



Presentation on New Draft TLD on Wood Processing and Trade

TWG Meeting, Crowne Plaza Hotel, 2 August 2017

Presented by: Mr. Vangchai Vang, DD, DIMEX/MOIC.

PRINCIPLE 8.1 REQUIREMENTS AND PROCEDURES FOR WOOD PROCESSING AND TRADING

Criteria 8.1.1 Compliance with the requirements of legally established at wood processing and trade enterprises		
Indicators	Verifiers	Legal references
8.1.1.1 The operator has possessed valid license and permits for wood processing and trading operations.	8.1.1.1.1 Enterprise registration certificate	<ul style="list-style-type: none"> • Law 46/NA (2013), article 14. • Notification 0530/MOIC, (2002) & Notification 0538/MOIC (2002)
	8.1.1.1.2 Factory operation certificate	<ul style="list-style-type: none"> • Law 048/NA (2013), article 11. • Regulation 0719^{1/}MOIC (2009), article 12.
	8.1.1.1.3 Forestry business registration	<ul style="list-style-type: none"> • Law 06^{2/}NA (2007), article 45.

Gaps: need to be amended of Article 10 to cover legal source of raw materials for household business.

Gaps "Trader regulation needs to be developed further".

Gap: the existing transport permit from LLIII to another LLIII should be replaced in the future by approved commercial invoice with part list to reduce admin work for the private sector).

PRINCIPLE 8.1 REQUIREMENTS AND PROCEDURES FOR WOOD PROCESSING AND TRADING

Criteria 8.1.2 Compliance with supply chain control procedures for wood processing and trade		
Indicators	Verifiers	Legal references
8.1.2.1 The operator has a system in place to control input of timber and wood products received to ensure their legal origin.	8.1.2.1.1 Input report on timber and wood products (Form I).	<ul style="list-style-type: none"> Draft Decision on COC No.... /MOIC, article 6.
8.1.2.2 The operator has a system in place to record and maintain the recovery rate in its entire production process.	8.1.2.2 .1 Report on implementation of a calculation system by the operator for consumption norms for primary and/or secondary processing.	<ul style="list-style-type: none"> Draft Decision on COC No.... /MOIC, article 5.2
8.1.2.3 The operator has the system in place to control output and balance of timber and wood products.	8.1.2.3.1 Report on timber output and balance (Form II)	<ul style="list-style-type: none"> Draft Decision on COC No.... /MOIC, article 5³.
8.1.2.4 The operator (Exemption for household businesses) has fulfilled all tax payments.	8.1.2.4.1 Annual tax payment certificate (Exemption for household businesses which need only annual lump sum tax receipt)	<ul style="list-style-type: none"> Law 70/NA (2015), article specific regulation for verifier? Law 52/NA (2014), article Tax Regulation on lumpsum (Law on Tax No. 05/NA, date Dec 20, 2011, chapter 3)
8.1.2.5 Household business has fulfilled tax lump sum tax payment	8.1.2.5.1 Annual lump sum tax receipt	<ul style="list-style-type: none"> Law on Tax 04/NA, Dec 20, 2011)

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PRINCIPLE 8.1 REQUIREMENTS AND PROCEDURES FOR WOOD PROCESSING AND TRADING

Criteria 8.1.3 Compliance with environmental and social impact requirements ⁴		
Indicators	Verifiers	Legal references
A. Group 2 "Significant or major environmental and social impacts" ⁵ .		
8.1.3.1A The operator has completed environmental and social impact assessment (ESIA) report with involving the affected people in consultation process on impacts on wood processing and has received environmental certificate from MONRE. and approved by MONRE.	8.1.3.1.1 Environmental compliance certificate	<ul style="list-style-type: none"> Law 29/NA (2012) Instruction 8030/ MONRE (2013), article 10. Law 48/NA (2013), article 11.
	8.1.3.1A.2 Attachment of the EEIA report with comments from concern stakeholders	<ul style="list-style-type: none"> Instruction 8030/ MONRE (2013), part II
8.1.3.2A The operator has implemented mitigation measures under the Environmental and social management and monitoring plan (ESMMP).	8.1.3.2A.1 Approved report of the progress of ESMMP implementation of the operator.	<ul style="list-style-type: none"> Law 29/NA (2012) Instruction 8030/ MONRE (2013), article 10.

Remarks: In case the Investment Projects and Activities are not categorized in any group in the List of Investment Projects and Activities, the Provincial Department of Natural Resources and Environment shall apply a separate criteria to the relevant information as specified in the investment application to conduct further screening which level of the Environmental Impact Assessment such Investment Projects and Activities shall conduct or the Environmental Impact Assessment is not needed at all

Gap: In the Ministerial Agreement No. 8056/MONRE, the type of the investment project for the wood product industry only mention the plywood processing factory).

PRINCIPLE 8.1 REQUIREMENTS AND PROCEDURES FOR WOOD PROCESSING AND TRADING

Criteria 8.1.3 Compliance with environmental and social impact requirements ⁴		
Indicators	Verifiers	Legal references
B. Group 1 "Moderate or minimal environmental and social impacts"		
8.1.3.1B The operator has completed Initial environmental examination (IEE) report with involving the affected people in consultation process on impacts on wood processing from PONRE.	8.1.3.1.1B.1 Environmental compliance certificate.	<ul style="list-style-type: none"> • Law 29/NA (2012) • Instruction 8029/ MONRE (2013).
	8.1.3.1B.2 Attachment of the IEE report with comments from concern stakeholders	
8.1.3.2B The operator has implemented mitigation measures under the Environmental and social management and monitoring plan (ESMMP).	8.1.3.2B.1 Approved report of the progress of ESMMP implementation of the operator.	<ul style="list-style-type: none"> • Law 29/NA (2012) • Instruction 8029/ MONRE (2013).
<p>Remarks: In case the Investment Projects and Activities are not categorized in any group in the List of Investment Projects and Activities, the Provincial Department of Natural Resources and Environment shall apply a separate criteria to the relevant information as specified in the investment application to conduct further screening which level of the Environmental Impact Assessment such Investment Projects and Activities shall conduct or the Environmental Impact Assessment is not needed at all</p> <p>Gap: In the Ministerial Agreement No. 8056/MONRE, the type of the investment project for the wood product industry only mention the plywood processing factory).</p>		

PRINCIPLE 8.2 REQUIREMENTS AND PROCEDURES FOR EXPORT

Criteria 8.2.1 Compliance with law and regulations on export		
Indicators	Verifiers	Legal references
8.2.1.1 The wood products for export is complied with product scope and standard for products from natural or planted forest which are allowed and not allowed for export.	8.2.1.1.1 Loading certificate	<ul style="list-style-type: none"> • Order 15/PM (2016), heading 2. • Decision 1833/MOIC (2016). • Order 2143/MOIC. DIMEX (2016) • Notification 1161/DOIH (2016). • Draft Decision on COC No.... /MOIC. • Instruction 1765 /MOF (2013), section 3. (Needs to be revised).
	Wooden Products from Natural Forest for Export "IC 01" or Wooden Products from Planted Forest for Export "IC 02"	
8.2.1.2 The exporter has all required information for wood product export.	8.2.1.2.1 Submitted Custom declaration form	<ul style="list-style-type: none"> • Notification 1818/PMO (2016). • Draft Decision on COC No. .../MOIC, article • Order instruction 2143 /MOIC. DIMEX (2016) • Notification 1161/DOIH (2016).

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Gap: No specific regulation for cross-checking for compliance of CITES through timber identification during the grading and auction of timber of conversion areas, confiscated timber at LLII, as well as Input and output at LLIII).