

**Assessment on Business Entity Indicator in PGA for REDD + (Reducing Emissions from Deforestation and Forest Degradation Plus), Concept as of January 2012**

Number	Indicator	Meaning	Verifier	Data Gathering Method
<b>I. Area planning and forestry which is sustainable, impartial, and not prone to corruption</b>	The effectiveness of representatives from relevant business sector who attend and participate in the meetings which discuss area planning and forestry.	The area planning and forestry are not only about technical matters but are also related to business interest including the possibility of conflict (internal-external) in the implementation of that planning outcome. Meetings which discuss area planning and forestry can take the form of meetings related to the setting up of the Spatial Planning (RTRW) or location permit inside the forest area.	<ul style="list-style-type: none"> <li>• The physical presence of business representatives in the setting up of area planning and forestry.</li> <li>• The knowledge level of the main actors in business sector who actively provide input in relation to the area planning and forestry.</li> <li>• The skill/capacity possessed by the main actors of business group who actively provide input in relation to area planning and forestry.</li> <li>• The form or role taken or chosen by the business group who actively provide input in relation to area planning and forestry.</li> <li>• The internal mechanism of business organization in choosing the representatives to attend.</li> <li>• The mechanism of reporting the outcome or</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Pooling</li> <li>• Interview</li> </ul>

	The active involvement of business group in the process of area planning and forestry.	The area planning and forestry need active participation from the business group because this group is the real actor of activities in the field such that regulations made in relation to this issue need the involvement of business group from its initial drafting.	<p>participation process to the business community.</p> <ul style="list-style-type: none"> <li>• There is mechanism from the business organization to actively involve in the drafting of regulation related to the forestry area planning.</li> <li>• There is mechanism of business organization for the reporting of regulation drafting process in relation to forestry area planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Pooling</li> <li>• Interview</li> </ul>
<b>II-Management of rights which is sustainable, impartial and not prone to corruption</b>	The effectiveness of internal rules which determine the mechanism to conduct public consultation (PADIATAPA) prior to obtaining permit	The aspiration of local/customary community in decision making – which is quite diverse- is equally important with the decision based on legality. The business community needs to have commonly agreed mechanism in carrying out the process of consultation and obtaining the approval from customary/local community or its decision making process.	<ul style="list-style-type: none"> <li>• The availability of document on regulation which regulates the implementation of PADIATAPA</li> <li>• Records on the process of regulation drafting</li> <li>• Records on the decision making process which have been made</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Interview</li> </ul>
	The effectiveness of working area border arrangement which complies with regulation through legal	The working area border arrangement is not only entitled to legal implication but also social implication. The business community needs to act proactively in achieving such social acknowledgement in order to minimize border conflict.	<ul style="list-style-type: none"> <li>• The border arrangement report document</li> <li>• The acceptance level of the company's working area border by the other party.</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Pooling</li> </ul>

	acknowledgement and clear protection of rights.	In order to obtain legal certainty, the working area border arrangement must be preceded by the territorial border/function border arrangement.		<ul style="list-style-type: none"> <li>• Interview</li> </ul>
<b>III-Organization which is accountable and able to promote the achievement of forest and peat moss management which is sustainable, impartial and not prone to corruption</b>	The effectiveness of the implementation of internal rules which oblige free prior informed consent mechanism before taking forest permits	The decision making of multi-stakeholder has the characteristics; among others is the ability to come up with compromising solution for different interests. The representative from business sector has important role to be able to represent not only the business interest but also to be able to see broader interests with results which can be accepted by the business community itself.	<ul style="list-style-type: none"> <li>• The availability of document on the mechanism of appointing business representative in multi-stakeholder institution</li> <li>• There is consensus and or process of decision making which can be accepted by various business interests.</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Interview</li> </ul>
<b>IV. Forest management includes issue of forest arrangement, monitoring, protection, conservation, supervising which is sustainable, impartial, and not prone to corruption.</b>	The effectiveness of the implementation of internal rules which promote Sustainable Forest Management (SFM)	Accurate information on forest management by private parties can prevent forestry business from disadvantageous issues. The risk of such information disclosure shall strictly separate those companies with good performance from those with bad performance. Therefore, there needs to be rules in its implementation.	<ul style="list-style-type: none"> <li>• The availability of document on regulation</li> <li>• There is consensus to publish the management of forest which have been, is being and will be done.</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Interview</li> </ul>
	The effectiveness of internal rules which promote the implementation of	The achievement of SFM is the expectation of all parties. Therefore, SFM initiative must be promoted from inside the company among others through the rules by every company	<ul style="list-style-type: none"> <li>• The availability of document on regulation</li> <li>• There is consensus to practice sustainable forest</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> </ul>

	Sustainable Forest Management (SFM)	and/or association.	management	<ul style="list-style-type: none"> <li>• Interview</li> </ul>
<b>V. Control and legal enforcement in the management of forest and peatland which is sustainable, impartial and not prone to corruption.</b>	The effectiveness of implementing internal control mechanism in business sector in the activities of forest utilization according to SFM principles.	The utilization and usage of forest resources must be controlled from inside the company or business association. Such control can be based on the rules and regulations as well as the elaboration of norms and business ethics to be put in practice in the field.	<ul style="list-style-type: none"> <li>• The availability of and the content of document on regulation</li> <li>• There is consensus to control the implementation of sustainable forest management</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Interview</li> </ul>
	There is ethical code for company to practice good corporate governance.	Company in conducting its business follows the implementation of rules and regulation which can go in the opposite direction of good corporate governance. The company must prevent such thing by its own effort and/or through business association by implementing ethical code with have been mutually agreed.	<ul style="list-style-type: none"> <li>• The availability of and the content of document on regulation-ethical codes</li> <li>• The availability of and the content of document on the process of writing down the ethical codes</li> <li>• The content of ethical code document (prevention of bribes, whistleblower, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Interview</li> </ul>
<b>VI. REDD+ infrastructure which is sustainable, impartial, and not prone to corruption.</b>	The acceptance of business representation in institutional REDD+	Business interest needs to be considered in the decisions regarding policy and implementation of REDD. Business community needs to be proactive in fighting for its interest.	<ul style="list-style-type: none"> <li>• The availability of document which states the existence of business representation.</li> <li>• There are acknowledgements from various parties declaring</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data collection</li> <li>• Interview</li> </ul>

			the role of business sector in the implementation of REDD.	
	There is commitment and perception in support of the implementation of REDD+	The implementation REDD shall be more easily achieved if the business community has the commitment and positive perception to carry it out. Therefore, positive information on REDD must be disseminated in order to achieve it.	<ul style="list-style-type: none"> <li>• There are acknowledgements from various parties on the commitment of business sector in the implementation of REDD.</li> </ul>	<ul style="list-style-type: none"> <li>• Interview</li> </ul>