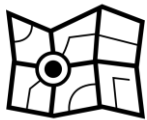




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ANGOLA Risk Mitigation Guide

Timber



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

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Angola Forestry Risk Mitigation Guide

This guide provides an overview of the risks that timber was harvested, transported, or traded illegally in Angola and the actions that can be taken to mitigate those risks. The guide can be used by any company wishing to reduce the risk that the timber it is buying is illegal. The guide relates only to timber harvested in Angola – not to material imported into Angola.

To use this document, you should:

- Look up the legality risks that exist for the timber source types in Angola using the left-hand column of the table below. The risks are listed by type of law-category (first column) and the timber source type (second column).
- Determine whether or not there is a chance that this risk applies to your supply chain. Use the second column in the table below to help you determine whether this risk is applicable, and the third column in the table below to show you the goal you're aiming for. If there is a risk in your supply chain, you have to carry out risk mitigation activities to the point where you can demonstrate that the risk of illegality is negligible.
- Look up the potential actions that you could take to address each of the specified risks using the two right hand columns of the table below. This list provides suggested actions that you could take. Note that it is possible that there are other actions – not listed below – that you could take to assure yourself that your timber has negligible risk of illegality.

Navigate this document through Timber Source Types

To use this risk mitigation guide, you will first need to determine the origin of your timber. You have to identify not only the country, but also the type of forest the timber comes from in terms of ownership, management, classification and permits – this is called the Timber Source Type. This information is important in order to find out which risks are related to your specific supply chain and your timber products, and how you can mitigate these risks.

Here is a description of the different kinds of Timber Source Types, you will find in Angola:

- Annual Forest Harvesting License** Annual Forest Harvesting Licenses shall be issued only for one season of felling or harvesting of wood and Non-Timber Forest Products and for areas not exceeding 1,000 ha on land located in production forest, community forest areas, or on land from previous concessions or reserves.
- 1) **Natural forest in production forest/ public domain (State-owned property)**
 - 2) **Natural forest - community forest. Mainly for subsistence and community use.** It can be used for commercial harvesting under authorization when there is sufficient forest resource potential and only under the prior consent of the communities. This type of harvesting can be collective, individual, or collective in partnership with third parties.
 - 3) **Plantation Forest (Public Plantation and private). All existing plantation forests are state-owned.** Private forest plantations are to be established on a case-by-case basis, and none currently exist for timber harvesting.
- Forest Concession Contract** No forest concession contracts exist at the time of this assessment.
- There is a legal framework in place for a Forest Concession Contract to be issued for the following:
- 1) **Natural forest in production forest/ public domain (State-owned property)**
 - 2) **Natural forest - community forest. Mainly for subsistence and community use.** It can be used for commercial harvesting under authorization when there is sufficient forest resource potential and

only under the prior consent of the communities. This type of harvesting can be collective, individual, or collective in partnership with third parties.

3) Plantation Forest (Public Plantation and private). All existing plantation forests are state-owned.

Private forest plantations are to be established on a case-by-case basis, and none currently exist for timber harvesting.

NOTE: As no concession contracts are in place, it has not been possible to evaluate the implementation of legal requirements for this permit type. Generally, the risk is considered specified based on a precautionary approach for this source type to highlight the need to evaluate legality once the permits are in place. We have seen no evidence that leads us to state lower risks for concessions than what is being concluded for Annual Forest Exploitation licenses.



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General Risk at country level

There is a high level of perceived corruption (CPI 27/100 in 2020¹) and the World Bank Worldwide Governance Indicator for 2020 estimate a low control of corruption, Government Effectiveness, Regulatory Quality and Rule of Law².

(Control of Corruption: -0,9; Government Effectiveness: -1,2; Regulatory quality: -0,9; Rule of Law: -1,0; on a scale from -2,5 to + 2,5).

Angola has recovered from a long period of civil conflicts (1975-2002), which affected the forest sector's development. The forest policy and related legislation have been established and implemented after the civil conflicts and the new era of stability and rapid development indicates a high-level commitment to sustainable forest management.

General mitigation options

To mitigate risks in Angola, the following types of risk mitigation measures are recommended:

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

For companies sourcing from Angola we stress the need for thorough [supply chain mapping](#) and onsite verification to be able to effectively mitigate risks. We highly recommend that timber is sourced from known, regular and trusted suppliers.

¹ Transparency International (2021). Corruption Perception Index (CPI), 2020. Available at: <https://www.transparency.org/en/cpi/2020/index/gng>

² World Bank (2021). Worldwide Governance Indicators. Available at: <https://databank.worldbank.org/source/worldwide-governance-indicators>

However, the Forestry Development Institute, the executive arm of the forestry sector, is challenged by inadequate capacity in terms of technical knowledge, skills, experience, and the number of professional staff.

Many risks identified in the Preferred by Nature's [Timber legality Risk Assessment](#) for Angola are based on a precautionary approach due to lack of information, that legislation has not been fully implemented and that there is a general lack of enforcement capacity. This also means that we in many instances have not been able to be specific about the details of the risks identified.

We therefore recommend a full evaluation of legal compliance at forest level, trade and transport on all aspects of applicable legislation when buying from Angola.

For evaluating documents, please see the Angola Document Guide.

Below are the legality risks for Angola listed (based on the Angola Timber legality Risk Assessment from December 2021).

It is recommended to seek professional advice and support from credible organisations with knowledge about the country and forest sector to conduct onsite verification.

Where possible we have added specific suggestions for mitigation options. Note that additional measures might need to be applied to effectively address the risks. Whether a risk has been effectively mitigated needs to be evaluated as part of a company due diligence evaluation.



Legal Rights to Harvest

Risk	Potential mitigation actions
<p>Risk related to Land tenure and management rights based on a precautionary approach (1.1)</p>	<p>Consultation</p> <ul style="list-style-type: none"> • Consultation shall verify that there are no ongoing land right conflicts. Relevant stakeholders are: <ul style="list-style-type: none"> ○ local families and rural communities ○ Authorities - Ministry of Agriculture and Forestry (MINAGRIF) and Forest Development Institute (IDF) <p>Review and verify documents Documents relevant to review, when applicable, are:</p> <ul style="list-style-type: none"> • Land title certificate • Community land title certificate • Annual Forest Harvesting Licenses
<p>Risk related to Concession licenses based on a precautionary approach (1.2)</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Concession Agreement • Environmental permit for installation <p>Furthermore, it shall be verified that the concession allocation process has been followed as legally required.</p> <p>Consultation</p>

	<p>Consult the Forest Development Institute (IDF) to verify how the consultation process has been implemented and if the rules have been followed.</p>
<p>Risk related to Management and harvesting planning based on a precautionary approach (1.3)</p>	<p>Review documents and verify <i>For Concession contract holders</i></p> <ul style="list-style-type: none"> • Forest management plan approved by the Forest Development Institute (IDF) • Inventory report • Environmental permit for installation <p><i>For Annual Forest Harvesting License:</i></p> <ul style="list-style-type: none"> • 1/100,000 map of the concession area prepared by the local services of the Institute of Geodesy and Cartography of Angola (IGCA) • Environmental Impact Assessment and Environmental Management Plan • Logging plan indicating the species to be exploited, the harvesting method, the types of products to be obtained. <p>Onsite verification Check that the maps and management plans in place are consistent with the situation on the ground.</p>
<p>Illegal transfer of Annual Forest Harvesting Licenses between national to foreign companies (1.4)</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Annual Forest Harvesting Licenses and associated documents (environmental permit for installation, environmental impact assessment report, company registration, etc.) shall be held and operated by Angolan nationals. <p>Consult</p>

Logging activities are carried out without or with a fraudulent permit (1.4)

- Consultation with Forest Development Institute (IDF) to ensure that Annual Forest Harvesting Licenses are allocated to Angolan nationals.

- Review documents and verify**
- The validity of the Forest harvesting License
 - Compare information with supply chain documents to help verify that material is originating from the said forest area
- Onsite verification**
- Verify that information in the license correspond with the situation in the field.
- Consult**
- Consultation with Forest Development Institute (IDF) to verify the validity of the Forest harvesting License



Taxes and Fees

Risk

Risk related to Payment of royalties and harvesting fees based on a precautionary approach (1.5)

Potential mitigation actions

- Review documents and verify**

Risk related to Value-added taxes and other sales taxes based on a precautionary approach (1.6)

Risk related to Income and profit taxes based on a precautionary approach (1.7)

- Annual Forest Harvesting License (indicates the total volume of timber and the volume of specific species approved for harvesting under the license)
- Certificate of origin and transit permit (indicates the species, the volume harvested and the amount being transported for which the applicable fees are calculated)
- Bank payment receipts (30% payment for reforestation and 10% for local administration)
- Tax Non-debtor clearance
- Income tax non-debtor letter from the General Tax Administration upon request

Consult

Consult the following institutions to obtain information on the payment of taxes and fees:

- General Tax Administration of the Ministry of Finance
- Forestry Development Institute – IDF (National level only) of the Ministry of Agriculture and Forestry (MINAGRIF)



Timber Harvesting Activities

Risk

Potential mitigation actions

Risk of harvesting below the minimum allowed felling diameter (1.8)

Risk of harvesting beyond boundaries (1.8)

Risk of illegal logging of protected species (1.9)

Review documents and verify

- Forest management plan or simplified management plan, as applicable;
- Valid annual harvesting license specifying the species that the company is authorised to harvest;
- Site logbooks and waybills (samples);
- If applicable, reports of field checks and inspections carried out by representatives from the Ministry of Forests.

Consult

Consult the following stakeholders to obtain information on the progress of harvesting activities on the ground:

- Civil society organisations;
- Local forest administration;

Onsite verification

- Carry out field checks (expert, independent monitor), and notably carry out the following checks:
 - That the harvesting operations are compliant with the species and diameters authorised in the legally required documents (forest management plan and annual operating permit), as well as the specified volumes;
 - That the limits of the logging area are respected.
 - Check also that other legal requirements are in place

Review documents and verify

Ensure that material sourced is not listed as a protected species in Angola. Check the documents:

- Annual Forest Harvesting License
- Special Protected Species Authorisation permit from the Ministry of Agriculture and Forestry

	<p>Onsite audits</p> <ul style="list-style-type: none"> • While conducting onsite audits, verify that protected species identified in harvesting documents have not been harvested. <p>Others (species identification)</p> <ul style="list-style-type: none"> • Verify the species with visual identification or timber testing.
<p>Risk related to Environmental requirements based on a precautionary approach (1.10)</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Environmental Impact Assessment Report approved by the Environmental Ministry and the Ministry of Agriculture and Forestry. • Environmental permit for installation <p>Onsite audits</p> <ul style="list-style-type: none"> • While conducting onsite audits, verify that all environmental requirements are adhered to in the field.
<p>Risk related to Health and safety based on a precautionary approach (1.11)</p>	<p>Onsite audits</p> <ul style="list-style-type: none"> • Verify that all Health and Safety requirements are adhered to in the field. • Interview with staff shall verify that they have received Personal protective equipment as required and are being maintained.
<p>Risk that Employment regulations are not respected (1.12)</p> <ul style="list-style-type: none"> - lack of compliant and registered employment contract, - employer not paying social contributions, - workers' pay below the minimum wage) 	<p>Review document and verify</p> <ul style="list-style-type: none"> • Proof that workers are registered with the National Social Security • A sample of employment contracts and/or proof of declaration of the contract with the labour administration. • Documents relating to payment of social contribution and payment prove meet minimum wage. <p>Onsite verification and consultation</p> <ul style="list-style-type: none"> • Through interview with forest workers and document review verify that workers have been given an employment contract, a social security, rest days and annual leave, are over the minimum legal age, and are being paid within the regulatory time frame, etc.



Third Parties ` Rights

Risk	Potential mitigation actions
<p>Risk related to Customary rights based on a precautionary approach (1.13)</p>	<p>Review document and verify</p> <ul style="list-style-type: none"> • A letter of prior consent from the community must be provided where the forest harvesting application is made. • Prior agreement between the communities and the initiator of a forest plantation on communities' lands in case the plantation is not established and managed by the communities themselves <p>Consult</p> <ul style="list-style-type: none"> • Consultation local communities shall verify that Third Parties' Rights are respected.
<p>Risk related to Free prior and informed consent based on a precautionary approach (1.14)</p>	



Trade and Transport

Risk	Potential mitigation actions
<p>False declarations are made regarding species and their volume on transport documents (1.16)</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Annual Harvesting License; • Site log books (samples); • Document for transportation of logs and processed wood (samples); <p>Verify the following;</p> <ul style="list-style-type: none"> • the information presented on the various transport documents for logs and sawn timber is coherent; • species sold and stated in export or sale documents are the same as in transport documents (conduct a microscopic analysis of the wood if necessary).
<p>Risk related to Trade and Transport based on a precautionary approach (1.17)</p>	<p>We have not identified mitigation measures for the risks identified.</p>
<p>Risk related to Offshore trading and transfer pricing based on a precautionary approach (1.18)</p>	
<p>Risk related to Custom Regulations based on a precautionary approach (1.19)</p>	
<p>Risk related to CITES based on a precautionary approach (1.20)</p>	

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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Preferred by Nature (formerly NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate.

We do this through a unique combination of sustainability certification services, projects supporting awareness raising, and capacity building.