

APPENDIX A3: TIMBER LEGALITY DEFINITION AND COMPLIANCE VERIFICATION - PLANTATION

PRINCIPLE 3.1: DETERMINATION OF LAND AREA FOR TREE PLANTING		
Criterion 3.1.1 Land of individuals, entities or organizations		
Indicator	Verifiers	Legal references
3.1.1.1 For commercial tree planting on land areas of individuals, entities or organizations, the owner has obtained legal rights for the land.	3.1.1.1.1 Land title, or certificate of land use rights acquisition	<ul style="list-style-type: none"> • Law 70/NA (2019), articles 99 and 100 • Law 64/NA (2019), article 60(1) • Decree 247/GOL (2019), article 8(1)
	3.1.1.1.2 Receipt of land tax payment.	<ul style="list-style-type: none"> • Law 70/NA (2019), article 100
Regulatory Inspection	Verification	
Inspected and endorsed by: - DONRE	Verified by: - POFI	
	Verification means: - verified together with registration of plantations and planted trees (see criterion 3.2.1)	
Information stored by: - DONRE	Verification frequency, timing and intensity: - onetime check - during harvesting season - sample of individuals, entities or organizations (sampled during verification of registration and reporting process at village level, DAFO and PFS)	
Criterion 3.1.2 Lease or concession on state land		
Indicator	Verifiers	Legal references
3.1.2.1 The investor has submitted an investment application to the One-Stop Service Office for commercial tree plantations in degraded and barren forestland in production forests.	3.1.2.1.1 Application letter and supporting documents	<ul style="list-style-type: none"> • Law 14/NA (2016), articles 44 and 45 • Decree 119/PM (2011), article 11
Regulatory Inspection	Verification	
Inspected and endorsed by: - MPI (national level projects) - DPI (provincial level projects)	Verified by: - DOFI (national level) - POFI (provincial level)	
	Verification means: - Document review and consultation with MPI or DPI	
Information stored by: - One-Stop Service Officed at MPI or DPI	Verification frequency, timing and intensity: - onetime check - all concessions at the beginning of verification; thereafter only new concessions - comprehensive	

Indicator	Verifiers	Legal references
3.1.2.2. The investor has obtained approval for land lease or concession for commercial tree plantation as follows: <ol style="list-style-type: none"> 1. Government: Land area with more than ten thousand hectares. 2. Ministry of Agriculture and Forestry: Land area with one hundred to ten thousand hectares. 3. Administration office of provincial level: Land area with less than one hundred hectares. 	3.1.2.2.1 Approval letter for land lease or concession for commercial tree plantation plantation area	<ul style="list-style-type: none"> • Law 70/NA (2019), articles 118 and 119 • Law 64/NA (2019), article 89
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - Government - MAF - Administration office of provincial level 	Verified by: <ul style="list-style-type: none"> - DOFI (national level) - POFI (provincial level) 	
	Verification means: <ul style="list-style-type: none"> - Document review and consultation with Government, MAF or Administration office of provincial level 	
Information stored by: <ul style="list-style-type: none"> - Government - MAF - Administration office of provincial level 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - onetime check - all concessions at the beginning of verification; thereafter only new concessions - comprehensive 	
Indicator	Verifiers	Legal references
3.1.2.3 The investor has signed a lease or concession agreement for tree planting with the Government.	3.1.2.3.1 Lease or concession agreement	<ul style="list-style-type: none"> • Law 14/NA (2016), article 46 (4)
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - MPI (national level projects) - DPI (provincial level projects) 	Verified by: <ul style="list-style-type: none"> - DOFI (national level) - POFI (provincial level) 	
	Verification means: <ul style="list-style-type: none"> - Document review and consultation with MPI or DPI 	
Information stored by: <ul style="list-style-type: none"> - One-Stop Service Officed at MPI or DPI 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> - onetime check - all concessions at the beginning of verification; thereafter only new concessions - comprehensive 	
Criterion 3.1.3 Environmental and economic-technical assessments		
Indicator	Verifiers	Legal references

<p>3.1.3.1 The investment projects and activities that invest in commercial tree plantation have carried out environmental impact assessment and received an environmental compliance certificate according to plantation size:</p> <ul style="list-style-type: none"> - Industrial tree plantations outside three forest categories from 50 to 500 hectares shall conduct initial environmental examination (IEE) - Industrial tree plantations outside three forest categories with more than 500 hectares: Environmental Impact Assessment (EIA) - Industrial tree plantations in production forest areas with management plan from 50 hectares above IEE 	3.1.2.1.1 IEE/EIA report	<ul style="list-style-type: none"> • Decree 21/GOL (2019), articles 9 – 13 and 19-22. • Decision 8056/MONRE (2013), being improved
	3.1.2.1.2 Environmental management and monitoring plan (EMMP).	<ul style="list-style-type: none"> • Decree 21/GOL (2019), articles 13 (6), 22(6) and 23.
	3.1.2.1.3 Environmental compliance certificate (ECC) issued by PONRE/MONRE.	<ul style="list-style-type: none"> • Decree 21/GOL (2019), articles 40 – 42, 43, 75 and article 76 (10).
Regulatory Inspection	Verification	
<p>Inspected and endorsed by:</p> <ul style="list-style-type: none"> - MONRE (EIA) - PONRE (IEE) 	<p>Verified by:</p> <ul style="list-style-type: none"> - DOFI (national level) - POFI (provincial level) 	
	<p>Verification means:</p> <ul style="list-style-type: none"> - document review and consultation with MONRE or PONRE 	
<p>Information stored by:</p> <ul style="list-style-type: none"> - MONRE or PONRE 	<p>Verification frequency, timing and intensity:</p> <ul style="list-style-type: none"> - onetime check - all concessions at the beginning of verification; thereafter only new concessions - comprehensive 	
Indicator	Verifiers	Legal references
<p>3.1.3.2 The investment projects and activities, including contract farming arrangements that invest in commercial tree plantation have carried out an economic and technical analysis report, approved by the agriculture and forestry sector.</p>	3.1.2.2.1 Economic and technical analysis report	<ul style="list-style-type: none"> • Law 14/NA (2016), article 44 • Law 64/NA (2019), article 87 • Instruction 1643/DOF (2010) to be extended on contract farming arrangements
Regulatory Inspection	Verification	
<p>Inspected and endorsed by:</p> <ul style="list-style-type: none"> - DOF and MAF (national level projects) - PFS and PAFO (provincial level projects) 	<p>Verified by:</p> <ul style="list-style-type: none"> - DOFI (national level) - POFI (provincial level) 	
	<p>Verification means:</p> <ul style="list-style-type: none"> - document review and consultation with DOF or PFS 	

Information stored by: - DOF or PFS	Verification frequency, timing and intensity: - onetime check - all concessions at the beginning of verification; thereafter only new concessions - comprehensive	
PRINCIPLE 3.2: PLANTATION AND PLANTED TREES MANAGEMENT		
Criterion 3.2.1 Registration of plantations and planted trees		
Indicator	Verifiers	Legal references
3.2.1.1 The owners of plantation or planted trees have registered their plantation or certified their planted trees based on the area as follows: - Below 0.16 ha and scattered trees: Village administration - 0.16 to 5 ha: District Agriculture and Forestry Office - More than 5 ha: Provincial Department of Agriculture and Forestry	3.2.1.1.1 Planted trees certificate or Plantation registration certificate	<ul style="list-style-type: none"> • Law 64/NA (2019), article 41 • Decree 247/GOL (2019), article 7
Regulatory Inspection	Verification	
Inspected and endorsed by: - Village administration - DAFO - PAFO	Verified by: - POFI	Verification Means: - document review and consultation with consultation with PFS and DAFO - field observations/measurements and consultation with village administration (for planted trees certificates) and with sampled plantation owners
Information stored by: - Village administration, DAFO or PAFO	Verification Frequency and Timing: - Onetime check - during harvesting season - comprehensive (province and each district) and sample of villages, individuals, entities or organizations	
Criterion 3.2.2 Implementation of environmental mitigation measures		
Indicator	Verifiers	Legal references
3.2.2.1 The project owner has implemented environmental management and monitoring plan (EMMP) in relation to tree planting operation.	3.2.2.1.1 Progress report on EMMP implementation	<ul style="list-style-type: none"> • Decree 21/GOL (2019), articles 51 and 54
Regulatory Inspection	Verification	
Inspected and endorsed by: - MONRE (EIA) - PONRE (IEE)	Verified by: - POFI	Verification means: - document review and consultation with PONRE/MONRE

	- field visit (correctness of reports, interviews with concessionaire)	
Information stored by: - MONRE (EIA) - PONRE (IEE)	Verification frequency, timing and intensity: - once per year - during harvesting season - comprehensive (new concessions) and sample of existing concessions in the province (risk-based)	
PRINCIPLE 3.3: CUTTING OF PLANTED TREES		
Criterion 3.3.1: Compliance with regulation for cutting planted trees		
Indicator	Verifiers	Legal references
3.3.1.1 Before cutting, the plantation owner has declared their plantation registration certificate or planted trees certificate and information regarding location, tree species and number of trees to DAFO.	3.3.1.1.1 Plantation registration certificate or planted trees certificate.	<ul style="list-style-type: none"> • Law 64/NA (2019), articles 30 and 41 • Decree 247/GOL (2019), articles 7 and 8 (1)
	3.3.1.1.2 Tree list	<ul style="list-style-type: none"> • Law 64/NA (2019), articles 30 and 41 • Decree 247/GOL (2019), articles 7 and 8 (1)
Regulatory Inspection	Verification	
Inspected and endorsed by: - DAFO	Verified by: - POFI	
	Verification means: - document review and consultation with DAFO - field observations/measurements and consultation with sampled plantation owners (for verification of supply chain control, see Appendix B3)	
Information stored by: - DAFO	Verification frequency, timing and intensity: - onetime check - during harvesting season - comprehensive (new concessions) and sample of existing concessions in the province (risk-based) and sample of villages and individuals, entities and organizations for each district	
Indicator	Verifiers	Legal references
3.3.1.2 All types of tree cutting machines to be used for cutting trees have been registered with Agriculture and Forestry Sector DAFO	3.3.1.2.1 Registration certificate of logging machinery	<ul style="list-style-type: none"> • Law 64/NA (2019), article 38
Regulatory Inspection	Verification	
Inspected and endorsed by: - DAFO	Verified by: - POFI	
	Verification means: - document review and consultation with DAFO - field observations/document review and consultation with sampled plantation owners	

Information stored by: - DAFO	Verification frequency, timing and intensity: - once per year - during harvesting season - comprehensive (new concessions) and sample of existing concessions in the province (risk-based) and sample of village administration, individuals, entities and/or organizations for each district	
PRINCIPLE 3.4: DOMESTIC MOVEMENT AND EXPORT OF LOGS <u>TIMBER MOVEMENT</u>		
Criterion 3.4.1: Domestic Timber Movement <u>need to comply with legislation</u>		
Indicator	Verifiers	Legal references
3.4.1.1 After sales, the plantation owner has reported the volume or weight of moved timber to DAFO for information collection and follow up.	3.4.1.1.1 Plantation registration certificate or planted trees certificate	<ul style="list-style-type: none"> • Law 64/NA (2019), article 36 • Decree 247/GOL (2019), articles 7 (3)
Regulatory Inspection	Verification	
Inspected and endorsed by: - DAFO	Verified by: - POFI	
	Verification means: - document review and consultation with DAFO - field observations/measurements and consultation with sampled plantation owners	
Information stored by: - DAFO	Verification frequency, timing and intensity: - once per year - during harvesting season - comprehensive (new concessions) and sample of existing concessions in the province (risk-based) and sample of villages, individuals, entities or organizations for each district	
Indicator	Verifiers	Legal references
3.4.1.2 The buyer has received from the plantation owner the plantation registration certificate or planted trees certificate and a batch list.	3.4.1.2.1 Plantation registration certificate or planted trees certificate	<ul style="list-style-type: none"> • Draft Decision on COC /MOIC, article 9.1
	3.4.1.2.2 Batch list	<ul style="list-style-type: none"> • Draft Decision on COC /MOIC, article 9.1
Regulatory Inspection	Verification	
Inspected and endorsed by: - POIC/DOIC	Verified by: - POFI	
	Verification means: - document review at LL3 - field observations/measurements at LL3 or storage (sampling), consultation with timber buyer (for verification of supply chain control at LL3, see Appendix B8)	
Information stored by: - POIC/DOIC and operator (at LL3 or storage for exports)	Verification frequency, timing and intensity: - TBD in coordination with inspection 0777 - during site visit LL3 or storage of trader	

	- sample of sellers (risk-based)	
Criterion 3.4.2: Export of logs		
Indicator	Verifiers	Legal references
3.4.2.1 After sales, the plantation owner has reported the volume or weight of moved timber to DAFO for information collection and follow up.	3.4.2.1.1 Plantation registration certificate or planted trees certificate.	<ul style="list-style-type: none"> ● Law 64/NA (2019), article 36 ● Decree 247/GOL (2019), articles 7 (3)
Regulatory Inspection	Verification	
Inspected and endorsed by:	Verified by:	
- DAFO	- POFI	
	Verification means:	
	<ul style="list-style-type: none"> — document review and consultation with DAFO - field observations/measurements and consultation with sampled plantation owners 	
Information stored by:	Verification frequency, timing and intensity:	
- DAFO	<ul style="list-style-type: none"> — once per year — during harvesting season - comprehensive (new concessions) and sample of existing concessions in the province (risk-based) and sample of villages and individuals and/or organizations for each district 	
Indicator	Verifiers	Legal references
3.4.2.2 The exporter is a registered enterprise with a valid business license and a regular tax record.	3.4.2.2.1 Enterprise registration license	<ul style="list-style-type: none"> ● Draft Instruction 0981/MOIC (2021) on Export of Plantation Timber, section I. b) 1. article 3
	3.4.2.2.2 Business license	<ul style="list-style-type: none"> ● Draft Instruction 0981/MOIC (2021) on Export of Plantation Timber, section I. b) 1. article 3
	3.4.2.2.3 Tax certificate	<ul style="list-style-type: none"> ● Draft Instruction 0981/MOIC (2021) on Export of Plantation Timber, section I. b) 1. article 3
Regulatory Inspection	Verification	
Inspected and endorsed by:	Verified by:	
- POIC	- POFI	
	Verification means:	
	<ul style="list-style-type: none"> - document review and consultation with exporters 	
Information stored by:	Verification frequency, timing and intensity:	
- POIC	<ul style="list-style-type: none"> — TBD in coordination with inspection 0777 — during site visits at exporters - comprehensive (all exporters) 	
Indicator	Verifiers	Legal references

3.4.2.3 The certified exporter has submitted the <u>export permit self-declaration (form 02)</u> , the <u>plantation timber product list (form 03)</u> and a copy of the <u>plantation timber exporter certificate to DOIC</u> and DOIC issued the <u>export permit</u> , <u>export tax declaration form to POIC</u> after export.	3.4.2.3.1 Letter of certified company <u>Copy of plantation timber exporter certificate</u>	<ul style="list-style-type: none"> Draft Instruction <u>0981/MOIC (2021)</u> on Export of Plantation Timber, article 4 <u>section II, b) 1</u>
	3.4.2.3.2 Self-declaration form <u>Export permit (Form 021)</u>	<ul style="list-style-type: none"> Draft Instruction <u>0981/MOIC (2021)</u> on Export of Plantation Timber, <u>section II, b) 1</u> article 4
	3.4.2.3.3 Copy of plantation registration certificate or planted trees certificate <u>Product list (form 03)</u>	<ul style="list-style-type: none"> Draft Instruction <u>0981/MOIC (2021)</u> on Export of Plantation Timber, <u>section II, b) 1</u> article 3
	3.4.2.3.4 Receipt from POIC for copy of Custom Declaration	<ul style="list-style-type: none"> Draft Instruction/MOIC on Export of Plantation Timber, article 6
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> DOIC 	Verified by: <ul style="list-style-type: none"> POFI 	
	Verification means: <ul style="list-style-type: none"> document review and consultation with DOIC and exporter) site visit at exporter's premises (for verification of supply chain control, see Appendix B8) 	
Information stored by: <ul style="list-style-type: none"> DOIC 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> TBD in coordination with inspection 0777 during site visits at exporters comprehensive (all exporters) 	
Indicator	Verifiers	Legal references
3.4.2.4 The uncertified exporter has submitted export documents to DOIC before export. After on-site inspection of DOIC and DAFO, POIC DOIC issued endorsed the <u>loading export certificate</u> . The exporter submitted a copy of the <u>export tax declaration form to POIC</u> after export.	3.4.2.4.1 Batch list	<ul style="list-style-type: none"> Draft Instruction <u>0981/MOIC (2021)</u> on Export of Plantation Timber, article 5.1 <u>section II, b) 1</u>
	3.4.2.4.2 Copy of plantation registration certificate or planted trees certificate	<ul style="list-style-type: none"> <u>Instruction 0981/MOIC (2021)</u>, <u>section II, b) 1</u> Draft Instruction/MOIC on Export of Plantation Timber, article 3
	3.4.2.4.3 <u>Loading Export certificate (Form 2)</u>	<ul style="list-style-type: none"> <u>Instruction 0981/MOIC (2021)</u>, <u>section II, b) 1</u> Draft Instruction/MOIC on Export of Plantation Timber, article 5.1
	3.4.2.4.4 Completed inspection report (back page Form 2)	<ul style="list-style-type: none"> <u>Instruction 0981/MOIC (2021)</u>, <u>section II, b) 3 and 4</u> Draft Instruction/MOIC on Export of Plantation Timber, article 5.1

	3.4.2.4.5 Product list (Form 3)	<ul style="list-style-type: none"> • <u>Instruction 0981/MOIC (2021), section II, b) 1</u> Draft Instruction/MOIC on Export of Plantation Timber, article 5.1
	3.4.2.4.6 Receipt from POIC for export tax declaration form	<ul style="list-style-type: none"> • Draft Instruction/MOIC on Export of Plantation Timber, article 9
Regulatory Inspection	Verification	
Inspected and endorsed by: <ul style="list-style-type: none"> - DOIC 	Verified by: <ul style="list-style-type: none"> - POFI 	
	Verification means: <ul style="list-style-type: none"> — document review and consultation with DOIC, exporter - site visit at exporter's premises (for verification of supply chain control, see Appendix B8) 	
Information stored by: <ul style="list-style-type: none"> - DOIC 	Verification frequency, timing and intensity: <ul style="list-style-type: none"> — TBD in coordination with inspection 0777 — during site visits at exporters - comprehensive (all exporters) 	