

APPENDIX A1: TIMBER LEGALITY DEFINITION AND COMPLIANCE VERIFICATION - NATURAL PRODUCTION FOREST

PRINCIPLE 1.1 NATURAL PRODUCTION FOREST MANGEMENT PLAN		
Criterion 1.1.1 Natural production forest management plan for the FMA shall be established		
Indicator	Verifiers	Legal references
1.1.1.1 PAFO and DAFO with the participation of villages have prepared the production forest management plan and DOF has endorsed it. In case of a revision of an existing plan, the revision shall be latest after 15 years.	1.1.1.1.1 Production forest management plan	<ul style="list-style-type: none"> Regulation 0204/MAF (2003), article 7 Guideline 2156/DOF (2006), section III (3.2), chapter 4 (4.3, 4.4, 4.5 and 4.6) Decision 0108/MAF (2005), article 9 and 10
	1.1.1.1.2 Village forest management agreement	<ul style="list-style-type: none"> Regulation 0204/MAF (2003), articles 3 (9) and 11
Regulatory Inspection	Verification	
Inspected and endorsed by: - DOF	Verified by: - POFI	
	Verification means: - document review and consultation with PFS	
Information stored by: - PFS	Verification frequency, timing and intensity: - onetime check at start of verification and repeated after revision dates were due - before harvesting season - comprehensive (each FMA)	
Indicator	Verifiers	Legal references
1.1.1.2 The management plan defines the sustainable annual allowable cut and logging compartments (annual cutting areas) for the planning cycle of 15 years.	1.1.1.2.1 Annual allowable cut in Production forest management plan	<ul style="list-style-type: none"> Law 0664/NA (20072019), article 1821(1) Guideline 2156/DOF (2006), article 6
	1.1.1.2.2 Map of the annual harvesting compartments	<ul style="list-style-type: none"> Law 0664/NA (20072019), article 1821(1) Guideline 2156/DOF (2006), article 6
Regulatory Inspection	Verification	
Inspected and endorsed by: - DOF	Verified by: - POFI	
	Verification means: - document review and consultation with PFS/Forest Inventory Unit - checking of validity of the calculation of sustainable annual allowable cut in production forest management plans and availability of map of annual harvesting compartments	

Information stored by: - PFS	Verification frequency, timing and intensity: - onetime check at start of verification and repeated after revision dates were due - before harvesting season - comprehensive (each FMA)	
PRINCIPLE 1.2 HARVESTING OPERATIONS		
Criterion 1.2.1 Harvesting plan shall be prepared for the FMA and the provincial annual timber harvesting plan is approved.		
Indicator	Verifiers	Legal references
1.2.1.1 DAFO has prepared a harvesting plan based on the results of a pre-harvest inventory and PAFO has certified it.	1.2.1.1.1 Pre-harvest inventory report	<ul style="list-style-type: none"> Regulation 0204/ MAF (2003), article 13 Guideline 2155/DOF (2006), chapter 5
	1.2.1.1.2 Harvesting plan for FMA with harvesting map	<ul style="list-style-type: none"> Regulation 0204/ MAF (2003), article 13 Guideline 2157/DOF (2006), chapter 4
Regulatory Inspection	Verification	
Inspected and endorsed by: - PAFO	Verified by: - POFI	
	Verification means: - document review and consultation with PFS - field observations/measurements (sampling) including accuracy of harvesting maps, location and data of selected trees and consultation with DAFO (for verification of supply chain control, see Appendix B1)	
Information stored by: - DAFO - PFS	Verification frequency, timing and intensity: - once per year - before annual operation plan for the province is established by PAFO - sample of harvesting compartments of FMAs in the province (risk-based)	
Indicator	Verifiers	Legal references
1.2.1.2 PAFO has prepared the annual operation plan for the province, including annual timber harvesting plan and submitted to MAF.	1.2.1.2.1 Provincial annual operation plan, including annual timber harvesting plan	<ul style="list-style-type: none"> Order 17/PM (2008), article 4 Guideline 2157/DOF (2006), chapter 5 (1)
Regulatory Inspection	Verification	
Inspected and endorsed by: - DOF	Verified by: - POFI	
	Verification means: - document review and consultation with PFS	

Information stored by: - PFS	Verification frequency, timing and intensity: - once per year - before commencement of harvesting operations - comprehensive (each FMA)	
Indicator	Verifiers	Legal references
1.2.1.3 The Government has approved an annual timber harvesting plan and MAF has issued the Notification to PAFO for harvesting operations	1.2.1.3.1 Notification Letter on Annual timber harvesting plan of Prime Minister Office (PMO)	<ul style="list-style-type: none"> • Law 0623/NA (20072019), article 1823(4) • Order 17/PM (2008), article 4 • Guideline 2157/DOF (2006), chapter 4
	1.2.1.3.2 Notification Letter on annual timber harvesting plan of MAF	<ul style="list-style-type: none"> • Law 0623/NA (20072019), article 18-23 (4). • Guideline 2157/DOF (2006), chapter 4
Regulatory Inspection	Verification	
Inspected and endorsed by: - PMO - MAF	Verified by: - DOFI and POFI	
	Verification means: - DOFI: document review and consultation with DOF - POFI: document review and consultation with PFS	
Information stored by: - DOF (notification letter PMO) - PFS (notification letter MAF)	Verification frequency, timing and intensity - once per year - before commencement of harvesting operations - comprehensive (each FMA)	
Indicator	Verifiers	Legal references
1.2.1.4 PAFO has issued the harvesting permit for the FMA.	1.2.1.4.1 Harvesting permit issued by PAFO	<ul style="list-style-type: none"> • Guideline 2157/DOF (2006), chapter 5(4)
Regulatory Inspection	Verification	
Inspected and endorsed by: - PAFO	Verified by: - POFI	
	Verification means: - document review and consultation with PFS	
Information stored by: - PFS	Verification frequency, timing and intensity - once per year - before commencement of harvesting operations - comprehensive (each FMA)	
Criterion 1.2.2 Timber harvesting operation shall be in compliance with harvesting principles.		
Indicator	Verifiers	Legal references
1.2.2.1 PAFO has signed a contract with an officially established and legally operating Timber Harvesting Unit or Timber Harvest Enterprise.	1.2.2.1.1 Signed harvesting contract	<ul style="list-style-type: none"> • Decision 0182/ MAF (2009), articles 7(1), 15(3)
	1.2.2.1.2 Harvesting Unit/ enterprise establishment permit issued by MAF	<ul style="list-style-type: none"> • Law 0664/NA (20072019), article 49-28 (2) • Decision 0182/ MAF (2009), article 23, to be amended

		according to requirements of the indicator
	1.2.2.1.3 Harvesting enterprise registration from POIC	<ul style="list-style-type: none"> Decision 0182/ MAF (2009), article 24
	1.2.2.1.4 Registration certificate of logging machinery Vehicles utilization permit	<ul style="list-style-type: none"> Law 64/NA (2019), Article 38Decision 0182/ MAF (2009), article 15(4)
	1.2.2.1.5 Chainsaw utilization permit	<ul style="list-style-type: none"> Decision 0080/ MAF (2012), article 8 Decision 0182/ MAF (2009), article 11(4)
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> MAF (enterprise establishment permit) PAFO (harvesting contracts, permits) POIC (registration of harvesting company) 	Verified by: <ul style="list-style-type: none"> POFI 	
	Verification means: <ul style="list-style-type: none"> document review and consultation with POIC and PAFO (harvesting enterprise registration at POIC, all other permits and contracts at PAFO) field observations and consultation with DFU / harvesting contractor 	
Information stored by: <ul style="list-style-type: none"> PAFO POIC 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> once per year first mission during harvesting sample of harvesting compartments of FMAs in the province (risk based) 	
Indicator	Verifiers	Legal references
1.2.2.2 Timber Harvesting Unit or Timber Harvesting Enterprise has prepared logging facilities (including forest roads, logging units' camp and log landing) according to existing guidelines and timber harvesting plan.	1.2.2.2.1 Harvesting maps indicating all logging facilities	<ul style="list-style-type: none"> Guideline 2157/DOF (2006), chapters 4, 6-9
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> PAFO 	Verified by: <ul style="list-style-type: none"> POFI 	
	Verification means: <ul style="list-style-type: none"> document review and consultation with DAFO field observations and consultation with DAFO and harvesting contractor 	
Information stored by: <ul style="list-style-type: none"> DAFO PFS 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> onetime check first mission during harvesting sample of harvesting compartments of FMAs in the province (risk based) 	

Indicator	Verifiers	Legal references
1.2.2.3 Timber Harvesting Unit or Timber Harvesting Enterprise has implemented logging operations according to existing guidelines.	1.2.2.3.1 Monitoring-Logging operation implementation reports during logging by DAFO and PAFO	<ul style="list-style-type: none"> • Law 0664/NA (20072019), article 49 (4 - 6) • Guideline 2157/DOF (2006), chapter 1011
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - PAFO - DAFO 	Verified by: <ul style="list-style-type: none"> - POFI 	
	Verification means: <ul style="list-style-type: none"> - document review and consultation with DAFO - field observations (conformity of logging operations) and consultation with DAFO, harvesting enterprise 	
Information stored by: <ul style="list-style-type: none"> - PFS - DAFO 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - several times during harvesting operation - during harvesting and log measurements at log landing 2 - sample of harvesting compartments of FMAs in the province (risk based) 	
Indicator	Verifiers	Legal references
1.2.2.4 The harvesting operator staff responsible for the management of harvesting has recorded all logs after cross-cutting at felling site or log landing 1.	1.2.2.4.1 Selected tree list with records for felled trees and logs from cross-cutting (Form 2A)	<ul style="list-style-type: none"> • Guidelines 0962/DOF (2010). Chapter 4 (4.1, 4.2)Instruction 0131/MAF (2021). Chapter II (2, 4)
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - DAFO 	Verified by: <ul style="list-style-type: none"> - POFI 	
	Verification means: <ul style="list-style-type: none"> - document review and consultation with DAFO - field observations/measurements (sampling) and consultation with DAFO and harvesting operator (for verification of supply chain control, see Appendix B1) 	
Information stored by: <ul style="list-style-type: none"> - DAFO 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - several times during harvesting operation - during harvesting and log measurements at log landing 2 - sample of harvesting compartments of FMAs in the province (risk based) 	
Indicator	Verifiers	Legal references
1.2.2.5 At log landing 2, PAFO and DFU have prepared log list, measured, and marked logs with paint, scale and graded the logs according to existing guidelines.	1.2.2.5.1 Log lists from the LL II (Form 45A)	<ul style="list-style-type: none"> • Guidelines 0962/DOF (2010). Chapter 4 (4.4-4.6)Instruction 0131/MAF (2021). Chapter II (8). • Decision 0116/MAF (2007), parts I – IIDecision 0902/MAF (2021), parts I – II
Regulatory Inspection	Verification	

Inspected and endorsed by: - PAFO	Verified by: - POFI
	Verification means: - document review and consultation with DAFO - field observations/measurements (sampling) and consultation with DAFO and harvesting operator (for verification of supply chain control, see Appendix B1)
Information stored by: - PFS - DAFO	Verification frequency, timing and intensity: - several times during harvesting operation - during harvesting and log measurements at log landing 2 - sample of harvesting compartments of FMAs in the province (risk based)

PRINCIPLE 1.3 TIMBER SALES

Criterion 1.3.1 Timber auction shall be in compliance with regulations

Indicator	Verifiers	Legal references
1.3.1.1 Bidding committee has been established at the 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"> • Order 17/PM (2008), article 6 (2) • Regulation 1726/ MOIC (2012), chapter 4 to be amended according to requirements of the indicator¹. • Regulation 0204/MAF (2002), article 17
Regulatory Inspection	Verification	
Inspected and endorsed by: - provincial governor	Verified by: - POFI	
	Verification means: - document review and consultation with POIC	
Information stored by: - POIC	Verification frequency, timing and intensity: - case-by-case basis - after auctioned timber has been cancelled from state assets registry and before timber is moved to LL3 - comprehensive (each auction)	
Indicator	Verifiers	Legal references
1.3.1.2 The bidding committee has conducted sales of timber from official log lists <u>through auction according to legal procedure</u> through transparent auction.	1.3.1.2.1 Log lists (Form V5A) registration into state assets	<ul style="list-style-type: none"> • Decree 59/PM (2002), article 11. • Instruction 3211/ MOF (2015), article 2
	1.3.1.2.2 Established individual batches for auction (Form V5)	<ul style="list-style-type: none"> • 0962/DOF (2010)0131/MAF (2021), to be amended according to requirements of the indicator.

¹ The bidding committee will include DAFO and Village forest organization.

		<ul style="list-style-type: none"> • 1726/ MOIC (2012) to be amended according to requirements of the indicator².
	1.3.1.2.3 Letter of invitation for bidding	<ul style="list-style-type: none"> • Regulation 1726/ MOIC (2012) Chapter 2 (1.1)
	1.3.1.2.4 Minutes of results of bidding including list of bidding committee members	<ul style="list-style-type: none"> • Regulation 1726/ MOIC (2012), chapter 2 (2) • Regulation 0204/MAF (2002), article 17
	1.3.1.2.5 Selling-purchasing contract	<ul style="list-style-type: none"> • Regulation 1726/ MOIC (2012), chapter 3 (1)
	1.3.1.2.6 Receipt of royalty payment from timber buyer	<ul style="list-style-type: none"> • Regulation 1726/ MOIC (2012), chapter 3 (2)
	1.3.1.2.7 Certificate of deletion of log lists from state assets	<ul style="list-style-type: none"> • Instruction 3211/ MOF (2015), article 6
Regulatory Inspection	Verification	
Inspected and endorsed by: - POIC - POF	Verified by: - POFI	
	Verification means: - document review and consultation with POIC (bidding documents) and with POF (State assets registration and cancellation) - field observation/measurements (sampling) and consultation with manager LL2 (for verification of supply chain control, see Appendix B1)	
Information stored by: - POIC - POF	Verification frequency, timing and intensity: - case-by-case basis - after auctioned timber has been cancelled from state assets registry and before timber is moved to LL3 - comprehensive (each auction)	
Criterion 1.3.2 Benefit sharing from timber sale shall comply with regulations		
Indicator	Verifiers	Legal references
1.3.2.1 The Timber harvesting enterprise and POIC have ensured that information of expenditures (harvesting cost) and income (auction price) are transparent and accountable, disclose information on expenditure (harvesting costs) and income (auction price).	1.3.2.1.1 Approved invoice from the Harvesting enterprise based on the harvesting service contract	<ul style="list-style-type: none"> • Regulation 0182/MAF (2009), article 7 (7.7) • Gap Notification 1813/ MOIC.DIMEX (2015)- to be amended according to requirements of the indicator³
	1.3.2.1.2 Income balance from timber sale contract	<ul style="list-style-type: none"> • Gap: Revision of PO 001 /PO (2012). • Notification 1813/ MOIC.DIMEX to be amended to include timber sale contract

² To include form V for different batches.

³ To be amended to reflect the issuance of invoice.

Regulatory Inspection	Verification	
Inspected and endorsed by: - POIC	Verified by: - POFI	
	Verification means: - document review and consultation with POIC	
Information stored by: - POIC	Verification frequency, timing and intensity: - case-by-case - after auctioned timber has been cancelled from state assets registry and before timber is moved to LL3 - comprehensive (each auction)	
Indicator	Verifiers	Legal references
1.3.2.2 The Provincial finance sector has divided total revenue of timber sale 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	• 001/PO (2012), articles 4 and 6
	1.3.2.2.2 Money transfer receipt to the provincial treasury	• 001/PO 001(2012), articles 7
	1.3.2.2.3 Money transfer receipt of 12% of the total revenue to the bank account of the village	• 001/PO 001(2012), articles 7
Regulatory Inspection	Verification	
Inspected and endorsed by: - MOF - POF	Verified by: - POFI and DOFI	
	Verification Means: - DOFI: document review and consultation with DSA (deposit orders) - POFI: ○ document review and consultation with POF (money transfer receipts to bank account of villages) ○ consultation with villages with harvesting in the concerned year	
Information stored by: - MOF/DSA - POF	Verification frequency, timing and intensity: - once per year - after disbursement to village bank accounts - sample of concerned villages	
PRINCIPLE 1.4 TIMBER TRANSPORTATION		
Criterion 1.4.1 Compliance with transport requirements from cutting area to log landing II		
Indicator	Verifiers	Legal references
1.4.1.1 The forestry officer supervising logging activities has recorded transportation of logs from cutting area to log landing II in transport slips and in the log registry of log landing II.	1.4.1.1.1 Transport slip (Forms H <u>3A</u>)	<ul style="list-style-type: none"> • Guideline 2157/DOF, chapter 10, (4.4) to be amended according to requirements of the indicator⁴ • Guideline 0962/DOF (2010), section 5 (4.3) to be amended

⁴To be amended to reflect the responsibility of staff supervision on logging

		according to requirements of the indicator. Instruction 0131/MAF (2021), chapter II.6
	1.4.1.1.2 Registry at log landing II (Form 44)	<ul style="list-style-type: none"> • Guideline 0962/DOF (2010), section 5 (4.4) Instruction 0131/MAF (2021), chapter II.7
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - DAFO 	Verified by: <ul style="list-style-type: none"> - POFI 	
	Verification means: <ul style="list-style-type: none"> - document review and consultation with DFU - field observations/measurements (sampling) and consultation with DAFO and contractors (for verification of supply chain control in PFAs, see Appendix B1) 	
Information stored by: <ul style="list-style-type: none"> - DAFO 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - several times during harvesting operation - during harvesting and log measurements at log landing 2 - sample of harvesting compartments of FMAs in the province (risk based) 	
Criteria 1.4.2 Compliance with the transport requirements from log landing II to log landing III		
Indicator	Verifiers	Legal references
1.4.2.1 The timber buyer has in place all transport documents before timber movement.	1.4.2.1.1 Receipt of timber sales	<ul style="list-style-type: none"> • Order 17/PM (2008), article 15
	1.4.2.1.2 Cancellation letter of log lists from state assets register	<ul style="list-style-type: none"> • Order 57/PM (2014) • Instruction 3211 /MOF (2015), article 6
	1.4.2.1.3 Log list (Form 5V)	<ul style="list-style-type: none"> • 1726/ MOIC (2012) to be amended according to requirements of the indicator
	1.4.2.1.4 Transport permit from PAFO	<ul style="list-style-type: none"> • Decree 32/PM (2012), article 5 (7) • Guideline 0962/DOF (2010), section 5.2 Instruction 0131/MAF (2021), chapter II.15
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - PAFO 	Verified by: <ul style="list-style-type: none"> - POFI 	
	Verification means: <ul style="list-style-type: none"> - document review at LL3 - field observations/measurements at LL3 (sampling) interviews with timber buyer (for verification of supply chain control at LL3, see Appendix B8) 	
Information stored by: <ul style="list-style-type: none"> - PAFO - POIC/DOIC 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - TBD in coordination with inspection 0777 - during site visit at LL3 	

- operator (at LL3)	- comprehensive (all wood processors)	
PRINCIPLE 1.5 POST-HARVESTING OPERATIONS		
Criterion 1.5.1 Post-harvest assessment shall be conducted		
Indicator	Verifiers	Legal references
1.5.1.1 The PFS, DFU and <u>VFO(s)-village administration</u> have conducted assessment of logging performance and logging impacts.	1.5.1.1.1 Post-harvest assessment report	<ul style="list-style-type: none"> Regulation 0204/MAF (2002), article 13 Guideline 2157/DOF (2006), chapter 10<u>XI</u> (3) Guideline 1036/DOF (2010), section 6 PSFM Operational manual DOF (2013), sections 8.5.2
Regulatory Inspection	Verification	
Inspected and endorsed by: - PFS	Verified by: - POFI	
	Verification means: - document review and consultation with PFS - field visits and consultation with DAFO and village administration	
Information stored by: - PFS - DAFO	Verification frequency, timing and intensity: - onetime check - after closing of harvesting operations in PFAs - sample of harvesting compartments of FMAs in the province (risk based)	
Criteria 1.5.2 The results of post-harvesting operation shall be implemented		
Indicator	Verifiers	Legal references
1.5.2.1 The Harvesting Unit/ Enterprise has mitigated and implemented issues and impacts recommended by PFS, the FMU and the <u>VFO(s)-village administration</u> .	1.5.2.1.1 Impact mitigation and implementation report	<ul style="list-style-type: none"> Regulation 0204/MAF (2002), article 13 Guideline 2157/DOF (2006), chapter 12 PSFM Operational manual DOF (2013), sections 8.5.2
Regulatory Inspection	Verification	
Inspected and endorsed by: - PFS	Verified by: - POFI	
	Verification means: - document review and consultation with PFS - field visits and consultation with DAFO and village administration	
Information stored by: - PFS - DAFO	Verification frequency, timing and intensity: - onetime check - after closing of harvesting operations in PFAs	

	- sample of harvesting compartments of FMAs in the province (risk based)	
PRINCIPLE 1.6 CONFLICT RESOLUTIONS		
Criterion 1.6.1 Conflicts between stakeholders occurring during the implementation of PSFM shall be resolved		
Indicator	Verifiers	Legal references
1.6.1.1 The FMU and VFO(s) village administration have resolved any conflict between government organizations, individuals, VFOs village administration or villagers regarding forestry activities or over a forest management agreement concerned with PFA management according to the procedure stated in the relevant agreement or contract signed by the parties.	1.6.1.1.1 Minutes of conflict resolution.	<ul style="list-style-type: none"> • Regulation 0204/MAF (2002), article 32. • PSFM Operation Manual/DOF (2013), section 8.5.5
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - PAFO - DAFO 	Verified by: <ul style="list-style-type: none"> - POFI 	
	Verification means: <ul style="list-style-type: none"> - document review and consultation with PAFO - consultation with parties concerned 	
Information stored by: <ul style="list-style-type: none"> - PFS 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - case-by-case basis - after conflict resolution has taken place - comprehensive (each conflict case) 	