

## Presentation on New Draft TLD on Production Forest

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2. The new draft TLD “Production forest”\_V 3.1 revised by core group and TEG
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## 1. "Development History" of TLD Production Forest

P	Draft 1	C	I	Draft 2	C	I	Draft 3	C	I
1.1	FOREST LAND AND FOREST CATEGORY	1	2	FOREST LAND AND FOREST CATEGORY FOR HARVESTING	1	1	FOREST LAND AND FOREST CATEGORY FOR HARVESTING	1	1
1.2	SUSTAINABLE FOREST MANAGEMENT	1	1	MANAGEMENT PLAN OF HARVESTING OPERATION IN PRODUCTION FOREST	1	1	MANAGEMENT PLAN OF HARVESTING OPERATION IN PRODUCTION FOREST	1	1
1.3	HARVESTING PROPOSAL AND APPARAOVAL	1	4	HARVESTING OPERATION IN PRODUCTION FOREST AREA	2	3	HARVESTING OPERATION IN PRODUCTION FOREST AREA	2	3
1.4	HARVESTING OPERATION	1	3	TIMBER MOVEMENT	1	1	TIMBER SALE AND TIMBER MOVEMENT TO WOOD PROCESSING FACTORY	2	2
1.5	TIMBER TRANSPORTATION	1	3	ENVIRONMENTAL OBLIGATIONS	2	2	BENEFIT SHARING	1	2
1.6	ENVIRONMENTAL OBLIGATIONS	1	4	ECONOMIC AND SOCIAL OBLIGATIONS	2	3	OBLIGATIONS ON ENVIRONMENTAL AND SOCIAL IMPACTS	3	3
1.7	TIMBER SALES	1	6		9	11		10	12
1.8	BENEFITS SHARING	1	3						
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## 2. The new draft TLD "Production forest" \_V 3.1 revised by core group and TEG

P	Draft 3		P	Draft 3.1 (current)
1.1	FOREST LAND AND FOREST CATEGORY FOR HARVESTING		1.1	FOREST MANGEMENT PLAN
1.2	MANAGEMENT PLAN OF HARVESTING OPERATION IN PRODUCTION FOREST	→	1.2	HARVESTING OPERATIONS
1.3	HARVESTING OPERATION IN PRODUCTION FOREST AREA		1.3	TIMBER SALES
1.4	TIMBER SALE AND TIMBER MOVEMENT TO WOOD PROCESSING FACTORY		1.4	TIMBER TRANSPORTATION
1.5	BENEFIT SHARING		1.5	POST-HARVEST OPERATIONS
1.6	OBLIGATIONS ON ENVIRONMENTAL AND SOCIAL IMPACTS			

### Revision of core group

- Simple and clear wording of principles
- Forest land allocation deleted
- Sales and transportation separated
- Benefit sharing included in Timber Sales as criteria

### Revision of TEG

- Improved wordings for consistency with law and regulations

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### 3. The new draft TLD "Production forest" V 3.2

<b>PRINCIPLE 1.1 FOREST MANAGEMENT PLAN</b>		
<b>Criteria 1.1.1 Participatory sustainable production forest management plan for the FMU shall be established</b>		
Indicators	Verifiers	Legal references
1.1.1.1 Production forest management plan has been prepared by PAFO and DAFO with the participation of villages (Inventory, demarcation and plan drafting) which endorsed by DOF and revised every 15 years.	1.1.1.1.1 Production forest management plan	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 14.</li> <li>• Decree 59/PM (2002), article 7.</li> <li>• Regulation 0204/MAF (2003), article 7.</li> <li>• Guideline 2156/DOF (2006), section III (3.2) , IV (4.3, 4.4, 4.5 and 4.6).</li> <li>• 1080/MAF, articles 9 and 10.</li> </ul>
1.1.1.2 Production forest management plan has defined the sustainable annual allowable cut and logging compartments (annual cutting areas).	1.1.1.2.1 Annual allowable cut in production forest management plan.	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 18(1)</li> <li>• Guideline 2156/DOF (2006), article 6.</li> </ul>
	1.1.1.2.2 Map of the annual harvesting compartments	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 18(1).</li> <li>• Guideline 2156/DOF (2006), article 6.</li> </ul>

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### 3. The new draft TLD "Production forest" V 3.2

<b>PRINCIPLE 1.2 HARVESTING OPERATIONS</b>		
<b>Criteria 1.2.1 Annual harvesting plan shall be approved by the Government</b>		
Indicators	Verifiers	Legal references
1.2.1.1 Annual harvesting plan has been established based on the results of pre-harvest inventory.	1.2.1.1.1 Pre-harvest inventory report	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 15.</li> <li>• Regulation 0204/ MAF (2003), article 13</li> <li>• Guideline 2155/DOF (2006), chapter 5.</li> </ul>
	1.2.1.1.2 Provincial annual program including harvesting plan	<ul style="list-style-type: none"> <li>• Regulation 0204/ MAF (2003), article 13</li> <li>• Guideline 2157/DOF (2006), chapter 5(1)</li> </ul>
1.2.1.2 Annual harvesting plan quota has been approved by the Government.	1.2.1.2.1 Notification Letter on annual harvesting plan of Prime Minister Office	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 18(4).</li> <li>• Order 17/PM (2008), article 4</li> <li>• Guideline 2157/DOF (2006), chapter 4.</li> </ul>
	1.2.1.2.2 Notification Letter on annual harvesting plan of MAF.	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 18 (4).</li> <li>• Guideline 2157/DOF (2006), chapter 4.</li> </ul>
1.2.1.3 Harvesting permit for sub-forest management areas have been approved by PAFO.	1.2.1.3.1 Harvesting permit issued by PAFO.	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (3).</li> <li>• Guideline 2157/DOF (2006), chapter 5(4).</li> </ul>

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Criteria 1.2.2 Harvesting operation shall be in compliance with harvesting principles		
Indicators	Verifiers	Legal references
1.2.2.1 Harvesting contract has been signed between Provincial Forestry Section and legally established Logging Unit/Enterprise with required equipment certified by PAFO.	1.2.2.1.1 Signed harvesting contract	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (2).</li> <li>• Decision 0182/ MAF (2009), article 15(3)</li> </ul>
	1.2.2.1.2 Harvesting Unit/enterprise establishment permit	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (2).</li> <li>• Decision 0182/ MAF (2009), article 23.</li> </ul>
	1.2.2.1.3 Harvesting enterprise registration	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (2).</li> <li>• Decision 0182/ MAF (2009), article 24.</li> </ul>
	1.2.2.1.4 Vehicles utilization permit	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (2).</li> <li>• Decision 0182/ MAF (2009), article 15(4)</li> </ul>
	1.2.2.1.5 Chainsaw utilization permit	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (2).</li> <li>• Decision 0080/ MAF (2012), article 8.</li> <li>• Decision 0182/ MAF (2009), article 11(4).</li> </ul>

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### 3. The new draft TLD "Production forest" V 3.2

Indicators	Verifiers	Legal references
1.2.2.2 Harvesting Unit/Enterprise has prepared logging facilities (Including forest roads, logging unit's camp and log landing).	1.2.2.2.1 Harvesting maps indicating all logging facilities	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (7).</li> <li>• Guideline 2157/DOF (2006). Chapters 6-9</li> </ul>
1.2.2.3 Harvesting Unit/Enterprise has implemented logging operations according to existing guidelines.	1.2.2.3.1 Standing tree maps	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (4 - 6).</li> <li>• Guideline 2157/DOF (2006). Chapter 10</li> </ul>
	1.2.2.3.2 List of selected standing trees (Form I)	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (7).</li> <li>• Guideline 2157/DOF (2006). Chapter 10</li> <li>• Guidelines 0962/DOF (2010). Chapter IV (4.1).</li> </ul>
1.2.2.4 At log landing 2, Provincial Forestry Section , District Forestry Unit and Village Forest Management Unit shall prepare log list, measure, and mark logs with paint, scale and grade the logs according to existing guidelines.	1.2.2.2.4 Log lists from LLII (Form IV)	<ul style="list-style-type: none"> <li>• Guidelines 0962/DOF (2010). Chapter IV (4.4-4.6).</li> <li>• Decision 116/MAF (2007), parts I – II</li> </ul>

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### 3. The new draft TLD "Production forest" V 3.2

PRINCIPLE 1.3 TIMBER SALES		
Criteria 1.3.1 Timber auction shall be in compliance with regulations		
Indicators	Verifiers	Legal references
1.3.1.1 Bidding committee has been established at provincial level from three concerned sectors, Agriculture and Forestry, Industrial and Commerce and Finance including FMU and village forestry organizations.	1.3.1.1.1 Letter of appointment of bidding committee by the provincial Governor.	<ul style="list-style-type: none"> <li>Order 17/PM (2008), article 6 (2).</li> <li>Regulation 1726/ MOIC (2012), chapter 4.</li> <li>Regulation 0204/MAF(2002), article 17.</li> </ul>
1.3.1.2 Sales of timber from official log lists have been conducted through transparent auction by the bidding committee.	1.3.1.2.1 Log lists (Form IV) registration into state assets	<ul style="list-style-type: none"> <li>Decree 59/PM (2002), article 11.</li> <li>Instruction 3211/ MOF (2015), article 2.</li> </ul>
	1.3.1.2.2 Established individual batches for auction (Form V)	<ul style="list-style-type: none"> <li>Gaps "Guidelines 0962/DOF (2010) COC"</li> <li>Gap "Regulation 1726/ MOIC (2012)"</li> </ul>
	1.3.1.2.3 Letter of invitation for bidding	<ul style="list-style-type: none"> <li>Regulation 1726/ MOIC (2012) Chapter II (1.1).</li> </ul>
	1.3.1.2.4 Minutes of results of bidding including the list of bidding committee members.	<ul style="list-style-type: none"> <li>Regulation 1726/ MOIC (2012), chapter II (2)</li> <li>Regulation 0204/MAF (2002), article 17.</li> </ul>
	1.3.1.2.5 Selling-purchasing contract	<ul style="list-style-type: none"> <li>Law 06/NA (2007), article 11 (1).</li> <li>Regulation 1726/ MOIC (2012), chapter III (1)</li> </ul>
	1.3.1.2.6 Receipt of royalty payment from timber buyer	<ul style="list-style-type: none"> <li>Law 06/NA (2007), article 11 (1).</li> <li>Regulation 1726/ MOIC (2012), chapter III (2).</li> </ul>
	1.3.1.2.7 Certificate of deletion of log lists from state assets	<ul style="list-style-type: none"> <li>Law 06/NA (2007), article 11 (1).</li> <li>Instruction 3211/ MOF (2015), article 6.</li> </ul>

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Criteria 1.3.2 Benefit sharing from timber sale shall comply with regulations		
Indicators	Verifiers	Legal references
1.3.2.1 The information of expenditure (harvesting cost) and income (auction price) are transparent and accountable.	1.3.2.1.1 Approved invoice from Harvesting Unit based on harvesting contract	<ul style="list-style-type: none"> <li>Regulation 0182/MAF (2009), article 7(7.7).</li> <li>Gap "Notification 0167/MOIC.DIMEX (2010) – needs to be updated.</li> </ul>
	1.3.2.1.2 Income balance from timber auction.	<ul style="list-style-type: none"> <li>Gap "PO 001 /PO (2012) to include access to expenditure of harvesting.</li> </ul>
1.3.2.2 The total revenue of timber sale has been divided into 70% to state budget and 30% to forest management and development and village development.	1.3.2.2.1 Deposit order issued by State asset sector.	<ul style="list-style-type: none"> <li>PO 001 /PO (2012), articles 4 and 6</li> </ul>
	1.3.2.2.2 Money transfer receipt to the provincial treasury.	<ul style="list-style-type: none"> <li>PO 001 /PO 001(2012), articles 7</li> </ul>
	1.3.2.2.3 Money transfer receipt of 12% of the total revenue to the bank account of the village.	<ul style="list-style-type: none"> <li>PO 001 /PO 001(2012), articles 7</li> </ul>

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<b>PRINCIPLE 1.4 TIMBER TRANSPORTATION</b>		
<b>Criteria 1.4.1 Compliance with transport requirements from cutting area to log landing II</b>		
Indicators	Verifiers	Legal references
1.4.1.1 The harvesting operator has recorded in COC forms the transport of timber from cutting area to log landing II.	1.4.1.1.1 Transport slip (Form II) and registry at log landing II (Form III).	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (7).</li> <li>• Guideline 0962/ DOF (2010), section V (4.3).</li> </ul>
<b>Criteria 1.4.2 Compliance with the transport requirements from log landing II to log landing III</b>		
Indicators	Verifiers	Legal references
1.4.2.1 The timber buyer has in place of all transport documents before timber movement.	1.4.2.1.1 Receipt of timber sales	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 53.</li> <li>• Order 17/PM (2008), article 15.</li> </ul>
	1.4.2.1.2 Cancellation letter of log lists from state assets register	<ul style="list-style-type: none"> <li>• Order 57/PM (2014).</li> <li>• Instruction 3211 /MOF (2015), article 6.</li> </ul>
	1.4.2.1.3 Log list (Form IV)	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 53.</li> </ul>
	1.4.2.1.4 Transport permit from PAFO.	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 53.</li> <li>• Decree 32/PM (2012), article 5 (7).</li> <li>• Guideline 0962/DOF (2010), section 5.2.</li> </ul>

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### 3. The new draft TLD "Production forest" V 3.2

<b>PRINCIPLE 1.5 POST-HARVESTING OPERATIONS</b>		
<b>Criteria 1.5.1 Post-harvest assessment shall be conducted</b>		
Indicators	Verifiers	Legal references
1.5.1.1 The Forest management Unit and provincial forestry section have conducted assessment of logging performance, logging impacts, and disputes with villagers.	1.5.1.1.1 Post-harvesting assessment report.	<ul style="list-style-type: none"> <li>• Law 06/NA (2007), article 49 (8 and 9).</li> <li>• Regulation 0221/MAF (2000), articles 16 and 17.</li> <li>• Guideline 2157/DOF (2006), chapter X (3).</li> <li>• Guideline 1036/DOF (2010), section 6.</li> </ul>
<b>Criteria 1.5.2 The results of post-harvesting operation shall be implemented</b>		
Indicators	Verifiers	Legal references
1.5.2.1 Issues and impacts recommended from post-harvest assessment have been mitigated and implemented.	1.5.2.1.1 Impact mitigation and implementation report.	<ul style="list-style-type: none"> <li>• Guideline 2157/DOF (2006), chapter XII</li> <li>• Operational manual DOF (2013), sections 8.5.2 and 8.5.5</li> </ul>

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## Next Steps

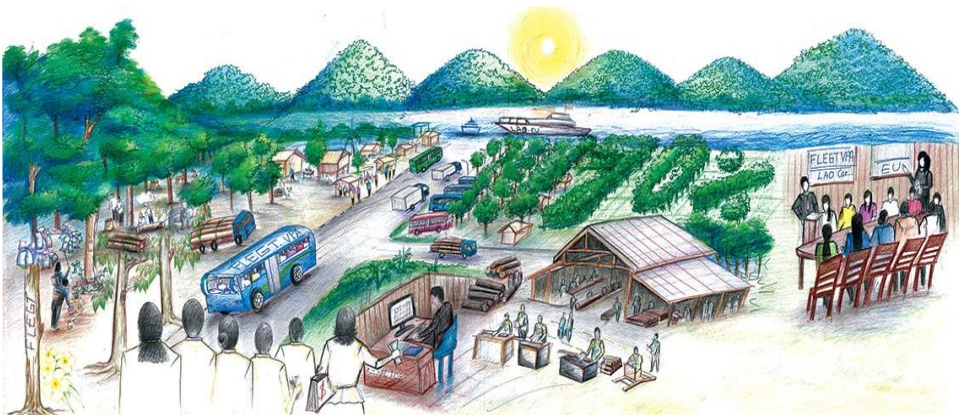
- Finalize the TLD on Production Forest by the core group
- Submit the revised TLD of Production Forest for comments
- Prepare the TLD based on EU comments for second face-to-face negotiation with EU
- Coming soon: Important elements of the TLAS, supply chain control and verification

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# Thank You



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