

## TIMBER LEGALITY DEFINITION 2: CONVERSION AREAS

<b>PRINCIPLE 2.1 APPLICATION AND APPROVAL OF INVESTMENT PROJECT IN CONCESSION BUSINESS</b>		
<b>Criterion 2.1.1 Submission of project proposal in concession business</b>		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.1.1.1 The investor has submitted an investment application to the One-Stop Service Office and obtained an MOU.	2.1.1.1.1 Application form	• Law 14/NA (2016), Article 45
	2.1.1.1.2 MOU signed	• Law 14/NA (2016), Article 46 (4)
<b>Criterion 2.1.2 Compliance with regulations on project assessments</b>		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.1.2.1 The investor has conducted a feasibility study which is approved by the relevant sector.	2.1.2.1.1 Feasibility study	• Law 14/NA (2016), Article 44 (5) and 46
2.1.2.2 The investor has completed Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA), according to the expected impact and the assessment has been approved by the natural resources and environmental sector.	2.1.2.2.1 IEE/EIA Report	• Decree 21/GoL (2019), Articles 9-13 (IEE), 19-22 (EIA) • Agreement 8056/MONRE (2012) (under revision)
	2.1.2.2.2 EMMP report	• Decree 21/GoL (2019), Articles 12, 13 (6), 22(6), 23
	2.1.2.2.3 ECC issued by PONRE or MONRE	• Decree 21/GoL (2019), Articles 40-43, 75 (13), 76 (10)
2.1.2.3 For development projects subject to compensation and/or resettlement, the project owner has prepared a compensation and a resettlement plan in consultation with affected people.	2.1.2.3.1 Compensation Plan	• Decree 21/GoL (2019) Article 56 • Law 45/NA (2018), Article 22
	2.1.2.3.2 Resettlement Plan	• Decree 21/GoL (2019) Article 56 • Law 45/NA (2018), Articles 23 and 24
	2.1.2.3.3 List of affected people	• Law 45/NA (2018), Article 22 (12)
2.1.2.4 The value for compensation has been estimated in collaboration with the committee for compensation and resettlement at the local level and based on the unit price of the committee.	2.1.2.4.1 Minutes of agreement on the value of the compensation (part of EMMP report)	• Law 45/NA (2018), Article 22 • Law 19/NA (2017), article 70 • Decree 135/PMO (2009), Article 43

2.1.2.5 The project owner has involved the public in project preparation and planning phases and disclosed information related to environmental and social impact assessments.	2.1.2.5.1 Public involvement plan	<ul style="list-style-type: none"> <li>Decree 21/GoL (2019) Article 36</li> </ul>
	2.1.2.5.2 Public disclosure section of IEE/EIA and EMMP	<ul style="list-style-type: none"> <li>Decree 21/GoL (2019) Article 64</li> </ul>
<b>Criterion 2.1.3</b> Approval of conversion of forestland in the concession projects		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.1.3.1 The National Assembly has approved the conversion in the case of: <ul style="list-style-type: none"> <li>National Protection Forest, National Conservation Forest, Production Forest, Provincial Protection and Conservation Forest to other types of land</li> <li>degraded forestland, which cannot regenerate by itself and is larger than 1.000 ha in area per activity.</li> <li>barren forestland, which cannot regenerate by itself and is larger than 10.000 ha in area per activity</li> </ul>	2.1.3.1.1 Resolution of the Standing Committee of NA meeting	<ul style="list-style-type: none"> <li>Law 64/NA (2019) Article 84 and 85</li> </ul>
2.1.3.2 The Government has approved the conversion in the case of: <ul style="list-style-type: none"> <li>District Protection and Conservation forestland</li> <li>Degraded forest land, which cannot regenerate by itself and has an area from 100 to 1.000 ha per activity</li> <li>Barren forest land, which cannot regenerate by itself and has an area from 200 to 10.000 ha per activity.</li> </ul>	2.1.3.2.1 Decision of the Prime Minister	<ul style="list-style-type: none"> <li>Law 64/NA (2019) Article 85</li> </ul>
2.1.3.3 The Provincial Assembly has approved the conversion in the case of: <ul style="list-style-type: none"> <li>Village Protection and Conservation Forest</li> <li>Degraded forest land, which cannot regenerate by itself and has an area less than 100 ha per activity</li> <li>Barren forest land, which cannot regenerate by itself and has an area less than 200 ha per activity</li> </ul>	2.1.3.3.1 Resolution of the Provincial Assembly meeting	<ul style="list-style-type: none"> <li>Law 64/NA (2019) Article 86</li> </ul>
<b>Criterion 2.1.4</b> Approval of private or state investment project		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>

2.1.4.1 The project owner of all forms of investment under the Investment Promotion Law has signed a concession agreement: - with MPI and the concerned ministry for projects under central responsibility - with DPI and concerned departments for projects under provincial responsibility	2.1.4.1.1 CA	• Law 14/NA (2016), Articles 26 and 99 (A3) and (B3)
2.1.4.2 National level state investment projects and normal state investment projects of cat. I with 100% investment of the state have been approved by the National Assembly on a case by case basis	2.1.4.2.1 Resolution of NA for national level state investment project or normal state investment project of cat. I	• Law 72/NA (2015), Article 38
2.1.4.3 Normal state investment projects of cat. 2-4 with 100% investment of the state, included in the annual state investment plan have been approved by the National Assembly	2.1.4.3.1 Resolution of NA on annual state budget plan	• Law 72/NA (2015), Article 38
2.1.4.4 Normal state investment projects of cat. 5 with 100% investment of the state, included in the annual state investment plan have been approved by the Provincial People's Council	2.1.4.4.1 Resolution of PPC on annual budget allocation plan	• Law 72/NA (2015), Article 39
<b>PRINCIPLE 2.2 HARVESTING OPERATION, POST-HARVESTING ASSESSMENT AND IMPLEMENTATION OF MITIGATION MEASURES</b>		
<b>Criterion 2.2.1</b> Planning and implementation of harvesting operation and post-harvest cleaning		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.2.1.1 The agriculture and forestry sector has conducted demarcation of harvesting areas, inventory of tree species, standing trees and volumes and summary of timber information to report to the Government for consideration.	2.1.1.1.1 Report of results of preharvest inventory	• Law 64/NA (2019), Article 24 • Regulation 0112/MAF (2008), Article 4, 7(1), 8 (under revision)
2.2.1.2 PAFO has prepared the provincial annual timber harvesting plan for conversion areas	2.2.1.2.1 Provincial annual timber harvesting plan	• Law 64/NA (2019) Article 26 • Order 15/PM (2016), article 4 (1)
2.2.1.3 The Government has approved the annual timber harvesting plan	2.2.1.3.1 Notification Letter on annual timber harvesting plan of Prime Minister Office to MAF	• Law 64/NA (2019) Article 26 and 27

	2.2.1.3.2 Notification Letter on Annual harvesting plan of MAF to PAFO	<ul style="list-style-type: none"> <li>• Law 64/NA (2019) Article 26 and 27</li> <li>• Order 15/PM (2016), article 4 (2)</li> </ul>
2.2.1.4 PAFO has signed a contract with an officially established and legally operating enterprises with logging capability	2.2.1.4.1 Signed harvesting contract	<ul style="list-style-type: none"> <li>• Agreement 0182/MAF (2009), article 15 (3) (Agreement planned to be revised)</li> </ul>
	2.2.1.4.2 Enterprises with logging capability establishment permit issued by MAF	<ul style="list-style-type: none"> <li>• Agreement 0182/MAF (2009), article 24 (Agreement planned to be revised)</li> </ul>
	2.2.1.4.3 Enterprises with logging capability registration from POIC	<ul style="list-style-type: none"> <li>• Agreement 0182/MAF (2009), article 24 (Agreement planned to be revised)</li> </ul>
	2.2.1.4.4 Registration certificate of logging machinery	<ul style="list-style-type: none"> <li>• Law 64/NA (2019), Article 38</li> </ul>
2.2.1.5 The enterprise has prepared the logging operation according to the logging plan, approved by the logging management committee	2.2.1.5.1 Logging plan	<ul style="list-style-type: none"> <li>• Law 64/NA (2019) Article 29 (2)</li> <li>• Order 15/PM (2016), article 4 (2)</li> <li>• Regulation 0112/MAF (2008), Article 6 and Section 2 (under revision)</li> </ul>
2.2.1.6 The enterprise reports regularly to the logging management committee on field implementation results.	2.2.1.6.1 Field implementation report	<ul style="list-style-type: none"> <li>• Order 15/PM (2016), article 4 (2)</li> <li>• Regulation 0112/MAF (2008), article 28 (4) (under revision)</li> <li>• Agreement 0182/MAF (2009), article 7 (12) and article 16 (6) (Agreement planned to be revised)</li> </ul>
2.2.1.7 At log landing 2, the forestry technical officers have measured and graded the logs and marked the logs.	2.2.1.7.1 Log list	<ul style="list-style-type: none"> <li>• Guideline 0962/DOF (2010) (under revision)</li> <li>• Decision 116/MAF (2007), parts I (under revision)</li> <li>• Law 64/NA (2019), Article 32</li> <li>•</li> </ul>
2.2.1.8 The logging management unit under the provincial committee for field implementation has monitored the phase of ongoing operations and the phase	2.2.1.8.1 Evaluation reports during operation	<ul style="list-style-type: none"> <li>• Regulation 0112/MAF (2008), article 33 and 34 (under revision)</li> </ul>

after logging completion in each sub-logging area.	2.2.1.8.2 Post-harvesting assessment report	<ul style="list-style-type: none"> <li>Regulation 0112/MAF (2008), article 33 and 34 (under revision)</li> </ul>
<b>Criterion 2.2.2</b> Implementation of mitigation measures of harvesting operations		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.2.2.1 The project owner has implemented the environmental management and monitoring plan (EMMP) in harvesting operations.	2.2.2.1.1 Progress reports of the implementation of EMMP in harvesting operations	<ul style="list-style-type: none"> <li>Decree 21/GoL (2019), Article 48-50 and 54</li> </ul>
2.2.2.2 The project owner has recorded and sought solutions to all requests regarding environmental and social disputes in harvesting operation.	2.2.2.2.1 Records of environmental and social disputes	<ul style="list-style-type: none"> <li>Decree 21/GoL (2019), Articles 68-73</li> <li>Decree 84/GOL (2016), articles 25</li> </ul>
	2.2.2.2.2 Documentation of dispute settlement case at different levels	<ul style="list-style-type: none"> <li>Decree 21/GoL (2019), Articles 68-73</li> <li>Decree 84/GOL (2016), articles 24</li> </ul>
2.2.2.3 The project owner has publicly disclosed information related to implementation of environmental management and monitoring measures of harvesting operations.	2.2.2.3.1 Reports of project owners on EMMP implementation of harvesting operations	<ul style="list-style-type: none"> <li>Decree 21/GoL (2019), Articles 63-64</li> </ul>
2.2.2.4 The resettlement and compensation plan are being implemented and regularly monitored by the resettlement and vocation committee	2.2.2.4.1 Report of resettlement and vocation committee	<ul style="list-style-type: none"> <li>Law 45/NA (2018), Article 63(7, 8) and 22-24</li> </ul>
<b>PRINCIPLE 2.3</b> Timber Sales		
<b>Criterion 2.3.1</b> Compliance with regulations on timber auction		
<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.3.1.1. Bidding committee has been established at the provincial level from three concerned sectors Agriculture and Forestry, Industrial and Commerce and Finance	2.3.1.1.1 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 I (4) (planned to be revised)</li> </ul>
2.3.1.2 The bidding committee has conducted sales of timber from official log lists through transparent auction.	2.3.1.2.1 Log lists registration into state assets	<ul style="list-style-type: none"> <li>Law 64/NA (2019), Article 32</li> <li>Instruction 3211/MOF (2015), article 2</li> </ul>
	2.3.1.2.2 Letter of invitation for bidding	<ul style="list-style-type: none"> <li>Regulation 1726/MOIC. (2012), chapter II (1.1) (planned to be revised)</li> </ul>

	2.3.1.2.3 Minutes of results of bidding	<ul style="list-style-type: none"> <li>• Regulation 1726/MOIC. (2012), chapter II (2) (planned to be revised)</li> <li>• Regulation 0204/MAF (2002), article 17</li> </ul>
	2.3.1.2.4 Selling-purchasing contract	<ul style="list-style-type: none"> <li>• Regulation No. 1726/MOIC. (2012), chapter III (1) (planned to be revised)</li> </ul>
	2.3.1.2.5 Receipt of payment from timber buyer	<ul style="list-style-type: none"> <li>• Regulation No. 1726/MOIC (2012), chapter III (2) (planned to be revised)</li> </ul>
	2.3.1.2.6 Certificate of deletion of log list from state assets	<ul style="list-style-type: none"> <li>• Instruction No. 3211/MOF (2015), article 6</li> </ul>

## **PRINCIPLE 2.4 TIMBER TRANSPORTATION**

### **Criterion 2.4.1** Compliance with transport requirements from harvesting area to log landing 2

<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.4.1.1 At log landing 1, the technical staff from the logging management unit has marked the logs and recorded number of trees, number of logs and logging zone in the log list.	2.4.1.1.1 Log list of log landing 1	<ul style="list-style-type: none"> <li>• Guideline 0962/DOF (2010) (under revision)</li> </ul>
2.4.1.2 At log landing 2, the technical staff from the logging management unit has stamped "PM (Forestry)" on the logs with forestry hammer.	2.4.1.2.1 Log list at log landing 2	<ul style="list-style-type: none"> <li>• Guideline 0962/DOF (2010) (under revision)</li> <li>• Decision 116/MAF (2007), parts I – II</li> <li>• Law 64/NA (2019), Article 32 and 35</li> </ul>

### **Criterion 2.4.2** Compliance with transport requirements from log landing 2 to log landing 3

<b>Indicators</b>	<b>Verifiers</b>	<b>Legal references</b>
2.4.2.1. The timber buyer has all transport documents in place before timber movement.	2.4.2.1.1 Receipt of timber sales	<ul style="list-style-type: none"> <li>• Order No.17/PM (2008), article 15</li> </ul>
	2.4.2.1.2 Cancellation letter from state assets register	<ul style="list-style-type: none"> <li>• Instruction No.3211/MOF (2015), article 6</li> </ul>
	2.4.2.1.3 Log list at log landing 2	<ul style="list-style-type: none"> <li>• Law 64/NA (2019), Article 32</li> </ul>

	2.4.2.1.4 Transport permit from PAFO	<ul style="list-style-type: none"><li>• Law 64/NA (2019), Article 35</li><li>• Decree 32/PM (2012), article 5 (7)</li><li>• Guideline 0962/DOF (2010)(under revision)</li></ul>
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