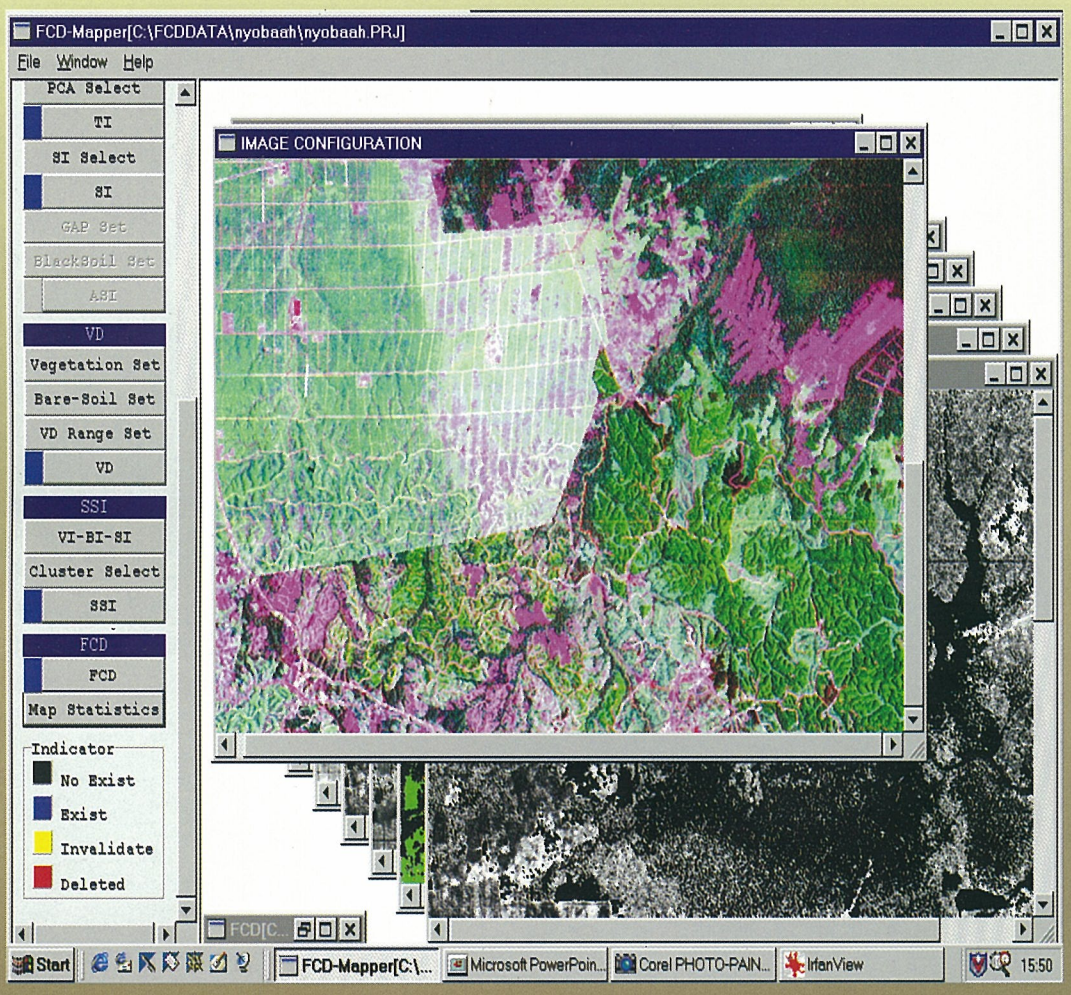
TECHNICAL REPORT
OF DOCUMENTS INTERNAL MONITORING PERFORMANCE GUIDELINES



Asosiasi Pengusaha Hutan Indonesia

ITTO

ITTO PD 389/05 REV. 2 (F)

Application of the Internal Monitoring of SFM Performance at Forest Management Unit Level

MARCH, 2007

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1) Identify main issue out of the three standards above. Based on assessment of indicator statements, three main issues group can be identified which are: (i) the security of a longterm management by an FMU, (ii) commitment and practices of FMU in the management of production, ecological and social aspects of forestry, and (iii) the health condition of the FMU. The security of a long term management of the forest is meant to be within the span of control of the FMU. Commitment and practices of FMU in the management of each aspect of sustainable aspect is scrutinized through available inputs needed, punctuality of implementation of technical managerial procedures and an output that show some sensitivity of management performance. The health condition of an FMU should be separated individually from the general evaluation because this issue is an important management input which in practice however is limited by standard procedures and specific documents related to financial management.
2) Grouping the indicators of the three standards having the main idea relevant to the identified main issue. The identification of the main idea is done through assessment of indicator statement, meaning, verifier, as well as norm of evaluation or existing scale of intensity. This is to evaluate which main idea is represented by the indicator statement in relation to the main issue. Existing indicators sometimes show that one indicator expresses more than one idea which are dissimilar and need a different technical verification also. One indicator statement ought to have only the purpose to evaluate an indication of one issue only.
3) Identify redundancy of existing indicators. By grouping the indicators in main issue groupings as mentioned above, redundancy in one or more indicators can be identified. Note is made on this repetition of ideas or its tendency of aligning to other ideas or to a different issue group.
4) Grouping existing indicators in one issue group according to types; input indicator, process indicator as well as output indicators. At the existing indicator is is often found that one indicator evaluate input and process in a simultaneous manner Differentiation of indicators of input, process and output is meant to have a clearer focus on the evaluation and its recommended improvement. Therefore it will be easier for an FMU to assign its improvement to subordinate division or work unit responsible for the duty. From the grouping based on existing indicator types it is seen that there are more input and process indicators compared to output indicators. This can be understood because these standard are concerted to push improvement of forest management practices at FMU by providing necessary input to implement proper technical management practices with the assumption that if these were provided, expected output will be gained. The indicators on performance evaluation is in general identified through output indicators where input and process is part of the verification techniques.
5) Checking and re-formulate indicators of the same type and are within the same issue group. Thi is to make a choice or formulate indicators that may represent the same ideas, are of the same types and is within the same issue group. Formulation of indicators as a result of this synthesis must represent the ideas of the original indicators.
6) To check verifier indicators as the result of synthesis. Avoid redundancy and make sure that it represent all verifiers of the original indicators. It is hoped that these new verifiers, when implemented, will be simpler and carries only the significant verifiers.

Map of the synthesis process of the indicators (step 1 until 6) is presented in Table 1 with explanation on the Result of Synthesis of PHPL Standard of Performance Evaluation and Internal Monitoring of FMU can be seen in page 6.

2. Assessment of Implementation of SFM Performance Criteria

Effort to achieve SFM (Suatainable Forest Management) is a continuing process to reach a harmonious value in the form of integration between sustainable production, environmental and social functions, The above functions are optimal, balanced and solid in their sustainability.

To reach such a condition, ample effort by FMU is needed in accordance with the scope defined by the character of the natural forest. There are at least two managerial eforts needed. The first is area management as the basis of measurement of sustainable functions and the second is sustainable capacity of management in production, environmental and social aspects.

These processes are being done continuously through good planning which is supported by ample information and data. Field implementation requires meticulous evaluation to discover deviations from the plan that has been made. Evaluation result becomes a feedback on subsequent planning and implementation through necessary improvements. This process is continually being done through the PDCA (plan, do, check, action) pattern.

Sustainable forest management (SFM) is a managerial activity executed consistently from planning, implementation, evaluation and improvement. SFM is also a sustainable entrepreneurial activity aimed at profit making. The profit is not only economical but also in its social aspect due to its welfare generating impact to communities living in the vicinity of the forest. Environmental benefit is also an important factor in the form of safeguarding the forest biodiversity and hydro orological function of the forest.

Because SFM is a form of an enterprise of an FMU permit holder, business principles need to be committed in managing the forest in a sustainable manner. This commitment is implemented through needed management conditions necessary to support sustainable functions such as company health, adequate funds, adequate number of qualified manpower availability, means and infrastructure, enough data and information on the character of the forest, all of which are pre-requisites of a sustainable forest management process and becomes the basis for evaluation for field implementation.

Result of evaluation will ascertain notches of deficiencies in the implementation of forest management and starting from these notches continuous improvements could be done, after which improvements in the management aspects could be done from indicators with a low value. Not all weak indicators must be improved because the sustainable principle is the integration of all functions of production, environmental and social functions which means that improvement of one indicator could have an influence on another enabling condition of a managerial function.

It must be noted that problem solving could be done concisely if data and facts are complete. Therefore observations to improve can be done through available data collected periodically that can give very important clues on the timely improvement of IUPHHK (permit to fell trees).

Table 1. Mapping of Synthesis of Standard Indicators Decree No. 4795, ITTO 42 and Wood Legality Standard

SK 4795 (A)	ITTO 42 (B)	Legality Standard (C)	Issue Group	SK 4795 (A)	ITTO 42 (B)	Legality Standard (C)	Indicator Synthesis and Verifier for each issue group
1.1	1.1	1.1.1	Long term Forest Management Security	1.1	2.1	1.1.1	1.1. Area Security of FMU for Natural Forest
1.2	1.2	1.1.2		1.2	2.2	1.1.2	2.1 2.2 2.3 2.4 1.1.1
1.3	1.3	2.1.1		1.4	2.3	2.1.1	
1.4	1.4	2.2.1		4.1	2.4		1.2. Availability of forest management plan covering total time span of management
1.5	1.5	2.2.2		4.4	4.1		1.2 1.4 4.1 4.4 4.6 4.1 7.7 1.1.2 2.1.1
1.6	2.1	2.3.1			4.6		
2.1	2.2	2.3.2			7.7/7.5		
2.2	2.3	2.3.3					
2.3	2.4	2.4.1	SFM on Production Aspects	1.5	1.3	2.2.1	2.1. Availability of Human Resource supporting SFM on production aspects
2.4	2.5	3.1.1		1.6	1.4	2.2.2	1.5 1.3
2.5	3.1	3.1.2		2.1	1.5	2.3.1	2.2. Availability of procedures needed for SFM
2.6	3.2	3.2.1		2.2	2.2	2.3.2	4.2 4.4 4.7 2.3 4.9 2.4 4.8 1.6 1.5 6.6
2.7	4.1	3.2.2		2.3	4.2	2.3.3	2.3. Availability of means of production and compatible technology on qualification and need
3.1	4.2			2.4	4.3		2.4 1.4 2.2.2
3.2	4.3			2.6	4.4		2.4. Compatible procedures and implementation of SFM in its production aspects
3.3	4.4				4.5		4.2 4.4 4.7 2.3 4.9 2.4 4.8 1.6 1.5 6.6
3.4	4.5				4.7		2.5. Realization of harvest area and inventory of cut over area (ITT) commensurate with the fixed guideline
3.5	4.6				4.8		4.10
3.6	4.7				4.9		2.6. Level of harvest of wood species and forest type
4.1	4.8				4.10		2.2 2.6 4.3
4.2	4.9				6.6		2.7. Harvest efficiency
4.3	4.10				7.1		7.1
4.4	5.1						2.8. Compatible amount of wood volume and accompanying document from felling lot to logpond (outgate)
4.5	5.2						2.3.2 2.3.3
	5.3						
	5.4		SFM on Ecological Aspect	3.1	2.5	3.1.1	3.1. Availability of Human Resource supporting SFM on aspects of ecology
	6.1			3.2	3.1	3.1.2	1.5 1.3
	6.2			3.3	3.2		3.2. Availability on Procedures to conrol forest disturbances
	6.3			3.4	5.1		3.2 3.2 2.5
	6.4			3.5	5.2		3.3. Availability of Procedures to identify flora -fauna and evaluation biodiversity changes
	6.5			3.6	5.3		3.4 5.1 5.2 5.4
	6.6				5.4		3.4. Availaility of Procedures for Conservation Area management , protection of important flora and fauna

SK 4795 (A)	ITTO 42 (B)	Legality Standard (C)	Issue Group	SK 4795 (A)	ITTO 42 (B)	Legality Standard (C)	Indicator Synthesis and Verifier for each issue group
	7.1				6.1		3.1 3.3 3.5 3.6 5.3 6.5 6.1 6.2 6.3 6.4
	7.2				6.2		3.5. FMU have documents on Environmental Impact Analysis and management and monitoring o f enviromental impacts (RKL and RPL) on all activities of forest management and scoping of impact area according to existing rules and enacted by authorized official.
	7.3				6.3		3.1.1
	7.4				6.4		3.6. Harmony in implementing procedures of ecologival aspects. (indicator 3.2 - 3.5)
	7.5				6.5		3.1 3.2 3.3 3.4 3.5 3.6 2.5 3.2 5.1 5.2 5.3 5.4 6.5 6.1 6.2 6.3 6.4
	7.6						3.7. Disturbed forest area due to human activities
	7.7						3.1
							3.8. FMU has report on management and monitoring of ecological aspect commensurate with RKL and RPL
							3.1.2
				4.2	7.2	3.2.1	4.1. Availabilty of human resource supporting SFM on its social aspect
				4.3	7.3	3.2.2	7.4
			SFM on Social Aspects	4.5	7.4		4.2.Availabilty of procedures on social aspects of management covering pubic consultation, identification of community traditional rights, voluntary acqusition of agreement, conflict resultion, study on community social economics, and community development.
					7.6*		4.1 4.2 4.1 3.2.1
							4.3. Result of monitoring and evaluation on implementation of socail management activities procedures
							4.1 4.2 4.1 3.2.1
							4.4. FMU has notified plan of action to the community , taking into account their need and its implementation in the field
							4.2 3.2.1
							4.5. FMU adopts rules on human resource employment
							3.2.2 7.3 7.4
				1.3	1.1		5.1. Company Health
			Company Health	2.5			1.3 2.5
				2.7			5.2. Adequate investment and re -investment complatible with need.
							2.7 1.1

Note: statement of indicator 7.6B is unclear. If what is meant is as stated, it cannot be u sed as evaluation indicator of FMU However, if what is meant is the availabilty of data or information on *the number of dependent people on the forest for subsistent living, traditional life style and adat,* then the said matter has been accomodated in the indicator as the result of synthesis number 4.2.

The result of Synthesis on Sustained Production Forest Management (PHPL) for Evaluation of Performance and Internal Monitoring of FMU are as follows:

A. CRITERIA-1. SECURITY OF LONG TERM FOREST MANAGEMENT BY FOREST MANAGEMENT UNIT (FMU)

1.1. Work Area Security of FMU

Perception :

Secured work area for FMU is an important factor in materializing SFM. Secured work area for a long term management is acquired by FMU through established management right given by the government. Borders of working area of the management right of FMU should be marked clearly in the maps as well as in the field. The guarantee of management right must be supported by proofs of honoured commitment of FMU related to work area. Included in this are the availability of apt human resource working in the work area employed by the FMU.

Verifier:

- Availability of Decree IUPHHK HA/HT (legal document of Yearly Plan of Operation consisting inter alia: tree felling rights on natural and planted forest) document
- Proof of paid contribution (levies) for IUPHHK HA/HT
- Proof of paid land and building tax (PBB) and income tax (PPh-21) commitments
- Border delination, markings with attached map documents
- Documents on area change of function if there is any
- Data on land area of forests, based on forest type and land coverage in the context of spatial use of area
- Border markers condition
- Border area conclict.

Evaluation norms / intensity scale:

Very Good : guarantee of area for FMU covers all of its legal aspects, area delineation is done and border markers are in place and accepted by all stakeholders, there is proof of participative area delineation, availability of data on spatial use of FMU area and its surrounding area, borders and border markers are in good condition.

Good : guarantee of area for FMU covers all of its legal aspects, area delineation is done and border markers are in place and accepted by all stakeholders, there is proof of participative area delineation, availability of data on spatial use of FMU area and its surrounding area, *conditions of borders and border markers are not so good.*

Fair : guarantee of area for FMU covers all of its legal aspects, area delineation is done and border markers are in place and accepted by all stakeholders, there is proof of participative area delineation *but supporting documents are not complete and conditions of borders and border markers are not so good.*

Poor : guarantee of area for FMU covers all of its legal aspects, *more than 50% of its area have not been delineated and border marked, there is still unresolved border conflicts, there is no data on spatial use of FMU area and its surrounding area, poor conditions of border and border markers.*

Very poor : *Legal aspects have not been fulfilled.*

1.2. Existence of a Forest Management Plan covering total span of management time

Perception:

Forest management plan covering the total span of management time ought to be the commitment of FMU for the long term SFM. This commitment is formulated in FMU policies and translated into the various level of planning. Allocation of work area for specific purpose ought to take into consideration the characteristics of the area and the traditional use of land by local communities. This has to be clearly and rightly described in planning maps and marked clearly in the field. In addition, record of planning process which takes into account the need of the local communities will become an important proof in supporting the implementation of the FMU commitmets.

Verifier:

- SFM commitment of FMU
- Consideration on area need of local adat communities is included in work area planning
- Survey for ownership identification of forest resource is done
- Planning documents legalized by authorized officials
- Map indicating unallowed felling in annual plan and work schedule and proof of its implementaton in the field
- Marking of cutting blocks/annual workplan clearly drawn on map and proven in the field

Evaluation Norms / Intensity Scale:

Very Good : all-inclusive and legal forest management plan available covering various time span planning, allocation of area based on data collected accurately in the field taking into account the need and rights of local communities as well as existing conservation regulation/considerations. Proof of management plan borders made properly and rightly are found in the field.

Good : all-inclusive and legal forest management plan available covering various time span planning, allocation of area based on data collected accurately in the field taking into account the need and rights of local communities as well as existing conservation regulation/considerations. *However, physical proof of borders of management plan in the field is poorly done.*

Fair : legal forest management plan covering various time span planning is available, allocation of area takes into account the need and rights of local communities as well as existing conservation regulation/considerations, *however, basic planning documents is not complete and physical proof of borders of management plan in the field is poorly done.*

Poor : legal forest management plan is available, however *it does not completely cover the various time span of management, the area allocation does not take into account the need and rights of local communities as well as existing conservation regulation/considerations, basic planning documents is not complete and physical proof of borders of management plan in the field is poorly done.*

Very poor : forest management plan document is incomplete and basic data for planning formulation is incomplete.

B. CRITERIA-2. FOREST MANAGEMENT on PRODUCTION ASPECT

2.1. Availability of Human Resource supporting SFM in its Production Aspect.

Perception:

One of the important requirements in sustainable production is the availability of human resource in number as well ample qualification in each management levels as specifically needed. Manpower that support SFM must be professionally trained and have the ability to work together to support cross disciplinary cooperation to create synergy in all management fronts. FMU must have a policy and strategy for manpower enhancement as one form of re-investment for the improved management of forest.

Verifier:

- Number of proper manpower in all production lines covering planning, implementation, monitoring, research and extension.
- Existence of production manpower enhancement activities in each level and line.
- Availability of reward and punishment for production personnel.

Evaluation Norms/Intensity Scale:

Very Good : Ample qualified personnel in the production line available proportionally in all aspects of work.

Good : Ample qualified personnel in the production line available *but not proportionally in some aspects of work.*

Fair : Number of professionals in the production line *does not fulfill requirement eventhough it is available proportionally in all aspects of work.*

Poor : Number of professionals in the production line *does not fulfill requirement and is not available proportionally in all aspects of work.*

Very poor : professionals in the production aspect is not available and there is no clear policy in human resource development.

2.2. Availability of Procedure aimed at SFM in its Production Aspects

Perception:

Clear guidelines or work procedure is very much needed in the field to reach the aim of better forest management. This is to guarantee replication of management to be done in other locations

in the FMU area. Therefore guidance and procedure must be made for every major activity in production management. The guideline should be formulated in an easy to be understood language in order for it to be applied correctly in the field.

Verifier:

- Planning Procedure for sustainable harvesting
- Operational Procedure for harvesting
- Management Procedure for major wood species harvested
- Evaluation Procedure for stand damage.
- Evaluation Procedure on regeneration effectivity
- Procedure on Reduced Impact Loging (RIL)
- Evaluation Procedure on implementation of guidelines
- Periodical Monitoring Procedure on feed back results

Evaluation Norms/Intensity Scale:

Very Good : availability of specific and clear guidelines for every aspect of production activities as a transformation of company value policies and guidelines including monitoring guidelines and evaluation on its implementation, complete for each activities.

Good : availability of specific and clear guidelines for every aspect of production activities as a transformation of company value policies and guidelines, *but monitoring guidelines and evaluation on its implementation is less complete.*

Fair : availability of specific and clear guidelines for every aspect of production activities *but it does not have clear connection to company value policies and guidelines* eventhough monitoring guidelines and evaluation on its implementation is complete.

Poor : availability of guidelines *but not specific and unclear* for every aspects of production as a transformation of company value policies and guidelines, guidelines and evaluation on its implementation is incomplete.

Very Poor : clear and specific guidelines are unavailable.

2.3. Availability of Facilities dan Infrastructure and Production Technology in concurrence with Qualification and Need

Perception:

Availability of facilities and infrstructure as well as technologies for production activities will decide the attainment of production targets. Synchronization of production facilities with the resource potential is needed to guarantee that there will be no over-exploitation of the forest resource.On the other hand, the availability of correct applied technology that corresponds with the area characteristics is needed to minimize the negative impacts of forest production management aspects.

Verifier:

- All equipments used in harvesting activities own permits for its use and is proven physically in the field.
- The choice of correct applied technology in harvesting activities for specific conditions.

Evaluation Norms/Intensity Scale:

Very Good : production facilities commensurate with existing requirement and based on analysis of forest reseource potential and environmental condition, in adequate number and conditions.

Good : production facilities commensurate with existing requirement and based on analysis of forest resource potential and environmental condition, *however the number is less than optimum need.*

Fair : production facilities *does not measure up* to existing requirements, based on analysis of forest resource potential and environmental condition, *however the number is less than optimum need..*

Poor : production facilities commensurate with existing requirement and based on analysis of forest reseource potential and environmental condition, *however the number is more than optimum need.*

Very Poor : production facilities *does not measure up* with existing requirement and *the number is more than maximum need.*

2.4. Compliance of Procedure Implementation with SFM of Production Forest

Perception:

Procedures existing within FMU must be implemented in the field. The more conformity it is implemented in the field, the more it will lead to the attaintment of sustainable function of production function.

Verifier:

- Implementation level of Planning Procedures of sustainable harvest
- Implementation level of Planning Procedures on harvest operation
- Implementation level of Planning Procedures on main species to be harvested
- Implementation level of Evaluation Procedures on stand damage.
- Implementation level of Evaluation Procedures on regeneration effectivity
- Implementation level of Reduced Impact Logging (RIL) Procedures.
- Implementation level of Evaluation Procedure on implementation of guidelines.
- Implementation Level of Procedure on Periodical Monitoring of feed back reports

Evaluation Norms/Intensity Scale:

Very Good : work procedure for all production aspects and its monitoring and evaluation can be proven as correct in the field.

Good : work procedure for most activities of production aspects and its monitoring and evaluation can be proven as correct in the field.

Fair : work procedure for all production aspects and its monitoring and evaluation can be proven as inaccurate in the field

Poor : only a small part of work procedure for production aspects and its monitoring and evaluation is done correctly in the field.

Very Poor : implementation of production aspects do not pay attention to document on work procedure.

2.5. Realization of Harvest Area and Inventory of Logged Over Stand Commensurate with Established Guideline

Perception:

Realization of harvest area and inventory of logged over area in accordance with guidelines indicated the ability of FMU in forest harvesting. The organization of manpower by FMU in implementing guidelines or procedures determined its level of achievement. However, the result of evaluation of the harvest can also be used as an input for evaluating the guideline itself.

Verifier:

- Harvested area based on management guideline made
- Harvested area where inventory of logged over area (ITT) is done.

Evaluation Norms/Intensity Scale:

Very Good : harvested area where ITT has been done in accordance with target, harvesting and ITT guidelines as well as time schedule.

Good : harvested area where ITT has been done *less than the target,* in accord with harvesting and ITT guidelines as well as time schedule.

Fair : harvested area where ITT has been done in accordance with target, harvesting and ITT guidelines *but time schedule of harvesting and ITT is off target.*

Poor : harvested area where ITT has been done in accordance with target *but not in accordance with harvesting and ITT guidelines nor time schedule between harvesting and ITT.*

Very Poor : harvested area where ITT has been done is *over the fixed target.*

2.6. Compatible Level of Sustainable Harvesting in accordance with Wood Species and Forest Type

Perception:

In reaching sustainable aspect of production function, the principle that what is harvested is the increment of stand growth must become the certainty. Naturally, sustainable production could be realized if te annual allowable cut (AAC) is not higher than the ability of the natural forest to reproduce itself. The regularity of forest harvesting which is compatible with re-planting/re-generation at the right time will simplify sustainable production for the next growth rotation.

Verifier:

- Availability of Permanent Sample Plot (PSP) in every ecosystem.
- Methods of PSP data measurements in the field
- Compatible level of stand increment with Annual Cutting Production (ACP)
- Compatible cutting block location with plan.
- Compatible annual harvested forest area
- Compatible wood production with plan

Evaluation Norms/Intensity Scale:

Good : annual wood production compatible with annual sustained production plan originating from legal cutting location.

Fair : annual wood production below natural production ability of forest and originating from legal cutting location.

Poor : annual wood production surpassed production plan and originating from illegal felling location

2.7. Harvesting Efficiency

Perception:

The high volume of productivity could be mirrored by comparison between production and forest potential. It could be reached if forest harvest is conducted efficiently. Exploitation factor, minimum waste and species utilization are important factors in applying forest product harvesting techniques.

Verifier:

- Magnitude of exploitation factor

Evaluation Norms/Intensity Scale:

Very Good : high value of exploitation factor as well as species utilization combined with minimal permanent waste

Good : high value of exploitation factor, low permanent waste but low species utilization

Fair : high value of exploitation factor, high permanent waste

Poor : low value of exploitation factor, high utilization of species, low waste

Very Poor : low value of exploitation factor, low species utilization, high waste

2.8. Compatible Wood Volume and Document Accompanying Wood Movement from Cutting Block until Outlet of Forest Management Unit

Perception:

FMU must prove that wood owned and transported from the outgate are wood harvested from its work area in accordance with existing rule and has contributed its financial duties to the country. The tracing of wood movement from cutting block until the FMU outgate must be

proven through compatible informations on harvest location, physical existence of wood, and the documents that accompany its movement.

Verifier:

- Permanent identity of logs tagged at both log ends
- Identity on stump
- Wood identity consistently applied by FMU of Planted Forest
- Archives (SKSHH) and List of Forest Products (DHH) attached (for natural forest)
- Transport document (for planted forest)

Evaluation Norms/Intensity Scale:

Good : all wood owned and transported outside the FMU could be proven that the wood is compatible physically with its physically tagged identity and accompanying documents based on wood administration system that guarantees its origin from the felling block until its outgate.

Fair : all wood owned and transported outside the FMU could be proven that the wood is compatible physically with its physically tagged identity and accompanying documents , *however, wood administration system does not guarantee compatibility of wood from the cutting block until the outgate.*

Poor : part or all of the wood owned and transported out of the FMU area *is not compatible physically, its physical tags and the accompanying documents*

C. CRITERIA-3. ECOLOGICAL ASPECTS OF FOREST MANAGEMENT

3.1. Availability of Professional Human Resource Specializing in Ecological Issues

Perception:

Sustainable management of ecological function necessitates qualified human resource in ample number in every level in accord with specific role need. Human resource supporting sustainable management of production forest ought to be professional and trained as well as having the ability to support necessary synergy in cross discipline approaches in all level of management. FMU ought to have policies and strategy to enhance the quality of human resource as one form of re-investment to manage forest in a better way.

Verifier:

- Number of personnel and compatible professionally in the field of ecology in the various related aspects of management covering planning, implementattion, monitoring, research and extension.
- Existence of activities in enhancing capacity of human resource in the field of ecology in every level and aspects.
- Existence of reward and punishment personnel working in the field of ecology.

Evaluation Norms/Intensity Scale :

Very Good : Number of professional personnel in the field of ecology fulfills qualification, proportionally distributed in all levels and aspects of work

Good : Number of professional personnel in the field of ecology fulfills qualification, *but not distributed proportionally in some levels and aspects of work*

Fair : Number of professional personnel in the field of ecology *has not fulfilled qualification. However, it is proportionally distributed in all levels and aspects of work*

Poor : Number of professional personnel in the field of ecology *has not fulfilled qualification and is not proportionally distributed in some levels and aspects of work*

Very Poor : No professional personnel in the field of environment/ecology and no clear policy in human resource.

3.2. Availability of Procedures to Control Squatting, Fire, Shepherding, Illegal Forest Exploitation and Other Human Activities Causing Forest Destruction.

Perception:

In the sustainable forest management (SFM), the forest resource as the basis of natural capital ought to be free of forest disturbances in the form of squatting, animal shepherding, forest fire, and illegal forest exploitation. Procedures for protective measures against all those activities are made into Standard Operation Procedures (SOP) which is an important input for handling the said forest disturbances.

Verifier:

- Availability of activities in enhancing the capacity of human resource in the field of ecology in all levels and aspects.
- Procedure on Control of Squatting
- Procedure on Control of Fire
- Procedure on Control of Shepherding
- Procedure on Control of Illegal Forest Exploitation

Evaluation Norms/Intensity Scale:

Very Good : availability of clear and specific guidelines on all activities related to ecology/environment, be it for prevention, protection or control that is the translation of company policies on qualities or references, including guidelines on monitoring and evaluation on its implementation, complete for all activities.

Good : availability of clear and specific guidelines on all activities related to ecology/environment, be it for prevention, protection or control that is the translation of company policies on qualities or references, *however, guidelines on monitoring and evaluation on its implementation is incomplete.*

Fair : availability of clear and specific guidelines on all activities related to ecology/environment, *however it has unclear connection to company policies on qualities or references.* Guidelines on monitoring and evaluation on its implementation is complete.

Poor : there is an *unclear and unspecific guidelines* on all activities related to ecology/environment, be it for prevention, protection or control that is the translation of company policies on qualities or references, *guidelines on monitoring and evaluation on its implementation is incomplete.*

Very Poor : clear and specific guidelines is unavailable.

3.3. Availability of Identification Procedure for crucial flora-fauna (infrequent, rare and threatened by extinction) and evaluation of biodiversity changes.

Perception:

Inventory of flora-fauna resources in the context of forest ecological function is very important. It forms the database to be used in evaluating the ecological impact of managing forest on the flora-fauna. Evaluation of biodiversity on two different locations with similar vegetation formation/type can be used as a measure of change of the biodiversity condition.

Verifier:

- Identification Procedure of flora-fauna
- Procedure for evaluation of biodiversity change.

Evaluation Norms/Intensity Scale:

Very Good : availability of identification procedure on crucial flora-fauna (infrequent, rare and threatened by extinction) and satisfactory evaluation procedure on changes in biodiversity implemented in the field with results documented properly.

Good : availability of identification procedure on crucial flora-fauna (infrequent, rare and threatened by extinction) and satisfactory evaluation procedure on changes in biodiversity implemented in the field *but results are not properly documented.*

Fair : availability of identification procedure on crucial flora-fauna (infrequent, rare and threatened by extinction) and satisfactory evaluation procedure on changes in biodiversity implemented in the field, *but results are poorly documented.*

Poor : availability of *poor* identification procedure on crucial flora-fauna (infrequent, rare and threatened by extinction) and *unsatisfactory* evaluation procedure on changes in biodiversity implemented in the field

Very poor : *there is no* identification procedure on crucial flora-fauna (infrequent, rare and threatened by extinction) and *no* evaluation procedure on changes in biodiversity.

3.4. Availability on Procedure of Identification and Area Management within the PMU area for the purpose of: (a) soil and water conservation within the harvest area, (b) protection of crucial or local specific floral species, and (c) protection of crucial or local specific faunal species.

Perception:

Within the production forest area in Indonesia Presidential Decree No. 32/1990 on Basics on Protection Area Management is also applicable as well as other related laws and regulations. Many of the protection areas are designed for soil and water conservation, for example river banks, areas around water springs, area above 2,000 meter in elevation above sea level, peat lands, steep areas etc. In addition, protection areas are created with consideration for the important reason of the preservation of crucial species (infrequent, rare and protected). The extend and percentage of these protected areas is very vital in the magnitude of contribution of Forest Management Unit (FMU) in preserving soil quality and water management which is important for the preservation of the ecological/environmental function as well as for floral and faunal species.

Verifier:

- Identification procedure on the extent of protection area within FMU, managed specifically for soil and water conservation
- Identification procedure of area with steepness of more than 40%
- Identification procedure to determine area 2.000 meter above sea level
- Identification procedure to determine banks of water bodies and river
- Identification procedure to determine area around spring
- Identification procedure to determine area for preservation of gene pool
- Identification procedure to determine area for wildlife sanctuary

Evaluation Norms/Intensity Scale:

Very Good : availability of identification procedure and management area for the purpose of: (a) soil and water conservation in harvesting area, (b) protection of crucial or local specific floral species and (c) protection of crucial or local specific faunal species. These procedures are complete and sufficient for the above three purposes.

Good : availability of identification procedure and management area for the purpose of: (a) soil and water conservation in harvesting area, (b) protection of crucial or local specific floral species and (c) protection of crucial or local specific faunal species. These procedures are complete *but not sufficient* for the above three purposes.

Fair : availability of identification procedure and management area for the purpose of: (a) soil and water conservation in harvesting area, (b) protection of crucial or local specific floral species and (c) protection of crucial or local specific faunal species. These procedures are sufficient technically *but incomplete.*

Poor : availability of identification procedure and management area for the purpose of: (a) soil and water conservation in harvesting area, (b) protection of

crucial or local specific floral species and (c) protection of crucial or local specific faunal species. *However these procedures are insufficient and incomplete.*

Very Poor : *un-availability* of identification procedure and management area for the purpose of: (a) soil and water conservation in harvesting area, (b) protection of crucial or local specific floral species and (c) protection of crucial or local specific faunal species.

3.5. FMU owns document on EIA (AMDAL) as well as environmental management plan (RKL) and environmental monitoring plan (RPL) for all activities on forest management and the entire impact area in accordance with existing regulations and legalized by authorized official.

Perception:

FMU needs to do an environmental impact analysis for all activities of forest management it plans to do as well as to make a strategy to manage the activities to minimize negative impacts and maximize positifve impacts in all its impact area. In addition to that, a periodical monitoring to evaluate performance of impact mitigations is necessary and make improvements to attain its management goal. AMDAL or EIA (Environmental Impact Analysis) is an activity to predict types of significant impacts caused by the activities of forest utilization in the form of wood. The output of this initiative is an RKL document on environmental management plan and an RPL document on environmental monitoring plan which further on will be used as basis for environmental management and monitoring by the FMU. AMDAL and RKL-RPL documents must be legalized by authorized personnel.

Verifier:

- Availability of AMDAL document
- Availability of RKL-RPL documents

Evaluation Norms/Intensity Scale:

Very Good : availability of complete AMDAL and RKL-RPL documents, based on comprehensive forest management plan, compiled based on commensurate field data through proper processes.

Good : availability of complete AMDAL and RKL-RPL documents *but based on incomprehensive forest management plan*, compiled based on commensurate field data through proper processes.

Fair : availability of complete AMDAL and RKL-RPL documents, based on comprehensive forest management plan, compiled based on commensurate field data *but through improper notations and incomplete processes.*

Poor : availability of AMDAL and RKL-RPL documents *which is incomplete,* substance of RKL-RPL do not comply with result of impact analysis in AMDAL document.

Very Poor : AMDAL dan RKL-RPL documents are unavailable.

3.6. Appropriate Implementation of management procedures on ecological aspects in the field

Perception:

Available procedures owned by FMU must be implemented properly in the field which will lead to achievement of sustainable ecological function in the field.

Verifier:

- Accurate implementation of procedures on management of ecological aspects (verifier 3.2 dan 3.4).
- Reports on management of ecological aspects

Evaluation Norms/Intensity Scale:

Very Good : all procedures on the management of ecological aspect (verifier 3.2 and 3.4) are correctly implemented and properly documented

Good : all procedures on the management of ecological aspect are correctly implemented *but with improper and poor documentation result.*

Fair : *almost all* procedures on the management of ecological aspect are correctly implemented and properly documented

Poor : *only a small part of* procedures on the management of ecological aspect are correctly implemented and properly documented

Very Poor : management of ecological aspects do not refer to established procedures.

3.7. Forest area disturbed as a consequence of human activities

Perception:

In the sustainable forest management (SFM), disturbed forest area with certain intensity will affect the sustainability of forest resource in such manner that it can change the scheme of forest planning and its spatial arrangement already implemented. Area disturbance has a negative impact on the achievement of SFM.

Verifier:

- Mode of disturbances
- Range of area disturbed

Evaluation Norms/Intensity Scale:

Very Good : no disturbance by forest squatting, change of function, pilferings, fire as well as other forest disturbances.

Good : forest disturbance existed but which can be overcame and does not alter forest type and function. Forest management can still be conducted through existing plans on sustainable production

Fair : forest disturbance existed, does not neccessitate change in forest type and function, revision on a small portion (no more than one year of production planning) of existing production planning.

Poor : forest disturbance resulted in change in forest type and function which necessitate existing production plan to be revised.

Very Poor : forest disturbance caused radical changes in forest type and function which necessitate alteration of vision and purpose of forest management.

3.8. FMU owns reports of RKL and RPL implementation showing the way to actions leading to overcoming environmental impact.

Perception:

Environmental management based on RKL and RPL documents must be properly documented. Report on the monitoring of environmental management ought to become an input for evaluation and improvement of implementation of subsequent environmental management.

Verifier:

- RKL and RPL documents
- Proof of implementation of management and monitoring of significant impacts
- Evaluation document on implementation of RKL and RPL

Evaluation Norms/Intensity Scale:

Very Good : all plans on environmental impact management are done according to location, target and time schedule, periodically monitored and properly documented as well as evaluated in both implementations of management and monitoring activities.

Good : all plans on environmental impact management are done according to location, target and time schedule, periodically monitored and properly documented *but evaluation in both implementations of management and monitoring activities are less properly done.*

Fair : all plans on environmental impact management are done according to location, target and time schedule, periodically monitored and properly documented *but evaluation in both implementations of management and monitoring activities are not yet done.*

Poor : Impact management and its monitoring are only partially done and on unproper location, target as well as time schadule.

Very Poor : impact management and monitoring are not done.

D. CRITERIA-4. SOCIAL ASPECT OF FOREST MANAGEMENT

4.1. Ample number of professionally trained personnel and technical staff on all level to implement and support the management of social aspect covers: planning, implementation, research and development, and extension

Perception:

One of the requirement for sufficiency for sustainable management of production forest (PHPL) especially in the management of sustainable social function is the availability of human resource in umber and qualification on all levels in accordance with required specific roles. Human resource supporting PHPL must be professional and trained and have the dependable ability to cooperate to support cross discipline approaches requiring synergy in all fronts of management. FMU must have policies and and strategy on enhancing the capacity of human resource as one form of re-investment for an improved management of the forest.

Verifier:

- Number and synchronization of professionals in the social field in all lines covering planning, implementation, monitoring, research and extension.
- Existence of activities in enhancing the capacity of human resource in the social field in all levels and lines.
- Existence of reward and punishment for personnel and staff in the social field.

Evaluation Norms/Intensity Scale:

Very Good : Available number of professional personnel in the social field for aspects of planning, implementation, research and development, and extension are qualified with proportional distribution at all level of work.

Good : Available number of professional personnel in the social field for aspects of planning, implementation, research and development, and extension are qualified *but not proportionally distributed at some level of work.*

Fair : Available number of professional personnel in the social field for aspects of planning, implementation, research and development, and extension *are not qualified but proportionally distributed at all level of work.*

Poor : Available number of professional personnel in the social field for aspects of planning, implementation, research and development, and extension *are not qualified and not proportionally distributed at some level of work.*

Very Poor : Un-available professional personnel in the social field and there is no clear human resource policy

4.2. Availability of procedure on implementation of social management which consists of (1) Notification of activity plan to the community, (2) Identification of traditional rights of communities, (3) Conflict resolution, and (4) Monitoring and evaluation of social management

Perception:

Clear guidelines or work procedures is very much needed in the field for a better achievement of management aims. These guidelines or work procedures is to guarantee replication of these management activities in other locations inside the FMU area. Therefore guidelines and work procedure must be made for every major activity in managing social aspects. Work guidelines is formulated in language easy to be understood in order for it to be applied accurately in the field.

Verifier:

- Procedure on notification of planned activities to the communities.
- Procedure on identification of traditional rights of the communities.
- Procedure on conflict resolutions
- Procedure on monitoring and evaluation of social management

Evaluation Norms/Intensity Scale:

Very Good : availability of implementation procedures on social management about (1) Notification on planned activities to the community, (2) Identification of community traditional rights, (3) Conflict resolution and (4) Monitoring and evaluation on social management which is complete and satisfactory.

Good : availability of implementation procedures on social management about (1) Notification on planned activities to the community, (2) Identification of community traditional rights, (3) Conflict resolution and (4) Monitoring and evaluation on social management which is complete *but not satisfactory*.

Fair : availability of implementation procedures on social management about (1) Notification on planned activities to the community, (2) Identification of community traditional rights, (3) Conflict resolution and (4) Monitoring and evaluation on social management which is satisfactory *but technically incomplete.*

Poor : availability of implementation procedures on social management about (1) Notification on planned activities to the community, (2) Identification of community traditional rights, (3) Conflict resolution and (4) Monitoring and evaluation on social management *is incomplete and not satisfactory*.

Very Poor : *un-availability* of implementation procedures on social management about (1) Notification on planned activities to the community, (2) Identification of community traditional rights, (3) Conflict resolution and (4) Monitoring and evaluation on social management.

4.3. Result of monitoring and evaluation on implementation of procedures of social management activities

Perception:

Implementation of each procedures in the management of social aspects must be monitored to measure its level of achievement. In addition, monitoring is also needed to evaluate the accuracy of guidelines and procedures itself commensurate with the dynamics of the community.

Verifier:

- Progress of activities in social management
- Use of monitoring and evaluation result in improving procedures and implementation.

Evaluation Norms/Intensity Scale:

Very Good : all procedures for managing social aspects is accurately implemented in the field, the result properly documented and evaluation is done on those procedures for the purpose of improvement.

Good : all procedures for managing social aspects is accurately implemented in the field, the result properly documented *but evaluation of the procedures for improvement is insufficiently done.*

Fair : all procedures for managing social aspects is accurately implemented in the field, the result properly documented *but evaluation of the procedures for improvement is not yet done.*

Poor : *only a small portion* of the procedures to manage the social aspects is correctly done and properly documented.

Very Poor : the management of social aspects do not refer to existing procedures.

4.4. FMU notifies planned activities to communities, heed community need and implement community aspirations in the field.

Perception:

Communties affected by impact of forest management activities has the right to receive correct notice about the plan of activities, benefit as well as impacts predictions that will occur. If there were to be any negotiations between FMU and the community, it ought to be done voluntarily and without pressure to reach consensus and documented properly. The same is true in conflict resolution on the management of the resource. Identification of traditional rights of the local community in the framework of community development forms the initial step that must be done concisely by the FMU.

Verifier:

- Document summarizing public consultation
- Document on local community traditional rights
- Document on voluntary agreement with local communities in enhancing local community welfare.

- Document on conflict resolution on area or natural resource affected by impact in conjunction with traditional local community rights.
- Document on community development program
- Documents on study results of social economy and culture of communities near FMU

Evaluation Norms/Intensity Scale:

Very Good : FMU has notified community about plan of activities, heed their need and implemented their aspirations in the field. Process and results are documented completely and properly.

Good : FMU has notified community about plan of activities, heed their need and implemented their aspirations in the field. Documentation of process is complete *but results are documented insufficiently.*

Fair : FMU has notified community about plan of activities, heed their need and implemented their aspirations in the field. *Process documentation is insufficient but results are documented completely and properly .*

Poor : FMU has notified community about plan of activities, heed their need and implemented their aspirations in the field. However, *process and results are not documented completely and properly.*

Very Poor : *There is no proof* that FMU has notified community about plan of activities, pay attention to their need and implement their aspirations in the field.

E. CRITERIA-5. COMPANY HEALTH

5.1. Health of Company or Holding Company

Perception:

Profitable FMU which is liquid and has proper solvability shows a well managed business.

Verifier:

- Rentability
- Liquidity
- Solvability

Evaluation Norms/Intensity Scale:

Very Good : Liquidity > 200 % solvable and rentability ≥ interest rate

Good : Liquidity 100-200 %, solvable and rentability ≥ interest rate

Fair : Liquidity < 100 %, solvable and rentability ≥ interest rate

Poor : Liquidity < 100 %, solvable and rentability < interest rate

5.2. Satisfactory investment and re-investment level and adequate in meeting the need of forest management, administration, research and development, as well as enhancement of human resource capability.

Perception:

To accomodate the sustainable use of forest resource, sufficient fund is needed for spatial arrangement of forest use, forest protection, management of protected area and biodiversity including protected/endemic/rare specieses, production and forest development, market and consumer services, provision of facilities and infrastructure, equipment and tools, as well as human resource development.

Verifier:

- Availability of fund (capital) for forest management comprising funds for production management, ecology and social aspects.
- Channeling of fund (capital) for forest management comprising funds for production management, ecology and social aspects.

Evaluation Norms/Intensity Scale:

Very Good : there is proof of adequate investment and re-investment and confirmed in the field as such that performance of forest management, administration, research and development, and human resource capability are enhanced.

Good : there is proof of adequate investment and re-investment and confirmed in the field, *however* performance of forest management, administration, research and development, and human resource capability are *stable.*

Fair : there is proof of *inadequate* investment and re-investment and confirmed in the field, *however* performance of forest management, administration, research and development, and human resource capability are *stable.*

Poor : there is proof of *inadequate* investment and re-investment and confirmed in the field, performance of forest management, administration, research and development, and human resource capability are *declining.*

Very Poor : there is *no proof* of adequate investment and re-investment and confirmed in the field, performance of forest management, administration, research and development, and human resource capability.

RECOMMENDATION ON ACTION PLAN FOR PERFORMANCE EVALUATION OF FOREST MANAGEMENT UNIT

The enactment of Minister of Forestry Decree No. 4795/Kpts-II2002 and No. 4796/Kpts-II/2002 jo. 208/Kpts-II/2003, and Decision of the Director General of Forest Product Development No. 34/Kpts/VI-Set/2002 jo. No. 42/Kpts/VI-PHP/2003 obliged the FMU to adopt the sustainable principles in the utilization of forest. From aspects of policies, these decisions ought to be supported by all stakeholders because it is a positive step of the Ministry of Forestry in promoting sustainable forest management including by Forest Management Units.

Action Plans in the context of performance evaluation of mandatory certification by the Ministry of Forestry is the making of field work plans by FMU. This is to facilitate internal monitoring and performance evaluation on the attainment of Sustainable Management of Production Forest (PHPL). Action Plan must be made by FMU in preparing itself to face the performance evaluation by the Ministry of Forestry, if the FMU were to reach the target of a certain degree of passing grade in the attainment of PHPL. Without it, FMU face certainty of having no strategy in facing the mandatory certification.

Action Plan of the FMU could be developed with the following basis:

1) Evaluation on input data on Criteria and Indicator developed by PD 42/2000 and Decree of the Minister of Forestry No. 4795/Kpts-II/2002, where result of indicator classification at the two regulations will later become matters to be evaluated by each FMUs.
2) Evaluation with Standard Mandatory Certification. This is a performance evaluation contained in Decree of Director General of Forest Product Development No. 34/Kpts/VI-Set/2002 to be used to make action plan by doing: (i) resolution of FMU typology, (ii) resolution of intensity scale for each indicator (weighted value), (iii) resolution on indicator significance (based on typology), (iv) decision making on performance evaluation.
3) Evaluation on indicator is done by determining (i) indicators which have higher importance than others (*key indicators*), (ii) indicators having poorer value than others (small intensity scale).
4) Recommendations of action plans based on evaluation results to determine improvement strategy for each indicator regarded as weak and contain points about (i) indicator, (ii) evaluation results (indicator weight/intensity scale), (iii) indicator importance , (iv) improvement, and (vi) improvement schedule.
5) Formulation of criteria and indicator in the monitoring system of sustainable management of prodcution forest ought to be always developed through interactive process and include as many as possible stakeholders.
6) Improvement plans commensurate with CARs are done with:
    a. Assessment of FMU capacity in preparing the implementation of management aspects activities as well as management abaility in planning, organization, implementation and control. All of the said management actions is also evaluated on aspects of its component

completeness such as manpower, tools and equipments, physical materials and other resources.

b. With the knowledge of the management capacity of IUPHHK holder (permit to extract wood products), the next activity is to determine the crucial indicators that must be improved. Crucial indicators are indicators which will give impact to other indicators if it is improved. Based on these crucial indicators, priority scale is made to improve performance.

c. The following tabulation is a tool to help identify crucial indicators and its scale of priority in improving their performance.

No	Indicator Group having poor performance	Determination of significant indicator	Priority Scale of Improvement	Action Plan		Explanation (Filled by related FMU department)
				Documenta-tion Scale	Field Scale	

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