



Version 2.0 | December 2021

# Republic of Congo Risk Mitigation Guide

## Timber – Forest management units (UFA) under an Agreement (CTIs, CATs)



LIFE - Support EUTR II - LIFE18 GIE/DK/000763

This tool has been developed by Preferred by Nature with support from the LIFE programme of the European Union.



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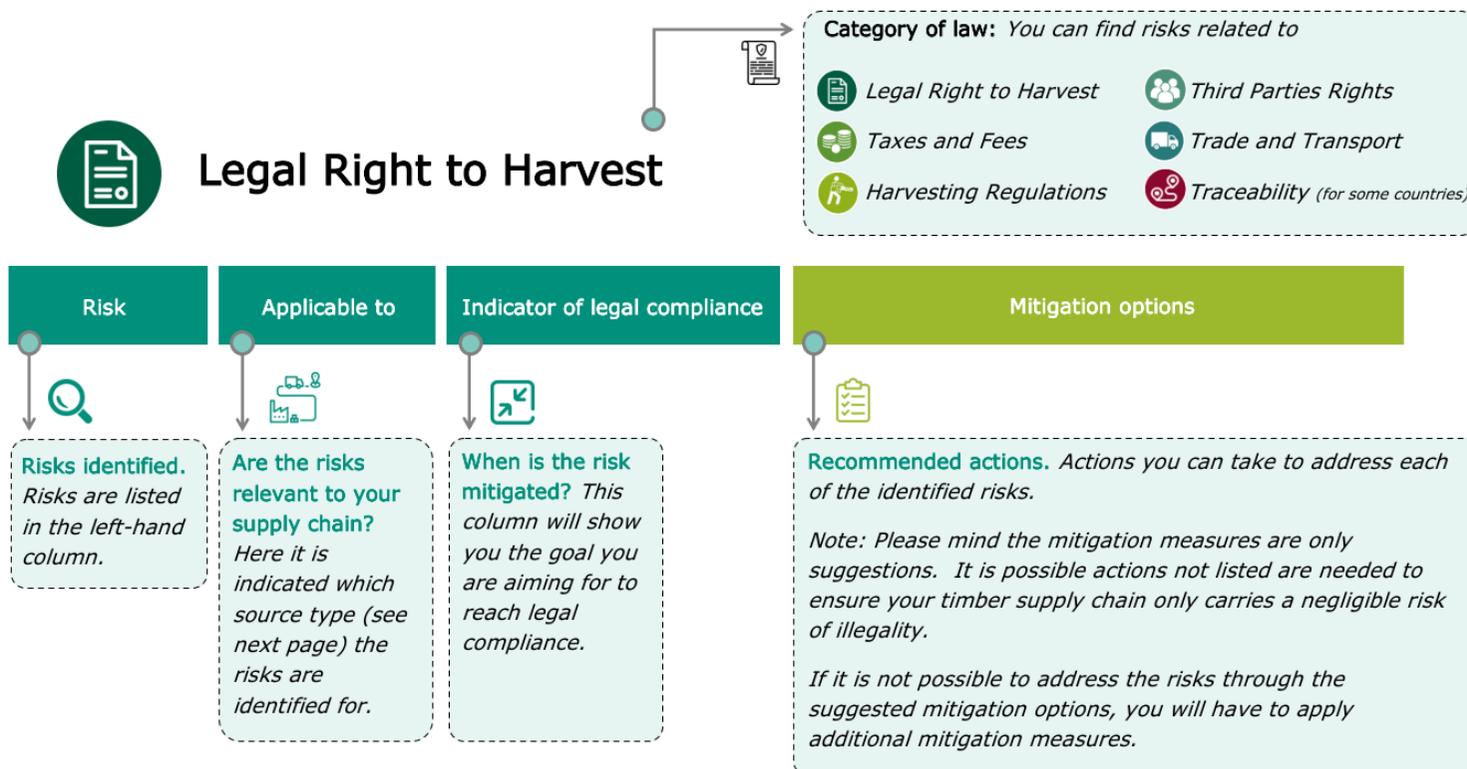
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# Republic of Congo Forestry Risk Mitigation Guide

This guide provides a series of mitigation options to assure low risk of illegality of timber harvested in the Republic of Congo. The guide relates only to timber harvested in the Republic of Congo – not to material imported into the Republic of Congo.

Please refer to the full Risk assessment for more details on the applicable legislation and the elements leading to the risk determination.



## Timber Source Types

To understand what risks are relevant for your supply chain, you will first need to identify the origin of your timber. In general, it is often helpful to know not only the country of origin, but also other information about the origin, such as legal ownership, management regime, forest classification and permits in order to select the Timber Source Type(s) that applies to your supply chain. Identifying the right Timber Source Type is important to detail which risks are related to your supply chain and your timber products and how you can mitigate them.

Timber from the Republic of Congo can originate from several sources (see annex I of the Risk assessment). This mitigation guide focuses on Forest management units (UFA) under an Agreement (CTIs, CATs). They represent the majority of commercial timber production, in particular for exports.

Title	Description
1. Industrial processing agreement ( <i>Convention de transformation industrielle</i> , CTI)	Forest management units (UFA) <i>Titles to disappear by 2023</i>
2. Management and processing agreement ( <i>Convention d'aménagement et de transformation</i> , CAT)	Forest management units (UFA) It can be under either: <ul style="list-style-type: none"> <li>- a <i>concession regime</i>: set to last a maximum of 3 years following the signature of the agreement before being converted to the production sharing regime</li> <li>- a <i>production sharing regime</i>: newly introduced in 2020 - this regime is still very uncertain and a decree must be adopted to specify how it is implemented</li> </ul>

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## General Risk Level and mitigation needs

### Risk

There is a general high level of risks in the Republic of Congo. Below we have listed specific risks that we have identified, but due to a high level of perceived corruption (CPI 19/100 in 2020<sup>1</sup>) we generally advise for a full evaluation of legal compliance at forest level, as well as processing factories level on all aspects of law within the Republic of Congo.

For evaluating legal requirements of documents, please see the document guide [HERE](#)

### Potential mitigation actions

For mitigating risks in the Republic of Congo the following types of risk mitigation measures are recommended:

- Supply chain mapping back to forest level
- Document Review
- Onsite verification
- Stakeholders consultation

We stress the need for thorough onsite verification to be able to effectively mitigate risks in the Republic of Congo.

It is recommended to seek professional advice and support from EU Monitoring Organisation and/or organisations such as Certification bodies with knowledge on the country and forest sector to conduct onsite verification.

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<sup>1</sup> CPI, 2020. Available at: <https://www.transparency.org/en/cpi/2020/index/gnq>



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## Legal Rights to Harvest

Risk	Indicator of legal compliance	Potential mitigation actions
<p><b>Corrupt practices, in particular bribes, are used in the allocation of logging titles such as agreements (1.2)</b></p>	<p>Logging titles including agreements shall be exempt from bribes and other corrupt practices</p>	<p><b>Consult</b></p> <p>While corrupted practices might be very hard to detect, it is highly recommended to at least:</p> <ul style="list-style-type: none"> <li>• Consult interested parties to obtain information on the issuance of the concerned logging titles (Mandated independent observer (CAGDF, other civil society organisations);</li> <li>• Consult open sources and media sources for any documented information on the concerned logging enterprise</li> </ul>
<p><b>Non-compliance with procedures for the allocation of forest agreements (1.2)</b></p> <ul style="list-style-type: none"> <li>• Incomplete application files</li> <li>• Lack of tender procedure</li> <li>• Irregular time frame</li> </ul>	<p>Agreements shall be allocated based on a tender process respecting the regulatory time frame and with a complete application file.</p>	<p><b>Review and verify documents</b></p> <p><i>1. For agreements concluded after August 2020, collect:</i></p> <ul style="list-style-type: none"> <li>• Order launching the tender procedure;</li> <li>• Minutes of the award committee (ensure it is mentioning the tender procedure and indicating that the winning bidder's tender submission file is complete);</li> </ul>

- Notification from the Director General of Forest Economy issuing the forest committee's favourable opinion (ensure it is not dated prior to the tender submission deadline);
- Order approving the management and processing agreement for the forest unit (UFA) or the plantation timber promotion agreement;
- The management and processing agreement (CAT) or the plantation timber promotion agreement (main part plus the general terms and conditions and specific terms and conditions);
- Concession contract or partnership contract.

*2. For agreements concluded between 2002 and 2020, collect:*

Before conversion to new legal setup:

- Order launching the tender procedure;
- Minutes of the award committee (ensure it is mentioning the tender procedure and indicating that the winning bidder's tender submission file is complete);
- Notification from the Director General of Forest Economy issuing the forest committee's favourable opinion (ensure it is not dated prior to the tender submission deadline);
- Order approving the management and processing agreement for the forest unit (UFA) or the industrial processing agreement (CTI);
- Management and processing agreement (CAT) or industrial processing agreement (CTI).

NB: CTIs must have been converted after August 2023 and will no longer be valid from this date.

		<p><u>After conversion to new legal setup:</u></p> <ul style="list-style-type: none"> <li>• Management and processing agreement (CAT) or plantation timber promotion agreement;</li> <li>• Concession contract or partnership contract.</li> </ul> <p><i>3. For agreements concluded before 2002, collect:</i></p> <p><u>Before conversion to new legal setup:</u></p> <ul style="list-style-type: none"> <li>• Management and processing agreement (CAT) or industrial processing agreement (CTI).</li> </ul> <p>NB: CTIs must have been converted after August 2023 and will no longer be valid from this date.</p> <p><u>After conversion to new legal setup:</u></p> <ul style="list-style-type: none"> <li>• Management and processing agreement (CAT) or plantation timber promotion agreement;</li> <li>• Concession contract or partnership contract.</li> </ul> <p><i>4. For concessions awarded through legal proceedings, collect:</i></p> <ul style="list-style-type: none"> <li>• All relevant legal documents (documents regarding the dispute, court decision, etc.).</li> </ul>
<p><b>Lack of forest management plan (1.3)</b></p>	<p>The forest management plan shall be in place within mandatory deadlines.</p>	<p><b>Review and verify documents</b></p> <p><i>1. When the forest management plan is in place, collect:</i></p>

		<ul style="list-style-type: none"> <li>• Validation reports issued by the interministerial committee relating to the technical studies carried out (inventory, environmental study, dendrometric study, socio-economic study, etc.);</li> <li>• Forest management plan approval decree;</li> <li>• Forest management plan.</li> </ul> <p>2. <i>When the forest management plan is in the process of being drawn up, collect:</i></p> <ul style="list-style-type: none"> <li>• Management and processing agreement;</li> <li>• Memorandum of understanding defining the general management conditions;</li> <li>• Ensure that the forest management plan deadline stipulated by the agreement and the memorandum of understanding has not been exceeded.</li> </ul>
<p><b>Lack of consultation of local populations, civil society organisations and NGOs during the management plan development (1.3)</b></p>	<p>The forest management plan shall be drawn up in collaboration with neighbouring populations and shall be approved by a participative committee.</p>	<p><b>Review and verify documents</b></p> <p><i>When the forest management plan is in place, collect:</i></p> <ul style="list-style-type: none"> <li>• The report on the adoption of the forest management plan by the participative committee (departmental level) in the presence of the stakeholders (departmental authorities, relevant administrations notably water and forests, prefecture, local communities and indigenous peoples, NGOs, associations and the company concerned).</li> </ul> <p><b>Consult</b></p> <p><i>Whether the forest management plan is being developed or is already in place:</i></p> <ul style="list-style-type: none"> <li>• Consult local populations' representatives, civil society organisations and NGOs on their implication in the management plan development process.</li> </ul>

<p><b>Lack of 5-year management programme and/or annual operations plan (1.3)</b></p>	<p>The 5-year management programme and the annual operations plan shall be in place and approved by the forest administration.</p>	<p><b>Review and verify documents</b></p> <p><i>1. When the forest management plan is in place, collect:</i></p> <ul style="list-style-type: none"> <li>• Report on the examination and validation of the 5-year management programme;</li> <li>• 5-year management programme;</li> <li>• Approved annual operations plan.</li> </ul> <p><i>2. When the forest management plan is in the process of being drawn up:</i></p> <ul style="list-style-type: none"> <li>• Check that the annual logging areas and a volume schedule are indicated in the agreement and defined in the annual logging licence.</li> </ul>
<p><b>Failure to implement management prescriptions, in particular yearly rotation of UFP (<i>Unités forestières de production</i>) (1.3)</b></p>	<p>The management prescriptions shall be complied with. In particular, the planned yearly rotation shall be complied with.</p>	<p><b>Review and verify documents</b></p> <p><i>When the forest management plan is in place:</i></p> <ul style="list-style-type: none"> <li>• Ensure that the yearly rotation of UFP set up in the management plan is complied with (information on the UFP logged can be found in the annual logging licence);</li> <li>• Collect the annual forest management plan follow-up and evaluation report (produced by the central forest administration);</li> </ul> <p><b>Review and verify documents / Onsite verification / Consult</b></p> <ul style="list-style-type: none"> <li>• Ensure that the prescriptions of the forest management plan, which are specific to the forest and not covered in other legal categories, are being implemented. This might need onsite verification or consultations.</li> </ul>
<p><b>The time frames for annual logging licences and/or completion licences and/or</b></p>	<p>Time frames set up by licences shall be complied with.</p>	<p><b>Review and verify documents</b></p> <p>Collect the applicable licence depending on when the logging activities are conducted:</p>

<p>clearing licence are not respected (1.4)</p>		<ul style="list-style-type: none"> <li>• Collect the provisional logging licence, if applicable; or</li> <li>• Collect the annual logging licence; and</li> <li>• If applicable, collect the annual logging completion licence;</li> <li>• If applicable ( following the expiry of the agreement), collect the clearing licence for timber felled.</li> </ul> <p>Ensure that the time frames indicated in the licence(s) are respected.</p>
<p>The applicable procedure for issuing the annual logging licence is not respected (incomplete applications, systematic tree counts not checked by the administration, etc.) (1.4)</p>	<p>The applicable procedure for issuing logging licences shall be complied with. In particular, it shall be based on (1) systematic tree counts and (2) complete application files, which include the annual operations plan.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect the harvesting inventory approval notice;</li> <li>• Collect the annual operations plan (it must be dated prior to the logging licence).</li> </ul>
<p>Annual logging licences/completion licences are not issued in compliance with the regulations (irregular validity periods, volumes and species not in compliance with management plan / agreement prescriptions, etc.) (1.4)</p>	<p>The logging licence shall comply with applicable regulations. In particular, it shall comply with regulatory validity periods and it shall be in compliance with management and agreement prescriptions.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Ensure that the annual logging licence has been issued before 15<sup>th</sup> of December of the previous year;</li> <li>• If applicable, ensure that the completion logging licence has been issued by the 2<sup>nd</sup> of January and for a harvesting period not exceeding 6 months;</li> <li>• Ensure that species listed in the logging licence are provided for by the forest management plan;</li> <li>• Ensure that volumes indicated in the logging licence are not higher than the volumes provided for in the agreement.</li> </ul>



## Taxes and fees

Risk	Indicator of legal compliance	Potential mitigation actions
<p><b>Forestry taxes are not paid in due time (1.5)</b></p>	<p>The felling tax, the area tax and the contribution to the local development fund (FDL) shall be paid in due time.</p>	<p><b>Review and verify documents</b></p> <ol style="list-style-type: none"> <li>1. <i>For forests under the concession regime, collect:</i> <ul style="list-style-type: none"> <li>• Proof of payment of felling tax and area tax;</li> <li>• Ensure that the company’s waybills and site log books (recording both the quantity and quality of the logs harvested on each site) have been submitted to the forest administration within the time frames indicated (quarterly);</li> <li>• If applicable, proof of payment into the local development fund (FDL) in line with the conditions established by the order for the creation of the fund and the concessionaire’s specific terms and conditions.</li> </ul> </li> <li>2. <i>For forests under the production sharing regime, collect:</i> <ul style="list-style-type: none"> <li>• Proof of payment of the portion of area tax designated to local communities and indigenous populations;</li> <li>• If applicable, proof of payment into the local development fund (FDL) in line with the conditions established by the order for the creation of the fund and the concessionaire’s specific terms and conditions.</li> </ul> </li> </ol>

<p><b>Fraudulent declarations (species and volumes) to lower the felling tax for forests under the concession regime (1.5 and 1.16)</b></p>	<p>Declarations made on documents used for the calculation of the felling tax shall be accurate</p>	<p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>Realise sample checks between physical logs (species and volumes) and matching declarations logged in field logbooks and/or waybills.</li> </ul>
<p><b>Irregular calculation of the area tax (1.5)</b></p>	<p>The area taken into account for the calculation of the area tax shall comply with legal prescriptions.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Consult the most recent Finance Laws to determine the applicable prescriptions relative to the area tax. <i>A prescription can be valid for successive years until a revised version is adopted in an annual Finance Law.</i></li> <li>Ensure that such applicable prescriptions are implemented to determine the amount of the area tax.</li> </ul>
<p><b>Lack of payment of corporate taxes (1.7)</b></p>	<p>Applicable corporate taxes shall be paid.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Collect <i>Certificat de moralité fiscale</i> or <i>attestation de moralité fiscale</i> (certificate or declaration of "taxpayer morality") to ensure that all direct and indirect taxes due have been paid;</li> <li>Collect the acknowledgement of receipt of statistical and tax declarations or balance sheet for the year underway before 15 May;</li> <li>Collect a copy of the declaration of existence submitted to the divisional inspectorate of direct and indirect contributions.</li> </ul>



## Timber Harvesting Activities

Risk	Indicator of legal compliance	Potential mitigation actions
<p><b>Lack of systematic tree count before felling or fraudulent count declarations (1.8)</b></p>	<p>Accurate systematic tree count shall be conducted in the annual area before logging.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect the harvesting inventory approval notice.</li> </ul>
<p><b>Harvesting of species other than those specified in the logging licence (1.4, 1.8)</b></p>	<p>Species not specified in the logging licence shall not be logged.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Ensure that species registered in field log books, waybills and trade documents are indeed provided for in the logging licence;</li> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Harvesting in excess of the number of trees indicated in the logging licence (1.4, 1.8)</b></p>	<p>Maximum volumes per species stipulated by the logging licence shall be complied with.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Ensure that volumes registered in the site log books and production reports are not higher (per species) than the volumes provided for by the logging licence;</li> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Harvesting outside of the specified perimeter (1.8)</b></p>	<p>Logging activities shall only be conducted within the specified perimeter.</p>	<p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Ensure that no logging activity is conducted outside the prescribed areas.</li> </ul>

		<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Site log books are not filled out in compliance with the regulations (1.8)</b></p>	<p>Site log books shall be filled properly and accurately</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Ensure that site log books are clearly and completely filled;</li> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Stumps and logs are not marked in compliance with the regulations (1.8)</b></p>	<p>Stumps and logs shall be marked properly</p>	<p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Ensure that stumps and logs are properly marked.</li> </ul> <p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Logging under prescribed diameters (1.8)</b></p>	<p>Prescribed diameters shall be complied with</p>	<p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Ensure that prescribed diameters are complied with.</li> </ul> <p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Irregular abandoning of wood (1.8)</b></p>	<p>Wood shall not be abandoned in the forest.</p>	<p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Ensure that wood is not abandoned in the forest.</li> </ul>

		<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• If applicable, collect field check reports by the relevant departmental directorate of water and forests.</li> </ul>
<p><b>Logging protected sites and species or lack of identification of sites and species to be protected (within forests not covered by a forest management plan) (1.9 and 1.13)</b></p>	<p>Protected sites and species shall not be logged.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Ensure that species prohibited from being harvested at forest level (forest management plan and annual logging licence) are not being felled and sold (cross-check with site log books, waybills and trade documents).</li> </ul> <p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Ensure that no logging activity is conducted within the protection/conservation series or buffer zones bordering a park or a reserve.</li> </ul> <p><b>Consult</b></p> <ul style="list-style-type: none"> <li>• Ensure that important sites and resources for local communities are not affected by potential logging activities conducted.</li> </ul>
<p><b>The regulations on the fight against poaching in forests covered by an agreement are not respected (1.9)</b></p>	<p>Regulations and commitments on anti-poaching measures shall be implemented.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect documents relating to the implementation and running of the anti-poaching unit (USLAB).</li> </ul>
<p><b>Hazardous waste is not disposed of properly in line with regulations (1.10)</b></p>	<p>Hazardous waste shall be disposed in compliance with regulations.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect any document relating to the logging operator's internal procedures regarding the waste management system (collection, sorting, storage, transport, processing) in place.</li> </ul>

<p><b>No environmental and social impact assessment is conducted, and/or no environmental and social management plan is implemented (1.10)</b></p>	<p>Environmental and social impact assessments shall be conducted and lead to a plan that is implemented.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect the environmental and social impact assessment report, accompanied by an environmental and social management plan;</li> <li>• Collect the approval of the environmental and social impact assessment (certificate of environmental conformity, also known as the “environmental feasibility notice”);</li> <li>• Collect reports or documents relating to the implementation of the environmental and social management plan.</li> </ul>
<p><b>The regulations on occupational health are not respected (no health and safety committee within the company, no personal protective equipment, non-compliant base camps, no health clinic, no occupational risk management, etc.) (1.11)</b></p>	<p>All regulations on occupational health shall be respected.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect any document relating to the creation and running of the health and safety committee;</li> <li>• Collect instructions relating to the prevention of occupational risks for each workstation regarding the activities conducted in the forest;</li> <li>• Collect the record of accidents at work, occupational illnesses and illnesses of an occupational nature.</li> </ul> <p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Verify that the health and safety committee is fully operational;</li> <li>• Ensure that the employees have been provided with personal protective equipment and are using it;</li> <li>• Ensure that the employees are familiar with the instructions relating to the prevention of occupational risks.</li> </ul>
<p><b>The regulations on employment legality are not respected (no employment contracts for employees, unfair dismissals, employees not</b></p>	<p>All regulations on employment legality shall be respected.</p>	<p><b>Review and verify documents</b></p> <p>Collect the following documents, including for the subcontractors used, if applicable:</p> <ul style="list-style-type: none"> <li>• Declaration of the existence of the company to the Labour Inspectorate;</li> </ul>

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**declared to social security, social security contributions not paid, no staff delegates, use of subcontracting where it does not fulfil legal employment conditions, etc.)**  
(1.12)

- Certificate of registration with the national social security fund (CNSS);
- Employee employment contracts (samples);
- Payslips (samples);
- Documents relating to staff delegates (for companies with more than 7 employees).

**Onsite verification or consultation with employees**

- Verify that there are no non-declared employees and/or employees below the age of 16 and/or forced labour;
- Ensure that the company is complying with the minimum wage (SMIG), statutory annual working hours, paid leave and weekly rest periods;
- Ensure that the company is respecting the free exercise of trade union activities.



## Third Parties ' Rights

Risk	Indicator of legal compliance	Potential mitigation actions
<p>User rights are affected by logging activities (1.13)</p>	<p>User rights shall be respected.</p>	<p><b>Consult</b></p> <ul style="list-style-type: none"> <li>Ensure that the user rights provided for by the regulations, the forest management plan and the decree classifying the forest are freely exercised and that sites and resources of special interest to local communities are not affected by logging.</li> </ul>
<p>The fee for the local development fund is not paid and the socio-economic commitments provided for in the agreement terms and conditions is not completed (1.5 and 1.13)</p>	<p>The logging company shall implement its socio-economic commitments and pay the appropriate fee to the local development fund.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Agreement outlining the socio-economic obligations to be respected for the benefit of the local populations (notably see the specific terms and conditions);</li> <li>Documents relating to the implementation of the socio-economic obligations for local development, as provided for in the specific terms and conditions of the agreement;</li> <li>If applicable, an order for the creation of the local development fund (FDL) and documents relating to the logging operator's payments into this fund.</li> </ul> <p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>Verify that the activities and infrastructure works are properly carried out by the logging operator for the benefit of the communities and/or through the FDL.</li> </ul>
<p>FPIC is not implemented within lands classified within the state-owned permanent</p>	<p>FPIC shall be implemented for recently classified lands / recently awarded titles.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Collect a map of the land and resources of the indigenous populations concerned;</li> </ul>

forest domain after July 2019 and for titles attributed after July 2019 (1.14)

- Collect a report of the consultation procedure carried out with the indigenous populations with a view to obtaining their free, informed and prior consent.

**Consult**

- Consult the civil society players involved in the protection of the rights of the local communities and indigenous populations on the consent obtainment procedure implemented.

The indigenous populations' spiritual and sacred sites are not identified or restitution/compensation is not provided in the event of deposal (administrative regions of Sangha, Likouala and Lekoumou) (1.15)

Spiritual and sacred indigenous sites shall be identified. Restitution or reparation shall occur in the event of dispossession.

**Review and verify documents / consult**

*1. For forests covered by an agreement allocated before 12 July 2019*

- Consult the indigenous populations affected on how their spiritual and sacred sites have been respected;
- If applicable, collect any documents and attestations regarding restitution or compensation received for deposal.

*2. For forests covered by an agreement allocated after 12 July 2019*

- Obtain the map of spiritual and sacred sites put together by the logging operator;
- Consult the indigenous populations affected on how their spiritual and sacred sites have been respected by the logging operator.



## Trade and Transport

Risk	Indicator of legal compliance	Potential mitigation actions
<p><b>False declarations are made on the timber transport documents (waybills) (1.16)</b></p>	<p>Accurate declarations shall be made on timber transport documents.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Site log books;</li> <li>• Waybills;</li> <li>• Production reports;</li> <li>• Specification sheets.</li> </ul> <p>Ensure information on all those documents align.</p>
<p><b>The markings on logs stored in break bulk yards are tampered with (1.16)</b></p>	<p>Markings on logs shall not be tampered with.</p>	<p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Verify that all logs produced from one single tree are correctly marked;</li> <li>• Verify that the markings have not been altered during transport.</li> </ul>
<p><b>Failure to hand over field log books and waybills every quarter to the forest administration (1.17)</b></p>	<p>Field log books and waybills shall be handed out every quarter to the forest administration.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Any document (letter, email, receipt...) showing that field log books and waybills are handed over to the forest administration.</li> </ul>

<p><b>Fake transport documents (waybills) are used by logging operators (1.17)</b></p>	<p>Logging operators shall use official waybills.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Waybills.</li> </ul> <p><b>Consult</b></p> <ul style="list-style-type: none"> <li>Ensure authenticity of the waybills with the forest administration.</li> </ul>
<p><b>Transfer prices are manipulated in order to reduce the amount of corporate income tax due in the Congo (1.18)</b></p>	<p>There shall be no manipulation of transfer prices.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Collect <i>Attestation de moralité fiscale</i> (declaration of “taxpayer morality”) issued by the tax administration</li> <li>Check the precise identity of the entity declared as the exporter of the wood coming from the Congo (the entity must actually be registered in the Congo);</li> <li>Check the geographical location of the first importer of the wood coming from the Congo (special attention should be paid to countries that are considered tax havens or that have very low income tax rates), as well as whether it is a subsidiary of the exporter;</li> <li>Check the prices stated on the invoice issued between the exporter and importer (they must correspond to market prices).</li> </ul>
<p><b>The amount of export tax due is calculated unlawfully (in line with species and harvesting areas) or the regulatory export procedure is violated, for instance through the issuance of exceptional embarkation permits (AETEX), skewing the</b></p>	<p>The regulatory export procedure shall be complied with. The amount of export tax due shall be calculated lawfully.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>Collect the logger, forest industry company or exporter professional accreditation;</li> <li>Collect the specification sheets stamped by the forest administration;</li> <li>Collect the Export verification declaration (AVE);</li> <li>Collect documents certifying payment of export taxes;</li> <li>Collect the certificate of origin;</li> <li>Collect the phytosanitary certificate;</li> </ul>

<p><b>amount of taxes and fees payable (1.19)</b></p>		<ul style="list-style-type: none"> <li>• Collect the export declaration;</li> <li>• Ensure that the FOB and FOT values indicated in the specifications are compliant with those in the export verification declaration (AVE);</li> <li>• Ensure that the characteristics of the forest products stated on the export declarations are coherent with those stated in the specifications, AVEs and sales documents.</li> </ul>
<p><b>Logs are exported without a valid log export permit being issued or log export quotas are not respected or log export quotas are transferred unlawfully (previous Forest Code) (1.19)</b></p>	<p>Log export requirements shall be complied with.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Ensure that the exported logs are heavy hardwood species that require specific technology to be machined.</li> </ul> <p><b>Consult</b></p> <ul style="list-style-type: none"> <li>• Check with the forest administration that current log export requirements are complied with.</li> </ul>



## Processing

Risk	Indicator of legal compliance	Potential mitigation actions
<p><b>Processing units are not registered with the Ministry of Industry (1.22)</b></p>	<p>Processing units shall be registered with the Ministry of Industry.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Licence to carry out industrial activities issued by the Ministry of Industry or an approved written declaration, depending on the case.</li> </ul>
<p><b>Hazardous waste is not disposed of properly in line with regulations (1.23)</b></p>	<p>Hazardous waste shall be disposed in compliance with regulations.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Collect any document relating to the processing units' internal procedures regarding the waste management system (collection, sorting, storage, transport, processing) in place;</li> </ul> <p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Ensure that the logging operator is effectively implementing a waste management system (collection, sorting, storage, transport, processing).</li> </ul>
<p><b>No environmental and social impact assessment is conducted, and/or no environmental and social management plan is implemented (1.23)</b></p>	<p>Environmental and social impact assessments shall be conducted and lead to a plan that is implemented.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• For peeling units and units that contain wood kilns: collect the environmental and social impact assessment approved by the competent authority and accompanied by the environmental and social impact plan.</li> </ul> <p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• If applicable, verify that the environmental and social management plan is being implemented.</li> </ul>

<p><b>Logging operators do not respect their commitments in terms of investments into processing units (1.24)</b></p>	<p>Logging operators shall respect their commitments in terms of investments into processing units.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Management and processing agreement or Industrial processing agreement and the related terms and conditions;</li> <li>• Documents relating to the concessionaire’s processing unit.</li> </ul> <p><b>Onsite verification</b></p> <ul style="list-style-type: none"> <li>• Compare the contractual obligations presented in the agreement and their actual implementation on the ground.</li> </ul>
<p><b>Failure to hand over production statements and annual statements to the forest administration (1.24)</b></p>	<p>Production statements and annual statements shall be handed out to the forest administration.</p>	<p><b>Review and verify documents</b></p> <ul style="list-style-type: none"> <li>• Any document (letter, email, receipt...) showing that production statements and annual statements are handed over to the forest administration.</li> </ul>
<p><b>The regulations on occupational health are not respected (no health and safety committee within the company, no personal protective equipment, non-compliant base camps, no health clinic, no occupational risk management, etc.) (1.25)</b></p>	<p>Please see indicator 1.11 Health and Safety. Legislation and risks related to the processing sector are similar to what has been identified for the forest level in indicator 1.11.</p>	
<p><b>The regulations on employment legality are not respected (no employment contract for employees, unfair</b></p>	<p>Please see indicator 1.12 Legal employment. Legislation and risks related to the processing sector are similar to what has been identified for the forest level in indicator 1.12.</p>	

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dismissals, employees not declared to social security, social security contributions not paid, no staff delegates, use of subcontracting where it does not fulfil legal employment conditions, etc.)  
(1.26)

## About LIFE Legal Wood

[LIFE Legal Wood](#) is an initiative that aims at supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber's origin is not only good for the forests, but good for business. The initiative is funded by the LIFE Programme of the European Union.



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