

	GLOBAL FORESTRY SERVICES		
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Legal Requirements

Natural Forests & Plantations - Generic Standard

1.0 Background:

Global Forestry Services developed Legal Verification Services (LVS) to evaluate the management and harvesting of natural forests and plantations for compliance with regulatory requirements and ILO conventions & FAO standards. The standard was designed to fulfil international trade regulations governing import and export of timber and wood products that currently include EU Timber Regulations, the US Lacey Act, Australian Illegal Logging Bill, Japan Clean Wood Act, etc.

The GFS LVS is designed to document compliance with national and international standards for the forest & plantation industries for large concessions and smaller-scale systems such as smallholder planted areas. GFS assesses compliance against the GFS LVS Standard as well as standards developed by national and state governments.

The GFS Generic LVS Standard (GFS-WI-006-LVS-1) presented in this document is used to assess compliance with regulatory requirements in support of a Diligence System for the forest and plantation industry.

The LVS requirements (GFS-WI-006-LVS-1 v03) to define legal compliance include 8 main elements:

- 1.0 Land Use and Management Rights.
- 2.0 Rights & Benefits to Native / Local Communities & Workers.
- 3.0 Environmental Assessment & Mitigation of Impacts.
- 4.0 Management & Operational Planning.
- 5.0 Implementation of Operations.
- 6.0 Registration, Identification & Traceability of Material.
- 7.0 Monitoring.
- 8.0 Payments of Fees, Royalties, Taxes & Social Obligations.

Verification Process

Evaluation of legal compliance shall be conducted in accordance with GFS procedures (GFS-PRO-006-LVS Legal Verification Service) by registered lead assessors, assessors and experts. Evaluation of legal compliance shall include input from relevant stakeholders directly affected by the forestry or plantation operations.

Global Forestry Services will evaluate compliance with legal requirements and traceability of forest products from forest or plantation management organisations that wish to demonstrate the legality of raw wood-based material (whether of short or long-term duration). GFS will issue a detailed assessment report (GFS-FORM-006-LVS-1.2) and a Statement of Compliance (GFS-FORM-006-LVS-1.4) for forest and plantation management that demonstrates compliance with legal requirements.

GFS will issue a Statement of Compliance under the LVS regarding compliance verification to applicable regulatory requirements as defined in this standard, considering scale of operations. The system for traceability can be based on inspection of a specific volume of material or part of the supply chain system within the GFS Wood Tracking Program.

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LVS Generic Requirements

The GFS LVS is designed to document compliance to forest and plantation management systems based on local regulatory requirements and international standards (ILO/ FAO) as applicable to the scale of operations for large concessions/land holdings as well as smaller-scale systems as in smallholder plantations or forested areas.

1.0 Land Use & Management Rights

Legal rights of land use and management shall be demonstrated by the organization with respect to a defined forest or plantation area with recognized boundaries that are not encumbered by substantiated overlapping land claims.

- 1.1 Private companies / organization shall be legally registered with the scope to carry out forest or plantation activities.
 - 1.1.1 Valid registration of company/organization.
 - 1.1.2 Certificate of license holder registered with government agency.
 - 1.1.3 Concession License issued by government free of gazette overlapping land claims.
 - 1.1.4 Permits for operations (road construction, inventory, logging, extraction, camps, workshops, machinery, etc.).
 - 1.1.5 Maps of forest/plantation area registered with a government agency that correspond to the area being assessed.
- 1.2 Individual landowners/smallholder plantations shall provide documented evidence of legal use rights to the defined forest/plantation area.
 - 1.2.1 Land Title or Land Use permits issued by government authority.
 - 1.2.2 Land lease or valid agreement for land use and management of forest or plantation area.
 - 1.2.3 Permits for harvesting forest or plantation area as applicable.
 - 1.2.4 Map defining forest / planted area.
- 1.3 Regulations defining management of forest / plantations are recognized.
 - 1.3.1 Regulations / codes of practice in relation to forest / plantation management and operations are understood & available.
 - 1.3.2 Approved commercial tree species and diameter cutting limits.
 - 1.3.3 Approved annual volume cutting limits (AAC).
 - 1.3.4 Government fees / taxes for timber felling and extraction (Log Royalty Premium, Cess).
 - 1.3.5 Requirements for protection of areas, tree species, or other issues are defined in the license / permits or land title if applicable.

2.0 Rights & Benefits to Native / Local Communities & Workers

The company / organization shall identify and recognize claims to land and use rights by native and local communities that occur within the concession / management unit and provide benefits to support the community's well-being as appropriate. Any use of claimed areas within the management unit shall be in agreement with the community that includes compensation for defined uses prior to starting any forest or plantation operations within claimed areas. Workers' rights and benefits shall be defined and maintained.

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- 2.1 Companies / organizations holding concession licenses or lease agreements etc., shall conduct a social impact assessment to define native and local communities that have potential land claims and or use rights within the management unit.
 - 2.1.1 The assessment shall identify and map all native / local communities residing and actively using land areas within the management unit.
 - 2.1.2 The assessment shall identify all areas of land claims within the management unit such as agriculture, hunting, fishing, water resources, sacred areas, etc.
 - 2.1.3 Land claims and use rights shall be identified in agreement with the community and defined in the management plan along with maps of land claims and use by each community.
 - 2.1.4 Potential negative and positive impacts of planned forest and/or plantation management shall be defined with direct input by affected communities to support an agreement between the parties for protection and potential land use.

- 2.2 Companies /organizations holding concession licenses or lease agreements etc., shall develop a formal documented agreement for use of areas claimed by native/local communities.
 - 2.2.1 Agreements with native/local communities shall be clearly documented and understood by all parties on the terms of land use, associated compensation, community support, goodwill contributions, etc.
 - 2.2.2 Implementation of conditions of the agreement shall be upheld by all parties.
 - 2.2.3 Disputes to the agreement shall be documented and resolved through negotiations between the parties based on a dispute resolution process.
 - 2.2.4 Agreements shall be periodically reviewed and can be amended based on agreement between the parties.
 - 2.2.5 Areas under valid land claim without formal signed agreement must not be harvested.

- 2.3 Companies/organizations shall have a system for communication and dispute resolution with native and local communities to foster good relations.
 - 2.3.1. Communication provide a forum for communities to voice concerns and issues to the management relevant to the agreement and general needs.
 - 2.3.2. The organization shall record and document communications and consultation with communities.
 - 2.3.3. A system for dispute resolution is defined between the company & the community to resolve problems or issues between the community and the company.

- 2.4 Smallholders shall provide evidence that there is no overlapping 3rd party claims or use rights within the management area.

- 2.5 The organization shall have procedures to comply with labour regulations with respect to employment and contracting labour, health and safety.
 - 2.5.1. The organization shall ensure all staff are legally employed or contracted.
 - 2.5.2. The organization shall comply with labour regulations, salary, benefits, compensation for work conducted (over time / contract conditions) and for work related accidents.
 - 2.5.3. The organization shall have a system of communication & dispute resolution with workers and recognize their rights to engage in workers' organizations without discrimination for exercising these rights.
 - 2.5.4. The organization shall ensure all staff are trained for their work and safety.
 - 2.5.5. The organization shall provide adequate safety equipment for workers.

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2.5.6. Working and living conditions shall be in line with ILO requirements with respect to safety and health. There is no evidence of forced or compulsory labour.

2.5.7. All workers shall be provided medical care / hospitalization for work related health issues and accidents.

3.0 Environmental Assessment & Mitigation of Impacts

The organization assess the potential impacts of planned operations on key environmental elements for protection, such as biodiversity, wildlife habitat and protection, soil conservation, stream protection, steep slopes, handling and use of chemicals and fuel, waste disposal, etc., according to scale of activities.

3.1 Potential environmental impacts shall be evaluated based on the scale of activities

- 3.1.1 Environmental assessment conducted that adequately identifies potential negative impacts of planned forest/plantation management and operations.
- 3.1.2 Mitigation measures are defined to minimize potential impacts in relation to operations.
- 3.1.3 The company/organization shall protect rare, threatened, endangered species from illegal activities and their habitat.
- 3.1.4 Wildlife habitat should be protected from degradation and wildlife corridors shall be provided to allow movement of wildlife through plantations as appropriate.
- 3.1.5 Streams shall be protected along with steep slopes in accordance with EIA requirements.
- 3.1.6 Use of herbicides, pesticides & fungicides shall be minimized in accordance with EIA & government regulations.
- 3.1.6 System for monitoring of impacts on environmental issues are defined.
- 3.1.7 EIA approved by government agency if required.

4.0 Management & Operational Planning

The organization shall demonstrate adequate planning of management and operational activities that are approved by the relevant government authorities as appropriate to the scale of activities.

4.1 Long term planning of forestry/plantations activities shall be according to scale of activities that include resource sustainability, environmental protection and social benefits to native/local communities and be approved by the relevant government authority if required.

4.1.1 Larger scale natural forest management units must have a Forest Management Plan (FMP) in relation to planned harvesting cycle that defines all key elements of its operations:

- Policy Statement
- Resource Inventory results defining forest conditions
- Environmental Assessment
- Social Assessment
- Zoning of forest area into Production, Conservation, Social, etc.
- Delineations of compartments
- Net production area
- Sustainable yield & Annual Allowable Cut
- Plans for restoration & Industrial Timber Plantations (ITP)
- FMU / Land use map (production, conservation and non-forested agriculture, community settlement areas)
- Planned annual harvest schedule by compartment
- System for monitoring of impacts to resources, environment and social elements
- System for monitoring protection and sustainability of forest resources
- Estimated economic costs and projected revenue

4.1.2 Planning for smallholder forest units shall define the forest area, protected areas, production areas, forest resources, harvest cycle, sustained yield, system for minimizing impacts and monitoring.

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4.1.3 Larger scale timber plantations must have a Plantation Development Plan (PDP) in relation to planned planting & harvesting cycle that defines all key elements of its operations that is approved by government agency as required:

- Policy Statement
- Resource Inventory results defining current forest conditions
- Environmental Assessment
- Social Assessment
- Zoning of forest area into Production, Conservation, Social, etc.
- Delineations of compartments
- Land use map (plantation, conservation and non-forested agriculture, community settlement areas)
- Planned development of Industrial Timber Plantations (ITP) and net plantation area
- Annual planting plan by compartment & selected species
- Planned annual harvest schedule by compartment
- System for monitoring plantation development, growth, environment impacts and social elements
- Estimated economic costs and projected revenue

4.1.4 Mapping of the concession / plantation management unit area shall clearly reference land use plans (production area (natural forest / plantation), conservation areas, social areas, infrastructure, etc.) appropriate to scale and be approved (as required).

4.2 Operational planning for large scale management units should include Annual Planning for activities to be conducted to support natural forest management and/or plantation development for all compartments.

4.2.1 Annual planning for scheduling harvesting of compartments.

4.2.2 Maintenance activities for natural forest restoration and climber cutting.

4.2.3 Schedule for plantation development.

4.2.4 Nursery production schedule as appropriate.

4.2.5 Schedule for boundary maintenance.

4.3 Planning for harvesting, salvage logging & planting shall clearly define areas within each compartment (or smallholder area) for protection and production of natural forest / timber plantations based on sustainability of resources and approved by government as required.

4.3.1 Compartment harvest/planting plan defines the boundaries, protected areas, and resulting net production/planting area.

4.3.2 Areas defined for protection shall be demarcated on the ground to prevent disturbance from field operations.

4.3.3 Harvesting of natural forest identifies and lists all trees for harvesting.

4.3.4 Planning for salvage logging for plantation development provides estimate tree volumes to be harvested within the net production/planting area.

4.3.5 Planting plan defines species to be planted, spacing relevant to site conditions.

4.3.6 The compartment plan identifies infrastructure (feeder roads skid trails, log landings).

4.3.7 Mapping of planned harvest/plantation areas shall be approved (as required) and accurate to ground conditions.

4.4 The organisation shall provide evidence of harvesting systems, volumes, diameter limits, and species with respect to sustained yield and reduced impact systems.

4.4.1 Description of harvesting system(s) to minimize impact.

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4.4.2 Estimated log volume from forest inventories and cutting limits by species for sustained yield management.

4.4.3 Estimated volumes from planted timber based on inventory / sample plots.

5.0 Implementation of Operations

The organization / smallholder shall demonstrate implementation of its operations, comply with regulations governing their activities and scale of operations.

5.1 The organisation / smallholder shall demonstrate compliance to planning, regulations / codes of practice regarding harvesting, planting and other field operations as appropriate to scale of operations.

5.1.1 The organisation / smallholder shall obtain permits required for operations as applicable.

5.1.2 The organisation / smallholder shall implement Annual, Compartment / harvest plans.

5.1.3 The organisation / smallholder shall not cut trees that are protected from felling.

5.1.4 Harvesting operations shall comply with codes of practice (local / FAO) and regulations on harvesting to minimize impacts.

5.1.5 The organisation / smallholder shall only harvest trees within the compartment area based on tree harvest list or salvage logging as per the harvest plan.

5.1.6 Areas for identified for protection shall not be disturbed by operational activities.

5.1.7 Harvesting of planted trees shall be in accordance with harvest plan to minimize damage.

5.1.8 The organisation / smallholder shall comply with requirements and permits for forest roads, skid trails & infrastructure.

5.1.9 Site preparation and planting shall be in accordance with the compartment planting plan to minimize impacts and prevent soil erosion.

5.2 The organisation shall demonstrate compliance with planning, procedures and regulations regarding environmental issues, such as an approved Environmental Impact Assessment (EIA) as required.

5.2.1 The organization shall implement EIA requirements and reporting on compliance.

5.2.2 The organization shall minimize disturbance during logging, timber extraction site preparation and planting.

5.2.3 The organization shall protect the forest /management unit against illegal activities and poaching of wild animals.

5.2.4 The organization shall comply with regulations on workshops, trash disposal, fuel, oil, scheduled wastes and other chemicals.

5.3 Operations within claim areas shall abide by agreements between the community and the company.

5.3.1 All operations and activities within native or local community claimed areas shall be in compliance with the signed agreement.

5.3.2 Payments for goodwill contributions and for compensation for use & extraction of resources shall be in accordance to the agreement and paid within an agreed time period.

5.3.3 Activities and social projects supporting community development and welfare shall be clearly defined and implemented by both parties as agreed.

5.3.4 Any issues arising from implementation of agreements shall be documented and resolved through the system of consultation and dispute resolution.

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- 5.4 Contractors and forest workers shall be employed through a formal agreement and comply with labour regulations, health and safety requirements and be adequately trained regarding job activities.
- 5.4.1 The organisation / smallholder shall have a valid agreement with Contractors that includes compliance to all regulatory requirements related to its scope of operations and GFS LVS criteria as applicable.
- 5.4.2 The organisation / smallholder / contractors shall ensure their staff are legally employed and trained in relation to job functions.
- 5.4.3 The organisation / smallholder / contractors shall provide adequate lodging, food, clean water and facilities to maintain the health of forest / plantation workers appropriate to the scale of activities.
- 5.4.3 The organisation / smallholder / contractors shall provide adequate training of forest / plantation workers for job function including safety and fire as appropriate to the scale of activities.
- 6.0 Registration, Identification & Traceability of Material**
- The organisation / smallholder must demonstrate compliance with government regulations for scaling, identification and recording of material harvested that is traceable back to the harvest license area.
- 6.1 The organisation / smallholder shall provide clear records that identify and record trees harvested within licensed areas.
- 6.1.1 Identification and recording of trees harvested / logs produced against the harvest plan.
- 6.2 Trees harvested within Natural Forest Management areas shall be identified and recorded in accordance with the approved harvest plan, codes of practice (Reduced Impact Logging), with associated log measurement correct with respect to species, sizes, etc., to comply with government rules and fee scales.
- 6.2.1 Log marking is traceable to harvest tree, harvest block as part of the harvest plan and complies with regulations as applicable.
- 6.2.2 Logs are scaled (measured) and recorded based scaling rules.
- 6.2.3 Documentation of royalty assessment and other fees are correct to log scaling as applicable.
- 6.3 Planted trees areas shall be identified and recorded in accordance with the harvest/planting plan, codes of practice with associated log measurement (or weigh scale) correct with respect to species, sizes, etc. to comply with government rules and fee scales.
- 6.3.1 Logs are traceable to the harvest area / compartment as part of the harvest plan and complies with regulations as applicable.
- 6.3.2 Logs are scaled (measured) and recorded based scaling rules (volume/weight).
- 6.3.3 Documentation of royalty assessment and other fees are correct to log scaling as applicable.
- 6.4 Records shall contain adequate information to verify the volume of logs extracted within the harvest area is in accordance with license requirements and harvesting plan.
- 6.4.1 Log volume and felling records adhere to license requirements and harvesting plan.
- 6.5 The organization shall comply with government regulations regarding the transportation of logs from the forest/plantations to mills or export, using government authorized transport documentation.

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- 6.5.1 Permits issued by government for transporting raw material from a licensed forest or plantation area adequately identify the origin of the material to the licensed area, define the quantity (pieces/volume/weight), destination, fee assessment, etc. as required.
- 6.5.2 Raw material is identified (log numbers, species, diameters, length and volume) and documented in relation to the official transport permits enabling traceability to the licensed harvest area.

7.0 Monitoring

The organization shall monitor operations in relation to regulatory requirements, impacts of activities on sustainability of resources, environmental requirements, social obligations and the prevention of illegal activities within the management unit appropriate to the scale of activities.

- 7.1 The organisation shall provide for monitoring operations with respect to regulatory requirements, codes of practice, sustainability etc.
 - 7.1.1 Monitoring shall be conducted in accordance with the scale of operations to document compliance with regulatory requirements, Annual Work Plans and harvest planning.
 - 7.1.2 Monitoring of impacts of operations on the growth and sustainability of forest resources shall be conducted annually.
 - 7.1.3 Monitoring of plantation development, mortality, stand growth, pests and diseases of plantation timber shall be conducted annually and recorded.
 - 7.1.4 Permanent Sample Plots (PSP) shall be established as required to measure and credibly document impacts of harvesting, residual stands and growth of timber resources.
 - 7.1.5 Planting for enrichment or industrial timber plantations shall be monitored in relation to compartment planting plans, mortality, and growth appropriate to the scale of activities.
- 7.2 Monitoring of environmental impacts as defined in the environmental assessment, harvest planning shall be conducted to minimize negative impacts of activities.
 - 7.2.1 Monitoring of environmental impacts of operations shall be conducted to document compliance with the environmental assessment (EIA) and harvest planning.
 - 7.2.2 Monitoring of operations shall include protection of areas and trees identified for conservation.
 - 7.2.3 Monitoring of base camps, waste disposal, scheduled waste, chemical storage & use in relation to requirements as applicable.
- 7.3 Monitoring of activities in regards to social benefits for communities and workers.
 - 7.3.1 Monitoring of implementation with regards to social issues and agreements through consultation forums with communities and workers shall be conducted (as appropriate to scale).
 - 7.3.2 All monitoring of consultation, activities, projects, etc., related to communities shall be documented.
 - 7.3.3 Monitoring of worker consultations shall be conducted and recorded to provide a forum for resolving issues related to operations, health and safety, working and living conditions, potential disputes, training appropriate to the scale of activities.
- 7.4 Monitoring for the prevention of illegal activities within the management unit shall be conducted as appropriate to scale of activities.
 - 7.4.1 Monitoring for prevention of encroachment and illegal activities (such as poaching, trespassing, etc. as appropriate to scale).
 - 7.4.2 Records of illegal activities and encroachment and reports to authorities
 - 7.4.3 Actions taken to prevent encroachment and illegal activities (as appropriate to scale).
- 7.5 Identification of inadequate performance through monitoring shall be documented to define and implement remedial actions.

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8.0 Payment of Fees, Royalties, Taxes and Social Obligations

Payments of fees, royalties, other taxes and social obligations associated with operations and management must be clearly identified and fulfilled as required.

- 8.1 The organisation shall provide evidence that all relevant taxes, royalties, etc., for the forest operation and material harvested due to government and other beneficiaries are paid.
- 8.1.1 Royalties, cess and other fees associated with timber harvesting are assessed and paid.
- 8.1.2 Fees for permits for land use & operations are paid as applicable.
- 8.2 The organisation shall maintain payments with respect to agreements made with local communities for operations associated to areas claimed with respect to native customary rights or use rights.
- 8.2.1 Payments for goodwill or projects for communities shall be maintained based on agreement (as applicable).
- 8.2.2 Payments for log commission shall be maintained based on agreements.

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