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**THE REPUBLIC OF INDONESIA FORESTRY MINISTER'S REGULATION  
NUMBER: P.38/Menhut-II/2009**

**CONCERNING**

**STANDARD AND GUIDELINES ON ASSESSMENT OF PERFORMANCE OF SUSTAINABLE PRODUCTION  
FOREST MANAGEMENT AND VERIFICATION OF TIMBER LEGALITY  
FOR LICENSE HOLDERS OR IN PRIVATE FORESTS**

**WITH THE BLESSING OF THE ALMIGHTY GOD**

**THE REPUBLIC OF INDONESIA MINISTER OF FORESTRY ,**

- Considering :
- a. whereas by virtue of Article 125 paragraph (3) of the Government Regulation Number 6/2007 [revised by] Government Regulation Number 3/2008 and the elucidation, it has been mandated that the success of sustainable forest management shall be reflected in the performance of Forest Product Utilization License (IUPHH) Holder;
  - b. whereas by virtue of Article 100 of the Government Regulation Number 6/2007 [revised by] Government Regulation Number 3/2008, utilization of private forest is aimed at gaining the optimal benefit without detriment to the function;
  - c. whereas by virtue of Article 119 of the Government Regulation Number 6/2007 [amended by] Number 3/2008, any transportation, control or ownership of forest products originating from the State-Owned Forest must be accompanied by documents that confirm the forest products' legality;
  - d. whereas based on the above consideration and the promotion of Sustainable Forest Management (SFM) and the implementation of forest governance, suppression of illegal logging and its associated trade, it is deemed necessary to stipulate the Guidelines on the Assessment of Performance of Sustainable Production Forest Management and the Verification of Timber Legality for Forest License Holders or in Private Forests through a Forestry Minister's Regulation.
- Recalling :
1. Law Number 5/1990 concerning the Conservation of Biological Natural Resources and the Ecosystem (the Republic of Indonesia's Government Official Gazette of 1990 Number 49; Annex to the Republic of Indonesia's Government Official Gazette Number 3419);
  2. Law Number 23/1997 concerning Environmental Management (the Republic of Indonesia's Government Official Gazette of 2007 Number 68; Annex to the Republic of Indonesia's Government Official Gazette Number 3699);
  3. Law Number 41/1999 concerning Forestry (the Republic of Indonesia's Government Official Gazette of 1999 Number 167, Annex to the Government Official Gazette Number 3888) as amended with Law Number 19/2004 concerning the Stipulation of the Government Regulation in Lieu of Law Number 1/2004 concerning the Amendment to Law Number 41/1999 concerning Forestry to become Law (the Republic of Indonesia's Government Official Gazette of 2004 Number 86, Annex to the Government Official Gazette Number 4412);
  4. Law Number 32/2004 concerning Local Government Administration (the Republic of Indonesia's Government Official Gazette of 2004 Number 125, Annex to the Republic of Indonesia's Government Official Gazette Number 4437) as amended several times, the last being with Law Number 12/2008 concerning Second Amendment to Law Number 32/2004 concerning Local Government Administration (the Republic of Indonesia's Government Official Gazette of 2008 Number 59, Annex to the Republic of Indonesia's Government Official Gazette Number 4844);
  5. Government Regulation Number 27/1999 concerning Analysis of the Environmental Impacts (the Republic of Indonesia's Government Official Gazette of 1999 Number 59, Annex to the Republic of Indonesia's Government Official Gazette Number 3838);
  6. Government Regulation Number 102/2000 concerning National Standardization (the Republic of Indonesia's Government Official Gazette of 2000 Number 1999, Annex to the Republic of Indonesia's Government Official Gazette Number 4020);
  7. Government Regulation Number 35/2002 concerning Reforestation Fund (the Republic of Indonesia's Government Official Gazette of 2002 Number 67, Annex to the Republic of Indonesia's Government Official Gazette Number 4207);

8. Government Regulation Number 44/2004 concerning Forest Planning (the Republic of Indonesia's Government Official Gazette of 2007 Number 146, Annex to the Republic of Indonesia's Government Official Gazette Number 4452);
9. Government Regulation Number 45/2004 concerning Forest Protection (the Republic of Indonesia's Government Official Gazette of 2004 Number 147, Annex to the Republic of Indonesia's Government Official Gazette Number 4453);
10. Government Regulation Number 6/2007 concerning Forest System and Forest Management Planning, and Forest Utilization (the Republic of Indonesia's Government Official Gazette of 2007 Number 22, Annex to the Republic of Indonesia's Government Official Gazette Number 4696) as amended with Government Regulation Number 3/2008 (the Republic of Indonesia's Government Official Gazette of 2008 Number 16, Annex to the Republic of Indonesia's Government Official Gazette Number 4814);
11. Government Regulation Number 38/2007 concerning Division of Governmental Functions between Government, provincial Local Government Administration and Kabupaten/City Local Government Administration (the Republic of Indonesia's Government Official Gazette of 2007 Number 82, Annex to the Republic of Indonesia's Government Official Gazette Number 4737);
12. Presidential Decree Number 78 Year 2001 concerning the National Accreditation Committee;
13. Republic of Indonesia's Presidential Decree Number 187/M of 2004 concerning the Formation of United Indonesia Cabinet as amended several times, the last being with Number 31/P/2007;
14. The Republic of Indonesia Presidential Regulation Number 9/2005 concerning Position, Tasks, Functions, Organizational Structure and Working Arrangement of the Republic of Indonesia State Ministry as amended several times, the last being with Number 20/2008;
15. Presidential Regulation Number 10/2005 concerning Organization Unit and Task of Echelon I officials of the Republic of Indonesia State Ministry, as amended several times, the last being with Number 50/2008;
16. Forestry Minister's Regulation Number P.13/Menhut-II/2005 concerning Organization and Working Procedure of Ministry of Forestry as amended several times, the last being with Number P.64/Menhut-II/2008;
17. Forestry Minister's Regulation Number P.55/Menhut-II/2006 concerning Administration of Forest Product Originating in State-Owned Forest as amended several times, the last being with Number P.8/Menhut-II/2009;
18. Forestry Minister's Regulation Number P.51/Menhut-II/2006 concerning Use of Origin Certificates (SKAU) for Transportation of Timber Forest Products Originating in Right Forest as amended several times, the last being with Number P.33/Menhut-II/2007;
19. Regulation of Trade Minister Number 20/M-DAG/PER/5/2008 concerning Provisions for Forestry Industrial Product Export.

**HAS DECIDED:**

To stipulate : **FORESTRY MINISTER'S REGULATION CONCERNING STANDARD AND GUIDELINES ON ASSESSMENT OF PERFORMANCE OF SUSTAINABLE PRODUCTION FOREST MANAGEMENT AND VERIFICATION OF TIMBER LEGALITY FOR LICENSE HOLDERS OR IN PRIVATE FORESTS.**

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1**

In this Regulation:

1. Forest license holders shall mean the holder of Timber Product Utilization License in Natural Forest abbreviated to IUPHHK-HA (formerly HPH), the holder of Forest Product Utilization License in Plantation Forest abbreviated to IUPHHK-HT (formerly HP-HTI), the holder of Forest Product Utilization License in Community Plantation Forest abbreviated to IUPHHK-HTR, the holder of Timber Product Utilization License for Ecosystem Restoration abbreviated to IUPHHK-RE, the holder of Timber Product Utilization License in Community Forest abbreviated to IUPHHK-HKm as referred to in Government Regulation Number 6/2007 [revised by] Government Regulation Number 3/2008.

2. Primary (Upstream) Timber Industry License Holder (IUIPHHK) shall be as referred to in Government Regulation Number 6/2007 [revised by]Government Regulation Number 3/2008.
3. Advanced (Downstream) Timber Industry License Holder (Advanced IUI) shall mean a downstream timber product processing company, with products such as furniture.
4. State-Owned Forest shall mean a forest situated upon land that is had rights allocated to it.
5. Private (right) forest shall mean a forest situated upon land which has had rights allocated to it outside the forest area and which has evidence of [or right to land].
6. Accreditation agency shall mean the institution that provides accreditation for the Independent Assessment and Verification Agencies (LP & VI), namely the National Accreditation Committee (NAC).
7. Independent Assessment and Verification Agency (LP&VI) shall mean the institution having been accredited by the accreditation agency to assess the performance of sustainable forest management or to verify the legality of timber forest product of license holders or private forest owners.
8. Independent Monitoring Agency shall mean the institution that can perform the supervisory/monitoring function relating to public services in forestry such as the issuance of SFM Certificate or TL (timber legality) Certificate. This includes non-governmental organizations (NGOs) in forestry.
9. Standard and guidelines on sustainable forest management shall be a set of requirements for attaining sustainable forest management and which contains standards, criteria, assessment indicators, the assessment method, and the assessment manual.
10. Timber Legality Verification Standard (TLVS) shall be a set of requirements for fulfilling the timber/timber product legality which was developed based on a forestry-stakeholders agreement containing standards, criteria, indicators, verifiers, verification methods, and appraisal norms.
11. SFM Certificate shall mean a certificate describing the level of success in the implementation of sustainable forest management.
12. Timber Legality Certificate (TL Certificate) shall mean a certificate granted to license holder or private forest owner, which states that the license holder or private forest owner has met the timber legality standard (legal compliance) in removing the timber forest product.
13. Certificate of Primary Timber Industry Performance (KIPHHK Certificate) shall mean the certificate explaining the performance level in carrying out the sustainable management of primary timber industry.
14. Independent Assessment and Verification Agency (LP&VI) shall be a state-owned or private company accredited to assess the performance of Sustainable Forest Management (SFM) and/or to verify the timber legality.
15. Technical Forestry Personnel for Sustainable Production Forest Management (GANIS PHPL) shall mean the officer of license holder company in the management and/or utilization of sustainable production forest with competence and certification in sustainable production forest management in accordance with the qualification, appointed and dismissed by Head of Balai on behalf of the Director General.
16. Technical Forestry Personnel Supervisor (WASGANIS) PHPL shall mean the forestry agency employee with competence in supervision and inspection of sustainable production forest management in accordance with the qualification, appointed and dismissed by Head of Balai on behalf of the Director General.
17. Minister shall mean the Minister assigned a task and responsibility in the forestry sector.
18. Director General shall mean the Director General in charge of forest product utilization and/or forest production .
19. Head of Balai shall mean the Head of Technical Implementing Unit of the Directorate General of Forestry Product Development in the region.

**CHAPTER II**  
**ASSESSMENT AND VERIFICATION**

**Part One**

**Article 2**

- (1) Assessment of performance and timber legality verification on the holder of IUPHHK, IPK, IUIPHHK, and Advanced IUI is to be carried out by the LP&VI.
- (2) Assessment of IUPHHK holder's performance shall be carried out by LP&VI based on the Standard for Assessment of Sustainable (production) Forest Management.
- (3) Timber legality verification for the holders of IUPHHK, IPK, and IUIPHHK and Advanced IUI shall be carried out by LP&VI based on the Timber Legality Verification Standard (TLVS).

### **Article 3**

Assessment and/or verification as referred to in Article 2, of Natural, Plantation, Community Plantation, and Community Forests IUPHHKs can be carried out jointly and/or separately by LP&VI to obtain the SFM Certificate or TL Certificate, either by order of the Minister or at the license holder's request;

### **Article 4**

- (1) In principle, a forest utilization license holder with a SFM Certificate does not need a TL certificate.
- (2) The Holder of IUIPHHK or Advanced IUI shall obtain a TL certificate.

### **Article 5**

Standard and guidelines on SFM appraisal as referred to in Article Section 2 paragraph (2), and Timber Legality as referred to in Article 2 paragraph (3) shall be stipulated further by the Director General's Regulation.

## **Part Two**

### **Accreditation and Designation of LP&VI**

#### **Article 6**

- (1) The LP&VI as referred to in Article 2 shall be accredited by the National Accreditation Committee;
- (2) To acquire accreditation as referred to in paragraph (1), LP&VI shall submit an application to the National Accreditation Committee in accordance with the prevailing legislation;
- (3) Based on the accreditation by the National Accreditation Committee as referred to in paragraph (2), the Director General on behalf of the Minister shall appoint the LP&VI.

## **Part Three**

### **Assessment**

#### **Article 7**

- (1) The first period of SFM assessment or timber legality verification by LP&VI of the license holder shall be carried out based on instruction from the Director General on behalf of the Minister.
- (2) The financing for the first period of SFM performance assessment and/or timber legality verification as referred to in paragraph (1) shall be charged to the Ministry of Forestry's budget in accordance with the prevailing cost standard.
- (3) The cost standard as referred to in paragraph (2), shall be regulated by the Minister and can be reviewed as needed.
- (4) The financing of a further period of SFM assessment or timber legality verification shall be borne by the right/license holder or private right owner.
- (5) Community plantation forest or community forestry holder or private forest owner, due to financ constraints, can make a request for a SFM assessment and/or timber legality verification in a collective manner.

#### **Article 8**

- (1) In the event of a Ministry of Forestry budget limitation for assessment and or verification in the first period as referred to in Article 7 paragraph (2), a license holder can take the initiative to submit an application to LP&VI as referred to in Article 7 paragraph (3) for assessment to obtain the SFM certificate and or TL certificate.
- (2) The cost for assessment and or verification as referred to in paragraph (1) shall be borne by the applicant.

## **Part Four**

### **Objection**

#### **Article 9**

- (1) The result of an assessment and/or verification by LP&VI as referred to in Article 2 paragraph (2), Article 2 paragraph (3), and Article 3 shall be delivered first to the license holder or private forest owner;
- (2) In the event that the license holder or private forest owner has any objection to the result of assessment and/or verification, they can submit the objection to LP&VI no later than 10 (ten) working days after receiving the report of assessment and verification as referred to in paragraph (1);
- (3) LP&VI shall set up an ad-hoc team to respond to the objections and the team members shall be independent,

representing stakeholders and experts in their respective field;

- (4) In the event that the objection be accepted, LP&VI shall make a correction to the substance objected to in the assessment and/or verification report.

## **Part Five Issuance of Certificates**

### **Article 10**

- (1) Based on the result of the assessment or verification in Article 2 paragraph (2), Article 2 paragraph (3), and Article 3 and the result of correction as referred to in Article 9 paragraph (4), LP&VI shall issue a SFM Certificate and/or TL Certificate to the license holder or private forest owner and report it to the Director General;
- (2) The certificate referred to in paragraph (1) shall be used as information material for fostering and/or extension of IUPHHK by the Director General;
- (3) SFM Certificate for IUPHHK holder or private forest owner shall be effective for 3 (three) years as from the issuance, and surveillance shall be conducted every 1 (one) year;
- (4) TL Certificate shall be effective for 3 (three) years as from the issuance, and surveillance shall be conducted every 1 (one) year;
- (5) Surveillance as referred to in paragraph (2) and (3) can be conducted either simultaneously or separately at the license holder's expense;
- (6) The SFM Certificate referred to in paragraph (3) shall as a minimum contain the name of company or name of the license holder or private forest owner, size of the area, location, number of decree of right/license/ownership rights, name of LP&VI company, issuance date, validity period, and certification identification number, as well as the numeral value and performance category;
- (7) The TL Certificate referred to in paragraph (4) shall at least contain the name of company or name of the license holder or private forest owner, size of area, location, number of decree of right/license/ownership rights, name of LP&VI company, issuance date, validity period and certification identification number, as well as legality standard reference.

### **Article 11**

- (1) The SFM Certificate referred to in Article 10 paragraph (6) shall be issued with a "Good" category.
- (2) In the event that the result of the assessment is categorized as "Bad", LP&VI shall give the report on the result assessment to the license holder.
- (3) Based on the report of the assessment result as referred to in paragraph (2), the license holder shall be given an opportunity to improve the SFM performance.

### **Article 12**

- (1) The TL Certificate referred to in Article 10 paragraph (7) shall be issued in the category of "Compliance" to the TLVS.
- (2) In the event that the verification result is "None Compliance", LP&VI shall give the report on verification result to the license holder.
- (3) Based on the report of the verification result referred to in paragraph (2), the license holder shall be given an opportunity to comply with the TLVS.

### **Article 13**

- (1) In the event an IUIPHHK or Advanced IUI has obtained a TL Certificate, and its raw material supply originated from IUPHHK-HA/HT/Private Forest that has an SFM certificate or TL certificate, the aforementioned IUIPHHK or Advanced IUI can self-endorse their products which will be exported.;
- (2) Endorsement as referred to in paragraph (1) shall become one of the attachments to Goods Export Notification (PEB).

**CHAPTER III**  
**INDEPENDENT MONITOR AND OBJECTION**

**Article 14**

- (1) Non Governmental Organizations (NGOs) or civil society in forestry sector can perform as independent monitors in the process of SFM assessment and/or timber legality verification carried out by LP&VI.
- (2) In the event that an NGO or civil society organization in the forestry sector should have an objection to the result of an assessment as referred to in paragraph (1), the objection shall be submitted no later than 20 (twenty) workdays later to the LP&VI for settlement.
- (3) In the event that the LP&VI cannot resolve the issue of objection as referred to in paragraph (2), the NGO or civil society organization in the forestry sector can bring the objection to the National Accreditation Committee.
- (4) The National Accreditation Committee shall resolve the issue of objection as referred to in paragraph (3) in accordance with the existing objection settlement procedure in the National Accreditation Committee.
- (5) The result of the objection settlement by LP&VI as referred to in paragraph (2) or by the National Accreditation Committee referred to in paragraph (3), in the form of Corrective Action Request (CAR) shall be delivered to the license holder or private forest owner.
- (6) In the event the license holder or private forest owner is unable to complete the Corrective Action Request (CAR) as referred to in paragraph (5), the status of SFM Certificate or TL Certificate shall be frozen by the LP&VI issuing the certificate until the license holder or private forest owner is able to comply with the request.
- (7) In the event that the license holder or private forest owner is unable to complete the Corrective Action Request (CAR) as referred to in paragraph (6), the status of the SFM Certificate or TL Certificate shall be frozen until the expiry of SFM Certificate or TL Certificate validity period.

**CHAPTER IV**  
**CAPACITY BUILDING**

**Article 15**

- (1) The technical skill or financial assistance required for strengthening the LP&VI capacity and organisation can be provided by the Government;
- (2) In the event that Government funds referred to in paragraph (1) are not available, financial assistance can be obtained from other sources of a non-binding nature with the approval of Ministry.

**Article 16**

SFM Assessment whose funding has been available in the 2009 fiscal year, shall be implemented by virtue of Forestry Minister's Decree Number 4795/Kpts-II/2002 concerning Criteria and Indicators for Management of Sustainable Production Natural Forest in the Management Unit and Forestry Minister's Decree Number 208/Kpts-II/2003 concerning Procedure for Assessment of Timber Forest Product Utilization Performance in Natural Forest in the Management Unit for Sustainable Forest Management;

**Article 17**

SFM Certificates that have already been issued before the entry into effect of this regulation shall remain effective until the expiry of the certificate.

**CHAPTER V**  
**TRANSITIONAL PROVISIONS**

**Article 18**

- (1) LPI or LP&VI, that have already obtained accreditation from the National Accreditation Committee before this regulation comes into effect, shall remain effective until the expiry of the accreditation validity period.
- (2) SFM Certificates for license holders that have been issued before this regulation comes into effect, shall remain effective until the expiry of the SFM Certificate validity period.
- (3) Certificate of Verified Legal Origin (VLO) obtained by a license holder shall remain effective until the expiry of the VLO certificate.

**CHAPTER VI  
OTHER PROVISIONS**

**Article 19**

With this regulation is in effect:

1. Forestry Minister's Decree Number 4795/Kpts-II/2002 concerning Criteria and Indicators for Management of Sustainable Production Natural Forest in the Management Unit along with the implementing regulation except as referred to in Article 16;
2. Forestry Minister's Decree Number 177/Kpts-II/2003 concerning Criteria and Indicators for Sustainable Forest Management in the Management Unit of Planted Forest Utilization along with the implementing regulation;
3. Forestry Minister's Decree Number 178/Kpts-II/2003 concerning Procedure for Appraisal of Performance of Planted Forest Utilization in the Management Unit for Sustainable Forest Management along with the implementing regulation; and
4. Forestry Minister's Decree Number 208/Kpts-II/2003 concerning Procedure for Appraisal of Performance of Timber Forest Product Utilization in Natural Forest in the Management Unit for Sustainable Forest Management along with the implementing regulation;

shall be cancelled.

**Article 20**

This Forestry Minister's Regulation shall enter into effect on the date of its enactment and shall be implemented beginning in 1 September 2009.

In order that everybody may take cognizance thereof, this Forestry Minister's Regulation shall be enacted by placing it in the Republic of Indonesia's Government Official Gazette.

Stipulated in Jakarta  
On : 12 June 2009  
MINISTER OF FORESTRY OF  
THE REPUBLIC OF INDONESIA

*Signed*

H.MS. KABAN

Enacted in: Jakarta  
On: 12 June 2009  
MINISTER OF JUSTICE AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,

*signed*

ANDI MATTALATA  
THE REPUBLIC OF INDONESIA'S OFFICIAL REPORT OF 2009 NUMBER 141

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**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 IUPHHK 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		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
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-</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> </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>	<p>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</p>

No	ASSESSMENT STANDARDS				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
			<p>HA/HT/HTI area by the community, other</p> <p>land users as well as the related agencies.</p> <p>Boundary pole-mark is a sign indicating that the area has been encumbered with a license.</p>	<p>4. Legitimacy of IUPHHK Boundary</p> <p>5. Stakeholders' recognition upon the existence of IUPHHK area.</p> <p>6. Clarity, effectiveness and impact of area usage outside the forestry sector /if any.</p>	<p>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.</p> <p>3. Check out the impact of utilization outside forestry sector (including the impact), if any.</p>		<p>namely as production forest.</p>
						<b>Bad</b>	<p>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.</p>

No	ASSESSMENT STANDARDS				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
		1.2. License Holder's (IUPHHK-HA/HT/HTI) Commitment	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.	<ol style="list-style-type: none"> <li>1. The availability of the document on vision, mission and objective of the company in accordance with the Sustainable Forest Management (SFM).</li> <li>2. Dissemination of the company's vision, mission and objective.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of document truthfulness</li> <li>2. Field examination if necessary</li> </ol>	<b>Good</b>	There is a written statement to implement Sustainable 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.

No	ASSESSMENT STANDARDS				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
				3. Conformity of vision and mission with the implementation of SFM.		<b>Bad</b>	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.

No	ASSESSMENT STANDARDS				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
		1.3. <b>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.

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		<p><b>1.4.Conformity with prevailing legal framework, policy and regulation for sustainable forest management</b></p>	<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</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>	<p>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.</p> <p>The working area has the potential stand capacity of greater or equal to the minimum standard according to the prevailing regulation.</p>

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			ensure the sustainable forest management.			<b>Bad</b>	<p>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.</p> <p>The working area has the potential stand capacity of less than the minimum standard based on the prevailing regulation.</p>



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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.	<ol style="list-style-type: none"> <li>1. The existence of professional staff and technical staff in the field in every areas of forest management activity.</li> <li>2. Efforts of promoting the HR competence.</li> <li>3. Availability of document on manpower affairs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Document inspection;</li> <li>2. Interview with staff</li> </ol>	<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).

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		<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>	<p>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.</p> <p>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,</p>	<ol style="list-style-type: none"> <li>1. Effectiveness of the work unit for planning.</li> <li>2. Existence of Management information system (MIS) apparatus, implementing staff.</li> <li>3. Existence of internal inspection unit (SPI) and its effectiveness.</li> <li>4. Accomplishment of management corrective actions based on monitoring result and evaluation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Document inspection</li> <li>2. Interview.</li> </ol>	<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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			production and promotion, and supporting work unit).				

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2	<b>PRODUCTION</b>	<b>2.1. Long term working area arrangement in sustainable forest management</b>	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.	<p>1. The existence of business work plan document already approved by authorized official includes:</p> <p>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.</p> <p>b. Working Area Planning Arrangement, mapped by technical staff for sustainable production</p>	Spot check in a purposive manner of AWP block boundaries based on map for area delineation/arrangement already approved/ legalized with target of:	<p>a. Logged-over AWP block.</p> <p>b. Unlogged-over AWP block.</p> <p>c. Felling compartment.</p>	<p><b>Good</b></p> <p>There is consistency between the planning and its implementation in terms of forest blocking, compartmenting and yield regulation.</p>	<p><b>Bad</b></p> <p>There is inconsistency between the planning and its implementation in terms of forest blocking, compartmenting and yield regulation.</p>

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				forest management – forest planning. 2. Implementation of working area arrangement in the field in accordance with RKUPPHK. 3. Maintenance of boundaries of felling blocks and compartments.			

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		2.2. Rate of sustainable harvesting for each type of major timber and non-timber forest product in each ecosystem type	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>1. SOP for establishment of permanent sample plot (PUP) and the growth measurement.</li> <li>2. The existence of PUP in each ecosystem type.</li> <li>3. The implementation of regular annual PUP measurement.</li> <li>4. Document on data of stand increment in each ecosystem.</li> <li>5. 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>a. Timber forest product potential based on volume and species type specified into diameter class.</li> <li>b. Timber forest product potential based on volume and type.</li> <li>c. Potential of endemic/ protected and unprotected flora and fauna.</li> </ol>	<p><b>Good</b></p>	Measurement of growth and increment has been carried out, but has not been used as the basis for preparing the harvesting plan.
						<p><b>Bad</b></p>	Measurement of growth and increment has not been carried out and has not been used as the basis for preparing the harvesting plan.

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		<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>1. 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>2. Implementation of SOP in the entire stages of silviculture system activity.</li> <li>3. Valid document for the utilization of CITES appended species.</li> <li>4. Level of damage to leftover stands.</li> <li>5. Level of adequacy of leftover stands</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection of the truthfulness of SOP content to the implementation in the field.</li> <li>2. Assess the effectiveness of SOP implementation / each activity in the field.</li> <li>3. Compare the intensity of maintenance of leftover stands and rejuvenation, against the standard already set up.</li> <li>4. Field checking of leftover stands and the extent of damage.</li> </ol>	<b>Good</b>	There is a SOP for the entire stages of activity type and implemented in the field.
						<b>Bad</b>	There is a SOP but there is a lack of implementation in the field.

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					5. Observing and figuring of stand structure in some compartments/ blocks that have been under maintenance and with varied cutting ages.		



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		2.4. The availability and application of efficient technology for carrying out Sustainable Production Forest Management (PHPL/SPFM)	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.	<ol style="list-style-type: none"> <li>1. Application of efficient technology.</li> <li>2. The availability of RIL procedure.</li> <li>3. Application of RIL in the opening of forest territory (forest-road alignment construction) and harvesting</li> <li>4. Species utilization.</li> <li>5. Exploitation factor.</li> </ol>	<ol style="list-style-type: none"> <li>1. Appraising of the exploitation factor, waste utilization and species utilization.</li> <li>2. Identifying the activity and the impact on the environment.</li> <li>3. Analyzing the result of environmental monitoring (EIA) and the effort of control.</li> <li>4. Field observation of RIL facilities and infrastructure.</li> </ol>	<p><b>Good</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><b>Bad</b></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>

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		<b>2.5 Financial Health of License Holder</b>	Performance of management unit in support of Sustainable Forest 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).	<ol style="list-style-type: none"> <li>1. Conformity of financial statement with the standard (PSAK 32).</li> <li>2. Liquidity.</li> <li>3. Solvability.</li> <li>4. Profitability.</li> <li>5. Profitability.</li> </ol>	Field checking to see the conformity with public accountant's report.	<p><b>Good</b></p> <p><b>Bad</b></p>	<p>Liquidity <math>\geq</math> 100 – 150 %, being solvable and profitability &gt; interest rate.</p> <p>Liquidity &lt; 100%, being solvable and profitability &lt; interest rate.</p>

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		<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.	<ol style="list-style-type: none"> <li>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.</li> <li>2. The existence of work map in accordance with AWP/RKU, covering: <ol style="list-style-type: none"> <li>a. 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/ preservation of</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Analyze the conformity of AAC with the actual volume and areas of forest harvested.</li> <li>2. Compare the actual implementation against the implementation guidelines.</li> <li>3. Interview with field officers.</li> </ol>	<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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				<p>germ plasm/ religion/culture/ facilities and infra-structure and R &amp; D).</p> <p>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 &amp; D).</p>			

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		<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.	<ol style="list-style-type: none"> <li>1. Realization of sufficient fund allocation.</li> <li>2. Realization of proportionate fund allocation.</li> <li>3. Realization of smooth financing.</li> </ol>	<ol style="list-style-type: none"> <li>1. Assess the license holder's annual financial statement.</li> <li>2. Assess the license holder's plan of operation and budget.</li> <li>3. Public Accounting.</li> <li>4. Field investigation.</li> </ol>	<b>Good</b>	There is an adequate fund allocation and a smooth supply.
						<b>Bad</b>	The available fund allocation is not adequate.

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3	<b>ECOLOGY</b>	<b>3.1 Existence, stability and condition of protected areas in each forest type</b>	<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 / landscaping/ 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>	<p><b>Good</b></p>	<p>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.</p>
						<p><b>Bad</b></p>	<p>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.</p> <p>Designated protected areas do not have boundary marks in the field and are difficult to recognize by some of stakeholders.</p>

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		<b>3.2 Protection and security of the forest</b>	<p>Forest resources must secure from disturbances, such as forest fires, illegal logging, illegal grazing, forest encroachment, hunting, pests and deseases. 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, comprising procedures of</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 logging/timber teft and forest encroachment.</li> <li>5. Field observation.</li> </ol>	<p><b>Good</b></p>	<p>There are procedures and institution, and the implementation of control runs properly so that there has been no disturbance.</p>
						<p><b>Bad</b></p>	<p>There are procedures and institution but there is no the implementation</p>

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			good quality, facilities, infrastructure, human resources and sufficient fund.				



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		<b>3.3. Management and monitoring of the impact on soil and water due to forest utilization</b>	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.	<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> </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>	<b>Good</b>	<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>
						<b>Bad</b>	<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</li> </ol>

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			<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 early information on potential conflicts that may occur.</p>	<p>5. Planning and the implementation of monitoring of impact on soil and water.</p> <p>6. Impact on soil and water</p> <p>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) and erosion collectors</p>			<p>disturbance to the growth of vegetation on lands of former yarding- road, log pond and other lands where heavy equipment are operated.</p>

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		<p><b>3.4</b>  <b>pecies</b>  <b>identificati</b>  <b>on of</b>  <b>protected</b>  <b>and/or</b>  <b>endangere</b>  <b>d, rare,</b>  <b>threatened</b>  <b>and</b>  <b>endemic</b>  <b>flora and</b>  <b>fauna</b></p>	<p>Identification of protected flora and fauna is of important for IUPHHK HA/HT/HTI for forest management decision-making in support of biodiversity sustainability.</p> <p>The identification effort should be supported by procedures and the result be documented.</p>	<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>	<p>Inspection of documents to see if there is any effort of identifying the protected and/or endangered, rare, threatened and endemic flora and fauna.</p>	<p><b>Good</b></p>	<p>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.</p>
						<p><b>Bad</b></p>	<p>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.</p>

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		<p><b>3.5. Flora 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</b></p>	<p>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</p>	<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</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 and fauna.</li> <li>3. Interview with residents to find out if there is any theft of flora.</li> </ol>	<b>Good</b>	<p>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.</p>

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		<b>endemic species of flora</b>	oriented to the protection of species of flora included in the category of being protected, and to the protection of particular biological features that are important within the effective production area. 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.	management that covers a certain size of untouched production forest 4. Condition of protected and/or scarce, rare and under threat of extinction and endemic species of flora.	4. Observation in the field to find out if there is any efforts of protection & conservation of rare, scarce, threatened species of flora.	<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

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						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
		<p><b>3.6 Fauna Management for:</b></p> <p>1. <b>A certain size of untouched production forest, and undamaged section.</b></p> <p>2. <b>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</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</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 protection &amp; conservation of rare, scarce, threatened species of fauna.</p>	<p><b>Good</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><b>Bad</b></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>

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
			<p>that are important within the effective production area. The availability and implementation of the procedures above are of important input and process in IUPHHK decision-making to reduce the impact of production management on the existence of species.</p>	<p>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>5. Report and SOP for the construction of fauna corridor for a home range for protected species.</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
4	<b>SOCIAL</b>	<b>4.1. Clarity of size and border with the area of adat (customary) law and/or local community having obtained approval from stakeholders</b>	<p>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).</p>	<ol style="list-style-type: none"> <li>1. Clarity of size and borders of the area/ IUPHHK working area with the community.</li> <li>2. 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>3. 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>4. Approval by stakeholders for the size and borders of IUPHHK working area.</li> </ol>	<ol style="list-style-type: none"> <li>1. Survey/observation of the area. borders</li> <li>2. Checking of the existing document;</li> <li>3. Overlay of map/concession area reconstruction;</li> <li>4. Interview with stakeholders.</li> </ol>	<p><b>Good</b></p> <p>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.</p>	<p><b>Bad</b></p> <ol style="list-style-type: none"> <li>1. Borders between IUPHHK and adat law area are not clear yet.</li> <li>2. Conflict between IUPHHK and adat community is in existence.</li> <li>3. There is no mechanism for resolution</li> </ol>



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>4.2 Type and number of agreement involving adat (customary) law community and or local community in equality of responsibility for shared management</b>	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 forest area considering the rights and obligations of stakeholders in a proportionate and responsible manner.	<ol style="list-style-type: none"> <li>1. Existence of documents involving the responsibility, rights and obligations of IUPHHK to the community in managing forest resources.</li> <li>2. Dissemination of information to help the community</li> <li>3. understand the rights and obligations of IUPHHK to the community in managing forest resources.</li> <li>4. The availability of mechanism and fulfillment of obligations and responsibilities to the community.</li> </ol>	<ol style="list-style-type: none"> <li>1. Survey.</li> <li>2. Interview/FGD.</li> <li>3. Checking of agreement in local institution.</li> <li>4. Data can be obtained from the management unit.</li> </ol>	<b>Good</b>	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
				5. 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.

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>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.	<ol style="list-style-type: none"> <li>Existence of IUPHHK's legal document ensuring the distribution of incentives and division of cost and benefit among stakeholders.</li> <li>Available of identification of benefits, distribution of incentives and division of cost and benefit among stakeholders.</li> <li>Mechanism for distribution of benefit among stakeholders in an effective way.</li> <li>Settlement of claims in regard to distribution of incentives and division of cost and benefit</li> </ol>	<ol style="list-style-type: none"> <li>Verification of secondary data.</li> <li>Interview with community leaders and related officers</li> </ol>	<b>Good</b>	<ol style="list-style-type: none"> <li>There is written mechanism for distribution of benefits among stakeholders.</li> <li>There exists the distribution of benefits among stakeholders documented as agreed.</li> </ol>
						<b>Bad</b>	<ol style="list-style-type: none"> <li>There is a mechanism for distribution of benefits among stakeholders, but it is not implemented.</li> <li>There exists conflict in distribution of benefits.</li> </ol>

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>4.4.Planning and the implementation of forest management have considered the rights of adat (customary) law community and local community.</b>	Adat (customary) and legal 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).	<ol style="list-style-type: none"> <li>1. Existence of plan for utilization of forest resources having accommodated the basic rights of adat law community and or local community related to forest resources.</li> <li>2. Clarity of the basic rights of adat law community and local community in planning for utilization of forest resources.</li> </ol>	<ol style="list-style-type: none"> <li>1. Checking of the planning documents and the realization.</li> <li>2. Field survey.</li> <li>3. Interview with community leaders.</li> </ol>	<b>Good</b>	<ol style="list-style-type: none"> <li>1. The existence of document on planning that involves adat community and local community.</li> <li>2. The existence of a written plan and realization of compensation for the exercise of rights of adat community and or local community.</li> </ol>

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
				<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>		<b>Bad</b>	<p>The existence of planning document prepared one-sidedly by the license holder:</p> <ol style="list-style-type: none"> <li>1. Some matters existing in the planning document have been realized by the license holder.</li> <li>2. Compensation plan for use of the rights of adat community and or local community is not put in writing.</li> </ol>

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>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. Providing an opportunity for the community to	<ol style="list-style-type: none"> <li>1. The existence of IUPHHK plan document in support of improvement in forest-based participation and economic activities.</li> <li>2. Clarity of participation and economic activities of adat law community and or local community to be developed.</li> <li>3. Mechanism for process and implementation of improvement in</li> </ol>	<ol style="list-style-type: none"> <li>1. Checking of the planning documents and the realization.</li> <li>2. Field survey.</li> <li>3. Interview with community leaders.</li> </ol>	<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.

No	ASSESSMENT STANDARD				ASSESSMENT GUIDELINES		
	CRITERION	INDICATOR	DEFINITION	ASSESSMENT TOOL	ASSESSMENT METHOD	ASSESSMENT GUIDE *)	
						SCORE	DESCRIPTION
1	2	3	4	5	6	7	8
			become a supplier of IUPHHK's needs and the community can develop forest-based economy of timber and non-timber.	<p>participation and economic activities of adat law community and or local community by the Management Unit.</p> <p>4. Increase in participation and economic activities (quality and quantity) of adat law community and or community</p>		<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.

Directorate General of Forestry  
Production Development,

*Signed*

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

**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.	<b>P1.</b> Legal Status of Area and Right to Utilise	<b>K1.1</b> Forest management unit is located within a Production Forest zone	<b>1.1.1</b> License holder can demonstrate the 'Utilization License for Timber Forest Products' (IUPHHK) is valid	a. Forest Concession Right (Decree on IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK RE) Certificate.	<ol style="list-style-type: none"> <li>1. Check IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK RE Decrees are valid.</li> <li>2. Check the associated maps.</li> <li>3. Check maps correspond with forest and water zonation maps or the 'Consensus on Forest Land Use' map (TGHK).</li> </ol>	<u>Qualified:</u> IUPHHK-HA/HPH, IUPHHK- HTI/HPHTI, IUPHHK RE documents are complete and valid



Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				b. Proof of payment for the Timber Forest Product Utilization License (IIUPHHK).	<ol style="list-style-type: none"> <li>1. Check the IIUPHHK payment order/invoice (SPP).</li> <li>2. Check that the payment slip details received by the bank corresponds to the SPP.</li> </ol>	<u>Qualified:</u> IIUPHHK (license fee) has been paid in accordance with the SPP (invoice).
2.	P2. Comply with the legal system and procedures for harvesting	K1.2 License holder shall possess a harvest plan for the cutting area that has been approved by the proper competent administrative authority..	1.1.2 The proper competent administrative authority has approved the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja].	a. The proper competent administrative authority has approved the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja].	Check Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] is valid	<u>Qualified:</u> Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] are complete and valid
				b. Map indicating logging exclusion zones within the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] and evidence of compliance on the ground.	Field check (using GPS or other appropriate equipment) exclusion zones: <ul style="list-style-type: none"> <li>– Buffer zones with protected forest, conservation forest or boundaries that have yet to be delineated.</li> </ul>	<u>Qualified:</u> Map indicating logging exclusion zones within the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] exists.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					<ul style="list-style-type: none"> <li>- Steep slopes (&gt;40% slope for natural forest and &gt;25% slope for plantation forest).</li> <li>- Protected wild flora and fauna habitats (fauna zones and germ plasma zones).</li> <li>- Areas of high religious and cultural value (crosscheck with the community).</li> </ul> <p>Riparian zones, areas around springs, ravines, and the like.</p>	
				c. Felling block locations/RKT blocks on the map are clearly marked and can be verified in the field	<ol style="list-style-type: none"> <li>1. Check on the map the approved Felling block locations/RKT blocks are valid.</li> <li>2. Field check accuracy of felling block boundaries by using GPS or other appropriate equipment.</li> </ol>	<p><u>Qualified:</u> Felling block map is legal (stamped), position of felling block is correct and can be verified in the field.</p>

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					Check felling block boundary marking is in accordance with the applicable guidelines.	
		<b>K2.1</b> Work Plan is Valid	<b>2.1.1</b> Forest license holder possesses a valid work plan in accordance with the prevailing regulation	(a) Timber Forest Product Utilization Work Plan (RKUPHHK) document & attachments (ongoing applications are acceptable) .	<ol style="list-style-type: none"> <li>1. Check Timber Forest Product Utilization Work Plan (RKUPHHK) document &amp; attachments are valid (ongoing applications are acceptable).</li> <li>2. Check the RKUPHHK preparation and legalization process, which is the license holder's responsibility.</li> </ol>	<u>Qualified:</u> RKUPHHK document is complete and valid..
				(b) The location and extractable volumes of natural forest logs within areas to be converted to plantations are correct.	<ol style="list-style-type: none"> <li>1. Check the location and extractable volumes of natural forest logs within areas to be converted to plantations in the AWP HPHTI/ IUPHHK document for industrial timber plantations (HTI).</li> </ol>	<u>Qualified:</u> The extractable volumes of natural forest logs within areas to be converted to plantations are correct

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					Check the location and extractable volumes of natural forest logs within areas to be converted to plantations are correct	
			2.2.2 Permits for all harvesting equipment are in order and can be physically verified in the field.	Permit for equipment and equipment transfer	Check permits for all harvesting equipment are in order and physically verify these in the field.	<u>Qualified:</u> Equipment complies with the permit.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
		<p><b>K2.3</b> License holder guarantees that all timbers transported from Log yard (TPK) to Intermediate Log yard and from Intermediate Log yard to primary industry (IPHH)/ market are physically marked and have the appropriate documentation.</p>	<p>2.3.1. All harvested/utilized round logs have been officially administered (LHP).</p>	<p>LHP documents have been approved by the proper competent administrative officer.</p>	<p>(1) Crosscheck LHP and Timber Cruising Report (LHC) documents.</p> <p>(2) Randomly sample between the approved LHP and the physical logs.</p>	<p><u>Qualified:</u></p> <p>a. LHP and LHC correspond</p> <p>b. Physical logs and LHP correspond</p>
			<p>2.3.2 All logs transported out of the licensed area are accompanied with a legal transport document.</p>	<p>Legal transport documents (SKSHH) and relevant attachments from the Log Yard (TPK) to the Intermediate Log Yard and from Intermediate Log Yard to primary industry and or round log trader</p>	<p>(1) Crosscheck the log list from the Log Yard (TPK) to the Intermediate Log Yard and from Intermediate Log Yard to primary industry and or round log trader.</p>	<p><u>Qualified:</u></p> <p>Log list from the Log Yard (TPK) to the Intermediate Log Yard and from Intermediate Log Yard to primary industry and or round log trader.</p>

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					(2) Crosscheck with other transportation documents	
			2.3.3 Round log (KB) from IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK RE License Holder	a. PUHH marks/barcode on logs from IUPHHK-HA/HPH, IUPHHK-HTI/HPHTI, IUPHHK RE License Holder are traceable.	Check legality mark on the logs.	<u>Qualified:</u> Legality mark on the logs correspond with the documents
				b. License holder applies log marking consistently.	Check the log marking applied by the license holder enabling traceability back to felling compartment or compartment group for swamp forests (to last at least 1 year).	<u>Qualified:</u> Traceability system and log marking is consistently applied.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			<p><b>2.3.4</b> License holder can show the existence of log transport documents accompanying logs from the TPK</p>	<p>a. Copy of SKSHH file/archive and attached Forest Product List (DHH) (for natural forest); transportation invoice (for plantation forest).</p>	<ol style="list-style-type: none"> <li>1. Check the SKSHH for transporting logs from the license holder is complete and valid.</li> <li>2. Check the legitimacy of the officer producing the timber administration documents.</li> <li>3. Check the Official Log Inspection Report (BAP) produced by the appropriate officer responsible for issuing log transport documents (P2SKSKB).</li> </ol>	<p><u>Qualified:</u> SKSHH document (produced by the authorized officer) is complete and valid.</p>

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
		<b>K2.4</b> License holder has settled the payment of applicable royalties/fees related to timber	<b>2.4.1</b> License holder shows proof of settlement of reforestation funds (DR) and Forest Resources Provision (PSDH).	a. SPP (Payment Order) has been issued and settled.	Check evidence of payment of PSDH/DR against SPP document (species group, volume and tariff).	<u>Qualified:</u> Payment of PSDH/DR against SPP document corresponds
				b. PSDH and DR Payment Slips (for natural forest license holder) or PSDH Payment Slip (for Timber Plantation License Holder).	<ol style="list-style-type: none"> <li>1. Check the conformity of PSDH and DR Payment Slips against PSDH and DR SPP and that these are valid.</li> <li>2. Check PSDH and DR SPP against the payment slip and or arrears settlement agreement.</li> </ol>	<u>Qualified:</u> PSDH and DR have been paid off 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. PSDH and DR tariffs for natural forest logs (including the logs from areas to be converted to plantations) and PSDH tariffs for Timber Plantation logs are correct.	<ol style="list-style-type: none"> <li>1. Check the size of small round logs (KBK) from natural forest with <math>\geq 30\text{cm}</math> diameter, and <math>\leq 130\text{cm}</math> lengths.</li> <li>2. Check DR tariff payment against KBK payment slip.</li> </ol>	<u>Qualified:</u> Natural forest logs categorized as KBK in accordance with the size requirements are paid in compliance with the tariff.
3.	P3. Compliance with environmental and social aspects relating to harvesting	K3.1 License holder possesses Environmental Impact Assessment (AMDAL) documents & implements what has been stipulated in the AMDAL document.	3.1.1 License holder possesses AMDAL documents including Environmental Impact Analysis (AMDAL), Environmental Management Plan (RKL), and Environmental Monitoring Plan (RPL) that have been approved in accordance with	AMDAL documents (AMDAL, RKL and RPL).	<ol style="list-style-type: none"> <li>1. Check AMDAL documents (Andal, RKL, RPL) and fact-finding notes are complete and valid.</li> <li>2. Check the AMDAL compilation process.</li> <li>3. Check the quality of AMDAL documents.</li> </ol>	<u>Qualified:</u> Completed and validated AMDAL documents exist.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			the prevailing regulations and encompass the whole area.			
			3.1.2 License holder possesses RKL and RPL implementation reports indicating the actions being taken to mitigate environmental impacts and provide social benefits.	a. RKL and RPL documents	Check RKL and RPL documents are valid and are consistent with the physical-chemical, biological and social prescriptions within the planning documents.	<u>Qualified:</u> RKL and RPL documents have been compiled in reference to the approved AMDAL documents.
				b. Proof of implementation of management and monitoring of significant impacts	Check the implementation of the management and monitoring of physical-chemical, biological and social aspects, such as: – On hydro-orology including the facilities	<u>Qualified:</u> Environmental management and monitoring has been implemented as planned and addresses any

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					and infrastructure for monitoring. – Pollution. – Protected species (crosscheck with the results of the inventory of protected wild flora and fauna). – The increase in positive social impacts. – System and facilities for prevention and control of forest fires.	significant impacts that occur in the field.

Directorate 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. Legal Status of Area and Right to Utilise	K1.1 Forest management unit is located within a Production Forest zone.	1.1.1 License holder can demonstrate the 'Utilization License for Timber Forest Products' (IUPHHK) is valid	a. Document concerning Decree on IUPHHK-HTR, IUPHHK- HKm	1. Check SK IUPHHK-HTR, IUPHHK- HKm Decrees are valid 2. Check the associated maps 3. Check maps correspond with forest and water zonation maps or the 'Consensus on Forest Land Use' map (TGHK).	<u>Qualified:</u> Decree concerning IUPHHK-HTR, IUPHHK- HKm are complete and valid.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				b. Proof of payment for the Timber Forest Product Utilization License (IIUPHHK).	1. Check the IIUPHHK payment order/invoice (SPP). 2. Check that the payment slip details corresponds to the SPP.	<u>Qualified:</u> IIUPHHK (license fee) has been paid in accordance with the SPP (invoice).
2	P2. Comply with the legal system and procedures for harvesting	K1.2 License holder shall possess a harvest plan for the cutting area that has been approved by the proper competent administrative authority.	1.1.2 The proper competent administrative authority has approved the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja].	a. The Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] has been approved by a proper competent administrative authority.	Check Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] is valid	<u>Qualified:</u> Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] are complete and valid

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				b. Map indicating logging exclusion zones within the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] and evidence of compliance on the ground.	Field check (using GPS or other appropriate equipment) exclusion zones: <ul style="list-style-type: none"> <li>– Buffer zones with protected forest, conservation forest or boundaries that have yet to be delineated.</li> <li>– Steep slopes (&gt;40% slope for natural forest and &gt;25% slope for plantation forest).</li> <li>– Protected wild flora and fauna habitats (fauna zones and germ plasma zones).</li> <li>– Areas with religious and cultural values (crosscheck with the community).</li> </ul> Riparian zones, areas around springs, ravines, and the like.	<u>Qualified:</u> Map indicating logging exclusion zones within the Annual Work Plan – AWP [RKT] / RKT trial [Bagan Kerja] exists.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
				c. Felling block locations/RKT blocks on the map are clearly marked and can be verified in the field	<ol style="list-style-type: none"> <li>1. Check on the map the approved Felling block locations/RKT blocks are valid.</li> <li>2. Field check accuracy of felling block boundaries by using GPS or other appropriate equipment.</li> <li>3. Check felling block boundary marking is in accordance with the applicable guidelines.</li> </ol>	<u>Qualified:</u> Felling block map is legal (stamped), position of felling block is correct and can be verified in the field.
		<b>K2.1</b> Work Plan is Valid	<b>2.1.1</b> Forest license holder possesses a valid work plan in accordance with the prevailing regulation	a. Timber Forest Product Utilization Work Plan (RKUPHHK) document & attachments (ongoing applications are acceptable).	<ol style="list-style-type: none"> <li>1. Check Timber Forest Product Utilization Work Plan (RKUPHHK) document &amp; attachments (ongoing applications are acceptable) is valid.</li> </ol>	<u>Qualified:</u> RKUPHHK document is complete and valid.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					2. Check the RKUPHHK preparation and legalization process, which is the license holder's responsibility	
				b. The location and extractable volumes of natural forest logs within areas to be converted to plantations are correct.	1. Check the location and extractable volumes of natural forest logs within areas to be converted to plantations in the IUPHHK-HTR, IUPHHK- HKm AWP document for industrial timber plantations (HTI).  2. Check the location and extractable volumes of natural forest logs within areas to be converted to plantations are correct	<u>Qualified:</u> The extractable volumes of natural forest logs within areas to be converted to plantations are correct.



Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			2.2.2 Permits for all harvesting equipment are in order and can be physically verified in the field.	Permit for equipment and equipment transfer	Check permits for all harvesting equipment are in order and physically verify these in the field.	<u>Qualified:</u> Equipment complies with the permit.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
		<p><b>K2.3</b> License holder guarantees that all timbers transported from Log yard (TPK) to Intermediate Log yard and from Intermediate Log yard to primary industry (IPHH)/ market are physically marked and have the appropriate documentation.</p>	<p>2.3.1. All harvested/utilized round logs have been officially administered (LHP).</p>	<p>LHP documents have been approved by the proper competent administrative officer.</p>	<p>1. Crosscheck LHP and Timber Cruising Report (LHC) documents. 2. Randomly sample between the approved LHP and the physical logs.</p>	<p><u>Qualified:</u> a. LHP and LHC correspond b. Physical logs and LHP correspond</p>
			<p>2.3.2 All logs transported out of the licensed area are accompanied with a legal transport document.</p>	<p>Legal transport documents (SKSHH) and relevant attachments from the Log Yard (TPK) to the Intermediate Log Yard and from Intermediate Log Yard to primary industry and or round log trader</p>	<p>1. Crosscheck the log list from the Log Yard (TPK) to the Intermediate Log Yard and from Intermediate Log Yard to primary industry and or round log trader. 2. Crosscheck with other transportation documents</p>	<p><u>Qualified:</u> Log list from the Log Yard (TPK) to the Intermediate Log Yard and from Intermediate Log Yard to primary industry and or round log trader.</p>

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			2.3.3 Round logs (KB) from SK IUPHHK-HTR, IUPHHK-HKm License Holder	a. PUHH marks/barcode on logs from SK IUPHHK-HTR, IUPHHK- HKm License Holder are traceable.	Check legality mark on the logs	<u>Qualified:</u> Legality mark on the logs correspond with the documents
				b. License holder applies log marking consistently.	Check the log marking applied by the license holder enabling traceability back to felling compartment or compartment group for swamp forests (to last at least 1 year).	<u>Qualified:</u> Traceability system and log marking is consistently applied.
			2.3.4 License holder can show the existence of log transport documents accompanying logs from the TPK.	Copy of Round Log Transportation (FAKB)	<ol style="list-style-type: none"> <li>1. Check the FAKB for transporting logs from the license holder is complete and valid.</li> <li>2. Check the legitimacy of the officer producing the timber administration documents.</li> </ol>	<u>Qualified:</u> FAKB document (produced by the authorized officer) is complete and valid.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					3. Check the Official Log Inspection Report (BAP) produced by the appropriate officer responsible for issuing round log transportation documents (FAKB).	
		K2.4 License holder has settled the payment of applicable royalties/fees related to timber	2.4.1 License holder shows proof of settlement of Forest Resources Provision (PSDH).	a SPP (Payment Order) has been issued and settled.	Check evidence of payment of PSDH against SPP document (species group, volume and tariff).	<u>Qualified:</u> Payment of PSDH against SPP document corresponds
				b. PSDH Payment Slip	1. Check the conformity of PSDH Payment Slips against PSDH SPP and that these are valid.	<u>Qualified:</u> PSDH have been paid off 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. Check PSDH SPP against the payment slip and or arrears settlement agreement.	
				c. PSDH tariffs for natural forest logs (including the logs from areas to be converted to plantations) and PSDH tariffs for Timber Plantation logs are correct.	1. Check the size of small round log (KBK) from natural forest with $\geq 30\text{cm}$ diameter, and $\leq 130\text{cm}$ lengths. 2. Check PSDH tariff payment against KBK payment slip.	<u>Qualified:</u> Natural forest logs categorized as KBK in accordance with the size requirements are paid in compliance with the tariff.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
3	P3. Compliance with environmental and social aspects relating to harvesting	K3.1 License holder possesses Environmental Impact Assessment (AMDAL) documents & implements what has been stipulated in the AMDAL document.	3.1.1 License holder possesses AMDAL documents including Environmental Impact Analysis (AMDAL), Environmental Management Plan (RKL), and Environmental Monitoring Plan (RPL)	AMDAL documents (AMDAL, RKL and RPL).	<ol style="list-style-type: none"> <li>1. Check AMDAL documents (Andal, RKL, RPL) and fact-finding notes are complete and valid.</li> <li>2. Check the AMDAL compilation process.</li> <li>3. 3. Check the quality of AMDAL documents.</li> </ol>	<u>Qualified:</u> Completed and validated AMDAL documents exist.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
			that have been approved in accordance with the prevailing regulations and encompass the whole area.			
			3.1.2 License holder possesses RKL and RPL implementation reports indicating the actions being taken to mitigate environmental impacts and provide social benefits.	a. RKL and RPL documents	Check RKL and RPL documents are valid and are consistent with the physical-chemical, biological and social prescriptions within the planning documents.	<u>Qualified:</u> RKL and RPL documents have been compiled in reference to the approved AMDAL documents.
				b. Proof of implementation of management and monitoring of significant impacts	Check the implementation of the management and monitoring of physical-chemical, biological and social aspects, such as: – On hydro-ology	<u>Qualified:</u> Environmental management and monitoring have been implemented as planned and address any significant impacts that occur in the field.

Verification Standards					Verification Guidelines	
No	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6	7
					including the facilities and infrastructure for monitoring. <ul style="list-style-type: none"> <li>- Pollution.</li> <li>- Protected species (crosscheck with the results of the inventory of protected wild flora and fauna).</li> <li>- The Increase in positive social impacts.</li> <li>- System and facilities for prevention and control of forest fires.</li> </ul>	

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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
P1. Timber Forest Product Processing Industry Supports Legal Timber Trade.	K1.1 Business units: (a) Processing industry, and (b) Processed timber exporter, Have legitimate licenses	1.1.1 Processing industry has legal permit	(a) The Company's Establishment Deed	(1) Check the documents are valid and complete.  (2) In the event of ownership changes, check the documents are valid and complete.	<u>Qualified:</u> Complete and valid
			(b) Business License (SIUP).	Check the granted Business License and its validity period.	<u>Qualified:</u> Valid Business License corresponds to actual business activity.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(c) Company Registration Letter (TDP)	Check the validity.	<u>Qualified:</u> Valid TDP is available.
			(d) Taxpayer's Registration Number (NPWP)	Check the validity.	<u>Qualified:</u> NPWP of business owner is available
			(e) Environmental Impact Assessment (AMDAL)/Environmental Management Effort (UKL) – Environmental Monitoring Effort (UPL)/ Declaration Letter on Environmental Management (SPPL).	Check the AMDAL/UKL-UPL/SPPL documents are valid and complete and check records of important findings, including amended documents.	<u>Qualified:</u> AMDAL/UKL-UPL/SPPL documents including amendments that have been legalized by an authorized official are available.
			(f) Industrial License (IUI) or Industry Registration Letter (TDI)	Check the documents are valid and complete (authorized agency who issues the licenses, year	<u>Qualified:</u> IUI or TDI corresponds with actual business activity and production capacity and issues by authorized agency.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
				license was issued, renewal license, and business type).	
			(g) Raw Material Planning (RPBBI) for Forest Product Primary Industry (IPHH).	Check the documents are complete and correspond with the documents officially reported to the authorized agency.	<u>Qualified:</u> RPBBI has been officially reported to the authorized agency.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
		1.1.2 Processed timber products Exporter, exports timber produced by valid timber producing license holder.	(a) The Company's Establishment Deed	(3) Check the documents are valid and complete.  (4) In the event of ownership changes, check the documents are valid and complete.	<u>Qualified:</u> Complete and valid
			(b) Business License (SIUP).	Check the granted Business License and its validity period.	<u>Qualified:</u> Valid Business License corresponds to actual business activity.
			(c) Company Registration Letter (TDP)	Check the validity.	<u>Qualified:</u> Valid TDP is available.
			(d) Taxpayer's Registration Number (NPWP)	Check the validity.	<u>Qualified:</u> NPWP of business owner is available

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(e) Environmental Impact Assessment (AMDAL)/Environmental Management Effort (UKL) – Environmental Monitoring Effort (UPL)/ Declaration Letter on Environmental Management (SPPL).	Check the AMDAL/UKL-UPL/SPPL documents are valid and complete and check records of important findings, including amended documents.	<u>Qualified:</u> AMDAL/UKL-UPL/SPPL documents including amendments that have been legalized by an authorized official are available.
			(f) Industrial License (IU) or Industry Registration Letter (TDI)	Check the documents are valid and complete (authorized agency who issues the licenses, year license was issued, renewal license, and business type).	<u>Qualified:</u> IUI or TDI corresponds with actual business activity and production capacity and issues by authorized agency.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(g) Raw Material Planning (RPBBI) for Forest Product Primary Industry (IPHH).	Check the documents are complete and correspond with the documents officially reported to the authorized agency.	<u>Qualified:</u> RPBBI has been officially reported to the authorized agency.
			(h) Registered Forestry Industrial Products Exporter (ETPIK).	Check ETPIK is valid and complete and the product corresponds with the other licenses. Check the ETPIK product group matches the physical product.	<u>Qualified:</u> Business license must correspond to the approved site location and business type.
<b>P2.</b> Business unit has and applies a timber traceability system ensuring the timber can be traced back to source.	<b>K2.1</b> Existence and implementation of the system for tracing raw material and the product	<b>2.1.1</b> IPHH and other wood processing industries can demonstrate that raw materials were received from a legal source.	(a) Trading document and or raw material supply contract	Check document are valid and complete	<u>Qualified:</u> Trading documents correspond with traded physical product or SKSHH document.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(b) Timber transfer report	Check document are valid and complete	<u>Qualified:</u> All timbers accompanied by SKSHH document and have been invalidated by the authorized officer.
			(c) Imported timbers are accompanied by Import Declaration Document (PIB) and timber origin letter.	Check the documents are valid, complete and conform to the following documents including: (1) PIB issued by 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 documents must include a list of imported timber and a letter of timber origin.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(d) SKSKB and or FAKB and or SKAU or FAKO/receipt or Auction Transportation Letter (SAL)	Check the PUHH document complies with prevailing regulations (SAL document will be treated separately).	<u>Qualified:</u> Valid SKSKB and or FAKB and or SKAU or FAKO/Receipt documents or Auction Transportation Letter (SAL).
			(e) LMKB/LMKBK document	Check LMKB/LMKBK documents are correct and correspond with other supporting documents.	<u>Qualified:</u> The document corresponds with the supporting documents.
			(f) RPBBI supporting document (Decree on Annual Work Plan/RKT)	Check RPBBI report document.	<u>Qualified:</u> RPBBI has officially been reported to the authorized agency.



Verification Standards			Verification Guidelines		
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
		2.1.2 IPHH and other wood processing industries apply the timber tracing system	(a) Raw material and product tally sheet	Check documents exist and are complete	<u>Qualified:</u> Can be traced one step back in the production process
			(b) Output report	Check documents exist and are complete	<u>Qualified:</u> Actual production is supported by legal raw material supplies in order to establish a logical balance between input-output, and recovery.
			(c) Output volume must not exceed the approved production quota.	Cross Check between actual production and approved production quota approved by the authorized agency.	<u>Qualified:</u> Actual production volumes do not exceed the expected production quotas

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
<b>P3.</b> Validity of trading or transfer of processed timber	<b>K3.1</b> Inter-Island transportation and trade.	<b>3.1.1</b> Business owner transporting forest products between islands must be registered as an Inter Island Timber Trader (PKAPT).	(a) SIUP	Check the approved business license and the validity period.	<u>Qualified:</u> The license corresponds with the actual business activity
			(a) Company Establishment Deed	Check the document is valid and complete	<u>Qualified:</u> Valid and complete
			(b) TDP	Check the document is valid	<u>Qualified:</u> Valid TDP is available.
			(c) NPWP	Check the document is valid	<u>Qualified:</u> NPWP of business owner is available
			(d) PKAPT document	Check the document is valid and complete	<u>Qualified:</u> The license corresponds with the actual business activity

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
		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 declaring the ship's identity.	Check the documents, detailing the ship with an Indonesian flag, are valid and complete.	<u>Qualified:</u> The Ship transporting the timber must be a ship with Indonesian flag.
			(b) The ship's identity correspond to the SKSKB and or FAKB and or SKAU or FAKO/Receipt or Auction Transportation Letter (SAL)	Check the conformity of the ship's identity with the one stated in the SKSHH. (SAL document will be treated separately).	<u>Qualified:</u> The ship's identity corresponds with one stated in the SKSHH.
	3.1.3 PKAPT can proof that the timber being transferred originates from legal source	(a) SKSKB and or FAKB and or SKAU or FAKO/Receipt or SAL	Check the documents are valid and complete (SAL document will be treated separately).	<u>Qualified:</u> Species, amount, volume, origin and destination of timber correspond with the SKSHH and DHH.	
		(b) Permanent marking (if in the form of round logs)	Check the marking is complete and valid	<u>Qualified:</u> Physical marking of transported round logs corresponds with transport documents.	

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
	<b>K3.2</b> Shipment of Processed Timber Products for Export	<b>3.2.1</b> Shipment of processed timber products for export must comply with the Export Declaration (PEB) document	(a) Registered Forestry Industrial Products Exporter (ETPIK).	Check the document is valid and complete	<u>Qualified:</u> Exporter possesses ETPIK.
			(b) PEB	Check the document is valid and complete.	<u>Qualified:</u> PEB document corresponds with other export documents.
			(c) Packing list	Check the document is valid and complete	<u>Qualified:</u> P/L document corresponds with other export documents.
			(d) Invoice	Check the document is valid and complete	<u>Qualified:</u> Invoice document corresponds with other export documents.
			(e) B/L	Check the document is valid and complete	<u>Qualified:</u> Freight company has a Bill of Lading.
			(f) FAKO/Receipt or SAL	Check the document is valid and complete (SAL document will be treated separately).	<u>Qualified:</u> Invoice document corresponds with other export documents.

Verification Standards				Verification Guidelines	
Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1	2	3	4	5	6
			(g) Export Fee (PE) payment evidence - if applicable	Check the document is valid and complete	<u>Qualified:</u> PE has been paid - if applicable.
		3.2.2 Exported timber species and timber product comply with prevailing regulations	(a) Document stating timber species and product (Endorsement and Technical Verification Result)	Check actual export with the regulations concerning species or products that are prohibited for export.	<u>Qualified:</u> No export of prohibited species and products.
			(b) Other relevant documents (including: CITES) for trade restricted timber species	Check the documents are valid and complete.	<u>Qualified:</u> CITES document or other regulations concerning trade restricted timber species or products are complete.

Directorate General of Forestry  
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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 PRIVATELY OWNED FORESTS

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1.	<b>P1.</b> Timber Ownership can be Verified	<b>K1.1</b> Legal ownership relates to area, logs and trading of the logs.	<b>1.1.1</b> Private land / forest owner can prove legal status.	(a) Land ownership certificate (other deed / approved document) is valid	<p>Check Freehold Title Certificate, Letter C, Letter B, Girik Letter; and Temporary Lease Certificate (HGU) or Right-to-Use Title; or other approved ownership document is valid.</p> <p>Check that location map exists.</p>	<p><u>Qualified:</u> Documents are available, complete, and valid (can be in the form of Land Certificate, Letter C, Letter B, Girik Letter, HGU or Right-to-Use Title, or other valid ownership document.</p> <p><u>Qualified:</u> Location map exists.</p>

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
				(b) Map of private forest and delineated boundaries.	Forest boundaries are clearly marked.	<u>Qualified:</u> Marking is clear (can be in the form of marking poles, or embankments, or plant fences).
		1.1.2 Community Forest Management Unit can demonstrate valid log transportation document.		(a) Certificate of Origin (SKAU) or Log Transport Document (SKSKB) with KR stamp	Check SKSKB document at the farmer/trader level and at the district forestry service office (Kabupaten) are valid	<u>Qualified:</u> SKSKB with KR stamp as issued by authorized official.
				(b) Invoice/ sales receipt	Check Certificate of Origin (SKAU) at the farmer/trader level and at the Head of Village office for certain wood species.	<u>Qualified:</u> (a) SKAU issuer is the head of the village / LURAH or Issuer of Certificate of Origin document is the Head of the Village / Lurah or an official of equal status from where the logs

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
					<p>Check Cutting License against log transport document (SKSHH)</p> <p>Check the invoice/accompanying receipt is valid and corresponds</p>	<p>will be transported.</p> <p>(b) Log species stated in SKAU complies with the species stipulated under the prevailing Forestry Minister's Regulation.</p> <p><u>Qualified:</u> Cutting License Summary corresponds with SKSKB, with KR stamp and or SKAU</p> <p><u>Qualified:</u> (a) Invoice document/receipt is issued by the owner of the logs. (b) Invoice /receipt corresponds with physical logs and vice versa.</p>



Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
						(c) Invoice /receipt clearly states intended destination.

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**Annex 6** : 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 FOR  
 TIMBER UTILIZATION LICENSE HOLDER**

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
1.	<b>P1.</b> Other Legal Licenses for Timber Harvesting	<b>K1.1</b> Timber harvesting permit within non-forest zone [which does not lead to any changes in forest land use status].	<b>1.1.1</b> Business owner possesses Other Legal License (ILS) / Timber Utilization License (IPK) for a temporary contracted area within a forest production zone.	(a) ILS/IPK in temporary contracted area  (b) Map attached to ILS/IPK for a temporary contracted area (attached with temporary contract license and associated maps)	Check ILS is valid and complete.  Check the attached maps are valid and complete.	<u>Qualified:</u> ILS is located within the approved area that is considered as a temporary contracted area.  <u>Qualified:</u> ILS location corresponds to the approved temporary contracted area.

Verification Standard				Verification Guidelines		
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
		<b>K1.2</b> Timber harvesting permit within non-forest zone [which leads to changes in forest land use status].	<b>1.2.1</b> Business owner possesses Timber Utilization License (IPK) in a converted area within production forest to be converted (HPK).	<p>(a) License and associated maps (for both IPK holder and owner of the investing business)</p> <p>(b) IPK within conversion area</p> <p>(c) Map attached to IPK</p>	<p>Check the following documents are valid and complete:</p> <ol style="list-style-type: none"> <li>1. Non-forest License</li> <li>2. Permit to transform the area into non-forest zone.</li> </ol> <p>Attached map indicates the proposed area located within the non-forest zone.</p> <p>Check IPK document is valid and complete.</p> <p>Check attached maps are valid and complete.</p>	<p><u>Qualified:</u> Permit to transform the area into non-forest zone corresponds to granted license (IPK/ILS) and the approved maps are attached.</p> <p><u>Qualified:</u> IPK is located in an area already approved and legalized as non-forest zone.</p> <p><u>Qualified:</u> IPK location corresponds to the permit to transform the area into non-forest zone</p>

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
				(d) Valid document proclaiming forest land use change (for both IPK holder and owner of the investing business).	Check the documents proclaiming the land use transformation, including all steps, are valid and complete. The Land Use Transformation Decree has to be checked.	<u>Qualified:</u> The Land Use Transformation Decree is formally processed, complies with prevailing legislation and is signed by an authorized official.
2.	P2. Compliance with the Legal System and Procedures for Harvesting and Transportation	K2.1 IPK/ILS planning and implementation complies with land use planning.	2.1.1 IPK/ILS has an approved work plan.	(a) Document of IPK/ILS plan (Inventory).  (b) Valid equipment license.	Check IPK/ILS plan is valid and complete (work plan for forest clearance).  Check equipment registration documents corresponds with physical units.	<u>Qualified:</u> IPK/ILS plan corresponds with the approved area.  Check equipment registration documents corresponds with physical units.

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
			<p><b>2.1.2</b> Business owners can demonstrate that the legal status of the round logs produced from the IPK/ILS can be verified.</p>	<p>(a) Inventory document for conversion area.</p> <p>(b) Production Log Report (LHP).</p>	<p>Check the inventory sampling documents exist and are valid.</p> <p>Check felling reports exist and are valid.</p>	<p><u>Qualified:</u> Cruising activities and standing stock calculations can be verified.</p> <p><u>Qualified:</u> LHP has been verified by an authorized officer.</p>
		<p><b>K2.2</b> License holder complies with royalty payments and legal timber transportation</p>	<p><b>2.2.1</b> Business owner can provide evidence of forestry royalty payment.</p>	<p>(a) Evidence of payment of reforestation fund (DR) and forest resources provision (PSDH).</p>	<p>Checks the DR and PSDH payment exists and are in order.</p>	<p><u>Qualified:</u> Management Unit (UM) can demonstrate evidence of PSDH and DR payment in accordance with the invoice/SPP</p>
			<p><b>2.2.2</b> IPK/ILS holder can provide evidence of valid timber transportation document.</p>	<p>(a) Invoice for Round Log Transportation (FAKB) and associated attachments for Small Round Log (KBK)</p>	<p>Check FAKB is complete and valid.</p>	<p><u>Qualified:</u> All transportation KBK transportation is accompanied by FAKB documents</p>

Verification Standard					Verification Guidelines	
No.	Principle	Criterion	Indicator	Verifier	Verification Method	Appraisal Norm
				(b) Log Transport Documents (SKSKB) and associated attachments for round logs (KB)	Check SKSHH is complete and valid.	<u>Qualified:</u> All SKSHH documents are accompanied by a Forest Product List (DHH).

Director General of Forestry  
Production Development,

*Signed*

Dr. Ing. Ir. HADI DARYANTO, DEA  
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