

**DIRECTOR GENERAL OF FORESTRY PRODUCTION DEVELOPMENT'S REGULATION**

**Number: P.6/VI-Set/2009**

**CONCERNING**

**STANDARDS AND GUIDELINES ON ASSESSMENT OF PERFORMANCE IN  
SUSTAINABLE PRODUCTION FOREST MANAGEMENT AND TIMBER LEGALITY  
VERIFICATION**

**DIRECTOR GENERAL,**

- Considering : a. whereas by virtue of Article 5 of Forestry Minister's Regulation Number P. /Menhut-II/2009 concerning Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Timber Legality Verification for Forest License Holder or in Private Forest, the standards and guidelines on the assessment of Sustainable Production Forest Management and Timber Legality verification, shall be stipulated further by a Director General's Regulation;
- b. whereas in regard to the aforementioned mandate, it is deemed necessary to stipulate a Director General of Forestry Production Development's Regulation concerning the Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Timber Legality Verification.
- Recalling : 1. Law Number 41 Year 1999 concerning Forestry [revised by] Number 19 Year 2004;
2. Government Regulation Number 102 Year 2000 concerning National Standardization;
3. Government Regulation Number 6 Year 2007 [revised by] Government Regulation Number 3 Year 2008 concerning the Forest System and Preparation of Work Plan for Forest Management, and Forest Utilization;
4. The Republic of Indonesia's Presidential Decree Number 78 Year 2001 concerning the National Accreditation Committee;
5. The Republic of Indonesia's Presidential Decree Number 187/M Year 2004 concerning Establishment of United Indonesia Cabinet as amended several times, the latest being with the Republic of Indonesia's Presidential Decree Number 31/P Year 2007;
6. The Republic of Indonesia Presidential Regulation Number 9 Year 2005 concerning Position, Task, Function, Organizational Structure and Working Arrangement of the Republic of Indonesia State Ministry as amended several times, the latest being with the Republic of Indonesia Presidential Regulation Number 20 Year 2008;
7. The Republic of Indonesia Presidential Regulation Number 10 Year 2005 concerning Organization Unit and Task of the Republic of Indonesia State Ministry's Echelon I, as amended several times, the latest being with the Republic of Indonesia Presidential Regulation Number 50 Year 2008;

8. Forestry Minister's Regulation No. P.13/Menhut-II/2005 concerning Ministry of Forestry's Organization and Working Procedure, which have been amended several times, the latest being with Forestry Minister's Regulation Number P.64/Menhut-II/2008;
9. Forestry Minister's Regulation Number P. /Menhut-II/2009 concerning Standards and Guidelines on Appraisal of Performance in Sustainable Production Forest Management and Timber Legality Verification in the Hands of License Holder or in Right Forest.

**HAS DECIDED:**

To stipulate : DIRECTOR GENERAL OF FORESTRY PRODUCTION DEVELOPMENT'S REGULATION CONCERNING THE STANDARDS AND GUIDELINES ON ASSESSMENT OF PERFORMANCE IN SUSTAINABLE PRODUCTION FOREST MANAGEMENT AND TIMBER LEGALITY VERIFICATION.

- FIRST : 1. The Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management, as set forth in Annex 1 to this Regulation.
2. The Standards and Guidelines on Legality Verification of Timber:
- a. Originating from State-Owned Forest (IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK-RE), as set forth in Annex 2;
  - b. Originating from State-Owned Forest Managed by Community (IUPHHK-HTR, IUPHHK-Hkm), as set forth in Annex 3;
  - c. In IUIPHHK and Advanced IUI, as set forth in Annex 4;
  - d. Originating from Private Forest, as set forth in Annex 5;
  - e. For Timber Utilization License Holder (IPK), as set forth in Annex 6.
- SECOND : The Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Verification of Timber Legality as referred to in FIRST Dictum, item 1 and item 2 shall be used by Assessment Institution in carrying out the assessment of IUPHHK holder's performance or the verification of timber legality of holders of IUPHHK, IPK, and IUIPHHK and Advanced IUI .
- THIRD : This Regulation shall entry into effect as from September 1, 2009.

Stipulated in Jakarta  
On: 15 June 2009

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DIRECTOR GENERAL OF FORESTRY  
PRODUCTION DEVELOPMENT,

*signed*

Dr. Ing. Ir. HADI DARYANTO, DEA  
NIP 19571020 198203 1 002

Copies of this Regulation are delivered to

1. Minister of Forestry;
2. Echelon I Officials within the Ministry of Forestry;
3. Echelon II Officials within the Directorate General of Forestry Production Development.

**Annex 1** : Director General of Forestry Production Development's Regulation  
Number : P.6/VI-Set/2009  
Dated : 15 June 2009  
On : Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Timber Legality Verification.

### STANDARDS AND GUIDELINES ON ASSESSMENT OF PERFORMANCE IN SUSTAINABLE FOREST MANAGEMENT WITHIN STATE-OWNED FORESTS (IUPHHK–HA/HT/HTI)

No	ASSESSMENT STANDARDS				ASSESSMENT GUIDELINES		
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1.	<b>PREREQUISITE</b>	<b>1.1. Area Certainty for License Holder</b>	<p>Certainty of area status in IUPHHK-HA/HT/HTI Management Unit against the land utilization, spatial plan, and forest land use will provide assurance towards the certainty of the area.</p> <p>Gazettement is an effort to obtain recognition for the existence of IUPHHK-HA/HT/HTI area by the community, other land users as well as the related agencies.</p> <p>Boundary pole-mark is a sign</p>	<ol style="list-style-type: none"> <li>1. The availability of legal document and border system administration.</li> <li>2. Conformity of IUPHHK-HA/HT/HTI area with its function/allotted purpose.</li> <li>3. Border system realization</li> <li>4. Legitimacy of IUPHHK Boundary</li> <li>5. Stakeholders' recognition upon the existence of</li> </ol>	<ol style="list-style-type: none"> <li>1. Size and percentage of production forest, as well as integrated and comprehensive plan regarding land utilization, specified by forest function, namely: production forest, protected forest, conservation area and nature reserve, and areas for other usage.</li> </ol>	<b>Good</b>	There are complete legal and administration documents (such as Border System Official Report, Map, and/or Decree of Stipulation), Boundary demarcation in the field has been implemented, no conflict, forest function is in accordance with its allotted purpose namely as production forest.

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			indicating that the area has been encumbered with a license.	IUPHHK area. 6. Clarity, effectiveness and impact of area usage outside the forestry sector /if any.	2. Size and percentage area per forest type in IUPHHK, specified by forest type classification: upland tropical forest, lowland tropical forest, brackish/mangrove forest, freshwater swamp forest/etc.  3. Check out the impact of utilization outside forestry sector (including the impact), if any.	<b>Bad</b>	Incomplete legal and administration documents (Decree of Stipulation, Border System Official Report, Map), there remains conflicts with other stakeholders, there remains no-forestry purposes (mining activities), causing the forest function is not inline with its allotted purpose namely as production forest.
		<b>1.2. License Holder's (IUPHHK-HA/HT/HTI) Commitment</b>	Statement of vision, mission and objective of the license-holding company, and the implementation by holder of IUPHHK-HA/HT/HTI to carry out sustainable forest utilization during the activity period (tenure) of their business licenses.	1. The availability of the document on vision, mission and objective of the company in accordance with the Sustainable Forest Management (SFM). 2. Dissemination of the company's vision, mission and objective. 3. Conformity of vision and mission with the implementation of SFM.	1. Inspection of document truthfulness 2. Field examination if necessary	<b>Good</b>          <b>Bad</b>	There is a written statement to implement Sustainable Production Forest Management (PHPL/SPFM) according to the company's vision and mission and to significantly carry out area arrangement, planning, forest improvement, forest protection, environmental management, and the promotion of HR.          There is a written statement to implement PHPL/SPFM according to the company's vision and mission yet there is no significant effort to carry out area arrangement, planning, forest improvement, forest protection, environmental management, and the promotion of HR.

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		<b>1.3. The Company's/ Holding Company's Health (vigorous)</b>	The company's capital in the form of funds, both from the shareholder (owner), and loan for investment and the growth of assets for long term financing, as well as sufficient investment capital to finance the PHPL/SPFM.	<ol style="list-style-type: none"> <li>1. Increase of the company's capital (capitalization).</li> <li>2. Reinvestment of capital to the forest.</li> <li>3. Realization of forest improvement physical activity.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of document truthfulness</li> <li>2. Field examination</li> </ol>	<b>Good</b> There is a capitalization, which is then reinvested, and an increase of capital in the form of forests.	<b>Bad</b> There is a capitalization, but it is not reinvested in forest management.
		<b>1.4. Conformity with prevailing legal framework, policy and regulation for sustainable forest management</b>	<p>IUPHHK-HA/HT/HTI should carry out forest utilization based on the existing legal framework, policy and regulation for sustainable utilization of production forest (silvicultural system rule, usage of heavy equipment, manpower affairs, forest product administration etc).</p> <p>IUPHHK-HA/HT/HTI must refer to the result of forest inventory to ensure the sustainable forest management.</p>	<ol style="list-style-type: none"> <li>1. Completeness of legislation being referred to.</li> <li>2. Conformity of technical implementation of forest management with the legislation being referred to.</li> <li>3. Adequateness of stand potential in the area in accordance with the prevailing provisions</li> </ol>	<ol style="list-style-type: none"> <li>1. Document inspection</li> <li>2. Field examination, inventorying of forest in accordance with the prevailing provisions both in primary forests and in log-over areas.</li> </ol>	<b>Good</b> There are complete regulations and requirements referred to by license holder, and the technical implementation of forest management in the field in accordance with the legislation being referred to.  The working area has the potential stand capacity of greater or equal to the minimum standard according to the prevailing regulation.	<b>Bad</b> There are partially complete regulations and requirements referred to by license holder, and the technical implementation of forest management in the field is not really in accordance with the prevailing legislation.  The working area has the potential stand capacity of less than the minimum standard based on the prevailing regulation.

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		<b>1.5. Adequate trained professional staff and technical staff at all levels in support of utilization, implementation, research, education and training;</b>	To ensure sustainability of business and forest resources in IUPHHK-HA/HT/HTI, there is a need for professional and adequate staff for production planning, forest promotion and or procurement and maintenance of plants, forest protection and business management.	1. The existence of professional staff and technical staff in the field in every areas of forest management activity. 2. Efforts of promoting the HR competence. 3. Availability of document on manpower affairs.	1. Document inspection; 2. Interview with staff	<b>Good</b> There are adequate professional and technical staff for planning, promotion, forest protection, production, environmental management, HR development, and research	<b>Bad</b> Inadequate professional and technical staff for planning, promotion, forest protection, production, environmental management, HR development, and research, and no effort to promote the competency of the human resource (HR).
		<b>1.6. Capacity and mechanism for planning, implementation, periodic monitoring, evaluation, and presentation of feedback on progress in the achievement of IUPHHK - HA/HT/HTI</b>	Managerial discretion in IUPHHK-HA/HT/HTI towards production sustainability can be identified from the entire Management Information System apparatus that is owned and supported by adequate HR.  Available monitoring and management systems that are proportionate to the extent of IUPHHK-HA/HT/HTI area and clear decision-making mechanism can synchronize decisions in each organizational unit (planning, production and promotion, and supporting work unit).	1. Effectiveness of the work unit for planning. 2. Existence of Management information system (MIS) apparatus, implementing staff. 3. Existence of internal inspection unit (SPI) and its effectiveness. 4. Accomplishment of management corrective actions based on monitoring result and evaluation.	1. Document inspection 2. Interview.	<b>Good</b> Available apparatus for monitoring of information, organization, and action (SOP), and can be controlled by SPI, but MIS apparatus can be utilized by certain positions.	<b>Bad</b> Available apparatus for monitoring of information, organization, and action, but SPI is not really functioning and MIS cannot be utilized at all levels/positions.

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2	PRODUCTION	2.1. Long term working area arrangement in sustainable forest management	Effective area arrangement for production purpose into felling/planting blocks and compartments in accordance with silviculture system being used, taking into consideration the sustainability of ecological and social aspects.	<ol style="list-style-type: none"> <li>1. The existence of business work plan document already approved by authorized official includes:               <ol style="list-style-type: none"> <li>a. RKUPHH Document &amp; Annex prepared on the basis of periodic, comprehensive forest inventory and carried out by technical staff for sustainable production forest management – forest planning.</li> <li>b. Working Area Planning Arrangement, mapped by technical staff for sustainable production forest management – forest planning.</li> </ol> </li> <li>2. Implementation of working area arrangement in the field in accordance with RKUPHHK.</li> <li>3. Maintenance of boundaries of felling blocks and compartments.</li> </ol>	Spot check in a purposive manner of AWP block boundaries based on map for area delineation/arrangement already approved/ legalized with target of: <ol style="list-style-type: none"> <li>a. Logged-over AWP block.</li> <li>b. Unlogged-over AWP block.</li> <li>c. Felling compartment.</li> </ol>	Good	There is consistency between the planning and its implementation in terms of forest blocking, compartmenting and yield regulation.
						Bad	There is inconsistency between the planning and its implementation in terms of forest blocking, compartmenting and yield regulation.

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		<b>2.2. Rate of sustainable harvesting for each type of major timber and non-timber forest product in each ecosystem type</b>	To ensure the sustainability of the forest, harvesting regulation must be based on the stand-growth (increment) or the harvesting cycle that had been already set forth.	<ol style="list-style-type: none"> <li>SOP for establishment of permanent sample plot (PUP) and the growth measurement.</li> <li>The existence of PUP in each ecosystem type.</li> <li>The implementation of regular annual PUP measurement.</li> <li>Document on data of stand increment in each ecosystem.</li> <li>Annual Allowable Cut (AAC) in AWP document prepared on the basis of growth and yield of stands in log-over natural forest or plantation forest.</li> </ol>	<p>Checking of AWP and PUP documents, covering:</p> <ol style="list-style-type: none"> <li>Timber forest product potential based on volume and species type specified into diameter class.</li> <li>Timber forest product potential based on volume and type.</li> <li>Potential of endemic/protected and unprotected flora and fauna.</li> </ol>	<b>Good</b>	Measurement of growth and increment has been carried out, but has not been used as the basis for preparing the harvesting plan.
						<b>Bad</b>	Measurement of growth and increment has not been carried out and has not been used as the basis for preparing the harvesting plan.
		<b>2.3. Application of silviculture system in the proper stages to ensure forest regeneration</b>	The stages of silviculture implementation in accordance with the correct procedure can ensure forest regeneration and minimize damage due to harvesting activity	<ol style="list-style-type: none"> <li>The availability of SOP in the entire stages of silviculture system activity, including the environmentally friendly cutting technique (such as the reduced impact logging - RIL).</li> <li>Implementation of SOP in the entire stages of silviculture system activity.</li> <li>Valid document for the utilization of CITES</li> </ol>	<ol style="list-style-type: none"> <li>Inspection of the truthfulness of SOP content to the implementation in the field.</li> <li>Assess the effectiveness of SOP implementation / each activity in the field.</li> <li>Compare the intensity of maintenance of leftover stands and</li> </ol>	<b>Good</b>	There is a SOP for the entire stages of activity type and implemented in the field.



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3	ECOLOGY	3.1. Existence, stability and condition of protected areas in each forest type	<p>The function of forest as a life-supporting system for various species and sources of biodiversity can be realized if there is sufficient allocation of protected areas.</p> <p>Allocation of protected areas must consider the type of forest ecosystem, biophysical condition, and specific existing conditions.</p> <p>Protected areas must be arranged and function properly, and get recognition from stakeholders.</p>	<ol style="list-style-type: none"> <li>1. Size of protected areas.</li> <li>2. Arrangement of protected areas (percentage already marked, boundary mark identified).</li> <li>3. Condition of protected areas.</li> <li>4. Stakeholders recognition towards the protected areas.</li> <li>5. Report on the management of protected areas resulting from macro and micro area spatial structure / <i>landscaping</i>/ delineation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of document.</li> <li>2. Analysis of satellite images/ aerial photographs for condition of forests designated as protected areas.</li> <li>3. Map Analysis of Slope Classes/ Contours and Soil.</li> <li>4. Observation at the location of protected areas to see the activities of area arrangement and protection.</li> </ol>	Good	Designated protected areas have had boundary marks installed in the field and recognized and easy to identify by some stakeholders and are in good conditions.
						Bad	Protected areas have well-arranged boundary marks installed in the field and are recognized by all stakeholders with a size of less than 60% of the total size to be protected in good condition. Designated protected areas do not have boundary marks in the field and are difficult to recognize by some of stakeholders.
		3.2. Protection and security of the forest	<p>Forest resources must secure from disturbances, such as forest fires, illegal logging, illegal grazing, forest encroachment, hunting, pests and diseases. Forest protection is preventive and curative efforts for controlling the disturbances to the forest, through activities of a preemptive, preventive and repressive nature.</p> <p>For its proper operational, forest protection must be supported by the implementing work unit,</p>	<ol style="list-style-type: none"> <li>1. Availability of protection procedures that suit the types of existing disturbances;</li> <li>2. Facilities and infrastructure for protection against disturbances to forests;</li> <li>3. Human resources for forest protection;</li> <li>4. Implementation of protection against disturbances to forests (preventive/curative/ repressive);</li> <li>5. Progress report on forest security measures and protection.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of standard operating procedure (SOP) document.</li> <li>2. Inspection of activity report.</li> <li>3. Interview with staff to find out if there is any training and disturbance to forest.</li> <li>4. Interview with residents to find out if there is any grazing, illegal</li> </ol>	Good	There are procedures and institution, and the implementation of control runs properly so that there has been no disturbance.
						Bad	There are procedures and institution but there is no the implementation

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			comprising procedures of good quality, facilities, infrastructure, human resources and sufficient fund.		logging/timber teft and forest encroachment. 5. Field observation.		
		<b>3.3. Management and monitoring of the impact on soil and water due to forest utilization</b>	<p>The activities of forest product utilization (clearance of forest territory for logging road construction, harvesting) must consider the handling of negative impacts on soil and water according to the type of the ecosystem. Negative impacts can be in the forms of decline in the soil's physical and chemical qualities, increase in erosion, subsidence, sedimentation, river discharge and decline in water quality.</p> <p>The handling of negative impacts needs to be supported by the implementing work unit, comprising of procedures of good quality, facilities and infrastructure, human resources and sufficient fund.</p> <p>The availability of a standard operational procedure for the appraisal of change in water quality to find out the extent and magnitude of permanent negative impacts can provide</p>	<ol style="list-style-type: none"> <li>1. The availability of procedure for management and monitoring of impact on soil and water.</li> <li>2. Facilities for management and monitoring of impact on soil and water.</li> <li>3. Human resources for management and monitoring of impact on soil and water;</li> <li>4. Planning and the implementation of impact management on soil and water (civil and vegetative engineering).</li> <li>5. Planning and the implementation of monitoring of impact on soil and water.</li> <li>6. Impact on soil and water</li> <li>7. Progress report on efforts to prevent erosion and surface run-off through soil and land conservation technique or planting in open/easily eroded land and to take measurement of erosion and surface run-off through river's flow observation post (SPAS)</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of SOP document.</li> <li>2. Inspection of activity report.</li> <li>3. Interview with staff to find out if there is any training, and activity of erosion control in the field</li> <li>4. Field observation.</li> </ol>	<p><b>Good</b></p> <ol style="list-style-type: none"> <li>1. There are procedures</li> <li>2. Implementation runs properly, but in some locations there is still soil solidification and land erosion</li> <li>3. Growth of the vegetation is good</li> </ol>	<p><b>Bad</b></p> <ol style="list-style-type: none"> <li>1. There are no procedures</li> <li>2. Implementation has not run properly, so that in many locations there are still solidification and erosion of land causing disturbance to the growth of vegetation on lands of former yarding- road, log pond and other lands where heavy equipment are operated.</li> </ol>

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			early information on potential conflicts that may occur.	and erosion collectors			
		<b>3.4. Species identification of protected and/or endangered, rare, threatened and endemic flora and fauna</b>	Identification of protected flora and fauna is of important for IUPHHK HA/HT/HTI for forest management decision-making in support of biodiversity sustainability. The identification effort should be supported by procedures and the result be documented.	<ol style="list-style-type: none"> <li>1. The availability of procedures for identifying protected and/or endangered, rare, threatened and endemic flora and fauna based on the prevailing legislation.</li> <li>2. Implementation of identification activity.</li> <li>3. The availability of periodic data and information on identification of protected and/or endangered, rare, threatened and endemic species of flora and fauna for the entire forest type.</li> </ol>	Inspection of documents to see if there is any effort of identifying the protected and/or endangered, rare, threatened and endemic flora and fauna.	<b>Good</b>	There are procedures, for identifying the protected and/or endangered, rare, threatened and endemic flora and fauna, and their implementation covers the entire forest type in a periodic manner. There are data on flora and fauna along with the status and dispersal in IUPHHK working area.
						<b>Bad</b>	There are procedures for identifying the endangered, rare, threatened species of flora and fauna, but there is no implementation. There is no data on flora and fauna along with the status and dispersal in IUPHHK working area.
		<b>3.5. Flora Management for:</b> <ol style="list-style-type: none"> <li>1. A certain size of untouched production forest, and un-damaged section.</li> <li>2. Protection for protected and/or scarce, few and under threat of</li> </ol>	Contribution of IUPHHK-HA/HT/HTI to biodiversity conservation can be realized by sustaining the principle of allocation, maintaining of certain sections of the entire forest types in the production forest so as to remain unimpaired/untouched and to the principle of implementing a technology that is oriented to the protection of species of flora included in the category	<ol style="list-style-type: none"> <li>1. The availability of procedures for management of protected flora based on the prevailing legislation.</li> <li>2. Implementation of activity of flora management in accordance with the plan</li> <li>3. The availability of data and information on the result of protected flora management that covers a certain size of untouched production forest</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of documents to see if there are any guidelines on flora management.</li> <li>2. Interview with staff to find out if there is any effort of protection against theft of flora.</li> <li>3. Interview with residents to find</li> </ol>	<b>Good</b>	There are procedures for management of flora that are scarce, rare, under threat of extinction and endemic and the implementation works out properly in protected areas so that IUPHHK employees learn about the ecology and spread particularly the endemic flora in their working territory.

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		<b>extinction and endemic species of flora</b>	<p>of being protected, and to the protection of particular biological features that are important within the effective production area.</p> <p>The availability and implementation of the procedures above are important input and process in IUPHHK decision-making to reduce the impact of production management on the existence of protected flora species.</p>	<p>4. Condition of protected and/or scarce, rare and under threat of extinction and endemic species of flora.</p>	<p>out if there is any theft of flora.</p> <p>4. Observation in the field to find out if there is any efforts of protection &amp; conservation of rare, scarce, threatened species of flora.</p>	<b>Bad</b>	There are procedures for management of flora that are scarce, rare, under threat of extinction and endemic but there is no implementation
		<p><b>3.6 Fauna Management for:</b></p> <p><b>1. A certain size of untouched production forest, and un-damaged section.</b></p> <p><b>2. Protection for protected and/or scarce, few and under threat of extinction and endemic species of fauna</b></p>	<p>Contribution of IUPHHK-HA/HT/HTI to biodiversity conservation can be realized by sustaining the principle of allocation, maintaining certain sections of the entire forest types in the production forest so as to remain unimpaired/untouched and to the principle of implementing a technology that is oriented to the protection of species of fauna included in the category of being protected, and to the protection of particular biological features that are important within the effective production area.</p> <p>The availability and implementation of the procedures above are of</p>	<p>1. The availability of procedures for management of protected fauna based on the prevailing legislation and includes activities of planning, implementation, and monitoring;</p> <p>2. Realized implementation of activity of fauna management in accordance with the plan;</p> <p>3. The availability of data and information on the result of protected fauna management that covers a certain size of untouched production forest.</p> <p>4. Condition of protected and/or scarce, rare and under threat of extinction and endemic species of fauna.</p>	<p>1. Inspection of documents to see if there are any guidelines on fauna management.</p> <p>2. Interview with staff to find out if there is any effort of protection against theft of fauna.</p> <p>3. Interview with residents to find out if there is any theft of fauna.</p> <p>4. Observation in the field to find out if there is any efforts of</p>	<p><b>Good</b></p> <p><b>Bad</b></p>	<p>There are procedures for management of fauna that are scarce, rare, under threat of extinction and endemic and the implementation works out properly in protected areas so that all of the species are protected.</p> <p>There are procedures for management of fauna that are scarce, rare, under threat of extinction and endemic but there is no implementation.</p>

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			important input and process in IUPHHK decision-making to reduce the impact of production management on the existence of species.	5. Report and SOP for the construction of fauna corridor for a home range for protected species.	protection & conservation of rare, scarce, threatened species of fauna.		

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				<p>appended species.</p> <p>4. Level of damage to leftover stands.</p> <p>5. Level of adequacy of leftover stands</p>	<p>rejuvenation, against the standard already set up.</p> <p>4. Field checking of leftover stands and the extent of damage.</p> <p>5. Observing and figuring of stand structure in some compartments/ blocks that have been under maintenance and with varied cutting ages.</p>	<b>Bad</b>	There is a SOP but there is a lack of implementation in the field.
		<b>2.4. The availability and application of efficient technology for carrying out Sustainable Production Forest Management (PHPL/SPFM)</b>	The availability and application of RIL in forest management will enhance the effectiveness, efficiency and environmental friendliness based on RIL guidelines set forth by the Ministry of Forestry.	<p>1. Application of efficient technology.</p> <p>2. The availability of RIL procedure.</p> <p>3. Application of RIL in the opening of forest territory (forest-road alignment construction) and harvesting</p> <p>4. Species utilization.</p> <p>5. Exploitation factor.</p>	<p>1. Appraising of the exploitation factor, waste utilization and species utilization.</p> <p>2. Identifying the activity and the impact on the environment.</p> <p>3. Analyzing the result of environmental monitoring (EIA) and the effort of control.</p> <p>4. Field observation of RIL facilities and infrastructure.</p>	<p><b>Good</b></p> <p><b>Bad</b></p>	<p>The availability of RIL procedure/SOP and efficient technology for the opening of forest territory (forest-road alignment construction), harvesting, and to achieve optimum exploitation factor carried out in a consistent manner.</p> <p>There is a RIL procedure/SOP and efficient technology for the opening of forest territory (forest-road alignment construction), harvesting, and to achieve optimum exploitation factor, but is not carried out in the field.</p>

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
		<b>2.5 Financial Health of License Holder</b>	Performance of management unit in support of Sustainable Production Forest Management (PHPL) shown in financial capability to fulfill obligations in the short term (liquidity), in the long term (solvability) and is a profitable undertaking in economic terms (profitability).	1. Conformity of financial statement with the standard (PSAK 32). 2. Liquidity. 3. Solvability. 4. Profitability. .	Field checking to see the conformity with public accountant's report.	<b>Good</b>	Liquidity $\geq$ 100 – 150 %, being solvable and profitability > interest rate.
						<b>Bad</b>	Liquidity < 100%, being solvable and profitability < interest rate.
		<b>2.6. Cutting realization is in accordance with the work plan for felling/harvesting/utilization in the working area</b>	Production sustainability will be achieved if annual felling volume is in accordance with the yield regulation plan prepared on the basis of valid data source and basic map.	1. The existence of AWP document prepared on the basis of Business Work Plan (RKU) and ratified by the authorized official or ratified in a self-approval manner. 2. The existence of work map in accordance with AWP/ Cutting Schedule (RKU), covering: <ol style="list-style-type: none"> <li>Work map describing the area allowed to be cut/harvested/ utilized/ planted/ maintained along with the areas designated as protected areas (for conservation/ buffer zone/ preserv-ation of germ plasm/ religion/culture/ facilities and infra-</li> </ol>	1. Analyze the conformity of AAC with the actual volume and areas of forest harvested. 2. Compare the actual implementation against the implementation guidelines. 3. Interview with field officers.	<b>Good</b>	Production of annual forest products is in accordance with the set plan for yield regulation, taking into consideration factors of local environment, and market condition.
						<b>Bad</b>	Production of annual forest products is not in accordance with the set plan for yield regulation, and the planning did not consider the factors of local environment, and market condition.

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	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
				structure and R & D). b. Implementation of work map in the form of border marking of felling blocks/harvested/ utilized/planted/ maintained along with the areas designated as protected areas (for conservation/ buffer zone/ preservation of germ plasm/religion /culture/ facilities and infrastructure and R & D).			
		<b>2.7. Adequate investment and reinvestment rates, in line with the need in forest management, administration, research and development, and improvement in human resources' capability</b>	To achieve the sustainability of forest resources utilization, it is necessary to have adequate financing for forest planning, protection, maintenance, procurement of facilities- infrastructure and equipment, research and development as well as HR development.	1. Realization of sufficient fund allocation. 2. Realization of proportionate fund allocation. 3. Realization of smooth financing.	1. Assess the license holder's annual financial statement. 2. Assess the license holder's plan of operation and budget. 3. Public Accounting. 4. Field investigation.	<b>Good</b>	There is an adequate fund allocation and a smooth supply.
						<b>Bad</b>	The available fund allocation is not adequate.



No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
4	SOCIAL	4.1. Clarity of size and border with the area of adat (customary) law and/or local community having obtained approval from stakeholders	Customary and legal rights of traditional people and/or community to own, control and make use of the land area and forest resources must be admitted and respected. The Management of forest resources must accommodate the basic rights of adat (customary) law and/or local community (right to live, fulfillment of needs for food, clothing, housing and culture).	<ol style="list-style-type: none"> <li>Clarity of size and borders of the area/ IUPHHK working area with the community.</li> <li>Data and information on adat law community and or local community involved, dependent on and affected by the activity of forest resources management.</li> <li>Mechanism for and implementation of the making of borders of the area in a participatory manner and resolution of conflict over the area borders.</li> <li>Approval by stakeholders for the size and borders of IUPHHK working area.</li> </ol>	<ol style="list-style-type: none"> <li>Survey/observation of the area. borders</li> <li>Checking of the existing document;</li> <li>Overlay of map/concession area reconstruction;</li> <li>Interview with stakeholders.</li> </ol>	Good	Borders of IUPHHK area with adat community and or local community are clear, border implementation process is participatory, there exists complaints and mechanism for resolution.
						Bad	<ol style="list-style-type: none"> <li>Borders between IUPHHK and adat law area are not clear yet.</li> <li>Conflict between IUPHHK and adat community is in existence.</li> <li>There is no mechanism for resolution</li> </ol>
		4.2 Type and number of agreement involving adat (customary) law community and or local community in equality of responsibility for shared	The government's granting concession to IUPHHK situated in a forest area has a consequence that IUPHHK will need to involve adat law community and or local community in a fair and equitable manner in the management of	<ol style="list-style-type: none"> <li>Existence of documents involving the responsibility, rights and obligations of IUPHHK to the community in managing forest resources.</li> <li>Dissemination of information to help the community understand the rights and obligations of IUPHHK to the community in</li> </ol>	<ol style="list-style-type: none"> <li>Survey.</li> <li>Interview/FGD.</li> <li>Checking of agreement in local institution.</li> <li>Data can be obtained from the management unit.</li> </ol>	Good	License holder has the mechanism/procedures and implements them for resolving complaints involving the right of equality of adat law community and or local community in forest management.

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
		<b>management.</b>	forest area considering the rights and obligations of stakeholders in a proportionate and responsible manner.	managing forest resources. 3. The availability of mechanism and fulfillment of obligations and responsibilities to the community. 4. Realizing the fulfillment of obligations and responsibilities to the community.		<b>Bad</b>	License holder has the mechanism/procedures for resolving complaints that involve the right of equality of adat law community and or local community in forest management, but they are not implemented.
		<b>4.3 The availability of mechanism and its implementation towards fair distribution of benefit between stakeholders</b>	The availability of mechanism for fair and equitable distribution of incentive and division of cost and benefit in a proportionate manner between stakeholders, implemented in a consistent manner.	1. Existence of IUPHHK's legal document ensuring the distribution of incentives and division of cost and benefit among stakeholders. 2. Available of identification of benefits, distribution of incentives and division of cost and benefit among stakeholders. 3. Mechanism for distribution of benefit among stakeholders in an effective way. 4. Settlement of claims in regard to distribution of incentives and division of cost and benefit	1. Verification of secondary data. 2. Interview with community leaders and related officers	<b>Good</b>	1. There is written mechanism for distribution of benefits among stakeholders. 2. There exists the distribution of benefits among stakeholders documented as agreed.
						<b>Bad</b>	1. There is a mechanism for distribution of benefits among stakeholders, but it is not implemented. 2. There exists conflict in distribution of benefits.
		<b>4.4. Planning and the</b>	Adat (customary) and legal	1. Existence of plan for utilization of	1. Checking of the	<b>Good</b>	1. The existence of document on

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
		<b>implementation of forest management have considered the rights of adat (customary) law community and local community.</b>	rights of adat law community and or local community to own, control and make use of the land area and forest resources must be admitted and respected. Management of forest resources must accommodate the basic rights of adat law community and or local community (right to live, fulfillment of needs for food, clothing, housing and culture).	<p>forest resources having accommodated the basic rights of adat law community and or local community related to forest resources.</p> <p>2. Clarity of the basic rights of adat law community and local community in planning for utilization of forest resources.</p> <p>3. The availability of mechanism and implementation of planning for utilization of resources by the Management Unit accommodating the basic rights of adat law community and local community.</p> <p>4. Realizing the accommodation of the basic rights of adat law community and local community in forest resources management.</p>	<p>planning documents and the realization.</p> <p>2. Field survey.</p> <p>3. Interview with community leaders.</p>		<p>planning that involves adat community and local community.</p> <p>2. The existence of a written plan and realization of compensation for the exercise of rights of adat community and or local community.</p>
		<b>4.5. Increase in participation and economic activities of adat law community and local community with forest-based economic activities.</b>	Forest-based economic activities of adat law community and or local community increase, both in the form of community involvement in forest management activity and in the development of economy in line with the presence of IUPHHK.	<p>1. The existence of IUPHHK plan document in support of improvement in forest-based participation and economic activities.</p> <p>2. Clarity of participation and economic activities of adat law community and or local community to be developed.</p> <p>3. Mechanism for process and</p>	<p>1. Checking of the planning documents and the realization.</p> <p>2. Field survey.</p> <p>3. Interview with community leaders.</p>	<b>Good</b>	There are evidences in the form of data and information about the license holder starting from the planning stage up to the implementation involving efforts to increase forest-based economic participation and activities of the local community.
						<b>Bad</b>	<p>The existence of planning document prepared one-sidedly by the license holder:</p> <p>1. Some matters existing in the planning document have been realized by the license holder.</p> <p>2. Compensation plan for use of the rights of adat community and or local community is not put in writing.</p>

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
			Providing an opportunity for the community to become a supplier of IUPHHK's needs and the community can develop forest-based economy of timber and non-timber.	implementation of improvement in participation and economic activities of adat law community and or local community by the Management Unit.  4. Increase in participation and economic activities (quality and quantity) of adat law community and or community		<b>Bad</b>	There is a plan by the license holder involving efforts to increase forest-based economic participation and activities of the local community, but cannot yet be proved in the form of data, information or document.

Director General of Forestry  
Production Development,

*signed*

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**Annex 2** : Director General of Forestry Production Development's Regulation  
 Number : P.6/VI-Set/2009  
 Dated : 15 June 2009  
 On : Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Timber Legality Verification.

**STANDARDS AND GUIDELINES ON TIMBER LEGALITY VERIFICATION FROM STATE-OWNED FORESTS (IUPHHK-HA/HPH, IUPHHK- HTI/HPHTI, IUPHHK RE)**

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
1.	P1. The certainty of area and utilization right	K1.1 Unit area for forest management is located in production forest area.	1.1.1 License holder can show the validity of the License for Utilization of Timber Forest Products (IUPHHK).	a. Document on Certificate for Forest Concession Right (Decree on IUPHHK-HA/HPH, IUPHHK- HTI/HPHTI, IUPHHK RE)	1. Check the validity and completeness of document about Decree on IUPHHK-HA/HPH, IUPHHK- HTI/HPHTI, IUPHHK RE  2. Check the attached map. 3. Check the map of area conformity with the map of forest area or forest allocation by consensus (TGHK).	<u>Qualified:</u> Completeness and validity of document about Decree on IUPHHK-HA/HPH, IUPHHK- HTI/HPHTI, IUPHHK RE have been fulfilled entirely.
				b. Evidence of the fulfilled obligation of the payment of the (License) Fee for Timber Forest Product Utilization License (IUPHHK).	1. Check the IUPHHK payment order/invoice (SPP).  2. Check the deposit slip to the IUPHHK payment receiver's bank account in accordance with the SPP.	<u>Qualified:</u> IUPHHK (license fee) has been paid in accordance with the SPP (invoice).

2.	P2. Fulfilling legal system and procedure for logging	K2.1 License holder possesses the logging plan in felling area legalized by the authorized official.	2.1.1 Annual Work Plan (AWP/Working Schedule) legalized by the authorities.	a. AWP document/Working Schedule that has been legalized by the authorities.	Check the validity of AWP document/Working Schedule.	<u>Qualified:</u> Completeness and validity of AWP document/Working Schedule have been fulfilled entirely.
				b. Map of areas that cannot be logged in the AWP/ Working Schedule and proof of implementation in the field	Check the conformity of location (using GPS or other appropriate equipment) and area boundaries that cannot be logged: <ul style="list-style-type: none"> <li>– Buffer zones with protected forest, conservation forest or common border that have not been demarcated.</li> <li>– Steepy Areas (&gt;40% slope for natural forest and &gt;25% slope for plantation forest).</li> <li>– Habitats of protected wild flora and fauna (fauna pocket and germ plasma area).</li> <li>– Areas with religious and cultural values (crosscheck with the community).</li> <li>– Watershed, areas around spring, ravines, and so forth.</li> </ul>	<u>Qualified:</u> Available map of locations that cannot be logged drawn with proper procedure and with proven existence in the field.
				(c) Clear marking of felling block location/AWP block in the map, and proven in the field	<ol style="list-style-type: none"> <li>1. Check the validity of felling block approved in the Attached AWP Map.</li> <li>2. Check the truthfulness of felling block boundaries in the field by using GPS or other appropriate equipment.</li> <li>3. Check the clarity of felling block boundary mark in the field in accordance with the existing guidelines.</li> </ol>	<u>Qualified:</u> Map of felling block is legalized (stamped), position of felling block is correct and proven in the field.

		<b>K2.2</b> Availability of legal Work Plan	<b>2.2.1</b> Forest license holder holds a legal work plan in accordance with the prevailing regulation	(a) The document of Timber Forest Product Utilization Work Plan (RKUPHHK) (being in the process is acceptable) with the attachments	<ol style="list-style-type: none"> <li>1. Check the completeness and validity of RKUPHHK document (document in process of settlement is acceptable).</li> <li>2. Check the processes of preparation and legalization of RKUPHHK, which is the license holder's responsibility.</li> </ol>	<u>Qualified:</u> Validity and completeness of RKUPHHK document have been fulfilled entirely.
				(b) The conformity of location and volume of natural forest wood utilization in the permitted land area prepared for the development of industrial timber plantation.	<ol style="list-style-type: none"> <li>1. Check the location and volume of natural forest wood utilization in the permitted land area preparation in HPHTI/IUPHHK AWP document in industrial timber plantation.</li> <li>2. Check the truthfulness of location and volume of natural forest wood utilization in the land preparation area that is permitted for development of industrial timber plantation.</li> </ol>	<u>Qualified:</u> The volume of natural forest wood utilization is in conformity with its land preparation.
			<b>2.2.2</b> The entire equipment being used in harvesting activity hold permits and its physical conformity can be proven in the field	Permit for equipment and its migration	Check the conformity of the permit for equipment document and the physical evidence in the field.	<u>Qualified:</u> Equipment is in compliance with the given permit.

		<b>K2.3</b> License holder guarantees that all timbers transported from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry (IPHH)/ market have legal physical identity and document	2.3.1. All round woods that are felled / harvested or harvested / utilized have been administered (LHP)	Timber administration (LHP) document / paperwork that has been legalized by the authorized official.	(1) Crosscheck LHP and Timber Cruising Report (LHC) documents. (2) Spot check between the legalized LHP and the physical timber.	<u>Qualified:</u> a. LHP and LHC are in conformity b. Physical condition and LHP are in conformity
			2.3.2. All timbers transported out of the licensed area are protected with legitimate certificate.	Certificate of Forest Product Legality (SKSHH) and the attachment from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry and or round wood trader	(1) Crosscheck the list of round wood transportation from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry and or round wood trader. (2) Crosscheck with other transportation documents	<u>Qualified:</u> List of timbers transported from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry and or round wood trader.
			2.3.3 Round wood (KB) from IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK RE License Holder	(a) PUHH marks/barcode on timbers from IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK RE License Holder can be traced (in the chain of custody).	Check legality marks of timber forest product	<u>Qualified:</u> Legality marks of timber forest product are in conformity with the document.
				b. Timber Identity being applied consistently by license holder.	Check the round wood marking being applied by license holder which enables wood tracing back to felling compartment or compartment group for swamp forest (at least for 1 current year).	<u>Qualified:</u> Existence of traceable system and consistently applied timber identity.



			<b>2.3.4</b> License holder can prove the record of timber transportation out of TPK	a. SKSHH file/archive and attached Forest Product List (DHH) (for natural forest); transportation invoice (for plantation forest).	<ol style="list-style-type: none"> <li>1. Check the completeness and validity of SKSHH for timber transportation from license holder.</li> <li>2. Check the authority of the officer making the timber administration document.</li> <li>3. Check the Inspection Official Report (BAP) document on timber by official responsible for issuing certificates of round wood legality (P2SKSKB).</li> </ol>	<u>Qualified:</u> Completeness and validity of SKSHH document (made by the authorized officer).
		<b>K2.4</b> License holder has paid off the government levy obligation related to timber	<b>2.4.1</b> License holder shows settlement proof of reforestation fund (DR) and Forest Product Provision (PSDH).	a. SPP (Payment Order) has been issued and paid in full	Check and compare the realization of PSDH DR payment with SPP document (type, volume and tariff)	<u>Qualified:</u> Realization of PSDH DR payment with SPP document
				b. PSDH and DR Deposit Slips (for natural forest license holder) or PSDH Deposit Slip (for Timber Plantation License Holder).	<ol style="list-style-type: none"> <li>1. Check the validity and conformity of PSDH and DR Deposit Slips with PSDH and DR SPP.</li> <li>2. Compare PSDH and DR SPP with payment/ deposit slip and or agreement on arrears settlement.</li> </ol>	<u>Qualified:</u> PSDH and DR have been paid off in accordance with the SPP.
				(c) Conformity of PSDH and DR tariffs on natural forest timber (including the result of land preparation for development of timber plantation) and conformity of PSDH tariff for timber plantation wood	<ol style="list-style-type: none"> <li>1. Check the size of small round wood (KBK) in natural forest timber with <math>\geq 30\text{cm}</math> diameter, and the length must be <math>\leq 130\text{cm}</math>.</li> <li>2. Check the conformity of DR tariff payment with KBK payment slip.</li> </ol>	<u>Qualified:</u> Natural forest timber categorized as KBK in accordance with the size requirement and paid according to the tariff.

3.	<b>P3.</b> Fulfillment of environmental and social aspects relating to logging	<b>K3.1</b> License holder has already had the Environmental Impact Assessment (EIA) & has fulfilled the obligation required in the EIA document.	<b>3.1.1</b> License holder possesses EIA documents including Environmental Impact Analysis (ANDAL), Environmental Management Plan (RKL), and Environmental Monitoring Plan (RPL) that have been legalized in accordance with the prevailing regulation covering all working areas.	EIA documents (ANDAL, RKL and RPL).	<ol style="list-style-type: none"> <li>1. Check the completeness and validity of EIA documents (Andal, RKL, RPL) and record of important findings.</li> <li>2. Check the EIA preparation process</li> <li>3. Check the EIA document quality.</li> </ol>	<u>Qualified:</u> There are complete and legalized EIA documents.
			<b>3.1.2</b> License holder possesses RKL and RPL progress reports indicating the actions being applied to overcome environmental impact and provide social benefits.	a. RKL and RPL documents	Check the validity of RKL and RPL documents and their consistency with planning document in the overall contexts of physical-chemical, biological and social aspects.	<u>Qualified:</u> There are RKL and RPL documents prepared in reference with the EIA documents that have been legalized.

				<p>b. Proof of the implementation of management and monitoring of significant impacts</p>	<p>Check the implementation of management of significant impacts in terms of physical-chemical, biological and social aspects such as:</p> <ul style="list-style-type: none"><li>– On hydro-orology including the facilities and infrastructure for the monitoring.</li><li>– Pollution.</li><li>– Protected species (crosscheck with the Result from Inventory of protected wild flora and fauna).</li><li>– The Increase in social positive impact.</li><li>– System and facilities for prevention and control of forest fire.</li></ul>	<p><u>Qualified:</u></p> <p>Environmental management and monitoring have been implemented as planned and in compliance with significant impacts in the field.</p>
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Director General of Forestry  
Production Development,

*signed*

Dr. Ing. Ir. HADI DARYANTO, DEA  
NIP 19571020 198203 1 002

**Annex 3:** Director General of Forestry Production Development's Regulation

Number : P.6/VI-Set/2009

Dated : 15 June 2009

On : Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Timber Legality Verification.

**STANDARDS AND GUIDELINES ON VERIFICATION OF TIMBER LEGALITY FROM STATE-OWNED FORESTS MANAGED BY THE COMMUNITY  
(Community Plantation Forest, Community Forest) (IUPHHK-HTR, IUPHHK-HKM)**

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
1.	P1. The certainty of area and utilization right	K1.1 Forest management unit area is located in production forest area.	1.1.1 License holder is able to show the validity of License for Utilization of Timber Forest Products (IUPHHK).	a. Document about Decree on IUPHHK-HTR, IUPHHK- HKm	1. Check the validity and completeness of Decree on SK IUPHHK-HTR, IUPHHK- HKm 2. Check the attached map. 3. Check the map of area conformity with the map of forest area and the waters or Forest Allocation by Consensus (TGHK).	<u>Qualified:</u> Completeness and validity of Decree on IUPHHK-HTR, IUPHHK- HKm have been fulfilled entirely.
				b. Proof of fulfilled obligation of (License) Fee for Timber Forest Product Utilization License (IUPHHK).	1. Check the IUPHHK Payment Order (SPP). 2. Check the IUPHHK deposit slip and its conformity with the SPP.	<u>Qualified:</u> IUPHHK (license fee) has been paid in accordance with the SPP.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
2.	P2. Fulfilling legal logging system and procedure	K2.1 License holder possesses logging plan in logging area that has been legalized by the authorized official.	2.1.1 Annual Work Plan (AWP/ Working Schedule) legalized by the authorities.	a. AWP/Working Schedule document that has been legalized by the authorities.	Check the validity of AWP/ Working Schedule document.	<u>Qualified:</u> Completeness and validity of AWP/Working Schedule document have been fulfilled entirely.
				b. Map of areas that must not be logged in the AWP/Working Schedule and proof of implementation in the field	Check the location conformity (using GPS or other appropriate equipment) and boundaries of areas that must not be logged: – Buffer zones with protected forest, conservation forest or common border that have not been demarcated. – Steep Areas (>40% slope for natural forest and >25% slope for plantation forest). – Habitats of protected wild flora and fauna (fauna pocket and germ plasma area). – Areas with religious and cultural values (crosscheck with the community). – River borders, areas around spring, ravines, and so forth.	<u>Qualified:</u> Available map of locations that must not be logged drawn with proper procedure and with proven existence in the field.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				c. Marking of felling block location/AWP block that is clear in the map and proven in the field	<ol style="list-style-type: none"> <li>1. Check the validity of felling block approved in the AWP Attached Map.</li> <li>2. Check the truthfulness of felling block boundaries in the field by using GPS or other appropriate equipment.</li> <li>3. Check the clarity of felling block boundary mark in the field in accordance with the existing guidelines.</li> </ol>	<u>Qualified:</u> Map of felling block is legalized (stamped), position of felling block is correct and proven in the field.
		<b>K2.2</b> Availability of legal Work Plan	<b>2.2.1</b> Forest license holder possesses a legal work plan in accordance with the prevailing regulation	a. Work Plan for Timber Forest Product Utilization (RKUPHHK) Document (being in the process is acceptable) with the attachments	<ol style="list-style-type: none"> <li>1. Check the completeness and validity of RKUPHHK document (document in process of settlement is acceptable).</li> <li>2. Check the processes of preparation and legalization of RKUPHHK, which is the responsibility of the license holder.</li> </ol>	<u>Qualified:</u> Validity and completeness of RKUPHHK document have been fulfilled entirely.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				b. Conformity of location and volume of natural forest wood utilization in the land preparation area that is permitted for development of industrial timber plantation.	1. Check the location and volume of natural forest wood utilization in the permitted land preparation area in IUPHHK-HTR, IUPHHK- HKm AWP document in industrial timber plantation.  2. Check the truthfulness of location and volume of natural forest wood utilization in the land preparation area that is permitted for development of industrial timber plantation.	<u>Qualified:</u> Volume of natural forest wood utilization and its land preparation area are in conformity.
			<b>2.2.2</b> The entire equipment being used in harvesting activity has been licensed and its physical conformity can be verified in the field	License for equipment and its migration	Check the conformity of the license for equipment document and the physical condition in the field.	<u>Qualified:</u> Equipment is in compliance with the given permit.
		<b>K2.3</b> License holder guarantees that all timbers transported from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry (IPHH)/ market have legal physical identity and	2.3.1. All round woods that are felled / harvested or harvested / utilized have been administered (LHP)	Timber administration (LHP) document that has been legalized by the authorized official.	1. Crosscheck LHP and Timber Cruising Report (LHC) documents.  2. Spot check between the legalized LHP and the physical timber.	<u>Qualified:</u> a. LHP and LHC are in conformity. b. Physical condition and LHP are in conformity

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			2.3.2. All timbers transported out of the licensed area are protected with legitimate certificate.	Certificate of Forest Product Legality (SKSHH) and the attachment from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry and or round wood trader	1. Crosscheck the list of round wood transportation from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry and or round wood trader.  2. Crosscheck with other transportation documents	<u>Qualified:</u> List of timbers transported from Log Pond (TPK) to Intermediate Log Pond and from Intermediate Log Pond to forest product primary industry and or round wood trader.
			2.3.3 Round wood (KB) from SK IUPHHK-HTR, IUPHHK-HKm License Holder	a. PUHH marks/barcode on timbers from SK IUPHHK-HTR, IUPHHK-HKm License Holder can be traced (in the chain of custody).	Check legality marks of timber forest product	<u>Qualified:</u> Legality marks of timber forest product are in conformity with the document
				b. Timber identity being applied consistently by license holder.	Check the round wood marking being applied by license holder which enables wood tracing back to felling compartment or compartment group for swamp forest (at least for 1 current year).	<u>Qualified:</u> Existence of traceable system and consistently applied timber identity.



Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			<b>2.3.4</b> License holder can prove the record of timber transportation out of TPK	Invoice for Round Wood Transportation (FAKB) file/archive	<ol style="list-style-type: none"> <li>1. Check the completeness and validity of FAKB document for timber transportation from license holder.</li> <li>2. Check the authority of the officer making the timber administration document.</li> <li>3. Check the Inspection Official Report (BAP) document on timber by Official responsible for Issuing Invoice for Round Wood Transportation.</li> </ol>	<u>Qualified:</u> Completeness and validity of FAKB document (made by the authorized officer).
		<b>K2.4</b> License holder has paid off the government levy obligation related to timber	<b>2.4.1</b> License holder shows settlement proof of Provision for Forest Resources (PSDH).	(a) SPP (Payment Order) document has been issued and paid in full	Check and compare realization of PSDH payment with SPP document (species-group, volume and tariff)	<u>Qualified:</u> Realization of PSDH payment with SPP document
				b. PSDH Deposit Slip	<ol style="list-style-type: none"> <li>1. Check the validity and conformity of PSDH Deposit Slip with PSDH SPP.</li> <li>2. Compare PSDH SPP with payment/deposit slip and or agreement on arrears settlement.</li> </ol>	<u>Qualified:</u> PSDH has been paid in accordance with the SPP.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				c. Conformity of PSDH tariff	1. Check the size of small round wood (KBK) in natural forest timber with $\geq 30\text{cm}$ diameter, and the length must be $\leq 130\text{cm}$ . 2. Check the conformity of PSDH tariff payment with KBK payment slip.	<u>Qualified:</u> Timber categorized as KBK in accordance with the size requirement and paid according to the tariff.
3.	P3. Fulfillment of environmental and social aspects relating to logging	K3.1 License holder has already had the Environmental Impact Assessment (EIA) & has fulfilled the obligation required in the EIA document.	3.1.1 License holder possesses EIA documents including Environmental Impact Analysis (ANDAL), Environmental Management Plan (RKL), and Environmental Monitoring Plan (RPL) that have been legalized in accordance with the prevailing regulation covering all working areas.	EIA documents (ANDAL, RKL and RPL).	1. Check the completeness and validity of EIA documents (Andal, RKL, RPL) and record of important findings. 2. Check the EIA preparation process. 3. Check the EIA document quality.	<u>Qualified:</u> There are complete and legal EIA documents.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			3.1.2 License holder possesses RKL and RPL Progress Reports indicating the actions being applied to overcome environmental impact and provide social benefit.	a. RKL and RPL documents	Check the validity of RKL and RPL documents and their consistency with planning Document in the overall contexts of physical-chemical, biological and social aspects.	<u>Qualified:</u> There are RKL and RPL Documents prepared in reference with the EIA Documents that have been legalized.
				b. Proof of the implementation of management and monitoring of significant impacts	Check the implementation of management of significant impacts in terms of physical-chemical, biological and social aspects such as: – On hydro-orology including the facilities and infrastructure for the monitoring. – Pollution. – Protected species (crosscheck with the Result from Inventory of protected wild flora and fauna). – Increase in social positive impact. – System and facilities for prevention and control of forest fire.	<u>Qualified:</u> Environmental management and monitoring have been implemented as planned and in compliance with significant impacts in the field.

Director General of Forestry  
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**Annex 4:** Director General of Forestry Production Development's Regulation

Number : P.6/VI-Set/2009

Dated : 15 June 2009

On : Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management and Timber Legality Verification

**STANDARDS AND GUIDELINES ON TIMBER LEGALITY VERIFICATION IN PRIMARY INDUSTRY (IUIPHHK) AND  
DOWNSTREAM TIMBER INDUSTRY (ADVANCED IUI)**

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
<b>P1.</b> Timber Forest Product Processing Industry supports legal trade in timber.	<b>K1.1</b> Business units: (a) Processing industry, and (b) processed product exporter, have legitimate license	<b>1.1.1</b> Processing industry has legal permit	(a) The Company's Deed of Incorporation	(1) Check the validity and completeness. (2) In case of change in ownership, check the validity and completeness.	<u>Qualified:</u> Completeness and validity fulfilled.
			(b) Business License (SIUP).	Check the given Business License and its validity period.	<u>Qualified:</u> Valid Business License in compliance with the business activity.
			(c) Company Registration Evidence (TDP)	Check the validity.	<u>Qualified:</u> Available legitimate TDP.
			(d) Taxpayer's Registration Number (NPWP)	Check the validity.	<u>Qualified:</u> Available business person's NPWP.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(e) EIA/Environmental Management Effort (UKL) – Environmental Monitoring Effort (UPL)/ Letter of Declaration on Environmental Management (SPPL).	Check the validity and completeness of AMDAL/UKL-UPL/SPPL) document and record of important findings, including the amendment document.	<u>Qualified:</u> Available AMDAL/UKL-UPL/SPPL document including the amendment that has been legalized by the authorized official.
			(f) Industrial License (IUI) or Evidence of Industry Registration (TDI)	Check the validity and completeness (the agency authorized to issue the license, year of issuance, license for renewal, and type of industrial business).	<u>Qualified:</u> IUI or TDI in compliance with business activity and capacity and the agency authorized to issue the license.
			(g) Plan for Supply of Industrial Raw Material (RPBBI) for Forest Product Primary Industry (IPHH).	Check the completeness and conformity with the document reported to the authorized agency.	<u>Qualified:</u> RPBBI has been reported to the authorized agency.
		1.1.2 Processed wood products exporter is producer exporter having legal license.	(a) The Company's Deed of Incorporation	(1) Check the validity and completeness. (2) In case of change in ownership, check the validity and completeness.	<u>Qualified:</u> Completeness and validity fulfilled.
			(b) Business License (SIUP).	Check the given business license and its validity period.	<u>Qualified:</u> Valid Business License in compliance with the business activity.
			(c) Company Registration Evidence (TDP)	Check the validity.	<u>Qualified:</u> Available legitimate TDP.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(d) Taxpayer's Registration Number (NPWP)	Check the validity.	<u>Qualified:</u> Available business person's NPWP.
			(e) EIA/Environmental Management Effort (UKL) – Environmental Monitoring Effort (UPL)/ Letter of Declaration on Environmental Management (SPPL).	Check the validity and completeness of AMDAL/UKL-UPL/SPPL) document and record of important findings, including the amendment document.	<u>Qualified:</u> Available AMDAL/UKL-UPL/SPPL document including the amendment that has been legalized by the authorized official.
			(f) Industrial License (IUI) or Evidence of Industry Registration (TDI)	Check the validity and completeness (the agency authorized to issue the license, year of issuance, license for renewal, and type of industrial business).	<u>Qualified:</u> IUI or TDI in compliance with business activity and capacity and the agency authorized to issue the license.
			(g) Plan for Supply of Industrial Raw Material (RPBBI) for Forest Product Primary Industry (IPHH).	Check the completeness and conformity with the document reported to the authorized agency.	<u>Qualified:</u> RPBBI has been reported to the authorized agency.
			(h) Having the status of Registered Exporter of Forestry Industrial Products (ETPIK).	Check the legality and conformity with the product set out in ETPIK with other types of licensing. Check the conformity of industrial group/ETPIK product with physical forms in the field.	<u>Qualified:</u> Business license must be in compliance with the given location and type of business.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
<b>P2.</b> Business unit has and applies wood tracing system ensuring traceability of wood to the source of origin.	<b>K2.1</b> Availability and application of system for tracing raw material and its by-product	<b>2.1.1</b> IPHH and other wood processing industries can proof that the received raw materials came from legal source.	(a) Sale and purchase document and or contract for raw material supply	Check the validity and completeness.	<u>Qualified:</u> Sale and purchase document must be in compliance with the physical wood being traded or the skshh (timber administration) document.
			(b) Official report on timber transfer	Check the validity and completeness.	<u>Qualified:</u> All timbers accompanied by skshh document and had been terminated by the authorized officer.
			(c) Imported timber accompanied by Goods Import Notification (PIB) document with description of timber origin.	Check the validity, completeness and conformity of documents including: (1) Goods Import Notification (PIB) from the Directorate General of Customs and Excise. (2) Packing List (P/L). (3) Bill of Lading (B/L). (4) Other documents from the country of origin such as Certificate of Origin.	<u>Qualified:</u> Import document must include list of imported timber and description of timber origin.
			(d) SKSKB and or FAKB and or SKAU or FAKO/Memo or Auction Transportation Letter (SAL)	Check the truthfulness of PUHH document in accordance with the prevailing provisions. (SAL document will be treated separately).	<u>Qualified:</u> Legitimate SKSKB and or FAKB and or SKAU or FAKO/Nota documents or Auction Transportation Letter (SAL).
			(e) LMKB/LMKBK document	Check the truthfulness and conformity of LMKB/LMKBK document with other supporting documents.	<u>Qualified:</u> The document is in compliance with the supporting documents.



Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(f) RPBBI supporting document (Decree on Annual Work Plan)	Check the RPBBI document reporting.	<u>Qualified:</u> RPBBI has been reported to the authorized agency.
		2.1.2 IPHH and other wood processing industries apply the wood tracing system	(a) Tally sheet of raw material usage and production output.	Check the existence and completeness.	<u>Qualified:</u> Can be traced to the previous stage.
			(b) Production report on by-product.	Check the existence and completeness.	<u>Qualified:</u> Realization of production supported by legal supply of raw material so as to obtain a logical link between input-output, margins.
			(c) Industrial production does not exceed the permitted production capacity.	Check and compare the realization of production with the production capacity permitted by the authorized agency.	<u>Qualified:</u> Realization of production does not exceed the expected production capacity
P3. Validity of trade or transfer of processed wood.	K3.1 Interisland transportation and trade.	3.1.1 Business person transporting forest products between islands should have recognition as Registered Interisland Timber Trader (PKAPT).	(a) SIUP	Check the given business license and the validity period.	<u>Qualified:</u> The business license is in compliance with the business activity.
			(a) The Company's Deed of Incorporation	Check the validity and completeness.	<u>Qualified:</u> Validity and completeness fulfilled entirely.
			(b) TDP	Check the validity.	<u>Qualified:</u> Available legitimate TDP.
			(c) NPWP	Check the validity.	<u>Qualified:</u>

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
					Available business person's NPWP.
			(d) PKAPT document	Check the validity and completeness.	<u>Qualified:</u> The business license is in compliance with the business activity.
		3.1.2 Transportation of wood or processed wood by ship must have Indonesia's flag on it and should have legitimate license.	(a) Document showing the ship's identity.	Check the validity and completeness showing the identity as a ship with Indonesia's flag.	<u>Qualified:</u> Each timber transporting ship is a ship with Indonesia's flag.
			(b) The ship's identity is in compliance with one set out in the SKSKB and or FAKB and or SKAU or FAKO/Memo or Auction Transportation Letter (SAL)	Check the conformity of the ship's identity with one set out in the skshh. (SAL document will be treated separately).	<u>Qualified:</u> The ship's identity is in compliance with one set out in the skshh.
		3.1.3 PKAPT can proof that the timber being transferred comes from legal source	(a) SKSKB and or FAKB and or SKAU or FAKO/Memo or SAL	Check the validity and completeness (SAL document will be treated separately).	<u>Qualified:</u> Type, amount, volume, origin and destination of timber are in compliance with the skshh and DHH.
			(b) Trunk permanent identity (if in the form of round wood)	Check the validity and completeness.	<u>Qualified:</u> Round wood being transported should have physical characteristic and in compliance with the transportation document.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
	<b>K3.2</b> Shipping of wood processed products for export.	<b>3.2.1</b> Shipping of wood processed products for export must be in compliance with the Goods Export Notification (PEB) document	(a) Recognition as Registered Exporter of Forestry Industrial Products (ETPIK).	Check the validity and completeness.	<u>Qualified:</u> Exporter has a license as ETPIK.
			(b) PEB	Check the validity and completeness.	<u>Qualified:</u> PEB document is in compliance with other export documents.
			(c) Packing list	Check the existence and completeness.	<u>Qualified:</u> P/L document is in compliance with other export documents.
			(d) Invoice	Check the existence and completeness.	<u>Qualified:</u> Invoice document is in compliance with other export documents.
			(e) B/L	Check the validity and completeness.	<u>Qualified:</u> Sea transportation company equipped with Bill of Lading.
			(f) FAKO/Memo or SAL	Check the validity and completeness (SAL document will be treated separately).	<u>Qualified:</u> Invoice document is in compliance with other export documents.
			(g) Evidence of payment for Export Levy (PE) when subject to PE.	Check the validity and completeness.	<u>Qualified:</u> PE obligation has been fulfilled for certain export of wood products/ones subject to PE.
		<b>3.2.2</b> Timber species and product of	(a) Document on timber species and product (Endorsement and	Check the export realization with the provisions concerning the species or products that are prohibited for export.	<u>Qualified:</u> Not exporting the prohibited species and

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
		wood being exported fulfilled the prevailing provisions	Technical Verification Result)		products.
			(b) Other relevant documents (including: CITES) on species of wood with restricted trade.	Check the validity and completeness.	<u>Qualified:</u> Completing CITES document or other provisions concerning wood species or products with restricted trade.

Director General of Forestry  
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*signed*

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**Annex 5** : Director General of Forestry Production Development's Regulation  
 Number : P.6/VI-Set/2009  
 Dated : 15 June 2009  
 Concerning : Standards and Guidelines on Assessment of Performance in Sustainable Production Forest Management's and Timber Legality Verification.

### STANDARDS AND GUIDELINES ON VERIFICATION OF TIMBER LEGALITY FROM RIGHT FOREST (PRIVATE FOREST)

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1.	<b>P1.</b> Ownership of timber can be proven for legality	<b>K1.1</b> Legality of proprietary right in connection with area, timber and the trade.	<b>1.1.1</b> Owner of right (private) forest is capable of showing the legality of the right.	(a) Valid Land ownership document (other title basis/ recognized document)	Examine Freehold Title Certificate, Letter C, Letter B, Girik Letter; and Long Lease Right Certificate (HGU) or Right-to-Use Title; or other valid ownership evidences	<u>Qualified:</u> Document is available, complete, and legal (can take the forms of Land Certificate, Letter C, Letter B, Girik Letter, Long Lease Right Certificate or Right-to-Use Title, or other valid ownership evidences.
				(b) Area map of right forest and boundaries in the field	Examine the existence of location map.  Examine the clarity of forest area boundary mark.	<u>Qualified:</u> Location map is available.  <u>Qualified:</u> Marks are clear (can take the forms of marking pole, or embankment, or plant fences).
			<b>1.1.2</b> Community Management unit is capable of proving valid timber transportation document.	(a) Document on Certificate of Origin or Certificate of Round Wood Legality with Community Timber seal	Examine the validity of Certificate of Round Wood Legality at levels of farmer/trader and local Kabupaten Service office.	<u>Qualified:</u> Certificate of Round Wood Legality given community timber seal (KR) and issued by authorized official.

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
				(b) Invoice/ sales receipt	<p>Examine the validity of document on Certificate of Origin (SKAU) at levels of farmer/trader and Village Head office for types of certain timbers.</p> <p>Examine the conformity of cutting license recapitulation with the Certificate of Forest Product Legality</p> <p>Examine the validity and conformity of invoice document / receipt accompanying the timber trip.</p>	<p><u>Qualified:</u></p> <p>(a) Issuer of Certificate of Origin document is the Village Head/Lurah or official of equal level from where the timber will be transported.</p> <p>(b) Species of timber in Certificate of Origin document is in accordance with the species stipulated by the prevailing Forestry Minister's Regulation.</p> <p><u>Qualified:</u></p> <p>Cutting License Recapitulation is in accordance with Certificate of Round Wood Legality, Community Timber Seal or Certificate of Origin</p> <p><u>Qualified:</u></p> <p>(a) Invoice document/receipt is issued by the timber owner.</p> <p>(b) Invoice document/receipt is in accordance with physical timber and the reverse.</p> <p>(c) Invoice document/receipt contains clear shipment destination.</p>

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