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# HCSA

HIGH CARBON STOCK APPROACH



## **IMPLEMENTATION GUIDE** FOR THE SOCIAL REQUIREMENTS OF THE HIGH CARBON STOCK APPROACH **APPENDIX 2**

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## APPENDIX 2: SR 1 SOCIAL KNOWLEDGE



*‘Developers shall conduct thorough and participatory research on the social, economic and political dynamics in affected communities in order to understand these as fully as possible. This research is compiled into a dossier of social knowledge that informs engagement and decision-making processes, and provides the basis for subsequent impact assessment. As such, it must be comprehensive, thorough and accurate.’*

Principle, SR 1. Social knowledge.

### Key points

Social Knowledge refers to the understanding that companies must develop about the social and socio-economic realities and dynamics of the communities affected by their planned commodity production operations. The various studies and assessments that contribute to social knowledge proceed in a logical sequence, so that only relevant information is collected at each stage. These are collected into a dossier that is available to relevant stakeholders. Social knowledge builds up through the initial stages of site development, as more intensive and detailed assessments are conducted, with companies developing a correspondingly greater depth of understanding. This understanding is a crucial input into the discussions and decision making processes that take place at each stage, and then provides a strong foundation for implementation if the operation goes ahead.

The required studies and assessments must be conducted thoroughly, and in accordance with the relevant guidelines. Their overall approach must be genuinely participatory, in order to fulfill the

rights of affected communities to consultation, and to have their perspective taken into account, as well as their right to FPIC.

All studies and assessments should ideally be checked, to ensure that they have been conducted properly. Currently only the outputs of the HCV-HCSA Assessment are subject to quality assurance, with the report checked by the HCVRN-ALS. The new studies - the social background study and the land tenure and use study - also require quality assurance to ensure that they have been done to the standard required. These could be added to the HCVRN-ALS or another existing quality assurance mechanism, or alternatively, an additional independent mechanism could be established.

The studies and assessments must also be made as accessible to stakeholders as possible, where this is not precluded by commercial sensitivity or through the choice of affected communities themselves to limit the distribution of reports. The reports should be compiled into a dossier, and soft and hard copies should be distributed and made available to stakeholders. These include those involved directly (both company staff and individuals in communities), and the independent organisations advising and consulting for either party, as well as those involved more indirectly, such as staff of government agencies, development agencies, and NGOs. Records should be kept of the ways in which the dossier is used and accessed, to document how the studies and assessments are consulted, and their findings applied, as part of quality assurance processes.

### Studies and Assessments required at each Stage

Preparation stage	<ul style="list-style-type: none"> <li>• Social Background Study (desk)</li> <li>• Land Tenure and Use Study (mainly field)</li> </ul>
Assessment stage	<ul style="list-style-type: none"> <li>• Social and Environmental Impact Assessment (SEIA) (desk and field)</li> <li>• HCV-HCSA Assessment (desk and field)</li> <li>• Social impact monitoring baseline (mainly field)</li> </ul>
Operational stage	<ul style="list-style-type: none"> <li>• Social impact monitoring (mainly field)</li> <li>• Other auditing and monitoring procedures (desk and field)</li> </ul>

## PREPARATION STAGE

Two studies are conducted during the preparation stage: The Social Background Study and the Land Tenure and Use Study. Together these form the basis of the company's initial understanding of the social, socio-economic, economic and political realities of the affected communities in the AOI that contains the site of their proposed development. The AOI includes the concession itself and the areas adjacent to it.<sup>43</sup> Both studies are short and preliminary, as is appropriate to this early stage of the operation.

Through these studies, the company develops a greater understanding of both the broader macro context of their planned operation, and, at a more micro level, of the land tenure and use patterns of the communities that would be affected if it goes ahead. A strong grasp of local land tenure and use patterns is absolutely key, given the important implications of these aspects for the overall viability of the development, and for its compatibility with the protection of local livelihoods, carbon stocks and biodiversity. Understanding of the local context is also very important.

This understanding is a crucial input into the discussions and decision making processes that take place during this preparatory stage, when both the affected communities and the company must decide whether to pursue the proposed development further and progress to the next stage of in-depth assessment. The data and analysis of these preliminary studies then provide an important basis for the more in-depth assessments that take place subsequently.

### 1. Social Background Study

The Social Background Study is a desk-based literature review that provides an overview of the relevant attributes of the AOI and its affected communities, in political, economic, socio-economic, social and cultural terms. It is the first study that is conducted, and forms step 1.2 of the preparation stage. The study covers the broader macro-political and economic trends in the country and region concerned, as well as issues related to land tenure and natural resource production, from a historical and current perspective, in the area itself and at regional and national levels.

<sup>43</sup> HCV-HCSA Assessment Manual (2017), 2.2.1.

The study should also cover relevant social and cultural attributes including ethnicity, religion, migration patterns, historical and current, and at local, regional and national levels. The study should also consider socio-political and socio-economic features and dynamics at the more local level, and assess how the proposed development might interact with these.

The study should consult as much of the relevant available literature as possible, and should draw on a variety of sources including academic, NGO and consultancy reports, government studies, media reports and others. The study must include an annotated bibliography, which sets out a brief explanation and details including the author, content and relevance of each source. This helps to ensure that the relevant literature has been identified and consulted, and is a useful resource for stakeholders.

This study can be carried out by company social staff, and gives them a useful grounding in the relevant features of the country and area of interest. It can also be done externally, by an independent consultant or organisation with the requisite research skills and background, including specialist knowledge of the country and area of interest.

### 2. Land Tenure and Use Study

The Land Tenure and Use Study is the first field-based study that is conducted, and is step 1.4 of the preparation stage. It can only take place once consent has been given by each community during their initial engagement with the company, and can be conducted concurrently with this engagement.

The study involves a brief desk phase that draws on the relevant information in the social background study on land tenure, and any additional sources. It then proceeds with the collection in the field of information about land ownership patterns, both customary and state-recognised, and current land use. This is done through community meetings and workshops. Community members fill in information on basic to-scale maps, and discuss these with the researchers, sketching in the various different areas in the locality and the ways that they are used. They then add in further details on legal and customary community land ownership and tenure. Further details are given in Appendix 3 on participatory mapping.

This preliminary participatory mapping (PM) is the first stage in the community land use planning process, an important input into the development of land use zoning and management and monitoring proposals, that later feeds into the ICLUP. As well as contributing to a better understanding of land tenure and usage patterns, the information gathered also provides useful insight into the livelihoods of affected communities.

Further information can be collected during the initial field study, as with the preliminary participatory mapping, through holding meetings and discussions with affected communities. It is important however that the fieldwork conducted at this early stage be kept brief and un-intrusive, partly to avoid raising expectations unduly among affected communities.

The Land Tenure and Use Study can be conducted by the company social team and can be combined with the community engagement that they carry out in step 1.3. Where they do not have the necessary social research and community facilitation skills or experience, they may be assisted by specialised external advisors or consultants, either directly or through training. It is important to ensure that this and the social background study are conducted to the requisite standard, ideally through an independent quality assurance check of the output.

### ASSESSMENT STAGE

On completion of the preparation stage, including attaining the initial consent of the affected communities and the decision by the company to continue the process, two major assessments are conducted during the assessment stage. These are the integrated HCV-HCSA Assessment, and the Social and Environmental Impact Assessment (SEIA). Unlike the relatively brief preliminary studies of the preparation stage, these are both in-depth assessments, and usually require extended periods of field-work.<sup>44</sup> Baseline data for the WIA or other social impact monitoring can also be collected at this stage alongside either the HCV-HCSA Assessment or the SEIA.

<sup>44</sup> The exact length of course depends on the size of the area of interest and number of affected communities that are covered by the assessments.

The focus of the HCV-HCSA Assessment is on understanding the land use patterns of affected communities, and identifying and mapping the HCVs and HCS forest and peatlands which are present in the landscape, and which communities may own, manage, use or access, in order to develop mechanisms for their protection. The assessment involves detailed participatory mapping, the overlay of these 'social' maps with the ecological data, and discussion of the information with community members. The assessment also includes elements of the FPIC process, although FPIC itself is negotiated directly by the company with the affected communities.

The SEIA on the other hand focuses on assessing the expected or possible impacts of the planned operation on a somewhat broader but closely related set of socio-economic indicators, including food security and eco-systems services provision. While the specific objectives of SEIAs vary somewhat according to the different regulatory frameworks that require them, rather than being concerned with the protection of HCVs and HCS forest per se, their aim is rather to inform the development of strategies to mitigate any expected negative impacts on these socio-economic aspects. As with the HCV-HCSA Assessment, participatory social research methods are used, which may include participatory mapping.

There is clearly some overlap in the objectives of the two major assessments, and in the information that must be collected in order to fulfil them. This is partly why it is so important for companies to coordinate both the content and timing of the assessments, even though they are two distinct requirements. This helps both to ensure their complementarity, and to avoid over-burdening companies and communities. It is also necessary that the considerable information and analysis that is generated by the SEIA contributes to the discussions on the development of the zoning and management proposals that take place in steps 2.3c and 3.1. This includes those measures required by the SEIA that relate to ex post social impact monitoring and assessment.

In contrast to the HCV-HCSA Assessment, for which there are clear and detailed implementation guidelines and monitoring mechanisms, the implementation of SEIAs varies considerably in practice in terms of content and quality. This is due to the differing requirements of national governments and certification schemes, as well as the different standards to which they are carried out.<sup>45</sup> Assessments may include both environmental and social impacts or be conducted as stand-alone SIAs.<sup>46</sup>

Both assessments require considerable inputs from each affected community, for both the social and environmental aspects. Consent must be obtained beforehand, and community members must be closely involved in the data collection and analysis. The WIA baseline can be done at the same time as either of these assessments, also based on the consent of communities.

Both of these assessments must be carried out by independent specialist consultancies with the requisite skills and experience, in order to avoid any conflicts of interest and to ensure their quality. The two assessments could usefully be implemented by the same organisation or individual consultants, to achieve more seamless and effective information collection and analysis. They can be carried out in any order, but both must be completed before the start of the negotiation stage.

### 3. The Social and Environmental Impact Assessment

While SEIAs (or SIAs) vary according to different standards and laws, their common aim is to assess the expected impacts of the proposed development on aspects of the socio-economic conditions within affected communities, and to develop mitigating strategies and policy recommendations. A range of participatory and social research and facilitation methods is generally used, including community meetings, interviews with key informants and other community members, focus group discussions, surveys, and others, to gain an understanding of each community's current realities, on which projections about the expected impacts of the operation can be based. The data and insights from the environmental aspects of the assessment also contribute to this analysis, which culminates in the development of detailed policy recommendations, including strategies to mitigate any likely negative impacts that have been identified, and monitoring mechanisms.

SEIAs and SIAs can be conducted by academics or consultants with the requisite specialised skills and experience in social research, as well as direct knowledge of the area of interest and its region and country. Company staff may be involved as facilitators of the process, but the independence of the research team is also necessary, in order to avoid potential conflicts of interest and to ensure quality as mentioned. This is also generally required by national laws and certification standards.

### 4. The HCV-HCSA Assessment

Detailed guidelines for the conduct of this assessment are given in the HCV-HCSA Assessment manual, published in 2017 by the HCVRN, which now manages and monitors this assessment process through its ALS. The HCV-HCSA Assessment manual sets out an integrated approach that combines the HCV assessment process with the additional requirements of HCS assessment.

The primary objective of the HCV-HCSA Assessment, as mentioned, is to identify and map areas of HCVs and HCS forest, and to develop proposals for their conservation. The social HCVs (4, 5 and 6) are identified and mapped in close collaboration with communities, through participatory mapping that builds on the basic preliminary mapping that has already been conducted for the Land Tenure and Use Study

<sup>45</sup> Although see [www.iaia.org/uploads/pdf/SIA\\_Guidance\\_Document\\_IAIA.pdf](http://www.iaia.org/uploads/pdf/SIA_Guidance_Document_IAIA.pdf) for a definitive guide to SIA.

<sup>46</sup> This is the case in Indonesia for example, reportedly in order to supplement the insufficient focus on social aspects in the AMDAL (Environmental Impact Assessment) required by the Indonesian government, the SEIA required by the Indonesian government, and in order to fulfil the stronger requirements of the FSC and RSP0.

(see Appendix 3 on participatory mapping for further details). This mapping is done by the assessment team working in conjunction with each affected community. The data and analysis that is generated then contributes to the development of zoning proposals and associated management and monitoring plans that become the ICLUP.

Other forms of social research can also be used in addition to participatory mapping, as set out in section 2.5.1.2 of the HCV-HCSA Assessment Manual. These may overlap with the approach adopted for the SEIA however, so again these assessments must be planned together.

## 5. Baseline for Social Impact Monitoring

Baseline data for the purposes of social impact monitoring, whether using the WIA or another approach, must also be collected during this stage, and can be combined with either of these field-based assessments. The WIA is a method to assess the impacts of the operation on various welfare attributes of the affected communities, which forms part of the quality assurance of the operational stage, as step 4.4. The WIA approach to social impact monitoring assesses the impacts of the company's operations on the incomes, standard of living and food security of community members, their access to eco-system services and to social and economic infrastructure, and their overall well-being. Baseline data must be collected on indicators that are directly comparable with the conducted assessments. As with the WIA methodology more broadly, the data collection requirement is designed to be robust but carried out quickly and easily. Note that social impact monitoring is still under discussion within the HCSA.

This data collection should be implemented by consultants or organisations independently of the company to avoid any conflicts of interest, and with strong social research skills to ensure its quality. The combination of this data collection with either of the other assessments would help to ensure that this is the case.

### NEGOTIATION STAGE

No studies or assessments are conducted during the negotiation stage. The two major assessments, and the earlier preparatory studies to a lesser extent, are all important inputs into the discussions and negotiations that take place in steps 3.1 and 3.2 between the company and each affected community,

and for the internal discussions that take place within each of these parties. The discussions at this stage include both zoning proposals as well as management and monitoring and grievance mechanisms, including the incentives and benefits to communities of their agreement to the plans that have been set out.

The in-depth social knowledge and understanding based on the analysis and insights contained in these studies and assessments, if properly conducted, should help to ensure that community perspectives are fully integrated into the land use zoning and management and monitoring proposals that are being negotiated (the ICLUP). This is in keeping with the rights of communities to have their knowledge and views fully represented and for the FPIC process to be underpinned by full information and analysis. The effective use of the various studies and assessments and application of their findings should also be facilitated by their being made easily accessible to all stakeholders in the social knowledge dossier.

### OPERATIONAL STAGE

If negotiations are concluded successfully and consent is given by communities, the planned development then goes ahead in areas where agreement has been reached. One of the first tasks is to translate the ICLUP that has been agreed into detailed operational procedures for implementation, or SOPs, and to hire and train staff and community members in their respective implementation roles, as set out in steps 4.1 and 4.2.

During this process, it may be necessary to conduct further research on particular aspects, or to re-do parts of earlier assessments, as part of ensuring the social dossier includes all the necessary information and studies. This may be because some studies, or aspects of them, were not fully completed during the establishment of the operation. In keeping with SR 13, when implementing the SRs when applying then HCSA to existing operations, any studies and assessments, or parts of them, which need to be redone, are identified during the preparation stage. It may also be necessary to repeat studies and assessments in order to take account of changes that may have occurred since the original ones were conducted, given the dynamic nature of the landscape and context.

As part of the operational stage, companies are required to monitor and assess the impacts of their operation on affected communities. This is done in part through existing auditing mechanisms, as required by various certification standards and government regulations, and conducted by specialised certification bodies (CBs). The focus of current auditing of social impacts is generally on specific aspects of ecosystem services and labour rights and conditions, rather than on livelihoods more broadly or other aspects of welfare including access to infrastructure and services.

Companies must now also conduct a WIA or similar form of social impact measurement and monitoring, in order to assess the impacts of their operations on aspects that are not adequately covered by existing auditing processes. As a form of ex-post social impact assessment, the WIA assesses the actual impacts of the development on various aspects of the welfare of affected communities, and is conducted periodically, initially after the end of the first year of operations and then at regular intervals. The monitoring of outcomes in this way provides an effective means of tracking companies' performance against the relevant requirements, as well as contributing to adaptive management strategies. As such, it is a key part of quality assurance.

## **6. The Welfare Impact Assessment – a tool for ex post social impact monitoring**

The WIA assesses the actual impacts of the company on various aspects of community welfare: income, food security, ecosystem services provision, access to social and economic infrastructure, and overall. It is one approach to the measurement and monitoring of social impacts that is necessary in the context of commodity development, and has been developed to capture the most relevant impacts through methods that are robust, but easy to implement. Quantitative and qualitative data are collected and compiled using a combination of participatory community meetings, a survey and semi-structured interviews. The data are used to score company performance in these areas as well as the overall impacts of the operation, for each community. These scores are then compared with the baseline data, and over time can also be compiled into an index and compared with the performance of other companies.<sup>47</sup>

The WIA assesses the extent to which outcomes have been positive or negative for communities in relation to the core socio-economic indicators that are measured, and sets out recommendations for adaptive management in order to improve these outcomes where necessary. While companies are required to avoid and mitigate any negative impacts on food security and eco-system services, they are also expected to have a positive impact on income and on access to infrastructure. They should also achieve a positive impact overall, which is measured by the WIA in terms of the perceptions of community members.

The WIA is designed to be simple and quick to implement, in order to avoid burdening communities and companies with further onerous assessment processes, but still rigorous, due to the multiple indicators being assessed, in quantitative and qualitative terms, and the mix of methods used. It measures different aspects of welfare than the areas that are covered by existing auditing mechanisms, which focus on labour conditions and ecosystem services provision, rather than food security or livelihoods impacts more broadly. The WIA does not replace any of these existing auditing systems but is rather intended to complement and strengthen them. The WIA or other social impact monitoring mechanisms must be conducted independently of the company to avoid conflicts of interest, and by consultants or organisations with specialist social science research skills and experience and local knowledge. Note that social impact monitoring is still under discussion within the HCSA by a sub-working group set up to address this issue.

<sup>47</sup> Such as the Palm Oil Welfare Index or POWI, as conceived in the HCS + Science Study (2015).



## FURTHER INFORMATION

Contact the HCS Approach  
Steering Group Secretariat:

### EMAIL

[info@highcarbonstock.org](mailto:info@highcarbonstock.org)

### TELEPHONE

+60 3 2072 2130

+60 3 2070 0130