes what needs to be done during the second stage of implementation of the Social Requirements of the High Carbon Stock Approach, or HCSA. This is the assessment stage, when the Social and Environmental Impact Assessment and the HCV-HCSA Assessment are completed. It follows a preparation stage, which involves planning, information-gathering and initial engagement with local communities, and leads to a negotiation stage, when the Integrated Conservation and Land Use Plan is finalised, and then the operational stage, when land clearance, planting and production get under way.

2

So here's a reminder of the state of play at the end of stage 1. As a minimum, a company social team must be in place, with responsibility for overseeing implementation of the social requirements; the social background study and land tenure and use study must be completed; there must be a list of potentially affected communities, and free, prior and informed consent must be in place for the assessments to go ahead, in line with agreed procedures for engagement, including confirmed community representatives.

These outputs provide a strong basis for the subsequent assessments to build on, and evidence that they are in place is required by the HCV-HCSA Assessment team before they can start work. This is in addition to evidence of the company's commitment to social & environmental safeguards, evidence of a moratorium on land clearing/preparation, and evidence of the company's demonstrated legal right over or permission to explore the Area of Interest. More detail on how the Area of Interest should be defined can be found in the HCSA Toolkit.

3

There are four main activities during the assessment stage. They are: continued engagement with communities by the company social team; completion of a social and environmental impact assessment; completion of the HCV-HCSA assessment, and collection of social baseline data for use in subsequent social impact monitoring, should the proposed operation go ahead. This presentation looks at each of these in turn, and also at the quality assurance process for this stage, particularly for the HCV-HCSA assessment. Procedures and requirements for quality assurance on other aspects are under development by the HCSA Quality Assurance Working Group.

4

The main purposes of ongoing community engagement by the company social team are to consolidate good relations and explore options for future community agreements, should the operation go ahead. These agreements will be formally negotiated in stage 3, but obviously the greater the common ground that is established in advance, the less time the negotiation process will take. This is also an opportunity to fill in any data gaps, to begin work towards settling existing disputes (for example, over land boundaries) and also to involve NGOs or government departments that may be able to support communities on different aspects of the process.

Community engagement may consist solely of visits to communities by members of the social team, or it may also involve centralized meetings with community representatives and advisors, or remote communications (for example by mobile). Records of all meetings and other communications should be kept, ideally jointly with community representatives, and should include lists of participants and summaries of what was discussed and agreed.

5

Meanwhile two major assessments need to be completed by the end of this stage – the Social and Environmental Impact Assessment and the HCV-HCSA Assessment. The Social and Environmental Impact Assessment requires a high level of expertise, and familiarity with the region. It involves both desk-based and field-based components, including consultation with local communities. The desk-based component can be started during stage 1, together with the Social Background study, or during stage 2, either as a standalone piece of work or together with the HCV-HCSA Assessment. Guidance on SEIAs is available from the International Association for Impact Assessment (the IAIA), at the weblink below. Some certification schemes and governments also have their own minimum requirements for the SEIA.

6

Moving on to the requirement for collection of social baseline data, this should include data on basic socioeconomic factors including income, livelihoods and assets; food security; ecosystem services provision, and access to social and economic infrastructure. The purpose is to provide a baseline for future social impact monitoring, should the proposed commodity development go ahead. Some of this information will be needed for the SEIA and the HCV-HCSA assessment process, and the collection of baseline data may be combined with one or both of these. It requires technical expertise and can be conducted by the social team or by external consultants. The output, which should be provided by the end of stage 2, will normally be a summary report together with the full data files, which will be needed for comparison purposes during social impact monitoring.

7

The HCV-HCSA assessment is carried out by an assessment team that includes both social and environmental experts. The team must include an HCSA registered practitioner and be led by someone with a license from the Assessor Licensing Scheme, or ALS, of the HCV Network. Full details of the ALS are available at the link below, including a searchable database of licensed assessors. In the past, standalone HCSA assessments could be carried out separately from HCV assessments but since November 2017, all assessments must be integrated HCV HCSA assessments. These may also be combined with the SEIA and / or with the collection of baseline data for social impact monitoring.

The HCV-HCSA assessment cannot start until the minimum outputs from Stage 1 are available. These were listed at the beginning of this presentation and include the land tenure study and a list of potentially affected communities. This information provides the basis for the assessment. Therefore, to ensure assessors can hit the ground running, the company will need to provide these outputs to the assessment team at the start of the assessment.

8

The assessment involves both desk-based and field-based components, including satellite image analysis, ecological surveys, and participatory mapping with local communities. All field-based activities in areas to which communities hold rights require the free, prior and informed consent (or FPIC) of the communities concerned. This applies to ecological surveys as well as social aspects.

On the environmental side the assessment identifies and maps ecological high conservation values, high carbon stock forests and peatlands, while on the social side it identifies and maps local people's lands and customary resource use areas and sites that are essential for their livelihoods and cultural identity. The social aspects must be identified together with local communities and mapped by means of participatory mapping, which builds on the earlier, basic mapping carried out during the

land tenure and use study. Detailed guidance on participatory mapping can be found in appendix 3 of the Social Requirements implementation guide.

The assessment report includes proposed maps for land use zoning into conservation areas, community use zones and areas for commodity production by the company. It also includes recommendations for management and monitoring of the values identified, details of community concerns, and a list of outstanding points that will require further action. The report acts as the starting-point for the development of an integrated conservation and land use plan during stage 3.

9

The assessment consists of three phases: a preliminary desktop phase, a scoping study, which includes a short field-based component, and then the full assessment. Throughout the fieldwork the company should offer assistance with logistics, including introductions to communities and to relevant company staff and others as appropriate; for example these may include other consultants, local government officials, and local experts. Lastly, the company must continue to abide by the moratorium on land clearance or preparation.

10

HCSA quality assurance measures for stage 2 as a whole are under development by the HCSA Quality Assurance Working Group. However, there are some additional quality assurance measures. The SEIA may need to be approved by a government department as a legal requirement, and the report from the HCV-HCSA Assessment is evaluated by the High Conservation Value network's Assessor Licensing Scheme or ALS. Details of quality assurance of standalone HCSA assessment can be found on the HCSA website. The rest of this presentation looks briefly at ALS quality assurance for the HCV-HCSA assessment reports.

11

The HCV-HCSA assessment report is evaluated by a small group of independent experts who are members of the ALS Quality Panel. For each report, at least one member of the group must have social expertise. The report is evaluated based on key issues, all of which must be found to be satisfactory for the overall report to be marked satisfactory. The key issues include the social methods and participatory mapping of the social HCVs.

The evaluation timeframe will depend on whether it is for one development area or more than one, on whether or not the assessor has to revise and resubmit the report along the way based on Quality Panel feedback, and on whether the assessor appeals the feedback from the Quality Panel. In relation to the first of these points a standard report evaluation covers one contiguous development area or AOI, but there is also a pilot procedure in place to submit reports that combine the results of more than one area.

12

In summary, the minimum outputs from this stage are the reports of the Social and Environmental impact assessment and the HCV-HCSA assessment, and also baseline data for use in future social impact monitoring.

The company social team may also be able to make progress on several other issues. For example, they may be able to support the resolution of boundary disputes between communities, which might have been clarified during the participatory mapping process; they may be able to begin to draft community agreements with at least some of the communities, based on their discussions and

early results emerging from the assessments (though bearing in mind that these will not be final until the assessment report has been evaluated), and they may be able to develop MOUs with other stakeholders such as local government departments or NGOs where these are relevant. Many of these processes take time, and therefore starting them now will reduce the amount of time needed for the formal negotiation process during the next stage.

13

Finally here's a summary of key sources of further information.