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II

(Non-legislative acts)

INTERNATIONAL AGREEMENTS

COUNCIL DECISION

of 14 May 2012

on the conclusion of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union

(2012/373/EU)

THE COUNCIL OF THE EUROPEAN UNION,

(3) The Agreement should be approved,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraphs of Article 207(3) and (4), in conjunction with Article 218(6)(a)(v) and Article 218(7) thereof,

HAS ADOPTED THIS DECISION:

Article 1

Having regard to the proposal from the European Commission,

The Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union (hereinafter referred to as 'the Agreement') is hereby approved on behalf of the Union.

Having regard to the consent of the European Parliament,

Whereas:

The text of the Agreement is attached to this Decision.

Article 2

- (1) In May 2003, the Commission adopted a Communication to the Council and to the European Parliament entitled 'Forest Law Enforcement, Governance and Trade (FLEGT): Proposal for an EU Action Plan' which called for measures to address illegal logging by developing voluntary partnership agreements with timber-producing countries. Council conclusions on that Action Plan were adopted in October 2003 ⁽¹⁾ and the European Parliament adopted a resolution on the subject on 11 July 2005 ⁽²⁾.

The President of the Council shall designate the person(s) empowered to give, on behalf of the Union, the notification provided for in Article 31 of the Agreement, in order to express the consent of the Union to be bound by the Agreement ⁽⁴⁾.

Article 3

- (2) In accordance with Council Decision 2011/475/EU ⁽³⁾, the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union (hereinafter referred to as 'the Agreement') was signed on 27 July 2011, subject to its conclusion.

Representatives of the Commission shall represent the Union in the Joint Implementation Committee set up in accordance with Article 19 of the Agreement.

The Member States may participate in meetings of the Joint Implementation Committee as members of the Union delegation.

⁽¹⁾ OJ C 268, 7.11.2003, p. 1.

⁽²⁾ OJ C 157E, 6.7.2006, p. 482.

⁽³⁾ OJ L 196, 28.7.2011, p. 2.

⁽⁴⁾ The date of entry into force of the Agreement will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.

Article 4

For the purpose of amending the annexes to the Agreement in accordance with Article 26 thereof, the Commission is authorised, in accordance with the procedure laid down in Article 11(3) of Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community ⁽¹⁾, to approve any such amendments on behalf of the Union.

Article 5

This Decision shall enter into force on the day of its adoption.

Done at Brussels, 14 May 2012.

For the Council
The President
M. GJERSKOV

⁽¹⁾ OJ L 347, 30.12.2005, p. 1.

VOLUNTARY PARTNERSHIP AGREEMENT**between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union**

THE EUROPEAN UNION, hereinafter referred to as 'the Union',

and

THE REPUBLIC OF LIBERIA, hereinafter referred to as 'Liberia',

hereinafter referred to together as 'the Parties',

CONSIDERING the close working relationship between the Union and Liberia, particularly in the context of the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 ⁽¹⁾, revised in Luxembourg on 25 June 2005, hereinafter referred to as 'the Cotonou Agreement';

CONSIDERING the Communication from the Commission to the Council and to the European Parliament on an EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) ⁽²⁾ as a first step towards tackling the urgent issue of illegal logging and associated trade;

HAVING REGARD to the importance of principles set out in the 1992 Rio Declaration in the context of securing sustainable forest management and, in particular, of Principle 10 concerning the importance of public awareness and participation in environmental issues and of Principle 22 concerning the vital role of indigenous people and other local communities in environmental management and development;

CONSIDERING the 1992 Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the management, conservation and sustainable development of all types of forests and the recent adoption by the United Nations General Assembly of the Non-Legally Binding Instrument on all types of forest ⁽³⁾;

HAVING REGARD to the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) and, in particular, the requirement that CITES export permits issued by the Parties to CITES for specimens of species listed in Annexes I, II or III be granted only under certain conditions, including that such specimens were not obtained in breach of the relevant laws for the protection of fauna and flora;

CONSIDERING the importance attached by the Parties to development objectives agreed at international level and to the Millennium Development Goals of the United Nations;

REAFFIRMING the importance attached by the Parties to the principles and rules which govern the multilateral trading systems, in particular the rights and obligations laid down in the General Agreement on Tariffs and Trade (GATT) 1994 and in other multilateral agreements establishing the World Trade Organisation (WTO) and the need to apply them in a transparent and non-discriminatory manner;

HAVING REGARD to Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community ⁽⁴⁾;

CONSIDERING the framework established by Liberia's National Forestry Reform Law ⁽⁵⁾ which balances the competing commercial, community and conservation priorities in use, management and protection of forest resources, thereby promoting effective present use of forest resources for economic development while, at the same time, ensuring that forest resources will be available for the benefit of future generations;

ACKNOWLEDGING further Liberia's recognition of the importance of public participation and transparency in sustainable forest use and governance, including allocating forest licenses, promoting environmentally sound operations and monitoring compliance with fiscal and other regulatory requirements;

RECOGNISING that Liberia's legality assurance system is designed to ensure the legality of all timber products exported from Liberia to any part of the world and with a view to applying and/or extending the legality requirement to all timber products used on the domestic market;

CONSIDERING the efforts made by Liberia to promote sustainable management of forests and wildlife throughout its entire national territory and, in particular, to ensure the legality of all timber flows;

⁽¹⁾ OJ L 317, 15.12.2000, p. 3.

⁽²⁾ COM(2003) 251 final, 21.5.2003.

⁽³⁾ A/RES 62/98 of 31 January 2008.

⁽⁴⁾ OJ L 347, 30.12.2005, p. 1.

⁽⁵⁾ National Forestry Reform Law of 2006 (NFRL).

RECOGNISING further the contribution that implementing a FLEGT voluntary partnership agreement will make to combating climate change, in line with efforts to reduce emissions from deforestation and forest degradation (REDD+) by fostering forest law enforcement and governance;

CONSIDERING the importance attached by the Parties to the participation of civil society, the private sector and the resident local population in the success of forest governance policies, in particular through consultations and public information,

HEREBY AGREE AS FOLLOWS:

Article 1

Objective

The objective of this Agreement, consistent with the Parties' common commitment to the sustainable management of all types of forest, is to provide a legal framework aimed at ensuring that all imports into the Union from Liberia of timber products covered by this Agreement have been legally produced and, thereby, to promote trade in timber products.

In addition, this Agreement provides a basis for dialogue and cooperation between the Parties to facilitate and promote full implementation of this Agreement and enhance forest law enforcement and governance.

Article 2

Definitions

For the purposes of this Agreement, the following definitions shall apply:

- (a) 'import into the Union' means the release for free circulation into the Union within the meaning of Article 79 of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code⁽¹⁾ of timber products which cannot be classified as 'goods of a non-commercial nature' as defined in Article 1(6) of Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code⁽²⁾;
- (b) 'export' means the physical leaving or taking out of timber products from any part of the geographical territory of Liberia, except for timber products in transit through Liberia;
- (c) 'timber in transit' means any timber products originating from a third country, which enter the territory of Liberia under customs control and leave it in the same form whilst retaining their country of origin;
- (d) 'timber products' means the products listed in Annex I;
- (e) 'HS code' means a four or six-digit code, as set out in the Harmonised Commodity Description and Coding System established by the International Convention on the Harmonised Commodity Description and Coding System of the World Customs Organisation;
- (f) 'FLEGT license' means a document which confirms that a shipment has been legally sourced and verified in

accordance with the criteria laid down in this Agreement. A FLEGT license may be in paper or electronic form;

- (g) 'licensing authority' means the authority designated by Liberia to issue and validate FLEGT licenses;
- (h) 'competent authorities' means the authorities designated by the Member States of the Union to receive, accept and verify FLEGT licenses;
- (i) 'shipment' means a quantity of timber products covered by a FLEGT license that is sent by a consignor or a shipper from Liberia and is presented for release for free circulation at a customs office in the Union;
- (j) 'legally produced timber' means timber products acquired, produced and marketed by processes that comply with all the statutory and regulatory provisions in force in Liberia, as set out in Annex II;
- (k) 'release for free circulation' means a Union customs procedure which confers the customs status of Union goods on goods which are not from the Union (with reference to Regulation (EEC) No 2913/92), entailing the collection of any import duties due; the collection, as appropriate, of other charges; the application of commercial policy measures and prohibitions and restrictions; and the completion of other formalities laid down in respect of the importation of goods;
- (l) 'European Commission' means the institution of the Union referred to in Articles 13(1) and 17 of the Treaty on European Union which, among other tasks, ensures the Union's external representation and exercises coordinating, executive and management functions.

Article 3

FLEGT licensing scheme

1. A Forest Law Enforcement, Governance and Trade Licensing Scheme (hereinafter referred to as 'the FLEGT licensing scheme') is hereby established between the Parties. It establishes a set of procedures and requirements aiming at verifying and attesting, by means of FLEGT licenses, that timber products shipped to the Union were legally produced or acquired. In accordance with Regulation (EC) No 2173/2005 and this Agreement, the Union shall accept such shipments from Liberia for import into the Union only if they are covered by FLEGT licenses.

⁽¹⁾ OJ L 302, 19.10.1992, p. 1.

⁽²⁾ OJ L 253, 11.10.1993, p. 1.

2. The FLEGT licensing scheme shall apply to the timber products listed in Annex I.

Article 4

Licensing authority

1. Liberia shall designate its licensing authority (hereinafter referred to as the 'licensing authority') and notify contact details of the licensing authority to the European Commission. Both Parties shall make this information available to the public.

2. The licensing authority shall verify that timber products have been legally produced in accordance with legislation listed in Annex II. In accordance with the terms set out in Annex II, it shall issue FLEGT licenses covering shipments of legally produced or acquired timber for export to the Union.

3. The licensing authority shall not issue FLEGT licenses for any timber products that are composed of, or include, timber products imported into Liberia from a third country unless it has been proven that the timber product has been produced and exported in accordance with the laws of the third country concerned and has complied with Annex II to this Agreement and with any regulations governing the importation of timber products into Liberia.

4. The licensing authority shall establish and make publicly available its procedures for issuing FLEGT licenses. It shall also keep records of all shipments covered by FLEGT licenses and, in line with the national legislation concerning data protection, shall make these records available for the purposes of independent monitoring, while respecting the confidentiality of exporters' proprietary information.

Article 5

Competent authorities of the Union

1. The European Commission shall inform Liberia of the contact details of the competent authorities designated by the Member States of the Union. Both Parties shall make this information available to the public.

2. The competent authorities shall verify that each shipment is covered by a valid FLEGT license prior to releasing that shipment for free circulation in the Union. The release of the shipment may be suspended and the shipment detained if there are doubts regarding the validity of the FLEGT license. The procedures governing release for free circulation into the Union of shipments covered by a FLEGT license are described in Annex III.

3. The competent authorities shall maintain and publish annually a record of FLEGT licenses received.

4. In accordance with the national legislation on data protection, the competent authorities shall grant persons or bodies designated by Liberia as independent auditor, access to relevant documents and data.

5. However, when timber and derived products from species listed in the Appendices to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and covered by a FLEGT license enter the Union, they shall

undergo only the examination laid down in Council Regulation (EC) No 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein⁽¹⁾. The FLEGT licence scheme shall nonetheless provide assurance of the legal harvesting of these products.

Article 6

FLEGT licenses

1. FLEGT licenses shall be issued by the licensing authority as a means of attesting that timber products have been legally produced or acquired.

2. FLEGT licenses shall be drawn up and completed in English.

3. The Parties may, by agreement, establish electronic systems for issuing, transmitting and receiving FLEGT licenses.

4. The procedure for issuing FLEGT licenses and the technical specifications are set out in Annex IV.

Article 7

Definition of legally produced timber

For the purposes of this Agreement, a definition of 'legally produced timber' is set out in Article 2 and in Annex II. The definition sets out Liberia's national legislation and accompanying regulations that must be complied with before timber products may be covered by a FLEGT license. Annex II also includes 'legality matrices' along with 'legality indicators' and 'legality verifiers' and detailed verification procedures to be followed to determine compliance with Liberian law.

Article 8

Verification of legally produced timber

1. Liberia shall establish a system to verify that timber has been produced or acquired legally and to ensure that only shipments verified as such are exported to the Union. This system for verifying legality shall include compliance checks in order to provide assurance that the timber and derived products intended for export to the Union have been legally produced or acquired and that FLEGT licenses have not been issued for shipments of timber that have not been legally produced or acquired, or that are of unknown origin. The system shall also include procedures to ensure that timber of illegal or unknown origin does not enter the supply chain.

2. The system for verifying that shipments of timber products have been legally produced is described in Annex II.

Article 9

Application of the FLEGT licensing scheme to timber products not exported to the Union

1. Liberia shall endeavour to verify the legality of timber exported to non-Union markets, of timber sold on its domestic markets and of imported timber using, where possible, the legality verification systems developed for implementation of this Agreement.

⁽¹⁾ OJ L 61, 3.3.1997, p. 1.

2. To support such endeavours, the Union, in dialogue with interested parties, shall encourage use of the systems developed to implement this Agreement for trade in other international markets and with third countries.

Article 10

Consultations on validity of licenses

1. Where doubts about the validity of any license arise, the competent authority concerned may promptly ask the licensing authority for additional information and seek further clarification. If no answer is received from the licensing authority within 21 calendar days of the date of receipt of the request for additional information, the competent authority shall act in accordance with its applicable national legislation and shall not accept the license. If, after provision of additional information and further investigation, it is established that information on the license does not correspond to the shipment, the competent authority shall act in accordance with the national legislation in force and shall not accept the license. The licensing authority must be promptly informed in writing of each non-acceptance of a FLEGT license along with the reason for non-acceptance.

2. Where persistent disagreements or difficulties arise in relation to consultations concerning FLEGT licenses, the matter may be referred to the Joint Implementation Committee.

Article 11

Independent auditor

1. The Parties agree on the need to call on the services of an independent auditor at agreed intervals to check the performance and efficiency of the FLEGT licensing scheme, as set out in Annex V.

2. Liberia shall engage the services of an independent auditor, after consulting the Union.

3. The independent auditor shall refer complaints arising from its work to the Joint Implementation Committee.

4. The independent auditor shall submit its observations to the Parties in reports in accordance with the procedure described in Annex V. Reports of the independent auditor shall be published in accordance with the procedure set out in Annex V.

5. The Parties shall facilitate the work of the independent auditor, including by ensuring that the latter has access on the territory of each Party to the information necessary for the performance of its functions. However, a Party may, in accordance with its legislation on data protection, withhold any information that it is not allowed to disclose.

Article 12

Irregularities

The Parties shall inform each other if they suspect or have found evidence of any circumvention or irregularity in the FLEGT licensing scheme, including in relation to the following:

(a) circumvention of trade, including re-direction of trade from Liberia to the Union via a third country, where there is reason to believe that this is done with the intention of avoiding licensing;

(b) FLEGT licenses covering timber products that include imports from suspect sources in third countries; or

(c) fraud in obtaining or using FLEGT licenses.

Article 13

Date of operation of the FLEGT licensing scheme

1. The Parties shall agree on a date from which the FLEGT licensing scheme shall be operational.

2. The launch of the issue of FLEGT licenses shall be preceded by a joint technical evaluation, the objectives and criteria of which are set out in Annex VI. The evaluation shall determine that the legality assurance underpinning the FLEGT licensing scheme adequately fulfils its functions and that the systems in the Union for receiving, verifying and accepting FLEGT licenses are in place.

Article 14

Schedule for implementation of this Agreement

1. The Parties agree to the implementation schedule set out in Annex VII.

2. The Parties, working through the Joint Implementation Committee, shall evaluate the progress of implementation with reference to the schedule set out in Annex VII.

Article 15

Supporting measures

1. The Parties have identified the areas indicated in Annex VIII as those in which there is a need for additional technical and financial resources in order to implement this Agreement.

2. The provision of such resources shall be subject to the normal procedures of the Union and its Member States for programming assistance to Liberia and to the budgetary procedures of Liberia itself.

3. The Parties shall consider the need for a joint arrangement whereby the financing and technical contributions of the European Commission and the Member States of the Union are coordinated to support these processes.

4. Liberia shall ensure that capacity-building to implement this Agreement is included in its national planning instruments, such as poverty reduction strategies and budgets.

5. The Parties shall ensure that activities associated with the implementation of this Agreement are coordinated with relevant existing and future development initiatives such as, among others, those supporting action to reduce emissions from deforestation and degradation (REDD+).

6. The provision of additional resources shall be subject to the procedures governing Union aid, as set out in the Cotonou Agreement, and to those governing the bilateral aid given to Liberia by Member States of the Union.

Article 16

Stakeholder involvement in implementation of this Agreement

1. Pursuant to the National Forestry Reform Law of Liberia related to participatory management of forest resources, Liberia shall ensure that the implementation and monitoring of this Agreement are done in consultation with relevant stakeholders, including industry, civil society, local communities and other people dependent on forests. Stakeholders shall participate via existing forest governance structures and by membership of a national body to be established pursuant to paragraph 2 of this Article.

2. Liberia shall establish a national committee to monitor implementation of this Agreement, made up of representatives of relevant Government agencies and other relevant stakeholders.

3. The Union shall hold regular consultations with stakeholders on implementation of this Agreement, taking into account its obligations under the 1998 Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters.

Article 17

Social safeguards

1. In order to minimise any possible adverse impact of this Agreement, the Parties agree to develop a better understanding of the livelihoods of potentially affected persons and local communities, including those engaged in illegal logging.

2. The Parties shall monitor the impact of this Agreement on the communities referred to in paragraph 1, while taking reasonable steps to mitigate any adverse impact. The Parties may agree on additional measures to address any adverse impact.

Article 18

Market-related incentives

Taking into account its international obligations, the Union shall strive to promote favourable access to its market for the timber products covered by this Agreement. Such efforts shall include:

- (a) encouragement of public and private procurement policies that recognise efforts to ensure a supply of legally produced timber products; and
- (b) promotion of FLEGT-licensed products on the Union market.

Article 19

Joint Implementation Committee

1. The Parties shall establish a Joint Implementation Committee (JIC) to facilitate monitoring and review of this Agreement. The JIC shall also facilitate dialogue and exchanges of information between the Parties.

2. Each Party shall nominate its representatives on the JIC which shall take its decisions by consensus. The JIC shall be co-chaired by two of its members, one from the Union and the other from Liberia.

3. The JIC shall consider any matter relating to effective implementation of this Agreement. In particular, the JIC shall:

- (a) meet at least twice a year on dates and at places agreed by the Parties;
- (b) prepare the agenda for its work and terms of reference for joint action;
- (c) establish its own rules of procedure;
- (d) establish a co-chair arrangement for presiding over its meetings;
- (e) ensure that its work is transparent and that information about its work and decisions is made available to the public;
- (f) if necessary, establish working groups or other subsidiary bodies for areas requiring specific expertise;
- (g) publish an annual report. Details of the content of this report are given in Annex IX.

4. The specific functions of the JIC are described in Annex X.

5. In the period between the initialling of this Agreement and its entry into force, a joint mechanism for dialogue and monitoring shall be set up to facilitate implementation of this Agreement.

Article 20

Communication on implementation of this Agreement

1. The representatives of the Parties responsible for official communications concerning implementation of this Agreement shall be:

For Liberia:

The Minister of Agriculture

For the European Union:

The Head of the Delegation of the Union in Liberia

2. The Parties shall communicate to each other in a timely manner the information necessary for implementing this Agreement.

Article 21

Reporting and public disclosure of information

1. The publication of information is essential to improve governance and therefore provision of information to stakeholders shall be central for this Agreement. Information shall

be regularly published to facilitate implementation and monitoring of systems, increase transparency, and thus improve stakeholder and consumer confidence as well as to ensure greater accountability of the Parties. Details of the information to be published are set out in Annex IX.

2. Each Party shall determine the most appropriate mechanism for publishing information. In particular, the Parties shall endeavour to provide stakeholders in the forest sector with reliable and up-to-date information.

3. The terms of reference and procedures guiding the functioning of the JIC shall be published.

Article 22

Confidential information

1. Each Party undertakes, within the limits of its laws, not to disclose confidential information exchanged under this Agreement. Neither Party shall disclose to the public, nor permit its authorities involved in the implementation of this Agreement to disclose, trade secrets or confidential commercial information exchanged under this Agreement.

2. Subject to paragraph 1, the following information shall not be considered confidential:

- (a) the number and type of FLEGT licenses issued by Liberia and received by the Union and the volume of timber products exported from Liberia and received by the Union under such licenses;
- (b) the names and addresses of relevant FLEGT license-holders and importers;
- (c) the amounts of fees and taxes paid by any exporter;
- (d) monetary fines imposed or regulatory action taken against any contractor or FLEGT license-holder.

Article 23

Territorial application

This Agreement shall apply to the territory in which the Treaty on the Functioning of the European Union is applied under the conditions laid down in that Treaty, on the one hand, and to the territory of Liberia, on the other.

Article 24

Settlement of disputes

1. The Parties shall seek to resolve any dispute concerning application or interpretation of this Agreement through early consultations.

2. If a dispute has not been settled by means of consultations within two months from the date of the initial request for consultations, either Party may refer the dispute to the JIC, which shall endeavour to settle it. The JIC shall be provided with all relevant information for an in-depth examination of the situation with a view to finding an acceptable solution. To this end, the JIC shall be required to examine all possibilities for maintaining effective implementation of this Agreement.

3. In the event that the JIC is unable to settle the dispute within two months, the Parties may jointly seek the good offices of, or request mediation by, an independent third party.

4. In the event of it not being possible to settle the dispute in accordance with paragraph 3, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within 30 calendar days of the appointment of the first arbitrator. The Parties shall jointly appoint a third arbitrator within two months of the appointment of the second arbitrator.

5. The arbitrators' decisions shall be taken by majority vote within six months of the third arbitrator being appointed.

6. The award shall be binding on the Parties and shall be without appeal.

7. The JIC shall establish the working procedures for arbitration.

Article 25

Suspension

1. Either Party may suspend application of this Agreement in the event that the other Party (a) fails to fulfil its obligations as specified under this Agreement, or (b) fails to maintain the regulatory and administrative measures and means required to implement this Agreement, or (c) acts or fails to act in a way that poses significant risks to the environment, health, safety or security of the people of either the Union or Liberia. The decision on suspension and the reasons for that decision shall be notified to the other Party in writing.

2. The conditions of this Agreement shall cease to apply 30 calendar days after such notice is given.

3. Application of this Agreement shall resume 30 calendar days after the Party that has suspended its application informs the other Party that the reasons for the suspension no longer apply and the Parties jointly agree to the resumption of this Agreement.

Article 26

Amendments

1. Either Party wishing to amend this Agreement shall put the proposal forward at least three months before the next meeting of the JIC. The JIC shall discuss the proposal and, if a consensus is reached, shall make a recommendation. Each Party shall consider the recommendation and, subject to its agreement, shall approve it in accordance with its own internal procedures.

2. Any amendment so approved by both Parties shall enter into force on the first day of the month following the date on which the Parties notify each other of completion of the procedures necessary for this purpose.

3. The JIC may adopt amendments to the Annexes.

4. Notification of any amendment shall be sent to the depositaries of this Agreement and shall enter into force at the time and in the form laid down in paragraph 2.

Article 27

Annexes

The Annexes to this Agreement shall form an integral part thereof and shall be enforceable.

Article 28

Duration

With effect from its entry into force, this Agreement shall remain valid indefinitely.

Article 29

Termination of this Agreement

Notwithstanding Article 28, either Party may terminate this Agreement by notifying the other Party in writing. This Agreement shall cease to apply 12 months after the date of such notification.

Article 30

Authentic texts

This Agreement shall be drawn up in duplicate in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, each of these texts being authentic. In case of divergence, the English text shall prevail.

Article 31

Entry into force

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties notify each other in writing of completion of their respective procedures necessary for this purpose.

2. Notification shall be sent to the General Secretariat of the Council of the European Union and to the Liberian Ministry of Foreign Affairs, which shall be the joint depositaries for this Agreement.

Съставено в Брюксел на двадесет и седми юли две хиляди и единадесета година.

Hecho en Bruselas, el veintisiete de julio de dos mil once.

V Bruselu dne dvacátého sedmého července dva tisíce jedenáct.

Udfærdiget i Bruxelles den syvogtyvende juli to tusind og elleve.

Geschehen zu Brüssel am siebenundzwanzigsten Juli zweitausendelf.

Kahe tuhande üheteistkümnenda aasta juulikuu kahekümne seitsmendal päeval Brüsselis.

Έγινε στις Βρυξέλλες, στις είκοσι επτά Ιουλίου δύο χιλιάδες έντεκα.

Done at Brussels on the twenty-seventh day of July in the year two thousand and eleven.

Fait à Bruxelles, le vingt-sept juillet deux mille onze.

Fatto a Bruxelles, addì ventisette luglio duemilaundici.

Briselē, divi tūkstoši vienpadsmitā gada divdesmit septītajā jūlijā.

Priimta du tūkstančiai vienuoliktų metų liepos dvidešimt septintą dieną Briuselyje.

Kelt Brüsszelben, a kétezer-tizenegyedik év július huszonhetedik napján.

Magħmul fi Brussell, fis-sebgha u ghoxrin jum ta' Lulju tas-sena elfejn u hdax.

Gedaan te Brussel, de zevenentwintigste juli tweeduizend elf.

Sporządzono w Brukseli dnia dwudziestego siódmego lipca roku dwa tysiące jedenastego.

Feito em Bruxelas, em vinte e sete de Julho de dois mil e onze.

Întocmit la Bruxelles la douăzeci și șapte iulie două mii unsprezece.

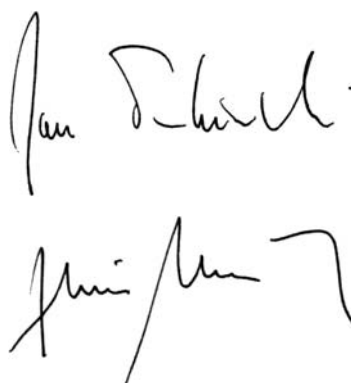
V Bruseli dvadsiateho siedmeho júla dvetisícjedenást.

V Bruslju, dne sedemindvajsetega julija leta dva tisoč enajst.

Tehty Brysselissä kahdentenäkymmenentenäseitsemäntenä päivänä heinäkuuta vuonna kaksituhattayksitoista.

Som skedde i Bryssel den tjugosjunde juli tjugohundraelva.

За Европейския съюз
Por la Unión Europea
Za Evropskou unii
For Den Europæiske Union
Für die Europäische Union
Euroopa Liidu nimel
Για την Ευρωπαϊκή Ένωση
For the European Union
Pour l'Union européenne
Per l'Unione europea
Eiropas Savienības vārdā –
Europos Sąjungos vardu
Az Európai Unió részéről
Għall-Unjoni Ewropea
Voor de Europese Unie
W imieniu Unii Europejskiej
Pela União Europeia
Pentru Uniunea Europeană
Za Európsku úniu
Za Evropsko unijo
Euroopan unionin puolesta
För Europeiska unionen



За Република Либерия
Por la República de Liberia
Za Liberijskou republiku
For Republikken Liberia
Für die Republik Liberia
Libeeria Vabariigi nimel
Για τη Δημοκρατία της Λιβερίας
For the Republic of Liberia
Pour la République du Liberia
Per la Repubblica di Liberia
Libērijas Republikas vārdā –
Liberijos Respublikos vardu
A Libériai Köztársaság részéről
Għar-Repubblika tal-Liberja
Voor de Republiek Liberia
W imieniu Republiki Liberii
Pela República da Libéria
Pentru Republica Liberia
Za Libérijskú republiku
Za Republika Liberijo
Liberian tasavallan puolesta
För Republiken Liberia



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ANNEX I

LIST OF PRODUCTS SUBJECT TO FLEGT LICENSING

HS codes	Commercial description
4401	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms, including rubber wood chips
4403	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared
4406	Railway or tramway sleepers (cross-ties) of wood
4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm
4408	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm
4409	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed
4410	Particle board, oriented strand board (OSB) and similar board (for example waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances
4411	Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances
4412	Plywood, veneered panels and similar laminated wood
4414	Wooden frames for paintings, photographs, mirrors or similar objects
4415	Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood
4416	Casks, barrels, vats, tubs and other coopers' products and parts thereof, including staves
4417	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood.
4418	Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes
9403.30	Wooden furniture of a kind used in offices
9403.40	Wooden furniture of a kind used in the kitchen
9403.50	Wooden furniture of a kind used in the bedroom
9403.60	Other wooden furniture

ANNEX II

LEGALITY ASSURANCE SYSTEM OF LIBERIA

1. INTRODUCTION

The legality assurance system (LAS) of Liberia aims to ensure the legality of the allocation of forest use rights and of harvesting, transport, processing and selling of timber. It is based on the national legislation in force and existing governmental control systems and was designed by a national multi-stakeholder process which included representatives of communities, civil society organisations (CSOs), government agencies and the private sector. These stakeholders have agreed, through a process of consultations and discussions, the elements of the LAS described below:

- Legality definition,
- Verification of compliance with the legality definition,
- Chain of custody system,
- FLEGT licensing,
- Independent audit.

The legality definition sets out the core requirements of legislation applicable to the forest sector. The legality definition was finalised and endorsed by national stakeholders during the Voluntary Partnership Agreement (VPA) negotiations.

Legality verification systematically determines compliance with the requirements of the legality definition. This is the responsibility of government bodies designated by the legislation and by the VPA.

The chain of custody system (COCS) is applied to control the timber supply chain from the forest to the point of export or sale on the domestic market. The COCS includes operational controls by companies, verification by the COCS manager and an information system where data from the operational control and verification activities are stored and analysed. A COCS that largely complies with the LAS requirements has been in operation since before the VPA negotiations started. It was built and is operated by an external service provider and will eventually be transferred to the Forestry Development Authority (FDA).

Liberia issues FLEGT licenses to all shipments of timber product exports that are produced in accordance with the legality definition and duly controlled by the COCS.

Independent audit adds credibility to the LAS by inspecting every component of the system to ensure that it is working as intended. The audit will be carried out by a competent body that is independent of Liberia's forest sector regulatory bodies and private-sector operators. The audit results are reported to the Joint Implementation Committee and reports are publicly available.

Legality verification, licensing and independent audit functions have been outlined by a stakeholder working group and will be further developed and put into practice during implementation of the VPA.

This Annex describes how, in principle, the LAS will work in practice.

2. SCOPE

2.1. Timber sources

All domestically grown timber and timber products controlled by the LAS must originate from legally designated areas for which use rights have been allocated in accordance with the legal provisions. These timber sources can encompass both natural forests and plantation forests under one of the following types of permit granted by the Forestry Development Authority (FDA):

- forest management contract (FMC),
- timber sale contract (TSC),
- private use permit (PUP),

- forest use permit (FUP),
- chainsaw permit.

The above-mentioned types of permit are provided for by the National Forestry Reform Law, the Community Rights Law, the Chainsaw Regulation and other related regulations. The Community Rights Regulations and Chainsaw Regulation are currently being drafted and, once they have been completed, amendments will be made to the LAS to reflect any additions.

Rubberwood and other timber products harvested under agricultural concession agreements will also be covered by the LAS.

Abandoned timber will be incorporated into the system once it has been auctioned and new legal ownership established.

At present, timber that has been confiscated due to violation cannot be entered into the system. Regulations concerning confiscated timber and how it will be incorporated into the LAS will be developed within two years and before FLEGT licensing becomes operational.

All imported timber products listed in Annex I will also be controlled by the LAS. Further details are given in Section 5.9 of this Annex.

2.2. Products

The following products are controlled by the LAS:

- | | |
|--------------------|-----------------------|
| — Logs | — Parquet flooring |
| — Wood chips | — Wooden frames |
| — Railway sleepers | — Packing cases/boxes |
| — Sawn timber | — Joinery |
| — Veneer | — Furniture |
| — Plywood | |

Annex I specifies the products covered by this Agreement and their Harmonised System (HS) codes used for classification of commodities in international trade.

As implementation proceeds, Liberia will consider adding other products, including charcoal, to the scope of the LAS.

2.3. Market destinations

Verification of legality is applied both to timber products sold on the domestic market and to exports, irrespective of the country of destination. Checks on products sold on the domestic market will be phased in, following a schedule that will depend on implementation of the Community Rights Law and Chainsaw Regulation and will take account of ECOWAS regional trade treaties and their integration into the LAS.

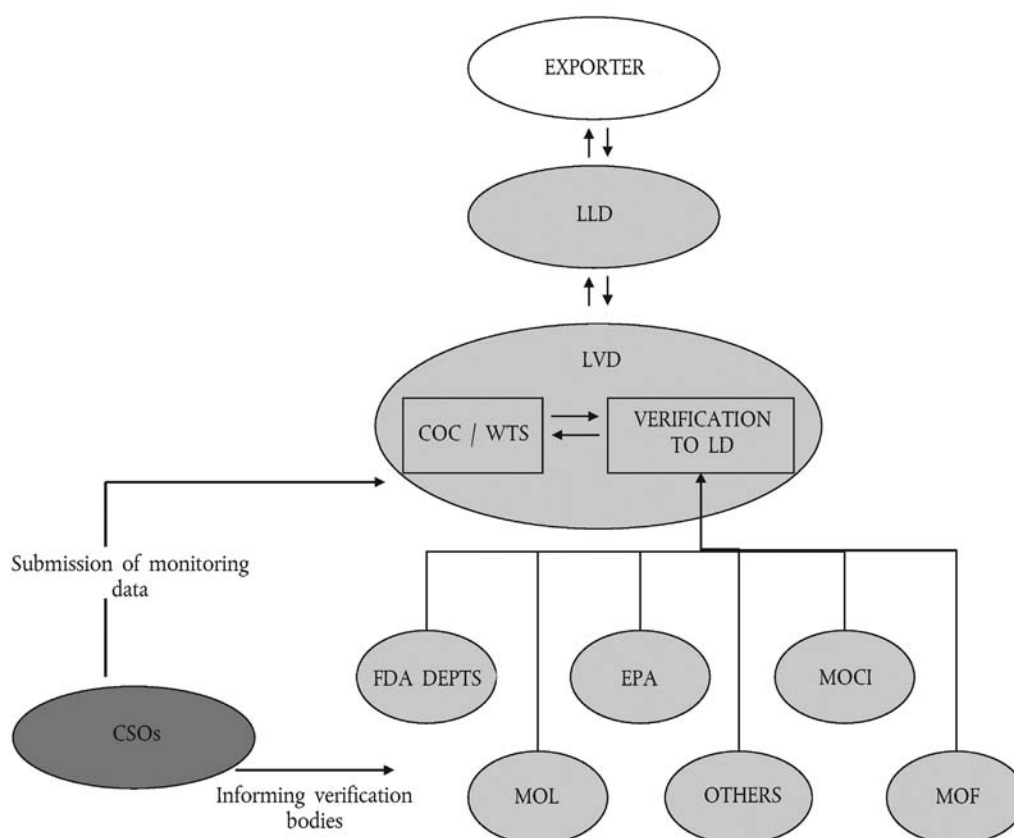
3. INSTITUTIONAL SET-UP

In order to verify compliance with the legality definition (LD) and operate the COCS, the FDA will establish a new department called the Liberia Verification Department (LVD). A service provider will be contracted on a 'build, operate and transfer' (BOT) basis for the first five years to develop the necessary verification methodology and to build the capacity of the FDA departments and divisions involved in implementing the LAS.

The LVD will collaborate with other departments and divisions of the FDA, the Environmental Protection Agency (EPA), the Ministry of Commerce and Industry, the Ministry of Finance, the Ministry of Labour and other relevant government agencies responsible for specific aspects of forest sector regulation. These government bodies will submit evidence to the LVD on operators' compliance with the legality definition. In addition, a channel of communication will be set up for civil society organisations (CSOs) to provide the LVD and other relevant authorities with monitoring data on operators' compliance with LAS requirements.

In order to issue FLEGT licenses for timber product exports, the FDA will establish a new department called the Liberia Licensing Department (LLD). Exporters will apply to the LLD for FLEGT licenses (see Figure 1).

Figure 1. Institutional set-up for verification and licensing



4. LEGALITY VERIFICATION

4.1. Legality definition and related verification procedures

The legality definition consists of 11 *principles*, each of which is divided into a number of *indicators* representing the legal requirement that must be complied with. Each indicator is equipped with *verifiers* that are used for determining whether a private-sector operator or government agency complies with the legal requirements covered by the indicator concerned.

Appendix A contains the legality definition and outlines verification procedures to guide the responsible ministry, government agency and LVD in compliance assessment. This verification framework specifies the:

- objective to describe the purpose of a verification procedure,
- regulatory control to provide for the normative and/or regulatory requirements and the responsibility for a particular indicator,
- verification method to provide for description and means of verification, which will consist of document review, field inspection, confirmation and/or consultation,
- frequency to define how often compliance with an indicator or certain aspects thereof must be assessed by the LVD.

More detailed procedures, including checklists, to assess compliance with the legality definition will be developed during implementation of the VPA.

4.2. Data management

Verification results will be recorded in a data management system that allows immediate checks on whether an operator complies with the legality definition. The LVD will be in charge of data management, including updating records with the frequency set in the verification procedures.

The chain of custody information system (COCIS) contains certain data on legal compliance that will be collected to assess compliance with the legality definition along the product chain. These records are used as triggers to allow progress along the product chain, such as the start of harvesting operations or transfer of logs along the supply chain. It is envisaged that the COCIS will form part of the data management system necessary for verification purposes.

The data management system should be developed to allow real-time exchanges of information so that any non-compliant timber detected during verification can be prevented from progressing, with later checks further down the supply chain.

The architecture and technical specifications for the data management system and detailed procedures for data management will be developed during implementation of the VPA.

4.3. **Legality verification of operators working under an independent forest management certification scheme**

Operators working under an independent certification scheme approved by the Government of Liberia can demonstrate legal compliance with the Liberian legality definition by providing the LVD and the LLD with a valid scheme certificate.

Prior to acceptance of a certification scheme, the Government of Liberia will carry out a consistency assessment to make sure that all the indicators of the Liberian legality definition are included in the certification scheme, compliance with them is systematically audited and the entire certification process is reliable. Only schemes which have passed the consistency assessment can be integrated into the LAS of Liberia.

In keeping with Liberian legislation, all operators, including those with their own certified chain of custody systems, will still be subject to Liberia's national chain of custody system.

5. CHAIN OF CUSTODY SYSTEM

5.1. **Standard operating procedures**

A set of standard operating procedures (SOP) has been developed to lay down (a) how forest companies control their supply chains and (b) how these company activities are verified with the help of the COCS:

- (a) general standard operating procedure 01 (GSOP 01) provides a general description of how control and verification activities for timber and wood products sourced from TSCs, FMCs and PUPs are conducted;
- (b) details of each activity are presented in a number of SOPs;
- (c) the GSOPs and SOPs will be amended to reflect any changes in the control and verification activities, including introduction of new sources of timber in the COCS.

Control and verification of timber from the following sources will be developed within two years of signature of the VPA:

- (a) forests regulated by the Community Rights Law;
- (b) chainsaw logging operations;
- (c) imported timber;
- (d) timber in transit;
- (e) confiscated timber.

The next few sections and Appendix B describe the key control points and guiding principles of the COCS.

5.2. **Pre-harvest**

Demarcation of the contract area and of the harvesting blocks and the enumeration of trees (stock survey) are the responsibility of the contract-holder. The LVD verifies that the block map and stock survey are accurate and provides the Commercial Department of the FDA with the information it needs in order to issue an acceptance of the block map survey work and the annual harvesting certificate (AHC).

FDA staff verify that the block map and stock survey have been properly undertaken and that the forms and maps have been filled in correctly by the contract-holders. This is a two-stage process, comprising first an office check to make sure that no simple administrative errors have been made and, second, if the first check is found to be satisfactory, a check conducted in the forest on a sample of at least 5 % of the stock survey area to verify tree location, diameter, species and height.

The COCIS automatically checks that:

- (a) the contract area reference matches the contract-holder ID;

- (b) the four corners of the block maps fall inside the gross contract area;
- (c) the tree ID numbers have been allocated to the contract-holder for use in this contract area as tree labels.

The block map is then manually checked by the COC field officer to confirm that:

- (a) the contract area reference and contract-holder ID match those on the stock survey forms submitted;
- (b) the dates surveyed match the dates on the stock survey forms;
- (c) the Universal Transverse Mercator (UTM) geographic coordinates match those on the stock survey forms;
- (d) the scale is correctly marked on the map, the distance between the cells is correct and the distances are correctly marked on the map;
- (e) the direction of the baseline has been correctly entered and the direction of the north arrow is correct in comparison with the baseline;
- (f) the survey line numbers and the distance numbers are correctly denoted;
- (g) the block border drawn on the block map corresponds to the contract area location map and fits within the overall boundaries of the contract area;
- (h) the tree numbers on the map are in the correct cells, as indicated by the stock survey forms;
- (i) the species codes are correct.

The COC field officer completes a standard COCIS form, which has a series of check boxes and which will be passed to the data entry clerk or COCIS operator for entry into COCIS.

If any of the checks on the stock survey forms or manual block map fail, then the COCIS operator will print the forms/maps that failed the checks. The COC data entry supervisor will send them to the contract-holder for corrections and the process is repeated with the corrected data.

5.3. **Harvesting**

This process describes the labelling, measuring and recording procedures to be followed by the contract-holders during tree felling. Measuring and tagging logs and stumps is necessary to connect the original tree number (allocated during the stock survey) to the logs resulting from the tree harvest and to the stump left in the forest, thereby establishing traceability.

Once the annual harvesting certificate has been issued, the contract-holder is allocated bar-coded log tags and is permitted to commence harvesting at the locations indicated on the block map:

- (a) before felling the tree, the contract-holder's log measurer records the tree ID tag number assigned during the stock survey;
- (b) on felling the tree, the log measurer affixes and records a new tag to the butt end of the log and another to the stump. The resultant tree-length log is measured: the diameters of both the butt and top ends and the length of the log to the crown break (to the nearest 10 cm). The log measurer records the data on a personal digital assistant (PDA) or the appropriate form.

Then the log measurer proceeds to the next tree to be felled and repeats the same procedure. The data collected are submitted to and processed by a COC data entry clerk who transfers them into COCIS.

5.4. **Forest log yard/landing**

This process describes how the contract-holder measures and labels felled trees once they have been extracted to the log landing and been cross-cut to length. The same procedure is also followed if, at a later stage, the logs are cross-cut again into smaller logs or are simply dressed (i.e. have the first few inches removed to make the log look better for sale or export). The main principle is that an ID tag is attached to each new log so that traceability back to the original log, tree and block map is possible.

COCIS log scalers verify a sample to confirm that the logs have been accurately tagged and measured by the operator. The species, diameter and log length will be recorded in the COCIS, which automatically checks the log data against the information stored by the contract-holder.

5.5. Transport of logs or processed wood

This process describes the procedure to be followed when logs and/or wood products are loaded onto a truck at the log landing in the forest, when logs are loaded at a holding area outside the port and when sawn timber products are loaded prior to shipping to the port and then transported. Since the COCS is designed to have real-time data on where logs or wood products are in the supply chain, the following measures are applied:

- (a) When the shipment is ready for loading, the operator's staff (i.e. log measurer or sawmill tally man) complete a waybill form by:
 - filling out the appropriate fields (barcode, species, diameter and length),
 - sticking the bar-coded stickers to the waybill in the appropriate places,
 - listing all the bar-coded tag numbers or the bar-coded labels affixed to the wood products making up the load — these numbers need to be copied in by hand,
 - dating and signing the waybill.
- (b) Logs or wood products must be loaded in a way that enables the bar codes to be read by a PDA scanner without removing the load from the truck. Therefore either a space must be left between the end of the logs and the truck headboard (depending on the truck type) or all the logs will need to be loaded with the tags at the rear end, so they are clearly visible. This is to facilitate checking of the tag numbers by the COCS log scalers and the FDA when the truck is *en route*.

LVD does 100 % documentary verification of the waybills/delivery notes issued and received and has mobile teams of log scalers/inspectors who check a sample of all loads transported. The species, log diameter and length are recorded. At the same time, the Liberian police will check that all loads passing checkpoints have the required waybills with them.

5.6. Processing of timber

Detailed procedures describing how sawmilling and other processing of wood products are assessed will be developed in the first three years of implementation of the VPA. In principle, the operational control by the operator and verification by the COCS will cover (i) entry of wood raw materials into the mill site, (ii) storing of wood raw materials, (iii) processing, (iv) storing of processed products and (v) exit of products from the mill site.

The following control and verification measures will be applied:

- (a) the operator keeps records of all wood raw materials entering the mill site and uploads the corresponding data into the COCIS;
- (b) the operator keeps records of all wood raw materials stored in the mill site and uploads the corresponding data into the COCIS. An inventory management system that records inputs and outputs of raw material from storage areas must be applied by the operator;
- (c) the operator's staff record the raw material going into the processing plant and all the products coming out by entering the data in standard forms. This will give the base data for recovery assessment (for sawmilling this would be the sawn timber volume coming out of the mill expressed as a percentage of the volume of logs going in; in other instances it may be a simple conversion ratio, e.g. $x \text{ m}^3$ of sawn wood will be equal to y units of chair legs, etc.);
- (d) the operator keeps records of all processed wood products stored in the mill site and uploads the corresponding data into the COCIS. An inventory management system that records inputs and outputs of raw material to and from each warehouse must be applied by the operator;
- (e) the operator keeps records of all wood raw materials exiting the mill site and uploads the corresponding data into the COCIS;
- (f) a whole-sample batch of product processing (for example, one shift at a sawmill) must be monitored by LVD staff once the mill is ready to commence production. This sample will be the basis for the 'approved conversion rate';
- (g) periodically and randomly, LVD staff will reassess the 'approved conversion rate'. These visits to the processing plant should be unannounced;
- (h) the COCIS monitors the conversion rate based on the standard forms submitted by the operator against the 'approved conversion rate'. Any significant variation will trigger further investigation and/or issue of a failure report;
- (i) the LVD conducts random checks on all operations and bookkeeping systems used by the operator to control the flows of wood raw material and processed products within the mill site.

5.7. Export

This process describes how the products already approved for export by the LVD are shipped to the port and then loaded onto the vessel.

At the point of export, the COCS checks 100 % of tag numbers and product specifications within the COCIS and physical inspections are conducted on a sample of the export consignment.

The exporter has to inform the COCS when the vessel is ready for loading, so that the COCS can perform its task of sending a team to oversee the final loading of the vessel. While each log or bundle is being loaded onto the vessel, the COCS inspector will check them against the specifications to make sure they are covered by the valid FLEGT license and will record them in a PDA or on the appropriate form. The records will be uploaded into the COCIS and reconciled with the earlier product specification data stored to keep track of which product has actually been exported.

5.8. Domestic market

The control and verification procedures described in Sections 5.2 to 5.7 of this Annex are applicable to the domestic market, when the timber originates from production areas covered by FMCs, TSCs and PUPs. Procedures to manage supply chains for timber from chainsaw logging operations will be developed within the period indicated in Annex VII.

5.9. Imported timber

The importer must demonstrate that imported timber comes from legal sources and is customs-cleared in accordance with the Liberian legislation. The legality of timber in the country of harvest can be demonstrated by certificates issued under certification schemes or other legality verification schemes that have been assessed and approved by the Government of Liberia in consultation with the governments concerned. Imported timber controlled by the LAS of another country covered by a VPA that has an operational FLEGT licensing scheme will be considered legal in the Liberian LAS. Imported timber demonstrated to be legal is included in the COCS at the border and is thereafter controlled and verified in the same way as domestically grown timber.

5.10. Timber in transit

Timber in transit has to be kept physically segregated from domestic or imported timber and transits Liberia under Liberian customs control. Timber in transit will not be integrated in the COCS and will not be subject to issue of a Liberian FLEGT license at the point of export. The country of origin and country of harvest must be clearly indicated in the bill of lading and other transport documents. Liberia will specify legal documents and related customs controls specific to timber in transit. Detailed procedures will be developed before the licensing system becomes operational.

5.11. Rubberwood

The SOPs for controlling harvesting, transportation, chipping and exports of rubberwood products will be developed during implementation of the VPA.

5.12. Data reconciliation

The COCIS is used for reconciling quantitative data between and within the various stages of the supply chain. The reconciliation processes aim to ensure that timber quantities by species and dimensions are consistent all along the supply chain, in particular to prove that the quantity dispatched does not exceed the quantity received and that during processing the ratio between the quantity of raw materials and the quantity of processed products is rational.

Protocols will be developed for reconciliation of consolidated data over several supply chains and over time with a view to providing evidence of the legality of the whole forest sector at regional or national level.

In addition to the reconciliation of quantitative data, the COCS checks with the LVD database that there is full compliance with the LD prior to each sale whether intended for export or sale in Liberia.

6. FAILURE TO COMPLY WITH THE LAS

FLEGT licenses will not be issued unless all requirements of the LAS have been complied with. Any failure to comply with the LAS must be addressed. Existing legal procedures and sanctions apply for handling failures to comply with the LAS identified in the course of the verification activities. Depending on the breach, administrative fines, corrective action, suspension of activities and/or prosecution of the operator may apply.

Detailed guidance on how to handle breaches and to impose sanctions for non-compliance will be developed before the FLEGT licensing system becomes operational.

All failures to comply with the legality definition, COCS and corresponding sanctions will be recorded in the verification database (see Section 4.2).

7. LICENSING

The Liberia Licensing Department (LLD) will be established to issue FLEGT licenses to export consignments of timber products complying with all the requirements of the LAS. The licensing process consists of the following phases:

- (a) The exporter applies to the LLD for a FLEGT license for each export consignment. A standard application form will be developed within two years of signature of the VPA to specify the information and documents required. The LLD will register the application and send a request for verification to the LVD.
- (b) The LVD verifies that the exporter and possible suppliers associated with the export consignment concerned comply with the Liberian legality definition and that the products for export originate from legal sources and are duly entered in the COCIS. The detailed procedures and checklists for the verification by the LVD will be developed within two years of signature of the VPA.
- (c) The LVD will then send a written communication to the LLD to confirm the outcome of the verification. The format and process for this communication will be developed within two years of signature of the VPA.
 - If the LVD confirms that there is full compliance with the LD, the LLD issues without delay a FLEGT license to the export consignment concerned. The detailed procedures for informing the applicant and issuing FLEGT licenses will be developed within two years of signature of the VPA.
 - If any non-compliance is detected at this stage, the LVD will notify the LLD that no FLEGT license can be issued, indicating the reasons for this rejection, and record the rejection in the COCIS. The LLD will notify the applicant that the application for a license has been rejected and of the reasons for this rejection. The detailed procedures for handling non-compliant consignments and informing the applicant will be developed within two years of signature of the VPA.
- (d) Once the FLEGT license has been issued, the exporter sends a copy of the license, including the specification, to the customs and port authority, with notification of the proposed date of loading. The customs and port authority checks that the license is consistent with the other official export documents and meets the standard formats. The LLD keeps records of all applications for FLEGT licenses received, including those that resulted in rejection.

The technical specifications for FLEGT licenses, including the license format and period of validity, are presented in Annex IV.

8. INDEPENDENT AUDIT

The objective of the independent audit (IA) is to assess whether the LAS is functioning effectively, appropriately and with credibility and to identify potential weaknesses and risks in the structures and implementation of the system.

The terms of reference for the IA, including the tasks, qualifications required and method, are presented in Annex V.

*Appendix A**LEGALITY DEFINITION, MATRIX AND VERIFICATION PROCEDURES***1. Plan for forestry policy and law reform**

The legality definition set out below has been developed through a participatory process with a wide range of stakeholders. During development of the legality definition, Liberian stakeholders identified a number of ambiguities, gaps and inconsistencies in the existing laws, regulations and policies that underlie the legality definition, which need to be addressed in order to achieve the good governance desired in the Liberian forestry sector. The Government of Liberia therefore plans to carry out legal and policy reforms in respect of the forestry sector in consultation with all relevant stakeholders. It is expected that such legal reforms would be completed by 2013, and that the legality definition will be updated thereafter to reflect these amendments. Areas that require policy and legal reforms include:

- (a) Social Agreements: Establishment of procedures to govern negotiations of Social Agreements, including (i) timing of negotiations; (ii) timeliness of both the payments and transfers of funds to communities; (iii) minimum content of social agreements and enforcement of provisions; (iv) community user rights in respect of concession areas, and (v) employment of non-skilled workers, etc;
- (b) Promulgation of Community forestry regulation to provide specific guidelines for community forest management;
- (c) Use of abandoned logs including procedures for their auction, registration of legal ownership and entry into the LAS;
- (d) Use of logs confiscated by the Government on grounds of being harvested in violation of the law;
- (e) Integration of Independent Certification Schemes into the LAS: discussion and agreement with stakeholders on the use of independent certification scheme(s) in Liberia and identification of the independent certification scheme(s) Liberia would recognize for the purpose of establishing the legal origin of logs imported from non-VPA countries;
- (f) Debarment List: The establishment of a debarment list identifying those individuals who contributed to the civil war of Liberia and are thus banned from working in the forest sector, as required by existing FDA Regulations;
- (g) Processing facilities: A regulation relating to (i) the establishment of processing facilities by holders of FMCs, and (ii) guidelines on operation of processing facilities;
- (h) Third Party Access and Use of Forest Products: Regulations on third party access and use of forest resources in another parties' concession area;
- (i) Validation and promulgation of Chainsaw Regulations: to guide new procedures for working with the informal sector.

2. Legality matrix

In determining whether timber and or timber products being sold on the Liberian market or being exported from Liberia meet the legal standard set out in the definition of 'legal timber', the principles and indicators as well as the detailed verification procedures as set out in the following table shall apply. The table describes the format of the Legality Matrix (Principles, Indicators, Verifiers, and Verification Guidance). The matrix is divided into 11 principles, with indicators and verifiers listed underneath each principle, and verification guidance outlining how the indicators should be checked for compliance. The verification guidance (indicating Objective, Regulatory Control, Verification Method, and Frequency) reflects current thinking but may be subject to change during further development of systems and procedures.

The Legality Principle	The Liberian legality definition is divided into 11 legality principles. Each legality principle consists of a number of legality indicators with verifiers under each indicator. A verification procedure has been developed for each indicator.
Legality Indicators	This outlines the norm or requirement the Liberian Verification Department (LVD) needs to check for compliance with the specific legality principle.
Legality Verifiers	Verifiers are evidence the LVD inspectors/or assessors will look for when evaluating if the specific norm or indicator has been met. This list is not exhaustive and the assessor may use additional means of verifying the relevant indicator if required.
Verification Guidance	These principles guide LVD inspectors/or assessors in their evaluation of a particular indicator: 1. Objective: The objective puts forward the purpose of the verification procedure. 2. Regulatory Control: Provides for the normative and/or regulatory requirements in respect of a particular indicator and responsible government bodies. 3. Verification Method: Provides for description and method of verification and will consist of document review, field inspection, confirmation and/or consultation. 4. Frequency: Provides for the verification frequency of the indicator or certain aspects thereof by the LVD.

PRINCIPLE 1: LEGAL EXISTENCE/RECOGNITION AND ELIGIBILITY TO OPERATE IN FORESTRY SECTOR

The forest contract or permit holder is a legally recognized business, community or an individual eligible to operate in the forestry sector

Indicator 1.1 The Contract or permit holder is a natural or legal person duly registered with the Government of Liberia and/or recognized by the FDA

Verifier	Contract or Permit Type
1.1.1. For corporations and partnerships, current annual Business Registration certificate and license issued by the Ministry of Commerce and Industry (MOCI)	All contract or permit types whose holder is a registered business
1.1.2. For corporate entities, articles of incorporation filed with Ministry of Foreign Affairs (MOFA)	All contract or permit types whose holder is a corporation.
1.1.3. For holders who are not registered businesses, a certificate or letter of recognition issued by FDA	FMC/TSC under Community Forestry law, FUP/PUP, and chain saw permits issued to natural person or sole proprietorship

Verification Guidance	Verification method	Verification frequency
Objective: The objective of this procedure is to verify that a person seeking a forest contract or permit for harvesting, processing or exporting logs or any timber product in Liberia is either a duly registered business enterprise or one recognized by FDA as capable of obtaining and holding a forest contract or permit under Liberian law. Regulatory Control: Liberian law requires that any person conducting and/or carrying out business must register the business with the MOCI. It is an offence not to register a business. To engage in community forestry the community must be recognized by the FDA. Business registration expires annually on the date of registration and must be renewed. The NFRL also provides that any eligible person may obtain and hold a forest contract. The term 'person' is defined to include both natural and legal person, and incorporated and unincorporated entities.	Description: The existence of a valid business registration document is verified by the LVD. In the event that clarity is required the LVD can obtain additional information from the MOCI and the FDA Commercial and Legal Departments. In case of community forestry, verification of FDA's recognition of the community may be obtained from the FDA Legal and Community Forestry Department. Verification means: 1. Document review 2. Consultation with MOCI and the FDA Commercial, Legal and Community Forestry Departments	Annually
References: GBL (4.3 to 4.5); COCS SOP(4)		
Indicator 1.2 The current owner(s) or shareholders of a contract or permit holder do not include the current President and the Vice President of Liberia, Members of the Legislature, Members of the cabinet, Directors and Managers of FDA, current county Superintendents or any other person specifically prohibited from owning a forest contractor or an interest in a forest contract		
Verifier	Contract or Permit Type	
1.2.1 For a contract holder that is a registered business, a notarized affidavit executed by its CEO declaring that its owners do not include prohibited persons	All contract and permit types	
1.2.2 Current FDA-prepared list of current senior Government officials prohibited from holding forest license pursuant to Section 5.2(b) of NFRL	All contract and permit types	
1.2.3 Current List of shareholders and beneficial owners of corporate contract or permit holder	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.1.2)	Verification Method	Verification frequency
Objective: The objective of this procedure is to ensure that all applicants for forest licensing and/or concessions are eligible to hold a forest license.	Description: In order to ensure that the above requirements have been met, the LVD must review the ownership records of the contract holder to verify that the applicant is not a prohibited person or an entity whose owner(s) include prohibited person(s).	Per shipment

Verification Guidance/ Procedure (LAS-LVD-0.1.2)	Verification Method	Verification frequency
Regulatory Control: Holders of certain positions in Government are prohibited by Section 5.2b of the NFRL to conduct commercial forest operations because of actual or potential conflict of interest. A key regulatory interest is to cross check the current owner of a contract holder against the current list of prohibited senior government officials maintained by the FDA. Because the primary responsibility is on the contract holder to ensure that its owners are eligible persons, the contract holder is to execute an affidavit that it is in compliance. The veracity of the sworn affidavit will be checked against available records regarding the owners of the contract holder. The list of prohibited persons as well as the list of current shareholders of registered businesses holding contract or licenses shall be placed in the public domain, as is stated under Annex IX of this Agreement.	Verification means: 1. Consultation with the FDA 2. Document review	
References: NFRL (5.2b); Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPC Act		

Indicator 1.3 The Contract holder is not barred from bidding or applying for a forest license or any other government contract/concession because of violations of the Public Procurement and Concessions Act (PPCA)

Verifier	Contract or Permit Type	
1.3.1 Public Procurement Concession Commission (PPCC) develops and maintains a Debarment List of persons found guilty of violating the PPC Act and or the rules and guidelines established thereunder	FMC, TSC and FUP having value of more than US \$ 10 000,00	
Verification Guidance/ Procedure:	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that all applicants for forest contracts or permits are not in violation of the PPC Act governing award of concessions and other contracts. Regulatory Control: An applicant for forest licensing must not be barred from bidding for concession and other public contracts due to violations of tender rules established by the PPCC. Successful bidders must be checked against the current/updated debarment list that is produced and maintained by the PPCC under section 44 of the PPC Act, which precludes certain entities from being awarded a concession as a result of certain conditions being present after a successful application and/or bid.	Description: In order to ensure the above requirements have been met, the LVD must verify that the applicant is not on the PPCC debarment list. The PPCC debarment list shall be one of the documents placed in the public domain as indicated in Annex IX of this Agreement. Verification means: 1. Consultation with PPCC 2. Document review	Once during the contract period
References: Sections 44, PPC Act		

PRINCIPLE 2: FOREST ALLOCATION

The Forest Use Rights covered by the contract was awarded pursuant to the National Forestry Reform Law and the Community Rights Law

Indicator 2.1 All communities within 3,0 kilometres of the proposed concession area (called 'affected communities') have been consulted by FDA and have given their informed consent to the proposed concession

Verifier	Contract or Permit Type
2.1.1 FDA-prepared socio-economic survey report	FMC, TSC, and FUP having a value of more than US \$ 10 000,00

Verifier	Contract or Permit Type	
2.1.2 Written notices of the consultation meeting(s) (Radio or Newspaper announcements)	FMC, TSC, and FUP having a value of more than US \$ 10 000,00	
2.1.3 Minutes and attendance list of the meetings showing key points discussed and agreements reached	FMC, TSC, and FUP having a value of more than US \$ 10 000,00	
2.1.4 Letter of good faith signed by communities undertaking to negotiate in good faith with any eventual contract holder	FMC, TSC, and FUP having a value of more than US \$ 10 000,00	
Verification Guidance/ Procedure (LAS-LVD-0.2.1)	Verification Method	Verification Frequency
Objective: The law emphasizes the vital role of public participation in participatory governance, transparency and the decision-making process. The purpose of this procedure is to ensure that adequate adherence is given to this aspect in the determination and allocation of forestry resources within Liberia. Regulatory Control: The FDA is mandated to decide on the use and allocation of forestry resources held in trust by the Government. In the decision of land use planning and validation of forestry resources, public participation fulfils a key role and there exists a duty on the FDA to engage with the relevant affected communities. With a view to ensuring adequate participation, requirements are placed on the FDA in terms of notifying, informing, conducting meetings, recording comments and considering the input of such communities. Such a participatory approach ensures that the views of relevant stakeholders are taken into consideration and that an informed decision is taken in terms of land use planning and the validation of forestry resources. Pursuant to an approved manual issued by the FDA following a participatory preparation process, the affected communities include those within 3,0 kilometres of the concession area.	Description: The LVD shall verify that FDA plans its forest land use through statutorily required consultations with communities and other stakeholders. In the case of consultation with communities, the LVD shall confirm the fact and quality of the consultations by review of documentation, including the report of the socio-economic survey and the timing and arrangements relating to the conduct and discussions at the meetings. If necessary, other government agencies such as the Ministry of Internal Affairs and the relevant affected communities may be consulted. Verification means: 1. Consultation with the FDA and, if necessary, the Ministry of Internal Affairs and affected communities 2. Document Review	Once during the contract period
References: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPC Act		
Indicator 2.2 Prior to allocation of the forest contract, FDA has obtained a Concession Certificate from the Ministry of Planning & Economic Affairs, approving the concession plan submitted by FDA and confirming that the proposed concession is consistent with national development objectives		
Verifier	Contract or Permit Type	
2.2.1 Concession plan submitted by FDA to the Ministry of Planning & Economic Affairs (MPEA) in respect of the contract holder's concession	FMC, TSC, and FUP having a value of US \$ 10 000,00 or more	
2.2.2 Concession certificate (or a written approval) issued by the MPEA to FDA, authorizing FDA to commence concession/ contract allocation activity for the specified forest area	FMC, TSC, and FUP having a value of US \$ 10 000,00 or more	

Verification Guidance/ Procedure (LAS-LVD-0.2.2)	Verification Method	Verification Frequency
Objective: The procedure aims to verify that the forestry objectives of Liberia are captured in the overall development plan of the country as endorsed by the MPEA through the issuance of a concession certificate. Regulatory Control: The FDA must ensure that the forest to be allocated is suitable for commercial forestry and that a concession plan has been developed to ensure compliance with all requirements provided for by the NFRL and the PPC Act, respecting protected areas and rights of affected communities especially for use of non timber forest products.	Description: The LVD must verify that the MPEA indeed issued a concession certificate to the FDA based on a review of the concession plan developed and submitted by FDA to ensure that the requirements for competitive bidding are met as provided for by the NFRL and the PPC Act. This is done through consultation with the FDA Legal and/or Commercial Department. Verification means: 1. Consultation with PPCC and/or FDA Legal and Commercial Departments 2. Document review	Once during the contract period
References: Regulation 104-07 (5.2(a)(i)) PPC Act (46)		
Indicator 2.3 The Contract holder did comply with statutory prequalification requirements and was duly qualified by FDA to (i) operate in the forestry sector, and in the case of TSC and FMC, (ii) bid for the contract		
Verifier	Contract or Permit Type	
2.3.1 Report of the prequalification committee regarding the prequalification process	FMC, TSC and FUP having a value of US \$ 10 000,00 or more	
2.3.2 Valid pre-qualification certificate issued the contract holder	FMC, TSC and FUP having a value of US \$ 10 000,00 or more	
2.3.3 Tax clearance showing no tax arrears at date of submission	FMC, TSC and FUP having a value of US \$ 10 000,00 or more	
2.3.4 Liquidity guarantee from reputable bank at date of submission	FMC, TSC and FUP having a value of US \$ 10 000,00 or more	
2.3.5 Business registration certificate predates pre-qualification certificate	FMC, TSC and FUP having a value of US \$ 10 000,00 or more	
Verification Guidance/ Procedure (LAS-LVD-0.2.3)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that a company applying for licensing has complied with all the relevant prequalification requirements and as such meets the criteria of the bidding process.	Description: The LVD must verify that the requirements were met in the time established by law. This means that the Prequalification Certificate must be predated by the contract holder or processor's business registration certificate, tax clearance, and required bank guarantee.	Once during the Contract period

Verification Guidance/ Procedure (LAS-LVD-0.2.3)	Verification Method	Verification Frequency
Regulatory Control: The FDA must ensure that all the pre-qualification requirements were met by a particular contract holder prior to the bidding process and/or obtaining the forest resource. The pre-qualification requirements inter alia include: (1) Articles of incorporation from the Ministry of Foreign Affairs (MOFA), (2) Business registration certificate by the MOCI, (3) Tax clearance from the Ministry of Finance (MOF), and (4) Liquidity guarantee from a reputable bank.	Verification means: 1. Consultation with FDA, MOF, MOFA and the MOCI 2. Document Review	
References: NFRL (5.2(a)(i); Regulation 103-07 (41-46)		

Indicator 2.4 The forest contract was tendered in accordance with the competitive bidding process and rules established by the Public Procurement and Concessions Act and the Regulations issued by the FDA

Verifier	Contract or Permit Type	
2.4.1 Public tender notice	FMC, TSC and FUP having a value of more than US \$ 10 000	
2.4.2 Concession bid evaluation panel report	FMC, TSC and FUP having a value of more than US \$ 10 000	
2.4.3 Due diligence report by FDA	FMC, TSC and FUP having a value of more than US \$ 10 000	
2.4.4 Final report of bid evaluation panel to the Inter-Ministerial Concessions Committee (IMCC)	FMC, TSC and FUP having a value of more than US \$ 10 000	
2.4.5 IMCC recommendations to the President	FMC, TSC and FUP having a value of more than US \$ 10 000	
Verification Guidance/ Procedure (LAS-LVD-0.2.4)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the forest license for commercial forest operations was granted based on a competitive bidding process as required by the law. Regulatory Control: The law requires that once a bid is submitted, bids are evaluated by the concession bid evaluation panel, who then submit a bid evaluation report within 60 days to the concession entity (in this case the FDA). Thereafter FDA must conclude a due diligence report on all recommended bids. After that the concession bid evaluation panel will submit a final report to the IMCC. The IMCC will then review the report and submit its recommendations to the President for final decision.	Description: The LVD must verify that the above requirements were met by firstly consulting and verifying the existence and validity of the required documents with the FDA Commercial Department and/or Legal Department. If further clarification is required, the LVD may consult with the Concession Bid Evaluation Committee and/or the IMCC. Verification means: 1. Consultation with FDA, IMCC and PPCC 2. Document review	Once during the contract period
References: NFRL (3.3 & 5.2(a)); PPC Act (115(1)&(2) and 116); and FDA Regulations 104, Section 31-36		

Indicator 2.5: In case of a private use permit (PUP), the contract was awarded upon the written permission of the verified land owner

Verifier	Contract or Permit Type	
2.5.1 The valid deed of the private land owner	PUP	
2.5.2 The written permission of the private land owner	PUP	
Verification Guidance/ Procedure (LAS-LVD-0.2.5)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to ensure that the PUP is only granted where private land ownership is clearly established and upon the written approval of the land owner. Regulatory Control: The LVD is required to verify the owner of a private land intended to be the subject of a PUP. This will entail checking the submitted deed against public records at the Center for National Records and Documentation (CNDRA).	Description: The LVD must verify that the above requirements were met by first reviewing the titled deed to the land, and then confirming that the written permission is in fact from the land owner. Verification means: 1. Consultation with CNDRA 2. Document review	Once during the contract period
References: NFRL Section 5.6		

Indicator 2.6 In consultation with stakeholders and based on its socio-economic survey report, the FDA has prepared an integrated map showing the contract area and adjacent land areas such as other concessions, protected forest areas and private land

Verifier	Contract or Permit Type	
2.6.1 FDA map showing the subject concession area and indicates adjacent lands	FMC, TSC, FUP	
2.6.2 FDA enforcement report (FDA compliance Audit Report)	FMC, TSC, FUP	
Verification Guidance/ Procedure (LAS-LVD-0.2.6)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the concession area awarded to the contract holder does not encroach upon land owned by other contract holder(s) or protected forest area. Regulatory Control: It is essential that every contract area is properly demarcated to avoid overlapping of concession areas or encroachment into protected forest areas.	Description: The LVD should verify that these requirements were met checking the validity of the concession map with the FDA Research and Development Department and the Law Enforcement Department. Verification means: 1. Consultation with FDA Research and Development and Law Enforcement Departments 2. Document review	Once during the contract period

Verification Guidance/ Procedure (LAS-LVD-0.2.6)	Verification Method	Verification Frequency
References: COCS SOP (7, 8, 19, 20 & 21) Regulation 109-07		
Indicator 2.7 The forest contract holder has submitted a bidder's bond along with its bid for the forest contract to the FDA		
Verifier	Contract or Permit Type	
2.7.1 Bidder's bond receipt issued the contract holder by FDA	FMC and TSC	
Verification Guidance/ Procedure (LAS-LVD-0.2.7)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the bidder has submitted the statutory required bond and met with the relevant requirements. Regulatory Control: FDA Regulations 104-07 requires bidders for FMC and TSC to submit a bid bond together with its bid. The bond should be valid for at least 12 months and in the amount equal to 1/6 of the annual area fee determined for a particular contract. The bond must, moreover, be issued by a competent and authorized institution in Liberia. According to Section 43 of Regulation 104-07, within 30 days after the selection of the winning bidder, the winning bidder may reclaim the original bond by depositing the bond amount in cash with the Central Bank of Liberia or other bank officially designated to hold the FDA's accounts and presenting the proof of deposit to the FDA. The Regulation further provides that upon timely presentation of proof of deposit of the value of the bond with the Central Bank of Liberia, the FDA shall return the original bond to the winning bidder. However, if the winning bidder fails to offer proof of deposit within 30 days after selection, the FDA shall draw on the bond and deposit the funds with the Central Bank of Liberia or other bank officially designated to hold the Authority's accounts. Finally, if the winning bidder and the Government execute the contract in respect of which the bond was submitted, the FDA shall arrange to credit the deposited funds towards any amounts the winning bidder owes the Government under the contract.	Description: The LVD must verify that the requirements were met by consulting with, and verifying the validity of the Bidders Bond Receipt with the FDA Commercial and/or Finance Department. Verification means: 1. Consultation with FDA Commercial / Finance departments 2. Document review	Once during the contract period
References: Regulation 104-07 (43 & 61(b)) COCS SOP (9)		
Indicator 2.8 The contract holder posts an initial performance bond within the period specified by law after conclusion of contract negotiations		
Verifier	Contract or Permit Type	
2.8.1 Copy of performance bond posted within 90 days of conclusion of negotiations	FMC	
2.8.2 Copy of performance bond posted within 30 days of conclusion of negotiations	TSC	

Verification Guidance/ Procedure (LAS-LVD-0.2.8)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the required performance bond was posted within the required time period. Regulatory Control: Regulation 104-07 requires contract holders of FMC and TSC (but not FUP or PUP) to submit a performance bond within the required period of time: 1. FMC: performance bond must be submitted within 90 days in the amount of 150 000 USD (less than 100 000 ha) or up to 250 000 USD (more than 100 000 ha). 2. TSC: performance bond within 30 days in the amount of 25 000 USD.	Description: The LVD must verify that the above requirements were met by consulting with, and verifying existence and validity of the performance bond with the FDA Commercial and/or Finance Department. Verification means: 1. Consultation with FDA Commercial and/or Finance Departments 2. Document review	Once at start of contract period
References: Regulation 104-07(61(b)); COCS SOP (9)		
Indicator 2.9 The forest contract has been signed by the contract holder and the FDA and, where applicable, duly ratified in keeping with the law		
Verifier	Contract or Permit Type	
2.9.1 The Act ratifying the forest contract, which is signed by the President and printed into hand bills	FMC and agricultural concessions/plantations	
2.9.2 Contract signed by the contract holder and the Managing Director of FDA	TSC, FUP, PUP, Chainsaw permits	
Verification Guidance/ Procedure (LAS-LVD-0.2.9)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that all forest contracts are concluded in keeping with law. Regarding FMCs, the aim is to ensure that in addition to it being signed by the contract holder and the Government of Liberia, an act ratifying the FMC is also passed by both houses of the Legislature and approved by the President. In respect of all other contracts, the objective is to ensure that they are duly signed between the contract holder and the management of FDA. Regulatory Control: Once an FMC is signed with a successful bidder, the FMC should be ratified by the Legislature and the act of the Legislature ratifying the FMC approved by the President. All other forest contracts and licenses are signed between the contract holder and the FDA.	Description: The LVD verifies that (1) every FMC has been signed and ratified, and (2) all other forest licenses are signed by the relevant contract holder and the FDA Managing Director upon approval by the FDA Board. The LVD must verify that the above requirements were met by consulting with the FDA Commercial or Legal Departments. Verification means: 1. Document review 2. Consultation with FDA Commercial or Legal Department	Once at start of contract period
References: NFRL (5.3); Regulations 104-07 (62); COCS SOP (5)		

PRINCIPLE 3: SOCIAL OBLIGATIONS AND BENEFIT SHARING

Contract holder is in compliance with the social obligations and benefit sharing requirements

Indicator 3.1 The contract holder has negotiated a social agreement with authorized representatives of affected communities within 3,0 kilometres of the proposed concession or permit area following advance notice to these affected communities

Verifier	Contract or Permit Type	
3.1.1 Meeting minutes reflecting actual discussions and agreements reached by contract holder and authorized representatives of affected communities earlier identified by the FDA during its socio-economic survey	FMC, TSC, FUP having a value in excess of US \$ 10 000,00	
3.1.2 Delivered or published notice of intent to negotiate with affected communities (Radio announcement or Newspaper advertisements)	FMC, TSC, FUP having a value in excess of US \$ 10 000,00	
3.1.3 Evidence that no complaint has been filed with FDA by an affected community alleging exclusion from negotiation or failure of contract holder to negotiate	FMC, TSC, FUP having a value in excess of US \$ 10 000,00	
Verification Guidance/ Procedure (LAS-LVD-0.3.1)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that a contract holder adheres to all the relevant statutory and FDA requirements pertaining to social obligations prior to obtaining its Annual Harvesting Certificate for the FMC, TSC, or FUP. Regulatory Control: The NFRL and Regulations 105-07 promulgated under the NFRL both place a duty on holders of FMC, TSC and major FUPs to negotiate a 'Social Agreement' with affected communities through their authorized representatives in respect of forests to be harvested. The Regulations defines affected communities as 'a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by operations carried out under a forest resources license. "Interests" for purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.' In practice, the affected communities are defined and identified by FDA during its pre-allocation forest use planning and socio-economic survey. According to Regulations 105-07 the duration of such social agreements are five (5) years for FMCs and FUPs, and three (3) years for TSCs. The signing of a social agreement is a pre-felling requirement for FMCs and TSCs.	Description: The LVD must verify that the requirements are met through consultation and verification with the FDA Community Forestry Department. Verification means: 1. Consultation with FDA Community Forestry Department and affected communities 2. Document review	Per Cycle ⁽¹⁾
References: Regulation 105-07 (31&32); NFRL, Section 5.6(d)(vi)		

Indicator 3.2 A mutually negotiated social agreement has been signed between the contract holder and ALL affected communities through their authorized representatives, and the agreement becomes effective prior to the start of felling operations

Verifier	Contract or Permit Type	
3.2.1 Executed Social Agreement signed by contract holder and each affected community through its Community Forestry Development Committee (CFDC)	FMC, TSC, and FUP having value in excess of US \$ 10 000,00	
3.2.2 Social Agreement that predates Annual Harvesting Certificate of contract holder	FMC, TSC, and FUP having value in excess of US \$ 10 000,00	
3.2.3 List of CFDC identified by or registered with FDA	FMC, TSC, and FUP having value in excess of US \$ 10 000,00	
Verification Guidance/ Procedure (LAS-LVD-0.3.2)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that a holder of an FMC, TSC and/or FUP having a value in excess of US \$ 10 000,00 has signed a social agreement with all affected communities prior to logging operations. Regulatory Control: The holder and/or company may only negotiate the Social Agreement with the CFDC who acts on behalf of the affected communities. The CFDC must be representative of all the communities affected by the contract holders logging activities. There may be more than one CFDC representing communities affected. Annual audits are conducted by the FDA to monitor, assess and ensure compliance with the conditions of a FMC, TSC and FUP having value in excess of US \$ 10 000,00. Section 31 (b) (1) of Regulations 105-07 states that the contract holder 'shall ensure that at all times, for the duration of the forest resources license, a social agreement for the benefit of all affected communities is in force with respect to the area to be logged'. Section 31 (b) (2) further provides that the contract holder 'may not fell trees unless a social agreement for the benefit of all affected communities is in force with respect to the area to be logged under a forest resource License'.	Description: The LVD must verify that the above requirements were met through consultation with and verification of the executed social agreement with the FDA Community Forestry Department. Verification means: 1. Consultation with FDA Community Forest Department and affected communities 2. Document review 3. Field inspection	Per cycle
References: Regulation 105-07 (31)		

Indicator 3.3. The terms of the social agreement between the contract/permit holder and the affected communities include a code of conduct governing parties to the agreement, a dispute resolution mechanism, plus (i) a description of amounts of financial benefits payable to the community by the contract holder and (ii) a requirement that the contract/permit holder pays the amounts quarterly in an interest-bearing escrow account that the contract/ permit holder shall maintain in trust on behalf of all affected communities

Verifier	Contract or Permit Type	
3.3.1 Code of conduct that governs the rights and responsibilities of affected communities and contract/permit holder	FMC, TSC, and FUP having a value in excess of US \$ 10 000,00	
3.3.2 Description of the minimum cubic meter fee that the contract/ permit holder will pay on a quarterly basis to the affected communities (if there are others, specify)	FMC, TSC and FUP having a value in excess of US \$ 10 000,00	

Verifier	Contract or Permit Type	
3.3.3 Bank book or other records of the required interest-bearing escrow account opened by the contract/ permit holder in trust for the affected communities	FMC, TSC and FUP having a value in excess of US \$ 10 000,00	
3.3.4 Dispute resolution mechanism established	FMC, TSC and FUP having a value in excess of US \$ 10 000,00	
Verification Guidance/ Procedure (LAS-LVD-0.3.3)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that all the statutory requirements are met and that all the prescribed conditions and/or elements are included in the social agreement negotiated. Regulatory Control: Any social agreement negotiated between one or more CFDCs must inter alia contain: 1. A description of the rights and responsibilities of members of affected communities as well as the holder; 2. A description of the financial benefits an affected community will receive; 3. Requirement that the contract/ permit holder would pay financial benefits on a quarterly basis into an interest bearing escrow account maintained in trust for the community. 4. A requirement that funds only be released in benefit, upon written request of a CFDC, provided that such a request is approved by the FDA. Section 33 (a) of Regulations 105-07 provides that the FDA shall make model codes of conduct freely available on the Internet and shall, upon request, provide paper or electronic copies of model codes of conduct to contract/permit holders, CFDCs, and affected communities.	Description: The LVD must verify that the above requirements were met through consultation with and verification of the contents of the signed social agreement with the FDA Community Forestry Department. Verification means: 1. Document review 2. Field visit with communities	Per cycle ⁽¹⁾
References: NFRL (5.3(b) &5.6(d)), Regulation 105-07 (33)		
Indicator 3.4 The social agreement between the contract holder and the community or communities has been attested to by the FDA		
Verifier	Contract or Permit Type	
3.4.1 FDA-attested social agreement between contract holder and affected community	FMC, TSC, and FUP having value in excess of US \$ 10 000,00	
Verification Guidance/ Procedure (LAS-LVD-0.3.4)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure and/or verify that the social agreement has been approved by the FDA.	Description: The LVD must verify that the above requirements were met through consultation with and verification of the existence and validity of the attested social agreement with the FDA Community Forestry Department.	Per cycle

Verification Guidance/ Procedure (LAS-LVD-0.3.4)	Verification Method	Verification Frequency
Regulatory Control: Any social agreement negotiated must be submitted to the FDA for attestation. Upon receipt of the document, the FDA will review the agreement to determine its completeness, accuracy and conformity with the law. If the agreement does not meet the relevant criteria, the FDA must reject it and supply reasons for its decision. The holder may remedy any deficiencies and resubmit the social agreement to the FDA for reconsideration. The FDA will attest to the social agreement if it is satisfied that the agreement is complete, accurate and complies with the relevant laws.	Verification means: 1. Consultation with FDA Community Forestry Department 2. Document review 3. Field visit with selected communities	
References: Regulation 105-07 (36) COCS SOP (9)		

Indicator 3.5 The stipulated fees owed to the communities by the contract holder under the social agreement are paid by the contract holder (i) within the prescribed time periods and (ii) into an escrow account opened by the contract holder for this purpose

Verifier	Contract or Permit Type
3.5.1 Authenticated quarterly bank statements of escrow account	FMC, TSC and FUP having a value in excess of US \$ 10 000,00
3.5.2 FDA Compliance Audits	FMC, TSC and FUP having a value in excess of US \$ 10 000,00

Verification Guidance/ Procedure (LAS-LVD-0.3.5)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify that the relevant fees due to the community have been paid in a timely manner. Regulatory Control: The social agreement contains financial terms of the performance which are of essence to the agreements. It is therefore essential that the timely payment of the fees agreed and provided for in the social agreements is verified. At the operational level, control points may include statements of escrow account, and annual audit reports by the FDA measuring compliance of contract holders.	Description: The LVD must verify that the above requirements were met through confirmation. In the event that further clarification is required, the FDA Commercial and Community Forestry Departments may be consulted. Verification means: 1. Consultation with FDA Community Forestry department 2. Document review 3. Field inspections	Per shipment
References: Regulation 105-07(36)10 Regulation 107-07 (33);		

PRINCIPLE 4: FOREST MANAGEMENT OPERATIONS AND HARVESTING

Forest management operations and harvesting complies with all applicable laws

Indicator 4.1 The contract or permit holder has completed an annual operational plan and where applicable, a forest management plan

Verifier	Contract or Permit Type
4.1.1 Annual Harvesting Certificate	All Contract and permit types except agricultural concessions/plantations

Verifier	Contract or Permit Type	
4.1.2 Approved annual operational plan	All Contract and permit types except agricultural concessions/plantations	
4.1.3 Approved Forest Management Plan	FMC	
4.1.4 Written permission from land owner	PUP	
Verification Guidance/ Procedure (LAS-LVD-0.4.1)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to ensure that every contract holder complies with the relevant statutory pre-requisites before commencing felling operations. Regulatory Control: 1. FMC: Contracts are awarded on forest land validated and in line with the requirements of the PPC Act. The FMC is a 25 year contract and subject to a management plan, Environmental Impact Assessment (EIA), business plan, Social Agreements, and annual operational plans. 2. TSC: three year contracts awarded in line with the National Forest Management Strategy, validated and meet with the requirements of the PPC Act and subject to annual operational plans. 3. In isolated cases, instances may arise where FUP exceeds the anticipated small scale requirements and are formally validated. In such instances the LVD may be required to evaluate any pre-harvest requirements that may attach to such FUP. 4. PUP: for all commercial use of forest resources on private land, an operator must be the landowner or have permission of the landowner and hold a valid PUP issued by the FDA. A PUP holder may not commence felling until they have an approved annual harvesting certificate and annual operational plan.	Description: The LVD must verify that the above requirements were met through consultation with FDA and EPA including Commercial and Community Forestry Departments. Verification means: 1. Consultation with FDA and EPA 2. Document Review 3. Field inspection	Annually (for operational plan) Per cycle (Management plan)
Reference: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9)		
Indicator 4.2 The contract or permit holder complies with the terms of its annual operational plan and requirements of law regarding the species and quantities it is permitted to harvest		
Verifier	Contract or Permit Type	
4.2.1 Approved annual blocks	FMC	
4.2.2 Compartment and annual coupe	All forest contracts except FMC	
4.2.3 Felled trees data verification (SOP 11)	All contract and permit types except agricultural concessions/plantations	
4.2.4 Annual compliance audit report of FDA	All contract and permit types except agricultural concessions/plantations	

Verification Guidance/ Procedure (LAS-LVD-0.4.3)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that a contract or permit holder complies with its annual harvesting allocations and obligations as approved by the FDA. Regulatory Control: 1. The approved annual harvesting certificate provides the parameters in which a particular operator must work, and also the requirements to be complied with, within the specified annual period. 2. The FDA has two operational control mechanisms: 2.1. Continuous field monitoring, and 2.2 Annual compliance audits conducted by the FDA to monitor assess and ensure compliance with the conditions of a FMC, TSC, single FUP and/or a PUP.	Description: This requirement is verified in detail by the LVD. The LVD must verify that the above requirements were met through consultation with the FDA Commercial Department. Verification means: 1. Consultation with the FDA Commercial Department 2. Field inspection	Annually
References: NFRL (3.2;3.4) & COCS SOP (7-11)		

PRINCIPLE 5: ENVIRONMENTAL OBLIGATIONS

Contract Holder and Timber Processor have met all environmental obligations required by law

Indicator 5.1 The Contract or permit holder and timber processor have completed an Environmental Impact Assessment that is approved by EPA

Verifier	Contract or Permit Type	
5.1.1 Environmental Impact Assessment report prepared by or for the contract holder or timber processor	All contract and permit types	
5.1.2 Environmental Impact License issued by EPA to contract holder or timber processor prior to commencement of harvesting operations	All contract and permit types	
5.1.3 Environmental Impact Permit issued by EPA to the contract holder or timber processor stating the condition(s), if any, of the Environmental Impact License listed as Verifier 5.1.2	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.5.1)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify that the relevant requirements have been met in relation to the EIA application process.	Description: The LVD must confirm with the FDA and the EPA that the contract or permit holder has not only an EI license but also an EI permit that sets forth with specificity the conditions that the EI license holder must comply with.	Once during the validity of the E License and Perm

Verification Guidance/ Procedure (LAS-LVD-0.5.1)	Verification Method	Verification Frequency
Regulatory Control: An Environmental Impact Assessment (EIA) License is required by the Environmental Protection and Management Law (EPML) of 2002 for activities listed and/or identified in Annex 1 to the Act. In relation to forestry activities, the following require an EIA: (1) logging and/or timber processing, (2) plantation forestry. In addition to the Environmental License, the EPA issues an Environmental Impact Permit which states the conditions attending the License and which the environmental license holder must comply with. Prior to issuing the license, the FDA provides the necessary consideration and inputs into the EPA evaluation.	Verification means: 1. Consultation with the EPA and the FDA 2. Document review	
References: EPML (6,21-23); Reg (105-107) COCS SOP (9)		
Indicator 5.2 The contract or permit holder or timber processor implements the mitigating measures identified in its EIA as indicated in the EI permit		
Verifier	Contract or Permit Type	
5.2.1 EPA environmental monitoring reports	All contract and permit types	
5.2.2 FDA EIA inspection report	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.5.2)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that any conditions and/or mitigation measures identified and imposed by the EPA are implemented by the contract or permit holder or timber processor and that there are no environmental transgressions inconsistent with the EI permit. Regulatory Control: A record of decision and/or an environmental authorization must be issued to the contract or permit holder prior to commencement of logging operations. The EPA and FDA monitor compliance with the conditions of, and/or mitigations measures identified through regular and/or spot audits. The holder of EIA license is under a duty to submit notifications to EPA if there is a material change in project or activity that may impact on environment. The EPA may further institute enforcement action in the event of non-compliances.	Description: The LVD must consult with, and verify with the FDA Environmental Impact Assessment Division, and the EPA Monitoring Department as well as the Outstation & Inspectorate Department that the contract holder complies with the conditions of the EI permit. Verification means: 1. Consultation with EPA and FDA 2. Document review 3. Field inspections	Annually
References: EPML (24-27), EPAA		
Indicator 5.3 Contract or permit holder or timber processor has disposed of equipment, fuel, wood refuse and related waste arising from its operations in a lawful and environmentally appropriate manner		
Verifier	Contract or Permit Type	
5.3.1 EPA inspection report	All contract and permit types	
5.3.2 FDA Annual compliance audit report	All contract and permit types	

Verification Guidance/ Procedure (LAS-LVD-0.5.3)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that all waste is lawfully disposed of in an environmentally appropriate manner. Regulatory Control: 1. Evidence of a record of decision and/or a positive environmental impact license was issued to the contract holder prior to commencement of operations. 2. The EPA monitors compliance with the conditions of, and/or mitigation measures identified. 3. The EPA conducts regular and/or periodic audits with the projects that may have a detrimental impact or affect. 4. EPA may institute enforcement action in the event of non-compliance.	Description: The LVD must consult with, and verify with the FDA Commercial Department and Law Enforcement Division. In addition the EPA Monitoring Department as well as the EPA Outstation & Inspectorate Department must be consulted. Additional information could be obtained from the contract or permit holder and timber processors directly. Verification means: 1. Consultation with EPA 2. Document review 3. Field inspection	Annually
References: EPML (24-27), EPAA		
Indicator 5.4 Contract holder has maintained a buffer between its harvesting operations and water courses, and has specifically not felled trees that could threaten the flow or stability of the water course(s)		
Verifier	Contract or Permit Type	
5.4.1 EPA inspection report	All contract and permit types	
5.4.2 FDA Annual Compliance Audit Report	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.5.4)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that the permit holder is in compliance with the relevant requirements relating to water management and the prevention of pollution of water resources. Regulatory Control: The objective is to ensure overall compliance in respect of water resource management. In this regard, the Code of Harvesting Practices (2007) prohibits logging in protected areas and water courses. It requires that adequate buffer strips be maintained between harvesting areas and water courses. In respect of measuring compliance, both the EPA and FDA are tasked with routine inspections and compliance audits which the LVD will review to determine compliance of the contract or permit holder.	Description: The LVD must consult, and verify with the FDA Commercial Department and Law Enforcement Unit. In addition the EPA Monitoring Department as well as the Outstation & Inspectorate Department must be consulted. Additional information can be obtained from the Contract Holder and/or timber processor directly. Verification means: 1. Consultation with FDA and EPA 2. Document review 3. Field inspections	Annually

Verification Guidance/ Procedure (LAS-LVD-0.5.4)	Verification Method	Verification Frequency
References: EPML (parts IV & V), Code of Harvesting Practices (3.1; 3.2; 4 et al)		

Indicator 5.5 The Contract or permit holder has in place procedures (i) to ensure compliance with rules regarding wildlife conservation, and (ii) to avoid harvest or trade in endangered or threatened plants and animals species

Verifier	Contract or Permit Type
5.5.1 EPA inspection report	All contract and permit types
5.5.2 FDA Annual Compliance Audit Report	All contract and permit types

Verification Guidance/ Procedure (LAS-LVD-0.5.5)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that the contract or permit holder is in compliance with the provisions of Sections 9.11(v) which requires 'hunting and wildlife trading certificates and licenses' and the provisions of 9.12(i) of the NFRL which prohibit hunting, capturing or trading in endangered species. Regulatory Control: The objective is to ensure compliance with the requirements of Section 9.11 of the NFRL regarding conserving, managing and controlling the use of wildlife as well as the prohibition of Section 9.12 that no person shall capture, harvest or trade any species that the FDA has designated as threatened or endangered. In respect of measuring compliance, both the EPA and FDA are tasked with routine inspections and compliance audits to verify adequate procedures are in place and there is no evidence of illegal harvest or trade.	Description: The LVD must consult, and verify with the FDA Commercial Department and Law Enforcement Division. In addition the EPA Monitoring Department as well as the EPA Outstation & Inspectorate Department must be consulted. Verification means: 1. Consultation with EPA and FDA 2. Document review 3. Field inspections	Annually
References: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), Code of Harvesting Practices (3.1;3.2 et al)		

PRINCIPLE 6: TIMBER TRANSPORTATION AND TRACEABILITY

The Contract or permit holder or timber processor meets all of its obligations required by law for the transportation and traceability of timber and/or timber products

Indicator 6.1 Transportation of logs, timber and other timber products is accompanied by a waybill identifying chain of custody numbers/references and a named destination

Verifier	Contract or Permit Type
6.1.1 Completed Waybill indicating place of harvest, chain of custody ID numbers, date and place logs were loaded, and destination.	All contract and permit types
6.1.2 Completed Waybill for imported logs or timber product indicating country of harvest, chain of custody ID numbers, date and place logs were loaded, and destination	Imported timber permit

Verification Guidance/ Procedure (LAS-LVD-0.6.1)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to ensure that a contract holder or processor is in compliance with the relevant statutory requirements pertaining to the transport of logs, timber and timber products. Regulatory Control: The transport of logs, timber and timber products to either a processing facility or port is subject to the completion of a waybill that must accompany the load. Transporters must possess valid transporter registration issued by the FDA. Detailed procedures will be developed during first two years of VPA implementation to guide incorporation of imported timber into the COCS.	Description: The LVD must confirm that the requirements relating to transport of timber products have been met through confirmation of control in the Chain of Custody Information System (COCIS) (linking waybill and bar codes). Verification means: 1. Confirmation with COCIS 2. Field inspection	Per Shipment or load

References: COCS SOP (13-17, 19 & 20)

Indicator 6.2 All logs are properly marked and entered in the chain of custody system in accordance with standard operating procedures of the FDA

Verifier	Contract or Permit Type
6.2.1 Log data form (SOP 13)	All contract and permit types
6.2.2 Log data verification form (SOP 14)	All contract and permit types
6.2.3 Waybill for transportation of logs and timber products (SOP 16)	All contract and permit types

Verification Guidance/ Procedure (LAS-LVD-0.6.2)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that a contract or permit holder is in compliance with the relevant COCS requirements and that all logs are integrated into the COCS. Regulatory Control: As part of the COCS and in line with the Ten Core Regulations, various standard operational procedures and operational control documents have been developed that are checked by the COCS/FDA.	Description: The LVD verifies that the Contract or permit holder has complied with COCS requirements by consulting with FDA and reviewing the log data in the COCIS. Verification means: 1. Consultation with FDA Commercial Department 2. Confirmation in COCIS	Per shipment or load

References: COCS SOP (13-17, 19 and 20)

Indicator 6.3 All logs, timber and timber products harvested or transported by the contract or permit holder originate from the concession area of the contract or permit holder		
Verifier	Contract or Permit Type	
6.3.1 Log data form (SOP 13)	All contract and permit types	
6.3.2 Standard form 14 (verification of cross cutting, dressing, and invoicing for Stumpage)	All contract and permit types	
6.3.3 Annual compliance audit of FDA	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.6.3)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that every contract or permit holder only harvest and transport timber or timber products from its approved contract/license area. Regulatory Control: The FDA Ten Core Regulations requires that all timber or timber products are harvested from a licensed forest area and in compliance with the said license.	Description: The LVD verifies this requirement by obtaining confirmation from review of the relevant standard forms and the FDA Compliance Audit Report. Verification means: 1. Consultation with FDA Commercial Department 2. Field inspections	Per shipment or load
References: COCS SOP (13-15)		
Indicator 6.4 All logs, timber, or timber products imported (not in transit) into Liberia have complied with applicable legislation and regulations of the country of harvest		
Verifier	Contract or Permit Type	
6.4.1 Evidence of legal compliance with laws of country of harvest	Imported timber permit	
Verification Guidance/ Procedure (LAS-LVD-0.6.4)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that logs and timber products imported into Liberia come from legal sources and are also custom cleared in accordance with Liberian legislation. Regulatory Control: The key requirement of Liberian law is that all timber harvested or imported into the country comes from a legal source. The legality of timber in the country of harvest can be demonstrated by a certificate issued under a sustainable forest management certification scheme or legality verification scheme that have been assessed and approved by the Government of Liberia in consultation with concerned governments. Imported timber controlled by a LAS of another VPA country that has an operational FLEGT licensing scheme will be considered legal in the Liberian LAS.	Description: The LVD must verify that timber imported into Liberia is legal under the laws of the country of harvest. In this regard, verification requires review of the document showing legality of the timber in the country of harvest. Verification means: 1. Consultation with COCS and FDA Commercial Department 2. Document review	Per import consignment
References: Regulation 108-07 (44(d))		

Indicator 6.5 All logs or timber products in transit are (i) physically segregated from domestic or imported timber, and (ii) custom-controlled at all times while in Liberia

Verifier	Contract or Permit Type	
6.5.1. Customs documents from country of harvest.	Timber in transit	
6.5.2. Completed waybill indicating country of harvest and country of export	Timber in transit	
Verification Guidance/ Procedure (LAS-LVD-0.6.5)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that logs and timber products in transit through Liberia are not integrated in the chain of custody system or mixed with domestically harvested or imported timber. Regulatory Control: A key regulatory requirement, which is also a cornerstone of the LAS is that timber in transit are not integrated in the COCS and that at the point of export it will not be subject to issuance of a Liberian FLEGT License. It is required that the country of harvest is clearly articulated in the bill of lading, customs documents and other transport documents.	Description: The LVD must verify that timber products in transit are or were at all times physically segregated from imported and domestic log and timber products and under control of the Bureau of Customs. Verification means: 1. Consultation with MOF, Customs Bureau	Per unit of transport
References: Regulation 108-07 (44(a)-(c))		

Indicator 6.6 The FDA has complied with legal requirements for (i) seizure and or (ii) auctioning of abandoned logs wherever found

Verifier	Contract or Permit Type	
6.6.1 FDA petition to Court of competent jurisdiction for seizure and Court decree authorizing seizure	FMC, TSC and FUP	
6.6.2 FDA Petition to Court of competent jurisdiction for auction and Court Decree of Auction	FMC, TSC, and FUP	
6.6.3 Auction certificate	FMC, TSC, and FUP	
6.6.4 Letter or statement verifying winning bidder.	FMC, TSC, and FUP	
6.6.5 Registration of abandoned logs (SOP 37).	FMC, TSC, and FUP	
Verification Guidance/ Procedure (LAS-LVD-0.6.6)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that any abandoned log and timber products found are seized and auctioned in keeping with procedures established by law. The lawful seizure and auctioning of abandoned logs re-establishes their legality.	Description: The LVD must verify that the above requirements were met through consultation with and verification of relevant documents with the FDA Commercial Department.	Every time abandoned logs are entered into the COCS

Verification Guidance/ Procedure (LAS-LVD-0.6.6)	Verification Method	Verification Frequency
Regulatory Control: Upon discovery of abandoned logs the FDA shall petition a court in the specific county where the logs were found for authorization to seize and auction the logs. If the Court is satisfied that there is adequate legal reason to grant the petition, it will authorize the seizure and consequent auction which will all be carried out under its supervision.	Verification means: 1. Consultation with FDA Commercial Department 2. Document review	
References: Regulation 108-07(51(d)&(e))		

PRINCIPLE 7: TRANSFORMATION AND TIMBER PROCESSING

Timber processors have complied with the relevant Liberian laws and regulation

Indicator 7.1 A timber processor has applied for and obtained required sawmill permit (either Class A, B, or C operator permit) following payment of required fees and prior to commencement of its operations

Verifier	Contract or Permit Type	
7.1.1 Processor's application for sawmill permit	Sawmill permit	
7.1.2 Payment of initial annual sawmill registration fees that predates sawmill permit	Sawmill permit	
7.1.3 Environmental plan approved by the EPA	Sawmill permit	
7.1.4 Sawmill permit issued by FDA to the operator	Sawmill permit	
Verification Guidance/ Procedure (LAS-LVD-0.7.1)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the timber processor has obtained the required permit prior to commencement of operations. Regulatory Control: Timber processors are required to obtain a sawmill permit prior to commencement of operations. Applications for permits are submitted to the FDA and if requirements fulfilled, the FDA will issue the relevant permits (Class A, B, or C). In addition, the EPA must approve an environmental plan for sawmill operations.	Description: The LVD must verify that every timber processor has a saw mill permit. The verification will be through consultation with FDA Commercial Department. Verification means: 1. Consultation with FDA Commercial Department 2. Document review 3. Field inspection	Annually
References: Regulation 107-07 (46); COCS SOP (26)		

Indicator 7.2 All logs harvested in Liberia and logs imported from 3rd countries for processing are accompanied by their chain of custody ID numbers

Verifier	Contract or Permit Type
7.2.1 Bar code issue report SOP 7	All contract and permit types, including imported log and timber products
7.2.2 Verification of transported logs and wood products (SOP 17)	All contract and permit types, including imported log and timber products

Verifier	Contract or Permit Type	
7.2.3 Sawn wood registration report (SOP 15)	All contract and permit types, including imported log and timber products	
Verification Guidance/ Procedure (LAS-LVD-0.7.2)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that all logs entering processing facilities are well documented and the legal origin verified. Regulatory Control: It is a key requirement of Liberian law that all processing facilities have effective control systems in place and only source legally harvested logs that are in the COCS.	Description: The LVD must verify that all logs entering processing facilities are entered into the COCS. If further clarification is required, the FDA Commercial Department may be consulted. Verification means: 1. Consultation with FDA Commercial Department and COCS 2. Confirmation in COCIS 3. Field inspection	Per shipment or load
References: COCS SOP (15, 19 & 20)		
Indicator 7.3 The timber processor has in place a system of recording timber products through the mill or processing activity to ensure their traceability		
Verifier	Contract or Permit Type	
7.3.1 Logging verification report	Sawmill permit	
7.3.2 Production report	Sawmill permit	
7.3.3 Sawmill log input form and sawmill output form (SOPs 31 and 32)	Sawmill permit	
Verification Guidance/ Procedure (LAS-LVD-0.7.3)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to ensure that traceability is maintained through processing that will verify that timber products originating from a processing facility can be linked to a source of verifiable legal origin. Regulatory Control: The FDA requires adequate measures are in place to ensure that products are duly entered into the COCS and can be traced through the processing chain.	Description: The LVD must verify that the requirements were met through confirmation of effective COCS in the processing facility. If further clarification is required, the FDA Commercial Department may be consulted. Verification means: 1. Field inspections 2. Consultation with FDA Commercial Department	Per shipment or load
References: NFRL 13.5; COCS SOP (15)		

PRINCIPLE 8: WORKERS RIGHTS, HEALTH SAFETY AND WELFARE

The contract/ permit holder or timber processor meets its obligation under the Labour Law and any collective bargaining agreements of the timber industry

Indicator 8.1 Liberian nationals are given preference by contract/permit holders and timber processors in the employment of skilled and unskilled workers in keeping with Liberian Labour Law

Verifier	Contract or Permit Type	
8.1.1 Employment records or quarterly reports submitted evidencing local employment and preference to Liberian workers	All contract and permit types	
8.1.2 Quarterly report submitted by contract holder or timber processor to the Ministry of Labour	All contract and permit types	
8.1.3 Employment records, including register or employees along with their nationalities	All contract and permit types	
8.1.4 Attestation of compliance issued by the Ministry of Labour in favour of contract holder or timber processor	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.8.1)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify that persons hired by the contract holder and/ or timber processor have been employed following Legislative requirements. Regulatory Control: All aspects of employment are regulated by the Liberian Labour Law (LLL). These laws require that only Liberian nationals are preferred in all employment decisions, and that a non Liberian may be hired only if it is demonstrated that no Liberian national is competent and available to fill a post requiring specialized skills. Labour agents and/or inspectors monitor implement and evaluate compliance with the legislative requirements relating to hiring of employees, conditions of work, etc.	Description: The purpose of this indicator is not to evaluate specific aspects of employment (which are dealt with elsewhere), but to verify overall compliance with the law on preferred employment of Liberians. The LVD needs to crosscheck and/or verify the compliance with MOL Employment Section and also Labour Inspectorate Section. Verification means: 1. Consultation with the MOL 2. Document review	Per shipment
References: LLL (54 to 60,75, 1503) Code of Harvesting Practices (12.2)		

Indicator 8.2 The contract/permit holder or timber processor pays to all its employees no less than the minimum wage established by law

Verifier	Contract or Permit Type
8.2.1 Published minimum wage	All contract and permit types
8.2.2 Payroll	All contract and permit types
8.2.3 Annual inspection reports and/or letter of compliance	All contract and permit types
8.2.4 Workers payslips	All contract and permit types

Verification Guidance/ Procedure (LAS-LVD-0.8.2)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify whether employees receive fair wages as provided for by the Law. Regulatory Control: All employees are entitled to receive adequate wage which must not be below the minimum prescribed wage. In addition to this duty placed on employers, Labour inspectors will also investigate compliance. Moreover, employees should be aware of this requirement. The Minimum wage is set from time to time by a minimum wage Board and duly communicated upon establishment.	Description: The LVD needs to crosscheck and/or verify that fair wages are paid by liaising with the MOL Labour Inspectorate Section. Verification means: 1. Consultation with MOL 2. Document review	Per shipment
References: LLL(500-513) Code of Harvesting Practices (12.2)		
Indicator 8.3 The contractor/permit holder or timber processor complies with the maximum hours of work, leave and rest periods laid out in law		
Verifier	Contract or Permit Type	
8.3.1 Working hour schedule	All contract and permit types	
8.3.2 Leave records	All contract and permit types	
8.3.3 Payment of overtime	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.8.3)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify whether employees' working hours comply with the provisions of LLL. Regulatory Control: The Law provides for the maximum working hours per day (8 hours) or per week (48 hours). Certain variations are in respect of certain activities and also seasonal work. In addition to the maximum prescribed hours, LLL provides for overtime of 50 % above normal rate where such hours are exceeded. LLL also provides for an hour rest where five hours are exceeded, which hour is included in the working hours. Moreover, specific leave requirements are provided for.	Description: The LVD needs to crosscheck and/or verify that prescribed working hours are complied with by liaising with the MOL Labour Inspectorate Section. Verification means: 1. Consultation with MOL 2. Document review 3. Field inspection	Annually
References: LLL (700-706,906)		
Indicator 8.4 The contract/permit holder or timber processor has neither employed anyone under the age of sixteen nor engaged in the practice of forced labour		
Verifier	Contract or Permit Type	
8.4.1 Quarterly reports submitted to Ministry of Labour	All contract and permit types	
8.4.2 Ministry of Labour inspection report	All contract and permit types	

Verification Guidance/ Procedure (LAS-LVD-0.8.4)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify whether the minimum age of employment (and prohibition on forced labour) is complied with. Regulatory Control: Section 74 of the Labour law says that it 'shall be unlawful for any person to employ or hire any child under the age of sixteen during the hours when he is required to attend school'. The Constitution of Liberia and the LLL also prohibit forced labour.	Description: The LVD needs to crosscheck and/or verify that the minimum age is respected by liaising with the MOL Labour Inspectorate Section. Verification means: 1. Consultation with the Ministry of Labour 2. Document review 3. Field inspection	Annually
References: LLL (74)		
Indicator 8.5 The contract/permit holder or processor pays its (employer's) contributions to the employee pension and social security funds established by Liberian Law		
Verifier	Contract or Permit Type	
8.5.1 Quarterly report submitted to Ministry of Labour	All contract and permit types	
8.5.2 Ministry of Labour inspection reports	All contract and permit types	
8.5.3 Attestation from National Social Security & Welfare Corporation (NSSWC)	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.8.5)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify whether employers meet their obligations in respect of retirement pension and social security pension. Regulatory Control: LLL and the National Social Security Law (NSSL) place an obligation on employers to contribute to two schemes established and operated by the National Social Security and Welfare Corporation of Liberia for purpose of protecting employees. The first scheme is the Retirement Pension Scheme while the second is an insurance scheme. Every employer having five or more employees must contribute to these schemes; the social security scheme is to provide for pension payments for employees who have retired while the insurance scheme is to address matter of occupational injuries.	Description: The LVD needs to crosscheck and/or verify that there has been compliance with the above verifiers through consultation with the MOL Labour Inspectorate Section as well as the NSSWC. Verification means: 1. Consultation with MOL and NSSWC 2. Document review	Annually
References: LLL (2500 to 2501) NSSL (89.9)		
Indicator 8.6 The contract/permit holder or timber processor has observed legal requirements concerning housing and sanitation as well as operational hygiene and general workers safety pursuant to the code of harvesting practices and guidelines issued by the FDA		
Verifier	Contract or Permit Type	
8.6.1 FDA Compliance Audit Report	All contract and permit types	

Verification Guidance/ Procedure (LAS-LVD-0.8.6)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to ensure that a contract holder or company applying for FLEGT licensing complies with the relevant statutory and FDA requirements in respect of workers health and safety. Regulatory Control: The Code of Forest Harvesting Practices (2007) was developed by the FDA to regulate, inter alia, operational hygiene and workers safety. The code outlines operational requirements. Annual audits are conducted by the FDA to monitor, assess and ensure compliance with the conditions of the various forest contracts and permits.	Description: The LVD must verify that workers health, sanitation and shelter are properly addressed by the contract holder. This is to be done through consultation with the FDA and a review of the Compliance Audit Reports by the FDA Law Enforcement Unit. Verification means: 1. Consultation with FDA 2. Document review	Annually
Reference: Code of Harvesting Practices (3.0 and 4.0)		
PRINCIPLE 9: TAXES, FEES AND OTHER PAYMENTS		
The contract holder or timber processor is current in its compliance with all fiscal obligations including payment of taxes and fees		
Indicator 9.1 The contract/permit holder or timber processor has settled all tax arrears prior to the signing of the contract or the issuance/renewal of the saw mill permit		
Verifier	Contract or Permit Type	
9.1.1 Tax clearance by the Ministry of Finance evidencing settlement of all tax arrears at the time of signing of the contract or the issuance/renewal of saw mill or timber processor permit	All contract and permit types	
9.1.2 Report of any authorized representative of FDA	All contract and permit types except agricultural concessions/plantations	
Verification Guidance/ Procedure (LAS-LVD-0.9.1):	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the contract holder or timber processor has cleared all tax arrears prior to signing contract. Regulatory Control: The law requires that a bidder or contract holder has met all fiscal obligations prior to commencement of operations.	Description: The LVD must verify that the above requirements were met through consultation with the FDA Commercial and Finance Departments and verification of valid tax clearance. Verification means: 1. Consultation with FDA Commercial and Finance Departments 2. Document review	Once during the effective period of the contract or permit type
References: Regulation 107-07		

Indicator 9.2 The contract/permit holder or timber processor has paid the initial annual area fee (in case of contract holder) or annual registration fee (in case of timber processor) prior to the signing of the contract or the issuance/renewal of the permit

Verifier	Contract or Permit Type	
9.2.1 Receipt of payment for area fee by any authorized representative of FDA	FMC, TSC	
9.2.2 Receipt of bid premium payment	FMC, TSC, FUP having value of more than US \$ 10 000	
9.2.3 Receipt of annual registration fee payment	Timber processors, chain saw operators	
9.2.4 Copy of manager's check	FMC, TSC, FUP, chain saw operators, timber processors	
Verification Guidance/ Procedure (LAS-LVD-0.9.2)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that the contract/permit holder has paid the annual area fee and that the timber processor has paid their annual registration fee. Regulatory Control: The FDA or an authorized representative of FDA has, as part of the COCS, provided for mechanisms to ensure the implementation and payment of all forest related taxes and fees.	Description: The LVD must verify that the above requirements were met through confirmation with an authorized representative of FDA. Verification means: 1. Document review 2. Consultation with COCS and FDA Commercial Department	Annually
References: COCS SOP (9)		

Indicator 9.3 The contract or permit holder has been cleared by the Ministry of Finance upon paying all taxes and fees required of it by law and in keeping with the terms of its contract

Verifier	Contract or Permit Type
9.3.1 Tax clearance from the Ministry of Finance	All contract and permit types
9.3.2 Receipt of stumpage fees	All contract and permit types
9.3.3 Receipts of payment of contract administrative fees	All contract and permit types except agricultural concession/plantations
9.3.4 Receipts of payments of annual coupe inspection fees	All contract and permit types except agricultural concession/plantations
9.3.5 Receipts of payment of waybill fees	All contract and permit types
9.3.6 Proof of payment of chain of custody fees	All contract and permit types

Verification Guidance/ Procedure (LAS-LVD-0.9.3)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that all relevant forest taxes are paid. Regulatory Control: Section 2108 of Phase One of the Reform Tax Code, as amended, and Section 14.2 of the NFRL, as well as Regulations 107-07 of the FDA established stumpage fees, land rental fees and forest product fees as some of the fees that contract holders are required to pay in addition to corporate income tax and other duties. Regulation 107-07 requires that all taxes and fees be paid on their due date, and that failure to pay such fees on their due date shall attract penalties after a thirty-day grace period.	Description: The LVD must verify that the above requirements were met through confirmation in COCIS. In the event that clarification is required, the LVD may check with the Registration Return Services Division at the Ministry of Finance. Verification means: 1. Confirmation in COCIS 2. Consultation with MOF	Annually
References: Regulation 107-07 61-63; COCS SOP (9)		

Indicator 9.4 Contract/permit holder or timber processor has filed its annual tax return with the Ministry of Finance no later than March 31st of each year

Verifier	Contract or Permit Type	
9.4.1 Tax return	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.9.5)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that a contract or permit holder or timber processor has filed its annual tax return as specified by law. Regulatory Control: The law requires that companies file annual tax returns between 31 December and 31 March of the following year.	Description: The LVD must verify that the requirements were met by consulting with the Registration Return Service Section within the Large Income Tax Division (Ministry of Finance) to ensure that the return was filed. Verification means: 1. Consultation with MOF 2. Document review	Annually
References: Revenue Code of Liberia 109(c)(d)(e)		

PRINCIPLE 10: EXPORT, PROCESSING AND TRADE REQUIREMENTS

All contract and permit holders as well as timber processors have complied with export, processing and trade requirements

Indicator 10.1 Any person exporting logs, timber and/or timber products is duly registered with the FDA annually

Verifier	Contract or Permit Type
10.1.1 Valid Exporter Registration	All exporters of logs, timber and timber products

Verification Guidance/ Procedure (LAS-LVD-0.10.1)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that exporters have complied with the statutory requirements/registration for exporting logs, timber and/or timber products. Regulatory Control: Section 41 of Regulations 108-07 provides that before 'exporting logs, timber, or wood products, a person shall register with the Authority as an exporter and renew the registration annually'.	Description: The LVD must verify annually with the FDA Commercial Department that a particular company and/or permit holder is registered as an exporter. Verification means: 1. Consultation with the FDA Commercial Department 2. Document review	Annually
References: Regulation 108-07 (41)		
Indicator 10.2 All shipments of logs, timber, or timber products loaded for export have been entered into the chain of custody system		
Verifier	Contract or Permit Type	
10.2.1 Application for a FLEGT license	All exported logs and timber products	
10.2.2 Export shipment specification log (SOP 20)	All exported logs and timber products	
10.2.3 Export specification-sawn timber (SOP 21)	All exported sawn timber	
10.2.4 Log export volume report	All exported logs and timber products	
10.2.5 Proof of payment of export fees (SOP 26)	All exported logs and timber products	
Verification Guidance/ Procedure (LAS-LVD-0.10.3)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that all export shipments have been included in the COCS. Regulatory Control: Section 42 of Regulation 108-07 provides that Government officials in charge of ports and customs shall not allow bulk shipments of logs, timber, or timber Products to be loaded on vehicles, vessels, or aircraft for export unless the officials verify all of the following: 1. All logs, timber and timber products have been entered into the COCS; and 2. The COCS/ COCIS confirm that logs (or timber products) have not already been exported.	Description: The LVD must verify through inspection of each consignment. Verification means: 1. Confirmation in the COCIS	Per shipment
References: Regulation 108-07 (42); COCS SOP (20-21)		

Indicator 10.3 Any load of logs, timber, or timber products has been priced according to current market information gathered, sorted and maintained by the LVD		
Verifier	Contract or Permit Type	
10.3.1 Reference price as found in market intelligence data base (MIDB) maintained by LVD	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.10.3)	Verification Method	Verification Frequency
Objective: The aim of this procedure is to verify that all export shipments have been priced according to the relevant and/or accepted market prices. Regulatory Control: Regulation 108-07 of the FDA requires that no under-priced timber or timber products will be loaded for export.	Description: The LVD must verify through confirmation with LVD databases that none of the contract and/or reference prices of a particular shipment were indicative of under-pricing. If clarification is needed, the Ministry of Commerce can also be consulted. Verification means: 1. Confirmation in LVD database 2. Consultation with Ministry of Commerce	Per load or shipment
References: Regulation 108-07 (43); COCS SOP (18 &21)		
PRINCIPLE 11: TRANSPARENCY AND GENERAL DISCLOSURE		
Indicator 11.1: The contract or permit holder has published bi-annually in a newspaper of general circulation, a list of the amounts and dates of all payments and considerations provided the Government of Liberia in respect of specified contract area		
Verifier	Contract or Permit Type	
11.1.1 Copy of newspaper containing the publication	FMC, TSC, PUP, FUP and Chain Saw Permit	
Verification Guidance/ Procedure (LAS-LVD-0.11.1)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify that holders of forest licenses publish the required data in a newspaper circular as a mechanism of transparency and accountability. Regulatory Control: The NFRL requires holders to biannually (no later than 15 March and 15 September) publish notices containing the following information in a newspaper in circulation in Monrovia: 1. The name of the contract holder 2. Description of area covered by logging operations of the contract holder 3. List of payments and other considerations provided to government by the contract holder.	Description: The LVD needs to crosscheck and/or verify that the publication of the aforesaid information took place and that the notices contained the required information with the FDA Commercial Department. Verification means: 1. Document review 2. Consultation with FDA Commercial Department	Semi-annually
References: NFRL (5.8)		

Indicator 11.2 The contract or permit holder is currently participating in the Liberia Extractive Industries Transparency Initiative (LEITI)		
Verifier	Contract or Permit Type	
11.2.1 LEITI Report	All contract and permit types	
11.2.2 LEITI Attestation	All contract and permit types	
Verification Guidance/ Procedure (LAS-LVD-0.11.2)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify whether a contract or permit holder is compliant with LEITI. LEITI which includes forest resources aims to ensure transparent and accountable resource governance. Regulatory Control: LEITI publishes and/or disseminates widely the details of all payments made by inter alia the forestry sector to the Government, and the corresponding revenues received by the Government.	Description: The LVD needs to crosscheck and/or verify the publication of the LEITI report with the FDA Commercial Department. Verification means: 1. Consultation with LEITI and FDA Commercial Department 2. Document review	Annually
References: LEITI Act (4.1 & 5.4)		
Indicator 11.3 Copies of the contract, license, permits, records of payments made to Government as well as the bid evaluation report of its successful bid are made publicly accessible by FDA in keeping with the Freedom of Information Act of Liberia		
Verifier	Contract or Permit Type	
11.3.1 FDA publication scheme listing the contracts and other documents of contract or permit holders it holds and are available for public access	All contract and permit types	
11.3.2 Evidence of the publication of the contract holder's contract on the LEITI website	All contract and permit types	
Verification Guidance/Procedure (LAS-LVD-0.11.3)	Verification Method	Verification Frequency
Objective: The objective of this procedure is to verify whether the contract or license of the contract or permit holder as well as other documents pertaining to the concession of the contract holder are published or publicly available in keeping with the LEITI Act and the Freedom of Information Act. Regulatory Control: LEITI requires publications of all concessions in the forestry sector. The Freedom of Information Act requires publication and or public accessibility of all documents affecting public interest. Because the concession and the underlying document submitted for the concession implicate public interest, the objective is to ensure their availability to the public especially civil society.	Description: The LVD needs to crosscheck and/or verify the Publication Scheme with the FDA Commercial Department and check the LEITI website for publication of the contract. Verification means: 1. Consultation with LEITI and FDA Commercial Department	Annually
References: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)		
(1) Cycle: 5 years for FMC & FUP; 3 years for TSC.		

LIST OF ACRONYMS

AHC	Annual Harvesting Certificate
BOT	Build, Operate, Transfer contract type
CEO	Chief Executive Officer
CFDC	Community Forestry Development Committee
CNDRA	Center for National Records and Documentation
COCIS	Chain of Custody Information System
COCS	Chain of Custody System
CSO	Civil Society Organisation
EIA	Environmental Impact Assessment
EI	Environmental Impact License
EIP	Environmental Impact Permit
EPA	Environmental Protection Agency
EPAA	Environmental Protection Agency Act
EPML	Environmental Protection and Management Law
FDA	Forestry Development Authority
FMC	Forest Management Contract
FUP	Forest Use Permit
GBL	General Business Law
GSOP	General Standard Operating Procedure
IMCC	Inter-Ministerial Committee on Concessions
LAS	Legality Assurance System
LEITI	Liberia Extractive Industries Transparency Initiative
LLD	Liberia Licensing Department
LLL	Liberian Labour Law
LVD	Liberia Verification Department, FDA
MIDB	Market Intelligence Data Base
MOCI	Ministry of Commerce and Industry
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOL	Ministry of Labour
MPEA	Ministry of Planning & Economic Affairs
NFRL	National Forestry Reform Law
NSSL	National Social Security Law
NSSWC	National Social Security & Welfare Corporation
PDA	Personal Digital Assistant
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
PUP	Private Use Permit
SOP	Standard Operating Procedure
TSC	Timber Sale Contract
UTM	Universal Transverse Mercator
WTS	Wood Tracking System

LEGISLATION REFERENCED IN LIBERIAN LEGALITY DEFINITION

Referenced in the legality definition:

Environmental Protection and Management Law (2002)

Environmental Protection Agency Act (2002)

FDA Code of Forest Harvesting Practices (2007)

FDA Regulation 111-10

FDA Ten Core Regulations (2007) (Regulations 101-07 to 110-07)

Freedom of Information Act (2010)

General Business Law

LEITI Act (2009)

Liberia COC Standard Operating Procedures

Liberia Labour Law

National Forestry Reform Law (2006)

National Social Security Law

Public Procurement and Concessions Commission Act (2005)

Revenue Code of Liberia, as Amended (2009)

Additional Relevant Documents:

Community Rights Law (2009)

Liberia Forest Policy (2007)

National Forest Management Strategy

Protected Forest Areas Network Law (2003)

OVERVIEW OF THE CHAIN OF CUSTODY SYSTEM (COCS)

Stage	Responsibilities of operators			Verification by the FDA		
	Activities	Data entered in COCIS	Key outputs	Assessments and field inspections	Data validation within COCIS ⁽¹⁾	Reconciliation between and/or within stages of the supply chain ⁽²⁾
Pre-harvest	Registration of contract holder's business unit in COCIS Delineation and block cutting (GPS located grid system) of contract areas allocated by the FDA Enumeration of all trees of commercial size and affixing of COCIS barcode tags on trees Forest mapping: Location of tree and natural features	Contract holder TIN (Registration number issued by Ministry of Commerce) Coordinates of blocks Stock survey data, including tree ID, tree species, diameter at breast height, height and location in the block of 2 500 m²	Block maps Sketch maps Stock survey results and request for crop trees Annual operational plan	Office: — Block maps/ compartment maps, — Stock survey forms, — Sketch maps, — Validation of tree requested for harvesting. Field: — 5 % of block area: tree location, diameter, height species. — Coordinates of block corners	ID numbers of trees, tree species, diameter at breast height, height and location Use of barcode tags	
Harvesting	Felling of trees, production of tree lengths or logs Affixing of COCIS barcode tags to logs and stumps Measurement of tree lengths or logs Hauling to forest log yard (at roadside) Identifying proposed road alignment and inventory of trees on proposed route	Contract holder TIN Tree data: ID number, species, diameters and length Stump ID numbers	Tree data forms Road alignment forms	Felling site: — 5 % verification of tree data — sample checking that tree data are consistent between the log, stump and felled tree	Tree data (while standing): ID number, species, diameters and estimated length Felled tree location, species and log dimensions;	Between stock survey and tree data forms ⁽³⁾: — comparing number of crop trees and number of trees actually harvested by species — comparing volume of crop trees and volume of tree lengths (or logs) by species ID link between stump, tree and tree length/log

Stage	Responsibilities of operators			Verification by the FDA		
	Activities	Data entered in COCIS	Key outputs	Assessments and field inspections	Data validation within COCIS ⁽¹⁾	Reconciliation between and/or within stages of the supply chain ⁽²⁾
Forest log yard/any other log yard	Cross-cutting or dressing of tree lengths or logs Affixing of COCIS barcode tags to cross-cut or dressed logs Scaling of logs	Contract holder TIN Log data: ID number, species, diameters, length, volume and quality of log Link between tree lengths or long log and cross-cut or dressed logs	Log data form	At log landing: — Sample verification of Log Data (Sample intensity based on the performance of the company)	Log data: ID number, species, diameters, length and volume of log	Between tree data forms and log data forms: — comparing number of tree lengths/logs and crosscut and dressed logs by species — comparing volume of tree lengths/each log — comparing tree lengths/each log for consistency of diameter and species ID link between stump, tree, tree length/log and crosscut or dressed logs Harvested volume and paid stumpage fee
Ownership transfer	Request from owner of the logs for change of ownership Registration of timber product ID numbers by the new owner	ID numbers of previous and current owners Timber product ID numbers subject to change of ownership	Declaration on change of ownership			Consistency of the log ID numbers and log data between the previous and current owner
Transport	Loading of logs onto truck Transport of logs Unloading of logs	Unique waybill ID Origin and destination Log owner Transporter List of logs transported, including ID number, species, dimensions, and volume	Waybills (origin and destination)	Random waybill inspections along the transport route (e.g. in the log yard, or at roadside checkpoints)		Between log data form and waybill — comparing log ID numbers — comparing number of logs by species — comparing volume of logs by species

Stage	Responsibilities of operators			Verification by the FDA		
	Activities	Data entered in COCIS	Key outputs	Assessments and field inspections	Data validation within COCIS ⁽¹⁾	Reconciliation between and/or within stages of the supply chain ⁽²⁾
Processing site	Reception of logs or other timber products (raw materials) Storing of raw materials Dressing of logs and affixing of new barcode tags Feeding of raw materials into processing Handling of processed goods, including affixing of COCIS barcode tag to product batches Storing of processed goods	Data on raw material received and stored at mill site: ID number, species, dimensions, volume Input product data: ID number, species, dimensions, volume Date Output product data: Batch ID number, species, dimension and volume (quantity) Data on processed products stored at mill site: Batch ID number, species, dimensions, volume and grade	Sawmill entry form Raw material inventory bookkeeping Production form specifying inputs and outputs by production lines Warehouse bookkeeping	Monitoring of sample production batches Random audits of mill operations and bookkeeping systems	Recovery rates/yields of processing lines	Between sawmill entry form, raw material inventory bookkeeping and production form — comparing raw material ID numbers — comparing number of raw materials by species — comparing volume of raw materials by species Between inputs and outputs declared in the production form Between production form and warehouse bookkeeping — comparing ID numbers — comparing number of products by species — comparing volume of products by species
Transport	Loading of bundled processed products onto truck Transport of the bundles Unloading of the bundles	Unique waybill ID Origin and destination Log owner Transporter Data on processed products stored at mill site: Batch ID number, species, dimensions, volume	Waybills	Random waybill inspections along the transport route (e.g. roadside checkpoints)		Between warehouse bookkeeping and waybills — comparing bundle ID numbers — comparing number of products by species — comparing volume of products by species Between waybill origin copies and destination copies Between previous control points earlier along the chain

Stage	Responsibilities of operators			Verification by the FDA		
	Activities	Data entered in COCIS	Key outputs	Assessments and field inspections	Data validation within COCIS ⁽¹⁾	Reconciliation between and/or within stages of the supply chain ⁽²⁾
Pre-export	Grading Trimming and marking Tax payment Customs declaration Commerce declaration Phytosanitary treatment	Product IDs Product specifications: type, species, and dimension Sales contract information: buyer, and prices	FLEGT License application Products specifications Sales contract	At point of export: Sample inspection of products for exports (Verification of specification data)	Number, volume and grades	Between waybills and FLEGT License — comparing bundle ID numbers — comparing number of products by species — comparing volume of products by species
Loading and export	Loading of the products covered by the FLEGT license			At point of export: Overseeing the final loading of the vessel Checking specifications of products loaded onto the vessel	Product specifications of export consignment (IDs, product type, species and, dimensions)	Between FLEGT license and physical verification of loaded products.

⁽¹⁾ Between declaration by contract-holder and verification by COCIS.

⁽²⁾ On the basis of data provided by the contract-holders.

⁽³⁾ Tree data forms are completed when trees are felled, prior to cutting into initial long logs.

ANNEX III

Conditions governing the release for free circulation in the Union of timber products exported from Liberia and covered by a FLEGT license

GENERAL FRAMEWORK

Regulation (EC) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community ⁽¹⁾ and its Implementing Regulation ⁽²⁾ govern the conditions for entry into the Union market for timber and derived products covered by a FLEGT license from Liberia. These Regulations provide for adaptation of detailed procedures to national conditions and, in particular, envision different possibilities for the competent authorities responsible for accepting FLEGT licenses on entry into the Union market, which may be a customs authority or another national authority. For this reason, the description of the process divides verification into two steps: (1) checks on license documents and (2) physical checks for the conformity of the actual shipment to the license.

This procedure is intended to supplement the checks carried out by Liberia and to verify that FLEGT licenses presented on entry into the Union are indeed those duly issued and registered by the Liberian licensing authority and cover the shipments intended by the Liberian authorities. The competent authorities have no mandate to challenge the Liberian legality assurance system or the validity of licenses. Such concerns may be dealt with by the Joint Implementation Committee (JIC), in accordance with Articles 10, 19 and 24 of this Agreement.

Article 1

Lodging of the license

1. The license shall be lodged with the competent authority of the Union Member State in which the shipment covered by that license is declared for release for free circulation ⁽³⁾. This may be done electronically or by other expeditious means.
2. The competent authorities referred to in paragraph 1 shall, in accordance with the applicable national procedures, inform the customs authorities as soon as a license has been accepted.

Article 2

Checks on validity of license documentation

1. Paper licenses shall conform to the model described in Annex IV. Any license that does not meet the requirements and specifications set out in Annex IV shall be invalid.
2. A license shall be considered void if it is lodged on a date later than the expiry date indicated in the license.
3. Any erasures from or alterations to a license shall not be accepted unless such erasures or alterations have been validated by the licensing authority.
4. Extension of the validity of a license shall not be accepted unless that extension has been validated by the licensing authority.
5. A duplicate or replacement license shall not be accepted unless it has been issued and validated by the licensing authority.

Article 3

Requests for additional information

1. In case of doubt concerning the validity or authenticity of a license, a duplicate or a replacement license, the competent authorities may request additional information from the licensing authority.
2. A copy of the license, the duplicate or the replacement license in question may be forwarded together with the request.

⁽¹⁾ OJ L 347, 30.12.2005, p. 1.

⁽²⁾ Commission Regulation (EC) No 1024/2008 of 17 October 2008 laying down detailed measures for the implementation of Council Regulation (EC) No 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community (OJ L 277, 18.10.2008, p. 23).

⁽³⁾ Release for free circulation is an Union customs procedure. Under Article 129(2) and (3) of Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code), release for free circulation entails: (a) the collection of any import duties due; (b) the collection, as appropriate, of other charges, as provided for under relevant provisions in force relating to the collection of those charges; (c) the application of commercial policy measures and prohibitions and restrictions insofar as they have not been applied at an earlier stage (in this case, it is among these measures that the existence of a FLEGT license will be verified); and (d) completion of the other formalities laid down in respect of the importation of the goods. Release for free circulation confers on non-Community goods the customs status of Community goods.

3. If necessary, the licensing authority shall withdraw the license and issue a corrected copy, which shall be authenticated by the stamped endorsement 'Duplicate' and forwarded to the competent authority.

Article 4

Verification of the conformity of the license with the shipment

1. If further verification of the shipment is considered necessary before the competent authorities can decide whether a license can be accepted, checks may be carried out to establish whether the shipment in question conforms to the information provided in the license and to the records relating to the relevant license which are held by the licensing authority.
2. Where the volume or weight of the timber products contained in the shipment presented for release for free circulation does not deviate by more than 10 % from the volume or weight indicated in the corresponding license, the shipment shall be considered to conform to the information provided in the license as far as volume or weight is concerned.
3. In case of doubt about whether the shipment conforms with the FLEGT license, the competent authority concerned may seek further clarification from the licensing authority.
4. The licensing authority may request the competent authority to send a copy of the license or the replacement in question.
5. If necessary, the licensing authority shall withdraw the license and issue a corrected copy, which shall be authenticated by the stamped endorsement 'Duplicate' and forwarded to the competent authority.
6. If the competent authority receives no answer within 21 calendar days of the request for further clarification, as provided for in Article 10 of this Agreement, the competent authority shall not accept the license and shall act in accordance with the applicable legislation and procedures.
7. A license shall not be accepted if it has been established, where necessary after provision of additional information in accordance with Article 3 of this Annex or a further investigation in accordance with Article 4 of this Annex, that the license does not correspond to the shipment.

Article 5

Verification prior to the arrival of the shipment

1. A license may be lodged before the arrival of the shipment it covers.
2. A license shall be accepted if it meets all the requirements set out in Annex IV and no further verification in accordance with Articles 3 and 4 of this Annex is deemed necessary.

Article 6

Other matters

1. Costs incurred while the verification is being completed shall be at the expense of the importer, except where the applicable legislation and procedures of the Member State of the Union concerned determine otherwise.
2. Where persistent disagreements or difficulties arise from verification of FLEGT licenses, the matter may be referred to the JIC.

Article 7

Release for free circulation

1. In box 44 of the Single Administrative Document on which the customs declaration for release for free circulation is made, reference shall be made to the number of the license that covers the timber products subject to the declaration.
 2. Where the customs declaration is made by computerised means, the reference shall be provided in the appropriate box.
 3. Timber products shall be released for free circulation only after completion of the procedures described in this Annex.
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ANNEX IV

REQUIREMENTS AND TECHNICAL SPECIFICATIONS FOR FLEGT LICENSES*Article 1***General requirements relating to FLEGT licenses**

1. FLEGT licenses may be in paper or electronic form.
2. Both licenses on paper and electronic licenses shall provide the information specified in Appendix 1, in accordance with the notes for guidance set out in Appendix 2.
3. FLEGT licenses shall become valid on the date on which they are issued.
4. FLEGT licenses shall be numbered in a manner that distinguishes between licenses intended for the Union and those intended for non-Union markets.
5. The period of validity of FLEGT licenses shall not exceed six months. The expiry date shall be indicated on the license.
6. After the license expires, it shall be considered void. The licensing authority may, at its discretion, extend the period of validity for an additional three months period. Upon such extension, the licensing authority shall insert and validate the new expiry date.
7. FLEGT licenses shall cease to be valid and shall be returned to the licensing authority if the timber products covered by the license are lost or destroyed during shipment prior to arrival in the Union.

*Article 2***Technical specifications with regard to FLEGT licenses on paper**

1. Licenses on paper shall conform to the format set out in Appendix 1.
2. The paper size shall be standard A4. The paper shall have watermarks showing various logos, including a Liberian emblem that shall be embossed on the paper in addition to the seal.
3. The licenses shall be completed using a typewriter or computer. They may be completed by hand, if necessary.
4. The stamps of the licensing authority shall be applied by means of a metal stamp, preferably made of steel. However, an embossing press combined with letters or figures obtained by means of perforation may replace the licensing authority stamp.
5. The licensing authority shall use a tamper-proof method to record the quantity allocated in such a way as to make it impossible to insert figures or references.
6. The form shall contain no erasures or alterations, unless those erasures or alterations have been authenticated by the stamp and signature of the licensing authority.
7. The licenses shall be printed and completed in English.

*Article 3***Copies of FLEGT licenses**

1. The licenses shall be drawn up in five copies using the colour paper indicated as follows:
 - (a) White, form number 1, marked 'Original';
 - (b) Yellow, copy number 2, marked 'Copy for EU customs authority';
 - (c) Pink, copy number 3, marked 'Copy for the licensing authority';
 - (d) Green, copy number 4, marked 'Copy for Liberia customs';
 - (e) Blue, copy number 5, marked 'Copy for licensee'.

2. The 'Original' shall be given to the licensee to be forwarded to the importer for submission to the competent authority of the Union Member State in which the shipment covered by that license is declared for release for free circulation.
3. The second copy, marked 'Copy for EU customs authority', shall be given to the licensee to be forwarded to the importer for submission to the customs authorities of the Union Member State in which the shipment covered by that license is declared for release for free circulation.
4. The third copy, marked 'Copy for the licensing authority', shall be retained by the licensing authority for its records and future verification of licenses issued.
5. The fourth copy, marked 'Copy for Liberia customs', shall be given to the Liberia customs authorities for their records and for exportation purposes.
6. The fifth copy, marked 'Copy for the licensee', shall be given to the licensee for its records.

Article 4

FLEGT licenses lost, stolen or destroyed

1. In the event of loss, theft or destruction of the 'Original' and/or of the 'Copy for EU customs', the licensee or its authorised representative may apply to the licensing authority for a replacement, providing justification of the loss of the original and/or copy.
2. The licensing authority shall issue a replacement within one month following receipt of the request from the licensee.
3. The replacement shall contain the information and entries appearing on the license it replaces, including the license number. The replacement license shall bear the endorsement 'Replacement license'.
4. In the event that the lost or stolen license is retrieved, it shall not be used and must be returned to the licensing authority.

Article 5

Technical specifications with regard to electronic FLEGT licenses

1. FLEGT licenses may be issued and processed using electronic systems.
2. In Member States of the Union which are not linked to an electronic system, a license on paper shall be made available.

Article 6

Treatment of doubts regarding the validity of a license

1. In case of doubt concerning the validity or authenticity of a license, a duplicate or a replacement license, the competent authority in the Union may request additional information from the licensing authority.
 2. If considered necessary, the licensing authority may ask the competent authority to send a copy of the license or the replacement in question.
 3. If the licensing authority considers it necessary, it shall withdraw the license and issue a corrected copy, which shall be authenticated by the stamped endorsement 'Duplicate' and forwarded to the competent authority.
 4. If the validity of the license is confirmed, the licensing authority shall notify the competent authority forthwith, preferably by electronic means. The copies returned shall be authenticated by the stamped endorsement 'Validated on'.
 5. In the event that the license in question is not valid, the licensing authority shall notify the competent authority forthwith, preferably by electronic means.
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Appendices

1. License form.
2. Notes for guidance.

Appendix 1

FORMAT OF THE FLEGT LICENSE

ORIGINAL	1 Issuing authority Name		2 Tax identification number	
	Address		Destination	
	3 FLEGT licence number		4 Expiry date 	
	5 Country of export		7 Means of transport	
	6 ISO code			
8 Licensee (name and address)				
1	9 Commercial description of the timber products		10 HS heading	
11 Common or scientific names		12 Countries of harvest		13 ISO codes
14 Volume (m ³)		15 Net weight (kg)		16 Number of units
17 Distinguishing marks				
18 Signature and stamp of issuing authority				
Place and date				

2	1 Issuing authority Name		2 Tax identification number	
	Address		Destination	
	3 FLEGT licence number		4 Expiry date 	
	5 Country of export		7 Means of transport	
	6 ISO code			
Copy of EU customs	8 Licensee (name and address)			
	9 Commercial description of the timber products		10 HS heading	
	2			
11 Common or scientific names		12 Countries of harvest		13 ISO codes
14 Volume (m ³)		15 Net weight (kg)		16 Number of units
17 Distinguishing marks				
18 Signature and stamp of issuing authority				
Place and date				

3	1 Issuing authority Name		2 Tax identification number	
	Address		Destination	
	3 FLEGT licence number		4 Expiry date 	
	5 Country of export		7 Means of transport	
	6 ISO code			
Copy for the licensing authority	8 Licensee (name and address)			
	9 Commercial description of the timber products		10 HS heading	
	3			
11 Common or scientific names		12 Countries of harvest		13 ISO codes
14 Volume (m ³)		15 Net weight (kg)		16 Number of units
17 Distinguishing marks				
18 Signature and stamp of issuing authority				
Place and date				

4	1 Issuing authority Name		2 Tax identification number	
	Address		Destination	
	3 FLEGT licence number		4 Expiry date 	
	5 Country of export		7 Means of transport	
	6 ISO code			
Copy of Liberia customs	8 Licensee (name and address)			
	9 Commercial description of the timber products			10 HS heading
	4			
	11 Common or scientific names		12 Countries of harvest	13 ISO codes
14 Volume (m ³)		15 Net weight (kg)	16 Number of units	
17 Distinguishing marks				
18 Signature and stamp of issuing authority				
Place and date				

5	1 Issuing authority Name		2 Tax identification number	
	Address		Destination	
	3 FLEGT licence number		4 Expiry date 	
	5 Country of export		7 Means of transport	
	6 ISO code			
Copy for licensee	8 Licensee (name and address)			
	9 Commercial description of the timber products			10 HS heading
	5			
11 Common or scientific names		12 Countries of harvest		13 ISO codes
14 Volume (m ³)		15 Net weight (kg)		16 Number of units
17 Distinguishing marks				
18 Signature and stamp of issuing authority				
Place and date				

Appendix 2

NOTES FOR GUIDANCE

General:

- Complete in capital letters.
- ISO codes refer to the international standard two-letter country code.

Box 1	Issuing authority	Indicate the name and address of the licensing authority.
Box 2	Tax identification number and destination	Indicate the Liberian tax identification number and the destination of the export. Licenses will be issued for all market destinations, not only the Union.
Box 3	FLEGT license number	Indicate the license number.
Box 4	Expiry date	Period of validity of the license.
Box 5	Country of export	This means the partner country (Liberia) from where the timber products were exported to the Union.
Box 6	ISO code	Indicate the two-letter code for Liberia.
Box 7	Means of transport	Indicate the means of transport at the point of export.
Box 8	Licensee	Indicate the name and address of the exporter.
Box 9	Commercial description	Indicate the commercial description of the timber product(s).
Box 10	HS heading	The four- or six digit commodity code established pursuant to the Harmonised Commodity Description and Coding System and described in Annex I of this Agreement.
Box 11	Common or scientific name	Indicate the common or scientific name of the species of timber used in the product. Where more than one species is included in a composite product, use separate lines. May be omitted for a composite product or component that contains multiple species whose identity has been lost (e.g. particle board).
Box 12	Countries of harvest	Indicate the countries where the timber referred to in box 10 was harvested. In the case of composite products, include all sources of wood used. May be omitted for a composite product that contains multiple species which are no longer identifiable.
Box 13	ISO codes	Indicate the ISO code of the countries referred to in box 12. May be omitted for a composite product or component that contains multiple species whose identity has been lost.
Box 14	Volume (m ³)	Give the overall volume in m ³ . May be omitted unless the information referred to in box 15 has been omitted.
Box 15	Net weight (kg)	Give the weight in kg. This is defined as the net mass of the timber products without immediate containers or any packaging, other than bearers, spacers, stickers, etc. May be omitted unless the information referred to in box 14 has been omitted.
Box 16	Number of units	Indicate the number of units, if this is the best way to quantify a manufactured product. May be omitted.
Box 17	Distinguishing marks	Indicate any distinguishing marks where appropriate, e.g. lot number or bill of lading number. May be omitted.
Box 18	Signature and stamp of issuing authority	This box must be signed by the authorised official and stamped with the official stamp of the licensing authority. The signatory's name and the place and date must also be indicated.

ANNEX V

FUNCTIONS OF THE INDEPENDENT AUDIT: TERMS OF REFERENCE**1. INTRODUCTION**

These terms of reference (ToR) describe the framework for checking the systems of legality assurance established for the Voluntary Partnership Agreement (VPA) between the Government of Liberia and the Union. The ToR describe the functions of the independent audit (IA) of the Legality Assurance System (LAS), which provides assurance that timber harvested, processed and exported or sold on the domestic market complies with the legality definition, verifies that it complies with the chain of custody requirements and verifies that the licensing authority has issued FLEGT licenses only to consignments that are produced in accordance with the LAS requirements.

The ToR therefore set out a detailed list of tasks and a protocol for gathering information and reporting; they also establish a list of primary sources of information and describe the qualifications required of the independent auditor.

2. OBJECTIVES

The objectives of the IA include:

- (a) assess the efficiency and effectiveness of the LAS; and
- (b) improve the credibility of the LAS established under the VPA.

3. TASKS

The overall task of the independent auditor is to monitor implementation of the systems established to verify legal compliance with all aspects of the LAS. The key issues to check will include compliance with the legal requirements established in the legality definition, the chain of custody and verification by the Liberia Verification Department (LVD) and the Liberia Licensing Department (LLD), all described in Annexes II and IV respectively. The method to be used must be evidence-based and include documentary checks and field or on-site visits. Specific tasks of the independent auditor will be to:

- (a) check that systems are functioning effectively and that timber harvested, processed and traded complies with the requirements of these systems. This includes legal requirements for pre-contract timber rights allocation, contract allocation, pre-felling requirements, felling, processing and deliveries;
- (b) verify that the chain of custody system, a key component of the LAS, is effective and functioning appropriately, confirming that requirements are fulfilled from pre-harvesting operations to export or sale on the domestic market;
- (c) assess the performance and effectiveness of the LVD and associated Government agencies involved in the verification process to ensure compliance with the LAS requirements;
- (d) assess the system established to ensure that the LLD issues FLEGT licenses only to consignments which are produced or exported in full compliance with the LAS;
- (e) assess the process for determining the validity of licenses in order to ensure that the license verification system is efficient and does not unduly delay or burden the license-holder;
- (f) assess how reported infractions are addressed or not addressed by the relevant authorities;
- (g) evaluate the effectiveness of any measures taken to correct those weaknesses;
- (h) identify gaps and weaknesses in the overall LAS, i.e. the functioning of the chain of custody, legality verification and licensing components of the LAS, and the level of impact on the credibility of the LAS;
- (i) report its findings and recommendations to the Joint Implementation Committee (JIC), that is required to publish these audit reports regularly.

4. METHODOLOGY: METHODS FOR GATHERING AND ASSESSING INFORMATION AND REPORTING

The independent auditor is required to demonstrate professionalism and integrity in the discharge of its responsibilities. The independent auditor shall prepare a manual of procedures outlining methods for gathering information, assessing evidence and reporting. The manual proposed by the independent auditor will be reviewed and agreed by the JIC. The independent auditor shall use the procedures established in the IA Manual to conduct audits, field visits and investigations, to seek feedback from stakeholders and to document and report its findings to the JIC for subsequent publication.

4.1. Work schedule

- (a) In the first year of operation of the FLEGT licensing scheme, the independent auditor shall conduct two audits. The first audit shall aim to establish that all the requirements of the LAS are in place and ready to be put into full operation. The second audit, and all other future audits, shall assess or evaluate the performance of the LAS.
- (b) In subsequent years the independent auditor shall conduct at least annual audits of the LAS.
- (c) The independent auditor may also conduct impromptu audits and spot checks as necessary.

4.2. Scope of work

- (a) The activities of the independent auditor shall cover all aspects of the LAS, including compliance with the legality definition, the chain of custody system, verification and licensing, and any certification scheme that the Government has approved as providing evidence of compliance with the LAS.
- (b) The independent auditor shall audit the relevant activities of all institutions, including State agencies, responsible for different aspects of Liberia's LAS.
- (c) The independent auditor shall check systems implemented by EU competent authorities to verify FLEGT licenses issued by Liberia.

4.3. Evidence gathering

The IA Manual of Procedures shall describe procedures and practices for gathering evidence which will include field checks, investigations, interviews, documentation and how the independent auditor will respond to complaints.

4.4. Assessment

During the course of investigations, the independent auditor will ensure that evidence is assessed in accordance with ISO 19011 or an equivalent standard.

4.5. Audit systems

In documenting audit evidence, diagnosing failures and infractions in any part of the LAS and following up corrective action taken, the independent auditor shall:

- (a) keep appropriate records of audit evidence detailing performance, compliance, non-performance and non-compliance;
- (b) record and assess a sample, selected on the basis of risk assessment, of detected non-performance or non-compliance with the different aspects of the LAS, including licensing requirements, and the action taken to address the non-performance or non-compliance;
- (c) record observed system-related weaknesses, gaps and areas requiring improvement in the LAS and ensure that each is appropriately distinguished from the others;
- (d) record and assess the effectiveness of all corrective measures implemented by the parties concerned, including the Forestry Development Authority (FDA), other State authorities and private bodies responsible for other aspects of the LAS.

5. REPORTS AND DISSEMINATION

5.1. The independent auditor shall adhere to a structure and protocol for preparing its reports as agreed with the JIC. The independent auditor shall:

- (a) report on activities in line with the work schedule agreed with the JIC;
- (b) prepare its report in accordance with internationally accepted auditing principles and as specified in its agreement with the JIC;
- (c) present all reports to the JIC, which shall comment on them;
- (d) prepare final reports which reflect the JIC's comments.

5.2. Reports validated by the JIC will become public documents.

6. SOURCES OF INFORMATION

Primary sources of information shall include document reviews, field visits and consultations/meetings with relevant stakeholders who are identified in the legality definition of the legality verification matrix (cf. Annex II).

The Government of Liberia and the Union will ensure that the independent auditor has access to all necessary information, including documents and databases that it deems relevant, especially those that are needed to assess the efficacy of systems established to verify compliance with the LAS. This shall include access to information produced and/or held by branches and agencies of the public authorities as well as private bodies recruited by those public authorities.

The independent auditor shall also have full access to all forest management areas prior to, during and after forest operations. This will include access to logging sites and other areas where forest resources are being extracted or processed and to points of export. This broad access is designed to enable the independent auditor to uncover weaknesses wherever they exist in the LAS.

Specifically, the independent auditor shall have access to the following Government agencies, other bodies appointed or recruited by the Government to perform functions related to any part of the LAS and other parties who may be able to provide relevant information about the functioning of the LAS.

6.1. Government of Liberia and bodies appointed by the Government

- (a) Departments of the FDA that are involved in different aspects of commercial logging. This shall include departments involved in pre-allocation processes, including validation of proposed concession areas, pre-qualification of logging and other companies interested in the commercial forestry sector and announcing, receiving and opening bids.
- (b) Departments of the FDA involved in law enforcement in the commercial sector.
- (c) Departments of the FDA and other relevant institutions involved in implementing the legality assurance system and related law enforcement activities.
- (d) Other Government agencies and appointed citizens involved in the bid evaluation processes, including the Bid Evaluation Panel, the Due Diligence Committee and the Inter-Ministerial Committee on Concessions (IMCC).
- (e) The Legislative Committees on Forestry, the House of Representatives and the Senate with respect to their roles in the process of ratifying forest resource licenses.
- (f) The Environmental Protection Agency (EPA) of Liberia.
- (g) Government ministries responsible for exports of forest products, including the Ministry of Finance, the Ministry of Commerce and the National Port Authority and their internal departments directly responsible for various aspects of the process.
- (h) The service-provider contracted to operate the legality assurance system.

6.2. Civil society and communities

- (a) Local, national, regional and international civil society organizations involved in monitoring forestry activities in Liberia.
- (b) Communities and individuals involved in monitoring forestry activities.
- (c) Community Forestry Management Bodies and Community Forestry Development Committees involved in various aspects of the commercial forestry sector.

6.3. Other sources

- (a) Forestry companies, including outcomes of private certification processes.
- (b) Academic institutions.
- (c) Local authorities.
- (d) Local communities and populations.
- (e) Sustainable forest management (SFM) certification bodies.
- (f) Complainants.
- (g) Competent authorities.
- (h) Stakeholders and parties that register a complaint or request an impromptu audit of certain aspects of the LAS.
- (i) Any other source that the independent auditor considers relevant.

7. QUALIFICATIONS REQUIRED

The independent auditor must possess integrity and have a track record of conducting similar audits, be objective and have the capacity to conduct systematic analysis. The independent auditor must be independent from Liberian operators and Liberian institutions that have a commercial or regulatory role in the forestry sector and be credible. It is the responsibility of the independent auditor to ensure that its personnel declare any potential conflict of interests and, where these exist, to state what measures it will take to mitigate such conflicts. In addition to this requirement, the independent auditor shall meet the following other requirements:

- (a) having a documented internal quality management system that meets the requirements of ISO 17021 ⁽¹⁾ or equivalent standards and conduct audits in accordance with procedures that meet ISO 19011 ⁽²⁾ or equivalent standards;
- (b) having experience in audits of management systems;
- (c) having in place a mechanism for transparently handling complaints or grievances;
- (d) having a range of competencies including audit, preferably in forest management, and sufficient expertise and experience in performing similar functions in other parts of the world, preferably in Africa;
- (e) being able to demonstrate that its teams include experts with sufficient experience in Liberia and/or elsewhere in West Africa. The involvement of experts from the sub-region is to be encouraged alongside international experts;
- (f) having a thorough understanding of the commercial forestry sector, preferably in Africa;
- (g) having personnel with expertise in various fields of forestry, including forest management, processing, traceability and chain of custody systems, and international trade in timber and timber products.

The independent auditor may consider a partnership or joint venture with a Liberian organization.

⁽¹⁾ ISO/IEC 17021:2006. Conformity assessment - Requirements for bodies providing audit and certification of management systems.

⁽²⁾ ISO 19011:2002. Guidelines for quality and/or environmental management systems auditing.

8. SELECTION PROCESS AND INSTITUTIONAL ARRANGEMENTS

The independent auditor will be recruited by competitive bidding (open to national and international entities). Bid evaluation will be transparent and all stakeholders will be informed of the criteria that will be applied. Due diligence conducted on the competing entities and the bid evaluation report will be made public.

9. OTHER REQUIREMENTS

This section covers additional responsibilities of the independent auditor that are not addressed in other parts of these terms of reference.

9.1. Accessibility

The independent auditor is expected to have a contact point in Liberia to make it accessible to the private sector, Government and civil society organisations.

9.2. Capacity-building and sustainability

The independent auditor shall also:

- (a) engage with civil society, the private sector and Government agencies in ways that enable Liberians to acquire a fair understanding of the independent auditor's work, for example from occasional workshops and briefing sessions;
 - (b) recruit qualified Liberians and build their individual capacity in how to conduct IAs of the LAS.
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ANNEX VI

CRITERIA FOR EVALUATION OF THE LEGALITY ASSURANCE SYSTEM

This Agreement provides for implementation of a legality assurance system (LAS) intended to guarantee that all timber and derived products specified in this Agreement and exported from Liberia to the Union are produced entirely legally. The LAS should include:

- a definition of legally produced timber that lists the laws that must be complied with in order for a license to be issued,
- control of the supply chain to track timber from the forest to the point of export,
- verification of compliance with all elements of the definition of legality and control of the supply chain,
- the procedures for issuing FLEGT licenses, and
- the independent audit to ensure that the system is working as intended.

The LAS will be subject to an independent technical evaluation before the FLEGT licensing scheme becomes operational; the terms of reference will be jointly agreed between the Parties, via the Joint Implementation Committee (JIC) for this Agreement. These evaluation criteria describe what the LAS is expected to produce and will provide the basis for the terms of reference for the evaluation. The evaluation will:

- review any revisions made to the system after this Agreement was signed, and
- examine the functioning of the system in practice and whether it delivers the intended result.

1. DEFINITION OF LEGALITY

Legally produced timber needs to be defined on the basis of the laws applicable in Liberia. The definition used must be unambiguous, objectively verifiable and operationally workable and, as a minimum, include those laws which cover:

- (a) harvesting rights: granting of legal rights to harvest timber within legally gazetted boundaries;
- (b) forestry operations: compliance with legal requirements regarding forest management, including compliance with relevant environmental and labour legislation;
- (c) fees and taxes: compliance with legal requirements concerning taxes and fees directly related to timber harvesting and harvesting rights;
- (d) other users: respect for other parties' legal tenure or rights of use of land and resources that may be affected by timber harvesting rights, where such other rights exist;
- (e) trade and customs: compliance with legal requirements for trade and customs procedures.

Is it clear which legal instrument underpins each element of the definition?

Are criteria and indicators that can be used to test compliance with each element of the definition specified?

Are the criteria/indicators clear, objective and operationally workable?

Do the indicators and criteria clearly identify the roles and responsibilities of the various parties and does verification of legal compliance assess the performance of all relevant parties?

Does the definition of legality include the main areas of existing law outlined above? If not, why were certain areas of law left out of the definition?

In drawing up the definition, did the parties concerned consider all the main areas of applicable law?

Does the legality assurance system incorporate the main legal provisions identified by prior discussion between the various parties involved?

Does the legality definition account for all possible sources of timber that enter the supply chain intended for the Union and are appropriate indicators developed for different sources/rights allocation procedures?

Have the definition of legality and the legality assurance matrix been amended since this Agreement was concluded? Have indicators and criteria been defined to ensure verification of these changes? Were all relevant stakeholders consulted about these changes in a process that took adequate account of their viewpoints?

2. CONTROL OF THE SUPPLY CHAIN

Systems to control the supply chain must provide credible assurance that timber products can be traced throughout the supply chain from harvesting or the point of import to the point of export. It will not always be necessary to maintain physical traceability for a log, log load or timber product from the point of export back to the forest of origin, but it is always needed between the forest and the first point of possible mixing (e.g. a timber terminal or a processing facility).

2.1. Logging rights

There is clear delineation of areas where forest resource rights have been allocated and the holders of those rights have been identified.

Does the control system ensure that only timber originating from a forest area with valid and permissible rights of use enters the supply chain?

Does the control system ensure that enterprises carrying out harvesting operations have been issued appropriate logging rights for the forest areas concerned?

Have the procedures for issuing logging rights and information on logging rights issued and their holders been published as required by Liberian legislation?

2.2. Systems for controlling the supply chain

There are effective mechanisms for tracing timber throughout the supply chain from harvesting to the point of export.

The approach for identifying timber may vary, ranging from use of labels for individual items to reliance on documentation accompanying a load or batch. The method selected must reflect the type and value of the timber and the risk of contamination with illegal or unverified timber.

Are all the supply chain alternatives identified and described in the control system?

Are all stages in the supply chain identified and described in the control system?

Are methods defined and documented to (a) identify the product origin and (b) prevent mixing with timber from unknown sources in the subsequent stages of the supply chain, i.e.:

— timber in the forest,

— transport,

— interim storage,

— arrival at the primary processing facility,

— processing facilities,

— interim storage,

— transport,

— arrival at the point of export?

Which organisations are in charge of controlling the timber flows? Do they have adequate human and other resources for carrying out the control activities?

Is there a protocol for verifying the results of the control procedures set up and applied?

Are the application procedures clearly defined and communicated to all interested parties?

2.3. Quantities

There are robust and effective mechanisms for measuring and recording the quantities of timber or timber products at each stage of the supply chain, including reliable and accurate pre-harvest estimates of the volume of standing timber in each harvesting site.

Does the control system produce quantitative data on inputs and outputs at the following stages of the supply chain:

- standing timber,
- logs in the forest,
- transported and stored timber,
- arrival at the primary processing facility,
- control within the processing facilities,
- arrival at the point of export?

Which organisations are responsible for feeding the quantitative data into the control system? How are these organisations linked? Are the staff of these organisations given standard training in data management? Do the organisations have adequate resources in terms of personnel and equipment?

What is the quality of the data control?

If different organisations are responsible, how is it ensured that control performance and data management are conducted in the same way and with the same standard by each organisation?

2.4. Data gathering

All data are recorded in a way which makes it possible to reconcile them with the prior and subsequent links in the chain in a timely manner. Reliable reconciliation is carried out for the entire supply chain.

Are all quantitative data recorded in a way which makes it possible to reconcile quantities quickly with the prior and subsequent stages in the supply chain?

Are there methods for assessing correspondence between standing timber, harvested logs and timber entering the plant/point of export?

Are there methods to assess coherence between inputs of raw materials and outputs of processed products at sawmills and other plants?

Is reliable reconciliation by individual item or by batch of timber products possible throughout the supply chain?

Which information systems and technologies are applied for storing, reconciling and recording data? Are robust systems in place for securing the data?

How is unauthorised access to the system avoided (system security)?

How is the viability of the security systems guaranteed?

Which organisation is responsible for data reconciliation? Does it have adequate human and other resources for carrying out the data management activities?

What information on the supply chain control is made publicly available?

How can the interested parties access this information?

2.5. Imported timber products

There are adequate controls to ensure that imported timber and derived products have been imported in line with legal requirements and procedures established to ensure imports have been legally harvested following the legal requirements of the country of harvest.

How is the legality of imported timber products demonstrated?

What evidence is required to demonstrate that imported products originate from trees harvested legally in a third country?

Does the LAS identify imported timber products throughout the supply chain?

Where imported timber is used, can the country of origin be identified on the FLEGT license, including that of components in composite products?

Does the use of bar codes on imported timber guarantee that only forestry products that have been legally logged and processed will be exported with a FLEGT license?

3. VERIFICATION

Verification provides adequate checks to ensure the legality of timber. It must be sufficiently robust and effective to ensure that any non-compliance with requirements, either in the forest or within the supply chain, is identified and corrective action is taken in good time.

3.1. Organisation

Verification is carried out by a Government, a third-party organisation or some combination of these, which has adequate resources, management systems and skilled and trained personnel, as well as robust and effective mechanisms to control conflicts of interest.

Has the Government appointed a body or bodies to undertake the verification tasks? Is the mandate (including associated responsibilities) clear and in the public domain?

Are the responsibilities clearly allocated and are the required competences associated with the responsibilities clearly defined? How are they implemented?

How do the departments responsible for verifying legality guarantee the highest possible level of rationalised collaboration and data management between the administrations involved in forestry sector control?

Does the verification body have adequate resources for carrying out the verification of the legality definition and the systems for controlling the timber supply chain?

Does the verification body have a fully documented management system that:

- ensures adequate competence/experience amongst the personnel of the verification body,
- applies internal control/supervision,
- includes mechanisms to control conflicts of interest,
- ensures the transparency of the system,
- defines and applies a verification method,
- uses a publicly accessible complaints management system?

3.2. Verification against the definition of legality

There is a clear definition setting out what has to be verified. The verification method is documented and ensures that the process is systematic, transparent and evidence-based, is carried out at regular intervals and covers everything included within the definition.

Does the verification method cover all elements of the legality definition and include tests of compliance with all the indicators specified?

Does verification require:

- checks of documentation, operating records and field operations (and spot checks),
- collection of information from external interested parties,
- recording of verification activities that allows checking by internal auditors and the independent auditor?

Are institutional roles and responsibilities clearly defined and applied?

Are the verification results against the definition of legality made publicly available? How can the interested parties access this information?

3.3. Verification of systems for controlling the supply chain

There is a clear scope setting out what has to be verified, which covers the entire supply chain from harvesting to export. The verification method is documented and ensures that the process is systematic, transparent, evidence-based, carried out at regular intervals and covers everything included within the scope, and includes regular and timely reconciliation of data between each stage in the chain.

Does the verification method fully cover checks on supply chain controls?

Is this clearly spelt out in the verification method?

What evidence is there to demonstrate application of verification of supply chain controls?

Are institutional roles and responsibilities clearly defined and applied?

Are the verification results on supply chain control made publicly available? How can the interested parties access this information?

3.4. Non-compliance

The non-compliance mechanism makes it possible to deal with any cases of non-compliance with the requirement of legality verification. There is an effective and functioning mechanism for enforcing appropriate corrective action where offences are identified.

Does the verification system define the above requirement?

Have mechanisms been developed for handling non-compliance? Are these applied in practice?

Are there adequate records available on the offences identified and corrective action taken? Is the effectiveness of corrective action evaluated?

What information on identified breaches goes into the public domain?

3.5. Complaints

A complaints mechanism makes it possible to deal with any complaint relating to legality verification.

Is there a complaints mechanism available to all interested parties? Do the verification bodies have mechanisms in place to receive and respond to objections from stakeholders or independent observation? Do the verification bodies have mechanisms in place to receive and respond to infringements/breaches detected by Government officials?

Is it clear how complaints are received, documented, escalated (where necessary) and responded to?

4. LICENSING

Liberia has assigned a licensing authority overall responsibility for issuing FLEGT licenses. FLEGT licenses are issued on the basis of individual shipments.

4.1. Organisation

Which body is assigned responsibility for issuing FLEGT licenses?

Are the roles of the licensing authority and its personnel with regard to issuing FLEGT licenses clearly defined and publicly available?

Are the competence requirements defined and internal controls established for the personnel of the licensing authority?

Does the licensing authority have adequate resources for carrying out its task?

4.2. Issuing of FLEGT licenses

Does the licensing authority have documented procedures for issuing licenses?

Are these publicly available, including any fees payable?

What evidence is there that these procedures are properly applied in practice?

Are adequate records available on licenses issued and refused?

Do the records clearly show the evidence on which the issuing of licenses is based?

Are the requirements for licenses clearly specified and available to the exporter?

Do exporters fully understand the criteria for issuing FLEGT licenses?

Which information on licenses issued goes into the public domain?

4.3. Procedures to handle queries on licenses issued

Can the competent authorities of Union Member States obtain clarification on FLEGT licenses issued?

Have clear procedures been established for communication between the licensing authority and competent authorities in the Union?

Are there channels for other national or international stakeholders to inquire about the FLEGT licenses issued?

4.4. Mechanism for handling complaints

There is a mechanism for handling complaints and disputes that arise from licensing. This mechanism makes it possible to deal with any complaint relating to operation of the licensing scheme.

Is there a documented complaints mechanism available to all interested parties?

Is it clear how complaints are received, documented, escalated (where necessary) and responded to?

5. INSTRUCTIONS ON THE INDEPENDENT SYSTEM AUDIT

The independent audit (IA) is a function that is independent from Liberia's regulatory bodies for the forestry sector. It aims to provide credibility to the FLEGT licensing scheme by checking that all aspects of the LAS are operating as intended.

5.1. Institutional arrangements

5.1.1. Designation of authority

Liberia has formally authorised the IA function and allows it to operate effectively and transparently.

5.1.2. Independence from other elements of the LAS

There is a clear separation between organisations and individuals that are involved in management or regulation of forest resources and those involved in the IA.

Does the Government have documented requirements for the independence of the independent auditor?

Do provisions state that organisations or individuals from both Parties with a commercial interest or an institutional role in the forestry sector are not eligible to perform the independent auditor function?

5.1.3. Designation of the independent auditor

The independent auditor was appointed by a transparent mechanism and there are clear and publicly available rules regarding its activities.

Has the Government made the terms of reference for the independent auditor publicly available?

Has the Government documented the procedures for appointing the independent auditor and made them publicly available?

5.1.4. Mechanism for handling complaints

There is a mechanism for handling complaints and disputes that arise from the IA. This mechanism makes it possible to deal with any complaint relating to operation of the licensing scheme.

Is there a documented mechanism for handling complaints that is available to all interested parties?

Is it clear how complaints are received, documented, escalated (where necessary) and responded to?

5.2. The independent auditor

5.2.1. Organisational and technical requirements

The independent auditor is independent from the other components of the legality assurance system and operates in accordance with a documented management structure, policies and procedures that meet internationally accepted best practice.

Does the independent auditor operate in accordance with a documented management system that meets the requirements of ISO Guide 17021 or similar standards?

5.2.2. Audit method

The method of the IA is evidence-based and verifications are carried out at specific and frequent intervals.

Does the method specify that all findings must be based on objective evidence concerning the functioning of the LAS?

Does the method of the IA specify the maximum intervals at which each element of the LAS will be verified?

Does the Government provide assurance that the IA can access information and resources which enable it to perform its function effectively?

5.2.3. Scope of the audit

The independent auditor operates in accordance with terms of reference that clearly specify what has to be audited and that cover all agreed requirements for issuing FLEGT licenses.

Does the method of the IA cover all elements of the LAS and specify the main tests of effectiveness?

5.2.4. Reporting requirements

The IA shall submit a preliminary report to the Joint Implementation Committee (JIC). The reports of the independent auditor and any corrective action required will be discussed in the JIC.

Do the independent auditor's terms of reference specify the reporting requirements and reporting intervals?

Do the terms of reference of the auditor and the procedures of the JIC describe the procedure for publishing audit results?

6. EVALUATION CRITERIA OF THE SYSTEM ESTABLISHED IN THE UNION TO ACCEPT FLEGT LICENSES

The FLEGT Regulation and the associated implementing measures lay down procedures for establishing the FLEGT licensing scheme, including procedures to verify that Liberian timber products intended for release for free circulation within the Union are properly covered by a FLEGT license. These procedures also require the Member States of the Union to designate a competent authority to take on this responsibility.

Since these are new measures introduced specifically to implement the FLEGT scheme, the evaluation will examine the degree of preparedness of the Union for verification of the FLEGT licenses.

Have the competent authorities been identified in each Member State of the Union? Has this information been made public?

Have the procedures for processing the FLEGT licenses been established in every Member State of the Union? Have these procedures been made public?

Have appropriate laws and regulations been established where deemed necessary by the Member States of the Union?

Have the means of communication between the competent authorities and the customs authorities been determined?

Have procedures been established to enable the Union, or any person or body designated by the Union, to gain access to relevant documents and data and to avoid any problems arising that could hamper the proper functioning of the FLEGT licensing scheme?

Have procedures been established to enable the independent auditor to gain access to all relevant documents and data?

Have reporting methods been negotiated between the Member States of the Union and the European Commission? Have procedures for publication of these reports been adopted?

Do procedures cover cases where goods accompanied by a FLEGT license are not accepted? Have procedures been established to report any contradictions in the licenses and to deal with offences?

Has the information relating to fines for various offences been published?

ANNEX VII

IMPLEMENTATION SCHEDULE

This schedule indicates major milestones on the path in implementing the Voluntary Partnership Agreement (VPA). Development of systems, further development of the legal framework, capacity-building and other supporting measures required to establish an effective, fully functioning national legality assurance system will all start once the VPA has been agreed and initialled. However, ratification of the VPA could take some time and the formal structure of the Joint Implementation Committee (JIC) and consequent reporting and monitoring obligations will not be put in place until the VPA has been ratified by both Parties and enters into force, as described in Article 31 of this Agreement. In the mean time a mechanism for dialogue will be created (Article 19). As shown in the indicative schedule, activities planned for 2011 will commence once the VPA is initialled.

Key outputs	Milestones (Activities)	2011	2012	2013	2014	2015	2016	2017
		Preparatory Phase			Operational Phase			
VPA implementation structures established	Interim VPA Union-Liberia dialogue structure (pre-JIC) established	X						
	Interim stakeholder committee established (e.g. Steering Committee for VPA negotiations)	X						
	JIC established		X					
	JIC reporting established		X					
	Annual reports produced		X	X	X	X	X	X
	JIC procedures established		X					
	National implementation structures:							
	Cross department coordination mechanism(s) established		X					
	National stakeholder committee for monitoring implementation of the VPA established		X					
	Liberia Licensing Department (LLD) fully equipped, staffed and operational			X				
Capacity improved	A comprehensive five-year training and investment plan	X						
	Implementation of capacity-building investment plan			X	X	X	X	X
	Training for commercial private sector		X	X	X			
	Outreach to small-scale chainsaw operators		X	X	X	X	X	
	Outreach by civil society to build capacity of communities	X	X	X	X	X	X	
Financial mechanism established and resources secured for effective implementation of the VPA	Mechanism established to coordinate and deliver external donor and national support for implementation of the VPA	X	X					
	Development of short-term and long-term implementation plan targeting potential sources of support for VPA action	X	X					
	Support secured		X	X				
	Long-term sustainable national financing secured for operation of the LAS						X	X

Key outputs	Milestones (Activities)	2011	2012	2013	2014	2015	2016	2017
		Preparatory Phase			Operational Phase			
Legality assurance system: legality verification established	Systems developed							
	COCS revised to incorporate VPA requirements		X	X				
	Legality verification procedures incorporating new regulatory requirements developed		X	X				
	Data management systems developed to incorporate VPA requirements		X	X				
	Detailed procedures and guidance developed for abandoned logs and confiscated timber		X	X				
	Detailed procedures and guidance for imported timber		X	X				
	Domestic market and informal sector integrated into the LAS					X		
	Agriculture-sourced products integrated into the LAS (rubber and other plantation wood)			X				
	Institutions strengthened							
	External service provider (ESP) contracted		X					
	Government body established to oversee service contract	X						
	ESP building and operating the LVD (including working with FDA staff seconded to ESP)		X	X	X	X	X	
	ESP building capacity of different government agencies for legality verification as prescribed in detailed procedures			X	X			
	Transfer of verification functions to the LVD in the FDA (detailed transfer in key stages to be integrated into contract)					X	X	
Legality assurance system: licensing established	Licensing procedures developed by the LLD		X					
	Export permits phased out and application of the new licensing system by LLD			X				
	FLEGT licensing for exports to Union and other markets				X	X	X	X
	Mechanisms to communicate with Union competent authorities established			X				

Key outputs	Milestones (Activities)	2011	2012	2013	2014	2015	2016	2017
		Preparatory Phase			Operational Phase			
Legality assurance system: independent audit established	Independent auditor contracted		X					
	Operating procedures developed and agreed with the JIC			X				
	Independent audits initiated and reports published			X	X	X	X	X
FLEGT licenses accepted in the Union	External evaluation of functioning of the LAS and Union procedures; adjustments made if necessary (see Annex VI)			X				
	JIC confirms date when Union starts to accept FLEGT licenses			X				
	LAS operational and Union accepting licenses				X			
Civil society monitoring established	Capacity-building for civil society (CS) to conduct monitoring		X	X				
	CS monitoring designed in detail		X					
	CS monitoring established			X	X	X	X	X
Law enforcement and regulatory framework improved	Community forest regulations adopted		X					
	Legality definition (LD) updated			X				
	Chainsaw regulations adopted		X					
	LD updated			X				
	Regulation on abandoned logs in concession areas adopted			X				
	Regulations on transit timber adopted			X				
	Detailed procedures and guidance for timber in transit adopted		X	X				
	Regulations on timber imports adopted			X				
	Regulations for confiscated timber adopted			X				
	Refinement of procedures for social agreements and other social and environmental provisions in place		X	X				
	Amendments to the LD			X				X
	Review of regulations framed in the LD, based on practical experience of implementation of the LAS						X	
	Law enforcement capacity strengthened			X	X	X		

Key outputs	Milestones (Activities)	2011	2012	2013	2014	2015	2016	2017
		Preparatory Phase			Operational Phase			
Regulation and monitoring of domestic market established	Procedures for legal verification for the domestic market established in the LAS (integration in the legality verification and in COCS)			X	X			
	Establishment of information-gathering system				X			
	Assessment of contribution by the informal sector to the national (local) economy (regular monitoring will be established subsequently)						X	
	Training of chainsaw operators to work with new regulations and procedures			X	X	X	X	X
Monitoring the impact of the VPA	Monitoring organisation(s) for baseline studies engaged		X					
	Monitoring framework agreed by the JIC		X					
	Routine monitoring, with reporting to the JIC			X	X	X	X	X
Communication	A costed communication plan for raising public awareness prepared (P) and implemented (I)		P	I	I	I	I	I
	Trade shows with trading partners to promote the benefits of FLEGT-licensed timber			X		X		X
	Public information sites and capacity established (see Annex IX)	X	X	X				
	Guidelines for developing social agreements	X	X				X	
	Targeted guidance for LAS compliance for different stakeholders		X	X	X	X		
	VPA monitoring and JIC reports published		X	X	X	X	X	X

ANNEX VIII

SUPPORTING MEASURES**1. BACKGROUND**

The forestry sector in Liberia is in a process of recovery and redevelopment following the lifting of the UN sanctions against logging in 2006. The new legislative framework is in place and areas of forest have been identified for conservation and for commercial and community forest operations. New regulations are being developed to regulate the informal sector, known as 'chainsaw logging', which supplies mainly the domestic market.

A review of the capacity of government services, private-sector operators and civil society to perform functions prescribed in the new legal and policy frameworks, carried out in December 2010 in preparation for the Voluntary Partnership Agreement (VPA), points to a large gap between the intended functions and the actual capacity. Effective operation of the legality assurance system (LAS) described in this Agreement will require strengthened capacity for core regulatory functions alongside the upgrading of systems described in Annex II.

Liberia will take a range of supporting measures, as indicated in Article 15(1) of this Agreement, in cooperation with the Member States of the Union, the European Commission and other development partners in order to implement this Agreement effectively. These include measures to:

- (a) establish implementing structures to ensure effective coordination;
- (b) build capacity of key stakeholders;
- (c) establish the legality assurance system;
- (d) strengthen the legal and regulatory framework;
- (e) monitor domestic trade in timber and its importance to the national economy;
- (f) monitor the impact of the VPA, including on communities and private-sector operators;
- (g) monitor implementation of the VPA;
- (h) communicate with national and international stakeholders;
- (i) update the strategic framework for the forest sector.

Possible supporting measures are outlined below. These will be further developed into detailed action plans, including investment schedules, at an early stage of implementation of the VPA.

2. IMPLEMENTING STRUCTURES

Institutional structures will be established to enable smooth operation and coordination between government and non-government bodies involved in implementing the VPA. In particular, drawing on existing structures two new departments will be created within the Forestry Development Authority (FDA), the Liberia Verification Department (LVD) and the Liberia Licensing Department (LLD). A mechanism for coordination between government agencies and increasing capacity in existing departments to take on new functions will be one priority for the first year. In particular, a structure to manage the outsourced verification/chain of custody system (COCS) contract will be established in the first year of implementation. In preparation for implementation, technical support to plan for and build capacity needed will be a priority (e.g. staff job descriptions, recruitment, engagement of experts and inter-agency communications between the FDA and other line agencies e.g. the Environmental Protection Agency and the Ministries of Commerce and Industry, Labour, Agriculture and Finance (Bureau of Concessions and Bureau of Customs)).

3. CAPACITY-BUILDING

Capacity-building will be required for all parties involved in implementing the VPA. Planning for this should take into consideration on-going and planned sector support, as indicated in Article 15 of this Agreement. Capacity-building encompasses: (a) technical training for government agencies, in particular the FDA, the Environmental Protection Agency and Customs; (b) training for FDA staff working with the external service provider; (c) training for civil society groups to enable them to monitor LAS operations and help communities to participate in forestry-related action; (d) assistance for chainsaw loggers' groups in cooperative formation and technical skills; (e) training in information management for the LAS and capacity routinely to analyse and publish information on the sector; and (f) increased capacity with the aid of technology, including provision of adequate equipment, software and communication equipment.

In order to guide the significant capacity-building task and drawing on the capacity gap analysis carried out in December 2010, Liberia will develop a comprehensive costed five-year training plan, reflecting ongoing or planned initiatives, differentiating between on-the-job training by the verification/COCS service provider and other training required and identifying training that can be covered by existing initiatives and that for which additional training tailored to VPA requirements is needed.

Furthermore, Liberia will develop a five-year investment plan, identifying the needed equipment and its operating costs, facility construction or refurbishment and maintenance, investments that will be procured by the service provider for eventual handover, those procured under existing funded initiatives and those which will need additional funding. As indicated in Article 15 of this Agreement, the Parties will work together under existing arrangements to secure the resources needed for this capacity-building.

4. FINANCING MECHANISMS

Detailed budgets for all the measures described in this Annex will need to be developed and financing arranged. The latter will include determining the contribution that Liberia can provide from its own resources, establishing what will be required from donors and identifying and engaging potential donors. Key measures may include:

- (a) establishing the financial delivery mechanism;
- (b) developing a comprehensive short-term and long-term budget and detailed proposals and sources for funding implementation of the VPA;
- (c) identifying support from Liberia's resources and support needed from the Union and other development partners, including coordination of existing donor support where relevant;
- (d) securing funds.

5. ESTABLISHING THE LAS

The LAS will build on existing systems and structures already operating in Liberia. Support is required to upgrade systems to ensure verification of compliance with the legality definition referred to in Annex II, by means of the procedures outlined in that Annex. The supporting measures will focus on action needed to establish the functional capacity across a number of different government agencies and on introducing independent audit. They involve establishing the legality verification function, the FLEGT licensing system and the independent audit function, and upgrading the existing COCS to meet LAS requirements.

5.1. Establishing the legality verification system

Liberia will contract an external service provider to build, operate, and transfer the legality verification and COCS over a five-year period. A central part of the task will be building the capacity of line government agencies to deliver the functions needed. The external service provider will work directly with staff of the FDA seconded into their service who, in the long run, will become the LVD. Key measures may include:

- (a) engage a qualified client's representative to assist with drawing up detailed specifications and contract documents for the service provider and with selection procedures;

- (b) advertising for receiving, shortlisting and evaluating proposals for the service provider;
- (c) negotiating a contract with the service provider on a build-operate-transfer basis;
- (d) transferring relevant FDA staff to the service provider;
- (e) establishing an oversight structure to monitor the service provider;
- (f) building and operating the LAS described in Annex II to this Agreement;
- (g) integrating mill processes and production of rubber-wood chips into the COCS;
- (h) integrate imported timber and confiscated timber into COCS;
- (i) extending the LAS to include timber produced for the domestic market;
- (j) transferring systems operated by the service provider to the FDA.

5.2. Establishing the Liberia Licensing Department

The FDA will establish a Licensing Department that will be responsible for FLEGT licensing all exports. It will develop the detailed procedures for FLEGT licensing and ensure coherence with export procedures, phasing out the current system of export permits as the FLEGT licensing system becomes operational. To this end, key measures may include:

- (a) with expert assistance as appropriate, developing additional routines to adjust the current export permit system for FLEGT licensing;
- (b) establishing the Department within the FDA;
- (c) recruiting staff and a technical advisor;
- (d) drafting regulations on export licensing;
- (e) phasing out export permits;
- (f) issuing FLEGT licences;
- (g) establishing mechanisms for communication with Union competent authorities.

5.3. Establishing Independent Audit mechanism

As indicated in Annex V, Liberia will contract an independent auditor (IA) to ensure smooth operation of the LAS and to lend credibility to the systems, for international markets in particular. Liberia will contract the IA in consultation with the Union following Liberia's procurement procedures and following the guidance established in Annex V. To this end, key actions may include:

- (a) advertising for, short-listing, selecting and negotiating with IA;
- (b) developing detailed procedures for the Independent Audit to be agreed with the Joint Implementation Committee (JIC);

- (c) initiating independent audits;
- (d) establishing capacity for reviewing and reporting.

5.4. External review of the operational LAS

As indicated in Annex VI, the LAS will be subject to an independent technical evaluation before the licensing scheme becomes fully operational and before the Union authorities will accept FLEGT licenses. Key measures may include:

- (a) conducting an independent evaluation of the LAS, reviewing results and adjusting systems if necessary;
- (b) informing the JIC of evaluation results and agreeing on a date when the licensing scheme will 'go live' and the Union authorities will be required to verify FLEGT licenses before entry to the Union market.

6. STRENGTHENING LAW ENFORCEMENT AND THE REGULATORY FRAMEWORK

Parallel to implementation of the LAS, Liberia will examine the efficiency of the regulatory and enforcement system and the coherence of the legal framework applicable to the forestry sector and introduce improvements where necessary. Development of the legality definition and the consultations and field testing that took place during its development have brought to light some areas of the regulations that need further amendment to provide clear guidance to economic operators. Key measures may include:

- (a) providing for a regulatory review after five years of implementation of the LAS that will allow time to identify practical concerns in application and verification of legal compliance;
- (b) improving the following areas of the legal framework; guidelines for negotiation of Social Agreements; community forestry regulations; procedures for handling abandoned logs; procedures for handling timber confiscated due to violation of the law; guidelines on how independent certification schemes will be integrated into the LAS; procedures for producing the debarment list; procedures for tracking timber through processing facilities; regulations on third-party access and use of resources in a concession area; regulation of chainsaw logging; regulations for timber import and timber in transit; improvement of EIA processes and environmental management within timber contract areas;
- (c) strengthening the regulations on the safety and welfare of workers involved in the logging industry;
- (d) any necessary readjusting of the legality verification matrix described in Annex II as a result of changes to laws and regulations.

7. MONITORING THE DOMESTIC TIMBER MARKET

The domestic market for timber is very important for the national economy, but poorly understood and largely unregulated. Liberia will adopt new regulations, to help it work with small-scale chainsaw operators. Production for the domestic trade will be integrated into the LAS and regulatory measures will be adopted to ensure better regulation, fair trade and environmental safeguards in what is currently an informal sector operating outside the regulatory system. Key measures may include:

- (a) organising of the domestic timber market;
- (b) improving of the legal framework relating to the domestic timber market;
- (c) establishing an information system;
- (d) establishing a suitable traceability system for timber sold on the domestic market;
- (e) integrating domestic timber sales into the LAS.

8. MONITORING THE IMPACT OF THE VPA IMPACTS

Monitoring the social, environmental and market impact of the VPA, in general and with particular emphasis on forest-dependent communities is necessary to ensure that the VPA is delivering its intended aims. To this end, key measure may include: designing a monitoring framework, including baselines and agreed indicators covering elements such as improvements in governance structures, allocation of forest use right, social agreements and benefit-sharing with affected communities, volumes of regulated timber compared with volumes still unregulated, evidence of law enforcement, volumes of timber confiscated and its disposal, efficiency of revenue capture, efficiency of revenue disbursement to affected communities, markets for Liberia's timber and the impact of the VPA impact on its competitiveness. The JIC will establish effective monitoring as indicated in Annex X.

9. MONITORING IMPLEMENTATION OF THE VPA

The JIC will have overall responsibility for monitoring implementation of the VPA. This will include review and action in response to the Independent Audit reports, and reviews of the impact monitoring described above. In addition, other stakeholders including civil society will monitor implementation of the VPA and, in so doing, contribute to effective implementation of the LAS. The JIC will receive reports from stakeholders and ensure that an effective complaints mechanism is in place for addressing problems identified. Key measures may include:

- (a) supporting the national multi-stakeholder monitoring committee described in Article 16 to this Agreement in holding regular open public consultations on implementation of the VPA, where stakeholders will be able to give feedback;
- (b) monitoring by civil society, including ensuring that community-level concerns are articulated and communicated to the LVD, LLD and IA, the national multi-stakeholder monitoring committee and to the JIC.

10. COMMUNICATION

Communication supports implementation of the VPA and is essential to redress the negative image of the sector given the difficult historical background of Liberia and its timber industry. The VPA is an opportunity to work towards transparency, accountability and legality. The value of communicating about the government efforts to improve governance in the forest sector cannot be overemphasised. The VPA will affect not only the administration, but also different stakeholder groups and the broader public and therefore requires a comprehensive communication strategy that will provide all the necessary information on the VPA, its impact and its benefits, not only in economic, but also environmental and social terms. Communication on action planned and achievements under the VPA will aim to:

- (a) encourage involvement and guarantee the coherence of actions by various stakeholders;
- (b) ensure public access to information to facilitate monitoring;
- (c) promote the image of Liberian timber on the international market;
- (d) secure public support for the action taken by Liberia to promote sustainable forest resource management and development of the communities that depend on it; and
- (e) promote the benefits of a VPA among the stakeholders and the wider public.

To this end, Liberia will support measures to ensure effective communication of the ambition and results of the VPA. Key measures may include:

- (a) preparing and implementing a communication strategy with the goal of raising public awareness via modern and traditional media to keep the public and the timber trade informed about implementation of the VPA and its impact and benefits;
- (b) identifying appropriate target groups and designing specific printed and electronic messages concerning the VPA for each target audiences with regular updates;

- (c) establishing an information exchange platform for consistent dissemination of information to domestic and international partners, including considering where it should be located in the overall implementing structure;
 - (d) organising trade shows involving prospective trading partners to promote the benefits of FLEGT-licensed timber;
 - (e) putting systems in place for the appropriate government authorities to publish information and to respond to requests for information under the Freedom of Information Act, as indicated in Annex IX.
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ANNEX IX

PUBLIC INFORMATION AND TRANSPARENCY MEASURES

In line with the desire of the Government of Liberia to adopt transparent and accountable natural resource management, as exemplified by the scrupulous implementation of the Extractive Industries Transparency Initiative (EITI), the Parties agree that publication of information and other transparency measures are essential for successful implementation of the Voluntary Partnership Agreement (VPA) as indicated in Article 21 of this Agreement. In this light, both Parties are committed to regularly publishing all information of interest to stakeholders and information to facilitate implementation and monitoring of the VPA. This Annex describes the information to be published by the Government of Liberia or that can be made available to the public under the Freedom of Information Act by the Government of Liberia.

1. CATEGORIES OF INFORMATION THAT WILL BE ROUTINELY PUBLISHED

The following information described below will be made available to the public by regular publication, as described in Sections 2.5 and 2.6 of the Freedom of Information Act 2010. The information may be provided by various means depending on the nature of the information and the target audience, for example:

- (a) websites;
- (b) multi-stakeholder implementation platform;
- (c) public meetings;
- (d) press conferences;
- (e) national radio and newspapers;
- (f) brochures and newsletters.

As indicated in Annex VIII, a comprehensive communication strategy will be developed to support dissemination of information to all stakeholders using the most appropriate means.

1.1. Information relating specifically to the VPA

- (a) The VPA and all its Annexes.
- (b) Reports produced by the Joint Implementation Committee (JIC), which must include the following information:
 - number of FLEGT licenses issued by Liberia,
 - number of rejected applications for FLEGT license applications,
 - instances of non-compliance with the FLEGT licensing process in Liberia and measures taken to address such cases,
 - annual quantities of timber and timber products exported to the Union,
 - number of FLEGT licenses received by the Union,
 - quantities of timber and timber products imported into the Union under the FLEGT licensing scheme, by the Union Member State in which importation took place.
- (c) Reports produced by the independent auditor.
- (d) Procedures guiding the functioning of the JIC.
- (e) Aides-memoires and other reports by the JIC, including monitoring and impact studies as indicated in Annex X.
- (f) Procedures and terms of reference guiding the functioning of the national stakeholder committee for monitoring the VPA.

(g) Guidelines for LAS compliance targeting different stakeholders.

(h) Guidelines for social agreements.

1.2. Information on management of the forestry sector

(a) Information about and documents from government agencies that exercise oversight over the forestry sector and that are required under the publication arrangements outlined in Sections 2.1–2.3 of the Freedom of Information Act 2010, to make such information routinely available, including:

- enabling legislation of the government agency or authority,
- its existing policy, procedures and rules,
- its budgets,
- the financial accounts of the agency or authority,
- its organisation chart, including lines of reporting,
- material contracts,
- procedure for appealing against decisions by the authority or its officers,
- resolutions of the board of directors,
- audit reports,
- public comments, reports, strategies and manuals relating to the forest sector, pursuant to Section 18.15 of the National Forestry Reform Law.

(b) All legislation, regulations and operating procedures that have been enacted by the Government of Liberia. This includes all aspects of the regulatory framework that are referred to in the Liberian legality definition in Annex II.

1.3. Information on forest resource allocation

(a) Forest licenses issued, including timber sales contracts (TSC), forest management contracts (FMC), agreements and permits for operations and for processing wood products, including forest use permit (FUP) and private use permit (PUP).

(b) Agricultural concession contract agreements pertaining to products listed in Annex I.

(c) Documents relating to competitive bidding: pre-qualification evaluation panel report.

(d) Concession contracts awarded.

(e) Social agreements between forest communities and all contract or permit holders.

(f) Maps of communal forests and their areas.

(g) List and maps of all TSCs, PUPs, FUPs and FMCs awarded.

1.4. Information on forest resource production

(a) Volumes and monetary values (as determined by approved FOB price lists) of harvested forest resources, processed forest products and exported forest products, reported as:

- total annual production,
- by species produced under each forest resources licence.

(b) Annual volume of timber and derived products imported into Liberia or transited through Liberia.

1.5. Information on forest fees and revenues

- (a) Schedule of all forestry-related fees and taxes.
- (b) FOB prices.

1.6. Information on law enforcement in concession areas

- (a) Penalties imposed and the list of those who actually paid and those who did not pay or complied.
- (b) Annual volume of timber products sold at public auction and the monetary value of the sales.

2. INFORMATION AVAILABLE TO THE PUBLIC WHEN REQUESTED UNDER THE FREEDOM OF INFORMATION ACT

The procedures for granting access to information, records or documents under this Annex will follow the procedures outlined in Chapter 3, Sections 3.1-3.14, of the Freedom of Information Act.

2.1. Information on forest resource allocation

- (a) Documents relating to pre-qualification which will be made available upon request after completion of the pre-qualification process:
 - list of pre-qualified companies.
- (b) Documents relating to competitive bidding which will be available upon request after the winning bid have been selected and all who submitted a bid have been notified:
 - bid documents,
 - bid evaluation panel report.
- (c) List of prohibited persons (i.e. persons prohibited from holding interests in commercial logging companies due to currently holding public office).
- (d) List of debarred persons (i.e. persons debarred from the Liberian logging industry due to involvement in use, management or harvesting of forest resources while aiding or abetting civil disturbances involving use of weapons).
- (e) List of suspended persons (i.e. persons suspended due to default on financial obligations related to forest use).
- (f) All documents, records and information relating to approved business and forest management plans.
- (g) Location and ownership of land subject to Forest Resources License.
- (h) Names of forest resource holders and brief description of the areas covered by the holder's forest resource licence (size of the area and type of forest resources).

2.2. Information on forest resource production

- (a) Volume and location of wood available for harvest under the annual coupe per concession.
- (b) Information held on the Liberian LAS database.
- (c) Annual volume of timber products consumed on the domestic market by type of product and species.

2.3. Information on processing

- (a) List of registered processing companies and their contact details.
- (b) Production capacity per processing unit by company.
- (c) Annual volume of logs processed by species and type of product per processor.

2.4. Information on forest fees and revenues

- (a) Amount of fees and taxes assessed on business entities in the forestry sector assessed by the Ministry of Finance and the amounts paid per forest resource contract-holder.
- (b) Amount of money received and disbursed by the Government to the Community Forestry Development Funds.
- (c) Amount of money received and disbursed by the National Community Benefit Sharing Trust.
- (d) Amount of money received and disbursed by the Trust to Community Forestry Development Committees, with a breakdown by project, date and affected community.
- (e) Outcomes of complaints from the public in connection with the County Forestry Development Fund and the National Benefit Sharing Trust or any Community Forestry Development Committee.

2.5. Information on law enforcement in concession areas

- (a) Charges of violations, arrests, settlements and convictions associated with the operations under the forest resources licence as recorded by the FDA.
- (b) Forest resources license fee invoices and payment information.

3. PROCEDURE FOR ACCESS TO PUBLIC INFORMATION, RECORDS OR DOCUMENTS

This Annex is in line with Liberia's Freedom of Information Act which makes it mandatory for every public institution and private entity that receives public resources and benefits or engages in a public function to outline how the public can gain access to different pieces of information.

The FDA and all other public agencies have developed, or are developing, procedures for making information available to the public.

To make this Annex operable, the procedures/guidelines/or instructions for responding to requests for information need to be developed and approved. In addition, the reporting and public disclosure provisions that apply to the LLD and the LVD will be further developed during the implementation of this Agreement.

ANNEX X

FUNCTIONS OF THE JOINT IMPLEMENTATION COMMITTEE

In application of Article 19 of this Agreement, the Parties shall establish a monitoring and decision-making structure designated the 'Joint Implementation Committee' (JIC). The JIC shall be responsible for oversight and monitoring implementation of this Agreement. The JIC shall facilitate dialogue and exchanges of information on the functioning of this Agreement. In particular, the JIC shall:

(a) as regards to the management of this Agreement:

1. publish a yearly report on implementation of this Agreement in accordance with Annex IX;
2. following the evaluation of the functioning of the legality assurance system (LAS) and based on the assessment criteria outlined in Annex VI, recommend the date on which the FLEGT licensing scheme will start operating;
3. review progress towards achieving the objectives and the time-bound action in this Agreement and matters relating to the implementation of this Agreement;
4. propose and/or take measures to improve the performance of this Agreement;
5. amend Annexes in accordance with Article 26 of this Agreement;
6. address matters of concern raised by either of the Parties and attempt to resolve any conflict that may arise in the course of the implementation of Article 10 of this Agreement;
7. address matters of concern raised by either of the Parties and attempt to resolve any conflict that may arise in the event of differences of opinion between the Parties in accordance with Article 24 of this Agreement;
8. publish reports and *Aide-Mémoire* making the workings of the JIC as transparent as possible;

(b) as regards monitoring and assessment of this Agreement:

1. monitor overall progress on the implementation of this Agreement, including the functioning of the LAS;
2. conduct regular joint missions to review the effectiveness of this Agreement and its impact, based on the information available;
3. monitor and report on the market situation at regular intervals, commissioning studies as necessary and recommending action to be taken in response to market intelligence reports;
4. assess the social, economic and environmental impact of this Agreement, in accordance with relevant good practice and criteria to be agreed by the Parties and address problems raised by these reviews and assessments;
5. identify difficulties associated with implementation of this Agreement and suggest suitable measures to address them;

(c) as regards the independent audit of this Agreement:

1. approve the independent auditor's procedural manual in accordance with Annex V;
2. review reports issued by the independent auditor and any complaint about the operation of the FLEGT licensing scheme on the territory of either of the Parties;
3. review reports or complaints relating to the working of the independent auditor and agree appropriate action to be taken;
4. publish reports of the independent auditor, as provided for in Annexes V and IX;
5. monitor, when applicable, action taken to address the problems identified by the independent auditor;

(d) as regards involving stakeholders in implementing and monitoring this Agreement:

1. provide recommendations on capacity-building needs for successful implementation of this Agreement and, if applicable, on the need to increase the capabilities of and participation by the private sector and civil society in monitoring compliance with laws and regulations relating to forest management in Liberia;
 2. take appropriate measures to promote participation of concerned stakeholders in the implementation of this Agreement;
 3. if necessary, establish working groups or other subsidiary bodies for areas of work requiring specific expertise or stakeholder perspectives.
-

COUNCIL DECISION

of 14 May 2012

on the conclusion of a Voluntary Partnership Agreement between the European Union and the Central African Republic on forest law enforcement, governance and trade in timber and derived products to the European Union (FLEGT)

(2012/374/EU)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraphs of Article 207(3) and (4), in conjunction with Article 218(6)(a)(v) and Article 218(7) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Whereas:

- (1) In May 2003 the European Commission adopted a Communication to the European Parliament and to the Council entitled 'Forest Law Enforcement, Governance and Trade (FLEGT): Proposal for an EU Action Plan' which called for measures to address illegal logging through the development of voluntary partnership agreements with timber-producing countries. Council conclusions on that Action Plan were adopted in October 2003 ⁽¹⁾ and Parliament adopted a resolution on the subject on 11 July 2005 ⁽²⁾.
- (2) In accordance with Council Decision 2011/790/EU ⁽³⁾, the Voluntary Partnership Agreement between the European Union and the Central African Republic on forest law enforcement, governance and trade in timber and derived products to the European Union was signed on 28 November 2011, subject to its conclusion.
- (3) The Agreement should be concluded,

HAS ADOPTED THIS DECISION:

Article 1

The Voluntary Partnership Agreement between the European Union and the Central African Republic on forest law enforcement, governance and trade in timber and derived

products to the European Union (FLEGT) (hereinafter 'Agreement') is approved on behalf of the Union.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person empowered on behalf of the European Union to make the notification provided for in Article 30 of the Agreement, in order to bind the Union.

Article 3

The European Union shall be represented by representatives of the Commission in the Joint Agreement Implementation Committee set up in accordance with Article 19 of the Agreement.

The Member States may participate in meetings of the Joint Agreement Implementation Committee as members of the European Union delegation.

Article 4

For the purpose of amending the annexes to the Agreement in accordance with Article 26 thereof, the Commission is authorised, in accordance with the procedure laid down in Article 11(3) of Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community ⁽⁴⁾, to approve any such amendments on behalf of the European Union.

Article 5

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 14 May 2012.

For the Council
The President
M. GJERSKOV

⁽¹⁾ OJ C 268, 7.11.2003, p. 1.

⁽²⁾ OJ C 157E, 6.7.2006, p. 482.

⁽³⁾ OJ L 320, 3.12.2011, p. 2.

⁽⁴⁾ OJ L 347, 30.12.2005, p. 1.

VOLUNTARY PARTNERSHIP AGREEMENT**between the European Union and the Central African Republic on forest law enforcement, governance and trade in timber and derived products to the European Union (FLEGT)**

THE EUROPEAN UNION, hereinafter 'the Union',

of the one part,

and

THE CENTRAL AFRICAN REPUBLIC, hereinafter 'the CAR',

of the other part,

hereinafter referred to jointly as 'the Parties',

HAVING REGARD TO the close cooperation relations between the Union and the CAR, particularly the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, on the one hand, and the European Community and its Member States, on the other, signed in Cotonou on 23 June 2000 ⁽¹⁾, revised in Luxembourg on 25 June 2005, hereinafter referred to as the 'Cotonou Agreement';

HAVING REGARD TO Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community ⁽²⁾;

CONSIDERING the communication from the Commission to the Council and the European Parliament on an EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) ⁽³⁾ as a first step towards tackling the urgent issue of illegal logging and associated trade;

REFERRING to the Ministers' Yaoundé Declaration of 16 October 2003 on Forest Law Enforcement and Governance;

REFERRING to the 1992 Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the management, conservation and sustainable logging of all types of forests, and the recent adoption by the United Nations General Assembly of the Non-Legally Binding Instrument on all types of forest ⁽⁴⁾;

AWARE of the importance of the sustainable forest management principles set out in the 1992 Rio de Janeiro Declaration on Environment and Development in the context of the sustainable management of forests, and in particular of Principle 10 concerning the importance of public awareness and participation in environmental issues and of Principle 22 concerning the vital role of indigenous peoples and other local communities in environmental management and development;

REFERRING to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and, in particular, the requirement that CITES export permits issued by the Parties for specimens of species listed in Annex I, II or III be granted only under certain conditions, including that these specimens were not obtained in contravention of the laws for the protection of fauna and flora;

RESOLVED to seek to minimise any adverse impacts on indigenous and local communities and poor people which may arise as a direct consequence of implementing this Agreement;

REAFFIRMING the importance attached by the Parties to development objectives agreed at international level and to the UN Millennium Development Goals;

REAFFIRMING the importance attached by the Parties to the principles and rules which govern the multilateral exchange systems, in particular the rights and obligations laid down in the 1994 General Agreement on Tariffs and Trade (GATT) and in the other multilateral agreements in Annex IA of the Marrakesh Agreement of 15 April 1994 establishing the World Trade Organisation (WTO), and the need to apply them in a transparent and non-discriminatory manner;

CONSIDERING the CAR's desire to work for the sustainable management of its forest resources, in accordance with the partnership objectives of the Congo Basin Forest Partnership of which it is a member, founded in January 2003 following the World Summit on Sustainable Development held in Johannesburg in 2002, with the September 2003 Fora on Water, Forests, Hunting and Fisheries, with international agreements and treaties, in particular the Treaty on the Conservation and Sustainable Management of Forest Ecosystems in Central Africa and to establish the Central African Forests Commission (COMIFAC) of 5 February 2005, and with Law 08.022 of 17 October 2008 on the Forestry Code in the CAR;

⁽¹⁾ OJ L 317, 15.12.2000, p. 3.

⁽²⁾ OJ L 347, 30.12.2005, p. 1.

⁽³⁾ COM(2003) 251 final, 21.5.2003.

⁽⁴⁾ A/RES 62/98 of 31 January 2008.

CONSIDERING that the Central African Republic's system for verifying the legality of timber and derived products applies to all exports, and not only those destined for the Union,

HEREBY AGREE AS FOLLOWS:

Article 1

Objective

In accordance with the common commitment of the Parties to sustainably manage all types of forest, the objective of this Agreement is to provide a legal framework aimed at ensuring that all imports into the European Union from the CAR of the timber and derived products covered by this Agreement have been legally produced or acquired and, this being so, to promote the trade in said timber and derived products.

This Agreement also provides a basis for dialogue and cooperation between the Parties aimed at facilitating and promoting its integral implementation and at strengthening the enforcement of forest regulations and governance.

Article 2

Definitions

For the purposes of this Agreement, the following definitions shall apply:

- (a) 'Import into the Union': the release for free circulation of timber and derived products into the Union within the meaning of Article 79 of Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code ⁽¹⁾, and which cannot be qualified as 'goods of a non-commercial nature' as defined in point 6 of Article 1 of Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Regulation (EEC) No 2913/92 establishing the Community Customs Code ⁽²⁾;
- (b) 'Export': the physical leaving or taking out of the territory of the CAR timber and derived products produced or acquired in the CAR, with the exception of timber and derived products in transit through the territory of the CAR under the control of the customs authorities of the CAR;
- (c) 'Timber and derived products': the products listed in Annex I;
- (d) 'HS code': a four- or six-digit code as set out in the nomenclature of the Harmonised Commodity Description and Coding System established by the International Convention on the Harmonised Commodity Description and Coding System of the World Customs Organisation, in conformity with the combined nomenclatures of the European Union and the Economic and Monetary Community of Central Africa (CEMAC);
- (e) 'FLEGT licence': a licence that refers to the shipment of legally produced timber or derived products;

- (f) 'Licensing authority': the authority designated by the CAR to issue and validate FLEGT licences;
- (g) 'Competent authorities': the authorities designated by the Member States of the European Union to receive, accept and verify FLEGT licences;
- (h) 'Shipment': a quantity of timber and derived products covered by a FLEGT licence that is sent by a consignor and which is presented for release for free circulation at a customs office in the Union;
- (i) 'Timber that is legally produced or acquired': harvested or imported timber and derived products, produced in accordance with the legislation specified in Annex II.

Article 3

FLEGT licensing scheme

1. A Forest Law Enforcement, Governance and Trade Licensing Scheme (hereinafter referred to as the 'FLEGT licensing scheme') is hereby established between the Parties to this Agreement. This scheme establishes a set of procedures and requirements aimed at verifying and attesting, by means of FLEGT licences, that timber and derived products shipped to the Union have been legally produced or acquired. In accordance with Council Regulation (EC) No 2173/2005, the Union shall accept such shipments from the CAR for import into the Union only if they are covered by FLEGT licences.
2. The FLEGT licensing scheme shall apply to the timber and derived products listed in Annex I.
3. The Parties agree to take all measures necessary to implement the FLEGT licensing scheme, in accordance with Article 12 of this Agreement.

Article 4

Licensing authority

1. The CAR shall designate the FLEGT licensing authority and notify its contact details to the European Commission. Both Parties shall make this information available to the public.
2. The licensing authority shall verify that timber and derived products have been legally produced or acquired, in accordance with the legislation given in Annex II. It shall issue FLEGT licences covering shipments of timber and derived products that are legally produced or acquired in the CAR and destined for export to the Union and, where appropriate, the necessary documentation for timber and derived products in transit through the territory of the CAR under the control of the customs authorities of the CAR.

⁽¹⁾ OJ L 302, 19.10.1992, p. 38.

⁽²⁾ OJ L 253, 11.10.1993, p. 1.

3. The licensing authority may not issue FLEGT licences for any timber and derived products that are composed of, or include, timber and derived products imported into the CAR from a third country in a form prohibited for export under the laws of the country concerned, or for which there is proof that this timber or these derived products have been produced or acquired in violation of the laws of the country where the trees were harvested.

4. The licensing authority shall maintain and make publicly available its procedures for issuing FLEGT licences. It shall also retain the records of all shipments covered by FLEGT licences and, in accordance with national data protection legislation, shall provide these records for the purposes of an independent audit, whilst preserving the confidentiality of the information on exporters' industrial patent rights.

Article 5

Competent authorities of the Union

1. The European Commission shall inform the CAR of the contact details of the competent authorities designated by the Member States of the Union and their respective territorial areas of competence.

2. The competent authorities shall verify that each shipment is the subject of a valid FLEGT licence prior to releasing that shipment for free circulation in the Union. This release for free circulation may be suspended and the shipment held if there is any doubt as to the validity of the FLEGT licence. The procedures governing the release for free circulation in the Union of shipments covered by a FLEGT licence are described in Annex III.

3. The competent authorities shall maintain and publish annually a record of FLEGT licences received.

4. According to national legislation on data protection, the competent authorities shall grant the persons or bodies designated by the CAR as independent auditors access to the relevant documents and data.

5. The Union's competent authorities shall refrain from undertaking the action described in Article 5(2) with regard to timber and derived products from species listed in the Appendices to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) insofar as these products are covered by the examination procedures laid down in Council Regulation (EC) No 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein ⁽¹⁾. The FLEGT licensing scheme nevertheless provides an assurance that the products in question have been legally harvested.

Article 6

FLEGT licences

1. FLEGT licences shall be issued by the licensing authority as a means of attesting that timber and derived products have been legally produced or acquired.

2. FLEGT licences shall be provided on a form written in French.

3. The Parties may, by agreement, establish electronic systems for the issuing, transmission and receipt of FLEGT licences.

4. The procedure for issuing FLEGT licences and the technical specifications are laid out in Annex IV.

Article 7

Definition of legally produced wood

For the purposes of this Agreement, a definition of timber that is legally produced or acquired is given in Annex II. This Annex sets out the CAR's national regulations that must be complied with for timber and derived products to be given a FLEGT licence. It also includes documentation containing the criteria, indicators and verifiers serving to prove compliance with the regulations, known as the 'legality matrix'.

Article 8

Verifying the legality of the timber produced or acquired

1. The CAR shall establish one or more systems for verifying that timber and derived products intended for shipment have been legally produced or acquired and that only shipments verified as such are exported to the Union. The system or systems for verifying legality shall include compliance checks in order to provide an assurance that the timber and derived products destined for export to the Union have been legally produced or acquired, and that FLEGT licences have not been issued for shipments of timber and derived products that have not been legally produced or acquired, or that are of unknown origin. The system or systems shall also include procedures to ensure that timber of illegal or unknown origin does not enter the supply chain.

2. The system or systems for verifying that shipments of timber and derived products have been legally produced or acquired is/are described in Annex V.

Article 9

Consultation on the validity of FLEGT licences

1. In the event of doubt about the validity of a FLEGT licence, the competent authority in question may ask the licensing authority for additional information.

2. If the licensing authority fails to reply within 21 calendar days of the date of receipt of the request, the competent authority shall proceed pursuant to the national legislation in force and shall not accept the licence. If it emerges from the additional information that the information appearing on the

⁽¹⁾ OJ L 61, 3.3.1997, p. 1.

licence does not correspond to the shipment, the competent authority shall act pursuant to the national legislation in force and shall not accept the licence.

3. In the event of disagreement or persistent difficulties in consultations regarding FLEGT licences, the case may be submitted to the Joint Implementation Committee.

Article 10

Independent auditor

1. The CAR shall engage the services of an independent auditor, in consultation with the Union, for the purposes of the tasks listed in Annex VI.

2. The independent auditor shall be a body with no conflict of interest resulting from an organisational or commercial relationship with the Union or with the CAR's forestry sector regulatory authorities, its licensing authority or any body given the responsibility of verifying the legality of timber production, or any operator exercising a commercial activity in its forestry sector.

3. The independent auditor shall operate in accordance with a documented management structure, and with published policies, methods and procedures that correspond to internationally accepted best practices.

4. The independent auditor shall refer complaints arising from its work to the Joint Implementation Committee.

5. The independent auditor shall regularly produce the full and summary reports noted in Annex VI.

6. The Parties shall facilitate the work of the independent auditor, ensuring in particular that it has access to the territory of each Party to the information necessary for the performance of its functions. In accordance with their respective national legislation on data protection, the Parties may nonetheless refrain from disclosing information that they are not permitted to communicate.

Article 11

Irregularities

The Parties shall inform each other of their suspicions or observations with regard to any circumvention of, or irregularity in, the FLEGT licensing scheme, in particular regarding:

- (a) a circumvention of trade, particularly via the redirection of trade from the CAR to the Union via a third country when there is reason to believe that this is done with the intention of avoiding licensing;
- (b) FLEGT licences being issued for timber and derived products that include imports of suspect sources from third countries; or
- (c) fraud in the obtaining or use of FLEGT licences.

Article 12

Date of introduction of the FLEGT licensing scheme

1. The Parties shall notify each other through the Joint Implementation Committee when they feel they have made the necessary preparations for the FLEGT licensing scheme to become fully operational.

2. The Parties shall, through the Joint Implementation Committee, commission an independent evaluation of the FLEGT licensing scheme on the basis of the criteria set out in Annex VII. The evaluation shall determine whether the legality assurance system (LAS) underpinning the FLEGT licensing scheme as described in Annex V adequately fulfils its functions and whether the systems in place for receiving, verifying and accepting licences, as set out in Article 5 and Annex III, are in place in the Union.

3. On the basis of the recommendations of the Joint Implementation Committee, the two Parties shall agree on a date on which the FLEGT licensing scheme should commence full operations.

4. The two Parties shall consider the recommendation and notify each other in writing of their approval of the recommendation.

Article 13

Application of LAS to timber and derived products not exported to the Union

The CAR shall use the legality assurance system or systems described in Annex V for timber and derived products exported to markets outside of the Union.

Article 14

Schedule for implementation of this Agreement

1. The Parties agree to the implementation schedule set out in Annex VIII.
2. Through the Joint Implementation Committee, the Parties shall evaluate progress made in implementation with reference to the schedule set out in Annex VIII.

Article 15

Supporting measures

1. The Parties have identified the areas referred to in Annex IX as those in which there is a need for additional technical and financial resources in order to implement this Agreement.
2. The provision of such additional resources shall be subject to the normal procedures of the Union and its Member States for programming aid to the CAR and to the budgetary procedures of the CAR itself.
3. The Parties shall envisage the need for a joint arrangement whereby the financing and technical contributions of the European Commission and the Member States of the Union are coordinated to support these processes.

4. The CAR shall ensure that capacity building for the implementation of this Agreement is included in national planning instruments, such as the poverty reduction strategies.

5. The Parties shall ensure that activities associated with implementation of this Agreement are coordinated with the relevant development programmes and initiatives, current or future.

6. The provision of these resources shall be subject to the procedures governing Union aid, as set out in the Cotonou Agreement, and to those governing the bilateral aid given to the CAR by each of the Union's Member States.

Article 16

Stakeholder involvement in the implementation of this Agreement

1. The CAR shall involve the stakeholders in implementation of this Agreement, in accordance with the guidelines of the Central Africa Forests Commission on the involvement of non-governmental organisations, local communities and indigenous peoples.

2. The Union shall hold regular consultations with the European stakeholders on the implementation of this Agreement, bearing in mind its obligations under the 1998 Aarhus Convention on access to information, public participation in the decision-making process and access to justice in environmental matters.

Article 17

Social safeguards

1. In order to minimise possible adverse impact, the Parties agree to develop a better understanding of the livelihoods of potentially affected local and indigenous communities, including those engaged in illegal logging.

2. The Parties shall monitor the impact of this Agreement on those communities, taking reasonable and appropriate steps to mitigate any adverse impact. The Parties may agree additional measures to counter any such adverse impact.

Article 18

Market incentives

Bearing in mind its international obligations, the Union shall strive to promote favourable access to its market for the timber and derived products covered by this Agreement. Such efforts shall include:

- (a) the encouragement of public and private procurement policies that recognise efforts to ensure a supply of legally harvested forest products; and
- (b) the promotion of FLEGT-licensed timber and derived products on the Union's market.

Article 19

Joint Implementation Committee

1. The Parties shall establish a Joint Implementation Committee to facilitate the monitoring and review of this Agreement.

2. Each Party shall appoint its representatives to the Joint Implementation Committee. The Committee shall take its decisions by a consensus.

3. The Joint Implementation Committee shall facilitate dialogue and an effective and regular exchange of information between the Parties in order to optimise the functioning of this Agreement, and may consider any issues relating to its effective operation. The detailed functions of the Joint Implementation Committee are given in Annex X.

4. The Joint Implementation Committee:

- (a) shall meet at least once a year on a date agreed by the Parties;
- (b) shall produce the agenda and terms of reference for joint actions on a collegiate basis;
- (c) shall establish its own rules of procedure;
- (d) shall preside over its meetings either in turns, by representatives of each Party, or by a co-chair arrangement;
- (e) shall ensure that its work is as transparent as possible and that information concerning its work and its decisions is accessible to the public;
- (f) may establish working groups or other subsidiary bodies for areas of work requiring specific expertise.

5. The Joint Implementation Committee shall publish an annual report. Details regarding the content of this report can be found in Annex XI.

6. In the period between signing of this Agreement and its entry into force, a joint consultation and review mechanism shall be established in order to facilitate the implementation of this Agreement.

Article 20

Communication on implementation of this Agreement

1. The representatives of the Parties responsible for official communications concerning implementation of this Agreement are:

- (a) for the CAR: the Minister for Water, Forests, Hunting and Fisheries;
- (b) for the European Union: the Head of the EU Delegation in the CAR.

2. The Parties shall provide each other with the necessary information to implement this Agreement.

*Article 21***Reporting and public disclosure**

1. Provision of information to the public is a key element in strengthening governance under this Agreement. Publishing information facilitates the implementation and monitoring of the system by making it more transparent. The provision of information also enables better accountability and greater responsibility on the part of the different actors involved. The information to be disclosed and made public is listed in Annex XI.

2. Each Party shall consider the most appropriate mechanisms (media, documents, Internet, workshops, annual reports) by which to disseminate the information to the public. In particular, the Parties shall endeavour to make reliable and relevant information available to the different stakeholders involved in the forestry sector in real time. These mechanisms are described in Annex XI.

*Article 22***Confidential information**

1. Each Party undertakes, within the limits of its laws, not to disclose confidential information exchanged under this Agreement. Neither Party shall disclose to the public, nor permit its authorities to disclose, information exchanged under this Agreement that constitutes a trade secret or confidential commercial information.

2. Subject to paragraph 1, the following information shall not be considered confidential:

- (a) the number of FLEGT licences issued by the CAR and received by the Union and the volume of timber and derived products exported from the CAR and received by the Union;
- (b) the names and addresses of licence holders and importers.

*Article 23***Territorial application**

This Agreement shall apply to the territory in which the Treaty on the functioning of the European Union is applied under the conditions laid down in that Treaty, on the one hand, and to the territory of the CAR, on the other.

*Article 24***Settlement of disputes**

1. The Parties shall endeavour to resolve any dispute concerning the application or interpretation of this Agreement by means of prompt consultations.

2. If a dispute has not been settled by consultation within three months from the date of the initial consultation request, each Party may submit the dispute to the Joint Implementation Committee, which shall endeavour to resolve it. The Committee shall obtain all information relevant to an in-depth examination

of the situation with a view to finding an acceptable solution. To this end, it is required to examine all possible ways of maintaining the good functioning of this Agreement.

3. In the event that the Joint Implementation Committee cannot resolve the dispute, the Parties may:

- (a) jointly seek the good offices of, or request mediation by, a third Party;
- (b) go to arbitration. In the event that it is not possible to resolve the dispute in accordance with paragraph 3(a), either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within 30 calendar days of the appointment of the first arbitrator. The Parties shall jointly appoint a third arbitrator within two months of the appointment of the second arbitrator. The arbitrators' decisions shall be taken by a majority vote within six months of the appointment of the third arbitrator. The arbitrators' decisions shall be binding on the Parties, and shall be without appeal.

4. The Joint Implementation Committee shall establish the methods of arbitration.

*Article 25***Suspension**

1. Either Party may suspend the application of this Agreement. The decision to suspend and the reasons for that decision shall be notified to the other Party in writing.

2. The conditions of this Agreement shall cease to apply 30 calendar days after such notice is given.

3. Application of this Agreement shall resume 30 calendar days after the Party that has suspended it informs the other Party that the reasons for the suspension no longer apply.

*Article 26***Amendments**

1. Either Party wishing to amend this Agreement shall submit the proposal at least three months before the next meeting of the Joint Implementation Committee. The Committee shall discuss the proposal and, if consensus is reached, make a recommendation. Each Party shall consider the recommendation and, if it agrees, approve it in accordance with its own procedures.

2. Any amendment thus approved by both Parties shall enter into force on the first day of the month following the date on which the Parties notify each other of the completion of the procedures necessary for this purpose.

3. The Joint Implementation Committee may adopt amendments to the Annexes to this Agreement.

4. Notification of any amendment shall be sent to the joint depositaries for this Agreement.

*Article 27***Annexes**

The Annexes shall form an integral part of this Agreement.

*Article 28***Duration and extension**

This Agreement shall remain in force for a period of six years and shall be extended for consecutive periods of six years unless a Party renounces the extension by notifying the other Party in writing at least one year prior to the expiry of this Agreement.

*Article 29***Termination**

Notwithstanding Article 28, either Party may terminate this Agreement by notifying the other Party. This Agreement shall cease to apply 12 months after the date of the said notification.

*Article 30***Entry into force**

1. This Agreement shall enter into force on the first day of the month following that in which the Parties notify each other in writing of the completion of the procedures necessary for this purpose.

2. Notification shall be sent to the Secretary-General of the Council of the European Union and to the Office of the CAR's Prime Minister, who shall be the joint depositaries for this Agreement.

*Article 31***Authentic texts**

This Agreement shall be drawn up in duplicate in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, each of these texts being authentic. In case of divergence of interpretation, the French version shall prevail.

Съставено в Брюксел на двадесет и осми ноември две хиляди и единадесета година.

Hecho en Bruselas, el veintiocho de noviembre de dos mil once.

V Bruselu dne dvacátého osmého listopadu dva tisíce jedenáct.

Udfærdiget i Bruxelles den otteogtyvende november to tusind og elleve.

Geschehen zu Brüssel am achtundzwanzigsten November zweitausendelf.

Kahe tuhande üheteistkümnenda aasta novembrikuu kahekümne kaheksandal päeval Brüsselis.

Έγινε στις Βρυξέλλες, στις είκοσι οκτώ Νοεμβρίου δύο χιλιάδες έντεκα.

Done at Brussels on the twenty-eighth day of November in the year two thousand and eleven.

Fait à Bruxelles, le vingt-huit novembre deux mille onze.

Fatto a Bruxelles, addì ventotto novembre duemilaundici.

Briselē, divi tūkstoši vienpadsmitā gada divdesmit astotajā novembrī.

Priimta du tūkstančiai vienuoliktų metų lapkričio dvidešimt aštuntą dieną Briuselyje.

Kelt Brüsszelben, a kétezer-tizenegyedik év november havának huszonnyolcadik napján.

Magħmul fi Brussell, fit-tmienja u għoxrin jum ta' Novembru tas-sena elfejn u hdx.

Gedaan te Brussel, de achtentwintigste november tweeduizend elf.

Sporządzono w Brukseli dnia dwudziestego ósmego listopada roku dwa tysiące jedenastego.

Feito em Bruxelas, em vinte e oito de novembro de dois mil e onze.

Întocmit la Bruxelles la douăzeci și opt noiembrie două mii unsprezece.

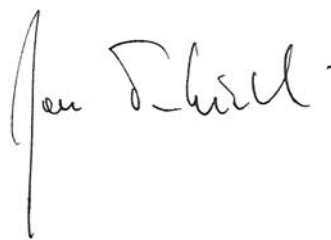
V Bruseli dvadsiateho ôsmeho novembra dvetisícjedenášť.

V Bruslju, dne osemindvajsetega novembra leta dva tisoč enajst.

Tehty Brysselissä kahdentenäkymmenentenäkahdeksantena päivänä marraskuuta vuonna kaksituhattaykstoista.

Som skedde i Bryssel den tjugioåttonde november tjugohundraelva.

За Европейския съюз
 Por la Unión Europea
 Za Evropskou unii
 For Den Europæiske Union
 Für die Europäische Union
 Euroopa Liidu nimel
 Για την Ευρωπαϊκή Ένωση
 For the European Union
 Pour l'Union européenne
 Per l'Unione europea
 Eiropas Savienības vārdā –
 Europos Sąjungos vardu
 Az Európai Unió részéről
 Ghall-Unjoni Ewropea
 Voor de Europese Unie
 W imieniu Unii Europejskiej
 Pela União Europeia
 Pentru Uniunea Europeană
 Za Európsku úniu
 Za Evropsko unijo
 Euroopan unionin puolesta
 För Europeiska unionen




За Централноафриканската република
 Por la República Centroafricana
 Za Středoafrickou republiku
 For Den Centralafrikanske Republik
 Für die Zentralafrikanische Republik
 Kesk-Aafrika Vabariigi nimel
 Για την Κεντροαφρικανική Δημοκρατία
 For the Central African Republic
 Pour la République centrafricaine
 Per la Repubblica centrafricana
 Centrālāfrikas Republikas vārdā –
 Centrinės Afrikos Respublikos vardu
 A Közép-afrikai Köztársaság részéről
 Ghar-Repubblika Ċentru-Afrikana
 Voor de Centraal-Afrikaanse Republiek
 W imieniu Republiki Środkowoafrykańskiej
 Pela República Centro - Africana
 Pentru Republica Centrafricană
 Za Stredoafrikkú republiku
 Za Srednjeafriško republiko
 Keski-Afrikan tasavallan puolesta
 För Centralafrikanska republiken



ANNEX I

LIST OF PRODUCTS COVERED BY THE VOLUNTARY PARTNERSHIP AGREEMENT (VPA)

- 4401: Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.
- 4403: Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.
- 4404: Hoopwood; Split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking sticks, umbrellas, tool handles etc.; chipwood and the like.
- 4406: Railway or tramway sleepers (cross-ties) of wood.
- 4407: Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding 6 mm.
- 4408: Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm.
- 4409: Wood (including strips, friezes for parquet flooring, not assembled, continuously shaped (tongued, grooved, v-jointed, beaded or the like) along any edge or face, planed, sanded or finger-jointed or not.
- 4410: Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.
- 4411: Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.
- 4412: Plywood, veneered panels and similar laminated wood.
- 441400: Wooden frames for paintings, photographs, mirrors or similar objects.
- 4415: Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood.
- 441600: Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves.
- 441700: Tools, tool bodies, tool handles, broom or brush bodies and handles, in wood; boot or shoe lasts and trees, of wood.
- 4418: Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes.
- 441900: Tableware and kitchenware of wood.
- 9403 30: Wooden furniture of a kind used in offices.
- 9403 40: Wooden furniture of a kind used in kitchens.
- 9403 50: Wooden furniture of a kind used in the bedroom.
- 9403 60: Other wooden furniture.
-

ANNEX II

DEFINITION OF LEGALLY PRODUCED WOOD

Introduction

This definition is given in the form of a 'legality matrix' comprising indicators grouped around 10 main themes:

1. The company has a legal existence;
2. Legal access rights to forest resources in its area of operation;
3. Compliance with environmental legislation;
4. Rights of workers, local and indigenous communities;
5. Legislation on forest logging;
6. Processing of forest products;
7. General and forest taxation;
8. The transport and traceability of timber forest products is in accordance with the regulations;
9. Compliance with contractual obligations;
10. Relations with sub-contractors in activities other than timber production.

The different logging concessions in the CAR that are concerned by this definition are the following:

- exploitation and land-use permits (PEAs) that are allocated to companies legally established in the CAR for industrial logging in accordance with a land-use plan;
- logging authorisations for areas of reforestation also known as 'plantations'.

In addition, the Central African Republic's Forest Code also establishes other logging concessions:

- artisanal permits, which are permits for an area of 10 ha or less, intended for award to private individuals of CAR nationality or local communities;
- community forests of no more than 5 000 ha, which will need to be covered by a management agreement between the Ministry responsible for forests and an organised village and/or indigenous community.

PEAs, artisanal permits and community forests are allocated in production forests within the State's permanent forest domain, located in the south-west of the country. Plantations may be situated throughout the whole country.

Since the enactment of the new Forest Code, namely Law No 08.022 of 17 October 2008 on the CAR's Forest Code, timber exported by the CAR has been primarily from PEAs. To this must be added timber originating under operating licences for old teak plantations.

Given the practical difficulties in implementing and monitoring community forests and artisanal permits, these concessions are not yet operational in the CAR. In 2010, there are no concessions relating to community forests or artisanal permits.

Consequently, the legality matrix used under this Agreement applies only to concessions that are currently operational, namely PEAs and plantations. The legality definition will be completed to take account of community forests and artisanal permits under the conditions given in Annex V, paragraphs 1.2 and 2.1.

The desire to negotiate a VPA along participatory lines entails respect for all those involved in the discussions. Three groups were thus formed, namely the public sector, the private sector and civil society.

In order to best build a gradual understanding of the FLEGT process and best formulate proposals for negotiating it, two different kinds of consultations were held on the matrix, namely, consultation by group and a joint consultation of the three groups together. Consultation by group took place internally within the different actors. The joint consultation enabled a comparison of the positions of each group in order to find a national position to serve as a basis for the team negotiating with the Union.

Given that the legality matrix needs to provide operational support to the process of issuing FLEGT licences, the CAR and the Union agreed on the need to test the applicability and relevance of the draft legality matrix on the ground before implementing it in the context of the VPA. During the negotiations, an international organisation called 'The Forest Trust' was therefore appointed by the European Forest Institute (EFI) to conduct field tests involving Central African Republic representatives.

Given that the wood coming from teak plantations is currently exported to the Union market in the form of logs, it was essential to consider these plantation products in the legality matrix. The regulations governing plantations are less developed. This matrix was produced on the basis of existing regulatory texts. Other texts will subsequently be produced to improve the regulations governing plantations. The legality definition will then, consequently, be updated.

Clarification regarding the matrix indicators

Some indicators have no regulatory reference. These indicators are included subject to the publication and content of the necessary references. For this reason, the references that need to be created are given in Annex IX. The regulatory texts that will finally be adopted may entail amendments to the way in which these indicators are currently drafted.

Some indicators apply to all shipments, whatever the origin of the timber. Others apply only to shipments coming from PEAs or shipments coming from permits to log State reforested areas (State plantations) or to shipments coming from authorisations to log in a private domain (community or private plantations). The last column 'Concessions concerned' specifies the concession (that a shipment has come from) the indicator in the line applies to: all, PEA, plantations (covering reforested area authorisations, so-called State plantations, and private reforested authorisations for communities and individuals, so-called private plantations).

PRINCIPLE 1: THE COMPANY HAS A LEGAL EXISTENCE

Criterion 1.1: The company is duly registered with the competent authorities, following a valid procedure.

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 1.1.1: Registration with an economic administration: Ministry of Trade and Industry.	Verifier 1.1.1.1: Ministerial decision authorising forest operations Verifier 1.1.1.2: Professional trader's licence	Ordinance No 83.083 of 31.12.1983 (Articles 7 and 8) Decree No 83.550 of 31.12.1983 (Articles 1 to 7) Law No 08.022 of 17.10.2008 on the Forest Code (Article 176)	All (PEA and Plantations)
Indicator 1.1.2: Registration with the tax administration (Ministry of Finances and Budget, General Department of Taxation).	Verifier 1.1.2.1: Valid taxpayer's card Verifier 1.1.2.2: Slip bearing tax registration number (NIF)	Registration Guide General Tax Code v. 2009 (Article 334) Order No 004/MEFPCI/DFB/CAB/SGF/DGID establishing the requirement to use an NIF (Articles 1 and 2)	All
Indicator 1.1.3: Registration with the National Social Security Office (CNSS).	Verifier 1.1.3.1: Proof of CNSS registration	Law No 06.035 of 28.12.2006 on the Social Security Code (Article 31) Decree No 09.116 of 27.4.2009	All
Indicator 1.1.4: Registration with the forest administration following a valid award procedure.	Verifier 1.1.4.1: Report of the PEA award committee under the responsibility of the Ministry responsible for forests Verifier 1.1.4.2: Report of the independent observer under the responsibility of the Ministry responsible for forests Verifier 1.1.4.3: Decree allocating exploitation and land-use permits (PEAs)	Law No 08.022 of 17.10.2008 on the Forest Code (Article 31) Decree 09.118 of 28.4.2009 (Article 17.6)	PEAs
Indicator 1.1.5: Registration with the judicial administration (Ministry of Justice, Trade Court).	Verifier 1.1.5.1: Trade and Secured Loans Register (RCCM) Verifier 1.1.5.2: Minutes of notarised formation Verifier 1.1.5.3: Clerk to the Trade Court notifies registration number	Ordinance No 83.083 of 31.12.1983 (Article 12) Law No 08.022 of 17.10.2008 on the Forest Code (Article 93)	All
Indicator 1.1.6: Registration with the labour and employment administration (Ministry of Work and Employment, Labour Inspectorate).	Verifier 1.1.6.1: Employer records numbered and signed off by the labour inspector for the administrative district	Law No 09.004 on the Labour Code (Article 331)	All

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 1.1.7: Registration with the consular chambers: Chamber of Commerce and Industry.	Verifier 1.1.7.1: Consular attestation	Refer to Annex IX: legal reference to be created	All
Indicator 1.1.8: Registration with the Central African Agency for Vocational Training and Employment (ACFPE).	Verifier 1.1.8.1: Numbered and stamped request for employer's registration	Law No 99.008 of 19.5.1999 (Articles 1 to 7)	All
Criterion 1.2: The company is up-to-date with payment of its contributions.			
Indicator 1.2.1: Payment of CNSS contributions.	Verifier 1.2.1.1: CNSS certificate or receipt	Copy of contribution payment receipts	All
Indicator 1.2.2: Payment of ACPFE contributions.	Verifier 1.2.2.1: Quarterly declaration of salaries paid	Decree 00.068 establishing the system for employer contributions to ACPFE (Articles 2 and 4)	All
	Verifier 1.2.1.2: Proof of payment of employer contributions		
Criterion 1.3: The company is not subject to any judicial sentence or administrative sanction leading to the temporary or permanent suspension of its activities.			
Indicator 1.3.1: The company's activities have not been suspended following a court ruling.	Verifier 1.3.1.1: Records of court rulings	Law No 08.022 of 17.10.2008 on the Forest Code, (Articles 209 and 204(2))	All
	Verifier 1.3.1.2: Registers of infringements held by the Ministry responsible for forests	Order No 09.020 of 30.4.2009 (Articles 92(2) and 93)	
Indicator 1.3.2: The company's activities have not been suspended following an administrative sanction.	Verifier 1.3.2.1: Registers of infringements held by the Ministry responsible for forests	Law No 08.022 of 17.10.2008 on the Forest Code (Article 204(2))	
	Verifier 1.3.2.2: Suspension decision of the Minister for the Environment	Order No 09.020 of 30.4.2009 (Articles 92(2) and 93)	
Criterion 1.4: The company complies in case of judicial sentence or administrative sanction.			
Indicator 1.4.1: The company is up-to-date with payments of fines and penalties for the noted infringements.	Verifier 1.4.1.1: Receipt for payment of transaction or fine/penalty amount	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 208 to 233)	All
		Law No 07.018 of 28.12.2007 on the Environment Code (Articles 114 to 143)	

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
PRINCIPLE 2: LEGAL ACCESS RIGHTS TO FOREST RESOURCES IN ITS AREA OF OPERATION			
<i>Criterion 2.1: The company holds the necessary concessions authorising it to log the forest resources</i>			
Indicator 2.1.1: All stages (informing the population, tender, application for concession, award committee, including the independent monitor) leading to the allocation of a logging concession have been properly followed by the company, observing the deadlines set by the laws and regulations of the CAR, before and after enactment of Law No 08.022 on the Forest Code.	Verifier 2.1.1.1: Report of the PEA award committee under the responsibility of the Ministry responsible for forests Verifier 2.1.1.2: Report of the independent monitor under the responsibility of the Ministry responsible for forests Verifier 2.1.1.3: Decree on the award of exploitation and land-use permits (PEAs) Verifier 2.1.1.4: Provisional agreement in the three months following the signing of the decree Verifier 2.1.1.5: Final agreement in the three years following the signing of the provisional agreement	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 31, 41 and 48) Decree 09.118 of 28.4.2009 (Article 17(6)) Order No 019 of 5.7.2006 approving national rules for producing land-use plans (Volume 1) Order No 09.026 of 28.7.2009 approving national rules for producing land-use plans (Volume 2) Decree No 09.118 (Articles 13 to 17)	PEAs
Indicator 2.1.2: The company has paid all the costs involved in each stage of the award process.	Verifier 2.1.2.1: Proof of payment of the application's administrative costs Verifier 2.1.2.2: Proof of payment of the pre-recognition fee Verifier 2.1.2.3: Receipt for payment of three years' rental within 15 days of notification of award (for permits allocated after 2003)	Decree 09.118 of 28.4.2009 (Articles 22 and 44) Law No 08.022 of 17.10.2008 on the Forest Code (Articles 179 to 189)	PEAs
Indicator 2.1.3: In the case of plantations belonging to a private individual or community, the individual or community has a property title.	Verifier 2.1.3.1: Land title in the name of the individual or community	Law No 08.022 of 17.10.2008 on the Forest Code of the CAR (Article 131)	Private plantations
<i>Criterion 2.2: The company has all recurring regulatory authorisations enabling it to exercise its activities.</i>			
Indicator 2.2.1: The company has an annual felling authorisation duly issued by the Forests Administration.	Verifier 2.2.1.1: Approval note for PEA management plans with final agreement. Verifier 2.2.1.2: Approval note for PEA annual operational plans with final agreement Verifier 2.2.1.3: Provisional felling agreement signed by the relevant authority	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 107, 109 and 110, Article 114) Decree 09.118 of 28.4.2009 (Article 17(4))	PEAs

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 2.2.2: In the case of State-owned plantations, the company has authorisation from the Ministry responsible for forests to log a plantation	Verifier 2.2.2.1: Agreement of the Ministry responsible for forests Verifier 2.2.2.2: Exploration authorisation Verifier 2.2.2.3: Exploration report Verifier 2.2.2.4: Simple management plan for plantations of 50 ha or more in compliance with the General Conditions	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 62 and 64) Order No 09.021 of 30.4.2009 (Articles 72 to 75) Refer to Annex IX: General Conditions need to be created	Plantations
Indicator 2.2.3: In the case of plantations belonging to a private individual or community, the individual or community has felling authorisations	Verifier 2.2.3.1: Felling authorisation issued to the operator (owner or contracted operator) by the Ministry Verifier 2.2.3.2: Simple management plan for plantations of 50 ha or more in compliance with the General Conditions Verifier 2.2.3.3: Where appropriate, a contract between the individual or community and logging company.	Law No 08.022 of 17.10.2008 on the Forest Code of the CAR (Article 131) Refer to Annex IX: General Conditions need to be created	Private plantations
<i>Criterion 2.3: After award of its logging concession, the company helps to inform all forest-resource management stakeholders in the area in question of this award.</i>			
Indicator 2.3.1: The company informs the local and indigenous communities, local authorities and all interested parties of the signing of the provisional agreement and the opening up of the provisional cutting area.	Verifier 2.3.1.1: Reports of awareness raising meetings written by the company and jointly approved by the different stakeholders.	Order No 09.026 of 28.7.2009 approving national rules for producing land-use plans (Volume 2)	PEAs
PRINCIPLE 3: COMPLIANCE WITH ENVIRONMENTAL LEGISLATION			
<i>Criterion 3.1: The company has conducted all impact assessments in line with the legal requirements.</i>			
Indicator 3.1.1: Environmental impact assessments have been conducted.	Verifier 3.1.1.1: Records of environmental impact assessments approved for each production site (PEA + sawmill (including living quarters)) Verifier 3.1.1.2: Environmental compliance certificate issued by the competent authority	Law No 07.018 of 28.12.2007 on the Environment Code (Article 87 and Article 93(2)) Refer to Annex IX: implementing regulations need to be created.	PEAs
<i>Criterion 3.2: The company is implementing the environmental impact mitigation measures given in the assessments.</i>			
Indicator 3.2.1: The measures set out in the approved impact assessments to protect biodiversity are being implemented.	Verifier 3.2.1.1: Monitoring reports of the environmental administration	Law No 07.018 of 28.12.2007 on the Environment Code (Article 87) Refer to Annex IX: implementing regulations need to be created.	PEAs

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
<i>Criterion 3.3: The company is taking measures to safeguard the quality of the environment at its site, in line with legal provisions.</i>			
Indicator 3.3.1: Waste (as defined in Article 3 of the CAR's Environment Code and implementing regulations) resulting from the company's activities is treated in line with the legal requirements.	Verifier 3.3.1.1: Monitoring reports from the environmental administration	Law No 07.018 of 28.12.2007 on the Environment Code (Articles 3, 19 and 20, 43 to 45) Refer to Annex IX: implementing regulations need to be created.	PEAs
Indicator 3.3.2: Legal provisions with regard to air and water pollution are being observed.	Verifier 3.3.2.1: Environmental audit report from the environmental administration	Law No 07.018 of 28.12.2007 on the Environment Code (Articles 15, 102 and 106(2)) Refer to Annex IX: implementing regulations need to be created.	PEAs
PRINCIPLE 4: RIGHTS OF WORKERS, AND LOCAL AND INDIGENOUS COMMUNITIES			
<i>Criterion 4.1: The company helps to inform and educate its workers and fully respects their employment rights.</i>			
Indicator 4.1.1: Freedom of union organisation is guaranteed within the company.	Verifier 4.1.1.1: Briefing note on the guarantee of freedom of union organisation stamped by the relevant authority and displayed Verifier 4.1.1.2: Minutes of union meetings displayed (if employees are union members)	Law 09.004 of 29.1.2009 on the Labour Code (Articles 12, 17, 18, 30, 31, 33)	All
Indicator 4.1.2: Staff delegates, elected in accordance with current legislation, have the necessary skills to fulfil their role.	Verifier 4.1.2.1: Report of the general assembly at which staff delegates were elected, stamped by the labour inspector of the administrative district Verifier 4.1.2.2: Training certificates stamped by the labour inspector of the administrative district	Law 09.004 of 29.1.2009 on the Labour Code (Articles 58, 60, 67)	All
Indicator 4.1.3: The company's employees are informed of documents relating to employment rights.	Verifier 4.1.3.1: Briefing notes displayed Verifier 4.1.3.2: Report of meetings between staff delegates and employees Verifier 4.1.3.3: Internal regulations displayed	Law 09.004 of 29.1.2009 on the Labour Code (Articles 63 and 129) The collective agreement for logging companies in the Central African Republic (Article 10(4))	All
<i>Criterion 4.2: The company respects workers' rights as defined in current regulations.</i>			
Indicator 4.2.1: Relations between the company and its staff are formally established according to the legal requirements.	Verifier 4.2.1.1: Copy of the collective agreement held by the logging company and by the staff delegates Verifier 4.2.1.2: Employer records numbered and signed off by the labour inspector of the administrative district	Law 09.004 on the Labour Code (Articles 197 to 201 and 331)	All

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 4.2.2: The company's staff are paid in accordance with current regulations for their sector of activity, and without discrimination.	Verifier 4.2.2.1: Pay slips and salary reports Verifier 4.2.2.2: Employment contract signed by all parties	Law 09.004 on the Labour Code (Articles 221 to 230 and 94 to 99) Collective agreement for logging companies	All
Indicator 4.2.3: Workers' health and safety conditions are in line with current legislation.	Verifier 4.2.3.1: Records of health and safety committee meetings Verifier 4.2.3.2: Provision of staff healthcare and safety equipment	Law No 09.004 on the Labour Code (Articles 82 to 87) Order 005/MFPRESSFP/CAB/DGTEFP of 11 July 2004 on the establishment and functioning of health and safety committees in the CAR (Articles 1 to 3; Articles 9 to 17) Collective agreements for logging companies International Labour Office, C155 Occupational Safety and Health Convention 1981 (Article 12(a)(b), Article 16), ratified by the CAR on 5.6.2006	All
Indicator 4.2.4: The working hours applied by the company are in accordance with legal provisions.	Verifier 4.2.4.1: Workers' timekeeping system Verifier 4.2.4.2: Workers' timesheets Verifier 4.2.4.3: Company service notes displayed Verifier 4.2.4.4: Pay slips	Law 09.004 on the Labour Code (Articles 247 to 251)	All
Indicator 4.2.5: Staff recruitment is in line with the age restrictions established by national legislation and the International Labour Organisation (ILO).	Verifier 4.2.5.1: Employment contracts signed by all parties	Law 09.004 on the Labour Code (Articles 247 to 249, Article 97) Collective agreements for logging companies	All
<i>Criterion 4.3: The company respects the rights of local and indigenous communities</i>			
Indicator 4.3.1: Local and indigenous communities' customary rights of access to and use of forest concessions are recognised and respected by the company.	Verifier 4.3.1.1: Land-use plan approved by the competent authority (the socio-economic report in particular) Verifier 4.3.1.2: Provisional agreement signed by the competent authority (PEA provisional agreement) Verifier 4.3.1.3: Report of findings of the forest administration, countersigned by the parties	Order No 0.19 of 5.7.2006 on approving national rules for producing land-use plans (Volume 1) Order No 09.026 of 28.7.2009 on approving national rules for producing land-use plans (Volume 2) Law No 08.022 of 17.10.2008 on the Forest Code (Articles 14 to 22, 107) Decree 09.118 of 28.4.2009 (Articles 17(4 and 5))	PEAs

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 4.3.2: If assets belonging to local or indigenous communities are destroyed by the company, compensation is provided in accordance with current regulations.	Verifier 4.3.2.1: Official report read and approved by the parties Verifier 4.3.2.2: Proof of compensation	Order No 005/Ministry of Rural Development of 9.7.1973	PEAs
PRINCIPLE 5: TIMBER HARVESTING LEGISLATION			
<i>Criterion 5.1: The company has been involved in informing all forest-resource management stakeholders AFTER the award of its logging concession in the area in question.</i>			
Indicator 5.1.1: The local communities, local authorities, non-governmental organisations (NGOs), decentralised State structures and other development partners interested in forest resource management in the area in question are informed of the award of the PEA.	Verifier 5.1.1.1: Minutes of awareness-raising meetings written by the company and jointly approved by the stakeholders.	Law No 08.022 of 17.10.2008 on the Forest Code (Article 14) Order No 09.026 of 28.7.2009 approving national rules for producing land-use plans (Volume 2)	PEAs
<i>Criterion 5.2: The provisional agreement is adhered to.</i>			
Indicator 5.2.1: The company adheres to the provisions of the provisional agreement during its period of validity (three years).	Verifier 5.2.1.1: Administration's monitoring report	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 102 and 107) Provisional land-use agreement Order No 0.19 of 5.7.2006 approving national rules for producing land-use plans (Volume 1)	PEAs
<i>Criterion 5.3: The land-use plan is designed and implemented according to the regulations.</i>			
Indicator 5.3.1: The prior studies have been conducted according to the rules set out by the forest administration.	Verifier 5.3.1.1: Land-use inventory report(s)	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 102 to 105 and Article 107)	PEAs
	Verifier 5.3.1.2: Socio-economic study report	Provisional land-use agreement - logging	
Indicator 5.3.2: The land-use plan has been produced according to the rules set out by the forest administration.	Verifier 5.3.2.1: Final exploitation and land-use agreement	Law No 08.022 of 17.10.2008 on the Forest Code (Article 103) Order No 0.19 of 5.7.2006 on approving national rules for producing land-use plans (Volume 1) Order No 09.026 of 28.7.2009 on approving national rules for producing land-use plans (Volume 2)	PEAs
Indicator 5.3.3: The management plan complies with the regulations.	Verifier 5.3.3.1: Letter officially approving the management plan	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 94, 103 and 114)	PEAs

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
		Order No 0.19 of 5.7.2006 on approving national rules for producing land-use plans (Volume 1) Order No 09.026 of 28.7.2009 approving national rules for producing land-use plans (Volume 2)	
Indicator 5.3.4: The annual operating plan (PAO), including maps, complies with the regulations.	Verifier 5.3.4.1: Letter submitting annual operating plan to the office of the Minister for Forests Verifier 5.3.4.2: Letter officially approving the PAO	Order No 0.19 of 5.7.2006 on approving national rules for producing land-use plans (Volume 1) Order No 09.026 of 28.7.2009 on approving national rules for producing land-use plans (Volume 2) Law No 08.022 of 17.10.2008 on the Forest Code (Articles 94, 103 and 114)	PEAs
Indicator 5.3.5: A plantation or reforested area of 50 ha or more has a simple management plan in line with current regulations.	Verifier 5.3.5.1: Simple management plan for plantations of 50 ha or more, and this is in line with the General Conditions Verifier 5.3.5.2: Letter approving the simple management plan	Article 64 of Law No 08.022 of 17.10.2008 on the Forest Code of the CAR Articles 72 to 75 of Order No 09.021 of 30.4.2009 Refer to Annex IX: General Conditions need to be created	Plantations
<i>Criterion 5.4: The company has clearly defined the different forest sub-divisions and adheres to them.</i>			
Indicator 5.4.1: The boundaries of the annual cutting area (AAC) or provisional areas anticipated on the maps are concretely mapped out and adhered to, in accordance with the regulations.	Verifier 5.4.1.1: Reports of forestry administration inspection visits	Law No 08.022 of 17.10.2008 on the Forest Code (Article 105) Order No 09.026 of 28.7.2009 on approving national rules for producing land-use plans (Volume 2)	PEAs
<i>Criterion 5.5: The company is building service roads in accordance with current regulations.</i>			
Indicator 5.5.1: The service road network is planned and created in accordance with current regulations.	Verifier 5.5.1.1: Annual operating plan approved by the forest administration Verifier 5.5.1.2: Plan for the network of service roads for the provisional area Verifier 5.5.1.3: Administrative authorisation to open up access roads (if access roads required outside the AAC) Verifier 5.5.1.4: Reports of forestry administration inspection visits Verifier 5.5.1.5: Authorisation to open up paths for an AAC	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 94, 103 and 114) Provisional logging agreement Final agreement	PEAs

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Criterion 5.6: The company chooses the trees to fell according to the rules set out in the Forest Code, the Development Plan and data from the Annual Operating Plan (PAO)			
Indicator 5.6.1: The minimum managed diameters (DMA) for final agreements or the minimum administrative logging diameters (DME) for provisional agreements are respected during felling operations.	Verifier 5.6.1.1: Worksite books	Law No 08.022 of 17.10.2008 on the Forest Code (Article 105)	PEAs
	Verifier 5.6.1.2: Inspection visit reports	Final logging agreement	
		Provisional logging agreement	
Indicator 5.6.2: The species logged are authorised in the land-use plan, the PAO and the order applying the Forest Code or the Forest Code itself.	Verifier 5.6.2.1: Land-use Plan	Order No 09.021 of 30.4.2009 (Article 53)	PEAs
	Verifier 5.6.2.2: Worksite books	Final agreement	
	Verifier 5.6.2.3: 'Timber movement' form	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 186 and 190)	
	Verifier 5.6.2.4: Special authorisation for unauthorised species		
Criterion 5.7: The company adheres to all the provisions of the Forest Code on abandoning waste timber from logging.			
Indicator 5.7.1: Timber that is felled and abandoned in the forest is in line with current regulations.	Verifier 5.7.1.1: Worksite books	Final logging agreement	PEAs
	Verifier 5.7.1.2: Official reports on abandoned timber from the forest administration	Provisional logging agreement	
	Verifier 5.7.1.3: Inspection reports from the forest administration	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 201, 202 and 204)	
PRINCIPLE 6: PROCESSING OF FOREST PRODUCTS			
Criterion 6.1: The company establishes at least one processing facility in accordance with the provisions of the Forest Code.			
Indicator 6.1.1: The company has at least one processing facility in accordance with the regulatory provisions, three years after award of the PEA.	Verifier 6.1.1.1 Processing facility licence	Law No 08.022 of 17.10.2008 on the Forest Code (Article 39)	PEAs
		Provisional exploitation and land-use agreement	
Indicator 6.1.2: The company has proof that it is respecting the minimum annual processing quota (70 %) set by the State.	Verifier 6.1.2.1: 'Timber movement' form or statistics yearbook	Law No 08.022 of 17.10.2008 on the Forest Code (Article 44)	

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
<i>Criterion 6.2: The company ensures the legality of purchased timber or derived products, even when imported.</i>			
Indicator 6.2.1: Logs and timber products imported for processing are registered in line with regulatory provisions.	Verifier 6.2.1.1: Commercial import declaration Verifier 6.2.1.2: 'Timber movement' form	Reference to be created: refer to Annex IX	PEAs
Indicator 6.2.2: Logs and timber products purchased for processing, including when imported, are of known and legal origin.	Verifier 6.2.2.1: A FLEGT authorisation from the country of origin accompanies the imported products Verifier 6.2.2.2: Sustainable management certificate or certificate of legal origin	Reference to be created: refer to Annex IX	PEAs
PRINCIPLE 7: GENERAL AND FOREST TAXATION			
<i>Criterion 7.1: The company makes forest tax declarations that are in accordance with its actual activity.</i>			
Indicator 7.1.1: The declaration of timber production is held in line with the regulatory provisions of the Forest Code.	Verifier 7.1.1.1: 'Timber movement' form	Law No 08.022 of 17.10.2008 on the Forest Code (Article 190)	All
Indicator 7.1.2: The declaration of timber processing is in accordance with the 'timber movements' forms.	Verifier 7.1.2.1: 'Timber movement' form	Law No 08.022 of 17.10.2008 on the Forest Code (Article 190)	All
Indicator 7.1.3: Declarations of timber sales and export of products are kept in accordance with the regulatory provisions.	Verifier 7.1.3.1: 'Timber movement' form	Law No 08.022 of 17.10.2008 on the Forest Code (Article 190)	All
	Verifier 7.1.3.2: Customs declarations	Finance Law for each financial year	
	Verifier 7.1.3.3: Commercial export declaration (DEC)	Decree 86.328 of 20.11.1986 (Article 2)	
Indicator 7.1.4: Tax/customs declarations are made in line with the regulatory provisions.	Verifier 7.1.4.1: Receipt for licence payment	Finance Law for each financial year	All
	Verifier 7.1.4.2: Receipt for IMF (minimum set tax) payment	General Tax Code (Articles 120, 125, 140, 204, 247, 248 and 257)	
	Verifier 7.1.4.3: Receipt for IS/IR (corporation/income tax) payment		
	Verifier 7.1.4.4: Receipt for VAT (value added tax) payment		

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
<i>Criterion 7.2: The company pays all taxes due within the deadline.</i>			
Indicator 7.2.1: All forest taxes and fees are paid within the stipulated deadlines.	Verifier 7.2.1.1: Receipt for rental tax payment	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 179 to 193)	PEAs
	Verifier 7.2.1.2: Receipt for felling tax payment	Finance Law for each financial year	All
	Verifier 7.2.1.3: Receipt for reforestation tax payment		All
	Verifier 7.2.1.4: Notification stipulating exceptional measures relating to payment of company taxes and fees		All
Indicator 7.2.2: All fees and taxes related to timber exports are paid on time.	Verifier 7.2.2.1: Receipt for DS (exit fees) payment	Law No 08.022 of 17.10.2008 on the Forest Code (Article 198)	All
	Verifier 7.2.2.2: Receipt for IMF (minimum set tax) payment	Finance Law for each financial year	
	Verifier 7.2.2.3: Receipt for REIF (Ministry of Finance tax on provision of computer tools) payment	Instrument No 1/92-UDEAC-CD-SE1	
		Articles 12 and 22 of the CEMAC Customs Code	
		Instrument No 1/93-UDEAC-573-CD-SE1	
		Instrument No 7/93-UDEAC-556-CD-SE1	
Indicator 7.2.3: All fees and taxes related to imports of equipment used by the company are paid.	Verifier 7.2.3.1: Receipt DD (import customs duty) payment	Finance Law for each financial year	All
	Verifier 7.2.3.2: Receipt for value added tax (VAT) payment	Instrument No 1/92-UDEAC-CD-SE1	
	Verifier 7.2.3.3: Receipt for TCI (community integration tax) payment	Articles 12 and 22 of the CEMAC Customs Code	
	Verifier 7.2.3.4: Receipt for CCI (community integration contribution) payment	Instrument No 1/93-UDEAC-573-CD-SE1	
	Verifier 7.2.3.5: Receipt for REIF (tax on provision of financial computer tools) payment	Instrument No 7/93-UDEAC-556-CD-SE1	
	Verifier 7.2.3.6: Receipt for OHADA payment (OHADA fee)	Instrument No 16/96-UDEAC-556-CD-57	
	Verifier 7.2.3.7: Receipt for CMF payment (Central Africa Forests Commission fee)	Instrument No 5/89-UDEAC-491	

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 7.2.4: The company has repatriated the 'free on truck' (FOT) values of products declared for export outside of CEMAC to a local bank within 30 days of the deadline stipulated in the contract.	Verifier 7.2.4.1: Certificate of bank debit order Verifier 7.2.4.2: Fund transfer document	Law No 08.022 of 17.10.2008 on the Forest Code (Article 200)	All

PRINCIPLE 8: THE TRANSPORT AND TRACEABILITY OF TIMBER FOREST PRODUCTS ARE IN ACCORDANCE WITH THE REGULATIONS

Criterion 8.1: The company may have its own means of transport

Indicator 8.1.1: The lorries and other vehicles for transporting timber products are correctly registered and licensed.	Verifier 8.1.1.1: Vehicle registration documents Verifier 8.1.1.2: Technical data sheet Verifier 8.1.1.3: Insurance Verifier 8.1.1.4: Transport licence Verifier 8.1.1.5: Haulier's authorisation	— Decree No 88.151 of 25.4.1988 (Article R138, R138(1) and R 134(4)) — CIMA Insurance Code (Article 200) — 2009 General Tax Code (Article 204) When transporting forest products for export, there is an additional reference: Decree No 90.043 of May 1990 organising road transport in the CAR	All
Indicator 8.1.2: Transport documents for timber and derived products for export are in line with current regulations.	Verifier 8.1.2.1: Waybill or route map Verifier 8.1.2.2: Dispatch note, accompanied by: specifications, D15, commercial export declaration, invoice, certificate of origin	Law No 08.022 of 17.10.2008 on the Forest Code (Article 93) CEMAC Customs Code (Articles 133 and 134)	All
Indicator 8.1.3: The company is implementing measures to apply the ban on the transportation of persons.	Verifier 8.1.3.1: Company's internal regulations Verifier 8.1.3.2: Service note	Decree No 90.043 of May 1990 organising road transport in the CAR	All

Criterion 8.2: The company is marking felled trees for monitoring and traceability according to recognised forest regulation methods.

Indicator 8.2.1: The logs and stumps of felled trees are hammered and marked in line with regulatory requirements.	Verifier 8.2.1.1: Inspection visit report from the forestry administration	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 93 and 96)	All
Indicator 8.2.2: In forest depots, logs are hammered and marked according to current regulations.	Verifier 8.2.2.1: Inspection visit report from the forestry administration	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 93 and 96) Interministerial Order No 82 of 13.7.2004	All

Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
Indicator 8.2.3: Log transport documents are filled in prior to leaving the worksite.	Verifier 8.2.3.1: Waybill (also known as a delivery note or removal note)	Refer to Annex IX: reference needs to be created for the National Tracking System	All
Indicator 8.2.4: Log and log bundle documents are filled in prior to leaving the log depot or factory.	Verifier 8.2.4.1: Waybill (also known as a delivery note or removal note)	Interministerial Order No 82 of 13.2.2004	All

PRINCIPLE 9: RESPECT FOR CONTRACTUAL OBLIGATIONS

Criterion 9.1: The company respects the formal commitments made in the management plan (PG), the annual operating plan (PAO) and/or the provisional agreement for a better contribution to local development.

Indicator 9.1.1: The amounts allocated to community budgets are regularly paid by the company.	Verifier 9.1.1.1: Proof of payment of revenue orders Verifier 9.1.1.2: Administrative authorisation for staggered payment of taxes	Law No 08.022 of 17.10.2008 on the Forest Code (Articles 177 to 192)	PEAs
Indicator 9.1.2: The social actions planned by the company and appearing in the PAO and management plan or in the provisional agreements have been implemented.	Verifier 9.1.2.1: PAO approved by the forest administration (each PAO includes a description of the social activities undertaken the previous year) Verifier 9.1.2.2: Provisional agreement signed by the company and the Ministry responsible for forests	Reference to be created: order approving forest management rules underway, refer to Annex IX. Law No 08.022 of 17.10.2008 on the Forest Code (Articles 50, 51)	PEAs

Criterion 9.2: The company observes the additional commitments made to the forest administration with regard to biodiversity conservation in its concession.

Indicator 9.2.1: The commitments made by the company in the management plan, the general conditions, the PAO or the provisional agreement in order to contribute to preventing poaching and illegal logging in its area of intervention are respected.	Verifier 9.2.1.1: Worksite inspection reports from the forest administration Verifier 9.2.1.2: Company reports on information, education and awareness raising campaigns Verifier 9.2.1.3: PAO approved by the forest administration Verifier 9.2.1.4: Internal regulations	Reference to be created: order approving forest management rules underway, refer to Annex IX. Law No 08.022 of 17.10.2008 on the Forest Code (Article 90) Wildlife Protection Code Order No 84.045 of 27.7.1984 (Articles 34, 111 and 112)	PEAs
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Indicator	Verifiers	Legislative or regulatory text	Concessions concerned
PRINCIPLE 10: RELATIONS WITH SUB-CONTRACTORS IN ACTIVITIES OTHER THAN TIMBER PRODUCTION			
<i>Criterion 10.1: The company (and, in the case of private plantations, the individual or community) ensures that all its sub-contractors are operating legally.</i>			
Indicator 10.1.1: The company (and, in the case of private plantations, the individual or community) ensures that all its sub-contractors and suppliers are authorised to exercise their activity.	Verifier 10.1.1.1: Accreditation of valid profession Verifier 10.1.1.2: Sub-contracts registered	Code for the Registration of Stamps and Curatorship (Articles 2 and 13)	All
<i>Criterion 10.2: The company is paying its debts to its contractors.</i>			
Indicator 10.2.1: The company (and, in the case of private plantations, the individual or community) is settling payment for the services anticipated in the contract.	Verifier 10.2.1.1: Invoices Verifier 10.2.1.2: Transfer document or cheque or receipt proving payment of the corresponding invoices	Civil Code (Articles 1101 and following)	All

- List of laws, principle regulatory texts, regional and international agreements to be considered in forest legality
- The texts noted in the context of this matrix are as follows:
- Orders (83.083 of 31.12.83; 84.045 of 27.7.1984);
 - Law No 08.022 of 17.10.2008 on the Forest code of the Central African Republic and its different implementing regulations: decrees, orders, decisions and service notes;
 - Law No 07.018 of 28.12.2007 on the Environment Code;
 - Law No 09.004 on the Labour Code;
 - The Law on the Civil Code in the CAR;
 - The Law on the General Tax Code (including the law on the Code for Registration of Stamps and Trusteeship);
 - Finance Law for each financial year;
 - Law No 06.035 of 28.12.2006 on the Social Security Code;
 - Law No 99.008 of 19.5.1999;
 - CIMA Insurance Code;
 - CEMAC Customs Code, implementing regulations for CEMAC's Customs Code:
 - Instrument No 1/92-UDEAC-CD-SE1;
 - Instrument No 1/93-UDEAC-573-CD-SE1;
 - Instrument No 7/93-UDEAC-556-CD-SE1;
 - Instrument No 16/96-UDEAC-556-CD-57;
 - Instrument No 5/89-UDEAC-491.
 - The agreements (collective agreements for logging companies in the CAR, International Labour Office Convention C155 of 1981 on workers' health and safety, final exploitation and land-use agreements, provisional exploitation and land-use agreements);
 - Wildlife Protection Code, Order No 84.045 of 27.7.1984;
 - Code for Registration of Stamps and Trusteeship;
 - Civil Code;
 - Decrees:
 - Decree No 83.550 of 31.12.1983;
 - Decree No 09.116 of 27.4.2009;
 - Decree No 09.118 of 28.4.2009;
 - Decree No 00.068;
 - Decree No 88.151 of 25.4.1988;
 - Decree No 90.043 of May 1990 on road transport;

- Decree 86.328 of 20.11.1986.
 - Ministerial and interministerial orders:
 - Order No 004/MEFPCI/DFB/CAB/SGS/DGID;
 - Order No 09.020 of 30.4.2009;
 - Order No 019 of 5.7.2006 on approving national rules for producing land-use plans (Volume 1);
 - Order No 09.021 of 30.4.2009;
 - Order No 005/MFPSSSP/CAB/DGTEFP of 11.7.2004;
 - Interministerial Order No 82 of 13.2.2004;
 - Order 005/Ministry of Rural Development of 9.7.1973;
 - Order No 09.026 of 28.7.2009 on approving national rules for producing land-use plans (Volume 2);
 - Interministerial Order No 82 of 13.2.2004;
 - Registration Guide
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ANNEX III

Conditions governing the release for free circulation into the European Union of timber and derived products exported from a partner country and covered by a FLEGT licence**GENERAL FRAMEWORK**

Regulation (EC) No 2173/2005 and Commission Regulation (EC) No 1024/2008 ⁽¹⁾ of 17 October 2008 laying down detailed measures for the implementation of Regulation (EC) No 2173/2005, laying down detailed measures for the entry onto the Union market of timber and derived products covered by a FLEGT licence and coming from the CAR. The procedures laid out in these regulations anticipate a possible adaptation to the national requirements of Member States and, in particular, the possibility that the competent authorities responsible for accepting FLEGT licences during entry onto the Union market may be the customs authority or another administration. For this reason, the description of the process anticipates two stages in the verification: (1) documentary control of the licence and (2) a check that the shipment actually complies with the corresponding licence.

This process established in the European Union aims to strengthen the controls put in place by the CAR and verify that the FLEGT licences presented on entry into the Union are indeed those that were duly issued and registered by the CAR's licensing authority, and that they cover the shipments that the CAR's authorities intended them to. The competent authorities do not have a mandate to question the CAR's legality assurance system and the validity of licence award, these issues being considered, as necessary, by the Joint Implementation Committee.

*Article 1***Processing licences**

1. The FLEGT licence (hereinafter the 'licence') shall be submitted to the competent authority of the Member State in which the shipment ⁽²⁾ covered by that licence is declared for release for free circulation ⁽³⁾.
2. Once a licence has been accepted, the competent authorities indicated in paragraph 1 shall inform the customs authorities, in accordance with current national procedures.

*Article 2***Documentary control of licences**

1. Paper-based licences shall conform to the format set out in Annex IV.
2. A licence submitted on a date past its expiry date shall be considered null and void.
3. The licence may not include any deletions or alterations, unless these have been validated by the licensing authority.
4. The extension of the validity of a licence shall not be accepted unless that extension has been validated by the licensing authority.
5. A duplicate or replacement licence shall not be accepted unless it has been issued and validated by the licensing authority.

*Article 3***Request for additional information**

1. In case of doubt concerning a FLEGT licence, a duplicate or replacement, the competent authority may request additional information from the licensing authority.
2. A copy of the licence, duplicate or replacement in question may be forwarded together with the request.

*Article 4***Physical verification**

1. Checks shall be conducted by the competent authorities, as appropriate, to ensure that the shipment actually complies with the corresponding licence.

⁽¹⁾ OJ L 277, 18.10.2008, p. 23.

⁽²⁾ Shipment is understood as meaning a quantity of timber or derived products as given in Annexes II and III of Regulation (EC) No 2173/2005, accompanied by a FLEGT licence, that is sent by a consignor or a shipper on departure from a partner country and which is presented for release for free circulation at a customs office in the Union.

⁽³⁾ Release for free circulation is a customs procedure of the Union. Release for free circulation involves: (1) the collection of any import duties due; (2) the collection, as appropriate, of other charges, according to the relevant provisions in force in this regard; (3) the application of commercial policy measures, and prohibitions and restrictions, if these have not been applied at an earlier stage (in fact, it is within these measures that the presence of a FLEGT licence will be verified); (4) the completion of other formalities laid down in respect of the importation of goods. Release for free circulation confers the customs status of Union goods on a non-Union product.

2. If the competent authorities consider it necessary to further verify the shipment, checks may be carried out to establish whether the shipment in question conforms to the information provided in the licence and to the records relating to the licence in question which are held by the licensing authority.

3. Where the volume or weight of the timber products contained in the shipment presented for release for free circulation does not deviate by more than 10 % from the volume or weight indicated in the corresponding licence, the shipment shall be considered as conforming to the information provided in the licence insofar as volume or weight is concerned.

4. The costs entailed in these checks shall be the responsibility of the importer, unless the national legislation of the Member States in question states otherwise.

Article 5

Prior verification

A licence lodged prior to the arrival of the shipment it accompanies may be accepted if it satisfies all the requirements stated in Annex IV and if it is not considered necessary to undertake additional checks in accordance with Articles 3 and 4 of this Annex.

Article 6

Release for free circulation

1. Reference shall be made, in Box 44 of the Single Administrative Document on which the customs declaration for release for free circulation appears, to the number of the licence covering the timber and derived products subject to this declaration.

Where the customs declaration is made via an electronic procedure, the reference shall be provided in the appropriate box.

2. The timber and derived products shall only be released for free circulation when the procedure described in this Annex has been completed.

ANNEX IV

CONDITIONS GOVERNING THE ISSUING OF AND TECHNICAL SPECIFICATIONS FOR FLEGT LICENCES

SECTION 1

FORMALITIES RELATING TO FLEGT LICENCE APPLICATIONS

Article 1

Any timber company from the CAR that would like to export the products of its logging, processing or business activities to the Union is required to have a FLEGT licence for each shipment of timber products and for each destination in the Union. The FLEGT licence is a way of ensuring that timber and derived products have been legally produced.

Article 2

A licence is issued following written request, in hard copy format, sent to the licensing authority. The licence application must enable all the information noted in Appendix I to this Annex to be complete. The licence application must be submitted on a standard template that will be circulated by the forest administration.

Article 3

The licensing authority is a body appointed by the Minister for Forests and under his authority. The body is attached to the Minister's office but is not a delegated function. It is a full structure in its own right.

The composition and powers of this licensing authority shall be defined by an order from the Minister of Forests, to be issued during the Agreement implementation stage.

Article 4

The application must state in its subject line 'FLEGT licence application'.

It must include the name of the concession, the number of the concession given on the forest register, the date of the application and the applicant's signature. The applicant must expressly indicate if he wishes to receive the FLEGT licence in Douala.

For logs, the applicant must also indicate the forest management unit (UFG).

The application must clearly define the nature, origin, volume and destination of the product in question.

This application must be supported by the following customs documentation:

- specification document from the body responsible for securing export revenue (BIVAC);
- commercial export declaration (DEC);
- EUR.1 form;
- customs clearance receipt (exit fees, minimum set tax, fee for equipment in financial computer tools).

The FLEGT licence application form shall be defined during the development of the legality assurance system (LAS) and then communicated by the licensing authority to interested parties, in particular exporters, and published.

Article 5

The application references shall be held in the files of the applicant company and must be the same as those submitted to the office of the licensing authority.

Article 6

Applications submitted by companies shall be recorded by the licensing authority, which shall, in return, send acknowledgement of receipt.

Article 7

Documents submitted by the applicant company (application form correctly filled in and customs documents referred to in Article 4 of this Annex) shall be passed on to the Central Inspectorate for Water and Forests (ICEF), which shall verify the legality of the shipment for which the licensing application has been made and issue an opinion with regard to its compliance. The verification procedures to be followed are described in Annex V. ICEF verification is compulsory.

Article 8

With reference to the ICEF recommendation, the licensing authority then issues:

- when the authorisation is sent to Douala, notification of prior acceptance within a reduced overall timeframe, around two working days from receipt of application, if the shipment in question is verified to be legal, according to the procedure described in Annex V;
- when the authorisation is sent to Bangui, the licence within a reduced overall timeframe, around two working days from receipt of the application, if the shipment in question is verified to be legal, according to the procedure described in Annex V.

The procedure followed in case of non-compliance is set out in Annex V.

The verification results are communicated to the company and filed by the Forestry Data Centre (CDF) along with copies of the licences issued. A record is kept to this effect by the licensing authority.

The formalities for FLEGT licence applications shall be scrutinised during the development of the LAS and then communicated by the licensing authority to interested parties, in particular potential exporters, and published.

SECTION 2

REQUIREMENTS RELATING TO FLEGT LICENCES*Article 9*

A FLEGT licence may be in paper or electronic form.

The licence shall provide the information specified in Appendix 1, in accordance with the notes for guidance set out in Appendix 2.

Article 10

The FLEGT licence shall be valid from the day it is issued.

The period of validity of the FLEGT licence shall be six months. The date of expiry shall be indicated on the licence.

After its expiry, the FLEGT licence shall be considered as void. In the case of duly noted '*force majeure*', a new application shall be made to the FLEGT licensing authority.

In the event that the timber products in question have been destroyed, a FLEGT licence shall cease to be valid and shall be returned to the licensing authority.

Article 11

Licences in paper form shall comply with the format set out in Appendix 1.

Article 12

The paper to be used shall weigh 120 grams/m².

The paper size shall be 21/29 cm (A4).

The colour of the paper used for the form shall be as follows:

- white for Form No 1, the 'original';
- yellow for Form No 2, the 'copy for the Union customs authority';

- green for Form No 3, the 'copy for the Central African Republic's customs authority';
- blue for Form No 4, the 'copy for the licensing authority'.

Article 13

Licences shall be completed in typescript or by computerised means. They shall be signed by hand.

The stamps of the licensing authority shall be applied by means of a metal stamp, preferably made of steel. However, an embossing press combined with letters or figures obtained by means of perforation may be substituted for the licensing authority stamp. The licensing authority shall use any tamper-proof method to record the quantity allocated in such a way as to make it impossible to insert figures or references.

The form may not contain any deletions or alterations, unless they have been authenticated by the stamp and signature of the licensing authority.

Licences shall be printed and completed in French.

Article 14

The licence shall be drawn up in four copies, two of which shall be issued to the applicant.

Once filled in, initialled, signed and dated by the licensing authority:

- the first copy, marked 'Original', shall be given to the applicant for submission to the competent authorities of the Union's Member State in which the shipment covered by that licence is declared for release for free circulation;
- the second copy, marked 'Copy for the Union customs authority', shall be given to the applicant for submission to the customs authority of the Member State of the Union in which the shipment covered by the licence is declared for release for free circulation;
- the third copy, marked 'Copy for the CAR customs authority', shall be given to the CAR customs authority;
- the fourth copy, marked 'Copy for the licensing authority', shall be filed with the CDF by the licensing authority.

SECTION 3

FLEGT LICENCE LOST, STOLEN OR DESTROYED

Article 15

In the event of loss, theft or destruction of the 'original' and/or the 'copy for the Union customs authority', the licence holder or his authorised representative may apply to the licensing authority for a replacement on the basis of the document(s) in his possession or submitted during the FLEGT licence application.

In the event of loss, theft or destruction of the 'copy for the CAR customs authority', the licence holder or his authorised representative may apply to the licensing authority for a replacement.

The licensing authority shall issue the replacement(s) within 24 hours of receipt of the request from the licence holder.

The replacements shall contain all the information and entries appearing on the licence they replace, including the licence number.

The replacement document(s) shall bear the endorsement 'duplicate'.

If the replacement document is lost, stolen or destroyed, no further replacement documents can be issued.

If the lost or stolen licence is retrieved, it shall be null and void and must be returned to the licensing authority.

SECTION 4

DOUBTS REGARDING THE VALIDITY OF A FLEGT LICENCE

Article 16

Where there is doubt regarding the validity of the licence or a replacement, the competent authorities may ask for additional information from the licensing authority.

If considered necessary, the licensing authority may ask the competent authority to send a copy of the licence or the replacement in question.

If the licensing authority considers it necessary, it shall withdraw the licence and issue a corrected copy bearing the endorsement 'duplicate', authenticated with its seal, and forward this to the competent authority.

If the validity of the licence is confirmed, the licensing authority shall notify the competent authority forthwith, preferably by electronic means, and return the copies of the licence. The copies returned shall bear the endorsement 'Validated on ...', validated/authenticated by stamp.

In the event that the licence in question is not valid, the licensing authority shall notify the competent authority, preferably by electronic means.

Appendices

1. Licence form
2. Explanatory notes

Appendix 1

Format of the FLEGT licence

ORIGINAL	1		1. Organisme émetteur		2. Pays d'origine: RÉPUBLIQUE CENTRAFRICAINE					
			Nom		Nature du titre:					
			Adresse		Exploitant:					
					N° de(s) titre(s):					
					UFG:					
				Contrat N°:		E101 N°:				
		3. Numéro de l'autorisation FLEGT		4. Date d'expiration						
				<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>						
		5. Pays d'exportation		7. Moyen de transport						
		6. Code ISO								
		8. Titulaire de l'autorisation (nom et adresse)								
		9. Désignation commerciale des bois ou produits dérivés				10. Positions du SH				
1										
		11. Nom(s) commun(s) ou scientifique(s)		12. Pays de récolte		13. Codes ISO				
		14. Volume(s) (m³)		15. Poids net (kg)		16. Nombre d'unités				
		17. Signes distinctifs								
		18. Signature et cachet de l'organisme émetteur								
		Lieu et date								

COPIE DESTINÉE AUX DOUANES DE L'UNION	2	1. Organisme émetteur		2. Pays d'origine: RÉPUBLIQUE CENTRAFRICAINE		
		Nom Adresse		Nature du titre: Exploitant: N° de(s) titre(s): UFG: Contrat N°: E101 N°:		
		3. Numéro de l'autorisation FLEGT		4. Date d'expiration		
		5. Pays d'exportation		7. Moyen de transport		
		6. Code ISO				
		8. Titulaire de l'autorisation (nom et adresse)				
		9. Désignation commerciale des bois ou produits dérivés			10. Positions du SH	
	2					
		11. Nom(s) commun(s) ou scientifique(s)		12. Pays de récolte		13. Codes ISO
	14. Volume(s) (m ³)		15. Poids net (kg)		16. Nombre d'unités	
	17. Signes distinctifs:					
	18. Signature et cachet de l'organisme émetteur					
	Lieu et date					

COPIE DESTINÉE AUX DOUANES CENTRAFRICAINES	3	1. Organisme émetteur		2. Pays d'origine: RÉPUBLIQUE CENTRAFRICAINE	
		Nom		Nature du titre:	
		Adresse		Exploitant:	
				N° de(s) titre(s):	
				UFG:	
				Contrat N°:	
				E101 N°:	
		3. Numéro de l'autorisation FLEGT		4. Date d'expiration	
		5. Pays d'exportation		7. Moyen de transport	
	6. Code ISO				
	8. Titulaire de l'autorisation (nom et adresse)				
	9. Désignation commerciale des bois ou produits dérivés			10. Positions du SH	
3					
	11. Nom(s) commun(s) ou scientifique(s)		12. Pays de récolte		13. Codes ISO
	14. Volume(s) (m³)	15. Poids net (kg)		16. Nombre d'unités	
	17. Signes distinctifs:				
	18. Signature et cachet de l'organisme émetteur				
	Lieu et date				

COPIE DESTINÉE À L'AUTORITÉ DE DÉLIVRANCE DES AUTORISATIONS	4	1. Organisme émetteur		2. Pays d'origine: RÉPUBLIQUE CENTRAFRICAINE					
		Nom		Nature du titre:					
		Adresse		Exploitant:					
				N° de(s) titre(s):					
				UFG:					
				Contrat N°:					
				E101 N°:					
		3. Numéro de l'autorisation FLEGT		4. Date d'expiration					
				<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>					
	5. Pays d'exportation		7. Moyen de transport						
	6. Code ISO								
	8. Titulaire de l'autorisation (nom et adresse)								
	9. Désignation commerciale des bois ou produits dérivés			10. Positions du SH					
4									
	11. Nom(s) commun(s) ou scientifique(s)		12. Pays de récolte		13. Codes ISO				
	14. Volume(s) (m³)		15. Poids net (kg)		16. Nombre d'unités				
	17. Signes distinctifs:								
	18. Signature et cachet de l'organisme émetteur								
	Lieu et date								

Appendix 2

Explanatory notes

General details

— Fill in the forms in capital letters.

— Where indicated, ISO codes refer to the two-letter country code, in accordance with international standards.

Box 1	Licensing body	Indicate the name and address of the licensing authority
Box 2	Country of origin: Central African Republic	(Nature of concession, Operator, Concession Nos., Forest Management Unit, Contract No, E101 N°)
Box 3	FLEGT licence number	Indicating the number of issue.
Box 4	Date of expiry	Period of validity of the licence.
Box 5	Country of export	This refers to the partner country from where the timber products were exported to the EU.
Box 6	ISO Code	Indicate the two-letter code for the partner country noted in Box 5.
Box 7	Means of transport	Indicate means of transport from the point of export.
Box 8	Licence holder	Indicate the name and address of the exporter.
Box 9	Commercial designation of timber and derived products	Give the trade name of the timber product(s).
Box 10	HS heading	Give the four to six-digit commodity code established pursuant to the harmonised commodity description and coding system.
Box 11	Common or scientific names	Give the common or scientific names of the categories of timber used in the product. Where more than one category is used in a composite product, use a separate line for each category. Optional in the case of composite product or compounds that contain several unidentifiable categories.
Box 12	Country of harvest	Give the countries where the categories of timber referred to in Box 10 were harvested. For a composite product, give all the sources of timber used. Optional in the case of composite products or compounds that contain several unidentifiable categories.
Box 13	ISO Codes	Give the ISO code of the countries referred to in Box 12. Optional, in the case of composite products or compounds that contain several unidentifiable categories (e.g. particle board).
Box 14	Volume(s) (m ³)	Give the overall volume in m ³ . Optional, unless the information referred to in Box 15 has been omitted.
Box 15	Net weight	Give the overall weight in kg. This is the net mass of the timber products without immediate containers or any packaging, other than struts, braces and labels, etc. Optional, unless the information referred to in Box 14 has been omitted.
Box 16	Number of units	Give the number of units when this is the best way of quantifying a manufactured product. Optional.

Box 17	Distinguishing marks	Indicate any distinguishing marks where appropriate e.g. lot number or bill of lading number. Optional.
Box 18	Signature and stamp of licensing body	The box shall be signed by the authorised official and stamped with the official stamp of the licensing authority, also indicating place and date.

ANNEX V

LEGALITY ASSURANCE SYSTEM (LAS)

I. INTRODUCTION

1.1. Background

(a) Presentation of the sector

The CAR covers a total area of 623 000 km², and comprises different ecosystems, including 54 000 km² of equatorial forest found in two blocks: the forest mass in the south-west, covering 3 800 000 ha and the forest mass in the south-east, covering 1 600 000 ha. Only the forest mass in the south-west is currently under industrial exploitation.

Eleven logging companies are currently operating there with an average annual production of approx. 600 000 m³ of logs and 200 000 m³ of sawn timber (source: MEFCP statistical yearbook).

The main destinations for the CAR's timber are: Europe, Asia, America and Africa.

(b) The structures currently responsible for control

The control structures that currently carry out control functions in the different ministerial departments, both at central and decentralised level, are given below.

— The Ministry for Water, Forests, Hunting and Fisheries

At central level: documentary verification is undertaken on a daily basis, whilst field checks are of variable frequency (quarterly or six-monthly):

— the General Directorate for Water, Forests, Hunting and Fisheries (DGEFCP), through two departments: the forest logging and industry department (DEIF) and the forest inventory and land-use department (DIAF);

— the Central Inspectorate for Water and Forests (ICEF);

— the Forestry Data Centre (CDF);

— the mobile intervention and verification brigade (BMIV), made up of the following ministerial elements:

— Ministry for Water, Forests, Hunting and Fisheries

— Ministry of Finances

— Ministry of National Defence (police);

— the Department for Legal Affairs and Litigation (DAJC).

At decentralised level: the frequency of decentralised controls is not as regulated. Checks may be quarterly or six-monthly. Border post controls are undertaken on a daily basis, however, every time a loaded lorry passes:

— the General Directorate for Regional Services, through the regional water and forests departments, the prefectural-level inspectorates and the border inspectorates;

— the Ministry for the Environment and Ecology:

— the General Directorate for the Environment;

— the Central Inspectorate for the Environment and Ecology;

— the Ministry of Finances and Budgets:

— General Inspectorate of Finances;

— General Directorate for Customs;

- General Directorate for Taxes;
- the Ministry of Trade and Industry:
 - Central Inspectorate for Trade;
 - General Directorate for Trade and Competition;
 - decentralised department of the Ministry of Trade through the 'One Stop Shop' (*guichet unique*);
- the Ministry of the Civil Service, Social Security and Youth Employment:
 - Central Inspectorate for Labour;
 - Labour inspection unit of the administrative district;
 - Department for recovery and litigation within the National Social Security Office (CNSS);
 - General Directorate of ACFPE;
- the Ministry of Agriculture and Rural Development;
- the Ministry of Justice:
 - judicial inspection unit;
 - President of the Trade Court;
 - Clerk to the Trade Court;
- the Ministry for the Civil Service and Regional Administration:
 - traffic police.

(c) Identifying areas for improvement

Implementation of the LAS requires improvements in the following areas:

- Legal framework: several regulatory texts, above all laws on different codes (Environment Code, December 2007; Forest Code, 2008) exist in the CAR to improve its forest sector governance. Nonetheless, analysis and preparation work for the Agreement has shown that the CAR's forestry regulations need further additions.
- Institutional framework:

The Ministry for Water and Forests, which is primarily responsible for management, suffers from a number of problems in terms of implementing its policies efficiently. These difficulties explain the irregularity of the controls:

 - human resources are currently insufficient and lacking in qualifications;
 - material resources: a lack of appropriate equipment for verification work, logistical needs in terms of data gathering, processing and management, and the working environment;
 - financial resources: the CAR is experiencing financial difficulties due to the enormous needs. The CAS-DF, which is one of the sector's financial support mechanisms, is useful but insufficient to cover these needs and respond to the challenges of forest governance. Moreover, it is sometimes called on to respond to unplanned needs outside of the forest sector.

Independent monitoring

Civil society is organised in a platform but skills and resources are currently limited and prevent it from undertaking independent monitoring.

Independent audit

The CAR does not currently have an external audit system or one that would cast an 'independent' eye over its forest system.

Annex IX proposes, in particular, additional measures to remedy a number of these observations.

1.2. Coverage of the LAS

The products covered by the LAS are given in Annex I.

The LAS applies to all current sources of timber and derived products open to export. In 2010, this relates to:

- exploitation and land-use permits (PEAs);
- plantations (also known as 'reforestation areas').

Timber in transit and imported timber are covered by the LAS. Imported timber is also used for timber and derived products exported to markets outside of the Union.

In contrast, the LAS does not apply to timber from:

- community forests; or
- artisanal logging permits.

In fact, to date, and although these provisions are anticipated in the Forestry Code, there are not yet any community forests or artisanal logging permits in the CAR. These sources are therefore not considered in the LAS. Timber and derived products could soon be coming from community forests or artisanal logging permits, however, and could be exported to the Union in the future. They will then be taken into account in the LAS.

The domestic consumer market for timber is not covered by the LAS described in this Agreement. Local activities that supply national consumption of timber and derived products are properly monitored, according to provisions external to this Agreement. The LAS described in this Agreement guarantees that exported products do not include products coming from the domestic market.

2. DEFINITION OF LEGALITY AND VERIFICATION OF THE LEGALITY OF TIMBER

2.1. Legality matrices

The CAR has legislation (Forestry Code, Environment Code, CEMAC Customs Code, General Tax Code, Labour Code and social laws, etc.) and implementing regulations, the provisions of which concerning forest activities have been broken down into principles, criteria and indicators in two legality matrices (PEAs and plantations) given in Annex II.

Some of the indicators in this matrices have no legal reference at the date of signing this Agreement. Appropriate legal or regulatory references (in particular those referred to in Annex IX) will be created during the Agreement implementation phase and prior to the CAR issuing its first FLEGT licence. The matrices and, more generally, the LAS, will be updated in line with regulatory changes. The annexes to the Agreement will be amended as a consequence of any decision of the Joint Implementation Committee, in accordance with Article 26 of the Agreement.

No community forests or artisanal permits have been approved in the CAR. The matrices relating to community forests and artisanal permits will be developed when the is implemented Agreement and prior to the first allocations of these concessions.

2.2. Verification of the legality matrices

Verification of legality is done by a number of centralised and decentralised ministerial bodies, which may be supported in their tasks by an independent civil society monitor. These ministerial bodies are the following:

- the General Directorate for Water, Forests, Hunting and Fisheries (DGEFCP) through two departments: the forest logging and industry department (DEIF) and the forest inventory and land-use department (DIAF), which carry out a variety of checks at central level;
- the General Directorate for Regional Services (DGSR), through the regional departments (DR), the prefectural-level inspectorates and the border inspectorates, carried out a variety of checks at regional level;
- the CDF collects, centralises and processes data, within a database management system (SGBD);

- the Central Inspectorate for Water and Forests (ICEF) supervises and guarantees the proper functioning of legality assurance;
- the mobile intervention and verification brigade (BMIV) carries out spontaneous verification missions;
- the Department for Legal Affairs and Disputes within the Ministry for Water and Forests verifies the register of infringements and transaction payments;
- the regional Departments of Labour verify compliance with employment and social protection rules;
- the General Directorate for Taxes ensures tax registration (NIF) and regular payment of taxes;
- the General Directorate for Urban Planning and Housing is involved through the issuing of land titles (relating to plantations);
- the President of the Trade Court verifies that the company has not been convicted by any court;
- the Clerks to the Trade Court verify that the company is properly registered;
- the Department for Collection, Control and Disputes (of the National Social Security Fund (CNSS)) verifies the payment of social contributions;
- the Department of Studies, Planning and Employment verifies that staff files are up-to-date.

The independent civil society monitor: this is formed of several CAR NGOs that make up the civil society platform for forest governance. This monitor supports the ministerial departments involved in verification.

The following table describes the methods for verifying the legality of timber and derived products.

Explanation of table:

1st column: legality matrix indicators that must be fulfilled before a shipment can be considered legal and a licence issued.

2nd column: verifiers showing that the indicator has indeed been fulfilled.

3rd and 4th columns: departments and structures responsible for verifying the indicator.

5th column: verification methodology to be confirmed during the Agreement implementation phase.

6th column: bodies responsible for checking verification and methodology.

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
1.1.1	Registration with the economic administration: Ministry of Trade and Industry	1.1.1.1: Ministerial decision giving authorisation for logging operations 1.1.1.2. Professional trader's licence	Ministry of Trade and Industry	General Directorate for Trade, Competition and Consumption/ Department for Competition/Competition and Anti-Fraud Service; Decentralised department of the Ministry of Trade through the 'One Stop Shop' (<i>guichet unique</i>) Department for Domestic Trade	Methodology: 1 - Check commercial authorisation Commercial authorisation is issued once only; traditionally it is verified at the same time as the professional trader's card. 2 - Check renewal of the Professional Trader's Card 1 - Renewal of the trader's card must be undertaken during the first half of the year (from 1 January to 30 June) 2 - Verification of renewal is thus done each year systematically through visits to all commercial establishments from 1 July onwards 3 - Should this not be renewed, the DGCCC sends notification to the trader 4 - Official report drawn up once the trader's opinion has been heard and	Body responsible: Central Inspectorate for Trade Central Inspectorate for Water and Forests (ICEF) Methodology: Cent. Insp. Ministry of Trade 1 - Receives summary report from the Department of Trade and provides documentary check 2 - Checks a sample group and produces an official report 3 - Sends information on samples checked to CDF c/o ICEF ICEF

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					5 - Fine notified (letter signed by Minister of Trade) Frequency: 1.1.1.1: once only 1.1.1.2: annual Back-up of result: 1.1.1.1: 1 - Entry in the database of the decentralised department of the Ministry of Trade, through the 'One Stop Shop' 2 - CDF informs SGBD 1.1.1.2: 1 - Official report (hard copy) produced for the General Directorate of Trade and filed 2 - CDF informs SGBD Flows: Flow 1: Registration (commercial authorisation) 1 - Department of Domestic Trade sends quarterly list (electronic and paper versions) of new companies or activities registered that affect the forest/timber sector to the CDF (formality through the One Stop Shop) 2 - CDF informs SGBD	1 - Checks that CDF inputs information into the SGBD Frequency: 1.1.1.1: once only 1.1.1.2: annual Back-up of result: Cent. Insp. Ministry of Trade 1 - Produces an official report (PV) ICEF: 1 - SGBD informed of results of check Flows: 1 - From Central Inspectorate for Trade to CDF c/o the Central Inspectorate for Water and Forests 2 - From ICEF to the FLEGT licensing authority (form for transferring verification result to be defined)

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					3 - Paper-based version of list sent to ICEF Flow 2: Renewal of registration DGCC: Annual report on the situation of all forest-timber sector companies sent to the Central Inspectorate for Trade, with copy to CDF c/o ICEF (form for information exchange to be developed) CDF: 1 - Receives summary report 2 - Informs SGBD	
1.1.2	Registration with the tax administration (Ministry of Finances and Budget, General Department of Taxation)	1.1.2.1 Valid taxpayer's card 1.1.2.2: Slip bearing tax registration number (NIF)	Ministry for Water, Forests, Hunting and Fisheries Ministry of Finances and Budgets	Forestry Data Centre (CDF) Tax Registration Department (Department of Studies, Tax Legislation, Registration and Disputes)	Methodology: 1 - Tax Registration Department (Department of Studies, Tax Legislation, Registration and Disputes) sends quarterly list (electronic and paper versions) of new companies or activities registered that affect the forest-timber sector to the CDF c/o ICEF, with the following information: name of the company or individual, tax registration number (NIF) and date of registration (information exchange form to be developed) 2 - CDF receives list 3 - SGBD informed	Body responsible: Central Inspectorate for Water and Forests Methodology: 1 - Receive list sent by the CDF 2 - Verify company compliance 3 - SGBD informed of each company's results

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: once only for a given company Back-up of result: 1 - CDF informs SGBD 2 - Files (paper copy) of the list Flows: Paper copy of list sent to ICEF	Frequency: once only for a given company Back-up of result: 1 - SGBD informed of results of verification check Flows: ICEF to the FLEGT licensing authority
1.1.3	Registration with the National Social Security Office (CNSS).	1.1.3.1: Proof of CNSS registration	Ministry of Labour	Department for Collection, Control and Disputes/Collections Section	Methodology: 1 - Registration request submitted to the One Stop Shop (Department for Collection, Control and Disputes/Registration Section) 2 - File sent to the National Social Security Office (CNSS) to verify previous registrations and allocate registration number 3 - Visit to company premises to check veracity of declaration: actual start-up date, number of staff and wage bill 4 - Produce rectification report in the event of false declaration NB: currently, 48 hours after registration with the Tax Dept., the CNSS automatically opens an employer file, gathering information directly from the Tax Department.	Body responsible: ICEF Methodology: 1 - Receive list sent by CDF 2 - Verify company compliance 3 - SGBD informed of each company's results

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: on each registration Back-up of result: Ministry of Labour 1 - Enters on the database of the One Stop Shop (digital) 2 - Opens an employer file (paper version) 3 - Registers the employer file (paper version) 4 - Backs up on a punched card at CNSS (digital) In the event of false declaration: 1 - Rectification report (paper format) 2 - Control report from collections department Ministry of Forests/CDF 1 - Files (paper copy) list of companies and their situations 2 - SGBD informed Flows: 1 - Quarterly list of registered employers sent with their registration number to the CDF c/o ICEF (electronic and paper) for inputting into SGBD (information exchange procedures to be developed)	Frequency: once only for a given company Back-up of result: SGBD informed Flows: From ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					2 - CDF sends a copy of the list of the situation of each company to ICEF	
1.1.4	Registration with the forest administration following a valid award procedure	1.1.4.1: Report of the PEA award committee under the responsibility of the Ministry responsible for forests 1.1.4.2: Report of the independent monitor under the responsibility of the Ministry responsible for forests 1.1.4.3: Decree allocating exploitation and land-use permits (PEAs)	Ministry responsible for forests	General Directorate for Water, Forests, Hunting and Fisheries (DGEFCP)	Methodology: For companies in existence in 2010 1 - Verification in the forest ledger for each PEA 2 - Report produced with the key information: (PEA No, award date, beneficiary) 3 - Report sent to CDF c/o ICEF with paper copies of the decrees approving the award (form to be developed) For new companies 1 - Key data sent as received along with a paper copy of the decree to CDF c/o ICEF and to ICEF Frequency: once only for a given company Back-up of result: 1 - Input key data into SGBD 2 - Digitise decree and include in SGBD	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing Methodology: 1 - Receive report sent by the DGEF 2 - Check the validity of information for all PEAs 3 - SGBD informed of verification check Frequency: once only for a given company Back-up of result: SGBD informed

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					3 - File in paper format 4 - Update information Flows: DGEF to CDF and ICEF	Flows: ICEF to the FLEGT licensing authority
1.1.5	Registration with the judicial administration (Ministry of Justice, Trade Court)	1.1.5.1: Trade and Secured Loans Register (RCCM) 1.1.5.2. Minutes of notarised formation 1.1.5.3: Notification of registration number by the Clerk to the Trade Court	Ministry of Justice	Clerk to the Trade Court and President of the Trade Court	Methodology: 1 - Regular checks of the register and registration documents, calling the interested party to the Trade Court should it be suspended 2 - Verification of document Frequency: as necessary: change in capital, demerger, change of manager, additional activities, etc., Back-up of result: Registration in the 'national file' SGBD informed Flows: 1 - Quarterly list sent of companies registered and results of verifications conducted over the course of the year (the procedure for information exchange has to be developed)	Body responsible: Clerk to the Trade Court and President of the Trade Court/ICEF Methodology: 1 - Regular checks of the register and registration documents, calling the interested Party to the Trade Court should it be suspended 2 - Verification of document Frequency: as necessary: change in capital, demerger, change of manager, additional activities, etc. Back-up of result: Registration in the 'national file' SGBD informed of results of verification check Flows: ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					2 - CDF informs SGBD	
1.1.6	Registration with the labour and employment administration. (Ministry for Labour and Employment, Labour Inspectorate)	1.1.6.1: Employer records numbered and signed off by the labour inspector for the administrative district	Ministry of Labour	Labour inspectorate of the administrative district General Directorate for Labour and Social Security	Methodology: Employer register signed off annually Frequency: once only for a given company but updated annually Back-up of result: Annual report sent to the Department for Labour and Social Security (DTPS)	Body responsible: Department of Labour and Social Security / Ministry responsible for forests Methodology: Ministry of Labour 1 - Examines activity reports of the Regional Labour and Social Security Inspector 2 - Summarises the general situation of each company for the past year and sends to CDF c/o ICEF, according to a procedure to be developed Ministry responsible for forests 1 - CDF receives documents 2 - Informs SGBD 3 - Sends hard copy to ICEF 4 - Checks that ICEF has input it Frequency: once only for a given company but updated annually Back-up of result: Ministry of Labour Annual report sent to the General Directorate for Labour and Social Security (DGTPS)

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Flows: Inspectorate to DTPS	Ministry responsible for forests 1 - CDF informs SGBD 2 - CDF files paper copy 3 - ICEF informs SGBD of the results of CDF's inputting Flows: DTPS to DGTPS and to CDF/ICEF ICEF to the FLEGT licensing authority
1.1.7	Registration with the consular chambers: Chamber of Commerce and Industry	1.1.7.1: Consular attestation	Ministry responsible for forests Ministry of Trade	Forestry Data Centre (CDF) Company registration section (Chamber of Commerce) through the 'One Stop Shop'	Methodology: 1 - Company registration section (Chamber of Commerce) to send quarterly copies of the consular attestations (ACs) and the list of companies registered by the company registration section (Chamber of Commerce) to the CDF c/o ICEF, through the 'One Stop Shop' 2 - Received by CDF 3 - SGBD informed 4 - Verification of company compliance 5 - Each company's results input into SGBD	Body responsible: Central Inspectorate for Water and Forests Methodology: Inform SGBD of the results of the verification check

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					6 - SGBD updated quarterly Frequency: once only for a given company Back-up of result: CDF informs SGBD File (paper copy) Flows: Send copy of ACs to ICEF	Frequency: once only for a given company Back-up of result: SGBD updated Flows: ICEF to the FLEGT licensing authority
1.1.8	Registration with the Central African Agency for Vocational Training and Employment (ACFPE).	1.1.8.1: Numbered and stamped request for employer's registration	Ministry of Labour	General Directorate of ACFPE: Department of Financial Affairs (dispute monitoring section) Regional Labour Inspectorate	Methodology: Regular verification by ACPFE is undertaken at the same time as the verifications of the relevant regional Labour Inspectorate and according to the same procedures The following is proposed: 1 - List of new companies or activities registered that affect the forest-timber sector sent quarterly to CDF (electronic and paper versions) 2 - CDF receives list	Body responsible: Department for Labour and Social Security / General Directorate of ACFPE Methodology Ministry of Labour 1 - Examines activity reports of the Regional Labour and Social Security Inspector

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					3 - SGBD informed Frequency: once only for a given company Back-up of result: CDF informs SGBD File (paper copy) Flows: Paper copy of list sent to ICEF	2 - Summarises the general situation of each company for the past year and send to CDF c/o ICEF, according to a procedure to be developed Ministry responsible for forests 1 - CDF receives documents 2 - Informs SGBD 3 - Sends hard copy to ICEF 4 - Checks that ICEF has input it Frequency: once only for a given company Back-up of result: SGBD informed of results of verification check Flows: ICEF to the FLEGT licensing authority
1.2.1	Payment of CNSS contributions	1.2.1.1: CNSS certification or receipt	Ministry of Labour	Collections Section of the Department for Collection, Control and Disputes (DRCC)	Methodology: 1 - Update employer file at end of period Periods: Large employers (20 staff or more) pay contributions monthly and have one month to declare the previous month	Body responsible: Department for Collection, Control and Disputes/Collections Section/ Central Inspectorate for Water and Forests Methodology:

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Small employers (less than 20 staff) pay contributions quarterly and have 15 days to pay 2 - Send follow-up letter to offenders specifying the fine to be paid (10 % of total amount) 3 - Triggering of a legal procedure 10 days after the follow-up, in the event of non-payment 4 - Produce a quarterly report Frequency: quarterly Back-up of result: Follow-up report (PV) (paper format) Filing by the CDF Flows: List of companies and their situation sent quarterly to CDF c/o ICEF (paper format on a form to be developed) in order to inform SGBD; the CDF informs SGBD, sends a paper copy to ICEF and files the document (paper format)	Department for Collection, Control and Disputes Regular verification in case of suspicion or complaint Produces a control report (PV) ICEF 1 - Receives list sent by CDF 2 - Verifies the compliance of CDF's inputting, and the status of each employer 3 - Informs SGBD of the results Frequency: quarterly DRCC: as necessary ICEF: monthly Back-up of result: DRCC: Control report ICEF: SGBD informed Flows: DRCC sends control reports to ICEF, which sends them on to CDF for inputting ICEF presents the situation of each company to the licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
1.2.2	Payment of ACPFE contributions	1.2.2.1: Quarterly declaration of salaries paid 1.2.1.2: Proof of payment of employers' contributions	Ministry of Labour	Department of Studies, Planning and Employment (DEPE) ACFPE Administrative and Financial Department (DAF) Regional Inspectorate for the relevant administrative district	Methodology: 1 - Check work contracts and ACFPE stamp to ensure compliance with the minimum wage for each socio-professional category 2 - Verification of staff files 3 - Quarterly verification of pay slips 4 - Write mission report 5 - Produce quarterly report giving the situation of each company, according to a procedure to be developed 6 - Send quarterly report to CDF c/o ICEF Frequency: quarterly Back-up of result: Mission reports Quarterly Reports	Body responsible: Department for Labour and Social Security ICEF Methodology: Ministry of Labour 1 - Receives information on staff declaration from DAF 2 - Verifies stamp 3 - Sends request to DAF via the collections section for payment of the employer contribution 4 - Annual report with copy to CDF c/o ICEF Frequency: — annual, for the last 4 quarters (Ministry of Labour) — quarterly - Ministry responsible for forests (ICEF) Back-up of result: Annual Reports SGBD informed

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Flows: DEPE/DAF to CDF c/o ICEF	Flows: DGTPS to ICEF ICEF to the licensing authority
1.3.1	The company's activities have not been suspended following a court ruling.	1.3.1.1: Records of court rulings	Ministry of Justice Ministry responsible for forests	The clerks Department for Legal Affairs and Litigation of the Ministry responsible for forests (DAJC). Regional Department for Water and Forests (DR)	Methodology: Clerks: 1 - Enter infringements committed on the register of each regional court 2 - Produce a report (paper format according to a template to be developed) for each infringement and an annual report 3 - Send report(s) and a copy of the record of the judgment to the Regional Department for Water and Forests (DR) of the administrative district, for the Prefectural Courts, according to a procedure to be developed. 4 - Send report and a copy of the record of the judgment to the DAFC with copy to CDF c/o ICEF either through the DREF or through the court clerks in Bangui DAJC: 1 - Enters on the infringements register (document to be established as it is not kept at the moment)	Body responsible: Ministry of Justice: High Court (TGI) MEFCP: General Directorate for Support Services (DGSA) Methodology: High Court: 1 - Checks that the register of judgments is properly maintained 2 - Produces an annual report, a copy of which is sent to CDF c/o ICEF DGSA: Checks the infringements register is properly maintained

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
		1.3.1.2.: Registers of infringements held by the Ministry responsible for forests	Ministry responsible for forests		CDF: 1 - Informs database File report Frequency: on each suspension Back-up of result: Clerks: Enter on the register of regional court judgments Produce a report filed in paper format DAJC: Keeps an infringements register CDF: Informs SGBD Files a paper copy of the report and record of the judgment Flows: Prefectural-level courts: 1 - Report from clerks to the court to the DREF	ICEF: Checks CDF has informed SGBD Frequency: annually Back-up of result: ICEF: Informs SGBD of results of control Flows: ICEF to the licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					2 - Send report to the DAJC with copy to CDF c/o ICEF Bangui Courts: 1 - Report from clerks to the court to DAJC with copy to CDF c/o ICEF	
1.3.2	The company's activities have not been suspended following an administrative sanction.	1.3.2.1: Registers of infringements held by the Ministry responsible for forests 1.3.2.2: Suspension decision of the Minister for the Environment	Ministry responsible for forests	Department for Legal Affairs and Litigation of the Ministry responsible for forests (DAJC).	Methodology: 1.3.2.1: idem 1.3.1 1.3.2.2: 1 - DAJC updates the infringements register 2 - Write report 3 - Send report and decision to CDF c/o ICEF Frequency: at each suspension Back-up of results: DAJC: Keeps an infringements register CDF: Informs SGBD Files report and suspension decision in paper format	Body responsible: ICEF Methodology: DGSA: Checks the infringements register is properly maintained ICEF: Checks CDF has informed SGBD Frequency: annual Back-up of results: ICEF: SGBD informed of results of check

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Flows: DAJC to CDF c/o ICEF	Flows: ICEF to the FLEGT licensing authority
1.4 .1	The company is up-to-date with payments of fines and penalties incurred for infringements	1.4.1.1: Receipt for payment of transaction or fine/penalty amount	Ministry responsible for forests	DGEF, the mobile intervention and verification brigade (BMIV)	Methodology: 1 - Prior verification of the infringements register before each regular visit of the BMIV and the General Directorate of Water and Forests 2 - Visit of the accounting services 3 - Writing of report 4 - Send report to ICEF in 2 copies, one of which is sent directly to the CDF Frequency: quarterly Back-up of result: Visit report in paper and digital formats filed at the CDF and DGEF Inform SGBD Flows: DGEF to CDF c/o ICEF and to this latter	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing Methodology: Check CDF has informed SGBD and SGBD informed of the result Frequency: six-monthly Back-up of result: Inform SGBD Flows: ICEF to the FLEGT licensing authority
2.1.1	All stages (informing population, tender, request for concession, award committee, including the independent monitor) leading to the award of a forest logging concession have been properly followed by the company,	2.1.1.1: Report of the PEA award committee under the responsibility of the Ministry responsible for forests 2.1.1.2: Report of the independent monitor under the responsibility of the Ministry responsible for forests	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP)	Methodology: 1 - Verify the existence of the award decree in the MEFCP's archives for all licences already allocated and date of award 2 - Verify the existence of the contractual document (final and/or provisional agreement depending on the date of award)	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
	observing the deadlines set by the laws and regulations of the CAR, before and after enactment of Law No 08.022 on the Forestry Code.	2.1.1.3.: Decree allocating exploitation and land-use permits (PEAs) 2.1.1.4: Provisional agreement in the three months following the signing of the decree 2.1.1.5: Final agreement in the three years following signing of the provisional agreement			3 - Produce a report with the key information: (PEA No, award date, beneficiary, nature of contractual document and date of signing) 4 - Send report to ICEF and to CDF c/o the former, with copies in paper format of the award decree and the contractual document(s) Frequency: once only for a given PEA Back-up of result: Input key data into SGBD Digitisation and inclusion of decree in SGBD Filing in paper format Updating of information at time of each new award or return to State domain Flows: DGEF to ICEF	Methodology: 1 - Receive report sent by DGEF 2 - Check the validity of information for all PEAs 3 - Inform SGBD of the verification check Frequency: once only for a given PEA Back-up of result: Inform SGBD Flows: From ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
2.1.2	The company has paid all the costs involved in each stage of the award process.	2.1.2.1: Proof of payment of the application's costs 2.1.2.2: Proof of payment of the pre-recognition fee 2.1.2.3: Receipt for payment of three years' rental within 15 days of notification of award (for licences allocated after 2003)	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP)	Methodology: 1 - Verify the existence of receipts for the costs of the files, of the pre-recognition fee and three years' rent (company established after 2003) in the MEFCP's archives 2 - Produce a report with the key information: PEA number, award date, beneficiary, number of receipts and amounts paid 3 - Send report to CDF under the ICEF's responsibility and to this latter, with paper copies of receipts Frequency: once only for a given award Back-up of result: Input into the SGBD Digitisation and inclusion of decree in SGBD Filing in paper format Updating of information at time of each new award or return to domain Flows: DGEF to ICEF	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing Methodology: 1 - Receive report sent by DGEF 2 - Check the validity of information for all PEAs 3 - Inform SGBD of the verification check Frequency: once only for a given award Back-up of result: Inform SGBD Flows: From ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
2.1.3	In the case of plantations belonging to a private individual or community, the individual or community has a property title.	2.1.3.1: Land title in the name of the individual or community	Ministry of Planning (land register) Ministry of Finances and Budgets	General Directorate of Planning General Directorate for Taxes and Domains (DGID)	Methodology: Verify the existence of a record of the land ownership title Frequency: once only Back-up of results: Input into the SGBD Flows: From the General Directorate for Planning to the General Directorate for Taxes and Domains From the General Directorate for Taxes to DGEF From DGEF to ICEF	Body responsible: Central Planning Inspectorate Inform the SGBD Flows: From the Central Planning Inspectorate to ICEF and from ICEF to the licensing authority
2.2.1	The company has an annual felling authorisation duly issued by the Forests Administration.	2.2.1.1: Approval note for management plan for PEAs with a final agreement. 2.2.1.2: Approval note for annual operating plan for PEAs with a final agreement 2.2.1.3: Provisional felling agreement signed by the relevant authority	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP)	Methodology: PEA with a final agreement 1 - Documentary examination, by a committee established to this effect, of the management plan and PAO submitted by the company in the context of the MEFCP's rating system 2 - Letter of PAO approval, if submission satisfactory PEA with a provisional logging agreement Verification already undertaken in 2.1.1 Frequency: annual for PAO and five-yearly for PG	Body responsible: ICEF Methodology: Verify the existence of the approval letter for the PG and PAO and minutes of the meeting Frequency: annual for PAO and five-yearly for PG

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Back-up of result: DGEF files PAO approval letter in the SGBD and in the archives in paper format Flows: 1 - Approval letter sent by DGEF to the company, ICEF, PARPAF (<i>projet d'appui à la réalisation des plans d'aménagements forestiers</i>), DGSR and meeting minutes with rating to CDF c/o ICEF and to the latter	Back-up of result: Inform the SGBD that the point has been verified Flows: From ICEF to the FLEGT licensing authority
2.2.2	In the case of plantations belonging to the State, the company has authorisation from the Ministry responsible for forests to log a plantation	2.2.2.1: Agreement of the Minister for Forests 2.2.2.2: Exploration authorisation 2.2.2.3: Exploration report 2.2.2.4: Simple management plan for plantations of 50 ha or more, in line with the General Conditions	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP)	Methodology 2.2.2.1 to 2.2.2.3: Request sent to the Minister for Forests Exploration authorisation given by DGEF Exploration undertaken by the company or individual and submission of report to DGEF Documentary and field verification by DGET and granting of ministerial agreement Frequency: on each request Back up Filing, in paper format (DGEF and CDF) and electronic format (CDF), of the request, the exploration authorisation and the ministerial agreement Flows: From applicant to DGEF	Body responsible: ICEF Methodology: Verify the existence of the exploration report and ministerial agreement Frequency: quarterly Result backup: Inform the SGBD that the point has been verified Flows: From ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					From DGEF to applicant and ICEF (CDF)	
2.2.3	In the case of plantations belonging to a private individual or community, the individual or community has felling authorisations	2.2.3.1: Felling authorisation issued to the operator (owner or contracted operator) by the Ministry 2.2.3.2: Simple management plan for plantations of 50 ha or more, in line with the General Conditions 2.2.3.3: Where appropriate, a contract between the individual or community and operating company.	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP)	Methodology 2.2.3.1: Request sent to the Minister for Forests Exploration authorisation given by DGEF Exploration undertaken by the company or individual and submission of report to DGEF Documentary and field verification by DGET and granting of felling authorisation Frequency: on each request Back up Filing, in paper format (DGEF and CDF) and digital format (CDF), of the request, the exploration authorisation and the felling authorisation Flows: From applicant to DGEF From DGEF to applicant and ICEF (CDF)	Body responsible: ICEF Methodology: Verify the existence of the exploration report and felling authorisation Frequency: quarterly Back-up of result: Inform the SGBD that the point has been verified Flows: From ICEF to the FLEGT licensing authority
2.3.1	The company informs the local and indigenous communities, local authorities and all interested parties of the signing of the provisional agreement and the opening up of the provisional cutting area.	2.3.1.1: Reports of awareness-raising meetings written by the company and jointly approved with the different stakeholders.	Ministry responsible for forests	General Directorate for Regional Services (DGSR)/Regional Director (DR)	Methodology: Regular verification of the existence of minutes by the regional departments	Body responsible: Director General for Regional Services (DGSR)

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: Write mission report Send report to DGSR DGSR sends report to DGEF and CDF Flows: From regional departments to DGSR From DGSR to DGEF and CDF (ICEF)	Methodology: Verify the existence of the report Frequency: annual Back-up of result: Inform SGBD Flows: From ICEF to the licensing authority
3.1.1	Environmental impact assessments have been conducted.	3.1.1.1: Reports of environmental impact assessments approved for each production site (PEA + sawmill, including living quarters) 3.1.1.2: Environmental compliance certificate issued by the competent authority	Ministry of the Environment and Ecology Ministry responsible for forests	General Directorate for the Environment (DGE)	Methodology: 1 - Documentary examination of the environmental impact assessment (EIA) submitted by the company 2 - On-site verification 3 - Letter approving the EIA, if satisfactory verification	Body responsible: Department for Environmental Surveillance (DSE) / ICEF Methodology: DSE: 1 - If any suspicion, verifies some points of the documentary examination and on-site verification 2 - Produces and sends a report with copy to ICEF ICEF: Verifies the existence of the letter approving the EIA

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: five-yearly Back-up of result: DGE files approval letter and EIA in the SGBD and in paper format in the archives Flows: Letter of approval sent to company with copy to CDF and ICEF	Frequency: five-yearly Back-up of result: DSE: Files control report ICEF: Informs the database of the verification check Flows: From ICEF to the FLEGT licensing authority
3.2.1	The measures aimed at protecting the biodiversity resources, given in the approved impact assessments, are implemented.	3.2.1.1: Monitoring reports from the environmental administration	Ministry of the Environment and Ecology	Department for Environmental Surveillance (DSE)	Methodology: 1 - On-site evaluation of implementation of measures contained in EIA 2 - Evaluation report and letter of compliance, if evaluation satisfactory 3 - Inform SGBD of verification results Frequency: ongoing (depending on the nature of the EIA measures) Back-up of result: File evaluation report and letter in the DSE archives Flows: Letter of approval sent to company with copy to ICEF and CDF	Body responsible: ICEF Methodology: Verify the existence of the report and letter Frequency: ongoing (depending on the nature of the EIA measures) Back-up of result: Inform database of the results of the verification control Flows: From ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
3.3.1	Waste (as defined in Art. 3 of the CAR's Environment Code and implementing regulations) resulting from the company's activities is treated in line with the legal requirements.	3.3.1.1: Monitoring reports from the environmental administration	Ministry of the Environment and Ecology (DGE)	Department for Environmental Monitoring	Methodology: 1 - On-site evaluation of the existence of a waste treatment system 2 - Evaluation report and letter of compliance, if evaluation satisfactory 3 - Inform SGBD of results of verification Frequency: six-monthly Back-up of result: File report and letter in the DSE archives Flows: Letter of approval sent to company with copy to ICEF and CDF	Body responsible DGE Methodology Verify the existence of the report and letter Frequency: six-monthly Back-up of result: Inform database of results of the verification check Flows: From ICEF to the FLEGT licensing authority
3.3.2	Legal provisions with regard to air and water pollution are being observed.	3.3.2.1: Audit report from the environmental administration.	Ministry of the Environment and Ecology	Department for Environmental Monitoring (DSE)	Methodology: 1 - On-site evaluation of the existence of a system for dealing with water and air pollution 2 - Evaluation report and letter of compliance, if evaluation satisfactory 3 - Inform SGBD of verification results	Body responsible: DGE Methodology: Verify the existence of the report and letter

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: File report and letter in the DSE archives Flows: 1 - Letter of approval sent to company with copy to ICEF and CDF	Frequency: annual Back-up of result: Inform database of results of the verification check Flows: From ICEF to the FLEGT licensing authority
4.1.1	Freedom of union organisation is guaranteed within the company.	4.1.1.1: Briefing note on guarantee of freedom of unionisation stamped by the competent authority and displayed 4.1.1.2: Minutes of union meetings (if employees are union members).	Ministry of Labour Ministry responsible for forests	Labour inspectorate of the relevant administrative district BMIV	Methodology: 1 - Regular on-site verification at least once per year or in case of suspicion or complaint 2 - Check the worker register 3 - Meet with staff and employer 4 - Stamp and/or annotate register 5 - Produce a report	Body responsible: Department of Labour and Employment (DTE) The Central Inspectorate for Water and Forests Methodology: DTE: Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for the forest-timber sector companies to CDF c/o ICEF (to be developed)

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					NB: The mobile brigade (BMIV) may carry out the same verification and send the results directly to ICEF (this is valid for 4.1 and 4.2) Frequency: annual Back-up of result: Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF Checks that the CDF informs the SGBD every year Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of the verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority
4.1.2	Staff delegates, elected in accordance with current legislation, have the necessary skills to fulfil their role	4.1.2.1: Report of the general assembly at which staff delegates were elected, stamped by the labour inspector 4.1.2.2: Training certificates stamped by the labour inspector	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year or in case of suspicion or complaint	Body responsible: Department of Labour and Employment ICEF Methodology: DTE:

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					2 - Meeting with staff delegates 3 - Produce a report Frequency: annual Back-up of result: Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for forest-timber companies to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF inputs SGBD of verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
4.1.3	The company's employees are informed of documents relating to employment rights.	4.1.3.1: Briefing notes displayed 4.1.3.2: Report of meetings between staff delegates and employees 4.1.3.3: Internal regulations displayed	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year 2 - Check that the elements required by law are displayed 3 - Produce a report Frequency: annual Back-up of result	Body responsible: Department of Labour and Employment (DTE) ICEF Methodology: DTE: Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for forest-timber companies to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF Checks that the CDF informs the SGBD every year Checks company compliance Frequency: annual Back-up of result

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	CDF informs SGBD of verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority
4.2.1	Relations between the company and its staff are formally established according to the legal requirements.	4.2.1.1: Copy of the collective agreement held by the logging company and by the staff delegates 4.2.1.2: Employer's records numbered and signed off by the labour inspector	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year 2 - Check the employer register and files for each employee 3 - Produce a report	Body responsible: Department of Labour and Employment ICEF Methodology: DTE Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for forest-timber companies to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	ICEF Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority
4.2.2	The company's staff are paid in accordance with current regulations for their sector of activities and without discrimination	4.2.2.1: - Pay slips and salary reports 4.2.2.2: - Employment contract signed by all parties	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year 2 - Compare work contracts and pay slips with the collective agreement for forest operators	Body responsible: Department of Labour and Employment (DTE) ICEF Methodology: DTE:

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					3 - Produce a report Frequency: annual Back-up of result: Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for forest-timber companies to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF: Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
4.2.3	Health and safety conditions for workers are in accordance with current legislation	4.2.3.1: Reports of health and safety committee meetings 4.2.3.2: List of staff health and safety equipment	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year 2 - Check equipment and health and safety measures in place on sites and in the forest 3 - Produce a report Frequency: annual Back-up of result: Mission report filed with the district inspectorate	Body responsible: Department of Labour and Employment/ICEF Methodology: DTE Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for the forest-timber companies to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of verification results

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Annual report filed with the district inspectorate Flows: Mission report sent to company Monthly reports sent to the Department of Labour	ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority
4.2.4	The working hours applied by the company are in accordance with legal provisions	4.2.4.1: Workers' time-keeping system 4.2.4.2: Workers' time-keeping cards 4.2.4.3.: Company service notes displayed 4.2.4.4: Pay slips	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year 2 - Check the content and display of the company's internal regulations and related system 3 - Produce a report	Body responsible: Department of Labour and Employment ICEF Methodology: DTE Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for forest-timber companies to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF: Checks that the CDF informs the SGBD annually Checks company compliance

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	Frequency: annual Back-up of result: CDF informs SGBD of verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority
4.2.5	Staff recruitment is in line with the age restrictions established by national legislation and the International Labour Organisation (ILO)	4.2.5.1: Employment contracts signed by all Parties	Ministry of Labour	Labour inspectorate of the relevant administrative district	Methodology: 1 - Regular on-site verification at least once per year 2 - Verify staff files 3 - Produce a report	Body responsible: Department of Labour and Employment ICEF Methodology: DTE: Receives the annual reports from each regional inspectorate Examines the reports and sends a summary to the General Directorate for Labour and Employment Sends a summary for the forest-timber companies to CDF c/o ICEF

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					May conduct an unscheduled check of the verification conducted by the inspectorates and write a report, a copy of which is sent to CDF c/o ICEF ICEF Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: Mission report filed with the district inspectorate Annual report filed with the district inspectorate Flows: Mission report sent to company Annual reports sent to Department of Labour	ICEF Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of verification results ICEF informs SGBD of verification check Flows: DTE to CDF ICEF to the FLEGT licensing authority
4.3.1	Local and indigenous communities' customary rights of access and use in forest concessions are recognised and respected by the company	4.3.1.1: Land-use plan approved by the relevant authority (the socio-economic report in particular)	Ministry responsible for forests	General Directorate for Regional Services Regional departments	Methodology:	Body responsible: General Directorate for Regional Services ICEF to DGSR Methodology: DGSR

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
		4.3.1.2: Provisional agreement signed by the relevant authority (PEA under provisional agreement) 4.3.1.3: Report of findings of the forest administration, countersigned by the parties			1 - Regular verification at the company's offices by the Regional Department for Forests for the administrative district 2 - Production of a quarterly verification report to be sent to the General Directorate for Regional Services in Bangui Frequency: at least once per year Back-up of result: Mission reports filed with the relevant regional department Flows: Mission report sent to company Annual reports sent to General Directorate for Regional Services	Receives the annual reports from each regional department Examines the reports and sends a summary to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the regional departments and write a report, a copy of which is sent to CDF c/o ICEF ICEF verifies that CDF is informing the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of verification results ICEF informs SGBD of verification check Flows: DGSR to CDF ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
4.3.2	If assets belonging to local or indigenous communities are destroyed by the company, compensation is provided in accordance with current regulations	4.3.2.1: Official reports of findings (PVC) read and approved by the parties 4.3.2.2: Proof of compensation	Ministry responsible for forests	Regional department	Methodology: 1 - Regular verification at the company's offices by the Regional Department for Forests for the administrative district 2 - Production of a quarterly verification report to be sent to the General Directorate for Regional Services in Bangui Frequency: at least once per year Back-up of result: Mission reports filed with the relevant regional department	Body responsible: General Directorate for Regional Services (DGSR) ICEF Methodology: DGSR Receives the annual reports from each regional department Examines the reports and sends a summary to CDF c/o ICEF May conduct an unscheduled check of the verification conducted by the regional departments and write a report, a copy of which is sent to CDF c/o ICEF ICEF Checks that the CDF informs the SGBD annually Checks company compliance Frequency: annual Back-up of result: CDF informs SGBD of verification results ICEF informs SGBD of verification check

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Flows: Mission report sent to company Annual reports sent to General Directorate for Regional Services	Flows: DGSR to CDF ICEF to the FLEGT licensing authority
5.1.1	The local communities, local authorities, NGOs, decentralised State structures and other development partners interested in forest resource management in the area in question are informed of the award of the PEA.	5.1.1.1: Minutes of sensitisation meetings written by the company and jointly approved by the stakeholders.	Ministry responsible for forests	DGEF	Methodology: Send information report signed by the stakeholders, including a company representative, to CDF Inform database (digital copy) Frequency: once only for a given PEA award Back-up of result: Update database. File hard copy Flows: Send a copy to ICEF and CDF	Body responsible ICEF Methodology Verify that SGBD updated Frequency: once only for a given PEA award Back-up of result: Inform SGBD of the results of the inputting check for this document Flows: ICEF to the FLEGT licensing authority
5.2.1	The company respects the stipulations of the provisional agreement during its period of validity (three years)	5.2.1.1: Administration's monitoring report	Ministry responsible for forests	Regional Department for the area, DGEF, BMIV (<i>brigade mobile d'intervention et de verification</i>)	Methodology 1 - Regular verification by the Regional Department for the administrative district, the BMIV and the General Directorate for Water and Forests 2 - Visit forest office and worksite 3 - Verify operations compliance 4 - Produce a report	Body responsible: ICEF Methodology: Check CDF has informed SGBD and SGBD informed of verification check Verification check of the different bodies on the basis of a sample

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: quarterly Back-up of result: DR: control report sent to DGSR with copy to ICEF BMIV: control report sent to firm with copy to ICEF DGEF: control report sent to DG with copy to ICEF	Frequency: six-monthly Back-up of result: Inform SGBD Control report (PV)
5.3.1	The prior studies have been conducted according to the rules set out by the forest administration.	5.3.1.1: Inventory report(s) Land-use report(s) 5.3.1.2: Report(s) of the socio-economic assessment(s)	Ministry responsible for forests	DGEF	Methodology: DGEF verifies and validates on the basis of an evaluation matrix to be developed Minutes of the evaluation meeting Frequency: for each land-use period or at each revision Back-up: in the SGBD Flows: From the assessment committee to DGEF From DGEF to ICEF and CDF	Body responsible: ICEF Methodology: Verification of existence of minutes Frequency: for each land-use period or at each revision Back-up: inform SGBD Flows: ICEF to the FLEGT licensing authority
5.3.2	The land-use plan has been produced according to the rules set out by the forest administration.	5.3.2.1: Final exploitation and land-use agreement	Ministry responsible for forests	Department for Inventory and Forest Planning (DIAF) and BMIV, DR	Methodology: DGEF verifies and validates on the basis of an evaluation matrix to be developed	Body responsible: General Directorate for Ministry for Water, Forests, Hunting and Fisheries

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Minutes of the evaluation meeting Frequency: for each land-use period or at each revision Back-up of result: back-up in the SGBD Flows: From the assessment committee to DGEF From DGEF to ICEF and CDF	Methodology: Verification of existence of minutes Frequency: for each land-use period or at each revision Back-up of result: SGBD informed Flows: ICEF to the FLEGT licensing authority
5.3.3	The management plan (PG) complies with the regulations.	5.3.3.1: Letter officially approving the PG	Minister for Forests	DGEF	Methodology: 1 - Documentary examination, by a committee established to this effect, of the management plan submitted by the company in the context of the MEFCP's rating system (cf. annexed document) 2 - Letter of PG approval, if submission satisfactory Frequency: five-yearly Back-up of result: DGEF files PG letter of approval in the SGBD and in paper format in the archives	Body responsible: ICEF Methodology: Verification of the existence of the approval letter for the PG and minutes of the meeting Frequency: five-yearly Back-up of result: Inform the SGBD that the point has been verified

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Flows: 1 - DGEF sends approval letter to the company, ICEF/CDF, PARPAF, DGSR and meeting minutes with rating to the ICEF	Flows: From ICEF to the FLEGT licensing authority
5.3.4	The annual operating plan, including maps, complies with the regulations.	5.3.4.1: Letter of submission of annual operating plan (PAO) to the office of the Minister for Forests. 5.3.4.2: Letter officially approving the PAO	Minister for Forests	DGEF	Methodology: 1 - Documentary examination, by a committee established to this effect, of the PAO submitted by the company in the context of the MEFCP's rating system 2 - Letter of PAO approval, if submission satisfactory Frequency: annual Back-up of result: DGEF files PAO approval letter in the SGBD and in the archives in paper format Flows: 1 - DGEF sends approval letter to the company, ICEF/CDF, PARPAF, DGSR and meeting minutes with rating to ICEF	Body responsible: ICEF Methodology: Verification of the existence of the approval letter for the PAO and minutes of the meeting Frequency: annual Back-up of result: Inform the SGBD that the point has been verified Flows: From ICEF to the FLEGT licensing authority
5.3.5	A plantation or reforested area of 50 ha or more has a simple management plan in line with current regulations.	5.3.5.1: Simple management plan for plantations of 50 ha or more, in line with the General Conditions 5.3.5.2: Letter approving the simple management plan	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP)	Methodology: There are currently no exploitable plantations of 50 ha or more and so the verification methodology will be developed during the Agreement implementation phase.	

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
5.4.1	The boundaries of the annual cutting area or provisional areas anticipated on the maps are concretely mapped out and respected, in accordance with the regulations.	5.4.1.1: Inspection visit reports from the forestry administration	Minister for Forests	Regional department, DGEFCP, BMIV	Methodology: 1 - Verification by the applicable regional department, at the time of the harvest inventory, of the conformity of the actual boundaries with the rules specified in volume 3 of the land-use regulations. 2 - Verification of conformity of boundaries with the approved maps for the PAO 3 - Verification by the regional department, DGEF, BMIV, at the time of logging, of compliance with the boundaries set during the harvest inventory. 4 - Production of verification reports Frequency: annual Back-up of result: Verification reports written Flows: Copy of report sent to ICEF and CDF	Body responsible: ICEF Methodology: Check CDF has informed SGBD and that SGBD is informed of verification check Check the different bodies' verification on the basis of a sample Frequency: annual Back-up of result: SGBD informed Paper filing by the CDF Flows: ICEF to CDF and ICEF to the FLEGT licensing authority
5.5.1	The service road network is planned and created in accordance with current regulations.	5.5.1.1: Annual operating plan approved by the forest administration	Ministry responsible for forests	DGEF	Methodology:	Body responsible: ICEF

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
		5.5.1.2: Plan for the network of service roads for the provisional area 5.5.1.3: Administrative authorisation to clear access roads (if access roads needed outside the AAC) 5.5.1.4: Inspection reports from the forest administration 5.5.1.5: Authorisation to open up tracks for an AAC			1 - Documentary verification of the road map and the administrative authorisation for opening up roads in the PAO submitted by the company in the context of the MEFCP's rating system 2 - Letter of PAO approval, if submission satisfactory Frequency: annual for each PAO Back-up of result: DGEF files the letter of approval and the PAO in the SGBD and in hard copy. Flows: 1 - DGEF sends an approval letter to the company, to the IC EFCP/CDF, DGSR, along with the meeting minutes and the rating to the IC	Methodology: Verification of the existence of the approval letter for the PAO and minutes of the meeting Frequency: annual for each PAO Back-up of result: Inform the SGBD that state that the point has been verified Flows: From ICEF to the FLEGT licensing authority
5.6.1	The minimum managed diameters (DMA) for final agreements or the minimum administrative maturity diameters (DME) for provisional agreements are respected during felling operations.	5.6.1.1: Worksite books 5.6.1.2: Inspection visit reports	Ministry responsible for forests	Regional department, DGEFCP, BMIV	Methodology: Check worksite record book and site visit	Body responsible: ICEF DSGR Methodology: Check CDF has informed SGBD and SGBD informed of verification result

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: quarterly for the regional departments and six-monthly for the BMIV Back-up of result: Regular monitoring reports Flows: DR: control report sent to DGSR with copy to ICEF BMIV: control report sent to firm with copy to ICEF DGEF: control report sent to DG with copy to ICEF	Check the different bodies' verification on the basis of a sample Frequency: six-monthly Back-up of result: Inform SGBD Control report (PV) Flows: ICEF to the FLEGT licensing authority Send control report to CDF
5.6.2	The species logged are authorised in the land-use plan, the PAO or the implementing regulations of the Forestry Code.	5.6.2.1: Land-use Plan 5.6.2.2: Worksite books 5.6.2.3: 'Timber movement' form 5.6.2.4: Special authorisation for unauthorised species	Ministry responsible for forests	Regional department, DGEFCP, BMIV	Methodology: 1 - Regular verification by the Regional Department, BMIV and DGEFCP 2 - Visit forest office and worksite 3 - Compare the list of species logged with those authorised in the land-use plan, the PAO and the list of species protected by the implementing regulations of the Forestry Code. 4 - Produce a report	Body responsible: ICEF Methodology: Check CDF has informed SGBD and SGBD is informed of verification result Check the different bodies' verification on the basis of a sample

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: quarterly Back-up of result: DR: control report sent to DGSR with copy to ICEF BMIV: control report sent to firm with copy to ICEF DGEF: Control report sent to DG with copy to ICEF ICEF: copy of each report and original sent to CDF to inform SGBD and file Flows: Receipt of verification reports from the three previous bodies Send to ICEF/CDF for SGBD information	Frequency: six-monthly Back-up of result: Inform SGBD Control report (PV) Flows: ICEF to the FLEGT licensing authority Send control report to CDF
5.7.1	Timber that is felled and abandoned in the forest is in line with current regulations.	5.7.1.1: Worksite books 5.7.1.2: Report on the findings of abandoned wood by the forest administration 5.7.1.3: Control reports from forestry administration	Ministry responsible for forests	Regional department for the administrative district, DGEF, BMIV	Methodology: 1 - Regular verification by the Regional Department for the administrative district, the BMIV and the General Directorate for Water and Forests 2 - Visit forest office and worksite 3 - Verification in the worksite record book of the haulage of felled trees within regulatory deadlines (six months) 4 - Visit to forest depots in case of doubt or suspicion	Body responsible: ICEF Methodology: Check CDF has updated SGBD and SGBD informed of verification result Check the different bodies' verification on the basis of a sample

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					5 - Produce a report Frequency: quarterly Back-up of result: DR: control report sent to DGSR with copy to ICEF BMIV: control report sent to firm with copy to ICEF DGEF: control report sent to DG with copy to ICEF ICEF: Copy of each report and original sent to CDF to inform SGBD and file Flows: Receipt of verification reports from the three previous bodies Send to ICEF/CDF for SGBD information	Frequency: six-monthly Back-up of result: Inform SGBD Control report (PV) Flows: ICEF to the FLEGT licensing authority Send control report to CDF
6.1.1	The company has at least one processing facility in accordance with the regulatory provisions, three years after award of the PEA.	6.1.1.1: Processing facility licence	Ministry responsible for forests	DGEFCP	Methodology: 1 - Verify the existence of at least three 'processing facility' timber movement forms at the end of the fourth month (no more than three years after award of PEA) 2 - Produce a report to send to the ICEF and CDF	Body responsible: ICEF Methodology: On-site investigation Produce a control report with copy to CDF for filing Inform SGBD

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: just once for a given PEA Back-up of result: 1 - Produce a report to send to the ICEF with copy to CDF 2 - CDF informs SGBD 3 - File report Flows: DGEF to ICEF and CDF	Frequency: just once for a given PEA Back-up of result: Control report Inform SGBD Flows: ICEF to CDF and to the FLEGT licensing authority
6.1.2	The company has proof that it is respecting the minimum annual processing quota (70 %) set by the State.	6.1.2.1: 'Timber movement' form or statistics yearbook	Ministry responsible for forests	Forestry Data Centre (CDF)	Methodology: 1 - Ongoing information of volumes felled and volumes processed from the CDF 2 - Verification of this verifier can be undertaken annually, automatically by the SGBD by comparing, to begin with and for each company, the volume of target species processed with the volume of same species felled 3 - The list of species could gradually change over time and could be updated at a frequency of around every five years (deadline to be decided by the Ministry responsible for forests) 4 - Verification each year of the compliance of companies and produce a report, by 30 January, to be sent to the ICEF/CDF with filing of hard copy	Body responsible: General Directorate for Ministry for Water, Forests, Hunting and Fisheries Methodology: Verification each year, no later than 30 January for the previous year, of the compliance of companies in the SGBD after consideration of the CDF's report

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: 1 - Inform SGBD 2 - CDF writes annual report noting the situation of each company's PEAs Flows: 1 - Send logging companies' operating data to CDF in electronic format 2 - Send annual reports to ICEF	Frequency: annual Back-up of result: Inform the SGBD that the point has been verified Flows: From ICEF to the FLEGT licensing authority
6.2.1	Logs and timber products imported for processing are registered in line with regulatory provisions	6.2.1.1: Commercial import declaration 6.2.1.2: 'Timber movement' form	Customs Office and BARC (Central African Road Haulage Office) Department for Forest Logging and Industry (DEIF), Mobile Intervention and Verification Brigade (BMIV)	Ministry of Finances Minister for Forests	Methodology: 1 - Verification of timber-based products at point of entry by Central African Republic's customs and Ministry for Water and Forests 2 - Allocation of a code and inclusion in the SYDONIA database for customs and the SGBD for the Ministry for Water and Forests Frequency: on each import	Body responsible: General Directorate for Customs and Indirect Taxes (DGDDI) General Directorate for Water, Forests, Hunting and Fisheries Methodology: Monthly verification of the volumes imported and reconciliation of data, bearing in mind the exporting company's own production Produce a control report to be filed at the CDF Send explanatory request to company Frequency: monthly

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Back-up of result: Inform SGBD Flows: Border posts to CDF c/o ICEF	Back-up of result: Inform SGBD Flows: ICEF to company (request for explanation) ICEF to CDF (control report) From ICEF to the FLEGT licensing authority
6.2.2	Purchases of logs and timber products for processing, including imported, are of a known and legal origin.	6.2.2.1: FLEGT licence from country of origin accompanies imported products 6.2.2.2: Sustainable management certificate or certificate of legal origin	Ministry of Finances and Budgets	General Directorate for Customs and Indirect Taxes (DGDDI)	Methodology: 1 - Verification of timber-based products at point of entry by Central African Republic's customs and Ministry for Water and Forests 2 - Allocation of a code and inclusion in SYDONIA for customs and the SGBD for the Ministry for Water and Forests Frequency: on each import Back-up of result: Inform SGBD Flows:	Body responsible: General Directorate for Customs and Indirect Taxes (DGDDI), General Directorate for Water, Forests, Hunting and Fisheries Methodology: Monthly verification of the volumes imported and reconciliation of data, bearing in mind the exporting company's own production Produce a control report to be filed at the CDF Send explanatory request to company Frequency: monthly Back-up of result: Inform SGBD Flows:

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Border posts to CDF c/o ICEF	ICEF to company (request for explanation) ICEF to CDF (control report) From ICEF to the FLEGT licensing authority
7.1.1	The declaration on timber production is held in line with the regulatory provisions of the Forestry Code.	7.1.1.1: 'Timber movement' form	Ministry responsible for forests	Forestry Data Centre (CDF)	Methodology: 1 - Receive monthly timber movement forms sent by each company 2 - Verify form and content 3 - Inform SGBD and automatic reconciliation with SGBD data sent by the company at a frequency to be established. 4 - Exchange views in order to clear up any inconsistencies Frequency: monthly Back-up of result: Filing of timber movement forms by the CDF Inform SGBD Flows: Company to CDF CDF Company	Body responsible: General Directorate for Water, Forests, Hunting and Fisheries Methodology: 1 - Verify monthly data inputting and of the conformity of its data with that of the SGBD 2 - Inform SGBD of verification check results in this regard Frequency: monthly Back-up of result: Inform SGBD Flows: ICEF to the monitoring body

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
7.1.2	The declaration on timber processing is in line with the 'timber movement' forms.	7.1.2.1: 'Timber movement' form	Ministry responsible for forests	DGEFCP	Methodology: Verification of production data in relation to the 'timber movement' forms declared Frequency: once a year for a given processing facility Back-up of result: 1 - Produce a report to send to ICEF with copy to CDF 2 - CDF informs SGBD 3 - Filing of report Flows: DGEF to ICEF and CDF	Body responsible ICEF Methodology Documentary investigation of DGEF reports Production of a control report with copy to CDF for filing Inform SGBD Frequency: once a year for a given processing unit Result backup Control report Inform SGBD Flows ICEF to CDF and to the FLEGT licensing authority
7.1.3	Declarations on timber sales and export of products are produced in line with the regulatory provisions.	7.1.3.1: 'Timber movement' form 7.1.3.2: Customs declaration 7.1.3.3: Commercial export declaration (DEC)	Ministry of Finances and Budgets Ministry of Trade	Regional Customs Department General Directorate for Customs General Directorate for Trade	Methodology: 7.1.3.2.: 1 - Movement through customs with customs documents (customs declaration); arranged 2 - Study of form, to judge admissibility 3 - If admissible, input into database	Body responsible: General Directorate for Customs and Indirect Taxes (DGDDI)/ Department for Investigations, Prosecutions and Fraud/A posteriori Control Department) Methodology: A <i>posteriori</i> documentary check of the form of the documents and their content

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
				Department for Customs Legislation/Exemptions and Franchises Department	4 - Documentary verification of content and form (basic, in-depth, integral - including vehicle) 5 - Issuing of release warrant for export or transit 7.1.3.3: 1 - Comparison of the DEC's proforma invoice with the final invoice for the E 101 declaration 2 - Verification with the General Directorate for Trade in case of doubt Frequency: at each declaration Back-up of result: Local customs database (electronic and paper format) / SYDONIA (central level) / Manual filing Inform SGBD Continual flows: 1 - From company to customs 2 - From customs to company 3 - From customs to the Ministry responsible for forests according to a procedure to be developed Figures sent to the Statistics Department	Frequency: in case of suspicion Back-up of result: Customs: Production of official report (on site, findings on non-compliance, input) Entry in disputes ledger Inform SGBD Flows: 1 - From customs to the Ministry responsible for forests (CDF c/o ICEF) according to a procedure to be developed 2 - From ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
7.1.4	Tax/customs declarations are made in line with the regulatory provisions.	7.1.4.1: Receipt for licence payment 7.1.4.2: Receipt for IMF (minimum set tax) payment 7.1.4.3: Receipt for IS/IR (corporation/income tax) payment 7.1.4.4: Receipt for value added tax (VAT) payment	Ministry of Finances	Revenue Stamps Department	Methodology: 7.1.4.1: 1 - Observance of customs clearance procedures and entry on the NIF register 2 - On-site visit 3 - Declaration (verbal or in writing) of turnover by the company accounts department to the Financial Department of the company in Bangui 4 - Check turnover in the Financial Department of the company in Bangui 5 - Allocation of a quota, prorata or not, of turnover Frequency: 7.1.4.1: for each financial year 7.1.4.2: annual Back-up of result: 1 - Entry in tax identification system (SYSTEMIF) 2 - Manual filing of documents at customs 3 - Entry into SGBD	Body responsible: DGEFCP & DGID (General Directorate for Taxes and Domains) Methodology: Observance of customs clearance procedures and entry on the NIF register Frequency: Idem Back-up of result: 1 - Entry in tax identification system (SYSTEMIF) 2 - Manual filing at tax department 3 - Entry into SGBD

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Continual flows: 1 - From company to taxes: declaration 2 - From taxes to CDF c/o ICEF	Flows: 1 - From taxes to CDF c/o ICEF 2 - From ICEF to the FLEGT licensing authority
7.2.1	All forest taxes and fees are paid within the stipulated deadlines.	7.2.1.1: Receipt for payment of rental tax 7.2.1.2: Receipt for payment of felling tax 7.2.1.3: Receipt for payment of reforestation tax 7.2.1.4: Notification stipulating exceptional measures relating to payment of company taxes and fees	Ministry of Finances Ministry responsible for forests	DGEFCP DGID (General Directorate for Taxes and Domains)	Methodology: 1 - Documentary verification (felling, rental and reforestation taxes) by the Ministry of Forests and physical verification (reforestation tax) by the structure delegated by the administration (BIVAC) for export production 2 - Production of revenue orders by the administration for each beneficiary (State, communes, CAS-DF) and for a given tax (rental, felling, reforestation), after company declaration, with the exception of rental. Declaration deadlines: Felling and reforestation tax: Currently: monthly production and dispatch (within 21 days for the previous month) of timber movement forms In the context of the national tracking system (NTS): constant exchange of operating data between companies and the forest administration, according to a procedure to be defined, hence a shortening of this deadline.	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing Central Inspectorate for Finances Methodology: Central Inspectorate for Finances 1 - <i>A posteriori</i> documentary control of the form of the documents and their content ICEF 1 - Regular verification of declarations (six-monthly) and production of a report according to a procedure to be developed

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Rental: payment during January each year on the basis of the area in use; the amount per hectare of the tax is set each year by the Finance Law 3 - Payment by the company within the given deadlines either to the Public Treasury (State) or to the Bank of Central African States (BEAC) (communes) or to the CAS DF (<i>compte d'affectation special pour le développement forestier</i>) Frequency: Rental: yearly Reforestation and felling: quarterly Back-up of result: 1 - Order to collect revenue filed with DGEFCP 2 - Registration in the tax identification system (SYSTEMIF) 3 - Entry in the SGBD Flows:	2 - Verification of monthly data inputting and of the conformity of its data with that of the SGBD 3 - Inform SGBD of verification control results in this regard Frequency: Central Inspectorate for Finances Ongoing, in case of suspicion ICEF Rental: yearly Reforestation and felling: quarterly Back-up of result: Registration in the tax identification system (SYSTEMIF) Inform SGBD Manual filing Flows:

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					1 - Company to DGEFCP: timber movement forms in electronic or paper format 2 - DGEFCP to DGID, communes, CAS-DF: order to collect in paper format 3 - From Treasury, the BEAC and the CAS-DF to CDF c/o ICEF according to a procedure to be developed	From IC Finances to CDF c/o ICEF ICEF to the monitoring body
7.2.2	All fees and taxes linked to timber exports are paid on time.	7.2.2.1: Receipt for DS (exit fee) payment 7.2.2.2: Receipt for IMF (minimum set tax) payment 7.2.2.3: Receipt for REIF (Ministry of Finance tax on provision of computer tools) payment	Ministry of Finances Ministry responsible for forests	Regional Customs Department Secure export revenues structure General Directorate for Taxes and Domains (DGID)	Methodology: Verification by the main cash office of the transit centre in Bangui or by the regional customs departments in the provinces: 1 - Physical check on-site by customs (mandated structure: BIVAC) after each receipt of the company's specifications 2 - Establish specifications (mandated structure: BIVAC), issue other necessary documents: certificate of verification, DEC, etc. 3 - Customs declaration 4 - Examination and 'good for dispatch' stamp 5 - Exchange of information with ICEF/CDF according to a procedure to be defined	Body responsible: General Directorate for Customs and Indirect Taxes (DGDDI) Central Inspectorate for Water, Forests, Hunting and Fishing (ICEF) Methodology: DGDDI: Systematic <i>a posteriori</i> verification of the declaration ICEF: Check CDF has informed SGBD

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					6 - CDF informs SGBD Frequency: on each export Back-up of result: Inputting into SYDONIA Filing of declaration documents in paper format Flows: From main cash office and regional departments to ICEF/CDF	Frequency: ongoing Back-up of result: Inputting into SYDONIA Production of activity reports and official reports Flows: DGDDI to ICEF/CDF according to a procedure to be established ICEF to the FLEGT licensing authority
7.2.3	All fees and taxes linked to imports of equipment used by the company (other products) are paid before the 'good for dispatch'.	7.2.3.1: Receipt for customs duties (import) payments 7.2.3.2: Receipt for value added tax (VAT) payment 7.2.3.3: Receipt for TCI (community integration tax) payment 7.2.3.4: Receipt or CCI (community integration contribution) payment 7.2.3.5: Receipt for REIF (tax on provision of financial computer tools) payment	Ministry of Finances Ministry responsible for forests	Main cash office of the transit centre and regional department DGID DGEFCP	Methodology: 1 - Customs declaration 2 - Consideration of file 3 - Where appropriate, physical verification depending on channel 4 - 'Good for dispatch' stamp (BAE) 5 - Exchange of information with ICEF/CDF according to a procedure to be defined 6 - CDF informs SGBD	Body responsible: DGDDI Central Inspectorate for Water, Forests, Hunting and Fishing Methodology: Systematic <i>a posteriori</i> verification of the declaration

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
		7.2.3.6: Receipt for OHADA payment (OHADA fee) 7.2.3.7 Receipt for CMF payment (Central Africa Forests Commission fee)			Frequency: at each declaration Back-up of result: Inputting into SYDONIA Filing in paper format of declaration documents Flows: From main cash office and regional departments to ICEF/CDF	Frequency: ongoing Back-up of result: Inputting into SYDONIA Production of activity reports and official reports Flows: DGDDI to ICEF/CDF according to a procedure to be established ICEF to the FLEGT licensing authority
7.2.4	The company has repatriated the 'free on truck' (FOT) values of products declared for export outside of CEMAC to a local bank within 30 days of the deadline stipulated in the contract.	7.2.4.1: Certificate of bank debit order 7.2.4.2: Funds transfer document	Ministry of Finances Ministry responsible for forests	Unit responsible for monitoring repatriation of export revenues (CCCRRE) ICEF/CDF	Methodology: 1 - Send export documents (FOT values) and proof of repatriation to the CCCRRE (unit responsible for monitoring repatriation of export revenues) 2 - Gather information on customs and taxes declarations 3 - Verify capital repatriated to the banks and reconcile with customs and tax information (the repatriation must be undertaken within a maximum of 30 days following payment deadline) 4 - Produce an annual situation report for each company and send to CDF c/o ICEF via a procedure to be established	Body responsible: ICEF Methodology: Check CDF has informed SGBD

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: 1 - Control reports relating to each mission filed with the joint tax-customs unit 2 - Annual report with copy to CDF c/o ICEF 3 - CDF to inform SGBD Flows: Company sends tax declaration (DSF) to tax/customs unit. Tax/customs unit sends annual report to CDF c/o ICEF	Frequency: annual Back-up of result: SGBD informed of control results Flows: ICEF to the FLEGT licensing authority
8.1.1	The lorries and other vehicles for transporting timber products are correctly registered and licensed.	8.1.1.1: Vehicle registration documents 8.1.1.2: Technical data sheet 8.1.1.3.: Insurance 8.1.1.4: Transport licence 8.1.1.5: If forest produce is being transported for export: haulage authorisation	Ministry of Defence Ministry of the Interior Ministry of Finances and Budgets	Traffic Police/Border Police/Customs	Methodology: Presentation of documents during road formalities Frequency: at each checkpoint for a given load (lorry) Back-up of result: Official report in paper form if an infringement is noted	Body responsible: Traffic Police/Border Police/Customs Verification of control is undertaken by the same bodies at different geographical points (different check-points) Methodology: Idem Frequency: at each checkpoint for a given load (lorry) Back-up of result: Official report in paper form if an infringement is noted

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Reports according to a procedure to be established Flows: Procedure for exchanging information to be developed after consultation between the departments in question	Reports according to a procedure to be established Flows: Procedure for exchanging information to be developed after consultation between the departments in question
8.1.2	Transport documents for timber and derived products for export are in line with current regulations.	8.1.2.1.: Waybill or route map 8.1.2.2: Dispatch note, accompanied by: specifications, D15, commercial export declaration, invoice, certificate of origin	Ministry of Transport Ministry responsible for forests Ministry of Trade Ministry of Finances	Traffic Police/Border Police/ Customs/BARC/Water and Forests	Methodology: Presentation of documents during forest and customs formalities prior to departure and during road and border formalities Frequency: at departure and at each checkpoint for a given load (lorry) Back-up of result: Official report in paper form if an infringement is noted Flows: Verification by Water and Forests Department staff: send monthly report to ICEF Other department staff: procedure for exchanging information to be developed after consultation between the departments in question	Body responsible: Traffic Police/Border Police/ Customs/BARC (Central African Road Haulage Office) / Water and Forests Methodology: Presentation of documents during forest and customs formalities prior to departure and during road and border formalities Frequency: at departure and at each checkpoint for a given load (lorry) Result backup: Official report in paper form if an infringement is noted Flows: Verification by Water and Forests Department staff: send monthly report to ICEF Other department staff: procedure for exchanging information to be developed after consultation between the departments in question

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
8.1.3	The company is implementing measures to apply the ban on the transportation of persons.	8.1.3.1.: Company's internal regulations 8.1.3.2: Service note	Ministry responsible for forests	Regional department for the administrative district, DGEF, BMIV	Methodology: 1 - Verify a ban on transporting people in the internal regulations 2 - Verify a service note specifying this ban displayed and noted on lorries used for transporting wood 3 - Produce a report 4 - Send copy of report to CDF to inform SGBD and file Frequency: annual Back-up of result: Verification report filed and SGBD informed Flows: Reports to ICEF/CDF	Body responsible: ICEF Methodology: Verification control has been conducted Inform SGBD Frequency: annual Back-up of result: Inform SGBD Flows: ICEF to the FLEGT licensing authority
8.2.1	The logs and stumps of felled trees are hammered and marked in line with regulatory requirements.	8.2.1.1: Inspection visit report from the forestry administration	Ministry responsible for forests	Regional department (DR), DGEFCP, BMIV	Methodology: 1 - Regular verification by the Regional Department, BMIV and DGEFCP 2 - Visit to worksite office and log yards 3 - Verify marking of logs and stumps 4 - Produce a report Frequency: quarterly	Body responsible: ICEF Methodology: Check CDF has informed SGBD and SGBD informed of verification result Check different bodies' verification on the basis of a sample Frequency: quarterly

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Back-up of result: DR: control report sent to DGSR with copy to ICEF BMIV: control report sent to firm with copy to ICEF DGEF: control report sent to DG with certified copy to ICEF/CDF	Back-up of result:
8.2.2	In forest depots, logs are hammered and marked according to current regulations.	8.2.2.1.: Inspection visit report from the forestry administration	Ministry responsible for forests	Regional department for the administrative district DGEFCP BMIV	Methodology: Verification of compliance with national tracking system (NTS) 1 - Regular verification by the Regional Department, BMIV and DGEFCP 2. Office visit to log yards 3 - Verify marking of logs 4 - Produce a report ICEF/CDF: documentary examination, inform SGBD and filing Flows: Receipt of verification reports from the three previous bodies Send to ICEF/CDF for SGBD information	Body responsible: Methodology: Inform SGBD Control report (PV) Flows: ICEF to the FLEGT licensing authority Send official report to ICEF/CDF
8.2.3	Log transport documents are filled in prior to leaving the worksite.	8.2.3.1: Waybill (also known as a delivery note or removal note)	Ministry responsible for forests	Regional department	Methodology:	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					NB: in 2010 this control was not systematic, indeed virtually absent. The DGEF must develop a procedure to this end Frequency: Back-up of result: Flows:	Methodology Back-up of result: Flows:
8.2.4	Log and log bundle documents are filled in prior to leaving the log depot or factory.	8.2.4.1: Waybill (also known as a delivery note or removal note)	Ministry of Forests/ Ministry of Finances		Methodology: 1 - Physical on-site check by customs (BIVAC) after each receipt of company specifications 2 - Specifications established by the mandated structure (BIVAC), other necessary documents issued: certificate of verification, DEC, etc. Frequency: at each declaration Back-up of result: 1 - Specifications in the database by the mandated structure (BIVAC) 2 - Manual filing 3 - Inform SGBD Flows: 1 - Company to mandated structure (BIVAC) 2 - Mandated structure (BIVAC) to CDF c/o ICEF according to a procedure to be developed	Body responsible: General Directorate for Customs and Indirect Taxes (DGDDI) ICEF Methodology: DGDDI: verification control by customs after customs declaration ICEF Frequency: at each declaration Back-up of result: 1 - Inputting into SYDONIA 2 - Manual filing 3 - Inform SGBD Flows: 1 - DGDDI to CDF c/o ICEF according to a procedure to be developed 2 - ICEF to the FLEGT licensing authority

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
9.1.1	The amounts allocated to community budgets are regularly paid by the company.	9.1.1.1: Receipt proving payment of revenue orders 9.1.1.2: Administrative authorisation for staggered payment of taxes	Ministry responsible for forests	Central Inspectorate/Administration and Finances (MEFCP)	Methodology: DGEF to send a copy of revenue orders to CDF Systematic dispatch of a copy of payment receipts to CDF c/o ICEF for filing and SGBD information Frequency: monthly Back-up of result: Filing of revenue orders and copies of receipts by CDF once SGBD informed Flows: DGEF to CDF Company to ICEF/CDF	Body responsible: ICEF Methodology: Verify that CDF has input the information Verify compliance of receipts with corresponding revenue orders Input control results Frequency: monthly Back-up of result: Inform SGBD Flows: ICEF to the FLEGT licensing authority
9.1.2	The social actions planned by the company and appearing in the PAO and PG or in the provisional agreements have been implemented.	9.1.2.1: PAO approved by the forest administration (each PAO comprises a description of the social activities undertaken the previous year) 9.1.2.2: Provisional agreement signed by the company and the Ministry responsible for forests	Ministry responsible for forests	General Directorate for Water and Forests	Methodology: 1 - Documentary examination, by a committee established to this effect, of the management plan and PAO submitted by the company in the context of the MEFCP's rating system 2 - Assess company's social report 3 - Letter of approval, if submission satisfactory	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing (ICEF) Methodology: Verify the existence of an approval letter for the PG and PAO and minutes of the meeting:

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
					Frequency: annual Back-up of result: DGEF files PAO approval letter in the SGBD and in the archives in paper format Flows: 1 - Approval letter sent by DGEF to the company, ICEF/CDF, DGSR and meeting minutes with rating to ICEF	Frequency: annual Back-up of result: Inform the SGBD that the point has been verified Flows: From ICEF to the FLEGT licensing authority
9.2.1	The commitments made by the company in the PG, the terms and conditions, the PAO or the provisional agreement to contribute to preventing poaching and illegal forest logging in its area of intervention are respected.	9.2.1.1: Worksite inspection reports from the administration 9.2.1.2: Company reports on information, education and awareness raising campaigns 9.2.1.3: PAO approved by the forest administration 9.2.1.4: Internal regulations	Ministry responsible for forests	General Directorate for Water and Forests (DGEFCP) Regional department	Methodology: Verification of this point was not conducted in 2010; it is important that it is included in a verification procedures manual to be developed by the DGEF Frequency: Back-up of result: Flows:	Body responsible: Central Inspectorate for Water, Forests, Hunting and Fishing (ICEF) Methodology: Frequency: Back-up of result: Flows:
10.1.1	The company (and, in the case of private plantations, the individual or community) ensures that all its sub-contractors and suppliers are authorised to exercise their activity.	10.1.1.1: Accreditation of valid profession	Ministry of Trade	Formalities section ('One Stop Shop')	Methodology: 1 - Each company sends a list of its sub-contractors to the CDF. 2 - Their authorisation is checked with the Ministry of Trade ('One Stop Shop')	Body responsible: ICEF

IND	Indicators (1)	Verifiers (2)	Departments (3)	Verification structures (4)	Verification methodology (5)	Bodies responsible for checking verification and methodology (6)
		10.1.1.2: Sub-contracts registered	Ministry responsible for forests	Forestry Data Centre (CDF)	Inform SGBD Frequency: ongoing, according to changes in each supplier's list Back-up of result: Inform SGBD Flows: Company to CDF CDF to Min. of Trade ('One Stop Shop') Min. of Trade to CDF	Methodology: Verify data input Inform SGBD of control results in this regard Frequency: after each updating by the CDF Back-up of result: Inform SGBD Flows: ICEF to the FLEGT licensing authority
10.2.1	The company (and, in the case of private plantations, the individual or community) is duly paying for the services anticipated in the contract.	10.2.1.1: Invoices 10.2.1.2: Transfer document or cheque or receipt proving payment of the corresponding invoices	Ministry responsible for forests	Department for Legal Affairs and Litigation of the Ministry responsible for forests (DAJC).	Methodology: 1 - Court clerks to verify no disputes underway in relation to payment for services 2 - Produce a report and entry on the infringements register, as appropriate 3 - Report sent to ICEF/CDF Frequency: annual Back-up of result: Annual Report Registration in the infringements register held by the Ministry responsible for forests Inform SGBD Flows: Court clerks to DAJC DAJC to ICEF/CDF	Body responsible: ICEF Methodology: Check the infringements register is properly maintained Check information in SGBD Frequency: annual Back-up of result: Inform SGBD of the results of this point of control Flows: ICEF to the FLEGT licensing authority

2.3. Recognition of forest certification mechanisms

There are currently no companies with private forest certification in the CAR.

The LAS will need to take into account coordination between private certification systems and the LAS and promote synergies, particularly in order to avoid unnecessary checks. In this context, recognition of private certificates of legality and sustainable management will be provided by the Ministry responsible for forests, subject to a check of the audit results of private certification by ICEF. The private certification audit results will need to be sent to ICEF. A regulatory text will be implemented by the Ministry responsible for forests in order to clarify the information flows relating to certification.

2.4. Cases of non-compliance with legal requirements

In the context of the LAS, non-compliance will be handled in accordance with the legal and regulatory provisions in force in the CAR.

In the context of issuing FLEGT licences, a procedures manual for handling non-compliances and sanctions, aimed at strengthening the control system, will be developed during the Agreement implementation period, prior to the issuing of the first FLEGT licence by the CAR.

3. WOOD TRACKING SYSTEM AND CONTROL OF THE SUPPLY CHAIN

3.1. Operational demands of traceability

There is currently no national tracking system. Nonetheless, there are systems that have been developed internally by each logging company. Export transport documents are stipulated by law; however, at national level and on the worksites, there is no regulatory text in force in 2010. Consequently, during the implementation period and prior to issuing of the first licence, a regulatory text will need to specify the provisions relating to the national tracking system and the transport of timber and derived products.

The traceability chain will be managed by a national tracking system (NTS) to be established, the data of which will be centrally held in the database management system (SGBD), managed by the Forestry Data Centre (which reports institutionally to ICEF), and fed by the logging companies and the secure customs revenues structure (currently BIVAC). A national numbering system will be adopted in order to classify each product.

A number of bodies will participate in the tracking system. These bodies are:

- the companies responsible for all activities, from harvest inventory to exporting the rough and processed timber;
- the Ministry for Water and Forests, which provides verification and verification checks for logging and processing along the whole supply chain through its centralised departments (DGEF, DGSR, ICEF and the CDF and BMIV);
- the secure customs revenues structure (currently BIVAC), which checks specifications, identifies species and establishes volumes. It also issues the commercial import declaration for timber imported for processing;
- the Ministry of Trade, which is responsible for countersigning the commercial import declaration (DIC) for timber imported for processing and the commercial export declaration (DEC);
- the Ministry of Finances, through its centralised and decentralised customs departments, which check customs clearance, issue receipts for fees and taxes received and register timber in transit;
- border inspectors from the Ministry for Water and Forests who check transport documents.

3.1.1. Case of timber and derived products coming from PEAs and plantations

The following table gives the principles and requirements of the traceability chain for timber and derived products coming from PEAs. The specific requirements for forest plantations are also specified.

The following table gives the requirements of the traceability chain:

1st column: describes the stages in the supply chain,

2nd column: describes the responsibilities and activities of each actor,

3rd column: describes the necessary data and its collection methods,

4th column: specifies the verification structures and methodology used by each structure to validate or reconcile the data.

These principles and requirements may be adjusted during implementation of the Agreement, without these adjustments damaging the quality of the traceability chain.

INVENTORY				
Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
HARVEST INVENTORY	Body responsible: COMPANY Activities: — Marking out of cutting area — Opening up of forest paths — Measuring of trees — Positioning and mapping of trees — Numbering and marking of trees NB: For plantations: (a) a simple management plan must be produced for plantations of more than 50 ha; (b) a prospecting report and simplified map (location on a topographical map) must be submitted to the DIAF for plantations of less than 50 ha; (c) the following information must, however, be provided for plantations of more than 50 ha: (i) age of tree population, (ii) average height of tree population, (iii) GPS location, (iv) area, (v) simplified map with plot shown on the ground, (vi) number of standing trees, (vii) class of circumference or diameter; (d) the systematic marking of standing timber is not compulsory; (e) the DIAF issues a logging permit.	Declaration document: Annual Operating Plan (PAO) Data: — Permit Number — Number of Forest Management Unit (UFG), exploitation and land-use permit (PEA) or plantation — Number of annual cutting area (AAC) — Inventory number — Species name — DMA (minimum diameter defined in the land-use plan) — UTM (Universal Transverse Mercator) positioning. Flows: Inform SGBD (electronic format to be included in volume 3 of the land-use regulations)	Methodology: Coordination of the six bodies below is provided by ICEF: 1. Department for Forestry Inventory and Land-use (DIAF): - Conformity of inventoried data in relation to previous PAO. - Verification of AAC maps. 2. Regional department: - Verification of road networks and cartography of the resource. - Sends reports to DGSR. 3. General Directorate for Regional Services (DGSR): - Verification of regional departments' activities. - Harvesting information sent to DGEF. 4. Department for Forest Logging and Industry (DEIF): - Verification of road networks and cartography of the resource - Sends data to CDF. 5. General Directorate for Water and Forests (DGEF): - Verification and validation of reports from DGSR, DIAF and DEIF - Sends data to CDF - Sends reports to ICEF. 6. Forestry Data Centre (CDF): - Compilation of data at MEFCP level.	

LOGGING OPERATIONS				
Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
FELLING	Body responsible: COMPANY Activities: — Selection and cutting of trees. — Hammering of felling number on stump and roots. — Copying of inventory numbers onto stumps. — Stump marking. — Data registration and storage. NB: For plantations of more than 50 ha: Cutting is undertaken by area. All logs are marked. Use of a worksite record.	Declaration document: Worksite record (paper and/or electronic) Timber movement form Data: — Permit number — UFG (PEA or plantation) number — AAC number — Inventory number — Felling number — Species — Size and volume of the tree felled — As an attachment, the updated map of the logging area — DMA — UTM positioning Flows: Company submits worksite records and timber movement declarations to DGEFCP Company sends logging data to CDF to input into SGBD.	Methodology: Regional Department for Water and Forests: Verification: Worksite record Evacuation slips On-site verification of: — positions of felled trees, boundaries of AAC — DMA Verification reports sent to DGSR. Joint Control Brigade (BMC): Verification checks — Worksite record — Evacuation slips — Respect for boundaries of AACs — Respect for DMA — Marking of UFG, plantation and AAC boundaries List of infringements Reports sent to litigation department Control reports sent to ICEF. NB: For verification in plantations: DGEF reconciles volumes felled with volumes declared on the inventory by the logger for a particular plot. No individual traceability up to stump.	CDF: In charge of supervising reconciliation in SGBD between (i) information available from harvest inventories and (ii) information available on felling (logging). The information to be reconciled at this stage must, as a minimum, include: 1. For each tree felled: (a) the inventory number declared on the land-use plan in relation to this same number declared on the worksite record; (b) the position of the declared tree on the land-use plan in relation to this same felled tree declared on the worksite record; (c) the species of tree declared on the land-use plan in relation to the species of felled tree. 2. By management unit: (i) AACs of PEAs and (ii) forest plantations: (a) the number of harvestable trees per species declared on the harvest inventory in relation to the number of trees per species felled; (b) the volume per species declared on the harvest inventory in relation to the volume per species felled; (c) the inventory numbers of the trees felled and declared on the worksite records in relation to all the numbers of harvestable trees declared on the harvest inventory.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
HAULAGE AND PREPARATION AT FOREST DEPOT	Body responsible: COMPANY Activities: — Initial sorting — First calculation of cubic volume of logs — Marking and numbering of logs — Sectioning of logs for transport — Copying of inventory numbers onto sheets.	Declaration document: — Daily haulage list — Haulage sheets — Forest depot record (Worksite record) — Inter-forest transport note Data: — Permit number — UFG (PEA or plantation) number — AAC number — Species — Number of standing trees — Felling number — Number of log sections — Description of forest marking hatchet — Dimensions and volume of logs Flows: Company submits worksite records and timber movement declarations to DGEFCP Company sends logging data to CDF to input into database.	Methodology: DEIF and Regional Department for Water and Forests: Verification: — Worksite record — Evacuation slips — DMA. Transmission of verification reports to DGEFCP.	CDF: Responsible for supervising reconciliation in SGBD between (i) information available from production data and (ii) information gathered upstream in the sector. The information to be reconciled at this stage must, as a minimum, include: 1. For each tree felled: (a) the numbers of the sections (secondary logs) in relation to the number of the primary sawn log declared on the worksite record; (b) the species of the sections in relation to the species of the primary sawn log declared on the worksite record; (c) the cumulative length of the sections in relation to the total length of the primary sawn log; (d) the diameter of each section in relation to the diameter of the primary log; (e) the logging data appearing on the worksite record in relation to the AAC's validity dates.
PREPARATION AND EXPORT OF LOGS	Body responsible: COMPANY Activities: — Sorting of sectioned logs — Storage by species by contract or without contract	Declaration document: — Depot register — Entry list — Preparation record	Methodology: DEIF and Regional Department for Water and Forests: Verification: — DMA	CDF: Responsible for supervising reconciliation in SGBD between (i) information available from timber movement forms and (ii) information gathered upstream in the sector.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
	— Sawing — Calculation of volume of sections (diameter, length, volume) — Marking and numbering of sections. Body responsible: Service commissioned by the administration. Activities: Placing of labels/bar codes.	— Specifications Data — PEA or plantation number — Felling number — Sizes of logs — Species — Number of log sections — Contract number — Client name — Label Flows: Company sends timber movement forms to CDF DGEFCP issues revenue orders and sends reports to CDF BMC's report sent to ICEF	— List of authorised species List of infringements, if necessary Verification reports sent to DGEFC Joint Control Brigade (BMC): Label check List of infringements, if necessary Control reports sent to ICEF DGEFCP Verification of production data.	The information to be reconciled at this stage must, as a minimum, include: 1. For each log: (a) the log number declared in the worksite record in relation to the log number declared in the entry list for the log depot; (b) the species of log declared in the worksite record in relation to the species of log declared in the entry list for the log depot; (c) the dimensions of the log declared in the worksite record in relation to the dimensions of the log declared in the entry list for the log depot. 2. For each lorry load: (a) the numbers of logs declared on the inter-forest transport note in relation to the numbers of logs declared in the worksite records; (b) the species of logs declared on the inter-forest transport note in relation to the species of logs declared in the worksite records; (c) the dimensions of the logs declared on the inter-forest transport note in relation to the dimensions of the logs declared in the worksite records; (d) the dates of the inter-forest transport notes in relation to the dates on the worksite entry list.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
				3. For each monthly movement form: (a) the volumes by species declared on the form, in relation to the volumes declared in the worksite records for the same period. 4. For each DGEFCP order to collect revenue: (a) the amounts due per species calculated by the SGBD in relation to the corresponding amounts given on the DGEFCP's revenue orders.
PREPARING FOR LOG (LOG SECTION) PROCESSING	Body responsible: COMPANY Activities: — Sectioning. — Measuring, calculating volume of sections. — Marking and numbering of sections. — Inputting section species.	Declaration document: Stock form for the 'sawmill/factory' depot Data: — Species — Numbers of log sections — Dimensions and volumes of log sections Flows: Preparation report sent to CDF.	Methodology: Regional Department for Water and Forests Verification of stock lists	CDF: Responsible for supervising reconciliation in SGBD between (i) information available from processing data and (ii) information gathered upstream in the sector. The information to be reconciled at this stage must, as a minimum, include: 1. For each log: (a) the characteristics (number, species, dimensions) appearing on the log depot stock list in relation to the same characteristics on the depot entry list; (b) the species of the sections in relation to the species of the primary sawn log declared on the stock list; (c) the cumulative length of the sections in relation to the total length of the primary sawn log. 2. By month: (a) Volumes per species entering the depot in relation to volumes per species entering production.

PROCESSING				
Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
LOG SECTION PROCESSING FOR EXPORT	Body responsible: COMPANY Activities: <i>On entering the processing plant</i> Inputting of sawn log/section numbers. Inputting of volumes of sawn logs/sections entering the factory by number and species. <i>On exiting the processing plant</i> Measurement and calculation of volumes of bundles of sawn timber (or other processed product). Numbering of bundles by contract. Calculation of sawn timber yield. Body responsible: Service commissioned by the administration. Activities: Marking of processed products (labelling).	Declaration document: — Production report: — Factory entry form (processing plant) — Log consumption sheet for sawing or other processing — Cut depot stock list. Data: — Numbers of log sections — Species — Volume of sawn logs = volume of log sections — Sawn timber yield — Bundle numbers — Number of bundles — Dimensions of items and volumes of bundles — Company name — Place of storage of stocks of processed products Flows: Company sends sawn timber movement forms to DGEFCP BMC, DR and DEIF reports sent to ICEF.	Methodology: Department for Forest Logging and Industry (DEIF) / Regional Department for Water and Forests: verification — Cut timber depot stock list — Specifications for export — Labels — Processing rate BMC: Verification check — Cut timber depot stock list — Specifications — Labelling by the service commissioned by the administration: Processing rate List of infringements, if necessary ICEF: Check SGBD	CDF: Responsible for supervising reconciliation in SGBD between (i) information available from timber movement forms and (ii) previous stages upstream in the sector. The information to be reconciled at this stage must, as a minimum, include: 1. For each processed log section: (a) the characteristics (number, species, dimensions) of processed sections (factory entry list) in relation to the same information on the depot stock list; 2. For each kind of processed product, by species, monthly: (a) the volumes of log sections entering production in relation to the volumes of processed products (material yield); (b) the volumes of processed products by species declared on the sawn timber movement forms in relation to the stock lists.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
PROCESSING FOR THE LOCAL MARKET	Body responsible: COMPANY Activities: <i>On entering the production line:</i> Inputting of log section numbers Inputting of log section volumes by species. <i>On exiting the production line:</i> Calculation of volume and measurements of sawn timber bundles Numbering of bundles Storage place on site: Indicate depot in Bangui or another town. Calculation of sawn timber yield.	Declaration document: Local market production report Transport note for timber destined for the local market. Data: - Numbers of log sections, species and volume on entering the production line - Numbers of bundles, volumes on exiting the production line. Flows: Sent by the company: - Local market production report to DGEF - Data registration and gathering forms.	Methodology: Department for Forest Logging and Industry (DEIF) / Regional Department for Water and Forests: Verification of sales slips. BMC: Checks verification of sales slips. Checks sales invoices. ICEF: Checks SGBD.	CDF: Responsible for supervising reconciliation in SGBD between information available from the local sales declarations and stages upstream in the sector. The information to be reconciled at this stage must, as a minimum, include: 1. For each type of processed product intended for local consumption, monthly: (a) the volumes of log sections entering local production in relation to the volumes of products processed for the local market (material yields); (b) the volumes declared in the local market production reports in relation to the transport notes for timber destined for the local market.
EXPORT				
Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
EXPORT OF LOGS, SAWN TIMBER AND OTHER PRODUCTS	Body responsible: COMPANY Activities: - Preparation of product specifications. - Commercial export declaration (DEC). - Draw up consignment note (bearing label number from the service commissioned by the administration)	Declaration document: - Specifications - Sales invoice - DEC - EUR 1 - BAE ('Good for dispatch' stamp) - Waybill	Methodology: Department for Forest Logging and Industry (DEIF): verification - Timber movement forms already submitted - Dispatch note for export timber	The Central Inspectorate for Water and Forests - CDF: Responsible for supervising reconciliation in SGBD between information available from timber movement forms, exports and the information gathered in previous stages of the chain.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
	— Draw up certificate of origin and phytosanitary certificate — Request FLEGT licence. Body responsible: Service commissioned by the administration Activities: Place labels/bar codes	— Prior favourable recommendation — FLEGT licence Data: — Species — Number of log sections or bundles — Volume per species for logs — Volume of product for sawing and other — Numbers of labels — Name of export company — Client name — Client contract number — Place of loading — Destination — Amounts taxed Flows: Company sends timber movement forms to DGEF DGEFCP issues revenue orders and sends reports to CDF. DEC Processing of FLEGT licence request and responses	— Consistency between export notes and worksite records Regional Department for Water and Forests and Border Inspectors: — Verification at borders — Verification of certificate of origin and phytosanitary certificate — Physical and documentary checks — Registration Joint brigade: — Checks customs documents: — Reconciliation of harvesting and export data with worksite record. — Worksite record and timber movement declarations. — Check values of volumes declared. ICEF: — Reconciliation of data from other departments — Checks SGBD — Confirms conformity to FLEGT licensing authority. ICEF: — Checks specifications — Payment of taxes related to export of timber. Service commissioned by the administration: — Checks specification — Inspection: identification of species, measuring, determination of volume according to ATIBT standards	The information to be reconciled at this stage must, as a minimum, include: - For each log: (a) the characteristics (number, species, dimensions) appearing on the specification in relation to the same characteristics on (i) the depot entry list, (ii) the worksite records for the corresponding period and (iii) the inter-forest transport notes. - For each load: (a) the information on the load available at the Ministry of Finances in relation to the information also available on this same load at the Ministry of Forests. FLEGT licensing authority Responsible for supervising the reconciliation between the information declared (i) in the FLEGT licensing request, (ii) the provisional licence and (iii) the physical checks conducted at the border, (iv) the physical checks conducted in Douala.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
			— Placing of two plastic labels (blue and red) with specific company code for each log section. Load check by the on-site service commissioned by the administration: — Issues load check forms — Hand back file to driver with the DEC, two check forms from the service commissioned by the administration, the specification, customs documents. Border check by the service commissioned by the administration (physical and documentary check): — Verification of the private operator's check form and specification — Checks DEC export documents, customs documents — Removes the strip from one of the labels on the log or bundle — Sends back the check form and strips to the secure revenues structure (BIVAC) at Berberati for reconciliation — Records label information in a register — Check by private operator at Douala port: — Removes strip from the 2nd label — Sends back the Douala arrival report to the secure revenues structure (BIVAC) at Berberati — Certificate of export verification (AVE). FLEGT licensing authority — Issues FLEGT licences	

IMPORT AND TRANSIT				
Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
IMPORT OF WOOD FOR PROCESSING	Body responsible: COMPANY	Declaration document:	Methodology:	ICEF/ CDF:
	Activities: — Timber import request — Order — Invoice — Nature of product — Customs clearance	— Commercial import declaration (DIC) — Legality compliance authorisation from country of origin — MEFCP's authorisation to import timber for processing. Data: — Company name — Number of log sections — Species — Volumes — Labels/Barcodes — Log identifying number Flows: — Company sends DIC to Ministry of Trade — Min. of Trade sends copy of DIC to customs and MEFCP — MEFCP issues authorisation to company — Sends to CDF — Company sends production report to DGEFCP.	Min. of Trade: — Issues DICs Service commissioned by the administration: — Inspects products to be imported, in country of origin — Checks values declared — Issues import verification certificates Customs: — Checks customs clearance — Issues receipts for fees and taxes received — Sends data to Ministry for Water and Forests. FLEGT licensing authority: — Checks legality of product imported. MEFCP: — Issues authorisation to import timber for processing.	Responsible for supervising reconciliation in SGBD between information available from timber movement forms and the information gathered by customs. The information to be reconciled at this stage must, as a minimum, include: 1. For each load: (a) the information provided to customs at the border in relation to the information contained in the depot entry register.

Supply stage or chain	Responsibility and activities	Necessary data and its collection method	Verification	
			Validation	Reconciliation
MOVEMENT OF TIMBER AROUND THE CENTRAL AFRICAN REPUBLIC	Body responsible: CUSTOMS Activities: — Customs registration on entry (D15) — Inputs into SYDONIA database — Records exit.	Declaration document: — D15 Data: — Number — Species — Number of logs or bundles — Gross and total weight — Commercial name — Price — Volume Flows: Report sent to CDF on products in transit.	Methodology: Customs: Registration. Border inspection: Registration.	CUSTOMS: CDF: Responsible for supervising reconciliation in SGBD between information available on products entering and leaving the CAR's territory. The information to be reconciled at this stage must, as a minimum, include: 1. For each load: information collected on entering the country (lorry registration number, origin of timber, species, volume, log registration numbers, date, time, place) in relation to the same information collected on leaving the country.

3.1.2. Physical tracking system and method for checking volume consistency

A unique alphanumerical national identification system for all forestry companies, from the moment of harvest inventory, will be established during the Agreement implementation phase and prior to issuing of the first FLEGT licence by the CAR.

The national tracking system (NTS) enables the following to be reconciled:

- the units (standing trees, logs, log sections, bundles of processed products) at the different stages in the control chain,
- the volumes produced by unit at the different stages in the chain (PEA, UFG, AAC, etc.).

For processed products, a system for reconciling data on entering and exiting the production line at the processing facilities will be put in place during the Agreement implementation phase and prior to issuing of the first FLEGT licence by the CAR. This system will also take into account volumes entering and exiting the factory (including the factory log depot). The table given in 3.1.1 shows the points where reconciliation of volumes will take place.

3.1.3. Method of product identification

The current identification method is that of two-colour labels (blue and red). A bar code method will be developed in the context of Agreement implementation, prior to the issuing of the first FLEGT licence by the CAR.

3.1.4. Monitoring and approval of tasks delegated to operators

The inspection of all wood for export is delegated to a private operator, currently BIVAC Export. The activities of this operator are audited by the administration. In the context of Agreement implementation, it is envisaged that the contractual relationship with a private export timber inspection operator will be updated.

In the context of the LAS, the company responsible for inspecting timber for export will send the results of its checks to the ICEF, which will inform the licensing authority. Methods for passing on the information will be defined during the Agreement implementation phase and prior to issuing of the first FLEGT licence by the CAR.

3.1.5. Cases of non-compliance in the supply chain

The different non-compliances will be handled in accordance with the legal and regulatory provisions in force in the CAR.

In the case of a non-compliance that gives rise to tax adjustments, these will be undertaken by the finance administration on the basis of the inspection report from the company in charge of export timber inspection or the border inspectors and decentralised departments of the forestry administration.

In the context of issuing FLEGT licences, a procedures manual on managing non-compliances and sanctions for strengthening the control system will be developed during the Agreement implementation period, prior to the issuing of the first FLEGT licence by the CAR.

3.2. Checking supply chain requirements

(a) Inspections

The different levels of responsibility, the frequency and methods used for supply chain control are defined in the national tracking system noted in the table, in point 3.1.1.

Data exchange between the operators and the database management system (housed at and managed by the Forestry Data Centre) must be carried out in line with a frequency to be established.

Verification of supply chain requirements shall be conducted for every FLEGT licensing request, taking into account the reports and records of the departments involved.

(b) Management and analysis of data verification

Management and analysis of supply chain data shall be done with the aid of a centralised database management system (SGBD) within the Forestry Data Centre (CDF). This management involves:

- developing information management software adapted to the traceability requirements;
- an Internet connection giving network access to all actors involved, under guaranteed secure conditions.

Data management will be defined during the Agreement implementation phase and prior to issuing of the first FLEGT licence by the CAR.

4. ISSUING FLEGT LICENCES

The FLEGT licensing authority is a body appointed by the Minister for Forests and attached to his office. It is therefore a separate structure that operates independently but reports back to the Minister for Water and Forests.

Issuing of a FLEGT licence to an operator wishing to export their products is subject to a written application sent in hard copy to the licensing authority. This application must provide all the information and references referred to in Appendix I of Annex IV. The licence will be issued in a model format to be produced and circulated by the forest administration during the Agreement implementation phase and prior to issuing of the first FLEGT licence by the CAR.

Once the licensing authority receives an application, it asks the Central Inspectorate for Water and Forests and the Forestry Data Centre for verification of the legality of the company and of the products for export via the database management system. Data is fed into the system by all of the departments involved and responsible for assuring and controlling all aspects related to the legality of companies and their operations. These departments will be supported in their work by civil society organisations, who will provide independent monitoring of the system. Its proper functioning will be regularly evaluated by an external auditor whose functions are described in Section 5 of this Annex.

On the basis of information provided by the CDF, the Central Inspectorate will respond favourably to the licensing authority if the company and the declared products comply with the LAS requirements.

There are then two possibilities: the licence may be issued in Bangui or in Douala. In fact, some consignments, notably cargoes of logs, are not known until the point of embarkation, that is, Douala. In this case, the operator does not know what the cargo is on departure from the CAR. The products leave the CAR on several lorries that will form a single shipment in Douala. The Central African Republic has designed a specific mechanism for this case. When making the application, the operator has to indicate whether the licence should be issued in Bangui or Douala.

When the licence is issued in Douala

In this case, an official document setting out the prior favourable opinion is given to the company by the licensing authority. This document is produced for each lorry transporting all or part of the cargo so that each of the lorries in question can be checked at the border. It is issued in the CAR (Bangui or other places to be established, e.g. Berberati) by the licensing authority. A copy of the favourable opinion is sent to the licensing authority in Douala, which is a local office of the licensing authority.

Once the opinion has been issued, the licensing authority retains all documents justifying the decision whether or not to issue the FLEGT licence. These documents are filed for a period of at least five years.

With the official document confirming the favourable opinion issued by the licensing authority, the operator can send the products in question to the port of Douala for export. The products are inspected once more at Douala by the FLEGT licensing authority, which checks for consistency between the favourable opinion received from the licensing authority and the products arriving in Douala. This department sends the results of its verification electronically to the licensing authority, which sends back its final opinion by the same means. On receipt of this opinion, and having reconciled the volume prior to embarkation, the licensing authority issues a signed authorisation. The following diagram describes the procedure for requesting and issuing FLEGT licences.

When the licence is issued in Bangui

If the products leave via a port other than Douala, legality assurance is carried out (c.f. Stages 1 to 7 of the diagram below) and the licence is issued in Bangui (instead of Stage 8 in the diagram below). Inspection bodies working under the Central Inspectorate for Water and Forests will be based at the country's exit points in order to check the compliance of the cargo with the FLEGT licence and to report back on its compliance to the licensing authority.

In the case of a refusal due to non-compliance with the LAS requirements, an unfavourable opinion will be sent to the company within a reasonable timeframe.

Information on numbers of licences, by type and destination of the products, will be published regularly. This information will be made public, in accordance with Annex X. Annex IV describes the procedures for issuing FLEGT licences and their technical specifications in more detail.

Figure 1
Diagram showing the procedure for issuing FLEGT licences and data flows between the control and verification departments

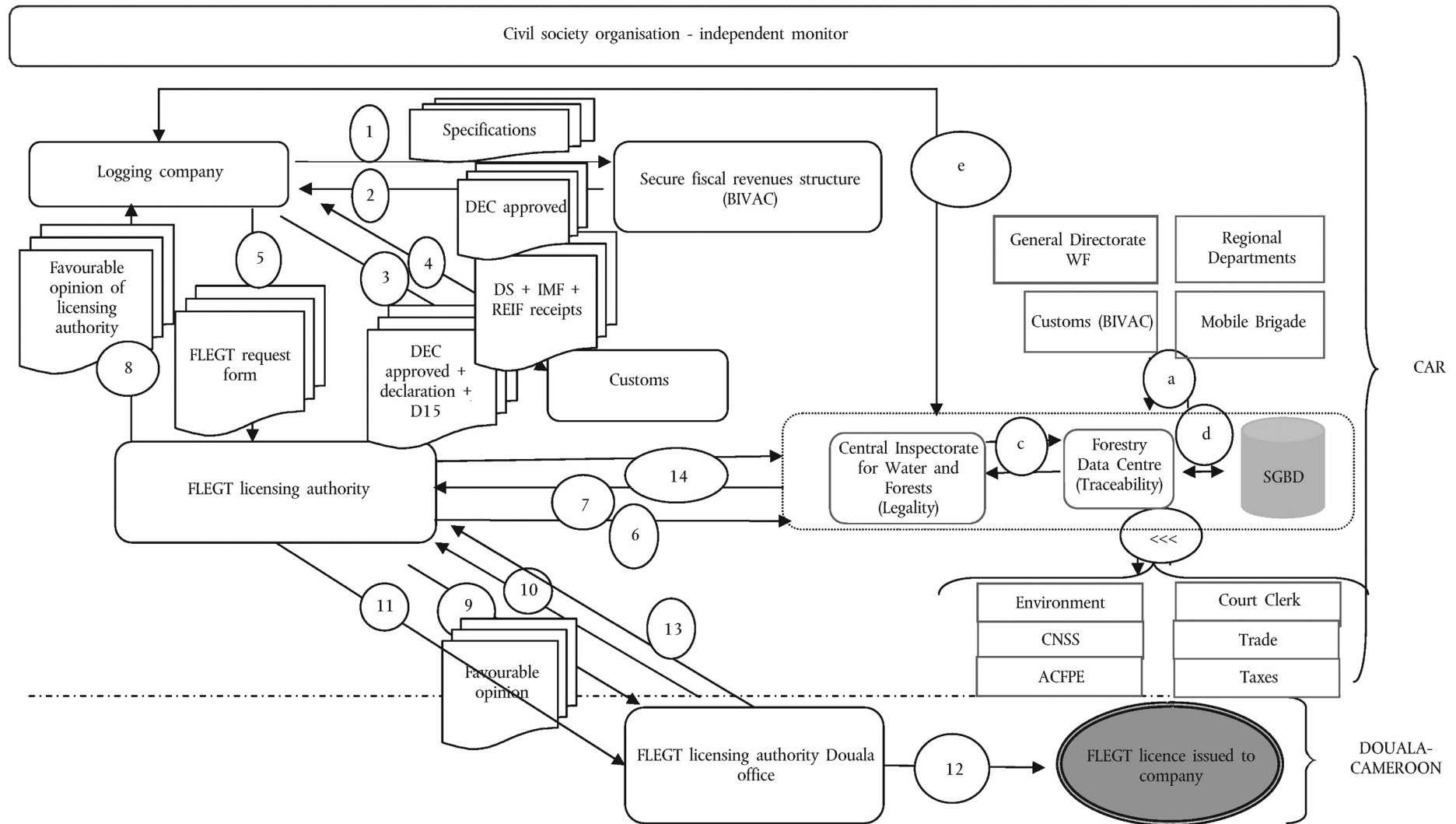


Diagram showing the procedure for issuing FLEGT licences at Douala

Arrow No	Description	Place
a, b and e	Exchanges of information and data between ICEF (CDF/SGBD) and the departments involved in legality assurance and traceability and forestry companies.	Bangui and provinces
c and d	Exchanges of information between ICEF and CDF: ICEF sends the data available to it; CDF feeds and manages the SGBD and sends the contents to ICEF for each FLEGT licence application.	Bangui
1	Based on the specification, the company sends an application for a commercial export declaration (DEC) to the body in charge of tax assessment (BIVAC).	Bangui
2	DEC issued to forestry company, DEC validated by Ministry of Trade.	Bangui
3	Customs declaration by the company.	Bangui
4	Customs clearance receipt issued (exit fee + min. fixed tax + fee for finance computer tools) by customs.	Bangui
5	FLEGT licence application made by logging company using the form.	Bangui
6	The FLEGT licensing authority asks ICEF for verification of cargo compliance.	Bangui
7	ICEF recommendation to FLEGT licensing authority.	Bangui
8	Notification of favourable opinion to company.	Bangui or other (Berberati, at the border)
9	Favourable opinion sent to the Douala department of the licensing authority.	Bangui to Douala
10	Licensing department in Douala sends the results of the physical and documentary verification to the licensing authority.	Douala to Bangui
11	Order to issue FLEGT licence given to licensing department in Douala.	Bangui to Douala
12	FLEGT licence issued by the licensing department (Douala branch).	Douala
13	Licensing department sends copies of licence to the licensing authority.	Douala to Bangui
14	Licensing authority sends copy of licence to ICEF for filing.	Bangui

5. INDEPENDENT AUDIT OF LAS

The aim of the Independent System Audit (ISA) is to assure all stakeholders of the reliability and credibility of the FLEGT licences issued in the CAR.

The functions of the independent audit are to:

(1) regularly assess the implementation of all aspects of the LAS, in particular:

— adherence to the principles and criteria of the legality matrix;

- the effectiveness of supply chain verification;
 - the effectiveness of verifications and verification checks;
 - the reliability of the system for issuing FLEGT licences;
 - the complaints management mechanism (registration of stakeholders' grievances concerning: (i) LAS implementation and (ii) independent audit activities);
 - the synergy between all elements of the LAS;
 - the synergy between all actors concerned and involved in the process (communication flows, filing, procedures, etc.);
- (2) assess the adequacy of the data management systems supporting the LAS;
- (3) identify weaknesses and failings in the system (proposing corrective action is the responsibility of the Joint Committee);
- (4) verify, where appropriate, the implementation of any corrective action decided by the Joint Committee following identification of weaknesses and failings, and assess their effectiveness;
- (5) verify the use of FLEGT licences when timber products coming from the CAR are released for free circulation within the European Union;
- (6) draft and submit a report to the Joint Committee following each audit.

Annex VI describes the independent auditor's terms of reference.

ANNEX VI

TERMS OF REFERENCE FOR THE INDEPENDENT SYSTEM AUDIT (ISA)**I. BACKGROUND AND JUSTIFICATION**

The aim of the Independent Legality Assurance System Audit (LAS) is to provide an assurance to all stakeholders with regard to the reliability and credibility of the FLEGT licences issued in the CAR.

II. MISSIONS

The ISA has the following general tasks:

(1) to regularly assess the good implementation of all aspects of the LAS, in particular:

- respect for the principles and criteria of the legality matrix;
- the effectiveness of supply chain verification;
- the effectiveness of verifications and verification checks;
- the reliability of the system for issuing FLEGT licences;
- the complaints management mechanism (registration of stakeholders' grievances concerning (i) LAS implementation and (ii) independent audit activities);
- the synergy between all elements of the LAS;
- the synergy between all actors concerned and involved in the process (communication flows, filing, procedures, etc.);

(2) to assess the adequacy of the data management systems supporting the LAS;

(3) to identify weaknesses and failings in the system (proposing corrective actions is the responsibility of the Joint Committee);

(4) to verify, where appropriate, the implementation of the corrective actions decided by the Joint Committee following identified weaknesses and failings, and assess their effectiveness;

(5) to verify the use of FLEGT licences when timber products coming from the CAE are released for free circulation within the Union;

(6) to draft and submit a report to the Joint Committee following each audit.

III. REQUIRED QUALIFICATIONS

The ISA shall be a body independent of the CAR's administration, the Central African Republic's private sector, local non-governmental organisations (NGOs) and the Union.

It may be a research department, a consortium of research departments, a practice or organisation internationally renowned for its experience and credibility in audit missions.

The structure must comprise a multidisciplinary team of experts specialising in audit and with a good knowledge of the way in which forest operations are undertaken, logging companies, and the procedures for exporting timber from countries of the Central African sub-region. The structure must also have an efficient internal control system in place.

Commercial service providers under contract to the CAR government for the supply of other management and forest resource control services or any activity that will, or is likely to, create a conflict of interests for the provider are not admissible for audit activities.

The ISA recruitment criteria are the following:

- proven expertise in the forest sector in the Central African sub-region;
- good knowledge of forest, fiscal, environmental, social and commercial legislation in the countries of the Central African sub-region. A knowledge of forest legislation in the CAR would be an asset;

- at least 10 years' experience in evaluating forest management and verifying the control chain in countries of the Central African sub-region;
- the capacity to produce audit reports in accordance with international standards;
- independence and credibility.

IV. METHODOLOGY

The ISA shall cover the whole process leading up to the issuing of a FLEGT licence, according to a procedures manual to be developed and submitted to the Joint Committee for approval within three months of its recruitment.

The ISA methodology must cover all the points given in Section II relating to missions.

The ISA must work according to a documented evidence-based procedure. For this, all documents required for issuing a FLEGT licence must be verified on the basis of multiple cross-referenced sources, where possible on the basis of samples and field-based verification activities in order to complete and cross-check the information coming from the documentary checks. The ISA may undertake investigations into complaints or observations received by the Joint Implementation Committee.

At the start of Agreement implementation, the frequency of ISA interventions will be three times a year in the first year, twice a year in the second and third years, then once a year from the fourth year onwards. The ISA may undertake additional audits at the request of the Joint Committee.

A detailed schedule approved by the Joint Committee, to include mission dates and dates for the submission of the corresponding reports, shall be supplied to the ISA prior to the start of its mandate.

V. SOURCES OF INFORMATION

The ISA will need free access to all information and sources it judges relevant. The Parties shall facilitate this access to information.

The main sources of the ISA's information with regard to actors involved in the FLEGT licensing scheme are as follows:

- the licensing authority (Ministry for Water and Forests);
- the Central Inspectorate for Water and Forests, where the final checks are made prior to issuing the FLEGT licence;
- the Forestry Data Centre, where the FLEGT licences and export data for each logging company are filed;
- the secure export revenues company (currently BIVAC);
- the administrative structures involved in verifying respect for the legality indicators:
 - Ministry for Water and Forests;
 - Ministry of Commerce;
 - Ministry of Finances;
 - Ministry of Public Service, Social Security and Labour;
 - Ministry of Justice;
 - Ministry of the Environment and Ecology;
 - Ministry of Public Health;
 - Ministry of Agriculture;
 - Ministry of Transport;
- logging companies, beneficiaries of artisanal permits, community forests under logging and operators or owners of forestry plantations;

- all departments involved in the different checks: the General Directorate for Water and Forests, the Department for Forest Logging and Industry, the Department for Forest Inventory and Land-use, the Regional Department for Water and Forests, the Mobile Intervention and Verification Brigade, the Central African Republic's customs departments, the tax departments, the Department for the Living Environment and Environmental Planning within the Ministry of the Environment, the Labour Inspectorate, the phytosanitary departments, the Central African Road Haulage Office (BARC), the Ministry of Trade departments, the Ministry of Justice departments;
- the competent authorities of the Union;
- the *Société d'exploitation des parcs à bois du Cameroun / SEPBC* (Douala);
- members of civil society (NGOs);
- the people living near the PEAs and other logging permits;
- development or support project staff involved in forestry development;
- all other sources judged relevant.

Complaints from stakeholders in the scheme for issuing FLEGT licences can be sent to the Joint Committee. This committee may make them available to the ISA. These complaints may thus also be a source of ISA information.

Access to information shall initially be obtained by means of control reports, infringement reports resulting from controls, and verification reports on respect for legality indicators that shall be provided to the ISA.

The ISA shall travel to the field, at its convenience, to obtain all information it judges relevant.

The ISA must also consult the main databases such as those of the CDF, and Central African Republic's customs authority.

VI. REPORTS

ISA reports shall contain all relevant information that drew the attention of the auditors.

A framework for audit reports shall be provided by the ISA in the context of procedures documented and approved by the Joint Committee.

After each audit, the ISA shall produce, within three weeks, a provisional report in French in eight copies: four copies are to be sent to the Ministry responsible for forests, and four to the Union, in addition to the electronic copy sent to both Parties.

The report must present an analysis of all the system's elements, verifying that all requirements relating to the LAS are observed by all system components.

Comments from both Parties with regard to the provisional report, including complaints relating to the way in which the auditor is fulfilling its mission, shall be analysed by the Joint Committee and then sent to the ISA to produce the final report. The final report shall contain a response from the ISA to the comments made by the Joint Committee.

The ISA shall systematically produce a summary report to be made public. This report shall summarise the final report and cover the main results, weaknesses and failings identified, and the concerns of the stakeholders.

As appropriate, at the request of the Joint Committee, the ISA shall also produce a specific additional report when serious infringements, or serious weaknesses in the LAS, are identified.

VII. RECRUITMENT PROCEDURES AND INSTITUTIONAL SET-UP

The ISA shall be recruited via a competitive procedure from amongst national and/or international candidates following a call for tenders by the Ministry of Forests for a three-year period, renewable once only, and subject to the formal approval of the Joint Committee.

The call for tenders shall be published in national and international publications and on Internet sites.

The service provision agreement signed between the ISA and the Minister for Forests shall include:

For the government:

- non-interference in ISA activities;
- access to public and private information related to the LAS, in accordance with national legislation;
- access to the forest domain and timber transport, storage, processing and export facilities necessary for the LAS;
- payment of invoices corresponding to the ISA's services to be made whatever the conclusions of the audit.

The CAR government shall administratively facilitate the ISA's movements around the CAR's territory and ensure its safe conduct during trips within the national territory.

For the provider:

- a quality service provision in accordance with the terms of reference;
- guarantees relating to the protection and use of confidential information of a commercial nature.

The activities to be undertaken by the ISA shall also be specified in this contract, along with payment methods and the respective responsibilities of the signatories to the contract.

ANNEX VII

ASSESSMENT CRITERIA FOR THE OPERATIONAL LEGALITY ASSURANCE SYSTEM IN THE CAR

The Voluntary Partnership Agreement (APV-FLEGT) between the Union and the CAR provides for the development and implementation of a Legality Assurance System (LAS) to ensure that all timber and derived products specified in the Agreement and exported from the CAR to the Union have been legally produced. The LAS must comprise the following elements: a definition of legally produced timber that states the laws and texts that must be complied with for a licence to be issued; supply chain controls to track timber from the forest to the point of export; verification of compliance with all elements of the legality definition and control of the supply chain; licensing procedures and issuing of FLEGT licences; and finally, independent auditing to ensure that the system is working as planned.

Union expectations with regard to the LAS are given in a series of briefing notes prepared by a group of experts from the European Commission ⁽¹⁾.

ASSESSMENT CRITERIA

The LAS will be subject to an independent technical evaluation before the licensing scheme becomes fully operational. The Terms of Reference will be jointly agreed between the interested Parties and the Joint Implementation Committee. These assessment criteria describe what the LAS is expected to produce and will provide the basis for the Terms of Reference for the evaluation. The evaluation will aim to:

- (i) review the system description with special focus on any revisions made after the FLEGT-VPA was signed; and
- (ii) examine the functioning of the system in practice.

PART 1: LEGALITY DEFINITION

Legally produced timber needs to be defined on the basis of the existing laws and regulations of the CAR. The definition used must be unambiguous, objectively verifiable and operationally workable.

In addition, it must, as a minimum, include the laws which cover the following thematic areas:

Harvesting rights: granting of legal rights to harvest the timber within legally gazetted boundaries.

Forestry operations: compliance with legal requirements regarding forest management, including compliance with relevant environmental and employment legislation.

Fees and taxes: compliance with legal requirements concerning taxes and fees directly related to timber harvesting and harvesting rights.

Other users: respect for other parties' legal tenure or rights of use over land and resources that may be affected by timber harvesting rights, where such other rights exist.

Trade and customs: compliance with legal requirements for trade and customs procedures.

- (a) Are references to the legislative or regulatory texts that underpin each element of the definition clearly identified?
- (b) Are criteria and indicators that can be used to test compliance with each element or principle of the definition specified?
- (c) Are the criteria/indicators clear, objective and operationally workable?
- (d) Do the indicators and criteria clearly identify the roles and responsibilities of the various actors and does verification assess the actions of all relevant actors?
- (e) Does the legality definition include the main areas of existing law outlined above? If not, why were certain areas of law left out of the definition?
- (f) Did the parties concerned consider all the main areas of applicable law in the country (including or not the thematic areas presented above)?

⁽¹⁾ http://ec.europa.eu/development/policies/9interventionareas/environment/forest/forestry_intro_en.cfm

- (g) Does the legality assurance system incorporate the main legal provisions identified during prior discussions between the various stakeholders involved, in particular those noted in Annex IX?
- (h) Have the legality definition and the legality enforcement matrix been amended since the FLEGT-VPA was concluded? Have indicators and criteria been defined to ensure verification of these changes?

PART 2: CONTROL OF THE SUPPLY CHAIN

Systems to control the supply chain must provide credible assurance that timber products can be traced throughout the supply chain from harvesting or point of import to point of export. It will not always be necessary to maintain physical traceability for a log, log load or timber product from the point of export back to the forest of origin, but it is always needed between the forest and the first point of mixing (e.g. a timber terminal or a processing facility).

- 2.1. Use rights: there is clear delineation of areas where forest resource rights have been allocated and the holders of those rights have been identified.

- (a) Does the control system ensure that only timber originating from a forest area with valid and permissible use rights enters the supply chain?
- (b) Does the control system ensure that companies carrying out harvesting operations have been issued with appropriate use rights for the forest areas concerned?
- (c) Are the procedures for issuing use rights and information on issued use rights and their holders available in the public domain?

- 2.2. Systems for supply chain control: there are effective mechanisms for tracing timber throughout the supply chain from point of harvest to point of export.

The approach for identifying timber may vary, ranging from the use of labels for individual items to reliance on documentation accompanying a load or batch. The selected method should reflect the type and value of timber and the risk of contamination with illegal or unverified timber.

- (a) Are all the supply chain alternatives identified and described in the control system?
- (b) Are all stages in the supply chain identified and described in the control system?
- (c) Are methods defined and documented to (a) identify the product's origin and (b) prevent mixing with timber from unknown sources in the subsequent stages of the supply chain?

— timber in the forest,

— transport,

— interim storage,

— arrival at the primary processing facility,

— processing facilities,

— interim storage,

— transport,

— arrival at point of export.

- (d) Which organisations are responsible for monitoring the timber flows? Do they have adequate human and other resources to carry out the control activities?

- 2.3. Quantities: there are robust and effective mechanisms for measuring and recording the quantities of timber or timber products at each stage of the supply chain, including reliable and accurate pre-harvest estimates of the volume of standing timber in each cutting area.

Does the control system produce quantitative data on inputs and outputs at the following stages of the supply chain?

- standing timber,
- logs in the forest,
- transported and stored timber,
- arrival at the factory,
- between production lines/processing facilities,
- exit from production lines/processing facilities,
- exit from factory,
- arrival at point of export.

- (a) Which organisations are responsible for feeding the quantitative data into the control system and are the corresponding procedures documented? What is the relevance of the data that is checked?
- (b) Does the control system enable quantitative data to be recorded and reconciled quickly with prior and subsequent stages in the supply chain?
- (c) Are the staff in charge of control system management adequately trained?
- (d) What information is made publicly available on supply chain control? How can interested parties access this information?

2.4. Mixing legally verified timber with other approved timber: if mixing of logs or timber from verified legal sources with logs or timber from other sources is allowed, there are sufficient controls in place to exclude timber from unknown sources or timber which was harvested without legal harvesting rights.

- (a) Does the control system allow verified timber to be mixed with other approved timber (e.g. with imported timber or timber originating from a forest area with clear legal harvesting rights but still not covered by the LAS described in this Agreement)?
- (b) What control measures are applied in these cases? For example, do controls ensure that verified declared output does not exceed total verified input at each stage?
- (c) Does the control system enable watertight segregation of verified timber from other timber of illegal origin or timber harvested without legal logging rights?

2.5. Imported timber products: there are adequate controls to ensure that imported timber and derived products have been legally imported.

- (a) How is the legality of imports of timber and derived products demonstrated (does the system ensure that the timber was legally imported)?
- (b) How is the traceability of timber and derived products ensured? Are these timber and derived products identified throughout the whole supply chain?
- (c) What evidence is required to demonstrate that imported products originate from trees harvested legally in a third country?
- (d) Where imported timber is used, can the country of origin be identified on the FLEGT licence, including that of components in composite products?

PART 3: VERIFICATION

Verification provides adequate checks to ensure the legality of timber. It must be sufficiently robust and effective to ensure that any non-compliance with requirements, either in the forest or within the supply chain, is identified and corrective action taken in good time.

3.1. Organisation

Verification is carried out by a government, a third-party organisation or some combination of these. This body will have adequate resources, management systems and skilled and trained personnel, as well as robust and effective mechanisms to monitor conflicts of interest.

- (a) Has the government appointed a body or bodies to undertake the verification tasks? Is the mandate (including associated responsibilities) clear and in the public domain?
- (b) Does the verification body have adequate resources to verify the legality definition and systems for monitoring the timber supply chain?
- (c) Does the verification body have a fully documented management system that:
 - has sufficient resources to undertake on-site checks as often as required to ensure the credibility of the system?
 - ensures that its staff have the necessary skills and experience to implement effective verification?
 - applies internal control/supervision?
 - includes mechanisms to monitor conflicts of interest?
 - ensures the transparency of the system?
 - defines and applies verification methodology?

3.2. Verification against the legality definition

There is a clear definition setting out what has to be verified. The verification methodology is documented and ensures that the process is systematic, transparent, evidence-based, carried out at regular intervals and covers everything included within the definition.

- (a) Does the verification methodology cover all elements of the legality definition and include tests of compliance with all specified indicators?
- (b) Does verification require:
 - checks of documentation, operating records and field operations (including spot checks)?
 - collection of information from external interested parties?
 - recording of verification activities that allows checking by internal auditors and the independent auditor?
- (c) Are institutional roles and responsibilities clearly defined and applied?
- (d) Are the results of verification against the legality definition made publicly available? How can interested parties access this information?

3.3. Verification of supply chain control systems

There is a clear scope setting out what has to be verified, which covers the entire supply chain from harvesting to export. The verification methodology is documented and ensures that the process is systematic, transparent, evidence-based, carried out at regular intervals and covers everything included within the scope, and includes regular and timely reconciliation of data between each stage in the chain.

- (a) Are institutional roles and responsibilities clearly defined and applied?
- (b) Does the verification methodology fully cover checks on supply chain controls? Is this clearly spelt out in the verification methodology?

(c) Is there a clear distinction in the LAS between products coming from sources (forest concessions) included in the legality definition and those coming from sources not included?

(d) What evidence is there to demonstrate enforcement of supply chain control verification?

(e) Data reconciliation:

Which organisation is responsible for data reconciliation? Does it have adequate human and other resources to carry out the data management activities?

Are there methods to assess consistency between standing timber and timber entering the factory, and then at export point?

Are there methods to assess consistency between inputs of raw materials and outputs of processed products at sawmills and other plants?

Is reliable reconciliation by individual item or by batch of timber products possible throughout the supply chain?

What information systems and technologies are applied for data recording and for data storage and reconciliation? Are there robust systems in place for making the data secure?

Are the verification results on supply chain control made publicly available? How can interested parties access this information?

3.4. Non-compliance

There is an effective and functioning mechanism for requiring and enforcing appropriate corrective action when infringements are identified.

(a) Does the verification system define the above requirement?

(b) Is there available documentation specifying the methods for handling non-compliances?

(c) Have mechanisms been developed for handling non-compliances? Are these applied in practice?

(d) Are there adequate records available on the infringements identified and corrective actions taken? Is the effectiveness of corrective actions evaluated? Is monitoring of corrective actions provided?

(e) What information on identified infringements goes into the public domain?

PART 4: AUTHORISATION

Each shipment is accompanied by a FLEGT licence. The CAR is responsible for issuing licences.

4.1. Organisation

(a) What body is assigned responsibility for issuing FLEGT licences?

(b) Are the roles of the licensing authority and its personnel clearly defined and publicly available?

(c) Are the required skills defined and internal controls established for the licensing authority staff?

(d) Does the licensing authority have adequate resources to carry out its task?

4.2. Issuing licences

(a) Does the licensing authority have documented procedures for issuing licences? Are these publicly available, including any fees payable?

(b) Is there documented proof that these procedures are properly applied in practice?

(c) Are there adequate records available on licences issued and refused? Do the records clearly show the evidence on which the issuing of licences is based?

4.3. Licences issued

- (a) Is the licensing based on individual shipments?
- (b) Has the legality of an export shipment been demonstrated through government verification and traceability systems?
- (c) Are the requirements for issuing licences clearly specified and available to the exporter and other parties concerned?
- (d) What information on issued licences goes into the public domain?

PART 5: INDEPENDENT SYSTEM AUDIT

The Independent System Audit (ISA) is a function that is independent of the CAR's forest sector regulatory bodies. It aims to provide credibility to the FLEGT licensing scheme by checking that all aspects of the CAR's LAS are operating as intended.

5.1. Institutional arrangements

5.1.1. Designation of the authority

The CAR has formally authorised the ISA function and allows it to operate in an effective and transparent way.

5.1.2. Independence from other elements of the LAS

There is a clear separation between organisations and individuals that are involved in management or regulation of the forest resource and those involved in the independent audit.

- (a) Does the government have documented independence requirements for the ISA?
- (b) Do provisions state that organisations or individuals with a commercial interest or an institutional role in the CAR's forest sector are not eligible to perform the role of ISA?

5.1.3. Appointment of the independent auditor

The independent auditor is appointed through a transparent mechanism and there are clear and publicly available rules regarding its actions.

- (a) Has the government made the Terms of Reference for the independent auditor publicly available?
- (b) Has the government documented the procedures for appointing the independent auditor and made them publicly available?

5.1.4. Establishing a complaints mechanism

There is a mechanism for handling complaints and disputes arising from the independent audit. This mechanism makes it possible to deal with any complaint relating to the operation of the licensing scheme.

- (a) Is there a documented complaints mechanism in place that is available to all interested parties?
- (b) Is it clear how complaints are received, documented, referred to a higher level (where necessary) and responded to?

5.2. The independent auditor

5.2.1. Organisational and technical requirements

The independent auditor is independent of the other components of the Legality Assurance System and operates in accordance with a documented management structure, policies and procedures that meet internationally accepted best practice.

Does the independent auditor operate in accordance with a documented management system that meets the requirements of ISO Guides 62, 65 or similar standards?

5.2.2. Audit methodology

The methodology of the independent audit is evidence-based and verifications are carried out at specific and frequent intervals.

- (a) Does the methodology specify that all findings are based on objective evidence concerning the functioning of the LAS?
- (b) Does the methodology specify the maximum intervals at which each element of the LAS will be verified?

5.2.3. Scope of the audit

The independent auditor operates according to Terms of Reference that clearly specify what has to be audited and that cover all agreed requirements for the issuing of FLEGT licences.

Does the methodology of the independent audit cover all elements of the LAS and specify the main tests of effectiveness?

5.2.4. Reporting requirements

The independent auditor sends regular reports on LAS integrity to the Joint Implementation Committee, including failings and an assessment of the corrective measures taken.

Do the independent auditor's Terms of Reference specify the reporting requirements and reporting intervals?

ANNEX VIII

INDICATIVE SCHEDULE FOR IMPLEMENTATION OF THE AGREEMENT

		2011				2012	2013		2014-2017
		1st Q	2nd Q	3rd Q	4th Q				
ACTIVITIES	SECONDARY ACTIVITIES	PREPARATORY PHASE							OPERATIONAL PHASE
I. AWARENESS RAISING AND GENERAL INFORMATION	1- Produce and evaluate a communications plan								
	2- Implement the communications plan								
	3- Develop and update the Internet site								
II. INSTITUTIONAL FRAMEWORK	1- Transpose/officially recognise the responsibilities (as described in this Agreement) of the different verification and verification control structures and update the MEFCP's organic text								
	2- Establish and run the joint consultation mechanism								
	3- Establish the Joint Implementation and Monitoring Committee								
	4- Establish and run the National Agreement Implementation and Monitoring Committee								
	5- Establish a Permanent Technical Secretariat (STP)								
III. CAPACITY BUILDING	1- Train the actors in relation to elements of the Voluntary Partnership Agreement) (VPA)								
	2- Produce a training and capacity building plan for the different verification and verification control structures, along with civil society and the private sector								
	3- Implement the training plan								
	4- Establish equipment and logistical needs								

		2011				2012	2013		2014-2017
		1st Q	2nd Q	3rd Q	4th Q				
ACTIVITIES	SECONDARY ACTIVITIES	PREPARATORY PHASE							OPERATIONAL PHASE
	5- Acquire equipment and logistical tools								
	6- Make offices available (STP, ICEF, BMIV, CDF, licensing authority)								
	7- Establish the Customs Conciliation and Expertise Commission (CCED) and train staff								
IV. REFORM OF THE LEGAL FRAMEWORK	1- Develop regulations according to the legality definition in Annex II								
	2- Improve the legal framework relating to the domestic timber market								
	3- Improve the legal framework relating to forests (community, communal and private forests) and plantations								
	4- Procedure for ratifying the VPA								
	5- Produce a non-compliance management manual								
	6- Develop legal measures to improve governance (organic text, monitoring, national tracking system, etc.)								
V. ESTABLISHING THE NATIONAL TRACKING SYSTEM (NTS)	1- Finalise procedures relating to the NTS (methods, controls, verifications, etc.), including TERE mission.								
	2- Implement the planned national tracking system (NTS)								
	3- Establish links between the databases of the main structures involved								
	4- Design then establish database links with CEMAC countries								
	5- Acquire materials and equipment (identifiers, identifier readers, computers)								

		2011				2012	2013		2014-2017
		1st Q	2nd Q	3rd Q	4th Q				
ACTIVITIES	SECONDARY ACTIVITIES	PREPARATORY PHASE							OPERATIONAL PHASE
	6- Roll out the system at national level: establish and equip checkpoints along the supply chains, including border posts (infrastructure, computers, Internet links, etc.)								
	7- Strengthen the capacity of the actors (MEFCP and other departments involved, private sector and civil society)								
	8- Train staff involved (ICEF, CDF, BMIV and other ministries), private sector and civil society								
VI. ESTABLISHING THE SCHEME FOR LEGALITY ASSURANCE (LAS)	1- Where appropriate, produce legality matrices relating to artisanal permits and community forests, to include field tests								
	2- Each body responsible for verification (public administration) to develop/strengthen its verification procedures, in cooperation with ICEF								
	3- Develop information exchange protocols on legality assurance between the public administration and ICEF.								
	4- Develop operational procedures for running the SGBD								
	5- Pilot test FLEGT licensing scheme and put required actions in place								
	6- Company preparation test in the procedures for verifying and issuing FLEGT licences								
	7- Training (particularly for BMIV members) and awareness raising on the procedures for verifying the legality of the logging entity								
	8- Operational evaluation of the LAS, in accordance with Article 12 of the Agreement								
	9- LAS up and running								

		2011				2012	2013		2014-2017
		1st Q	2nd Q	3rd Q	4th Q				
ACTIVITIES	SECONDARY ACTIVITIES	PREPARATORY PHASE							OPERATIONAL PHASE
VII. SYSTEM FOR ISSUING LICENCES	1- Establish the licensing authority								
	2- Raise awareness of the detailed procedures for issuing FLEGT licences within the private sector								
	3- Establish contacts with the competent Union authorities								
	4- Issue FLEGT licences								
VIII. INDEPENDENT SYSTEM AUDITS	1- Recruit the independent auditor and develop a detailed methodology (from March 2013)								
	2- First audit, then successive audits								
IX. PRODUCT PROMOTION STRATEGY	1- Produce a promotional plan, including a study of the current markets								
	2- Position and promote FLEGT products coming from the CAR on the targeted markets								
X. MONITORING THE IMPACTS OF THE VPA	1- Define and monitor social indicators								
	2- Establish a system for monitoring confiscated timber								
	3- Establish a system for monitoring socio-economic and environmental impacts								
	4- Assess the socio-economic impact midway through VPA implementation								
	5- Monitor and assess forest sector revenues								
XI. SEEKING ADDITIONAL FINANCING	1- Develop a fundraising strategy								

ANNEX IX

AGREEMENT IMPLEMENTATION SUPPORTING MEASURES**I. LEGAL AND REGULATORY TEXTS****I.1. Laws relating to the definition of legal timber**

Bearing in mind the definition of legally produced timber given in Annex II, some legal and regulatory references will need to be completed/revised before the FLEGT licensing scheme comes into full operation. Of these texts, the following can be mentioned:

(a) Ministry for Water and Forests:

- Volume 3 of the forest land-use/management standards;
- Revision of the law on the PEA award committee, involving civil society;
- Laws regulating plantation forests (terms and conditions relating to plantations of more than 50 hectares; definition of contractual relations between an individual/community and a logging company; other relevant areas);
- Law regulating licensing authority information on certain aspects of forestry and environmental management;
- Non-compliance management manual;
- Law regulating the use of non-compliant timber.

(b) Ministry of the Environment and Ecology:

- Implementing regulations for the Environment Code;
- Laws on measuring environmental impact.

(c) Ministry of Agriculture:

- Updated Law on compensation for crops;
- Rural code (use rights, land law).

(d) Ministry of Transport:

- Law governing the transportation of timber.

(e) Ministry for Trade and Industry:

- Law on registering companies with the local chambers.

(f) Ministry of Finances and Budgets:

- Law on imported timber and timber in transit.

(g) Ministry of the Interior:

- Law on decentralisation;
- Law on local governments.

I.2. Laws on the LAS

Laws establishing the national tracking system:

- Organic Law on the Ministry responsible for forests, adapted according to the provisions taken in the context of FLEGT (clarification of the roles of ICEF, CDF, BMIV and DR/IPs, for verifying and checking verification of legality, along with the STP and Joint Committee);
- Order appointing the FLEGT licensing authority;
- Laws governing the local timber market;
- Law detailing the verification procedures anticipated in the LAS in the case of companies that have a private certification system.

I.3. Laws on Agreement monitoring

- Organic Law on the Ministry responsible for forests, adapted according to the provisions taken in the context of FLEGT;
- Law on the Joint Committee;
- Order appointing the Permanent Technical Secretariat: this will be a CAR body bringing together representatives of the public administration, the private sector and civil society;
- Law on the participation of stakeholders and their role in Agreement implementation;
- Law instituting consideration within the LAS of independent monitoring undertaken by civil society.

II. STRENGTHENING THE HUMAN CAPACITY OF THE DIFFERENT INSTITUTIONS

a. ICERF, licensing authority and other structures

The FLEGT Agreement is a new process that will have many requirements in terms of its implementation. It will therefore be necessary to build the capacity of the administration.

The Central African Republic has decided to have the whole LAS verified by the Central Inspectorate for Water and Forests (ICEF). The whole operations database will need to be centralised within a database management system (SGBD) that will be held by the Forestry Data Centre (CDF). In addition, well before signing the Voluntary Partnership Agreement (VPA), the government decided to implement a Mobile Intervention and Verification Brigade (BMIV).

However, given that the organic law on the Ministry for Water and Forests, Hunting and Fisheries (MEFCP) sets out responsibilities for both its centralised and decentralised departments, there are, in the first place, sometimes overlaps in the current control system between the MEFCP's centralised and decentralised departments and, in the second, the different decentralised departments do not function properly.

Bearing in mind the LAS described in this Agreement, it will be necessary to specify, complete and amend the roles of the different actors in the organic law on the MEFCP, and to redefine the interactions between the different decentralised departments, along with the information flows between these different departments and the SGBD, which will be centralised within the Ministry responsible for forests.

To this end, ICEF (in charge of data centralisation) will need to build its capacities through specific information management training. This training will also need to be extended to other centralised and decentralised departments involved in forestry management. This relates specifically to the CDF, FLEGT licensing authority and regional directors, plus prefectural and border inspectors.

These departments will need to be trained on the data inputting software and the information exchange and transmission procedures at central level.

b. Non-governmental organisations (NGOs) and civil society

NGOs and civil society are stakeholders in the process. Civil society's independent monitoring is the mechanism by which it can contribute effectively to implementation of the Agreement. The purpose of civil society's independent monitoring is to improve the State's systems for implementing forestry law, with the aim of good governance. It will need to document the information gathered and make it available to the FLEGT licensing authority and the Joint Implementation Committee.

To this end, in order to ensure the proper involvement of these NGOs in implementing the Agreement, their capacity will also need to be developed. They will need to follow training on civil society independent monitoring, particularly data gathering and report writing.

c. Training from private companies (for example, for optimum understanding and deployment of the LAS)

d. Customs Conciliation and Expertise Commission (CCED)

e. Training of NTS actors

In order to ensure the proper involvement of all stakeholders in the national tracking system, there will be ongoing grassroots training.

III. BUILDING MATERIAL CAPACITY

The dispersed nature of the different structures involved in legality assurance control makes the work of verification difficult and, in the long term, risks causing delays in the issuing of licences.

The structures that will be involved in Agreement implementation are so large that if there are no premises to house them their efficient functioning may be at risk, thus causing problems. It will therefore be essential to make additional offices available (STP, ICEF, DGEF, DIAF, DEIF, DR/IPs, CDF, BMIV, FLEGT licensing authority) in order to be able to group together all the services and thus improve coordination. Several possible options will be studied (building, renovation, renting).

Moreover, ICEF, DGEF, DIAF, DEIF, CDF and the decentralised departments will need adequate logistical resources (vehicles, computers, Internet communications, office equipment, etc.) to carry out their tasks. A study will determine actual needs.

The current tracking system is not able to collect all information linked to the timber supply chain. One option chosen by the Central African Republic is to develop a draft NTS in accordance with Annex V. This draft, the costs of which have yet to be established, will need to provide for sufficient logistical resources (vehicles, computers, Internet communications, office equipment, etc.) to enable the CDF to gather and centralise all information on timber.

IV. COMMUNICATION

Communication is an essential tool for implementation of the Agreement. Sufficient communication will be necessary to keep the grassroots communities and the actors involved in the LAS informed. This will require:

- writing a communications plan for the various VPA-FLEGT actors;
- developing company communications/participation procedures in relation to the local and indigenous populations;
- developing and updating the website of the Ministry responsible for forests;
- informing parliamentary members: parliament is a decision-making institution involved in adopting laws on forest management. Given their position in their constituency and the role they play with their electorate, MPs will need to be informed of the importance of the Agreement;
- informing logging companies: the companies will be kept abreast of developments in implementing the Agreement and the procedures and methods they will be required to apply.

V. STATISTICAL MONITORING OF THE DOMESTIC TIMBER MARKET

The domestic timber market in the CAR will need to observe FLEGT requirements. In order to gather information on the domestic timber market and link with forest management generally, the creation of an inter-ministerial committee responsible for monitoring and updating all statistics related to the domestic timber market is envisaged.

VI. MEASURES CONCERNING THE PROMOTION, INDUSTRIALISATION AND MARKETING OF TIMBER AND DERIVED PRODUCTS

CAR timber and derived products covered by the Agreement may also include what are known as secondary tree species, which do not yet have potential outlets. The CAR is required by this Agreement to encourage the private sector to conduct a more thorough and diversified processing that is of interest to the European market.

To this end, the CAR will take restrictive measures on the export of logs by implementing Article 44 of the CAR's Forestry Code.

On the other hand, this promotion requires the total openness of Union operators and their interest in CAR timber and derived products from all species.

Among the envisaged measures, a number of actions could be considered.

1. Undertaking an inventory of the timber sector in the CAR;
2. Analysing the dynamics and requirements;
3. Preparing a plan for the assessment, industrial development and more advanced processing of timber;
4. Preparing processing rules;
5. Preparing incentives for the use of timber (quality standards, promotion of new products);
6. Typifying and promoting lesser known species;
7. Encouraging technology transfer for industrialisation.

VII. CROSS-CUTTING MEASURES

The implementation of activities in the context of the CAR's FLEGT-VPA relies primarily on two cross-cutting measures:

1. In terms of organisation, it will be a question of finalising a detailed and updated plan of tasks related to Agreement implementation in order to translate the eleven (11) activities anticipated in the implementation schedule into action.
 2. In terms of financing, it will be a matter of mobilising the appropriate financial resources, relying in particular on task planning. It will be possible to use special forest development taxes (CAS-DF) to finance these activities and these could come from funds arising out of the REDD process.
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ANNEX X

FUNCTIONS OF THE JOINT IMPLEMENTATION COMMITTEE

The Joint Implementation Committee is responsible for managing the Voluntary Partnership Agreement (VPA) and providing monitoring and evaluation of its implementation. It will, in particular, carry out the following tasks.

Agreement management

- Commission an independent assessment of the FLEGT licensing scheme, in accordance with Article 12 of the Agreement, and recommend a date on which the scheme should enter into full force.
- Facilitate a dialogue and exchange of information between the two Parties, in accordance with Article 19 of the Agreement, examine any subject introduced by either of the two Parties and identify the follow-up to be given.
- Play the role of mediator and seek to resolve conflicts or disputes in accordance with Article 24 of the Agreement.
- Adopt amendments relating to the annexes to this Agreement, in accordance with Article 26.
- Monitor the social, economic and environmental effects of Agreement implementation on potentially affected populations.

Monitoring and assessment of Agreement implementation

- Provide monitoring of the general state of progress of Agreement implementation and evaluate the progress made in relation to the schedule given in the relevant annex, in accordance with Article 14 of this Agreement.
- Identify and analyse possible difficulties encountered during Agreement implementation.
- Publish an annual report on Agreement implementation, in accordance with Article 19 of the Agreement.
- Receive and examine complaints relating to implementation of the Agreement and the FLEGT licensing scheme.
- Identify, examine, propose and, where appropriate, take measures aimed at improving the good execution of the Agreement, in particular on the basis of the observations of the independent auditor.
- Examine and monitor complaints referred by the ISA.

Independent system audit (ISA), in accordance with Annex VI

- Approve the procedures manual developed and submitted by the ISA and approve the audit report framework proposed by the ISA in the context of the documented procedures.
- Agree the auditor's schedule of work and recommend additional audits as appropriate.
- Send the auditor possible complaints received regarding the FLEGT licensing scheme.
- Examine all reports produced by the auditor.
- Examine the independent auditor's provisional reports and comment, as appropriate.
- Request a specific additional report from the auditor in case of need.
- Examine complaints relating to the work of the independent auditor, in accordance with Article 10.
- Approve the renewal of the ISA contract, as appropriate.

Participation of actors involved in Agreement implementation

- Provide monitoring of the awareness raising and training of actors from the structures involved in the legality assurance system (LAS) described in Annex V.
 - Provide monitoring of the procedures for LAS non-compliance for actors from structures involved in the LAS.
 - Monitor and define the appropriate measures to ensure the involvement of all stakeholders in Agreement implementation.
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ANNEX XI

PUBLISHING INFORMATION

Publishing information encourages transparency and ensures a good understanding of the FLEGT licensing scheme on the part of all actors, enabling them to ensure good governance in terms of forestry management.

It enables the different actors to understand the whole process leading up to the issuing of a FLEGT licence. The more information all actors have on the basic reasons underlying the FLEGT, its implementation, its monitoring and verification, the more an understanding of the process will be shared, internalised and sufficiently owned, in order to facilitate the implementation of the Agreement by all stakeholders. The method for producing the information shall be active publication or access. The information shall be published as rapidly as possible in order to retain all the relevance of its publication.

1. CONTENT OF THE REPORT OF THE JOINT IMPLEMENTATION COMMITTEE

The annual report of the Joint Implementation Committee shall include, in particular:

- the quantities of timber and derived products exported to the European Union under the FLEGT licensing scheme, by customs code and by recipient Member State of the EU;
- the number of FLEGT licences issued by the Central African Republic;
- progress in achieving the objectives and actions to be conducted within a deadline determined in the Agreement and, generally, the different subjects related to Agreement implementation;
- actions aimed at preventing any possible export of timber and derived products of illegal origin to markets other than the European Union or sale thereof on the national market;
- the quantities of timber and derived products imported to the Central African Republic or having transited the Central African Republic;
- action taken to prevent imports of timber and derived products of illegal origin in order to maintain the integrity of the FLEGT licensing scheme;
- cases of non-compliance with the FLEGT licensing scheme in the CAR and action taken to resolve these cases;
- the quantities of timber and derived products imported into the Union under the FLEGT licensing scheme, by relevant customs code and by recipient Member State of the Union;
- the number of CAR FLEGT licences received by the Union;
- the number of times timber from the CAR has arrived at Union customs without a licence and the quantities of timber and derived products involved;
- the structure and functioning of the Joint Committee.

2. INFORMATION ON THE MEANS AND CHANNELS FOR PUBLISHING INFORMATION

The information will be published by the Joint Implementation Committee and by both Parties, for information relevant to them. Information related to logging and timber movements will be available from the Forestry Data Centre (CDF) of the Ministry for Water, Forests, Hunting and Fisheries (MEFCP); an interconnection will enable the departments involved in forestry activities (MEFCP, finances, employment, agriculture, trade, justice) to be linked to the CDF database while the General Directorate for the Official Journal will publish all laws and regulatory texts online.

Depending on the target audience, and on whether it is located in urban or rural areas, and whether it is predominantly literate or not, the information will be published through the following modern means and channels:

- Active channels
 - State and private national and international press;
 - Local and community radio;

- Conferences and discussion meetings;
- Seminars and dissemination workshops;
- Distribution of documentary films;
- Production and distribution of radio/TV broadcasts;
- Production of shows, etc.;
- In addition, in the context of the communications plan, public information sessions will be held and will be an opportunity to distribute this information to stakeholders, particularly people on the ground and communities without access to the Internet and/or written press.
- Passive channels
 - Internet sites of the Ministry for Water, Forests, Hunting and Fisheries;
 - Official Journal;
 - Library of the Ministry for Water, Forests, Hunting and Fisheries;
 - Statistical yearbook for the Forest and Hunting sector of the MEFCP;
 - Annual reports of the forest administration, which can be consulted in the central or decentralised departments at provincial level.

Based on both active and passive channels, the published information will include data from the following areas.

3. LEGAL INFORMATION

- International conventions and agreements signed and ratified by the CAR with regard to the protection of flora and fauna (CITES, etc.), the protection of human and peoples' rights (UN Declaration on the Rights of Indigenous Peoples, 61/295, the African Charter on Human and Peoples' Rights, etc.), work and employment etc.;
- The FLEGT Voluntary Partnership Agreement (body of text and its annexes);
- Permit award decree;
- Permit cancellation decree;
- Forestry Code and all related regulatory texts;
- Environment Code and all related regulatory texts;
- Water Code and all related regulatory texts;
- Employment Code and implementing regulations relating to the forest sector;
- Finance Law for each year;
- General Tax Code;
- Investment Charters;
- National COMIFAC Convergence Plan;
- Poverty reduction strategy document;
- Order creating the validation commission for forest land-use management documents (PG and PAO).

The regulatory texts to be adopted during the implementation phase will also be made public.

4. INFORMATION ON THE PROCEDURES FOR ALLOCATING CONCESSIONS

- Exploitation and land-use permits (PEAs)
 - Tender procedures manual for the PEA award process;
 - Notice of calls for tenders relating to permit allocations;
 - Notice of calls for tenders relating to the recruitment of the independent monitor in the PEA award process;
 - Minutes of the Joint Commission for Allocating Exploitation and Land-use Permits (PEAs);
 - Order establishing the Joint Commission for Allocating Exploitation and Land-use Permits;
 - List of bidders for exploitation and land-use permits;
 - Report of the independent monitor on the PEA award procedure;
 - List of valid concessions with names of beneficiary people and/or companies;
 - Minutes of meetings related to respect for local and indigenous communities' customary rights of access and use in forest concessions.
- Plantation forests
 - Notices of calls for tenders to run State plantations;
 - List of bidders to run plantations;
 - Authorisations to run plantations;
 - Environmental conformity certificate;
 - List of State plantations.

5. INFORMATION ON FOREST PLANNING

- Exploitation and land-use plan
 - Environmental assessment reports (EIES, environmental audits);
 - Land-use planning document;
 - List and total areas of concessions under development;
 - List and total areas of concessions awaiting development;
 - National standards for producing land-use plans (Volumes 1, 2 and 3).
- Plantation
 - Notice of call for tenders for environmental impact studies;
 - Environmental assessment report;
 - Simple management plan.

6. INFORMATION ON PRODUCTION

- Total annual production of timber and derived products in all PEAs under exploitation;
- Total annual production of timber and derived products in all plantations under exploitation;

- Annual volume of timber and derived products for processing at national level, by species, concession and company;
- List of destination countries and volumes exported by species, concession and company;
- Annual volumes of timber seized;
- Annual volumes of timber having transited through the CAR and their origin;
- Volumes on the Central African Republic's market.

7. INFORMATION ON PROCESSING

- List of approved operational processing companies;
- Location of processing facilities.

8. INFORMATION ON THE LEGALITY ASSURANCE SYSTEM

- FLEGT licensing scheme;
- Report of the civil society independent monitor;
- Information on forest activity and social clauses in the management plans (information and maps);
- Information and maps on forest activity and social clauses in the annual operational plans;
- Official report in the case of destruction of assets belonging to local or indigenous communities by the company;
- Proof of compensation by the incriminated company;
- Inspection visit report from the forestry administration;
- Cases of non-compliance with the FLEGT licensing scheme in the CAR and actions taken to resolve these cases.

9. INFORMATION ON THE INDEPENDENT AUDIT

- Regular summary audit reports;
- Procedure for challenging the audit.

10. INFORMATION ON THE PAYMENT OF FOREST TAXES AND FEES

- Annual rent;
- Felling taxes;
- Reforestation taxes;
- Exit fees.

11. INFORMATION ON THE INSTITUTIONAL SET-UP

- Structure and functioning of the Joint Implementation Committee;
 - Structure and functioning of the National Monitoring and Implementation Committee;
 - Permanent Technical Secretariat.
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