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**FOREST CERTIFICATION CREDIBILITY  
ASSESSMENT IN INDONESIA**

**APPLYING THE**

**FOREST CERTIFICATION ASSESSMENT  
GUIDE ON NATIONAL LEVEL**

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## Table of Contents

<b>1. Background .....</b>	<b>3</b>
<b>2. General overview of the certification schemes operating in Indonesia.....</b>	<b>5</b>
<b>3. FCAG analysis of LEI and FSC and comparison of findings.....</b>	<b>7</b>
3.1 Compliance with international frameworks for certification, accreditation, and standard setting (Criterion 1) .....	7
3.2 Compatible with globally applicable principles that balance economic, ecological, and equity dimensions of forest management and meet Global Forest Alliance requirements (Criterion 2).....	8
3.3 Meaningful and equitable participation of all major stakeholder groups in governance and standard setting (Criterion 3).....	9
3.4 Avoidance of unnecessary obstacles to trade (Criterion 4) .....	11
3.5 Based on objective and measurable performance standards that are adapted to local conditions (Criterion 5).....	11
3.6 Certification decisions free of conflicts of interest from parties with vested interests (Criterion 6).....	12
3.7 Transparency in decision making and public reporting (Criterion 7).....	13
3.8 Reliable and independent assessment of forest management performance and Chain of Custody (Criterion 8) .....	14
3.9 Delivers continual improvement in forest management (Criterion 9).....	15
3.10 Accessible to and cost-effective for all parties (Criterion 10) .....	16
3.11 Voluntary participation (Criterion 11).....	16
<b>4. Comparison of the certification procedures applied by LEI and FSC .....</b>	<b>17</b>
<b>5. Concluding remarks .....</b>	<b>23</b>
<b>6. References.....</b>	<b>24</b>
6.1 List of LEI documents .....	24
6.2 Other references.....	27

### Annexes

- Annex 1: List of persons interviewed
- Annex 2: Application of the Forest Certification Assessment Guide to the LEI certification scheme
- Annex 3: Application of the Forest Certification Assessment Guide to the FSC certification scheme on national level in Indonesia
- Annex 4: Generic application of the Forest Certification Assessment Guide to the FSC certification scheme (based on Walter, 2006)

## Abbreviations

AHP	: Analytical Hierarchical Process
AMDAL	: Environmental Impact Assessment
APHI	: Indonesian Forest Concessionaire Association
BSN	: National Standard Body/ <i>Badan Standarisasi Nasional</i>
CB	: Certification Body
CBFM	: Community Based Forest Management
CBO	: Constituent Based Organization
CITES	: Convention on International Trade in Endangered Species
CoC	: Chain of Custody
DPS	: Certification Review Council
Depnaker	: Ministry of Man Power
EP	: Expert Panel
FCAG	: Forest Certification Assessment Guide
FMU	: Forest Management Unit
FSC	: Forest Stewardship Council
FKD	: Regional Consultation Forum/ <i>Forum Konsultasi Daerah</i>
IAF	: International Accreditation Forum
ILO	: International Labour Organization
IEC	: International Electrotechnical Commission
ISEAL	: The International Social and Environmental Accreditation and Labelling Alliance
ISO	: International Standard Organization
ITTO	: International Tropical Timber Organization
IUCN	: World Conservation Union
JCP	: Joint Certification Protocol
KAN	: National Committee Accreditation/ <i>Komite Akreditasi Nasional</i>
LEI	: Indonesian Ecolabelling Institute/ <i>Lembaga Ekolabel Indonesia</i>
LSP	: Personal Registration Body
MAL	: PT. Mutu Agung Lestari
MoF	: Ministry of Forestry
MPA	: Representative Council Member / <i>Majelis Perwalian Anggota</i>
PEFC	: Programme for the Endorsement of Forest Certification schemes
QUACC	: Questionnaire for Assessing the Comprehensiveness of Certification Schemes / Systems
RKPH	: 20 Year management Plan/ <i>Rencana Karya 20 Tahunan</i>
RKT	: Annual Plan/ <i>Rencana Karya tahunan</i>
RKL	: Environment Management Plan/ <i>Rencana Kelola Lingkungan</i>
SFM	: Sustainable Forest Management
SPFM	: Sustainable Production Forest Management
SPNFM	: Sustainable Production Natural Forest Management
UNCTAD	: United Nations Conference on Trade and Development
WTO	: World Trade Organization
WWF	: World Wide Fund for Nature

## 1. Background

The WWF/World Bank Global Forest Alliance (hereafter called the Alliance) set in 1997 a target of achieving 200 million hectares of production forests under independently certified sustainable management. Since by today a large variety of forest certification systems exists, a systematic framework was needed to evaluate the different systems for their adherence to the principles and requirements of both organizations. With the *Forest Certification Assessment Guide* (hereafter called FCAG or the Guide) the Alliance has recently published such a framework.<sup>1</sup>

The FCAG builds on a survey type approach created for the same purpose in 2003, the so called *Questionnaire for Assessing the Comprehensiveness of Certification Schemes / Systems* (QACC)<sup>2</sup>. During the last three years, the QACC underwent field tests in a number of countries in Europe as well as broad consultation, both under the supervision of an independent review panel. Based on feedback and lessons learned through this process, the Alliance partners simplified and comprehensively redesigned the QACC, structuring it around existing international frameworks for accreditation and certification, as well as both organizations' criteria for Sustainable Forest Management (SFM). The created tool functions as an assessment guide and is structured into 11 criteria, analyzing forest certification schemes according to:

- Compliance with international norms and standards;
- Standards and the standard-setting process; and
- Conformity of the certification and accreditation procedures.

The application of the FCAG in Indonesia is the first utilization of the Guide on national level. The contracted consultants were asked to:

- Assess the quality of forest certification schemes/standards operating in Indonesia; and
- Identify components of these certification schemes that could be strengthened to more effectively drive improvements in forest management and to enhance recognition of the scheme in the market place and by other stakeholders.

Indonesia has a long tradition of implementing voluntary forest certification. Initial assessments were already conducted by the Rainforest Alliance before the founding of the Forest Stewardship Council (FSC) or the start of the Indonesian Eco-labelling Institute (LEI). Until today, more than 1.000.000 hectares of forest have been certified. The two schemes operating in Indonesia are:

- The national scheme developed by the Indonesian Eco-labelling Institute; and

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<sup>1</sup> WWF/World Bank Global Forest Alliance (2006): Forest Certification Assessment Guide: A framework for assessing credible forest certification systems/schemes. See <http://assets.panda.org/downloads/fcagfinal.pdf>

<sup>2</sup> WWF/World Bank Global Forest Alliance (2003)

- A national application of the international certification framework developed by the Forest Stewardship Council, mainly implemented by the Rainforest Alliance (SmartWood Programme) and SGS Forestry (Qualifor Programme)<sup>3</sup>.

The consultants were asked to analyze these two schemes using the FCAG. Besides desk work, the consultants interviewed a number of parties, including LEI, FSC, all LEI and FSC accredited Certification Bodies (CBs) operating in Indonesia and a limited number of national certification experts (see Annex 1: List of persons interviewed).

The assessment builds on publicly available documents by both schemes and available international guidance. In a first step, the FCAG was applied to the LEI scheme (see Annex 2). Since LEI is not an affiliated member of ISEAL or IAF<sup>4</sup>, a conformity assessment to ISO/IEC Guide 65 and ISO Guide 14020 was additionally conducted (see Annex 2, Addendum 1 and 2).

In a second step, the FCAG was applied to the FSC scheme (see Annex 3). The analysis focused on Indonesia only (national level FCAG application) and refers in all matters generically regulated by FSC to the recently published application of the Guide to the FSC and PEFC schemes on international level<sup>5</sup> (see Annex 4).

The main findings of each analysis and a comparison between the results of both FCAG applications are presented in Chapter 3. The analysis indicated that significant differences between the two schemes are a matter of variations in certification procedures, an aspect which is not sufficiently covered in the current version of the FCAG. Because of this, a comparing analysis of the certification procedures (from client application to suspension of certificates) was additionally conducted. Results are presented in Chapter 4. Chapter 5 contains some general conclusions.

The assessment did not address field implementation or performance aspects of the certification bodies operating in Indonesia, since this is not required in the FCAG. However, due to the fact that a limited number of interviews were conducted, some insights on implementation were gathered and are presented as “comments on implementation” in the related Chapters.

The analysis was conducted between July and October 2006 in Indonesia and Germany. Initial results were presented to WWF on October 9th in Bogor, Indonesia. The draft version of the report was sent to WWF, LEI and FSC for comment on October 31, 2006 (extended deadline for comments: January 10, 2007). The final version reflects the remarks received by all parties.

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<sup>3</sup> Another FSC accredited certification body, the Soil Association (Woodmark Programme) is due to start certification in Indonesia through its partnership with the Tropical Forest Trust (TFT).

<sup>4</sup> The International Social and Environmental Accreditation and Labelling (ISEAL) Alliance is a formal collaboration of leading international standard-setting and conformity assessment organizations focused on social and environmental issues. The International Accreditation Forum, Inc. (IAF) is the world association of Conformity Assessment Accreditation Bodies.

<sup>5</sup> Walter (2006). The generic assessment investigated the PEFC and the FSC schemes on international level and indicates the necessary criteria for additional regional/national level assessments.

## 2. General overview of the certification schemes operating in Indonesia

Key elements of the two certification schemes are compiled in Table 1. LEI and FSC are both accreditation bodies and not-for-profit membership organizations, promoting the responsible management of forests on national and international level, respectively. Scope and size of operation, however, differs considerably.

FSC and LEI cooperate since 1998, which is expressed in several Memoranda of Understanding signed by the two organizations; and additionally, through three Joint Certification Protocols (JCPs) signed by their certification bodies<sup>6</sup>.

**Table 1:** Key elements of the FSC and LEI forest certification schemes

Aspect	Forest Stewardship Council (FSC)	Indonesian Eco-labelling Institute (LEI)
Scope	<ul style="list-style-type: none"> <li>International (currently working in 82 countries worldwide)</li> </ul>	<ul style="list-style-type: none"> <li>National (only working in Indonesia)</li> </ul>
Founded	<ul style="list-style-type: none"> <li>1994</li> </ul>	<ul style="list-style-type: none"> <li>Working group LEI in 1993</li> <li>LEI foundation (<i>Yayasan LEI</i>) in 1998</li> </ul>
Task	<ul style="list-style-type: none"> <li>International accreditation organization for Certification Bodies (CBs) operating the FSC scheme worldwide.</li> <li>System/standard developer (framework), using a standard refinement process for national and regional levels (FSC Accreditation process for National and Regional Forest Stewardship Standards)</li> </ul>	<ul style="list-style-type: none"> <li>National accreditation organization for CBs operating the LEI scheme in Indonesia.</li> <li>System/standard developer (geared to Indonesian situation)</li> <li>Served during system development phase as CB (until 1998) and between 1998 and 2000 as accreditation organization and national level CB.</li> </ul>
Mission	<ul style="list-style-type: none"> <li>The Forest Stewardship Council A.C. shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.</li> </ul>	<ul style="list-style-type: none"> <li>Developing a credible eco-label certification scheme and monitoring system of natural resource management.</li> <li>Promoting and supporting the policy of sustainable and fair natural resource management.</li> <li>Promoting and supporting natural resource management models and practices by constituents including indigenous people.</li> </ul>
Type of organization	<ul style="list-style-type: none"> <li>FSC is an international not-for-profit organisation and a Constituent Based Organization (CBO) with 647 members, structured in three chambers.</li> </ul>	<ul style="list-style-type: none"> <li>LEI was created as an independent working group and developed into an independent national foundation.</li> <li>Since October 2004, LEI is a national CBO with 142 members, structured in four chambers.</li> </ul>

<sup>6</sup> Collaboration started in a meeting between LEI's Board of Trustees and the FSC in Rome (LEI 1998). Since then, several cooperation agreements (Memorandum of Understanding) were signed, the latest in December 2005 (LEI/FSC 2005). LEI CBs and FSC CBs operating in Indonesia signed three Joint Certification Protocols, regulating joint procedures in natural production forest certifications (LEI/FSC 2000; LEI/FSC 2001 and LEI/FSC 2003). The JCP was concluded in December 2005.

Aspect	Forest Stewardship Council (FSC)	Indonesian Eco-labelling Institute (LEI)
Number of CBs	<ul style="list-style-type: none"> <li>• 16 accredited CBs for Forest Management (FM) and/or Chain of Custody (CoC).</li> <li>• 8 CBs currently in the accreditation process (for FM and/or CoC).</li> </ul>	<ul style="list-style-type: none"> <li>• In 1997, four CBs received interim accreditation by LEI, but later SGS Indonesia resigned from LEI's accreditation.</li> <li>• The three remaining CBs (PT. Mutu Agung Lestari; PT. TÜV Rheinland and PT. Sucofindo) are currently in the process of receiving full accreditation for FM and CoC by LEI.</li> </ul>
SFM Certification standards	<ul style="list-style-type: none"> <li>• General Principles and Criteria (P&amp;C) of Sustainable Forest Management (SFM), to be refined by endorsed National Initiatives on national/regional level.</li> <li>• CBs are allowed to temporarily work with interim standards (P&amp;C and additional Indicators) until a national FSC standard is developed and endorsed.</li> </ul>	<ul style="list-style-type: none"> <li>• Three separated SFM standards (Criteria, Indicators and Verifiers) for different types of forests/forest management: <ul style="list-style-type: none"> <li>○ Natural Production Forest;</li> <li>○ Plantations; and</li> <li>○ Community based forest management (CBFM).</li> </ul> </li> </ul>
Number of certified units by September 2006	<ul style="list-style-type: none"> <li>• 854 Forest management certificates in 74 countries worldwide.</li> <li>• 4945 CoC certificates in 73 countries worldwide.<sup>7</sup></li> <li>• In Indonesia: <ul style="list-style-type: none"> <li>○ 5 FM (one CBFM area, applying the SLIMF concept)</li> <li>○ 31 CoC</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Forest management: <ul style="list-style-type: none"> <li>○ 5 Natural Production Forest areas (4 areas are also FSC FM/CoC certified)</li> <li>○ 1 Plantation area</li> <li>○ 2 CBFM areas</li> </ul> </li> <li>• 1 CoC</li> </ul>

<sup>7</sup>[http://www.fsc.org/keepout/en/content\\_areas/92/1/files/ABU\\_REP\\_70\\_2006\\_09\\_29\\_FSC\\_COE\\_Certificates\\_by\\_Continents.pdf](http://www.fsc.org/keepout/en/content_areas/92/1/files/ABU_REP_70_2006_09_29_FSC_COE_Certificates_by_Continents.pdf),  
[http://www.fsc.org/keepout/en/content\\_areas/92/1/files/ABU\\_REP\\_70\\_2006\\_09\\_29\\_FSC\\_Forest\\_Management\\_Certificates\\_by\\_Continents.pdf](http://www.fsc.org/keepout/en/content_areas/92/1/files/ABU_REP_70_2006_09_29_FSC_Forest_Management_Certificates_by_Continents.pdf).

### **3. FCAG analysis of LEI and FSC and comparison of findings**

Annex 2, 3 and 4 contain the results of the FCAG assessment for the LEI and the FSC scheme, respectively. In the following, the **main findings** are highlighted on Criterion level, and a comparison of the findings for each scheme is given.

#### **3.1 Compliance with international frameworks for certification, accreditation, and standard setting (Criterion 1)**

Even though LEI is not a member of international accreditation alliances, its system makes sufficient reference to international schemes and standards, e.g. to the International Standard Organisation (ISO), the International Labour Organisation (ILO), the International Tropical Timber Organisation (ITTO), the FSC, and the Indonesian Standardization Body (BSN). BSN is an ISO member and has endorsed LEI's standard for natural production forests. LEI's accreditation programme, particularly the recently published Manual 11, refers to BSN Guide 3, which is based on ISO/IEC Guide 61. It also refers to ISO/IEC Guide 62<sup>8</sup>.

LEI's CBs are obliged to comply with LEI's new accreditation manual (Manual 11) from January 2007 onwards in order to achieve full accreditation. Some current shortcomings, e.g. related to documentation, public transparency and internal reviews, should therefore not be maintained in the future.

The detailed analysis of the ISO/IEC Guide 65 on certification body's structures and operations showed that almost all requirements are fulfilled by LEI. Only one shortcoming was found: LEI does not request that certified products are on hold in cases of major changes inside a certified unit or to the certification standard/scheme until a surveillance visit took place.

The generic analysis of the FSC scheme confirmed that the FSC is well embedded into internationally operating monitoring structures. For accreditation and standard setting, monitoring services are provided by the ISEAL Alliance according to the ISO/IEC 17011 standard and the ISEAL Alliance Code of Good Practice, respectively.

FSC's accreditation programme recognises certification bodies according to ISO/IEC Guide 65 and additional requirements developed by FSC.

#### Comparison

LEI and FSC both operate accreditation schemes and standard setting procedures which accommodate international requirements. However, only FSC is embedded into

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<sup>8</sup> ISO has published a number of Guides to help with the development of certification schemes. They provide guidance on the development and use of standards (Guide 59), certification bodies and certification (Guides 62, 65, 66) and accreditation (Guide 17011, which recently replaced ISO/IEC Guide 58, Guide 61 and ISO/IEC/TR 17010).

international monitoring structures, since LEI's accreditation programme is not affiliated with any international or even national accreditation body, even though LEI does fulfil almost all related requirements.

### **3.2 Compatible with globally applicable principles that balance economic, ecological, and equity dimensions of forest management and meet Global Forest Alliance requirements (Criterion 2)**

All indicators of LEI's standard 5000 were developed by considering the framework of Sustainable Forest Management (SFM), including the sustainability of the production, ecological and the social functions. In LEI's ecological indicators, the fulfilment of requirements based on international treaties, such as CITES, is sufficiently considered, even though this is not explicitly mentioned. Under social aspect, LEI has incorporated crucial topics such as empowerment of the local community, respect to traditional rights, equal benefits and access to local/indigenous people and workers rights.

LEI fully complies with the WWF Policy on forest management outside protected areas. Its certification system applies a Forest Management Unit (FMU) approach and therefore does not consider required landscape protection of the Alliance term *critical natural habitats* for areas outside the FMU. Regarding the type of forests to be converted or the process of acquiring the conversion license no essentials are formulated in LEI's plantation standard and consequently the related Alliance requirement is not fully met<sup>9</sup>. Inconsistencies in terminology between the terms used by the Alliance and LEI are frequent.

The international framework applied by FSC includes the majority of issues listed in Alliance Criterion 2. Inconsistencies in terminology could also be identified for elements dealing with protected forest areas. While the Alliance uses the terms *critical forest areas* and *critical natural habitats*, the FSC and WWF standard builds upon the concept of *High Conservation Value Forests (HCVF)*. Critical natural habitats outside the forest under assessment are not explicitly covered under the FSC principle on HCVF. Accordingly, this aspect of the Alliance criterion was categorized as not fulfilled.

#### Comparison

Both schemes reflect most of the Alliance criteria regarding standard substance. They are both based on sufficient compliance with all relevant national and international laws and regulations. Divergence between FSC and LEI exists in standard differentiation (three

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<sup>9</sup> LEI considers that these aspects are the "domain of the government", not of the FMU under assessment. It points out that the Indonesian law contains clear criteria for areas qualifying for conversion. Even though LEI seems very sensitive on this issue, the approach used in the plantation standard does not fulfil WWF-FFL's Policy on Forest Conversion (February 2002), since various cases of disputable conversion decisions released by the Indonesian Government exist.

standards for different forest/management unit types constitute the LEI scheme while the FSC covers all forest types with one standard).

Major differences between the Alliance requirements and the analyzed standards are:

- The concept of *critical natural habitats* is not fully reflected in both schemes
- LEI does not fully meet the Alliance requirements regarding conversion of forests, since it considers the initial conversion decision the “domain of the government”, exceeding the authority of the FMU and the effect of its standard
- Terms used by the Alliance, FSC and especially LEI do often not match

More guidance regarding interpretation of the used ecological concepts is required.<sup>10</sup> Given the significant inconsistencies of the terminology between the Alliance requirements and the LEI scheme, a comprehensive standard comparison would require a thorough analysis of standard interpretation during assessments, which could not be provided by this study.

### **3.3 Meaningful and equitable participation of all major stakeholder groups in governance and standard setting (Criterion 3)**

The LEI scheme places high importance to meaningful participation. Already during LEI’s period as a working group, numerous workshops and meetings were conducted to openly discuss standard and system matters. Inputs by NGOs and indigenous peoples’ representatives (especially to social aspects), the private sector (particularly to a process instead of an inspection orientation of the assessment approach) and academics (particularly to production and social aspects) were incorporated. Participatory working approaches were very unusual at that time in Indonesia and LEI has to be given some credit for its work during that period.

Only two minor incompatibilities between the Alliance Criterion 3 and the LEI scheme were found: LEI is not requesting the presence of all major groups of its constituents for decision making but regulates in its statutes that 2/3 of its members have to be present in order that the general assembly (*kongres*) becomes quorate. And LEI has not formulated detailed requirements for NGOs participating in standard setting and governance processes as required under guidance point b in great detail by the Alliance.<sup>11</sup>

Meaningful participation of major stakeholder groups and equitable participation in governance is embedded in all elements of the FSC scheme (accreditation, certification

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<sup>10</sup> A document elucidating the connection between HCVF and the World Bank’s terminology will be prepared in connection with the forthcoming World Bank Sourcebook on Forests (WWF/WB Alliance, 2006:10). In the meantime it is after a preliminary analysis concluded that critical forest areas are a sub-set of high conservation value forests. Consequently, their maintenance as required in Alliance Criterion 2, point g, can be assumed by the application of FSC’s Principle 9 (Walter, 2006).

<sup>11</sup> LEI e.g. does not regulate that participating NGOs need to be accountable to their constituents, affected by the certification system or have a proven record in the subject matter. However, several of LEI’s constituents must be considered as fully accountable to their organizations, since they represent important networks like AMAN (e.g. Abdon Nababan) or FKMM (e.g. Muayad Ali).

and standard setting). Consequently, the FSC fulfils most of the Alliance requirements, with the exception of some aspects of the standard setting process on national level,<sup>12</sup> the decision making procedure in the General Assembly (which is not oriented towards consensus but based on a voting system) and the detailed requirements of the Alliance regarding NGO participation in standard setting and governance processes.<sup>13</sup>

The most crucial matter is the standard setting process on national level: FSC has developed an international framework standard (FSC P&C), using a refinement process for the adaptation of its international framework to regional and national levels (addition of country specific indicators to the P&C). The process shall be carried out by endorsed National Initiatives (NI) and the developed standard needs accreditation by the FSC.<sup>14</sup> In the absence of a national FSC standard, FSC CBs can use a locally adapted generic standard (also called “interim standard”) for certification, which is based on each CB’s generic standard (FSC P&C plus generic indicators) and available local information.<sup>15</sup> This procedure was applied in Indonesia due to the absence of a FSC NI and has been maintained acknowledging the collaboration between FSC and LEI.

The assessment of the interim standard setting procedure of the FSC showed that although the process includes consultation, the decision making is not based upon consensus among stakeholders or a balanced voting system. Both aspects are required by the Alliance in all standard development processes. Judging on CB’s performance in Indonesia, the level of consultation on interim standards has not been different from other countries with certification prior to the elaboration of a FSC national standard.<sup>16</sup> Inputs by stakeholders, however, were limited, partly due to the existence of the Joint Certification Protocol (JCP), which closely linked the Indonesian interim standards in natural production forests to the LEI standard, and partly due to a lack of interest by many local stakeholders.<sup>17</sup>

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<sup>12</sup> Requirements for governance of national level operations are laid down in the FSC National Initiatives Manual. The provisions in this document are to some extent confusing, particularly with regard to voting rights and the distinction between the decision making procedures for standard setting committees (part 12) and for other tasks of these bodies. Assessment of the documentation therefore yielded fail results for various aspects. More ample and concrete information may be obtained during a national level analysis of these bodies (Walter, 2006).

<sup>13</sup> Although FSC fulfils some of the related guidance given by the Alliance, it does e.g. not regulate that the participating NGOs need to be affected by the certification system or have a broad membership base.

<sup>14</sup> Standard procedures aim at an independent, participatory, balanced and consensus based standard setting processes.

<sup>15</sup> Interim standards need accreditation by the FSC. Consultation is an essential requirement for the local adaptation of the generic standard (FSC-STD-20-003).

<sup>16</sup> SmartWood so far developed three versions of its interim standard in Indonesia (SmartWood, 2003) and tried to accommodate recent interpretations on FSC certification, e.g. the Principle 2&3 study done in Indonesia (Colchester et al., 2003).

<sup>17</sup> The JCP has been concluded in December 2005 and never covered plantation and CBFM certification. Neither SmartWood nor SGS received very concrete inputs to their interim standards during consultations. Usually, stakeholder comments came on broader issues regarding framework conditions for certification, such as legal gazettelement, free and informed prior consent, indigenous rights, the legitimacy of concessions, etc. Or criticisms focused on specific certifications (PT. Diamond Raya, PT. XIP, Perum Perhutani).

Judging according to the strict requirements of the Alliance, the current status of certification standard development by the FSC in Indonesia was categorized as not sufficient.

### Comparison

Meaningful participation in governance and standard setting of major stakeholder groups is a stronghold of both schemes, even though some requirements are currently not fully met by both schemes.

For the FSC, a need for a national level standard development in Indonesia exists, latest since the termination of the JCP between FSC CBs and LEI CBs. Whether this could be done under the on-going collaboration agreement between LEI and FSC should be considered.

## **3.4 Avoidance of unnecessary obstacles to trade (Criterion 4)**

No requirement exceeding Criterion 1 is specified in the FCAG. As a result, Criterion 4 was not analysed.

## **3.5 Based on objective and measurable performance standards that are adapted to local conditions (Criterion 5)**

LEI's indicators and verifiers are performance orientated. LEI's approach is very detailed, comprising of three different standards (with even more application options), and a typology framework in order to evaluate performance truly considering the local context. The typology affects indicator rating (in all standards) as well as system procedures (in the CBFM system).

The forest management standard is written in measurable terms and geared to the FMU level. Detailed guidance for assessment and grading is available (LEI Technical Doc. 01-06). Although a tool box approach for the use of verifiers is provided, the indicators and verifiers appear very detailed, which may cause inflexibility during assessment and grading (a matter that can only be evaluated via field assessments).

The official language of the LEI documents is Bahasa Indonesia. The used wording is precise, constituting the academic background of the system and standard developers. The English translations, however, contain numerous mistakes and inconsistent wording, particularly since several English documents are only available in draft versions. Some important documents, e.g. the accreditation manual and even the CBFM guidelines, are only available in Bahasa Indonesia. This surely hinders LEI's international acceptance.

The system documentation is very detailed (see reference list in Chapter 6.1). Little guidance is provided on the relation between the various guidelines, manuals and technical documents.

FSC's P&C are also greatly composed of performance criteria. The standard is written in measurable terms and oriented towards activities at the FMU level. Adaptation to local conditions is the task of endorsed National Initiatives. Until an accredited national standard is developed, CBs can certify based on interim standards (see above). The interim standards developed by SmartWood and SGS Qualifor in Indonesia are publicly available in English and in Bahasa Indonesia. The Soil Association has not yet published its interim standard for Indonesia.

### Comparison

The standards of both schemes contain explicit performance requirements, including chain of custody. LEI's scheme and standard complexity makes applying it somehow "scientific" and more difficult compared to the more straight forward approach of the FSC. Wording of the criteria & indicators (indicators & verifiers) in both schemes tries to prevent ambiguities and potentially inconsistent interpretations. Guidance to standard interpretation gets still elaborated, particularly by the FSC.

Adaptation to local conditions is a stronghold of the LEI scheme, reflected in its typology approach, particularly for CBFM areas. Local adaptation of its standard is also clearly regulated by the FSC. However, the FSC allows simplified and less consultative procedures (see above described non-compliances for the interim standards) in order to be able to offer its certification services globally.<sup>18</sup>

Understanding the LEI scheme is for non-Indonesian speakers relatively difficult due to a lack of (well) translated documents and its complexity in documentation. A translation of FSC or FSC CB documents into Bahasa Indonesia is not foreseen, with the exception of the interim standards.

## **3.6 Certification decisions free of conflicts of interest from parties with vested interests (Criterion 6)**

LEI is an independent organization and has regulated the independence of each actor in its scheme in great detail (special guidelines were published on independence requirements for CBs; Assessors; and Expert Panel members). LEI has placed such an emphasis on actor's independence and defending Corruption, Collusion and Nepotism (*KKN*) from its scheme, that its procedures are more complex if compared to other (national) certification schemes. E.g., a rigid differentiation between the assessment and the evaluation procedure is applied. This, however, led to the circumstance that the personal involved in the decision making process have no actual field experience gathered through

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<sup>18</sup> In this way the FSC is complying with the Alliance requirement a. under Criterion 10, defined as "equity of access independent from location of the operation".

the main assessment and that a large number of persons are required in each certification.<sup>19</sup>

The FSC fulfils all requirements stated by the Alliance under Criterion 6 by referring to the relevant ISO rules.

### Comparison

Both schemes explicitly regulate the avoidance of conflicts of interest and vested interests.

LEI tried to accommodate the Indonesian difficulties of *KKN* by separating the roles of the involved actors and reducing the power of its CBs. This causes significant differences in procedures between the FSC and the LEI scheme, as outlined in Chapter 4.

## **3.7 Transparency in decision making and public reporting (Criterion 7)**

LEI makes its documents publicly available on its website, specifying all its requirements related to accreditation, standard and certification, including chain of custody, logo policy and control of claims.

Public summary reports for field assessments are currently only available on the website of one CB, but can be requested from the other(s). Summaries still differ significantly in quality, some of them not fulfilling LEI's own requirements (comment on implementation). Delays in publication are considerable at one CB (comment on implementation). Public summaries of surveillance visits, as required by the Alliance, are not produced. Summaries of the accreditation decision shall be made public in early 2007 (the accreditation process is still ongoing).

Accreditation procedures, however, are not sufficiently public (consultation, as required by the Alliance under Criterion 8, is not conducted) and corrective action requests issued during this process are not transparently voiced. All above matters constitute non-conformities between the LEI scheme and the requirements of the Alliance under Criterion 7.

FSC makes its documents publicly available on its website, including the proceedings of the General Assembly and policy papers. Public reports on forest management evaluation are available on the website of the responsible CB. Summaries for certification and surveillance contain all aspects required by the Alliance. However, some public summaries of finalized surveillance visits in Indonesia are not yet published (comment on implementation).

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<sup>19</sup> LEI, however, regulates that in the decision making Expert Panel a proportion of the members must originate from the vicinity of the unit under assessment in order to reflect local representation and experience.

### Comparison

Compared to the FSC, which fully complies with the requirements of the Alliance under Criterion 7, LEI shows several deficiencies regarding transparency in accreditation and public reporting. The shortcomings are not fundamental, but significant.

### **3.8 Reliable and independent assessment of forest management performance and Chain of Custody (Criterion 8)**

Field visits form the basis for certifications and surveillance of certified units in the LEI scheme. Surveillance of CBs is conducted through field and office visits. LEI's CoC system is fully operational and control mechanisms exist to prevent application of logos on uncertified timber (however, LEI's logo is not yet used). The entire lifecycle of a certified product is not controlled by the CoC system, an aspect leading to a minor non-compliance with ISO 14020.

LEI bases its accreditation decision on documents provided by the applicant. General information on the CB is known to LEI through its network sources, but no consultation takes place, as required by the Alliance (see Criterion 7).

Complain procedures and appeal mechanisms are sufficiently regulated by LEI, including the creation of an independent Certification Review Council (*DPS*). Complaints against CBs are made public and are free of costs for the complainant. Complaints against LEI are not made public (but answered by LEI in writing). This constitutes a minor non-conformity with the requirements of the Alliance under Criterion 8.

Stakeholders can participate in a number of ways in the certification process: through formal hearings at national, province and/or district level, through meetings with representatives of LEI's 12 Regional Consultation Forums (*FKD*) and in writing to the CB. However, public consultation during surveillance visits, as required by the Alliance, is not foreseen in LEI's scheme, but was so far conducted by LEI's CBs following the rules of the JCP (comment on implementation).<sup>20</sup>

The FSC fulfils all requirements stated by the Alliance under Criterion 8, except for the minor matters of absence of cost implications for CBs appealing accreditation and the lack of controlling the entire lifecycle of a certified product, as required by the Alliance in accordance with ISO 14020.

### Comparison

Independence, public transparency and consultation are general strongholds of the FSC scheme. At the beginning of certification in Indonesia, however, consultation in main

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<sup>20</sup> The meaningful involvement of the FKD and an open access policy are judged by LEI as sufficient means of consultation during surveillance.

assessments was strongly criticised by stakeholders and constituted a surveillance matter for the CBs of both schemes. The Joint Certification Protocol finally provided the opportunity to develop culturally sensitive stakeholder consultation procedures for the application of both schemes.

Although LEI has placed a lot of emphasis on consultation procedures and even has developed locally adapted consultation mechanisms (*FKD*), a few minor non-conformities regarding the requirements of the Alliance were found. The deficiencies are, however, not fundamental.

FSC does not fulfil the Alliance requirement regarding costs of claims related to accreditation. LEI and FSC do not control the entire lifecycle of a certified product, as this is generally not done by forest or agricultural certification schemes; an aspect that should be excluded from the Guide.

### **3.9 Delivers continual improvement in forest management (Criterion 9)**

LEI follows a more rigid inspection approach than formulated by the Alliance. No certificate is issued under conditions; the certification decision is either “pass or fail”. Corrective action requests are not expressed and no deadline for compliance is set. However, the scheme still contributes to continual improvement on FMU level.

Surveillance intensity in the LEI scheme depends on the received certification grading and the type of forest management. LEI fulfils the related requirements of the Alliance with some exemptions.

The FSC fulfils all requirements defined by the Alliance under Criterion 9. Its scheme is promoting learning on all stages of its application. In accreditation, main assessment and surveillance, corrective action requests are expressed to allow the unit or CB under assessment to adjust operations.

#### Comparison

Although LEI follows a stricter inspection approach in certification than the FSC, it does fulfil the general thinking of the Alliance under Criterion 9. However, since corrective actions requests are not issued, requirements a and c are judged as not applicable.

Both systems conduct regular standard reviews, as required by the ISEAL Code of Good Practice for Setting Social and Environmental Standards.

### **3.10 Accessible to and cost-effective for all parties (Criterion 10)**

LEI's scheme is based on the principle of non-discrimination. LEI offers a range of locally adapted procedures to ensure a cost saving approach in qualified small units. In certain cases, certification can become very cost efficient (guarantor approach in CBFM certification), in other cases costs remain relatively high, even in CBFM certification.<sup>21</sup>

FSC's scheme also builds on the principle of non-discrimination. FSC has developed a simplified and cost reduced procedure for the certification of Small and Low Intensity Managed Forest (SLIMF)<sup>22</sup>.

#### Comparison

Both schemes fulfil the given requirements, though using different concepts to allow for access of small parties. However, certification costs remain high for some small units under both schemes.

### **3.11 Voluntary participation (Criterion 11)**

Criterion 11 is reflected in LEI's CBFM scheme. The general concept is fulfilled, however, demanded contractual arrangements between the members of a community based forest management unit (*kooperasi*) and aspects of internal group organization are not sufficiently specified in LEI's CBFM system. This caused two minor non-compliances, even though LEI's general understanding of these matters seems very similar to concept outlined in the FCAG. All requirements are adhered to by the FSC.

#### Comparison

FSC, by following ISO rules, has regulated its scheme in accordance to the requirements of the Alliance. LEI does not fully meet the requirements related to group certification, since it has not specified necessary organizational matters in such great detail in its CBFM system. However, in all three certifications in CBFM areas under LEI and FSC in Indonesia, the by the Alliance required "commitment to adhere to the standards set by the scheme" was signed by the participating forest owners before the assessment (comment on implementation).

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<sup>21</sup> This is mainly due to the involvement of a large number of persons in the LEI scheme: assessors, expert panel members, and CB personal.

<sup>22</sup> FSC-POL-20-100 and FSC-POL-20-101 (2003).

#### 4. Comparison of the certification procedures applied by LEI and FSC

In addition to the FCAG application, an overview table documenting the certification procedures in forest management certification and (briefly) also in CoC was developed, underlining similarities and differences of the two schemes regarding procedural aspects. The Table is based on desk review, interviews and earlier work done during an internal evaluation of the Joint Certification Protocol in year 2001.<sup>23</sup>

**Table 2:** Comparison of the certification procedures applied by LEI and FSC

	<b>FSC Scheme</b>	<b>LEI Scheme</b>	<b>Findings</b>
<b>Applica- tion</b>	<ul style="list-style-type: none"> <li>FSC is open for all types of forest management units to apply for certification, regardless its size, location and ownership.</li> <li>Applications must be submitted to an FSC accredited Certification Body (CB).</li> </ul>	<ul style="list-style-type: none"> <li>All types of forest management units are welcomed by LEI.</li> <li>Application must be submitted to a LEI accredited CB. The CB and the applicant sign a contractual agreement which also includes obeying to LEI's procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Application procedures are similar in both schemes.</li> </ul>
<b>Selecting Assessors</b>	<ul style="list-style-type: none"> <li>FSC CBs have their own requirements for assessor qualifications, based on essentials formulated by the FSC (FSC-STD-20-004).</li> <li>Special requirements for lead assessors exist.</li> <li>CBs (can) offer training to assessors.</li> </ul>	<ul style="list-style-type: none"> <li>The assessors must meet the basic requirements stated in LEI's guidelines for each certification type (natural production forest, plantations and CBFM) and level of responsibility (lead assessor/team member).</li> <li>CBs can only use registered assessors. Registration is required at LEI's Personal Registration Body under the government agency <i>Lembaga Ilmu Pengetahuan Indonesia</i> (LIPI).</li> <li>Currently, LEI is responsible for all trainings related to its scheme. CBs are not allowed to conduct training activities covering the LEI scheme.</li> </ul>	<ul style="list-style-type: none"> <li>FSC CBs are freer to choose assessors (according to clearly defined qualifications) and can design their own training programmes.</li> <li>LEI's formation of an independent Personal Registration Body and creation of a central training programme must be understood as an attempt to standardize assessors' qualifications and to restrict the influence of its CBs. Both measures are meant to maintain high credibility of its system and need to be recognized under the Indonesian context of corruption, collusion and nepotism (<i>KKN</i>).</li> </ul>

<sup>23</sup> Hinrichs (2001).

<p><b>Pre-Assessment and Document Review</b></p>	<ul style="list-style-type: none"> <li>• Pre-assessments (also referred to as “scopings”) are a voluntary activity in the FSC scheme. Scopings shall identify barriers to certification and help preparing the main assessment, esp. in difficult cases.</li> <li>• Assessments are flexible in design and do not have to include field visits, except for large scale units and HCVF areas, respectively. Consultation is usually optional, but when the scoping is covering an area of potential HCVF, a limited amount of stakeholder consultation is required.</li> <li>• Field visits were conducted in all FSC pre-assessments in natural production forest concessions in Indonesia, partly jointly with LEI (under the JCP).</li> <li>• Pre-assessment results can not be used for public advertising and do not provide scoring of criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• The field (pre-) assessments is geared to increase the efficiency of the evaluation process and to raise the understanding regarding the readiness of an operation for certification. Units which do not pass the pre-assessment can not continue the certification process and shall re-apply for a pre-assessment.</li> <li>• The activities within a pre-assessment consist of: <ul style="list-style-type: none"> <li>a. Screening by <i>ad hoc</i> Expert Panel 1 (EP1): <ol style="list-style-type: none"> <li>1. Document evaluation</li> <li>2. Field scoping, possibly allowing for consultations</li> <li>3. Decision making &amp; submission of recommendation to succeed to main assessment, if appropriate</li> </ol> </li> <li>b. Affirmation of decision by the responsible CB</li> </ul> </li> <li>• The EP 1 consists of 3 independent, LEI registered experts with expertise in production, ecological and social aspects.</li> <li>• Pre-assessment results can not be used for public advertising.</li> </ul>	<ul style="list-style-type: none"> <li>• While in the LEI scheme the pre-assessment is a mandatory step leading to a final decision regarding the possibility to move to a main-assessment (“pass/fail”), the procedure in the FSC scheme is voluntary, giving recommendations to proceed only.</li> <li>• In the FSC scheme, the task is solemnly implemented by the contracted CB.</li> <li>• In the LEI scheme, the activity is primarily handed over to an independent <i>ad hoc</i> Expert Panel, comprising of LEI registered certification experts.</li> <li>• Both schemes understand the pre-assessment as an internal process of the applying management unit. Results are not made public.</li> <li>• Even though some procedures are different, the concept of both schemes is in general similar.</li> </ul>
<p><b>Main Assessment</b></p>	<ul style="list-style-type: none"> <li>• The task of the main-assessment in the FSC scheme is to define the scope of the assessment, evaluate the applicant’s management system, verify its implementation and identify non-conformities related to the standard used.</li> <li>• Each indicator is reviewed for compliance and final decision is made by consensus between the assessor team members.</li> <li>• In cases of major non-compliance at the level of the associated FSC criterion, pre-conditions, also called major Corrective Action Requests (major CAR), are issued and need to be closed out <u>before</u> certification can be granted.</li> </ul>	<ul style="list-style-type: none"> <li>• The LEI assessors use the recommendations formulated by the EP 1 as central input for designing their field work.</li> <li>• Typology of the unit under assessment is defined according to its degree of biophysical safety and its social setting. The typology has an important impact on the decision making process, since it determines the importance of each management function during the grading process (e.g. if a unit under assessment contains numerous settlements or endangered ecosystems, the social and/or the ecological function might be weighted more important than the production function).</li> <li>• Each indicator must be verified. Means of verification are elaborated in three technical</li> </ul>	<ul style="list-style-type: none"> <li>• Both schemes evaluate each indicator during the main assessment.</li> <li>• Criteria (FSC) or indicator (LEI) grading is done differently in the two schemes. While in the FSC scheme any matter of non-compliance is rated according to its degree of non-conformity based on the professional judgment of the assessors, the LEI scheme requests that the assessors grade each indicator according to pre-defined rating intensities (5 classes), without determining a minimum performance level for each indicator, therefore not judging the degree of non-conformity.</li> </ul>

	<ul style="list-style-type: none"> <li>In cases of minor non-compliance, conditions or minor CARs are issued, to be closed-out within a defined period during the validity of the certification.</li> </ul>	<ul style="list-style-type: none"> <li>guidelines, referring to document reviews, staff interviews, field assessments and consultation.</li> <li>Based on the field findings and relevant secondary information, assessors judge the performance of each indicator following pre-defined rating intensities elaborated in three other technical guidelines (ranging from excellent, good, fair, and poor to bad for each indicator).</li> </ul>	<ul style="list-style-type: none"> <li>The typology approach in the LEI system tries to scientifically accommodate landscape aspects, acknowledging that each unit under assessment operates under a different social and environmental setting.</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>The main assessment report must be written by the assessors, containing background information and a justification for the rating of each criterion.</li> <li>The reporting format is regulated by the CB, following detailed FSC requirements (FSC-STD-20-008, referring to ISO/IEC 65).</li> <li>The draft report is submitted to the unit under assessment for comment.</li> </ul>	<ul style="list-style-type: none"> <li>The field assessment report must be written by the assessors in order to assist the EP II in conducting its performance evaluation and decision making. Justification for the rating of each indicator must be given.</li> <li>The reporting format is precisely regulated by LEI.</li> <li>The report language is <i>Bahasa Indonesia</i></li> </ul>	<ul style="list-style-type: none"> <li>Reporting formats are different in both schemes, though generally covering the same matters.</li> <li>In the FSC scheme, the assessors propose a certification decision. In the LEI scheme, the assessors only propose the indicator ratings, without describing possible consequences for the certification decision. The assessors are excluded from the decision making process, another safeguard of the LEI system to avoid <i>KKN</i>.</li> </ul>
<b>Reviewing</b>	<ul style="list-style-type: none"> <li>The assessment report is submitted to independent peer review (except for single small units assessed under the SLIMF concept).</li> <li>The review focuses on the adequacy of report writing and the validity of the proposed certification decision.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing of the field assessment report is done by the independent <i>ad hoc</i> EP II.</li> <li>The EP II consists of at least 6 persons, equally representing production, ecological and social aspects. At least one member shall be familiar with the location.</li> </ul>	<ul style="list-style-type: none"> <li>Both schemes use independent review of the assessment report to validate its findings. However, the review process in the LEI system exceeds the usual review task, since the EP II, and not the assessors, are proposing the certification decision.</li> </ul>
<b>Decision making</b>	<ul style="list-style-type: none"> <li>Based on the field assessment report and inputs by the peer reviewers, the responsible CB makes the decision on certification.</li> <li>As long as a pre-condition is validly issued, certification can not be granted.</li> <li>FSC allows the unit under assessment to close out pre-conditions without any time limit.</li> </ul>	<ul style="list-style-type: none"> <li>The decision-making process in the LEI scheme is performed by the EP II.</li> <li>The steps in decision making for natural production and plantation forests are as follows: <ol style="list-style-type: none"> <li>Expose of the results of the field assessment, including received stakeholder comments, by the lead assessor (only present on the first work day of the EP II)</li> <li>Opportunity for clarifications by management</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>The applied decision making procedures of the two schemes are non-equivalent: <ul style="list-style-type: none"> <li>While in the FSC scheme the evaluation is generally based on the professional judgement of the field assessors and comments received through independent peer review, the LEI scheme reduces the role of the assessors to indicator grading, leaving the overall scoring to an independent</li> </ul> </li> </ul>

		<p>unit staff (only present on the first work day of the EP II)</p> <ol style="list-style-type: none"> <li>3. Application of the decision making methodology: <u>Analytical Hierarchy Process (AHP) or another qualifying method</u>. If the AHP is used: Determination of the degree of importance (weight) of each forest function (production, ecology, and social) according to the earlier defined typology.</li> <li>4. Determination of the degree of importance of each indicator according to the above defined weight of each function.</li> <li>5. Determination of the minimum score for each indicator.</li> <li>6. Calculation of the threshold for the management unit in order to pass certification (threshold = weighted sum of all minimum scores).</li> <li>7. Comparison of the weighted sum of the actual scores of all indicators with the threshold.</li> <li>8. Recommendation on certification.</li> </ol> <ul style="list-style-type: none"> <li>• The final certification decision is made by the responsible CB, merely endorsing the recommendation of the EP II.</li> <li>• If a management unit fails to meet the threshold, it fails certification. However, if it raises its performance within six months above the threshold, it can re-apply for the main assessment.</li> <li>• <i>Note: the AHP was used in all certification decisions done by LEI so far.</i></li> </ul>	<p>expert panel (which, however, must include at least one local expert).</p> <ul style="list-style-type: none"> <li>○ The FSC scheme issues in cases of major non-conformity preconditions, halting the certification process until compliance can be achieved.</li> <li>○ The LEI scheme places the field results in a general framework (typology) and calculates a weighted threshold for passing (if the AHP process is used). The scheme therefore usually averages even major non-compliances, e.g. a unit with some indicators showing poor social performance but with a strong execution of production matters could still pass, if the determined typology does not rank the social function as too important.</li> </ul> <ul style="list-style-type: none"> <li>• <u>Consequently, the applied decision making procedure in the two schemes might not reach the same conclusion, even if the field assessment reveals equivalent results.</u></li> <li>• Additionally, the consequences of not passing the main assessment are different: FSC allows the unit to close out pre-conditions without a time limit, while in the LEI scheme the unit fails the assessment process and needs to re-apply.</li> </ul>
<p><b>Issuing of Certificate</b></p>	<ul style="list-style-type: none"> <li>• The certificate is issued by the responsible CB.</li> <li>• The validity of the certificate is 5 years (for FM and for CoC).</li> </ul>	<ul style="list-style-type: none"> <li>• The certificate is issued by the responsible CB.</li> <li>• Forest management certificates are valid for 5 years in natural and plantation forests and for 10 to 15 years in CBFM areas. The validity for CoC certificates is 3 years.</li> <li>• Certificates demonstrate the unit's rating (Gold, Silver or Bronze).</li> </ul>	<ul style="list-style-type: none"> <li>• In both schemes, the CB is responsible for the issuing of the certificate.</li> <li>• The validity of certificates is the same in natural and plantation forests, but different in CBFM areas and CoC.</li> <li>• No certificate is issued under conditions in the LEI scheme.</li> </ul>

<b>Public Summary</b>	<ul style="list-style-type: none"> <li>• A public summary is prepared in an official FSC language (e.g. English or Spanish) and in at least one of the official languages of the country in which the unit under assessment is located (e.g. Bahasa Indonesia).</li> </ul>	<ul style="list-style-type: none"> <li>• A public summary is prepared in Bahasa Indonesia.</li> </ul>	<ul style="list-style-type: none"> <li>• Public summaries of the main assessment are produced in both schemes.</li> </ul>
<b>Surveillance</b>	<ul style="list-style-type: none"> <li>• Surveillance visits are carried out at least annually in FM and CoC certifications.</li> <li>• Corrective action requests are issued in cases of identified non-compliance.</li> <li>• Public summary reports of surveillance visits are prepared.</li> </ul>	<ul style="list-style-type: none"> <li>• Surveillance is conducted at least twice within a period of five years for a natural or plantation management unit awarded Gold rating, at least three times for Silver rating, and at least four times (= annually) for Bronze rating. In any case, the first surveillance visit will take place within the first year after certification.</li> <li>• Surveillance in CoC is conducted every six months.</li> <li>• Surveillance in CBFM is less intensive and depends on the used scheme and awarded rating. In all cases it is not annually (maximal every two years).</li> </ul>	<ul style="list-style-type: none"> <li>• While the concept of surveillance is the same, the frequency is different in some incidents.</li> <li>• Public summaries of surveillance visits are only prepared in the FSC scheme.</li> </ul>
<b>Suspension and withdrawal</b>	<ul style="list-style-type: none"> <li>• FSC CBs shall suspend a certificate in cases where newly issued major CARs were not met by the unit under surveillance in the given time period.</li> <li>• Suspensions are limited to one year or the expiration date of the associated certification agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• After each surveillance visit all indicators are again graded and calculated by the AHP process (for indicators not re-assessed the old grading will be used).</li> <li>• If the unit fails to match the minimum threshold for bronze grading, the CB will <u>withdraw</u> the certificate (suspension is not possible).</li> </ul>	<ul style="list-style-type: none"> <li>• While the FSC scheme allows for adjustments in cases of major non-compliance, the LEI scheme immediately withdraws the certificate once the rating has fallen below the minimum grade.</li> </ul>
<b>Disputes</b>	<ul style="list-style-type: none"> <li>• Complains regarding a certification decision need to be addressed to the responsible CB first. The CB might take the issue up for its next surveillance or a random site visit.</li> <li>• The CB responds in writing and documents all steps.</li> <li>• The CB will hand-over the complain to an independent person within its organization (e.g. ISO operations</li> </ul>	<ul style="list-style-type: none"> <li>• Complains regarding a certification decision need to be addressed to the responsible CB.</li> <li>• The CB responds in writing and documents all steps.</li> <li>• The CB might take the issue up for its next (or an additional) surveillance visit or, in major cases, calls for a meeting of the independent Certification Review Council (<i>DPS</i>) created by LEI.</li> </ul>	<ul style="list-style-type: none"> <li>• Dispute mechanisms are fully developed in both schemes.</li> <li>• Independent dispute resolution procedures are guaranteed, if the concerns of an aggrieved party could not be sufficiently answered by the responsible CB.</li> </ul>

	<p>manager), if required.</p> <ul style="list-style-type: none"> <li>The aggrieved party can also initiate an FSC complain or appeal process, in cases of continuous concerns.</li> </ul>		
<b>Other units under the same company</b>	<ul style="list-style-type: none"> <li>According to “FSC Guidelines for Certification Bodies” (part 2, 2.13), evaluation of Criterion 1.6 of FSC’s P&amp;C (“long-term commitment to FSC P&amp;C”) may require assessing activities taking place in units other than the one submitted for certification, if these units fall under the direct responsibility of the applicant (Partial certification).</li> </ul>	<ul style="list-style-type: none"> <li>Only the unit under assessment is evaluated.</li> </ul>	<ul style="list-style-type: none"> <li>FSC requires in some cases that other units under the responsibility of the applicant need to demonstrate their commitment to strive for SFM, e.g. by developing a related action plan. This can considerably delay or even hinder certification of the unit under assessment.</li> <li>LEI has no equivalent policy.</li> </ul>
<b>CoC</b>	<ul style="list-style-type: none"> <li>FSC requires in almost all cases on-site visits in CoC certification. A similar procedure as in FM certification is used.</li> <li>CoC certification analyses the procedures for handling and tracking of forest products, the identification of the final point of reliable product identification, and the description and documentation of all sources and created products.</li> <li>FSC allows for a minimum percent content of certified material in a certified product for a variety of product groups (percentage based claims or products), e.g. at least 70 % by volume of the timber used in manufacturing FSC certified plywood must come from a FSC-certified source. The remaining percentage can not come from: <ul style="list-style-type: none"> <li>illegal harvests;</li> <li>genetically modified trees;</li> <li>areas where traditional or civil rights are violated; and</li> <li>un-certified HCVFs.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>LEI uses a similar procedure in CoC certification as in FM certification, including Pre-Field Assessment, Field Assessment and Surveillance.</li> <li>For decision making processes, LEI again establishes two Expert Panels.</li> <li>Two types of CoC certification are possible: (a) exclusive certification (for an industry which raw materials entirely stems from certified sources), and (b) non-exclusive (industry with mixed raw material sources). In case b, separation between certified and non-certified raw materials and products is required.</li> <li>CoC certificate holders are required to exclude timber from illegal sources (LEI Guideline 88-24, article 5, para 4): “<i>The reliability of successful CoC implementation is indicated by: Purenness of source, timber from illegal source is not present</i>”.</li> <li>LEI allows that 30% of the raw materials used in manufacturing LEI certified products can come from a non-certified, but legal source.</li> </ul>	<ul style="list-style-type: none"> <li>Both schemes sufficiently verify the flow of certified forest products through the supply chain, from the forest to the point of sale.</li> <li>Both allow for non-exclusive certifications and percentage based product claims. However, FSC handles approved non-certified raw material sources more strict.</li> </ul>

## 5. Concluding remarks

**The LEI scheme fulfils to a great extent the requirements of the WWF/World Bank Global Forest Alliance expressed in the Forest Certification Assessment Guide.** The identified non-conformities, particularly regarding Criterion 2, 7 and 8, are not fundamental, but in a few cases significant (conversion policy, transparency of the accreditation process, and public reporting). Linking LEI's accreditation and certification scheme to internationally accepted monitoring concepts (e.g. ISEAL) as well as building closer links to national accreditation bodies operating under ISO rule (*KAN*, *BSN*) would promote independent oversight of LEI's system and standards. This could enhance stakeholders' recognition and boost LEI's credibility. Related adjustments to the LEI scheme are judged as reasonable, since most of the requirements are already fulfilled.

Translation of the LEI documents into English and other means to promote the obvious strengths of its scheme (e.g. independence, adaptation to local conditions and compliance with international standards) should be pursued by LEI in order to better inform the international community regarding the content of its scheme. Improving the public visibility of LEI's accreditation process, as required by the Alliance, could immediately start, since full accreditation is currently performed by LEI for the first time.

All of the proposed matters would allow LEI to better promote its system in the market place, e.g. in order to qualify for evaluation under public procurement policies or to become a credible scheme under WWF's Global Forest & Trade Network.

**Except the use of interim standards and a few minor matters, the FSC scheme fully complies with the requirements of the Alliance on generic and national level in Indonesia.** This underlines the high credibility of the FSC scheme and its strong foundation on internationally accepted monitoring structures. In the conformity assessment of the certification and accreditation procedures (Criterion 6 until 11), the FSC scheme even exceeded some rules set by the International Standardisation Organisation (ISO), complying with the requirements listed by the Alliance.

However, a need for a national FSC standard development process in Indonesia exists, latest since the termination of the Joint Certification Protocol between LEI and FSC CBs. Since FSC and LEI already have a long tradition in collaboration, the possibility of LEI playing a supporting/facilitating role in FSC's national standard development process should be assessed.

Significant differences in the decision making procedure between FSC and LEI prevail, which might lead to inconsistent certification decisions even in cases where similar field assessment results are reported. This aspect has not yet been considered in the requirements listed by the Alliance and needs further discussions. It constitutes a fundamental difference between the two schemes and limits comparability of results. Other differences in procedures, e.g. related to surveillance, partial certification and percentage based claims under CoC are also significant, but judged as less fundamental.

## 6. References

### 6.1 List of LEI documents

Topic	Document Number	Title
<b>A. Standard</b>	LEI Standard 5000	Framework for Sustainable Production Forest Management System
	LEI Standard 5000-1	Sustainable Production Natural Forest Management System
	LEI Standard 5000-2	Sustainable Plantation Forest Management System
	LEI Standard 5000-3	Sustainable Community Based Forest Management
	LEI Standard 5000-4	Sustainable Non-Timber Forest Management System
	LEI Standard 5001	Chain of Custody
	LEI Standard 5002	Environmental Friendly Certification/Forest Product Labelling
	LEI Standard 5005	Terminology and Meanings related Forest Certification
<b>B. Manuals</b>		
	LEI Manual 11	General Accreditation Manual Indonesian Ecolabel Institute
	LEI Manual 22 – 01	Logo Policy/Brand of Indonesia Ecolabel Institute
	LEI Manual 22 – 02	Logo Manual of Indonesia Ecolabel Institute
<b>C. Guideline [55]</b>		
	<b>LEI Guideline 55</b>	<b>Guidelines of Dispute Resolution for Certification Decision</b>
<b>D. Guidelines [88]</b>		
	<b>LEI Guidelines 88</b>	<b>Certification system for Chain of Custody</b>
	<b>LEI Guideline 88-00 series</b>	Guidelines of Requirements and Working Procedure of Chain of Custody Certification
	LEI Guideline 88-01	General requirement for Chain of Custody Certification Body
	LEI Guideline 88-02	General requirement for Field Assessors Chain of Custody
	LEI Guideline 88-03	General requirement for Expert Panels in Chain of Custody
	<b>LEI Guideline 88-10 series</b>	Guidelines of Requirement and Training Procedure of Chain of Custody Certification Programs
	LEI Guideline 88-11	Training Guidelines for Field Assessors of Chain of Custody
	LEI Guideline 88-12	Training Guidelines for Expert Panels of Chain of Custody
	LEI Guideline 88-13	Training Guidelines for Trainers of Chain of Custody
	<b>LEI Guideline 88-20 series</b>	Guidelines for Program Execution of Chain of Custody Certification
	LEI Guideline 88-21	Guidelines for Field Assessment of Chain of Custody Certification
	LEI Guideline 88-22	Guidelines for Writing Report of Field Assessment results of Chain of Custody Certification
	LEI Guideline 88-23	Guidelines for Screening Process of Chain of Custody Certification
	LEI Guideline 88-24	Guideline for Decision Making in Chain of Custody Certification
	LEI Guideline 88-25	Guidelines for Drawing Recommendations on in Chain of Custody Certification
	LEI Guideline 88-26	Guidelines for Surveillance of in Chain of Custody

		Certification
<b>E. Guidelines [99]</b>		
	<b>LEI Guidelines 99</b>	<b>Certification System of Sustainable Production Forest Management (SPFM)</b>
	<b>LEI Guideline 99-00 series</b>	<b>Guidelines for Requirements and Working Procedures of SPFM Certification</b>
	LEI Guideline 99-01	General Requirements of SPFM Certification Body
	LEI Guideline 99-02	General Requirements for Field Assessors of SPFM Certification
	LEI Guideline 99-03	General Requirement for Expert Panels of SPFM Certification
	<b>LEI Guideline 99-10 series</b>	<b>Guidelines for Requirements and Training Procedures of SPFM Certification Program</b>
	LEI Guideline 99-11 series	Training Guidelines for Field Assessors of SPFM Certification
	LEI Guideline 99-12 series	Training Guidelines for Expert Panels of SPFM Certification
	LEI Guideline 99-13 series	Training Guidelines for Trainers of SPFM Certification
	LEI Guideline 99-14 series	General Criteria for SPFM Certification Training Institute
	LEI Guideline 99-15 series	General Criteria for Personnel of Certification Body for SPFM Certification
	<b>LEI Guideline 99-20 series</b>	<b>Guidelines for Certification Program Execution and of Sustainable Production Natural Forest Management (SPNFM)</b>
	LEI Guideline 99-21	Guidelines for Field Assessment of SPNFM Certification
	LEI Guideline 99-22	Guidelines for Report Writing of Field Assessment of SPNFM Certification
	LEI Guideline 99-23	Guidelines for Screening Process of SPNFM Certification
	LEI Guideline 99-24	Guidelines for Decision Making in SPNFM Certification
	LEI Guideline 99-25	Guidelines for Drawing Recommendations in SPNFM Certification
	LEI Guideline 99-26	Guidelines for Surveillance in SPNFM Certification
	<b>LEI Guideline 99-30 series</b>	<b>Guidelines for Certification Execution of Sustainable Plantation Forest Management</b>
	LEI Guideline 99-31	Guidelines for Field Assessment of Sustainable Plantation Forest Management Certification
	LEI Guideline 99-32	Guidelines for Report Writing of Field Assessment of Sustainable Plantation Forest Management Certification
	LEI Guideline 99-33	Guidelines for Screening Process of Sustainable Plantation Forest Management Certification
	LEI Guideline 99-34	Guidelines for Decision Making in Sustainable Plantation Forest Management
	LEI Guideline 99-35	Guidelines for Recommendations Arrangement in Sustainable Plantation Forest Management
	LEI Guideline 99-36	Guidelines for Surveillance in Sustainable Plantation Forest Management
	<b>LEI Guideline 99-40 series</b>	<b>Guidelines for Certification Execution of Sustainable Community Based Forest Management</b>
	LEI Guideline 99-41	Guidelines for Field Assessment of Sustainable Community Based Forest Management Certification
	LEI Guideline 99-42	Guidelines for Report Writing of Field Assessment of Sustainable Community Based Forest Management

		Certification
	LEI Guideline 99-43	Guidelines for Screening Process of Sustainable Community Based Forest Management Certification
	LEI Guideline 99-44	Guidelines for Decision Making in Sustainable Community Based Forest Management Certification
	LEI Guideline 99-45	Guidelines for Recommendations Arrangement in Sustainable Community Based Forest Management Certification
	LEI Guideline 99-46	Guidelines for Surveillance in Sustainable Community Based Forest Management Certification
	LEI Guideline 99-43.3	Guidelines for Submission of CBFM Certification
<b>F. Technical Documents</b>		
	LEI Technical Document -01	Verifier Toolbox and Its Verification for Assessment Criteria and Indicators in Sustainable Production Natural Forest Management System
	LEI Technical Document -02	Intensity Scale of Sustainable Production Natural Forest Management Indicators.
	LEI Technical Document -03	Verifier Toolbox and Its Verification for Assessment Criteria and Indicators in Sustainable Plantation Forest Management System
	LEI Technical Document -04	Intensity Scale of Sustainable Plantation Forest Management Indicators.
	LEI Technical Document -05	Verifier Toolbox and Its Verification for Assessment Criteria and Indicators in Sustainable Community Based Forest Management System
	LEI Technical Document -06	Intensity Scale of Sustainable Community Based Forest Management System Indicators.
<b>G. Academic Documents</b>		
	Academic Paper LEI-01	Academic Paper of Sustainable Production Natural Forest Management Certification System
	Academic Paper LEI-02	Academic Paper of Sustainable Plantation Forest Management Certification System
	Academic Paper LEI-03	Academic Paper of Sustainable Community Based Forest Management Certification System
<b>H. Policy Statements</b>		
	Circulation Letter No: 64/LEI/DE/XII/00	Policy on Conversion timber from certified FMUs

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- ISO/IEC Guide 66 (1996): *General Requirements for Bodies Operating Assessment and Certification/Registration of Environmental Management Systems*, Geneva.
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### Persons interviewed

Name	Organization	Position
1. Taufik Alimi	LEI	Executive Director
2. Alan Purbawiyatna	LEI	Certification and Accreditation Manager
3. Aditya Bayunanda	LEI	Project Management Manager
4. Marion Karman	FSC international	Regional Offices and National Initiatives Liaison Manager
5. Tony Arfiarchman	PT. Mutu Agung Lestari	Operation Director
6. Taufik Margani	PT. Mutu Agung Lestari	Operation Manager
7. Fourry Meilano	PT. Mutu Agung Lestari	Operation Officer
8. Artamur	PT. Mutu Agung Lestari	Lead Assessor
9. M Haris Witjaksono	PT. Sucofindo	Manager
10. Cecep Saepullah	PT TÜV	Manager
11. Abdul Qohar	PT. TÜV	Quality Management Representative
12. Nawa Irianto	Tropical Forest Trust	Sulawesi Coordinator and Lead Assessor
13. Loy Jones	Smartwood	Asia Pacific Regional Manager
14. Jeff Haywood (by Email)	Smartwood	Verification Services Manager
15. Salahuddin (by Email)	SGS	Operation Manager
16. Dwi M.	CIFOR	Consultant to CIFOR (LPF Project) and Lead Assessor

**ASSESSMENT RESULTS: Application of the Forest Certification Assessment Guide to the LEI certification scheme**

*Note: Issues of non-compliance are written in bold type in the remarks column and judged as fulfilled, not or partly fulfilled depending on the magnitude of failure.*

**PART 1: Compliance with international norms and standards**

FCAG Criteria	FCAG Requirements	Main References	Findings	Remarks
<p><b>Criterion 1</b></p> <p><i>Compliance with international frameworks for certification, accreditation, and standard setting</i></p> <p><b>Sub-Criteria</b></p> <p><i>1.1 Certification and accreditation</i></p> <p><i>1.2 Standard-setting procedures</i></p>	<p>a. The accreditation body is affiliated with an international accreditation organization (alliance/forum) such as the International Accreditation Forum (IAF) or the International Social and Environmental Accreditation and Labelling Alliance (ISEAL).</p> <p>b. Monitoring and surveillance carried out by the organizations under point a cover the activities of accreditation in the field of forest management.</p> <p>Guidance point d particularly applies: <u>Alternatively</u>, a certification system can provide evidence of compliance with the above referenced documents (ISO 17011; ISO Guide 62, 65, and 66; and ISEAL Code of Good Practice) through other means. In this case the elements of the certification system have to be assessed against the requirements specified therein.</p>	<ul style="list-style-type: none"> <li>• LEI Standard 5000 (Framework for SFM in Production Forest)</li> <li>• LEI Standard 5000-1 (Natural Production Forest)</li> <li>• LEI Manual 11 (Accreditation manual)</li> <li>• LEI, 2004</li> <li>• LEI/FSC, 2005</li> <li>• ISO/IEC 65 and 66</li> <li>• MAL Code of Practice</li> </ul>	<p>See amendment 1</p>	<ul style="list-style-type: none"> <li>• LEI is not an affiliated member of ISEAL or IAF. Therefore, requirements a, b and e cannot be directly evaluated. Consequently, guidance note d was checked (see amendment 1: ISO/IEC 65 analysis and the remarks concerning requirement d on ISO/IEC 17011).</li> <li>• Only international bodies can become full or associated members of ISEAL. Since LEI is a <u>national</u> accreditation body, it would need to register outside of Indonesia or affiliate with an international accreditation body. LEI currently considers these steps (see below).</li> <li>• Already in 1998, LEI and FSC signed a memorandum on developing a Mutual Recognition Agreement between the two organizations. Following this, LEI and FSC agreed to promote a Joint Certification Protocol (JCP) between their CBs operating in Indonesia, which was implemented between 1999 and 2005. In December 2005, FSC and LEI signed a collaboration agreement, especially focussing on cooperation of their accreditation systems.</li> <li>• Indonesia’s national accreditation committee KAN (<i>Komite Akreditasi Nasional</i>) represents Indonesia in IAF. However, KAN has no protocol to accredit LEI since it only accredits Certification</li> </ul>

FCAG Criteria	FCAG Requirements	Main References	Findings	Remarks
				<p>Bodies (CBs). LEI itself did not consider becoming an associate member of IAF, as e.g. the PEFC is.</p> <ul style="list-style-type: none"> <li>• LEI's Certification Bodies (CBs), Mutu Agung Lestari (PT. MAL, operating the SylvaCe-Programme), PT. TÜV Rheinland and the government agency PT. Sucofindo are accredited for their work in ISO 9000/14000 certification by KAN.</li> <li>• PT. MAL is accredited by UKAS (United Kingdom Accreditation Service) for its work in forestry. This Organization is registered as a member of IAF.</li> </ul>
	<p>c. All certification bodies are accredited for their activities carried out for the forest management certification scheme under assessment.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 11</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI became an accreditation body in year 1998, using an interim accreditation procedure for its CBs. A comprehensive accreditation manual was finalized in 2004. LEI's CBs are obliged to comply with this manual until 31.12.2006. The tree interim accredited CBs have submitted the required documents to LEI.</li> </ul>
	<p>d. Accreditation requires compliance with ISO Guide 62, 65, <u>or</u> 66</p>	<ul style="list-style-type: none"> <li>• BSN Guide No. 3</li> <li>• LEI Manual 11 (sub chapter 1.7, article 1, para 2.1.4; 2.1.5)</li> </ul>	<p>See amendment 1</p>	<ul style="list-style-type: none"> <li>• LEI's accreditation manual makes reference to the Guideline No. 3 of Indonesia's National Standardization Body BSN (<i>Badan Standardisasi Nasional</i>). Guide No. 3 (1999) regulates general requirements for assessment and accreditation of CBs, following ISO/IEC Guide 61, which, in combination with ISO/IEC Guide 58 and ISO/IEC/TR 17010, was recently replaced by ISO/IEC 17011:2004.</li> <li>• The manual makes also reference to ISO/IEC Guide 62.</li> <li>• BSN has endorsed LEI standard 5000-1.</li> <li>• ISO Guide 65 and 66 are not mentioned in</li> </ul>

FCAG Criteria	FCAG Requirements	Main References	Findings	Remarks
				LEIs accreditation manual. We therefore analysed ISO/IEC Guide 65 as the most relevant ISO document (see amendment 1).
	e. Standard setting bodies are affiliated with ISEAL Alliance.	<ul style="list-style-type: none"> <li>MAL website</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>See remarks associated with requirement a and b.</li> </ul>

## PART 2: Standards and the Standard-Setting Process

<p><b>Criterion 2</b></p> <p><i>Compatible with globally applicable principles that balance economic, ecological, and equity dimensions of forest management and meet Global Forest Alliance requirements</i></p>	<p>a. Compliance with all relevant laws. The scheme/system requires that forest management respect all applicable laws in the country in which operations occur and international treaties and agreements to which the country is signatory.</p>	<ul style="list-style-type: none"> <li>LEI Standard 5000</li> <li>LEI Standard 5000-1</li> <li>LEI Guideline 99-21 (SFM certification for natural production forest)</li> <li>LEI Technical Doc -01, for natural forest (indicator E 1.4; E1.5; E1.6)</li> <li>LEI Technical Doc-03, for plantation forest (indicator E 1.1; E1.8)</li> <li>LEI Technical Doc-05, for CBFM (indicator E 1.2)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>LEI's standards were developed fully based on the relevant Indonesian laws and regulations for forest management, which include obligations resulting from international treaties and agreements. E.g. CITES is reflected the Environmental Impact Assessment procedure (<i>AMDAL</i>) and subsequent environmental management plans (<i>RKL</i>).</li> </ul>
	<p>b. Respect for tenure and use rights. The scheme/system requires respect for any legally documented or customary land tenure and use rights.</p>	<ul style="list-style-type: none"> <li>LEI Standard 5000-1 (SFM certification for natural production forest point 4.9)</li> <li>LEI Standard 5000-2 (SFM certification for plantation production forest; indicator S.1.2)</li> <li>LEI Technical Doc-01 for natural production forest; indicators S1.1; S1.2; S1.3; S1.4)</li> <li>LEI Technical Doc-03,</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>See below.</li> <li>Indicator 1.2 of the social function of Natural Production Forest Management is phrased "<i>Full intergenerational community access and control over traditional forest areas is guaranteed.</i>"</li> </ul>

		for plantation forest (indicator S1.1;S1.2)		
	c. Respect for indigenous peoples' rights. The scheme/system explicitly requires respect for the legal and customary rights of indigenous people to own, use, and/or manage their lands, territories, and resources.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-1</li> <li>• LEI Technical Doc-01, for natural forest (indicator S1.2; S1.3)</li> <li>• LEI Technical Doc -03, for plantation forest (indicator S1.1;S1.2)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• The explanation of the social indicator S1.2 in LEI Technical Doc-01 reads as follows: <i>“Long before the existence of the management unit and its holding companies, traditional communities had full access and control over its area, inclusive of all the forests within. The presence of management units therefore should naturally honor those inter-generational rights (rights of origin). No traditional community should be deprived of its land, and its wealth depleted without their consent. The recognition of these rights (rights of origin) by the management unit’s presence is fulfilled with the conscious agreement (informed consent) of the community affected by the presence of the management unit.”</i></li> </ul>
	d. Respect for community relations. The scheme/system explicitly requires recognition and respect for the rights of communities as well as the maintenance and enhancement of the long-term social and economic well-being of forest communities.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-1</li> <li>• LEI Technical Doc-01, for natural forest (indicators S1.1;S1.2;S1.3 S1.4 and S 2.1)</li> <li>• LEI Technical Doc-03, for plantation forest (indicator, S1.2; S1.3)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Definition 4.21 in LEI’s standard 5000-1 specifies that <i>“Social Management is a series of management activities to increase the benefits and to minimize the negative impacts of forest exploitations, including the impacts related to the presence of management units, towards the livelihood of local communities across generations”</i>.</li> </ul>
	e. Respect for workers' rights. The scheme/system explicitly requires recognition and respect for the rights of workers.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-1 (article 4.13)</li> <li>• LEI Technical Doc-01 for natural forest (indicator S.2.5; S3.1; S 3.3, S.5.1)</li> <li>• LEI Technical Doc-03 for plantation forest (indicator S3.1; S 3.2,</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI fulfils the requirements postulated in the ILO Declaration on Fundamental Principles and Rights at Work either directly in its standard or indirectly by referring to regulations of the Ministry of Manpower (<i>DEPNAKER</i>).</li> <li>• LEI additionally requests that the working relationship between a unit under assessment and its staff is regulated in a</li> </ul>

		S.3.3)		mutual work contract and that a fair payment structure, considering regional minimum wage levels, is established.
	f. Delivery of multiple benefits from the forest. The scheme/system explicitly requires management systems that encourage the efficient use of the multiple products and services of the forest to enhance economic viability and foster a wide range of environmental and social services.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-1 (article 4.10)</li> <li>• LEI Technical Doc-01 for natural forest (indicator P2.4; S1.3; S2.1)</li> <li>• LEI Technical Doc-03 for plantation forest (indicator P1.4; P3.2; P3.6; S 1.2)</li> </ul>	<b>Fulfilled</b>	•
	g. Assessment and mitigation of environmental impacts. The scheme/system explicitly requires that management systems assess and manage environmental impacts (including issues addressed in either World Bank or WWF policies) to conserve <u>biological diversity</u> and its associated values, <u>water resources</u> , <u>soils</u> , and <u>unique and fragile ecosystems and landscapes</u> .	<ul style="list-style-type: none"> <li>• LEI Standard 5000-1 (article 4.20)</li> <li>• LEI Technical Doc-01 for natural forest.</li> <li>• LEI Technical Doc-03 for plantation forest.</li> <li>• World Bank Operational Policy (OP) 4.04</li> <li>• World Bank OP 4.36</li> <li>• WWF policies</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Environmental Impact Assessment (AMDAL) and results of environmental monitoring are required in several ecological indicators for natural production and plantation forests in the LEI system.</li> <li>• Cross-referencing the Alliance requirements to LEI Technical Doc-01 and Doc-03 is entirely possible, showing that their substance is sufficiently covered: <ul style="list-style-type: none"> <li>○ <u>Biological diversity</u>: (LEI Technical Doc-01 indicator: E1.1; E1.5; E2.1; E2.5; E2.6); (LEI Technical Doc-03 indicator: P2.7; E21; E2.2; E2.3; E.2.5);</li> <li>○ <u>Water resources</u>: (LEI Technical Doc-01 indicator: E1.7; E1.10); (LEI Technical Doc-03 indicator E1.9; E1.11; E1.13)</li> <li>○ <u>Soils</u> (LEI Technical Doc-01 indicator: E1.6; E1.9) LEI Technical document-03: E1.7;E1.11)</li> <li>○ <u>Unique and fragile ecosystems and landscapes</u> (LEI Technical Doc-01 indicator E2.1; E2.2); (LEI Technical Doc-03 indicator: E2.1; E2.3, E2.4)</li> </ul> </li> </ul>

	<p>h. Maintenance of critical forest areas and related natural critical habitats. The scheme/system explicitly requires that forest operations maintain critical forest areas and other <u>critical natural habitats</u> affected by the operation.</p> <p><i>Critical natural habitats</i> are defined in OP 4.04 as follows:</p> <p>(i) <u>Existing protected areas and areas officially proposed by governments as protected areas</u> (e.g., reserves that meet the criteria of the World Conservation Union [IUCN] classifications), <u>areas initially recognized as protected by traditional local communities</u> (e.g., sacred groves), and <u>sites that maintain conditions vital for the viability of these protected areas</u> (as determined by the environmental assessment process); or</p> <p>(ii) Sites identified on supplementary lists prepared by the Bank or an authoritative source determined by the Regional Environment Division. Such sites may include areas recognized by traditional local communities (e.g., sacred groves); areas with known high suitability for biodiversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species.</p>	<ul style="list-style-type: none"> <li>• LEI Technical Doc-01, for natural forest.</li> <li>• LEI Technical Doc-03, for plantation.</li> <li>• World Bank OP 4.04</li> <li>• World Bank OP 4.36</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• Mitigating environmental impact is linked to the ecological aspects stated in Standard 5000-1.</li> <li>• Cross-referencing the World Bank OP 4.04 to LEI Technical Doc-01 and LEI Technical Doc-03 reveals: <ul style="list-style-type: none"> <li>○ For aspect (i) in the definition of critical natural habitats, content matter “existing and proposed by the government”: refer to LEI Technical Doc-01 (indicator: E1.1; E.1.2; E1.3). LEI Technical Doc-03 (indicator : E1.1)</li> <li>○ For aspect (i) in the definition of critical natural habitats, content matter “traditional local communities”: refer to LEI Technical Doc-01, (indicator: S2.1; S1.4; S3.2; S1.1; and S2.2). LEI Technical Doc-03, (indicator: S1.1)</li> <li>○ For aspects (i) in the definition of critical natural habitats, content matter “sites that maintain conditions vital for the viability of protected areas”: <b>no reference is possible.</b></li> </ul> </li> <li>• <b>LEI certification applies an FMU approach and does not consider the required landscape protection aspects outside of the FMU in the World Bank’s definition of critical natural habitats.</b></li> <li>• For aspect (ii) see requirement 2.g.</li> </ul>
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	<p>i. Specific provisions for plantations. The scheme/system has adequate and explicit requirements to ensure that the establishment of plantations does not lead to the conversion of critical natural habitats.</p>	<ul style="list-style-type: none"> <li>• LEI Standard 5000-2 (Plantation forest)</li> <li>• LEI Technical Doc-03, for plantation forest. (indicator P1.1;P1.7)</li> <li>• LEI Policy Statement, 2000</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI regulates in Technical Doc-03 under Indicator P1.1 that any conversion activity must be done lawfully, based on a valid land use plan (legality assurance). LEI additionally requires a defined quality of the operation (Indicator P 1.7).</li> <li>• <b>Regarding the type of forests to be converted or the process of acquiring the conversion licence no requirements are formulated in the LEI standard. LEI considers this the “domain of the government” and points out that the Indonesian law contains clear criteria for areas qualifying for conversion.</b></li> <li>• Additionally, LEI regulates that conversion timber shall not be mixed with certified timber within a certified FMU. Conversion timber is considered legal but unsustainable (LEI policy statement, 2000).</li> </ul>
	<p>j. Implementation of management plan. The scheme/system requires effective forest management planning through the maintenance of a comprehensive and up-to-date management plan appropriate to the scale and intensity of the operation concerned. The scheme/system explicitly requires these management plans to have clearly articulated goals for continual improvement and descriptions of the means for achieving these goals.</p>	<ul style="list-style-type: none"> <li>• LEI Guideline 99</li> <li>• LEI Technical Doc-01 for natural forest (indicator P 1.2; P 2.1)</li> <li>• LEI Technical Doc-03, for plantation forest (indicator P1.3; P1.5)</li> <li>• LEI Standard 5000-3 (CBFM)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI requires up-to-date forest management plans (20 year plan/RKPH, 5 year plan/RKL and annual plan/RKT) for application and verification in certification.</li> <li>• LEI does not specify any details regarding these plans (domain of the government), but government regulations are considered sufficient to fulfil requirement 2j.</li> <li>• Indicator P3.4 in technical doc-01 for natural production forests focuses on the availability of professional staff for planning and other tasks in the unit under assessment.</li> </ul>
	<p>k. Effective monitoring and assessment. The scheme/system explicitly requires the use of</p>	<ul style="list-style-type: none"> <li>• LEI Standard 5000-1</li> <li>• LEI Standard 5000-2</li> <li>• LEI Standard 5000-3</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI requires the development of a comprehensive management information system (MIS) to monitor production aspects</li> </ul>

	monitoring systems appropriate to the scale and intensity of the operation to assess the condition of the forest, yields of forest products, chain of custody (where relevant), management activities, and social and environmental impacts.	<p>(CBFM)</p> <ul style="list-style-type: none"> <li>• LEI Technical Doc-01 for natural forest. (indicator P2.2; P3.3;E1.3;E1.5)</li> <li>• LEI Technical Doc-03 for plantation forest. (indicator P1.5; P2.3; P2.6)</li> <li>• LEI Technical Document-05 for CBFM (indicator P2.2; P2.3; P3.3)</li> <li>• LEI Guideline 88-21 (Guidelines for Field Assessment of Chain of Custody Certification) para 8.1</li> </ul>		<p>(e.g. for natural production forest management in indicator P2.2 on yield; in P2.8 on logging impact); environmental aspects (e.g. for natural production forest management in E1.3 until E1.9); and social aspects (e.g. for natural production forest management in S4.1 on the impact on community health).</p> <ul style="list-style-type: none"> <li>• Simple monitoring systems are also required in CBFM areas (e.g. P.2.2, 2.3 and 3.3).</li> </ul>
<p><b>Criterion 3</b></p> <p><i>Meaningful and equitable participation of all major stakeholder groups in governance and standard setting</i></p> <p><b>Sub-Criteria</b></p> <p><i>3.1 Effective stakeholder involvement</i></p> <p><i>3.2 Balanced decision-making</i></p>	<p>Requirements related to sub-criterion 3.1:</p> <p>a. Relevant stakeholder groups have been officially invited to participate</p>	<ul style="list-style-type: none"> <li>• Elliot, 2000</li> <li>• Agung and Hinrichs, 2000</li> <li>• LEI, 2004</li> <li>• Hinrichs, 2005</li> <li>• Dwi and Agung, 2006</li> </ul>	<b>Fulfilled:</b>	<ul style="list-style-type: none"> <li>• In 1993, MoF asked the minister of environment (Dr. Emil Salim) to initiate an independent working group on forest certification. The group was named <i>Kelompok Kerja Sertifikasi Lembaga Ekolabel Indonesia / LEI</i> (Certification Working Group of Indonesia).</li> <li>• The group drafted the LEI system and the standard for natural production forest management before becoming the Indonesian Eco-labelling Institute.</li> <li>• The working group, mainly comprising of academics, conducted numerous workshops and meetings to discuss standard and system matters. Inputs by social and environmental NGOs, representatives of indigenous people (AMAN), the private sector (requesting a stronger process orientation in the assessment approach instead of a mere output inspection), and academics were incorporated. Participatory</li> </ul>

<i>procedures</i>				<p>working approaches were very unusual at that time in Indonesia and LEI has to be given some credit for its work during that time.</p> <ul style="list-style-type: none"> <li>• In 1997, a consensus was negotiated by LEI between Ministry of Forestry, the Indonesian Concessionaire Association (APHI) and the Indonesian Standardization Body (BSN), making the LEI system and its standard for natural production forest <u>the national certification standard for Indonesia</u>.</li> <li>• Participation was and still is considered as sufficient by stakeholders in Indonesia. Critics these days focus on system implementation, system matters (e.g. decision making process) and the value of forest certification as such.</li> </ul>
	<p>b. Relevant stakeholder groups participated meaningfully.</p> <p>Relevant stakeholder groups are defined in guidance point a.:</p> <ul style="list-style-type: none"> <li>○ Forest owners, including governments, and/or representatives of their associations</li> <li>○ Product manufacturers, distributors, retailers</li> <li>○ Scientists/scientific bodies</li> <li>○ Environmental NGOs, Social NGOs/organizations (e.g., worker unions and consumer associations)</li> <li>○ Representatives of indigenous peoples</li> </ul> <p>And in guidance point b.: NGOs</p>	<ul style="list-style-type: none"> <li>• See above</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• All relevant stakeholder groups participated meaningfully (see remarks on requirement a. and c.).</li> <li>• <b>The elements of guidance point b, highlighting requirements for participating NGOs, are not regulated in the LEI system.</b></li> </ul>

	<p>participating in standard setting and governance should:</p> <ul style="list-style-type: none"> <li>○ Legitimately represent the respective interests</li> <li>○ Ensure that representatives are accountable to their constituencies</li> <li>○ Have a proven record in the subject matter</li> <li>○ Be interested and affected by the certification system</li> <li>○ Have a broad membership base</li> </ul>			
	<p>c. A procedure is in place to involve stakeholders in case of failure to achieve meaningful participation of relevant major stakeholder groups.</p>	<ul style="list-style-type: none"> <li>• LEI CBO Statutes (article 39: decision mechanism in congress)</li> <li>• LEI Guideline 99</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• On October 19-23, 2004, LEI was set-up as a <u>Constituent Based Organization</u> (CBO) through a national meeting. 142 members, organized in four chambers, now constitute LEI. They reflect all relevant non-governmental stakeholder groups in Indonesia: NGOs, private sector representatives, and indigenous communities.</li> <li>• The government and political parties can not become full members of LEI, but can achieve “associate membership status” without voting rights.</li> <li>• LEI created a certification network, consisting of 13 Regional Consultation Forums (<i>Forum Komunikasi Darah/FKD</i>), comprising of LEI’s constituents and other relevant parties. The FKD’s role is to become a partner to LEI’s CBs on province and district level in certification activities and in addressing issues beyond the capacity of the unit under assessment. Not all FKDs are fully operating yet.</li> </ul>
	<p>d. Written documents are available on</p>	<ul style="list-style-type: none"> <li>• LEI Manual 11 sub</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• Documentation of consultations was</li> </ul>

	what efforts have been taken to include stakeholders as well as on how issues raised by stakeholders have been addressed.	chapter 3.2, article 2, para 2.3.10. (about system document recording)		produced. <ul style="list-style-type: none"> <li>LEI stated that the documents are still available in older files, a matter that could not be assessed by the consultants.</li> </ul>
	Requirements related to sub-criterion 3.2: e. The decision-making process is striving for consensus among relevant stakeholder groups.	<ul style="list-style-type: none"> <li>LEI CBO statutes</li> <li>(article 39 para 3)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li><i>Musyawah</i> is given priority over voting.</li> </ul>
	f. Procedures are in place to achieve balanced decision making in the absence of consensus. These procedures do the following: <ul style="list-style-type: none"> <li>Ensure that no major interest group can dominate nor be dominated in the decision-making process.</li> <li>Specify a voting system that prevents major environmental, social, or economic interests from being overruled</li> <li>Contain a mechanism that prevents decision making in the absence of any representative of one of the major interest groups.</li> </ul>	<ul style="list-style-type: none"> <li>LEI CBO statutes: Membership categorization (article 14, para 2);</li> <li>Membership characteristics (article 15, para 1);</li> <li>Decision making process (article 16, para 4-6; article 28, para 3); article 38, article 39; article 40 until 42).</li> </ul>	<b>Partly fulfilled</b>	<ul style="list-style-type: none"> <li>LEI's member comprise of community representatives; business sector representatives, observers and eminent or respected persons (all Indonesian citizens)</li> <li>The decision making process and voting system are clearly specified.</li> <li><b>However, LEI is not requesting the presence of all major interest group but regulates in its statutes that the general assembly (<i>kongres</i>) requires that 2/3 of the CBO members have to be present in order to be able to make decisions (related to the last bullet point).</b></li> </ul>
<b>Criterion 4</b>  <i>Avoidance of unnecessary obstacles to trade</i>	No requirements specified	<ul style="list-style-type: none"> <li>LEI, 2004 (page 8)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>Trade barrier related issues (WTO/UNCTAD) were considered during the development of the LEI standard.</li> <li>See Criterion 1.</li> </ul>
<b>Criterion 5</b>  <i>Based on</i>	a. The standard contains explicit performance requirements, including chain of custody, if relevant.	<ul style="list-style-type: none"> <li>LEI Standard 5000 (Framework for Sustainable Production Forest Management</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>LEI specifies a "typology" for the unit under assessment in order to evaluate its performance regarding its specific local context.</li> </ul>

<i>objective and measurable performance standards that are adapted to local conditions</i>		<ul style="list-style-type: none"> <li>System)</li> <li>• LEI Standard 5000-1 (natural forest); 5000-2 (plantation forest) and 5000-3 (CBFM)</li> <li>• LEI Standard 5001 (CoC)</li> <li>• LEI Guideline 88 (CoC)</li> <li>• LEI Guideline 99 (Certification System of Sustainable Production Forest Management (SPFM))</li> <li>• LEI Guideline 99-21 (Typology)</li> <li>• (see detail in Table List of LEI standards and Guidelines)</li> </ul>		<ul style="list-style-type: none"> <li>• A CoC system is developed.</li> </ul>
	b. The standard is written in measurable terms, with guidance on interpretation if flexibility is required.	<ul style="list-style-type: none"> <li>• LEI Technical Doc. 01, indicator for natural forest</li> <li>• LEI Technical Doc. 02, rating scale intensity of indicator for natural forest).</li> <li>• LEI Technical Doc. 03, indicator for plantation forest.</li> <li>• LEI Technical Doc. 04, rating scale intensity of indicator for plantation forest).</li> <li>• LEI Technical Doc. 05, indicator for CBFM</li> <li>• LEI Technical Doc. 06, rating scale intensity of indicator for CBFM).</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Technical documents specify the standard, its verifiers and the verification methodology.</li> <li>• The technical documents contain sufficient background information (and definitions) to judge on the meaning of each indicator.</li> <li>• Although a tool box approach to the use of verifiers is provided, the indicators and verifiers appear very detailed, which <u>might</u> cause a certain amount of inflexibility (a comprehensive judgement would require field evaluation).</li> </ul>
	c. International principles and criteria	<ul style="list-style-type: none"> <li>• LEI Standard 5000</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI gives reference to international</li> </ul>

	used as the basis for development of national standards include provisions for the operational level (forest management unit).	(Framework for Sustainable Production Forest Management System)		standards for the FMU level, e.g. ITTO and FSC.
	In case of internationally operating systems: d. Mechanisms and processes are in place to facilitate the harmonization/equivalence of national standards or national schemes within the international system.		<b>Not applicable</b>	<ul style="list-style-type: none"> <li>LEI wants to operate in Indonesia only. However, this is not stated in any document (but inherent in its name).</li> </ul>
	e. Processes exist by which consistency between national standards can be sought		<b>Not applicable</b>	<ul style="list-style-type: none"> <li>See above</li> </ul>
	f. National standards are endorsed by the international system		<b>Not applicable</b>	<ul style="list-style-type: none"> <li>See above</li> </ul>

### **PART 3: Conformity Assessment, Certification, and Accreditation**

<b>Criterion 6</b>  <i>Certification decisions free of conflicts of interest from parties with vested interests</i>	No requirements formulated in the FCAG but reference given to relevant ISO rules.	<ul style="list-style-type: none"> <li>See addendum 1</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>See addendum 1</li> </ul>
<b>Criterion 7</b>  <i>Transparency in decision making and public reporting</i>  <b>Sub-criteria</b>	The FCAG guide lists 10 specifications based on ISO rules and the ISEAL code. Additionally, the following requirement is formulated: a. In addition to the above, the certification scheme/system makes its documents publicly available, specifying all its requirements related to accreditation,	<ul style="list-style-type: none"> <li><a href="http://www.LEI.co.id">www.LEI.co.id</a> (LEI's website)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>LEI's website contains: <ul style="list-style-type: none"> <li>Description of its certification and accreditation system/process including draft versions;</li> <li>Procedures for handling appeals, complains and disputes;</li> <li>List of certificate holders; and</li> <li>List of accredited certification bodies.</li> </ul> </li> <li>Documents are placed in Indonesian and</li> </ul>

<p><b>7.1 Public availability of scheme requirements</b></p>	<p>standardization, and certification, including chain of custody and control of claims, where applicable.</p>			<p>partly in English (often draft versions only).</p> <ul style="list-style-type: none"> <li>• LEI’s website is adequately maintained and updated.</li> <li>• LEI also manages an electronic mailing list (<a href="mailto:ecolabeling@yahoogroups.com">ecolabeling@yahoogroups.com</a>)</li> <li>• LEI’s website does not contain information about fees for accreditation services (this is regulated in the accreditation contract).</li> <li>• LEI does not make public its annual work plan, but distributes it to its constitutions.</li> </ul>
<p><b>7.2 Public availability of certification and accreditation reports</b></p>	<p>a. Public reports on forest management evaluation and surveillance provide the rationale for the certification decision or the maintenance of certification, respectively.</p>	<ul style="list-style-type: none"> <li>• LEI Guideline 99-01 (para 5.9.1)</li> <li>• LEI Manual 11(Sub-chapter 3.2 article 2 para 2.3.12: about publication)</li> <li>• MAL website</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• According to LEI Guideline 99-01, LEI places the task of informing the public regarding field evaluations on its CBs (para 5.9.1): “<i>The certification body should have a policy and procedure to publicize information related to the sustainable production forest management certification</i>”.</li> <li>• Content aspects of public summary reports are not regulated in detail by LEI (only mentioned that process, results and background shall be outlined).</li> <li>• Public summary reports for field assessments are currently only available on PT. Mutu Agung Lestari’s (MAL) website (PT. TÜV to follow until the end of this year).</li> <li>• LEI requires that its fully accredited CBs upload their public summaries on their websites. As of today, interested parties can request to receive a copy of the public summary reports from LEI’s CBs.</li> <li>• <b>Public summaries of surveillance visits are not produced by LEI’s CBs.</b></li> </ul>
	<p>b. Public reports on forest management evaluation justify the</p>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.2, article 2, para</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• <b>Comment on implementation: Although clearly regulated by LEI, public</b></li> </ul>

	certification decision by providing key findings with respect to compliance with the standard.	2.3.12)		<b>summaries of the CBs currently widely differ in quality. The public summary of PT. Intracawood e.g. does not sufficiently justify the Expert Panel (EP) II evaluation.</b>
	c. Public reports on forest management evaluation and surveillance include the corrective action requests raised in regard to the performance of the operation being evaluated.	<ul style="list-style-type: none"> <li>• LEI Guideline 99 (para 4.6.6)</li> <li>• LEI Guideline 99-25 (drafting of recommendations for natural production forests)</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>• <b>The EP II does not formulate corrective action requests.</b></li> <li>• However, it discloses its rating on every indicator (see criterion 9; AHP process) and provides general recommendations for improvement if a unit has passed the certification threshold. This information is made publicly available (see above).</li> <li>• If a management unit fails to meet the threshold, it fails the certification process. If it considerably raises its performance within six months, it does not have to pass through the entire certification process again (“only” a new full field assessment is required).</li> <li>• <b>Public summaries of surveillance visits are not produced.</b></li> </ul>
	d. Public reports on accreditation provide the rationale for the accreditation decision.	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 2.3, article 1, para 1.13./1.10)</li> </ul>	<b>Not fulfilled</b> (but likely to be fulfilled in early 2007)	<ul style="list-style-type: none"> <li>• LEI has the obligation to inform to public regularly about its accreditation system.</li> <li>• <b>LEI is currently re-assessing the interim accreditation of its CBs (until the end of 2006) and plans to make the accreditation decision publicly available in early 2007.</b></li> </ul>
	e. Public reports on accreditation provide the corrective action requests raised in regard to the performance of the evaluated certification body.	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.4, article .4, para 4.4. and 4.7)</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>• If major actions are required in order to pass the accreditation, LEI will directly contact the CB and ask for amendments. If the CB fails to improve its documents, it will have to reapply.</li> <li>• <b>Results of this process will not be made public by LEI nor by its CBs.</b></li> </ul>
	f. Public reports are readily available.	<ul style="list-style-type: none"> <li>• CB’s Quality Assurance</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>• For assessment and surveillance reports not</li> </ul>

		Systems	(but likely to be regulated by the CBs for main assessment reports until 2007)	<p>regulated by LEI.</p> <ul style="list-style-type: none"> <li>• PT. MAL’s quality assurance system states on publications under para 6.22 that within 30 days after the granting of the certificate the CB will place the public summary of the assessment report on its website and send it to LEI (according to MAL’s certification manager).</li> <li>• PT. TÜV currently does not specify a deadline (according to TÜV’s certification manager).</li> <li>• <b>Comment on implementation: several public reports have not been produced yet, including main assessment reports.</b></li> </ul>
<p><b>Criterion 8</b></p> <p><i>Reliable and independent assessment of forest management performance and chain of custody</i></p> <p><b>8.1</b> <i>Independence of assessments</i></p>	No requirement specified.	<ul style="list-style-type: none"> <li>• Salim <i>et al.</i>, 1997</li> <li>• LEI Guideline 99</li> <li>• LEI Guideline 99-01 (General requirements for Sustainable Production Forest Management Certification Body)</li> <li>• LEI Guideline 99-02 (General requirements for Sustainable Production Forest Management for Field Assessors)</li> <li>• LEI Guideline 99-03 (General requirements for Sustainable Production Forest Management for Expert Panel)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI is an independent organisation. The tasks of the LEI working group were formulated in 1995 as follows (Salim et al., 1997): <ul style="list-style-type: none"> <li>○ “<i>formulating criteria and indicators for the management of Indonesian forests capable of attracting a consensus,</i></li> <li>○ <i>developing a transparent verification process relatively invulnerable to corruption, and a</i></li> <li>○ <i>decision process along the same lines, and</i></li> <li>○ <i>preparing for the creation of an <u>independent</u> national certification organisation”</i></li> </ul> </li> <li>• As stated in LEI Guideline 99-01, article 3: “<i>The SPFM certification system is a transparent, independent, participative, non-discriminative and accountable voluntary-based system</i>”.</li> <li>• Guideline 99-01/02/03 regulates the independence of each actor (CB; Assessor;</li> </ul>

<b>8.2 Field evaluation of forest management and certification body performance</b>	a. Accreditation procedures for the initial evaluation and surveillance of certification bodies foresee field visits to certified forest management units.	<ul style="list-style-type: none"> <li>• LEI Manual 11: (chapter-3: Accreditation Procedure)</li> </ul>	<b>Fulfilled</b>	<p>EP member) in the assessment process.</p> <ul style="list-style-type: none"> <li>• LEI controls CB performance by random field visits to certified units (according to LEIs accreditation manager approx. one field visit within the 5-year accreditation period) and annual (but merely informal) office visits.</li> <li>• LEI requests that CBs monthly inform LEI regarding progress in certification. Additionally, each major report (EP 1, EP 2 report, public summaries, etc.) need to be send to LEI.</li> <li>• LEI served as an observer and facilitator in several assessment processes under the JCP, overseeing the work of all of its CBs.</li> </ul>
	b. Accreditation requirements specify evaluation and surveillance intensity to be applied by certification bodies.	<ul style="list-style-type: none"> <li>• LEI Manual 11 (Sub-chapter 3.2, article 2 para 2.3.16)</li> <li>• LEI Guideline 99-26 (Surveillance, esp. article 5 para b and c)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Surveillance is conducted by LEI CBs according to a defined intensity (see requirement 9.b)</li> </ul>
	c. Certification procedures require field visits to applicant forest management units before a certificate can be issued.	<ul style="list-style-type: none"> <li>• LEI Guideline 99-21 (Guidelines for Field Assessment of SPNFM Certification)</li> <li>• LEI Guidelines 99-31 (Guidelines for Field Assessment of Sustainable Plantation Forest Management Certification)</li> <li>• LEI Guideline 99-41 (Guidelines for Field Assessment of Sustainable Community Based Forest</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• A field visit by the EP I during the screening process (pre-assessment) is optional.</li> <li>• A field visit of the assessment team during the main or field assessment is obligatory.</li> </ul>

		Management Certification)		
<b>8.3_ Chain-of-custody requirements</b>	a. The scheme has a standard for the control of chain of custody that covers production and trade from the forest of origin to the final product.	<ul style="list-style-type: none"> <li>• LEI Guideline 88 (CoC)</li> <li>• LEI Guideline 88-01 (CB-CoC)</li> <li>• LEI Guideline 88-02 (Field assessor-CoC)</li> <li>• LEI Guideline 88-03 (Expert panel-CoC)</li> <li>• LEI Guideline 88-21 (Manual CoC for field assessment)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Fully regulated.</li> </ul>
	b. Standards and control mechanisms exist to prevent application of logos on uncertified timber.	<ul style="list-style-type: none"> <li>• LEI Guideline 88-01, (article 6)</li> <li>• LEI Guideline 22-01 (Logo regulations)</li> <li>• LEI Manual 22-02 (Logo use)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Fully regulated.</li> </ul>
	c. Chain-of-custody certificate holders are required to exclude timber from illegal sources and from conversion of forests.	<ul style="list-style-type: none"> <li>• LEI Guideline 88-24 (article 5, para 4)</li> <li>• LEI Policy Statement, 2000</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• CoC certificate holders are required to exclude timber from illegal sources (LEI Guideline 88-24, article 5, para 4): “<i>The reliability of successful CoC implementation is indicated by: Purenness of source, timber from illegal source is not present</i>”.</li> <li>• LEI regulates that conversion timber shall not be mixed with certified timber within a certified FMU (LEI policy statement, 2000).</li> </ul>
	d. Procedures for use of claims comply with ISO standards 14020 and 14021.	<ul style="list-style-type: none"> <li>• LEI Guideline 22-01 (Logo regulations, esp. chapter 2, sub-chapter 2.1.)</li> <li>• See addendum 2</li> </ul>	See addendum 2	<ul style="list-style-type: none"> <li>• See addendum 2</li> <li>• LEI developed its logo policy based on FSC’s relevant policies and documents (according to LEI’s accreditation manager and to LEI’s system developer).</li> <li>• <u>Note on procedure</u>: Since comparing the assessment results for LEI and FSC regarding ISO 14020 showed very similar</li> </ul>

				results, it was not deemed necessary to appraise ISO 14021.
<b>8.4 Stakeholder consultation in the certification and accreditation process</b>	a. Accreditation bodies undertake proactive and culturally appropriate external consultation as part of initial assessment and surveillance of certification bodies.	<ul style="list-style-type: none"> <li>LEI Manual 11</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>LEI bases its accreditation decision on documents provided by the applicant. General information on the CB is known to LEI through its network sources, but <b>no consultation takes place.</b></li> </ul>
	b. Certification bodies undertake proactive and culturally appropriate external consultation as part of initial assessment and surveillance of certificate holders.	<ul style="list-style-type: none"> <li>LEI Guideline 99 (para 3.2)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>Stakeholder can participate in a number of ways in the certification process: through formal hearings at national, province and/or district level, through meetings with representatives of the FKDs and in writing to the CB.</li> <li>The FKD was designed as “a partner” to the CBs in order to obtain balanced information related to a unit under assessment.</li> <li>A public announcement is required prior to the field assessment</li> <li>Formal hearings during surveillance visits are not foreseen. The meaningful involvement of the FKD and an open access policy are judged as sufficient means of consultation.</li> </ul>
	c. Appropriate procedures exist to take stakeholders’ comments into account in the decision-making process for certification and accreditation.	<ul style="list-style-type: none"> <li>LEI Guideline 99 (para 4.2.2)</li> <li>LEI Guideline 99-24 for natural forest (Decision making, article 2 para 1; article 6 para 6.1)</li> <li>LEI Guideline 99-34 for plantation forest (article 2 point b; article 7 para 7.1)</li> </ul>	<b>Partly fulfilled</b>	<ul style="list-style-type: none"> <li>Formal stakeholder consultations (meetings) take place prior field visits and provide inputs to the assessors’ work plan. The assessors report matters raised by stakeholders to the EP II in writing. The EP II is obliged to take these inputs into consideration.</li> <li><b>A procedure to include stakeholder comments into the accreditation process is lacking.</b></li> </ul>
<b>8.5 Complaints and appeals mechanisms</b>	Complaints and appeals mechanisms of accreditation, certification, and standard-setting bodies are:	<ul style="list-style-type: none"> <li>LEI Guideline 55 (Resolution Guideline to Appeal against the</li> </ul>	<b>Partly fulfilled</b>	<ul style="list-style-type: none"> <li>Complain procedures and appeal mechanisms are fully regulated in LEI and made public on its web site.</li> </ul>

	<p>a) accessible to any interested party,  b) publicly available, and  c) free of cost implications for the complainant.</p>	<p>Certification Decision)</p> <ul style="list-style-type: none"> <li>• LEI Guideline 99-24, for natural forest on decision making</li> <li>• LEI Guideline 99-34, for plantation forest on decision making</li> <li>• LEI Guideline 99-44, for CBFM on decision making</li> <li>• LEI CBO statutes (article 22 point 6)</li> <li>• LEI Manual 11 (para 2.3.1.4)</li> <li>• LEI manual 11 (sub chapter 2.7, article 5; cost for accreditation appealing process)</li> <li>• LEI Guideline 88 (para 6.4.5)</li> <li>• MPA decree No.003/MPA-LEI/IV/2005</li> </ul>		<ul style="list-style-type: none"> <li>• Complains regarding a certification decision need to be addressed to the relevant CB. The CB might take the issue up for its next surveillance visit or, in major cases, calls for a meeting of the Certification Review Council (<i>DPS</i>).</li> <li>• LEI’s CoC system is inviting “<i>all stakeholders to appeal any grievance upon a certification decision and affirmation</i>” (LEI Guideline 88).</li> <li>• Complains regarding standard, system and accreditation matters need to be addressed to LEI and are handled by a special commission under the MPA (<i>Majelis Perwalian Anggota</i>). Based on the LEIs internal regulation (<i>Anggaran Rumah Tangga-ART</i>) article 17, administrative matters of claims are handled by LEI’s Executive Board.</li> <li>• <b>Complains against LEI are not made public, but answered in writing by LEI.</b></li> <li>• No costs occur for the complainant.</li> </ul>
<p><b><u>Criterion 9</u></b>   <i>Delivers continual improvement in forest management</i></p>	<p>a. The scheme sets deadlines for full compliance if certificates are issued under the condition of fulfilment of outstanding non compliances.</p>	<ul style="list-style-type: none"> <li>• LEI Guideline 99</li> <li>• LEI Guideline 99-21 (Field assessment)</li> <li>• LEI Guidelines 99-31 (Guidelines for Field Assessment of Sustainable Plantation Forest Management Certification)</li> <li>• LEI Guideline 99-41 (Guidelines for Field Assessment of Sustainable Community</li> </ul>	<p><b>Not applicable</b></p>	<ul style="list-style-type: none"> <li>• No certificate is issued under conditions.</li> <li>• According to LEI Guideline 99, para 4.6.1, assessment results are calculated either applying the Analytical Hierarchical Process (AHP) or using another suitable method. This complex scoring system translates compliance with the indicators into an overall <u>averaged rating</u>, which classifies the result into two categories: “pass and fail”. “Pass” is graded according to performance into Gold, Silver, and Bronze. The level is mentioned on the certificate.</li> </ul>

		<p>Based Forest Management Certification)</p> <ul style="list-style-type: none"> <li>• LEI Guideline 99-24 (Decision making process in natural production forest)</li> <li>• LEI Guideline 99-34 (Decision making process in plantation production forest)</li> <li>• LEI Guideline 99-44 (Decision making process in CBFM)</li> <li>• LEI Guideline 99-25 (recommendation for Natural Production Forest),</li> <li>• LEI Guideline 99-35 (Recommendation for Plantation Forest),</li> <li>• LEI Guideline 99-45 (Recommendation for CBFM)</li> </ul>		<ul style="list-style-type: none"> <li>• LEI Guideline 99-25 describes the obligation of the EP II to define steps to improve performance for certified units (recommendations on how to raise the performance level to silver or gold). The time periods for improvement are defined according to the degree of improvement, starting from 1 until 5 years.</li> <li>• The procedure is implemented in a similar way in CBFM areas.</li> </ul>
	<p>b. Surveillance visits from certification bodies and accreditation bodies are carried out at least annually.</p>	<ul style="list-style-type: none"> <li>• LEI Guideline 99-24</li> <li>• LEI Guideline 99-26 for natural forest (chapter 5)</li> <li>• LEI Manual 11 (sub chapter 3.7) para 11.2</li> <li>• LEI Guideline 99-36 for plantation (chapter 6)</li> <li>• LEI Guideline 99-46 for CBFM (chapter 5 and 6)</li> <li>• LEI Guideline 88-26 (chapter 4)</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• Forest management certificates are valid for 5 years in natural and plantation forests, 10 to 15 years in CBFM areas and 3 years for CoC.</li> <li>• Surveillance is conducted at least twice within a period of five years for a natural or plantation management unit awarded Gold rating, at least three times for Silver rating, and at least four times (= annually) for Bronze rating. In any case, the first surveillance visit will take place within the first year after certification.</li> </ul>

				<ul style="list-style-type: none"> <li>• Surveillance visits may be conducted more often, if required.</li> <li>• Surveillance in CoC is conducted every six months.</li> <li>• <b>Surveillance in CBFM is less intensive and depends on the used scheme and awarded rating. In all cases it is not annually (maximal every two years).</b></li> <li>• Guideline 99-46 additionally regulates that the first visit shall take place within the first five years.</li> <li>• Surveillance of CBs shall be conducted once a year by LEI (office visits), after CBs have reached full accreditation. See requirement 8.2a.</li> </ul>
	c. Clear deadlines exist for compliance, with corrective action requests issued as a result of surveillance	<ul style="list-style-type: none"> <li>• LEI Guideline 99-24</li> <li>• LEI Guideline 99-26</li> </ul>	<b>Not applicable</b>	<ul style="list-style-type: none"> <li>• After each surveillance visit all indicators are again graded though the AHP process (for indicators not re-assessed the old grading will be used). If the unit fails to match the minimum threshold for bronze grading, the CB will withdraw the certificate.</li> <li>• <b>Corrective actions requests are not formulated and no deadline set for compliance.</b></li> <li>• <b>Comment on implementation: whether the CB will call for an additional EP II meeting to review its results or whether it will allow the unit some time for improvements is not precisely regulated by LEI. The three interviewed CBs proposed different procedures.</b></li> </ul>
<b>Criterion 10</b> <i>Accessible to and cost-</i>	a. Mechanisms exist that allow equity of access to all participants, regardless of the size, location, or forest type under the operation's	<ul style="list-style-type: none"> <li>• LEI Standard 5000</li> <li>• LEI Standard 5000-1 (Natural Production Forest)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI's system is based on the principle of non-discrimination.</li> <li>• All types of forest management are eligible to apply.</li> </ul>

<i>effective for all parties</i>	management.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-2 (Plantation Forest)</li> <li>• LEI Standard 5000-3 (CBFM, article 3 and 4)</li> </ul>		<ul style="list-style-type: none"> <li>• LEI has developed separated standards in order to accommodate for all types of forest management and ownership.</li> </ul>
	b. The above mechanisms provide access to forest certification at a cost that does not exclude small forest owners, communities, and other groups that may have limited access.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-3</li> <li>• LEI Guideline 99.43.3 (submission of CBFM certification)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI allows that promoters of small scale forest units (NGOs, donors, related industries) can fund certification activities in small forest units, especially in CBFM areas (article 4 point a).</li> <li>• As a cost saving approach for qualified small units, LEI allows that a well respected person (e.g. researcher) functions as a guarantor. In this case, the certificate can be granted under “recognition over claim”, allowing for reduced certification and surveillance work (article 4 point b).</li> </ul>
<b><u>Criterion 11</u></b> <i>Voluntary participation</i>	a. In cases of group certification, a set of contractual arrangements exists between the owners or their designated intermediary and the entity that holds the group certificate for the requirements of certification.	<ul style="list-style-type: none"> <li>• LEI Standard 5000-3 (article 3 and 4)</li> <li>• LEI Guideline 99.43.3 (Application in CBFM certification, article 4 and article 5.2)</li> <li>• LEI Technical Doc. 05 (Indicator S1.1; S1.5; S3.1)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI’s definition on CBFM: all types of forest that are traditionally managed by communities, co-operations, or individuals, if the size of the unit is small to medium. (LEI Standard 5000-3 Article 3; no maximum size is defined).</li> <li>• CBFM Certification follows several different approaches, according to the type of CBFM area, specified as “Typology” (LEI Standard 5000-3 Article 4). The EP I decides following its document review on the certification approach to be used.</li> <li>• In group certification, contractual arrangements are required between individual land-managers who want to become certified prior to application. These agreements have to include management goals, potential of the resources and linked businesses, and a description of the current management system (para 5.2 point a of</li> </ul>

				<p>LEI Guideline - 99.43.3).</p> <ul style="list-style-type: none"> <li>• During certification, the assessors evaluate the content of existing cooperation agreements (LEI technical Doc. 05, indicator S1.1; S1.5; S1.5; S3.1).</li> </ul>
	<p>b. Mechanism exists to ensure that each member of the group must meet the standard or will have to leave the group.</p>	<ul style="list-style-type: none"> <li>• LEI Technical Doc. 05 (Indicator: S3.2)</li> </ul>	<b>Partly fulfilled</b>	<ul style="list-style-type: none"> <li>• Participation must be voluntary (criterion 10, LEI Guideline 99.43).</li> <li>• <b>The mechanism for the internal group organization is only generally outlined by LEI in indicator S.3.2. However, LEIs general understanding of this matter seems equivalent to the FCAG requirement.</b></li> </ul>
	<p>c. Enforcement mechanisms exist in case of breach of the group's rules.</p>	<ul style="list-style-type: none"> <li>• LEI Technical Doc. 05 (Indicator: S3.2)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Indicator S3.2 verifier 2 checks whether a sanction mechanism is established for those who break the agreement.</li> </ul>
	<p>d. All participating forest owners have signed a commitment to adhere to the standards set by the scheme.</p>	<ul style="list-style-type: none"> <li>• LEI Guideline 99.43.3 (Application in CBFM certification, article 4 and article 5.2)</li> <li>• CB application forms</li> <li>• MAL Code of Practice</li> </ul>	<b>Partly fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI's CBs require the applicant (<i>Kooperasi</i>) to generally state this in the application contract.</li> <li>• <b>The by LEI defined content of the contractual arrangements between the individual land owners within a <i>Kooperasi</i> does not specify the commitment to adhere to the standard.</b></li> </ul>

## ADDENDUM 1: Assessment of the LEI scheme against ISO/IEC Guide 65/1996 (E) for bodies operating product certification systems

*Note: in the LEI system, many ISO/IEC Guide 65 related matters are regulated by LEI as the accreditation body). In cases where LEI has sufficiently regulated the requirement as binding for its CBs, we judged the relevant requirement as being fulfilled. In order to increase the readability of the table and to illustrate the requirements of the Guide, a selection of guiding questions were formulated on the level of each sub-clause. All requirements under each sub-clause were assessed, even if not guiding question was formulated. Issues of non-compliance are written in bold type in the remarks column and judged as fulfilled, not or partly fulfilled depending on the magnitude of failure.*

ISO/IEC 65/1996 Requirements and Guiding Questions	Main Reference	Findings	Remarks
<p><b>4. Certification body</b>  <b>4.1 General Provisions</b></p> <p>Guiding aspects of 4.1.1- 4.1.4.:</p> <ul style="list-style-type: none"> <li>• non-discriminatory procedures;</li> <li>• accessible for all applicants independence of size;</li> <li>• requirements confined to scope of the certification.</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (chapter 3, sub-chapter 3.1, article 1); (sub-chapter 3.2 article 2)</li> <li>• LEI Guideline 99-01 (article 5)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• All general provisions are regulated by LEI and binding for its Certification Bodies (CBs).</li> <li>• LEI CBs currently produce documents related to Code of Practice (<i>Aturan Pelaksanaan</i>) and Quality Assurance in order to become fully accredited by LEI.</li> <li>• The task to develop and amend the certification system fully belongs to LEI, which has regulated the work of the CBs in great detail (e.g. reporting standards, assessment procedures, training requirements, etc.).</li> <li>• The role of LEI CBs is consequently more restricted than described in the ISO/IEC Guide 65/66.</li> </ul>
<p><b>4.2 Organization</b></p> <p>Guiding questions:</p> <ul style="list-style-type: none"> <li>• Does the structure of the Certification Body's (CB's) organization allow it to make impartial evaluations and certification decisions?</li> <li>• Is the CB responsible for making decisions relating to maintaining, extending, suspending and withdrawing of certificates?</li> <li>• Is the decision on certification different than that person who conducted the evaluation?</li> <li>• Does the CB provide any other products or services that could compromise the confidentiality, objectivity or impartiality of its certification process or decisions?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (chapter 3: article 1, para 1.1.2; sub-chapter 3.3, para 1)</li> <li>• LEI Guideline 99-01 (article 5, para 5.1.2; 5.1.5)</li> <li>• LEI Guideline 99-03 (article 7, para 7.1.3)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI regulates that CBs must be independent and free of conflicts of interests.</li> <li>• LEI does not allow its CBs to have business affiliations to units under assessments. CBs are not allowed to work as consultants or training institutions in forest certification (Guideline 99-01: article 5, para 5.1.2).</li> <li>• The field assessors are not allowed to propose a certification decision. The field assessors report the field findings to the EP II, which independently expresses the certification decision based on the findings of the EP I (screening process), the field assessment report and the assessors' report on public consultation. The CB</li> </ul>

ISO/IEC 65/1996 Requirements and Guiding Questions	Main Reference	Findings	Remarks
<ul style="list-style-type: none"> <li>Does the CB have policies and procedures for the resolution of complaints, appeals and disputes received from suppliers or other parties about the handling of certification or any other related matters?</li> <li>Does the CB employ a sufficient number of trained personal?</li> </ul>			<p>fully relies on the judgment of the independent EP II (Guideline 99-01: article 5, para 5.1.5. “<i>The SPFM certification body affirms the certification decision made by the Expert Panel II and takes responsibility towards the decision</i>”.</p> <ul style="list-style-type: none"> <li>CBs often operate with free-lancing, registered assessors. However, they have to have one lead-assessor as a permanent staff member.</li> <li>Assessors have to sign a statement ensuring that they are free of conflicts of interests regarding the unit under assessment.</li> </ul>
<p><b>4.3 Operations</b></p> <p>Guiding question:</p> <ul style="list-style-type: none"> <li>Does the CB take all steps necessary to evaluate conformance with the relevant product certification system?</li> <li>Does the CB observe the competence of the personal implementing certification?</li> </ul>	<ul style="list-style-type: none"> <li>LEI Manual 11</li> <li>LEI Guideline 99-01 (para 5.1.4)</li> <li>LEI Guideline 99-15 series (General Criteria for Personnel of Certification Body for SFPM Certification)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>“<i>The SPFM certification body implements the certification system in accordance to LEI 99 Series Guideline and LEI 55 Guideline</i>” (LEI Guideline 99-01 para 5.1.4). The steps are regulated by LEI and deemed sufficient.</li> <li>PT. MAL’s and PT. TÜV’s Quality Assurance Department will conduct annual internal reviews of all certification operations starting 2006.</li> <li>All assessors and EP members need to be trained and registered by LEI’s Personal Registration Body LSP (Manual 11; sub-chapter 2.3, article 2, para 2.1.4).</li> <li>LEI Guidelines 99-15 refer to ISO 62/1996.</li> </ul>
<b>4.4 Sub-contracting</b>		<b>Not applicable</b>	<ul style="list-style-type: none"> <li>Sub-contracting is not allowed in the LEI system (topic is not mentioned in LEI’s documents).</li> </ul>
<p><b>4.5 Quality System</b></p> <p>Guiding question 4.5.1. - 4.5.3:</p> <ul style="list-style-type: none"> <li>Does the CB define and document its policy on quality and ensure its implementation at all levels of the organization?</li> <li>Is a description of the CB's organization, incl. its lines of authority given?</li> <li>Are names, qualifications, and terms of reference of senior executives and other personnel listed?</li> </ul>	<ul style="list-style-type: none"> <li>LEI Manual 11 (sub-chapter 3.2, article 2: Implementation of quality assurance system)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>LEI requires its CBs to develop a quality assurance system (quality manual), document it and ensure its implementation on all levels. All requirements specified in 4.5 are addressed in LEI’s accreditation manual.</li> <li>Internal quality control mechanisms exists, based on ISO requirements (see above and 4.7). However, ISO 10011-1 is not explicitly mentioned.</li> </ul>

ISO/IEC 65/1996 Requirements and Guiding Questions	Main Reference	Findings	Remarks
<ul style="list-style-type: none"> <li>• Are procedures for management reviews outlined?</li> <li>• Are procedures for document control outlined?</li> <li>• Are there procedures for the recruitment, selection and training and monitoring of certification body personnel?</li> <li>• Are procedures for handling non-conformities described?</li> <li>• Are written criteria for issue, retention and withdrawal of certification documents described?</li> <li>• Are policies for dealing with appeals, complaints and disputes described?</li> <li>• Are procedures for conducting internal audits based on the provisions of ISO 10011-1 formulated?</li> </ul>			
<p><b>4.6 Conditions and procedures for granting, maintaining, extending, suspending and withdrawing certification</b></p> <p>Guiding questions 4.6.1/4.6.2:</p> <ul style="list-style-type: none"> <li>• Are procedures for granting, maintaining, withdrawing, and suspending of certificates developed?</li> <li>• Are procedures to re-evaluate the programme in the event of significant changes in programme content (standard), or in field management quality (FMU or Industry level) developed?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 2.3, article 2, para 2.1.5)</li> <li>• LEI Guideline 99 (article 4, para 4.6)</li> <li>• LEI Statutes (article 2, para 6)</li> <li>• LEI Guideline 99-01</li> <li>• LEI Guideline 99-24</li> <li>• LEI Guideline 99-34</li> <li>• LEI Guideline 99-44</li> <li>• LEI Guidelines 88-24 (CoC; article 9).</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Detailed procedures for granting, maintaining, and withdrawing of certification are determined by LEI in Guidelines 99-24 (natural production forest), 99-34 (plantations), 99-44 (CBFM), and 88-24 (Decision making on Chain of Custody).</li> <li>• The general assembly (called <i>kongres</i>) has the power to call for a review of LEI's system (LEI statutes, article 22, para 6). Additionally, working groups (<i>komisi</i>) can work on system reviews. Consultations are required and results need endorsement by the <i>kongres</i>, but can be implemented temporarily before endorsement.</li> <li>• For role of CB see clause 6.</li> </ul>
<p><b>4.7 Internal audits and management reviews</b></p> <p>Guiding question 4.7.1/4.7.2:</p> <ul style="list-style-type: none"> <li>• Do internal audits take place regularly and are there records of such management reviews?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.2 article 2, para 2.3.8.1)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• All CBs conduct annual internal reviews of certification operations and internally documents the results.</li> <li>• LEI requires that CBs develop their own internal audit procedures. Results should be made accessible to LEI during surveillance visits.</li> </ul>
<p><b>4.8 Documentation</b></p> <p>Guiding questions 4.8.1/4.8.2.:</p> <ul style="list-style-type: none"> <li>• Is a documented statement available by the CB on its certification system, rules, and procedures for granting,</li> </ul>	<ul style="list-style-type: none"> <li>• LEI website</li> <li>• MAL Code of Practice</li> <li>• TÜV application form</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• The procedures for granting, maintaining, extending, and withdrawing certification and for handling disputes are fully regulated in the LEI system and available on LEI's website. CBs briefly outline these procedures in their code of</li> </ul>

<b>ISO/IEC 65/1996 Requirements and Guiding Questions</b>	<b>Main Reference</b>	<b>Findings</b>	<b>Remarks</b>
<p>maintaining, extending, suspending and withdrawing certification?</p> <ul style="list-style-type: none"> <li>• Is a description of the means of financial support and information on fees charged to applicants available?</li> <li>• Is a description of the rights and duties of applicants regarding the use of the body's logo and ways to referring to certified status defined?</li> <li>• Is information about procedures for handling complaints, appeals, and disputes available?</li> <li>• Are procedures to control documents and data established by the CB?</li> <li>• Is a directory of certified products and their suppliers given?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Guidelines 99-24 for natural forest (Decision making)</li> <li>• LEI Guidelines 99-34 for plantation forest (Decision making)</li> <li>• LEI Guidelines 99-44 for CBFM (Decision making)</li> <li>• LEI Manual 11 (sub-chapter 2.5) (Information about using LEI's Logo)</li> <li>• LEI Guideline 22-01 (Logo)</li> <li>• LEI Guideline 55 (appeal/dispute)</li> <li>• CBs documentation</li> </ul>		<p>practice (to be signed by the applicant) or the application/contract form.</p> <ul style="list-style-type: none"> <li>• A description on fees charged is given in the quotation to the applicant. This information is not publicly available.</li> <li>• CBs document control procedures refer to ISO 9000.</li> <li>• LEI recently uploaded a directory of certified products and their suppliers on its website.</li> </ul>
<p><b>4.9 Records</b></p> <p>Guiding questions:</p> <ul style="list-style-type: none"> <li>• Does the record system meet its particular needs and comply with existing regulations?</li> <li>• Are records maintained for at least one full certification cycle or as required by law?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (chapter 3, sub-chapter 3.2, article 2, para 2.3.10: recording)</li> <li>• MAL and TÜV internal record system</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI requests its CBs to establish a recording system that ensures the documentation of all relevant activities and results. CBs shall decide upon the maintenance of the records according to relevant laws.</li> <li>• In PT. MAL's recording system, certification documents are kept for up to four years, one year less than a full certification cycle.</li> <li>• PT. TÜV's recording system for forest certification follows ISO requirements.</li> <li>• PT. Sucofindo has not yet done one assessment under LEI.</li> </ul>
<p><b>4.10 Confidentiality</b></p> <p>Guiding question:</p> <ul style="list-style-type: none"> <li>• Are adequate arrangements to safeguard confidentiality of the information obtained in the course of certification</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (chapter 3, sub chapter 3.2, article 2, para 2.3.11: confidentiality)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI requests its CBs to develop a policy on confidentiality on every level of their organizations.</li> </ul>

ISO/IEC 65/1996 Requirements and Guiding Questions	Main Reference	Findings	Remarks
<p>activities made?</p> <p><b>5 Certification body personnel</b></p> <p><b>5.1 General</b></p> <p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>• Are personnel of the certification body competent for technical judgments, framing policies and implementing them?</li> <li>• Do clearly documented instructions exist?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.2, article 2, para 2.3.13 on CB)</li> <li>• LEI Guideline 99-02 (Field assessor)</li> <li>• LEI Guideline 99-03 (Expert Panel)</li> <li>• LEI Guideline 99-01 (article 5, para 5.1.2)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI has regulated the requirements for all personal (CB, assessor, EP member) involved in certification.</li> <li>• LEI created a Personal Registration Body (<i>LSP</i>) in charge for registration of all personal conducting LEI certifications. The <i>LSP</i> was recently placed under the Government Research Agency <i>LIPi</i> (<i>Lembaga Ilmu Pengtahuan Indonesia</i>).</li> <li>• LEI is responsible for related trainings. LEI does not allow its CBs to implement their own training programmes in LEI forest certification (see above).</li> </ul>
<p><b>5.2 Qualification criteria</b></p> <p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>• Does the CB define a minimum relevant criterion for the competence of the personnel?</li> <li>• Does the CB require its personnel to sign an agreement in which they declare any prior and/or present association with a supplier or designer of products for any evaluation or certification to which they are to be assigned?</li> <li>• Does the CB maintain training records?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.2, article 2, para 2.3.13.4)</li> <li>• LEI Guideline 99-02 (Field assessor)</li> <li>• LEI Guideline 99-03 (Expert Panel)</li> <li>• CB internal documentation</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• See above.</li> <li>• Written statements on conflicts of interests have to be signed by assessors and EP members.</li> <li>• Documents on staff qualification, training profile and staff evaluation are available in LEI's CBs (according to information received during interviews with the operation managers of the CBs).</li> </ul>
<p><b>6. Changes in the certification requirements</b></p> <p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>• Does the CB give due notice when making changes in its requirements?</li> <li>• Does the CB take into account the views expressed by interested parties before deciding on the precise form and effective date of changes?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.2, article 2, para 2.3.12.3)</li> <li>• LEI Statutes</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI requests that the CB needs to inform to public in relation to changes on standard, procedure, and requirements (Para 2.3.12.3).</li> <li>• Changes shall be based on views expressed by interested parties, usually mentioned to LEI in workshops.</li> </ul>
<p><b>7. Appeals, complaints, and disputes</b></p> <p>Guiding questions:</p> <ul style="list-style-type: none"> <li>• Are appeals, complaints and disputes brought before the CB by suppliers (e.g. FMUs, Forest Industries) or other</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Guideline55 (Guideline for solving problems following a certification decision)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• The unit under assessment has the right to present their view of the field assessment results on the first working day of the EP II meeting.</li> <li>• LEI regulates that complains regarding a certification decision are to be addressed to the</li> </ul>

<b>ISO/IEC 65/1996 Requirements and Guiding Questions</b>	<b>Main Reference</b>	<b>Findings</b>	<b>Remarks</b>
<p>parties subject to the procedures of the CB?</p> <ul style="list-style-type: none"> <li>• Are there records of subsequent action?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manuel 11 (sub-chapter 3.2, article 2, para 2.3.10.2h, para 2.3.10.2.d)</li> <li>• LEI Guideline 99</li> <li>• LEI Guideline 88</li> </ul>		<p>relevant CB. The CB might take the issue up in its next surveillance visit or, in major cases, calls for a meeting of the independent Certification Review Council (DPS).</p> <ul style="list-style-type: none"> <li>• LEI's CoC system is inviting "<i>all stakeholders to appeal any grievance upon a certification decision and affirmation</i>"(LEI Guideline 88).</li> <li>• LEI requests that its CBs monitor the use of logo and claims. In the contract between LEI and its CB the communications between the two organisations is regulated.</li> <li>• Records regarding complaints and disputes (non-conformity reports) and subsequent actions are kept by CBs and provided to the DPS, if required.</li> <li>• PT. TÜV wants to establish an open-access "customer's voice database" for complains until the end of this year.</li> </ul>
<p><b>8. Application</b>  <b>8.1 Information on the procedure</b></p> <p>Guiding questions:</p> <ul style="list-style-type: none"> <li>• Does the CB provide detailed information relating to and descriptions of the evaluation and certification procedures?</li> <li>• Does the CB require that the applicant supplier, upon suspension or cancellation of certification, discontinue its use of any advertising matter that contains any reference there to and returns any certification documents as required by the CB?</li> <li>• Does the CB request a statement that the applicant supplies any information needed for an evaluation of products to be certified?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Guideline 99</li> <li>• LEI Manual 11 (Accreditation)</li> <li>• LEI Guideline 99-43.3 (Application for CBFM)</li> <li>• MAL Code of Practice</li> <li>• MAL Application form</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI's CBs regulate that applicants for natural production forest and plantation certification need to submit various documents, including a cooperate company statement and valid planning reports.</li> <li>• Application forms are developed by the CB.</li> <li>• PT. MAL's Code of Practice has to be signed by an applicant before the certification work commences. It confirms information access, logo use and other certification requirements. PT. TÜV regulates these issues in the certification contract/application form.</li> <li>• Information on label uses is provided by LEI in Guideline 22-01 and 22-02.</li> </ul>
<p><b>8. 2 The application</b></p> <p>Guiding questions:</p> <ul style="list-style-type: none"> <li>• Does the CB request a statement that the applicant agrees</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11</li> <li>• MAL/TÜV application form</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• See above.</li> </ul>

<b>ISO/IEC 65/1996 Requirements and Guiding Questions</b>	<b>Main Reference</b>	<b>Findings</b>	<b>Remarks</b>
<p>to comply with the requirements for certification?</p> <ul style="list-style-type: none"> <li>Does the CB require in its application form that the scope of assessment, and key company data, including products to be certified, is given?</li> </ul>			
<p><b><u>9. Preparation for evaluation</u></b></p> <p>Guiding questions 9.1 – 9.4.:</p> <ul style="list-style-type: none"> <li>Before proceeding with evaluations, does the CB conduct an evaluation, and maintain records, of a review of the application to ensure the requirements are clearly defined, documented, and understood?</li> <li>Does the CB prepare a plan for its evaluation activities to allow for the necessary arrangements to be made?</li> <li>Does the CB assign qualified personal?</li> </ul>	<ul style="list-style-type: none"> <li>LEI Guideline 99</li> <li>LEI Guideline 99-02 (field assessor)</li> <li>LEI Guideline 99-03 (expert panel)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>The EP I gives, based on its document review and an optional field visit, recommendations for the field assessment regarding most crucial indicators. It also provides insights to the audit team composition.</li> <li>An assessment plan is made by the assessors before field work. The assessment plan is discussed with the unit under assessment to allow for logistical preparations.</li> <li>Assessors' qualifications are regulated by LEI.</li> </ul>
<p><b><u>10. Evaluation</u></b></p> <p>Guiding question e.g.:</p> <ul style="list-style-type: none"> <li>Does the CB evaluate the products of the applicant against the standard?</li> </ul>	<ul style="list-style-type: none"> <li>LEI Manual 11 (sub-chapter 2.3, article 2, para 2.1.1)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li><u>Note on procedure</u>: ISO uses the word product in the widest sense, including processes and services.</li> </ul>
<p><b><u>11. Evaluation report</u></b></p> <p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>Does the assessment report provide the CB with findings as to conformity with all requirements of certifications?</li> <li>Do procedures ensure that the outcome of the evaluation is promptly brought to the applicants notice by the certification body?</li> <li>Do the procedures ensure that the report identify any nonconformity that will have to be discharged in order to comply with the certification requirements?</li> <li>Do the procedures ensure that the reports clearly state the extent of further evaluation or testing required?</li> </ul>	<ul style="list-style-type: none"> <li>LEI Guideline 99</li> <li>LEI Guideline 99-22 (Reporting)</li> <li>LEI Guideline 99-24 (decision making process)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>Fully regulated in LEI's reporting guideline.</li> <li><u>Note related to the last bullet point</u>: LEI's decision making system does not allow for further evaluation. The decision is either "pass" or "fail".</li> </ul>
<p><b><u>12. Decision on certification</u></b></p> <p>Guiding questions e.g.:</p>	<ul style="list-style-type: none"> <li>LEI Guideline 99-24 (decision making)</li> <li>Examples of CB</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>Process is fully regulated in LEI's decision making guideline.</li> <li>Although the EP II employs the decision making</li> </ul>

ISO/IEC 65/1996 Requirements and Guiding Questions	Main Reference	Findings	Remarks
<ul style="list-style-type: none"> <li>• Are decisions made by the certification body based on information gathered during the evaluation process and other relevant information?</li> <li>• Does the certification body delegate authority for granting, maintaining, extending, suspending, or withdrawing certification to an outside person or body?</li> <li>• Does the certificate show the scope of the certification, including products certified by type and range, the product standards or other normative documents, the applicable certification system and effective date of the certification?</li> </ul>	<p>registration certificates</p>		<p>process in the LEI system, the authority for granting certification remains with the CB.</p> <ul style="list-style-type: none"> <li>• <u>Note on procedure</u>: to ensure that clause 12 is met we examined the so far existing certificates issued by LEI's CBs.</li> </ul>
<p><b><u>13. Surveillance</u></b></p> <p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>• Does the CB have written surveillance procedures?</li> <li>• Does the CB require the supplier to inform the CB in cases of major changes?</li> <li>• Does the CB require withholding of products produced under the changed procedures pending review by the CB?</li> <li>• Does the CB document its surveillance report?</li> <li>• Does the CB periodically evaluate marked products?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI guideline 99-26</li> <li>• LEI Guideline 99-46</li> <li>• MAL Code of Practice</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• Surveillance procedures and reporting are regulated by LEI.</li> <li>• CBs are requested to inform their certified units that they need to contact the CB if major changes/problems occur.</li> <li>• If changes to standards or procedures occurred, upcoming assessments have to be based on the new approach. Certified units must comply with the new standard no later than 12 months after the change took place (LEI Guideline 99, article 5).</li> <li>• <b>The LEI system does not require that products are on hold if major changes within the certified unit or changes in procedures occurred until the CB conducts its next surveillance visit.</b></li> </ul>
<p><b><u>14. Use of licenses, certificates, and marks of conformity</u></b></p> <p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>• Does the certification body exercise proper control over ownership, use and display of licenses, certificates and marks of conformity?</li> <li>• Are incorrect references or misleading remarks related to the certification system dealt with by suitable action?</li> </ul>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 2.5; Information about using LEI's Logo)</li> <li>• LEI Guideline 22-01 (sub-chapter 2.8, para 2.3.5)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• CBs have to assign a special person who is responsible for logo control.</li> <li>• Significant malpractice in logo and certificate use will be referred to by LEI to the legal system.</li> <li>• Note: no certified company yet uses the LEI logo on products.</li> </ul>
<p><b><u>15. Complaints to suppliers</u></b></p>	<ul style="list-style-type: none"> <li>• LEI Manual 11 (sub-chapter 3.2, article 2,</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• Shall be regulated in the quality assurance system of the CB.</li> </ul>

<b>ISO/IEC 65/1996 Requirements and Guiding Questions</b>	<b>Main Reference</b>	<b>Findings</b>	<b>Remarks</b>
<p>Guiding questions e.g.:</p> <ul style="list-style-type: none"> <li>• Does the CB require suppliers to keep a record of complaints to the supplier relating to product compliance and make those records available to the CB upon request?</li> <li>• Does the CB require take appropriate action with respect to such complaints and any deficiencies found in products or services that affect compliance with the requirements for certification and document actions taken?</li> </ul>	<p>para 2.3.2, 2.3.10.5)</p>		<ul style="list-style-type: none"> <li>• LEI CBs require from their clients to keep records of complaints related to product compliance and document their corresponding actions.</li> </ul>

**ADDENDUM 2: Assessment of the LEI system against ISO Guide 14020 (2000): Environmental labels and declarations —  
General principles**

*Note: Issues of non-compliance are written in bold type in the remarks column and judged as fulfilled, not or partly fulfilled depending on the magnitude of failure.*

ISO 14020 Requirements	Main Reference	Findings	Remarks
<p><b>4 General principles</b></p> <p><b>4.2 Principle 1</b> Environmental labels and declarations shall be accurate, verifiable, relevant and not misleading.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 22-01 (Logo Policy)</li> <li>• LEI Manual 22-02 (Logo Use Guideline)</li> <li>• LEI Statutes (article 22, para 6 on review)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• LEI’s logo shall convey that the product meets the principle of SFM (chapter one, Manual 22-01). It uses green colour, a circle indicating the earth, a symbol for human beings, etc. (sub-chapter 1.1, Manual 22-02).</li> <li>• LEI and its CBs are obliged to monitor the use of the logo (chapter two, Manual 22-01)</li> <li>• LEI’s system is confined to periodical review (LEI statutes).</li> <li>• ISO 14020 Principle 1 also considers that “<i>Environmental labels and declarations shall be understandable and not likely to mislead the intended purchaser of the product or service (4.2.2)</i>”. This aspect is difficult to judge and a matter of logo design (see above) and promotion.</li> </ul>
<p><b>4.3 Principle 2</b> Procedures and requirements for environmental labels and declarations shall not be prepared, adopted, or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 22-01 (Logo Policy)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>•</li> </ul>
<p><b>4.4 Principle 3</b> Environmental labels and declarations shall be based on scientific methodology that is sufficiently thorough and comprehensive to support the claim and that produces results that are accurate and reproducible.</p>	<ul style="list-style-type: none"> <li>• LEI Guideline 5000</li> <li>• LEI Guideline 99 (Certification System of Sustainable Production Forest Management)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>• The logo is based on LEI’s certification standard and accreditation programme. Both reflect scientific experiences.</li> </ul>
<p><b>4.5 Principle 4</b> Information concerning the procedure, methodology, and any criteria used to support environmental labels and declarations shall be available and provided upon request to all interested parties.</p>	<ul style="list-style-type: none"> <li>• LEI website</li> <li>• LEI Manual 22-01 (Logo Policy)</li> <li>• LEI Manual 22-02 (Logo Use)</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li>•</li> </ul>

ISO 14020 Requirements	Main Reference	Findings	Remarks
<p><b>4.6 Principle 5</b> The development of environmental labels and declarations shall take into consideration all relevant aspects of the life cycle of the product.</p>		<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>• However, all SFM certification concepts do not control the entire lifecycle of a certified product.</li> </ul>
<p><b>4.7 Principle 6</b> Environmental labels and declarations shall not inhibit innovation which maintains or has the potential to improve environmental performance.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 22-01 (sub-chapter 5.3, 2.3.1 and 2.3.2)</li> <li>• LEI Manual 22-02 (chapter 3)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI allows for flexibility in product marking regarding logo material.</li> <li>• LEI is open if technical problems during logo application occur.</li> </ul>
<p><b>4.8 Principle 7</b> Any administrative requirements or information demands related to environmental labels and declarations shall be limited to those necessary to establish conformance with applicable criteria and standards of the labels and declarations.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 22-01 (Logo Policy)</li> <li>• LEI Manual 22-02 (Logo Use)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI's logo policy is simple and straight forward.</li> <li>• LEI's logo is patented.</li> </ul>
<p><b>4.9 Principle 8</b> The process of developing environmental labels and declarations should include an open, participatory consultation with interested parties. Reasonable efforts should be made to achieve a consensus throughout the process.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 22-02 (Logo Use)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• LEI's certification and accreditation standard development process has been open to all interested parties.</li> <li>• LEI's logo policy development started with one stakeholder consultation (the final logo standard was developed internally).</li> <li>• LEI's logo is apprehended by its members.</li> </ul>
<p><b>4.10 Principle 9</b> Information on the environmental aspects of products and services relevant to an environmental label or declaration shall be available to purchasers and potential purchasers from the party making the environmental label or declaration.</p>	<ul style="list-style-type: none"> <li>• LEI Manual 22-01 (Logo Policies)</li> <li>• LEI Manual 22-02 (Logo Use)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Relevant information on logo use is printed in a booklet and also available on LEI's website.</li> </ul>

**ASSESSMENT RESULTS: Application of the Forest Certification Assessment Guide to the FSC scheme on national level in Indonesia**

*Note: The analysis focuses on sub-criteria proposed for national level assessment in the generic application of the FCAG to FSC’s international system (see Annex 4). Issues of non-compliance are written in bold type in the remarks column and judged as fulfilled, not or partly fulfilled depending on the magnitude of failure.*

**PART 2: Standards and the Standard-Setting Process**

Criteria	FCAG Requirements	Main References	Findings	Remarks
<p><b>Criterion 3</b></p> <p><i>Meaningful and equitable participation of all major stakeholder groups in governance and standard setting</i></p> <p><b>Sub-Criteria</b></p> <p><i>3.1 Effective stakeholder involvement</i></p>	<p>Requirements related to sub-criterion 3.1:</p> <p>a. Relevant stakeholder groups have been officially invited to participate</p>	<ul style="list-style-type: none"> <li>FSC Standard 20-003, 3.1</li> <li>FSC News: <a href="http://www.fsc.org/en/whats_new/news/news_notes/30">http://www.fsc.org/en/whats_new/news/news_notes/30</a></li> <li>SGS QUALIFOR Forest management standard for Indonesia, 2005</li> <li>SmartWood Interim Guidelines for Assessing Forest Management in Indonesia, 2003</li> <li>Joint Certification Protocol, Sept. 2000</li> </ul>	<p><b>Fulfilled</b></p>	<ul style="list-style-type: none"> <li><u>Note: Criteria 3.1 is only analysed regarding the development of interim certification standards by FSC CBs in Indonesia due to the absence of a National FSC Initiative. All other aspects under Criterion 3 were already analysed in the generic assessment of the international FSC framework (see Annex 4).</u></li> <li>FSC is currently instigating appropriate ways to “phase out certifications using certifiers’ interim standards within five years” (Action on general assembly motion 48, FSC News, 2006).</li> <li>FSC regulates, that CBs shall seek broad stakeholder comments on the adaptation of their generic standards. The interim standard need to be published at least one month prior to the start of the main assessment in HCVF areas.</li> <li>A comprehensive list of stakeholders to be contacted is given in FSC Standard 20-003, 3.1.3 <b>(it does not include scientific bodies, as required in FCAG guidance point a).</b></li> <li>In Indonesia, through the Joint Certification Protocol (JCP) between FSC and LEI CBs, all parties agreed that for natural forest management certification “under the JCP ...</li> </ul>

Criteria	FCAG Requirements	Main References	Findings	Remarks
				<p><i>criteria and indicators of LEI will be used by all CBs operating in Indonesia. This means that FSC-CB's will use all LEI C&amp;I, including those exceeding the requirements of the FSC, as well as any additional FSC requirements, not included in the LEI C&amp;I'.</i></p> <ul style="list-style-type: none"> <li>• The JCP was concluded in December 2005 and never covered plantation and CBFM certification.</li> <li>• In developing the interim standards, SGS and SmartWood incorporated the LEI C&amp;I into their generic standards by adding cross references to LEI's standard and invited stakeholders to comment.</li> <li>• SGS circulated its draft to key stakeholders in Indonesia, but did not receive any respond. The interim standard adaptation was criticised by FSC when conducting a random audit of SGS in PT. DRT: <i>"SGS Qualifor shall ensure that the SGS Qualifor generic standard is locally adapted for Indonesia, through an appropriate stakeholder consultation process"</i>. SGS was asked to close-out this CAR by June 2004. The latest version of the interim standard (March 2005) does not outline the amount of consultation conducted.</li> <li>• SmartWood so far developed three versions of its interim standard in Indonesia (SmartWood, 2003) and tried to accommodate stakeholder inputs, LEI comments, and recent interpretations on FSC certification, e.g. the Principle 2&amp;3 study done in Indonesia (Colchester et al., 2003). SmartWood stated that it <i>"plans to be proactive and to engage with LEI and</i></li> </ul>

Criteria	FCAG Requirements	Main References	Findings	Remarks
				<p><i>other stakeholders in order to exchange experience based on any assessments conducted using the interim standard” (SmartWood 2003). SmartWood currently revises its 3.draft through an internal process. Public consultation is foreseen, but has not started (personal communication with SmartWood).</i></p> <ul style="list-style-type: none"> <li>• The standard adaptation process to be implemented by Woodmark for its upcoming certification assessments in PT. Perum Perhutani has not yet started.</li> </ul>
	<p>b. Relevant stakeholder groups participated meaningfully.</p> <p>Relevant stakeholder groups are defined in guidance point a) as:</p> <ul style="list-style-type: none"> <li>○ Forest owners, including governments, and/or representatives of their associations</li> <li>○ Product manufacturers, distributors, retailers</li> <li>○ Scientists/scientific bodies</li> <li>○ Environmental NGOs,</li> <li>○ Social NGOs/organizations (e.g., worker unions and consumer associations)</li> <li>○ Representatives of indigenous peoples</li> </ul> <p>And in guidance point b): NGOs participating in standard setting and governance should</p> <ul style="list-style-type: none"> <li>○ Legitimately represent the respective interests</li> </ul>	<ul style="list-style-type: none"> <li>• FSC Standard 20-003, 4.5</li> </ul>	<p><b>Partly fulfilled</b></p>	<ul style="list-style-type: none"> <li>• FSC regulates that the CB shall make meaningful accommodation of stakeholder concerns.</li> <li>• <b>However, some elements of guidance point b) on NGOs participating in standard setting and governance are not met by the FSC, e.g. the need that participating NGOs are accountable to their constituent or have a proven record in the subject matter (see Annex 4).</b></li> <li>• It is assumed that FSC CBs have by today conducted sufficient meaningful consultation by working jointly with LEI CBs, cross-referencing their generic standard to the LEI standard in natural production forests, inviting stakeholder comments on numerous occasions and discussing standard matters with local certification experts (e.g. in the Indonesian Practitioners Workgroup on Forest Certification (<i>Klompok Praktisi Sertifikasi KPS</i>), and in JCP meetings).</li> <li>• Whether the achieved adaptation of the generic CB standard in Indonesia can be</li> </ul>

Criteria	FCAG Requirements	Main References	Findings	Remarks
	<ul style="list-style-type: none"> <li>○ Ensure that representatives are accountable to their constituencies</li> <li>○ Have a proven record in the subject matter</li> <li>○ Be interested and affected by the certification system</li> <li>○ Have a broad membership base</li> </ul>			considered appropriate will be a matter of further investigations of each standard on field level.
	c. A procedure is in place to involve stakeholders in case of failure to achieve meaningful participation of relevant major stakeholder groups.	<ul style="list-style-type: none"> <li>● FSC Standard 20-003, 3.14</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>● The FSC procedure describes the necessary activities for contacting stakeholders. It does not consider additional measures in cases of insufficient input.</li> </ul>
	d. Written documents are available on what efforts have been taken to include stakeholders as well as on how issues raised by stakeholders have been addressed.	<ul style="list-style-type: none"> <li>● FSC Standard 20-003, 4.4 and 5.1)</li> <li>● FSC Standard 20-006, 6.1 and 7.3</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>● The FSC regulates record keeping by CBs for the development of generic standards: <ul style="list-style-type: none"> <li>a) lists of individuals/organisations invited to comment on the generic standard;</li> <li>b) copies of all correspondence and/or comments received with respect to potential modifications of the generic standard;</li> <li>c) copies of all national standards, draft standards or other sources of information taken into account in order to modify the generic standard.</li> </ul> </li> </ul>
<b>3.2 Balanced decision-making procedures</b>	e. The decision-making process is striving for consensus among relevant stakeholder groups.	<ul style="list-style-type: none"> <li>● FSC Standard 20-003, 4.5</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>● The certification body is not required to seek or develop a consensus with regard to modification of its generic standard. The certification body shall only make meaningful accommodation of stakeholder concerns.</li> </ul>
	f. Procedures are in place to achieve balanced decision making in the absence of consensus. These procedures do the following: <ul style="list-style-type: none"> <li>● Ensure that no major interest</li> </ul>	<ul style="list-style-type: none"> <li>● FSC Standard 20-003, 4.5</li> </ul>	<b>Not fulfilled</b>	<ul style="list-style-type: none"> <li>● Not required by FSC for interim standards</li> </ul>

Criteria	FCAG Requirements	Main References	Findings	Remarks
	<p>group can dominate nor be dominated in the decision-making process.</p> <ul style="list-style-type: none"> <li>Specify a voting system that prevents major environmental, social, or economic interests from being overruled</li> <li>Contain a mechanism that prevents decision making in the absence of any representative of one of the major interest groups.</li> </ul>			

### PART 3: Conformity Assessment, Certification, and Accreditation

<p><b>Criterion 7</b></p> <p><i>Transparency in decision making and public reporting</i></p> <p><b>Sub-criteria</b></p> <p><i>7.1 Public availability of scheme requirements</i></p>	<p>The FCAG guide lists 10 specifications based on ISO rules and the ISEAL code. Additionally, the following requirement is formulated:</p> <p>b. In addition to the above, the certification scheme/system makes its documents publicly available, specifying all its requirements related to accreditation, standardization, and certification, including chain of custody and control of claims, where applicable.</p>	<ul style="list-style-type: none"> <li>FSC web site</li> <li>SW and SGS web sites</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>All relevant documents are available on the FSC website</li> <li>Generic and interim standards are available on the websites of the FSC accredited CBs currently operating in Indonesia.</li> </ul>
<p><i>7.2 Public availability of certification and accreditation reports</i></p>	<p>g. Public reports on forest management evaluation and surveillance provide the rationale for the certification decision or the maintenance of certification, respectively.</p>	<ul style="list-style-type: none"> <li>Main assessment: FSC-Std 20-009, 5</li> <li>Surveillance: FSC-Std 20-009, 7.2</li> <li>SW and SGS web sites</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>Public reports on main assessment and surveillance are available on the websites of the FSC accredited CBs operating in Indonesia.</li> <li><u>Comment on implementation:</u> While SmartWood makes reports also in</li> </ul>

				Indonesian language available, SGS only presents in English, which does not fulfil FSC's own requirement in Standard 20-009, 1.
	h. Public reports on forest management evaluation justify the certification decision by providing key findings with respect to compliance with the standard.	<ul style="list-style-type: none"> <li>• FSC-Std 20-009, 4</li> <li>• Public reports of FSC certified units in Indonesia (SW/SGS websites)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Fully regulated and followed by CBs</li> </ul>
	i. Public reports on forest management evaluation and surveillance include the corrective action requests raised in regard to the performance of the operation being evaluated.	<ul style="list-style-type: none"> <li>• Main assessment: FSC-Std 20-009, 4.1.3, 5.2</li> <li>• Surveillance: FSC-Std 20-009, 7.2, f</li> <li>• Public reports of FSC certified units in Indonesia (SW/SGS websites)</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Fully regulated and followed by CBs</li> </ul>
	j. Public reports on accreditation provide the rationale for the accreditation decision.	<ul style="list-style-type: none"> <li>• ASI-PRO 10-173, 5.1</li> <li>• ABU_GUI_10_111, 5.7.4</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Following the accreditation decision, the FSC prepares a public summary of the accreditation report. The document is publicly available to anybody on request.</li> </ul>
	k. Public reports on accreditation provide the corrective action requests raised in regard to the performance of the evaluated certification body.	<ul style="list-style-type: none"> <li>• ASI-PRO 10-173, 5.1.1.6 e, 5.1.73 c</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>•</li> </ul>
	l. Public reports are readily available.	<ul style="list-style-type: none"> <li>• Certification: FSC-Std 20-009, 2</li> <li>• Accreditation: ASI-PRO 10-173, 5.1.8</li> <li>• SW internal documents</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• Public summaries shall be published on the issuing CB's website no later than 30 days after the certificate has been issued.</li> <li>• <u>Comment on implementation:</u> SGS has published its latest surveillance report on PT. DRT in January 2004 on its homepage</li> </ul>
<b>Criterion 8</b>	For requirement 8.1 – 8.3 see Annex 4		<b>Fulfilled</b>	
<b>Reliable and independent</b>				

<i>assessment of forest management performance and chain of custody</i>				
<b>8.4 Stakeholder consultation in the certification and accreditation process</b>	a. Accreditation bodies undertake proactive and culturally appropriate external consultation as part of initial assessment and surveillance of certification bodies.	<ul style="list-style-type: none"> <li>• ASI-PRO 20-112; 5.5.3.3</li> <li>• For surveillance: ASI-PRO 20-113, 5.4.7</li> <li>• FSC website</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• A public summary of the results of FSC’s random audit of SGS in PT. Diamond Raya Timber is available (“FSC Accreditation Information Note”), as well as a special “Stakeholder Response Report Regarding the Certification by SGS Qualifor of PT Diamond Raya Timber” on FSC’s webpage.</li> </ul>
	b. Certification bodies undertake proactive and culturally appropriate external consultation as part of initial assessment and surveillance of certificate holders.	<ul style="list-style-type: none"> <li>• FSC Standard 20-006</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• In Indonesia, SmartWood and SGS organized public stakeholder meetings on different levels during assessments. Procedures improved with experience gathered.</li> <li>• Local experts were always participating in main assessment as well as in surveillance visits.</li> <li>• Observers were allowed to join the assessment if agreeable to the client.</li> </ul>
	c. Appropriate procedures exist to take stakeholders’ comments into account in the decision-making process for certification and accreditation.	<ul style="list-style-type: none"> <li>• For certification: FSC Standard 20-006</li> <li>• For accreditation: ABU_GUI_10_111, 5.5</li> </ul>	<b>Fulfilled</b>	<ul style="list-style-type: none"> <li>• SmartWood and SGS did respond to identified concerns by stakeholders in the public summaries of their assessment reports.</li> </ul>
<b>8.5 Complaints and appeals mechanisms</b>	Complaints and appeals mechanisms of accreditation, certification, and standard-setting bodies are: a) accessible to any interested party, b) publicly available, and c) free of cost implications for the complainant.	<ul style="list-style-type: none"> <li>• FSC National Initiatives Manual, 5.4 and 12.3.1</li> <li>• SGS web site (public summary PT. DRT, surveillance visit 6)</li> <li>• ABU_INF_2004_11_24 (Accreditation Cost Estimates)</li> </ul>	<b>Partly fulfilled</b>	<ul style="list-style-type: none"> <li>• Complaints (formal/non-formal) are made available by the relevant CB free of charge.</li> <li>• So far, one formal complaint has been raised in Indonesia by BUND, Greenpeace International, Pro Regenwald, and Rain Forest Action Network, on 7 April 2004 against SGS QUALIFOR and PT Diamond Raya. SGS followed up the claim through a</li> </ul>

				<p>surveillance visit and published its response.</p> <ul style="list-style-type: none"><li>• SGS included local auditors in their surveillance missions as a reaction to claims that the SGS auditors are not familiar with Indonesia's social issues (according to SGS certification staff).</li><li>• <b>Complaints during accreditation voiced by the applicant are not free of cost implications in the FSC scheme.</b></li></ul>
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