

Timber Legality Risk Assessment Italy

Version 1.2 | April 2018



COUNTRY RISK
ASSESSMENTS



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The contents of this risk assessment is based on the risk assessments developed for [FSC™](#). This risk assessment is not equal to the approved FSC risk assessments when implementing the controlled wood standard FSC-STD-40-005. Only [formally approved FSC risk assessments](#) shall be used for the implementation of the FSC standards.

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The original document of FSC can be accessed here <https://ic.fsc.org/en/document-center>.

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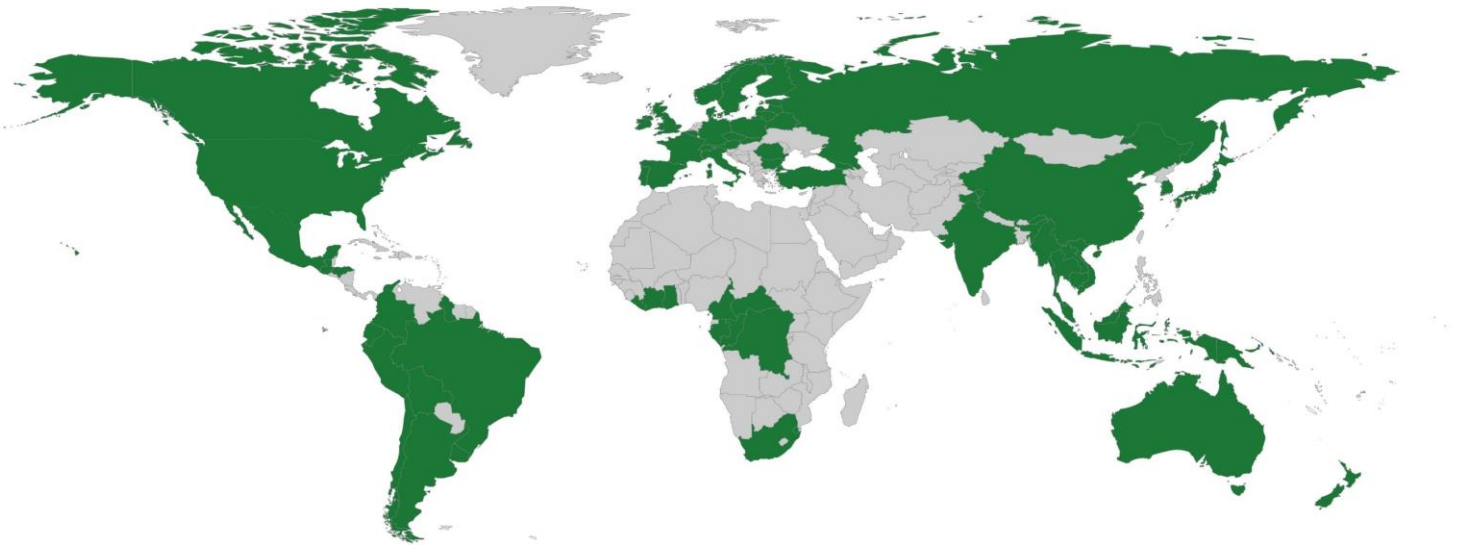
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A. Introduction

This Timber Legality Risk Assessment for Italy provides an analysis of the risk of sourcing timber from areas of illegal harvesting and transport. NEPCon has been working on risk assessments for timber legality, in partnership with a number of organisations, since 2007.

In that time, NEPCon has developed timber risk assessments for more than 60 countries, illustrated in Figure 1.



Map created by Statistik (2016). StatPlanet: Interactive Data Visualization and Mapping Software. //www.statistik.com

Figure 1. Countries for which NEPCon have developed a legality risk assessment for timber

The risk assessments are developed in collaboration with local forest legality experts and use an assessment methodology jointly developed by FSC and NEPCon. A detailed description of the methodology can be found on the [NEPCon Sourcing Hub](#).

For risk assessment conducted according to the FSC-STD-40-005, ONLY entries (or information) that have been formally reviewed and approved by FSC and are marked as such can be considered conclusive and may be used by FSC candidate or certified companies in risk assessments and will meet the FSC standards without further verification.

You can see the countries with approved risk assessment in the FSC document: [FSC-PRO-60-002b V2-0 List of FSC approved Controlled Wood documents](#).

All FSC Risk Assessments can be downloaded in the [FSC Document Centre](#).

This risk assessment was prepared by NEPCon between in 2015 as follows:

Draft prepared by NEPCon:	November 2015
Stakeholder consultation	May-July 2017
Final approval by FSC:	3 April 2018

FSC CW effective date: 3 April 2018

NEPCon originally published the Timber Legality Risk Assessment for Italy in August 2017. Since then, minor amendments to the Assessment have been made, but the risk designations have not changed.

B. Overview of legality risks

Timber Risk Score: 56 / 100 in 2017

This report contains an evaluation of the risk of illegality in Italy for five categories and 21 sub-categories of law. We found:

- **Specified risk for 12 sub-categories.**
- **Low risk for 7 sub-categories.**
- **No legal requirements for 2 sub-categories.**

The Timber Risk Score for Italy is 56 out of 100. The key legality risks identified in this report concern legal rights to harvest, taxes and fees, timber harvesting activities, and trade and transport.

For **Legal Rights to Harvest**, there is a risk that:

- valid forest management plan is not in place for state/public forest (1.3).
- harvesting of firewood without a permit (coppice forest) (1.4)

For **Taxes and Fees**, there is a risk that:

- Lack of payment of value added taxes and other sales taxes for firewood (1.6)
- harvesting regulations are violated (1.8), such as damages resulting from harvesting or other management operations (e.g. damage to standing trees, natural regeneration, soil, etc.) or with harvesting requirements dealing, for example, with prescribed minimum number of standards in coppice forests.
- Environmental Impact Assessment are of poor quality (state of conservation not considered, poor analysis of alternative solutions, underestimation of impacts, etc.) (1.9)
- Environmental requirements are violated (1.10)
- health and safety regulations is violated (1.11)
- requirements on legal employment are violated (1.12)
- casual/irregular labor working takes place in private forests (1.12)
- Irregular payment of workers in private forests (1.12)

For **Trade and Transport**, there is a risk that:

- documents are manipulated (risk is prevalent especially for firewood) (1.16, 1.17)
- due diligence systems are not in place (1.12)

Timber source types and risks

There are three main timber source types found in Italy. Knowing the “source type” that timber originates from is useful because different source types can be subject to different applicable legislation and have attributes that affect the risk of non-compliance with the

legislation. We have analysed the risks for these source types and found the risks differ between them.

Private industrial timber	Timber from private forests with industrial timber production.
State/Public industrial timber	Timber from state forest with industrial timber production.
Coppice forest (Firewood)	Timber harvested in coppice forest and used for firewood.

This table summarises the findings of the timber legality risk assessment by source type.

Legal Category	Sub-Category	Risk conclusion		
		Industrial timber		Firewood (Coppice forest)
		State/Public	Private	
Legal rights to harvest	1.1 Land tenure and management rights	Low	Low	Low
	1.2 Concession licenses	Low	Low	Low
	1.3 Management and harvesting planning	Specified	Low	Low
	1.4 Harvesting permits	Specified	Low	Low
Taxes and fees	1.5 Payment of royalties and harvesting fees	Low	Low	Low
	1.6 Value added taxes and other sales taxes	Low	Low	Specified
	1.7 Income and profit taxes	Specified	Specified	Specified
Timber harvesting activities	1.8 Timber harvesting regulations	Specified	Specified	Specified
	1.9 Protected sites and species	Specified	Specified	Specified
	1.10 Environmental requirements	Specified	Specified	Specified
	1.11 Health and safety	Specified	Specified	Specified
	1.12 Legal employment	Low	Specified	Specified
Third parties' rights	1.13 Customary rights	Low	Low	Low
	1.14 Free prior and informed consent	NA	NA	NA
	1.15 Indigenous/traditional peoples rights	NA	NA	NA
Trade and transport	1.16 Classification of species, quantities, qualities	Low	Low	Specified
	1.17 Trade and transport	Low	Low	Specified
	1.18 Offshore trading and transfer pricing	Low	Low	Low
	1.19 Custom regulations	Low	Low	Low
	1.20 CITES	Low	Low	Low
	1.21 Legislation requiring due diligence/due care procedures	Specified	Specified	Specified

C. Overview of the forest sector in Italy

According to FAO FRA 2015 data, Italian forests cover more than 9.2 million ha (Mha), equivalent to about one-third of Italy's total national area. Only 93,000 ha are classified as primary forests, while 8.5 Mha are considered as naturally regenerated forests and almost 0.64 Mha are forest plantations (mostly Poplar).

Italian forests are mostly located in hilly or mountainous areas: 65% of them are situated above 500 m altitude.

About 42% of forests are managed as coppice¹, whereas stand (high) forests² represent 36%, and the remaining proportion consists of riparian or rupicolous forests and shrubs. In particular, coppices predominate in Central-Southern Italy, whereas most of the productive high forests (mainly coniferous ones) are in the north-eastern part of the country. Broadleaved species such as beech, oak, poplar and chestnut make up two-thirds of the total growing stock at national scale, while the main coniferous species are pine, spruce and larch.

About 66% of Italian forests are privately owned, mostly by individuals (79%). The remaining 34% forests are public, with a prevalent role played by local municipalities (65.5%).

As for protected forest area, Natura 2000 (Sites of Community Importance, SCI; and Special Protection Areas, SPA) sites make up 22.2% (1.9 Mha) of the Italian forest area, 15% of which (1.3 M ha) also lies within national or regional parks, and 1% (0.11 Mha) is comprised of natural reserves or other protected areas. The forest area included within national or regional parks shall be managed according to mandatory park management plans, while activities in areas falling within Natura 2000 sites must comply with management plans defined at site-scale.

According to RDL Laws n. 3267/1923 and RDL n. 42/2004, forest management activities shall not compromise forest continuity and therefore not involve unauthorized land use changes. According to the National Forest Inventory (2005), 87% of Italian forests are subject to hydrogeological restrictions. Forest operations in areas subject to such restrictions require authorizations issued by designated regional authorities, while all forests are subject to landscape restrictions.

At national level, the Ministry of Agricultural, Food and Forestry Policies is responsible for defining the strategic objectives for forest policies, but since 1977 (Decree n. 616/77), competences and responsibilities for agriculture and forestry matters (including issuing of harvesting permits and approval of management plans) have been transferred to regional administrations. Each regional administration (including Autonomous Provinces) has defined primary and secondary forest legislation, therefore planning and harvesting procedures are defined/implemented and related permits are issued according to regional/provincial laws. The forestry normative framework, then, is rather extensive and consists of 19 regional plus two provincial forest laws and ancillary secondary legislation (see Annex 1 for details). Patrolling and monitoring of harvesting operations - including issuing of fines - is under the responsibility of the Forestry Corps, an institution that however is currently undergoing a huge reform process and is likely to be integrated within other Police Corps. For details on the reform process please see the NOTE below.

According to the World Bank (2015), Italy has a Rule of Law indicator lower than 75% (i.e. the reference threshold given by FSC ADVICE-40-005-14 for demonstrating the effectiveness of law enforcement in a country) which, although not specifically referring to the forestry sector,

could be seen as an indicator of a low law enforcement level. This is associated with a score of 52 from 100 on the Corruption Perceptions Index (CPI) scale (Transparency International, 2018).

NOTES:

- 1. Forest composed of stool-shoots or root suckers with or without scattered trees (standards). Also known as low-forest*
- 2. Forest composed of trees of seedling origin*

Sources of information

The list of sources provided in FSC-PRO-60-002a, section 3.3.3 has been reviewed for relevance in regards to the national legality risk assessment of Italy. The following sources have been used:

- a) Chatham House: <http://www.illegal-logging.info/>;
- b) EU FLEGT process:
http://ec.europa.eu/comm/development/body/theme/forest/initiative/index_en.htm;
- c) Government reports and assessments of compliance with related laws and regulations;
- d) Independent reports and assessments of compliance with related laws and regulations
- e) Interpol: <http://www.interpol.int/Crime-areas/Environmental-crime/Projects/Project-LEAF>;
- f) Stakeholder and expert consultation outcomes from NRA development processes;
- g) Transparency International Corruption Perceptions Index:
http://www.transparency.org/policy_research/surveys_indices/cpi;
- h) World Bank Worldwide Governance Indicators:
<http://data.worldbank.org/datacatalog/worldwide-governance-indicators>;
- i) In cases where other sources of information are not available, consultations with experts within the area were conducted.

Where relevant, they have been specifically referenced under "Sources of Information" for each applicable sub-category.

D. Legality Risk Assessment

LEGAL RIGHTS TO HARVEST

1.1. Land tenure and management rights

Legislation covering land tenure rights, including customary rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legal required licenses. Risk may be encountered where land rights have not been issued according to prevailing regulations and where corruption has been involved in the process of issuing land tenure and management rights. The intent of this indicator is to ensure that any land tenure and management rights have been issued according to the legislation.

1.1.1. Applicable laws and regulations

- '[Italian Constitution, art. 42] Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:costituzione>
- Costituzione della Repubblica Italiana, art. 42 (G.U. n.298 del 27 dicembre 1947)
- [Civil Code, Book III art. 810 and following articles, defining legal requirements for ownership and tenure]
- R.D. n.262 del 16 marzo 1942 "Approvazione del testo del Codice civile" (G.U. n.79 del 04 aprile 1942), artt. 80 e seguenti. Available at: <http://www.normattiva.it/atto/caricaDettaglioAtto?atto.dataPubblicazioneGazzetta=1942-04-04&atto.codiceRedazionale=042U0262¤tPage=1>

1.1.2. Legal authority

- Italian Tax Agency (Agenzia delle Entrate)

1.1.3. Legally required documents or records

- Ownership documents (in Italian: Atto di provenienza, e.g. Bill of sale, inheritance documentation/ deed, donation deed, etc.)
- Land Registers, cadastral maps and related documents (note: these do not suffice in proving legal tenure apart from a few provinces/municipalities (Gorizia, Trieste, Trento, Bolzano and a few municipalities within Udine, Belluno, Vicenza and Brescia provinces) where the Title system - In Italia: Sistema tavolare - is in place)
- Land lease agreement/contract
- Chamber of Commerce Company registration (Visura Camerale)
- Business Register Certificate (in Italian: Certificato di Iscrizione al Registro delle Imprese)

1.1.4. Sources of information

Government sources

- CFS (2013). *Nota Stampa: Forestale: furti di legna, nuova realtà criminale*. Corpo Forestale dello Stato, Rome.
- Gasparini, P., Tabacchi, G. (eds.) (2011). *L'Inventario Nazionale delle Foreste e dei serbatoi Forestali di Carbonio INFC 2005*. Secondo inventario forestale nazionale italiano. Metodi e risultati. Ministero delle Politiche Agricole, Alimentari e Forestali; Corpo Forestale dello Stato. Consiglio per la Ricerca e la Sperimentazione in Agricoltura, Unità di Ricerca per il Monitoraggio e la Pianificazione Forestale. Edagricole-Il sole 24 ore, Bologna.

Non-Government sources

- European Justice (2015). *Land registers in Member States - Italy*. [online]. Available at: https://e-justice.europa.eu/content_land_registers_in_member_states-109-it-en.do?init=true&member=1 [Accessed 09th November 2015]
- FAO (2015). *FAO Forest Resource Assessment 2015*. Country Report: Italy. Food and Agriculture Organization of the United Nations, Rome

1.1.5. Risk determination

Overview of legal requirements

According to the National Inventory of Forests and Forest Carbon Sinks (INFC), 66% of Italian forests are privately owned, while the remaining 34% are public. As a general remark, private ownership tends to be very fragmented, while public forests normally cover larger areas (Gasparini and Tabacchi, 2011; FAO, 2015).

Private owners include:

- individuals (79% of total privately owned forests), mostly owning small and largely unmanaged forest areas
- business entities (6%)
- other private entities (15%)

Public owners include:

- the State and regions (about 24% of total publicly owned forests)
- municipalities and provinces (65%)
- other public entities (11%)

Forest plantations are mostly privately owned (87%) and largely concentrated in northern Italy, in particular in Veneto and Lombardia (45% of total) (Gasparini and Tabacchi, 2011).

According to the Civil Code (art. 992 and following articles), ownership can be obtained through: agreements/contracts, usucaption, inheritance/succession, and expropriation.

The Italian Land Registers are maintained by the Tax Agency, a non-economic public body that operates under the control of the Ministry of Economy and Finance, and also performs cadastral (property) functions.

The Registers provide information on deeds of transfer of ownership and other land rights, as well as the raising and writing-off of mortgages.

Description of Risk

In general terms the land tenure system in Italy is considered to be reliable and effective and there is no evidence of major or systematic infringements. Private land ownership fragmentation sometimes contributes to land abandonment (especially in marginal rural areas) but - despite some cases reported by the Forestry Corps (2013) (i.e. harvesting operations performed on private forest lands taking advantage of the absence and without having the consent/permission the owners themselves) - this seems to favour natural forest expansion rather than encouraging encroachment and use of abandoned lands.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.1.6. Risk designation and specification

Low risk

1.1.7. Control measures and verifiers

N/A

1.2. Concession licenses

Legislation regulating procedures for the issuing of forest concession licenses, including use of legal methods to obtain concession license. Especially bribery, corruption and nepotism are well-known issues in connection with concession licenses. The intent of this indicator is to avoid risk related to situations where organizations are obtaining concession licenses via illegal means such as bribery, or where organizations or entities that are not eligible to hold such rights do so via illegal means. Risk in this indicator relates to situations where due process has not been followed and the concession rights can therefore be considered to be illegally issued. The level of corruption in the country or sub-national region is considered to play an important role and corruption indicators (e.g., Corruption Perception Index, CPI) should therefore be considered when evaluating risks.

1.2.1. Applicable laws and regulations

- Public forests concessions and forest consortia. Orientation and modernization of the forestry sector - D.Lgs n. 227 del 18 Maggio 2001, art. 5. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2001;227>

Responsibilities for the concession of licenses have been devolved to the Regional Administrations through the following Decrees:

- Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices. D.P.R. n.11 del 15 Gennaio 1972. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Implementation of the authority of art. 1 of the law on July 22. D.P.R. n. 616 del 24 Luglio 1977 "Attuazione della delega di cui all'art. 1 della legge 22 luglio 1975, n. 382" (Capo VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>

- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.2.2. Legal authority

- Regional authorities as designated by regional forest laws and regulations (see Appendix 1 for details)

1.2.3. Legally required documents or records

- Land lease/concession tender and related documents
- Land lease/concession agreement/contract

1.2.4. Sources of information

Non-Government sources

- ANARF.org (2015). *Il Ruolo del settore pubblico nella gestione del patrimonio forestale: esperienze a confronto. Nuoro*. [online]. 5-6th March 2015. Available at: www.anarf.org [Accessed 22nd October 2015]
- Botta, A.E., Carnisio, M. (2013). *Boschi pubblici e privati in gestione temporanea a imprese forestali*. Formafor training session, Florence, 12th July 2013.
- corriere.it (2013). *Boschi gratis ai private «Solo così li salveremo»*. [online]. Available at: www.corriere.it/ambiente/13_aprile_03/boschi-gratis-privati-liguria-legambiente-wwf_8c6cfb74-9c3e-11e2-aac9-bc82fb60f3c7.shtml [Accessed: 22nd October 2015]
- Pettenella, D. (2009). *Le nuove sfide per il settore forestale. Mercato, energia, ambiente e politiche*. Gruppo 2013, Quaderni. Edizioni Tellus, Rome.
- Penco, D. (2015). *Scelte gestionali del patrimonio forestale regionale e organizzazione delle strutture*. [online]. La situazione in Liguria. Paper presented at ANARF 2015 meeting, Il Ruolo del settore pubblico nella gestione del patrimonio forestale: esperienze a confronto. Nuoro, 5-6th March 2015. Available at: www.anarf.org [Accessed: 22nd October 2015]

1.2.5. Risk determination

Overview of Legal Requirements

According to D.Lgs n. 227 del 18 Maggio 2001, art. 5, regions are requested to define specific norms for the concession of public forests provided that forest area and multifunctionality remain unaltered. Furthermore, in order to favour sustainable forest management, forest consortia may be created that include both public (regions, local public authorities, etc.) and private entities (including companies). Additional details for each region can be found in Annex 1.

Description of Risk

Forest concessions might be implemented in different ways and by different actors (e.g. municipalities and companies, provinces and companies, regions and private entities, etc.). The area to be assigned in concessions is normally covered by valid management plans or, when this is not the case, the development and implementation of a plan is a mandatory

condition under the concession agreements that include the commitment for the concessionaire to comply with such a plan as well as with any other applicable legal requirement.

As reported by Pettenella (2009), the number of concessions is still limited. However some growing interest on this topic can be observed (Botta and Carnisio, 2013) and this might continue to increase as a consequence of possible significant changes in regional forestry agencies due to decentralisation processes; review of spending needs; and the need to find/test new forest management solutions as emerged also from the 2015 meeting of the National Association of Regional Forest Activities (ANARF). So far the most advanced experience is the one of Liguria region which has given concessions for about 2,700 ha public forests with no charge for the concessionaires (Penco, 2015). While WWF expressed some concerns regarding concessions (in particular concerns that private concessions could be authorized to intensive management activities), other environmental NGOs (e.g. Legambiente) as well as sectoral associations (e.g. the Italian Farmers Confederation) expressed positive comments and supported the initiative as a potential tool for encouraging active forest management in the region (Corriere della Sera, 2013). However, none of these concerns has been related to legislative violations.

Due to the limited number of initiatives observed so far and to the presence of strict norms regarding the issuing of concessions, no specific risks can be identified.

Risk conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.2.6. Risk designation and specification

Low risk

1.2.7. Control measures and verifiers

N/A

1.3. Management and harvesting planning

Any legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities. Cases where required management planning documents are not in place or are not approved by competent authorities should be considered. Low quality of the management plan resulting in illegal activities may be a risk factor for this indicator as well.

1.3.1. Applicable laws and regulations

- Management Planning obligations for public forests: Reorganization and reform of legislation on forests and mountainous terrain. RDL 3267/1923. Available at: <http://www.minambiente.it/sites/default/files/R.D. 30-12-1923 n. 3267.pdf>

Responsibilities for management and harvesting permits have been devolved to the Regional Administrations through the following Decrees:

- Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices. D.P.R. n.11 del 15 Gennaio 1972. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Presidential Decree n. 616 of 24 July 1977 "Implementation of the delegation in art. 1 of Law 22 July 1975 n. 382" (Chapter VIII). D.P.R. n. 616 del 24 Luglio 1977 "Attuazione della delega di cui all'art. 1 della legge 22 luglio 1975, n. 382", (Capo VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>
- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.3.2. Legal authority

- Regional authorities as designated by regional forest laws and regulations (see Appendix 1 for details)

1.3.3. Legally required documents or records

- In general: Forest management plan (in Italian: Piano economico or Piano di assestamento forestale)
- The name, contents, issuing procedures and validity period of plans might be different according to regional/provincial legislation (see Appendix for details)

1.3.4. Sources of information

Government sources

- Gasparini, P., Tabacchi, G. (eds.) (2011). *L'Inventario Nazionale delle Foreste e dei serbatoi Forestali di Carbonio INFC 2005*. Secondo inventario forestale nazionale italiano. Metodi e risultati. Ministero delle Politiche Agricole, Alimentari e Forestali; Corpo Forestale dello Stato. Consiglio per la Ricerca e la Sperimentazione in Agricoltura, Unità di Ricerca per il Monitoraggio e la Pianificazione Forestale. Edagricole-Il sole 24 ore, Bologna.

1.3.5. Risk determination

Overview of Legal Requirements

According to RDL 3267/1923, art. 130, public (i.e. state, regional and municipal) forests shall be managed in compliance with formally approved forest management plans (Piani economici or Piani di assestamento). Once approved these plans become binding. Regional forestry legislation defines additional requirements in terms, for example, of plan validity periods.

As for private owners, regional forestry legislation (and policies) encourage forest management planning and define mandatory requirements with regard to (among other issues) contents, issuing procedures and validity period. Notwithstanding this, forest management planning is not compulsory for private forests that however shall be managed in compliance with existing regulations (see Appendix 1 for details). As for public forests, once approved, management plans for private forests are binding.

Description of Risk

According to the National Inventory of Forests and Forest Carbon Sinks (INFC), published in 2005, only 16% of the national forest area is subject to a valid forest management plan. Percentages vary within a wide range of values, with higher values in northern regions (e.g. 94% in the Autonomous Province of Bolzano and 78% in the Autonomous Province of Trento) and lower ones (often close to 0%) in southern regions. Data from the 2015 edition of the INFC are not publicly available yet.

It might be argued that since the most recent information available states that public forests represent about 34% of the total national forest area, and only 16% of the national forest area is subject to a valid forest management plan, then RDL 3267/1923, art. 130 is likely not to be met in a number of cases.

As an additional remark, it should be remembered that procedures for assessing, approving and/or renewing applicant forest management plans by Institutions in charge of these activities can take a lot of time (up to some years) and regional legislation defines derogation mechanisms to allow management activities to take place in the meanwhile. The 2010 draft of the FSC national FM Standard (formally approved by FSC Italy General Assembly in 2010) reported for Principle 7 a statement indicating that for the purposes of FSC certification assessments performed in Italy, and due to the specificities of the national context, a forest management plan was to be considered valid if it were at least developed and submitted to regional/local authorities in charge of the verification and approval process.

Forest areas with a valid forest management plan in place represent only 16% of total national forest area, with significant differences among regions. Forest management planning should be compulsory for public properties, however this requirement (as defined by RDL 3267/1923, art. 130) is not fully implemented. Notwithstanding this, management operations remain subject to forest laws, in particular restrictions established by RDL 3267/1923. Planning is normally not compulsory for private forest areas (apart from cases defined by regional forest laws) that in any case shall be managed in compliance with existing regulations. Procedures for the development, submission, approval and renewal of management plans are defined by regional/provincial regulation.

Risk Conclusion

This indicator has been evaluated as low risk for private forests. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

This indicator has been evaluated as specified risk for State (public) forests. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.3.6. Risk designation and specification

Low risk for Private forests

and

Specified risk for State (public) Forests

1.3.7. Control measures and verifiers

- Approved forest management plans shall exist for the FMU where the harvesting is taking place.
- Any alternative management tool/plan that, according to regional/local legislation, is equivalent to a forest management plan
- Evidence that a forest management plan has been at least submitted to public authorities in charge of verification/approval
- Evidence that restrictions and requirements prescribed by RDL 3267/1923 are met
- Interviews with local authorities in charge of assessing/approving forest management plans

1.4. Harvesting permits

Legislation regulating the issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. It includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits. Risk relates to situations where required harvesting is carried out without valid permits or where these are obtained via illegal means such as bribery. In some areas, bribery may be commonly used to obtain harvesting permits for areas and species that cannot be harvested legally (e.g., protected areas, areas that do not fulfil requirements of minimum age or diameter, tree species that cannot be harvested, etc.). In cases where harvesting permits classify species and qualities to estimate fees, corruption and bribery can be used to classify products that will result in a lower fee. The level of corruption in a country or sub-national region is considered to play an important role and corruption indicators should therefore be considered when evaluating risks. In cases of illegal logging, harvesting permits from sites other than the actual harvesting site may be provided as a false proof of legality with the harvested material.

1.4.1. Applicable laws and regulations

Responsibilities for the issuing of harvesting permits have been devolved to the Regional Administrations through the following Decrees:

- Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices. D.P.R. n.11 del 15 Gennaio 1972. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Presidential Decree n. 616 of 24 July 1977 "Implementation of the delegation in art. 1 of Law 22 July 1975 n. 382" (Chapter VIII). D.P.R. n. 616 del 24 Luglio 1977 "Attuazione della delega di cui all'art. 1 della legge 22 luglio 1975, n. 382", (Capo VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>
- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.4.2. Legal authority

- Regional authorities as designated by regional forest laws and regulations (see Appendix 1 for details)

1.4.3. Legally required documents or records

- The name, typology, contents and issuing procedures of harvesting permits vary according to regional/provincial legislation (see Appendix for details)

1.4.4. Sources of information

Government sources

- CFS (2013). *Nota Stampa: Forestale: furti di legna, nuova realtà criminale*. Corpo Forestale dello Stato, Rome.
- CFS (2013a). *Dossier attività operativa 2012*. Corpo Forestale dello Stato, Rome.
- FAO (2010). *FAO Forest Resource Assessment 2010*. Country Report: Italy. Food and Agriculture Organization of the United Nations, Rome.

Non-Government sources

- APAT (2003). *Le biomasse legnose. Un'indagine sulle potenzialità del settore forestale italiano nell'offerta di fonti di energia*. Report 30/2003 by the Agenzia per la Protezione dell'Ambiente e per i servizi Tecnici del Ministero dell'Ambiente (APAT), Rome.
- Corona, P., Giuliarelli, D., Lamonaca, A., Mattioli, W., Tonti, D., Chirici, G., Marchetti, M. (2007). *Confronto sperimentale tra superfici a ceduo tagliate a raso osservate mediante immagini satellitari ad alta risoluzione e tagliate riscontrate amministrativamente*. *Forest@*, 4 (3): p. 324-332.
- Lauricella, L. (2013). *Furti di legna: la nuova frontiera della miseria*. *Il Forestale*, 77: p. 5-7.
- Magnani, F. (2005). *Carbonio, energia e biomasse forestali: nuove opportunità e necessità di pianificazione*. *Forest@*, 2 (3): p. 270-272.
- Pettenella, D., Florian, D., Masiero, M., Secco, L. (2012). *Attività illegali nella gestione delle risorse forestali in Italia/Illegal activities in the forestry sector in Italy*. SCORE project, co-financed by the Prevention of and Fight against Crime Programme of the European Union. European Commission-Directorate General Home Affairs.
- Pettenella, D., Andrighetto, N., Favero, M. (2015). *Nuove stime sulle biomasse legnose affini energetici. Un quadro informativo ricco ma disomogeneo*. *Sherwood, Foreste ed Alberi Oggi*, 209: p. 37-40.
- Tomassetti, G. (2010). *Dati ufficiali, ufficiosi, prevedibili sulle biomasse ad uso energetico in Italia a fine 2010 e sulla copertura degli impegni al 2020*. *Economia delle fonti di energia e dell'ambiente*, 3: p. 31-44.
- Transparency International (2016). *Corruption Perceptions Index 2014*. [online]. Available at: <https://www.transparency.org/country/ITA>
- World Bank (2017). *Worldwide Governance Indicators*. [online]. Rule of Law. Available at: <http://info.worldbank.org/governance/wgi/#reports>

1.4.5. Risk determination

Overview of Legal Requirements

In general, a harvesting permit is needed for harvesting in both private and public forests. Due to the highly differentiated normative framework (19 regional and two provincial forest

laws and related secondary legislation), harvesting permits have different names and follow different issuing procedures depending on the region/autonomous province where harvesting occurs. Keeping this in mind, permits can be distinguished as one of two broad categories: (i) harvesting notifications, required for small-scale harvesting operations (i.e. small areas, limited volumes according to thresholds defined by regional/provincial laws), especially in coppice forests, and normally implying a simpler and quicker procedure; (ii) harvesting licenses/permits/projects, required for medium- to large-scale operations, in particular when occurring in high forests and/or in areas subject to legal restrictions (e.g. environmental, landscape or hydrogeological restrictions), and implying longer assessment/approval procedures.

In a few cases (Lombardia and Piemonte regions), online procedures for harvesting permits have been implemented, thus making monitoring easier. In many cases for small harvesting operations (i.e. small areas, limited volumes, etc.), tacit approval mechanisms are in place, i.e. the application for a harvesting permit is considered to be approved unless the Public Authority in charge of processing it reacts with objections within a given timeframe (normally 60 days).

Description of Risk

Although regional/provincial forest laws define rules for the issuing of harvesting permits, multiple sources highlight that forest removals are much higher than values showing up in official statistics. Removal of wood fuel - mainly produced in coppice stands of oaks and other autochthonous species - has enormously increased in the last decade: likely more than what official statistics show. This is confirmed by other studies, such as for example APAT (2003), Magnani (2005) and Corona et al. (2007), as well as by studies showing inconsistencies between firewood removals and domestic consumption (Pettenella et al., 2012). It is worthwhile reporting that firewood production is not only intended for self-consumption, rather it is also largely marketed. The Forestry Corps reported an increasing number of small-scale illegal logging cases (mostly for firewood), especially in southern regions like Basilicata, Calabria and Puglia (Lauricella, 2013; CFS, 2013; CFS, 2013a). According to CFS (2013), in 2012 823 criminal offenses were detected (384 charges pressed, 20 people arrested) together with 4,014 fines for a total value of more than 3.3 M Euro. The same source reports a growing number of notifications to local authorities for anomalies regarding the procedures for the issuing of harvesting permits, and reports that during the past years in some cases public auctions have been withdrawn and incorrect authorization procedures have been stopped. Although relevant, cases notified and reported by official sources are likely to represent just a part of the total number of illegal operations. It is worthwhile remembering that, according to the World Bank (2015), Italy has a Rule of Law indicator lower than 75 which, although not specifically referring to the forestry sector, could be seen as an indicator of a low law enforcement level. This is associated with a Corruption Perceptions Index (CPI) of 47, lower than 50 (Transparency International, 2016): there is no specific evidence of corruption related to the issuing of harvesting permits, however, potential issues have been identified through available literature or sources.

Based on the available information, the risk for this category has been assessed as specified. In particular, a specified risk can be identified for firewood rather than industrial timber production, and for coppices rather than high forests. Risk seems to be higher in central-

southern regions, but as coppice and firewood harvesting takes place also in northern regions, a risk can still exist. Risk is considered low for non-firewood timber.

Risk Conclusion

This indicator has been evaluated as low risk for industrial timber. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

This indicator has been evaluated as specified risk for firewood. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.4.6. Risk designation and specification

Specified risk for firewood (Coppice forest).

Low risk for industrial timber.

1.4.7. Control measures and verifiers

- Harvesting permits (license or similar legal document governing the harvesting of forest resources) shall exist.
- Authorities shall confirm the validity of harvesting permit.
- Field inspection shall confirm that harvesting takes place within limits given in the harvesting permit.
- Field inspection shall confirm that information regarding area, species, volumes and other information given in the harvesting permit is correct and within limits prescribed in the legislation

TAXES AND FEES

1.5. Payment of royalties and harvesting fees

Legislation covering payment of all legally required forest harvesting specific fees such as royalties, stumpage fees and other volume based fees. It also includes payments of the fees based on correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue often combined with bribery of officials in charge of controlling the classification.

1.5.1. Applicable laws and regulations

Responsibilities for the payment of royalties and harvesting fees have been devolved to the Regional Administrations through the following Decrees:

- Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices. D.P.R. n.11 del 15 Gennaio 1972. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Presidential Decree n. 616 of 24 July 1977 "Implementation of the delegation in art. 1 of Law 22 July 1975 n. 382" (Chapter VIII). D.P.R. n. 616 del 24 Luglio 1977 "Attuazione della delega di cui all'art. 1 della legge 22 luglio 1975, n. 382", (Capo VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>
- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.5.2. Legal authority

- Regional authorities as designated by regional forest laws and regulations (see Appendix 1 for details)

1.5.3. Legally required documents or records

- Harvesting permits including evidence of fee payment (stump duties)
- Fee payment receipts
- Documented evidence of surety bond when requested

1.5.4. Sources of information

Please see Appendix 1

1.5.5. Risk determination

Overview of Legal Requirements

Financial matters are specifically defined for each single agreement/license/concession, and therefore no general requirements can be outlined. Usually, a deposit (technically speaking: a surety bond, in Italian fidejussione) may be requested by regional authorities to ensure the right execution of operations (e.g. to ensure appropriate regeneration after clearcutting

operations). The deposit is unblocked once operations have been properly carried out. For further details reference can be made to local regulations as reported in Appendix 1.

Description of Risk

Whenever the application for harvesting operations requires the payment of a fee (normally in the form of stump duties), authorisations are issued only once payment is finalised, otherwise the application procedure is rejected or suspended until the payment is finalised. It should be observed, however, that due to their nature, stump duties qualify more like a tax rather than a fee aiming to cover direct management/administrative costs related to the issuing of the harvesting permits. Furthermore, they are normally not linked (i.e. in proportion) to the amount of timber removed.

Under specific circumstances (e.g. clearcutting, forest renovation to change species composition, etc.), local regulations might request the payment of a deposit before operations start.

Due to the characteristics of the fees and the payment mechanisms, it can be argued that in general the risk level is very low, in particular with regard to the payment of deposits.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.5.6. Risk designation and specification

Low risk

1.5.7. Control measures and verifiers

N/A

1.6. Value added taxes and other sales taxes

Legislation covering different types of sales taxes, which apply to the material being sold, including selling material as growing forest (standing stock sales). Risk relates to situations where products are sold without legal sales documents or far below market price resulting in illegal avoidance of taxes.

1.6.1. Applicable laws and regulations

National legislation related to value added taxes and other sales taxes:

- Introduction and regulation of value added tax. D.P.R. n.633 del 26 Ottobre 1972. "Istituzione e disciplina dell'imposta sul valore aggiunto" (Table a). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1972-10-26;633>

1.6.2. Legal authority

- Ministry of Economy and Finance
- Tax Agency and Financial Police (controls)

1.6.3. Legally required documents or records

- Invoices
- Tax payment form (F24 Form)

1.6.4. Sources of information

Government sources

- Camera dei Deputati (2009). *Atto parlamentare, seduta del 07/04/2009*.
- Agenzia delle Entrate (2010). *Parere Agenzia delle entrate 23 dicembre 2010*, prot. n. 954-177983/2010. Agenzia delle Entrate, Rome.

Non-Government sources

- largoconsumo.info (2006). *Imballaggi in legno: no al mercato nero*. [online]. Comunicazione Assoimballaggi. Available at: <http://www.largoconsumo.info/072006/Assoimballaggi130-0706.pdf> [Accessed: 20th October 2015]
- Co.Na.I.Bo (2014). *Proposta di detrazioni fiscali sull'acquisto della legna da ardere*. Tecniko&Pratiko, 108: p.11.
- ISTAT (2014). *I consumi energetici della famiglie italiane*. Direzione centrale delle statistiche socio-demografiche e ambientale. Istituto Nazionale di Statistica, Rome.
- Legno Servizi (2015). *In Italia il mercato nero della legna da ardere vale 180 milioni di euro*. [online]. Available at: <http://www.legnoservizi.it/in-italia-il-mercato-nero-della-legna-da-ardere-vale-180-milioni-di-euro/> [Accessed: 20th October 2015]
- Pettenella, D., Florian, D., Masiero, M., Secco, L. (2012). *Attività illegali nella gestione delle risorse forestali in Italia/Illegal activities in the forestry sector in Italy*. SCORE project, co-financed by the Prevention of and Fight against Crime Programme of the European Union. European Commission-Directorate General Home Affairs.

1.6.5. Risk determination

Overview of Legal Requirements

Value Added Taxes (VAT) for wood-forest products are differentiated according to the DPR n. 633 del 26 Ottobre 1972, Table A:

- standing trees (independently from products proceeding from harvesting): 22% (CN codes: 06.02 – 44.01 – 44.03 – 44.04 – 45.01)
- wood in the rough (logs and poles): 22% (CN codes: 44.03 – 44.04)
- sawdust: 10% (CN 44.01)
- firewood and woodchips for energy use: 10% (CN 44.01) (see also Agenzia delle Entrate, 2010).

Description of Risk

The main risk is associated with the presence of a large informal market for firewood, and related tax fraud (VAT evasion). According to ISTAT (2014), about 20 M tonnes/year of wood are used by Italian households for energy purposes: 92% (18.4 M tonnes) of this volume consists of firewood. About 45% of Italian households using firewood for heating buy the

firewood they burn, while 38% rely on their own firewood. The remaining 17% rely on both sources. As a total, about 53% of the consumed firewood is bought on the market and, according to Co.Na.I.Bo. (2014), only 10% is regularly traded and invoiced. Legno Servizi (2015), with the support of AIEL, estimates that the informal market for firewood in Italy totals about 180 M Euro (a value similar to the one estimated by Pettenella et al., 2012), of which a sum of 9.5 M Euro is believed to be evaded VAT.

Informal trade activities and tax frauds are reported also for wood packaging products (pallets) for a total annual value of about 400 M Euro (Assoimballggi, 2006; Camera dei Deputati, 2009). The problem is well known by both operators and institutions, indeed tackling measures have been implemented, including the introduction of a VAT Reverse Charge mechanism in 2015 by the Law 23rd December 2014, n. 190 (art. 1, point 629, letter d).

Risk Conclusion

This indicator has been evaluated as low risk for industrial timber. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

This indicator has been evaluated as specified risk for firewood. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.6.6. Risk designation and specification

Specified risk for firewood (Coppice forest).

And,

Low risk for industrial timber.

1.6.7. Control measures and verifiers

- Sales documents shall include applicable sales taxes.
- Receipts for payment sales taxes shall exist.
- Volumes, species and qualities given in sales and transport documents shall match the fees paid.
- Sales prices shall be in line with market prices.
- Harvested species, volume and qualities shall match the sales documents.
- Authorities shall confirm that operation is up to date in payment of applicable sales taxes.
- Consultation with financial authority to verify that all required income and profit taxes have been paid.
- Matching of harvesting permits and sales volume

1.7. Income and profit taxes

Legislation covering income and profit taxes related to the profit derived from sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies or related to salary payments.

1.7.1. Applicable laws and regulations

National legislation related to income and profit taxes:

- Approval of the consolidated law on income taxes. D.P.R. n.917 del 22 Dicembre 1986 (art.32 and 55). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1986-12-22;917!vig=>

1.7.2. Legal authority

- Ministry of Economy and Finance
- Tax Agency and Financial Police (controls)

1.7.3. Legally required documents or records

- Tax payment form (F24 Form)

1.7.4. Sources of information

Government sources

- Agenzia delle Entrate (20105). *Italian taxation*. [online]. Available at: http://www1.agenziaentrate.gov.it/english/italian_taxation/index_IT.htm [Accessed: 21st October 2015]
- Guardia di Finanza (2010). *2010 Rapporto annuale/Annual Report*. Corpo della Guardia di Finanza, Rome.

Non-Government sources

- Monda, M. (2010). *L'evasione fiscale dell'Irap in agricoltura: un tentativo di stima*. Agriregionieurops, 23: p.
- Pisani S., Polito C. (2006). *Analisi dell'evasione fondata sui dati IRAP, anni 1998-2002*. Ufficio studi Agenzia delle entrate, n.2, Rome.
- PWC (2015). *Italy Corporate - Taxes on corporate income*. [online]. Available at: <http://taxsummaries.pwc.com/uk/taxsummaries/wwts.nsf/ID/Italy-Corporate-Taxes-on-corporate-income> [Accessed: 21st October 2015]

1.7.5. Risk determination

Overview of Legal Requirements

Income and profit taxes include (Agenzia delle Entrate, 2015; PWC, 2015):

- IRPEF (Individual Income Tax), where the forest entrepreneur is an individual,
- IRES (Company Income Tax) normally levied as 27.5% of the net total income reported by the financial statements of the company as adjusted for specific tax rules. Non-resident companies are taxed only on Italian-source income, and
- IRAP (Regional Tax on Productive Activities) levied on a regional basis at a 3.9% rate over the net value of production (but regions are allowed to increase or decrease the standard IRAP rate up to 0.92%).

Description of Risk

There are no specific figures on income and profit tax fraud in the forestry sector. However, according to Pisani and Polito (2006), IRAP frauds are relatively common due to the nature of the tax itself, and while the agriculture (including silviculture and fisheries) sector accounts for only 4% of the total national IRAP tax fraud value (with a lower contribution compared to other sectors), it is also characterised by the highest rate of evaded added value (63%). Monda (2010) estimated that IRAP fraud corresponds to losses of about 145 M Euro, i.e. about 47% of expected receipts from IRAP tax in the agriculture sector. According to the financial police (Guardia di Finanza, 2010), IRAP irregularities in 2010 accounted for more than 30.4 billion Euro. However, available figures and statistics do not report data specifically addressing tax evasion with reference to forestry or forestry-related activities.

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.7.6. Risk designation and specification

Specified risk

1.7.7. Control measures and verifiers

- Consultation with financial authority to verify that all required income and profit taxes have been paid
- Collection of all required documents/evidences with regard to tax payments

TIMBER HARVESTING ACTIVITIES

1.8. Timber harvesting regulations

Any legal requirements for harvesting techniques and technology including selective cutting, shelter wood regenerations, clear felling, transport of timber from felling site and seasonal limitations etc. Typically, this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.

1.8.1. Applicable laws and regulations

Responsibilities for setting timber harvesting regulations have been devolved to the Regional Administrations through the following Decrees:

- Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices. D.P.R. n.11 del 15 Gennaio 1972. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Presidential Decree n. 616 of 24 July 1977 "Implementation of the delegation in art. 1 of Law 22 July 1975 n. 382" (Chapter VIII). D.P.R. n. 616 del 24 Luglio 1977 "Attuazione della delega di cui all'art. 1 della legge 22 luglio 1975, n. 382", (Capo VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>
- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.8.2. Legal authority

- Regional authorities as designated by regional forest laws and regulations (see Appendix 1 for details)

1.8.3. Legally required documents or records

- Management plans
- Harvesting permits

1.8.4. Sources of Information

Government sources

- CFS (2010). *Dossier attività operativa 2009*. Corpo Forestale dello Stato, Rome.
- CFS (2013a). *Dossier attività operativa 2012*. Corpo Forestale dello Stato, Rome.

Non-Government sources

- Pettenella, D., Florian, D., Masiero, M., Secco, L. (2012). *Attività illegali nella gestione delle risorse forestali in Italia/Illegal activities in the forestry sector in Italy*. SCORE

project, co-financed by the Prevention of and Fight against Crime Programme of the European Union. European Commission-Directorate General Home Affairs.

1.8.5. Risk determination

Overview of Legal Requirements

Timber harvesting regulations are defined in detail by local (i.e. regional/provincial) regulations that set specific requirements with regard to (among other issues) minimum/maximum rotation periods, harvesting seasons/periods, technical performance indicators for different management/harvesting operations, etc. Details are provided by Appendix 1. Requirements defined for timber harvesting are strictly linked to those referring to 1.3 Management and harvesting planning and 1.4 Harvesting permits.

Description of Risk

According to the most recent full Annual Dossier published by the Forestry Corps, 3,813 offenses with regard to forest harvesting issues were identified in 2012 based on a total number of 31,341 controls. None of the identified offenses qualified as criminal offenses (CFS, 2013a). Thus, sanctions imply only fines and do not qualify as major crimes, nevertheless illegality remains. The total number of detected offenses decreased over time (-11% between 2009 and 2012). However, it shall be emphasised that the number of controls performed in the same period had a larger negative variation (-25%). Pettenella et al. (2012) report that these offenses mostly derive from damages resulting from harvesting or other management operations (e.g. damage to standing trees, natural regeneration, soil, etc.) or are linked to non-compliances with harvesting requirements dealing, for example, with prescribed minimum number of standards in coppice forests. It is worthwhile remembering that, according to the World Bank (2015), Italy has a Rule of Law indicator lower than 75% which, although not specifically referring to the forestry sector, could be seen as an indicator of a low law enforcement level. This is associated with a Corruption Perceptions Index (CPI) lower than 50 (Transparency International, 2016): no specific evidence of corruption related to issuing of harvesting permits, however, has been identified through available literature or sources.

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.8.6. Risk designation and specification

Specified risk

1.8.7. Control measures and verifiers

- Harvesting shall be conducted within the authorised boundaries of the FMU.
- Harvesting shall not take place in areas where harvesting is legally prohibited.
- Tree species or selected trees found within the FMU for which felling is prohibited shall be listed in operational plans.
- Harvesting restrictions shall be observed in the field.

- Tree species or selected trees found within the FMU for which felling is prohibited shall be marked in the field
- Consultation with officials in charge of performing monitoring activities
- Consultation with stakeholders that might be affected by such damages (e.g. neighbouring owners)

1.9. Protected sites and species

International, national, and sub national treaties, laws, and regulations related to protected areas allowable forest uses and activities, and/or, rare, threatened, or endangered species, including their habitats and potential habitats. Risk relates to illegal harvesting within protected sites, as well as illegal harvest of protected species. Note that protected areas may include protected cultural sites, including sites with historical monuments.

1.9.1. Applicable laws and regulations

- National legislation related to the classification and governance of protected area: L. n.394 del 6 Dicembre 1991 "Legge Quadro sulle aree protette". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1991-12-06;394!vig=>
- Decree establishing the official list of national protected areas: D.M. del 27 Aprile 2010 "Approvazione dello schema aggiornato relativo al VI elenco ufficiale delle aree protette". Available at: http://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2010-05-31&atto.codiceRedazionale=10A06507
- Law for the protection of endangered animal species: L. n.157 del 11 Febbraio 1992 "Norme per la protezione della fauna selvatica omoeterma e per prelievo venatorio". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1992;157>
- Decree for the implementation of EU Directive n. 92/43/CEE: D.P.R. n.357 dell'8 Settembre 1997 "Regolamento recante attuazione della direttiva 92/43/CEE relativa alla conservazione degli habitat naturali e seminaturali, nonché della flora e della fauna selvatiche". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1997-09-08;357!vig=>
- Decree setting the criteria for the identification of Special Conservation Areas and Special Protection Areas (in the context of EU Directive n. 92/43/CEE): D.M. del 17 Ottobre 2007 "Criteri minimi uniformi per la definizione di misure di conservazione relative a zone speciali di conservazione (ZSC) e a zone di protezione speciale (ZPS)". Available at: http://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2007-11-06&atto.codiceRedazionale=07A09363&elenco30giorni=false
- Regulation with the modifications to decree n.357/97. DPR n. 120 - 12.3.03 (G.U. n. 124 - 30.5.03): "Regolamento recante modifiche ed integrazioni al DPR 357/97 del 8.9.97 concernente attuazione della direttiva 92/43/CEE relativa alla conservazione degli habitat naturali e seminaturali, nonché della flora e della fauna selvatiche". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:2003-03-12;120!vig=>

1.9.2. Legal authority

- Ministry for the Environment, Land and Sea

1.9.3. Legally required documents or records

- Harvesting permits consistent with forest/park management plan
- Impact Assessment

1.9.4. Sources of Information

Government sources

- Italian Ministry for the Environment, Land and Sea (2014). *Italy's fifth national report to the Convention on Biological Diversity (2009-2013)*. [online]. Available at: www.minambiente.it/sites/default/files/archivio/allegati/biodiversita/italian_fifth_report Cbd.pdf [Accessed: 21st October 2015]
- Italian Ministry for the Environment, Land and Sea (2014). *Analisi dei servizi svolti a tutela dell'ambiente: sorveglianza CTA-CFS con controlli e accertamenti degli illeciti nei parchi nazionali*. [online]. Direzione generale per la protezione della natura e del mare. Available at: www.minambiente.it/sites/default/files/archivio/allegati/parchi_nazionali/analisi_servizi_sorveglianza_cta_cfs_parchi_nazionali.pdf [Accessed: 21st October 2015]
- CFS (2013). *Nota Stampa: Forestale: furti di legna, nuova realtà criminale*. Corpo Forestale dello Stato, Rome.
- CFS (2014). *Relazione sull'attività operativa del CFS nel 2013*. Corpo Forestale dello Stato, Rome.
- Italian Ministry for the Environment, Land and Sea, (2013). *Trasparenza, legalità e partecipazione per promuovere la bellezza e la green economy dei parchi*. [online]. Legambiente and Federparchi. Available at: www.minambiente.it/sites/default/files/archivio/allegati/natura_italia/ricerca_finale_legambiente.pdf [Accessed: 21st October 2015]

Non-Government sources

- WWF Italia and LIPU (2013). *Rete Natura 2000: ecco le cattive opere*. [online]. Dossier sul depauperamento dei siti Natura 2000 e sulla Valutazione di Incidenza in Italia. Available at: http://awsassets.wwf.it/panda.org/downloads/dossiernatura2000_lipu_wwf_2013.pdf [Accessed: 21st October 2015]
- LIPU (2009). *Determinazione dello stato di conservazione a livello di sito: i parchi nazionali Italiani*. [online]. Available at: www.minambiente.it/sites/default/files/archivio/allegati/rete_natura_2000/relazione_parchi_nazionale_finale_aprile2009.pdf [Accessed: 21st October 2015]

1.9.5. Risk determination

Overview of Legal Requirements

Identification of protected areas:

L. n. 394/1991 defines criteria and measures to identify and manage protected areas in Italy. It defines three main categories of protected areas: i) national parks, ii) regional and trans-regional natural parks, iii) natural reserves.

Furthermore D. n. 357/1997 (together with the Ministerial Decree of 17 October 2007) defines the main criteria for the identification and management of the Sites of Community Importance (SCI) according to European Directive 92/43 D. n. 357/1997. The Decree assigns regions and autonomous provinces the responsibility to identify SCIs within their territories and provide relevant information to the Ministry for the Environment, Land and Sea, for formal endorsement of SCIs. As for Special Protected Areas (SPAs), they are identified based on the L. n. 157/1992 and other related regulations (in accordance to European Directive 79/409 [then 2009/147]).

Protected area management and controls:

According to L. n. 394/1991, art. 12, the management of natural reserves and parks shall be in compliance with a management plan developed by the park or reserve managing authority and approved by the Ministry for the Environment, Land and Sea. According to art. 21 of the same law, the State Forestry Corps are responsible for performing controls in parks and in the natural reserves, except for those parks in autonomous regions/provinces where controls are carried out by regional/provincial Forestry Corps. Forest management activities, including harvesting, shall be performed in accordance with requirements defined by local (regional/provincial) regulations as reported in appendix 1.

As for the management of SCIs and SPAs, Decree n. 120/2003 indicates that activities to be performed within these areas have to be approved by competent authorities designated at regional scale. The approval procedure requires the development of an Impact Assessment to verify potential impacts deriving from activities. Forest management activities, including harvesting, shall be performed in accordance with the requirements defined by local (regional/provincial) regulations as reported in appendix 1.

Description of Risk

According to the fifth Report for the Convention on Biological Diversity (2014), the network of protected areas in Italy showed a slight increase in area between 2009 and 2013, while threats remained stable in number and trend. Negative impacts on protected areas are mainly generated by human activities (such as pollution by surface runoff, habitat fragmentation, use of chemical products) including forestry and agricultural activities, and the abandonment of pastoral activities. With special reference to SCIs and SPAs (i.e. Natura 2000 network) similar threats are reported, together with creation of infrastructure and presence of invasive alien species. As for timber harvesting, the Report highlights that it seems to be one of the less common/frequent threats to national protected areas.

According to the Forestry Corps (2014), there were more than 26,000 controls conducted in parks and reserves during 2013. However just 206 crimes (i.e. less than 1%) were identified. These include different types of crime among which illegal harvesting/logging cases are not emphasized as the most relevant ones. In a press release concerning controls performed in 2013, the Forestry Corps highlighted the increased incidence of illegal logging activities going on in many areas, including parks and protected areas; however, no detailed figures for these areas were provided.

WWF and LIPU (2013) reported some criticisms of procedures for the evaluation and issuing of Impact Assessments (state of conservation not considered, poor analysis of alternative solutions, underestimation of impacts, etc.), indicating that the sanctions regime is still incomplete and not clear. A few cases referring to forestry operations and forest ecosystems were reported, mostly dealing with harvesting of riparian vegetation along rivers and watercourses. The report also indicates that in some cases (e.g. Calabria), forest operations are not included by law within activities needing to undergo Impact Assessment and this has impacted on harvesting operations in forest areas with high environmental value. It is worthwhile remembering that, according to the World Bank (2015), Italy has a Rule of Law indicator lower than 75% which, although not specifically referring to the forestry sector, could be seen as an indicator of a low law enforcement level. This is associated with a Corruption Perceptions Index (CPI) lower than 50 (Transparency International, 2016)

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.9.6. Risk designation and specification

Specified risk

1.9.7. Control measures and verifiers

- All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation.
- Legal established procedures for surveying, managing and protecting endangered or threatened species within the management unit shall be followed.
- Nature protection regulations such as protected areas, set-aside areas, protected species and hunting shall be followed
- Protected areas management plans and/or impact assessments performed by managing entities shall be collected and recorded when timber proceeds from protected areas
- Consultation with authorities in charge of managing protected areas
- Consultation with other stakeholders (e.g. environmental NGOs, locals, etc.)
- Verify the accuracy and the completeness of the Impact assessment

1.10. Environmental requirements

National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable level for soil damage, establishment of buffer zones (e.g. along water courses, open areas, breeding sites), maintenance of retention trees on felling site, seasonal limitation of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction, etc... Risk relates to systematic and/or large-scale non-compliance with legally required environmental protection measures that are evident to an extent that threatens the forest resources or other environmental values.

1.10.1. Applicable laws and regulations

Responsibilities over the environmental requirements in timber harvesting have been devolved to Regional Administrations through the following Decrees:

- Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices. D.P.R. n.11 del 15 Gennaio 1972. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Presidential Decree n. 616 of 24 July 1977 "Implementation of the delegation in art. 1 of Law 22 July 1975 n. 382" (Chapter VIII). D.P.R. n. 616 del 24 Luglio 1977 "Attuazione della delega di cui all'art. 1 della legge 22 luglio 1975, n. 382", (Capo VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>
- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.10.2. Legal authority

- Regional authorities as designated by regional forest laws and regulations (see Appendix 1 for details)

1.10.3. Legally required documents or records

- Harvesting plans and permits as prescribed by regional forest laws and regulations (see "Harvesting permits" and "Harvesting regulations" in Appendix 1, and CW 4)

1.10.4. Sources of information

Government sources

- Italian Ministry for the Environment, Land and Sea (2014). *Italy's fifth national report to the Convention on Biological Diversity (2009-2013)*. [online]. Available at: www.minambiente.it/sites/default/files/archivio/allegati/biodiversita/italian_fifth_report_cbd.pdf [Accessed: 21st October 2015]
- Legislative sources (refer to information in Appendix 1, and CW 4).

Non-Government sources

- CFS (2013). *Nota Stampa: Forestale: furti di legna, nuova realtà criminale*. Corpo Forestale dello Stato, Rome.
- CFS (2013a). *Dossier attività operativa 2012*. Corpo Forestale dello Stato, Rome.
- Legambiente (2015). *ECOMAFIA 2015. Corrotti clan e inquinatori. I ladri di futuro del Belpaese*. Marotta e Cafiero publ.
- Pettenella, D., Florian, D., Masiero, M., Secco, L. (2012). *Attività illegali nella gestione delle risorse forestali in Italia/Illegal activities in the forestry sector in Italy*. SCORE project, co-financed by the Prevention of and Fight against Crime Programme of the European Union. European Commission-Directorate General Home Affairs.

- WWF Italia and LIPU (2013). *Rete Natura 2000: ecco le cattive opere*. [online]. Dossier sul depauperamento dei siti Natura 2000 e sulla Valutazione di Incidenza in Italia. Available at: http://awsassets.wwfit.panda.org/downloads/dossiernatura2000_lipu_wwf_2013.pdf [Accessed: 21st October 2015]

1.10.5. Risk determination

Overview of Legal Requirements

Environmental requirements are strictly connected to other legal requirements, e.g. those prescribed through harvesting and management regulations. In fact, environmental requirements inform such regulations, and they are explicitly or - more often - implicitly embedded within them.

Indeed, a number of technical prescriptions given by regional forest legislation can be extensively considered as environmental requirements, acting as prescriptions on best practices to be adopted to perform some activities or under specific circumstances, possibly affecting environmental conditions. Amongst others purposes, such prescriptions mainly aim to sustain the recovery of forests damaged by either biotic or abiotic events, protect biodiversity (release of uncommon species and/or outstanding trees), prevent damage to forest stands, keep forests vital and healthy, prevent hydrogeological risk, etc.

Moreover, forest landscapes are protected by national legislation covering landscape protection, to be taken into consideration when forest conversion occurs, whether it is explicitly invoked by regional legislation applicable to forest conversion, or not.

Hydrogeological risk conditions, which strictly relate in addition to broader "environmental" conditions, are taken into consideration by national legislation (RDL 3267/1923) that directly informs all the applicable regional forest legislation. Therefore, such environmental issues, indeed of particular relevance in the Italian context, are fully covered by the applicable legislation.

Description of Risk

Any infringement of regional forest legislation (RFL, RFR, ASL) may lead to actions possibly detrimental to the environment, as environmental requirements inform such regulations, and they are explicitly or implicitly embedded within them. Therefore, the same legal sources apply as those relevant to the regional legislation. In their annual Dossier the Forestry Corps report a total number of 3.486 criminal offenses and 9.680 offenses (over a total number of 300.881 controls) with regard to Territorial and Environmental Protection issues (CFS, 2013a). Among them some illegalities are directly linked to forest management and harvesting operations (illegal or unauthorised logging): about 4.300 offenses detected through a total number of 38.660 controls. Nonetheless other environmental offenses reported by the Forestry Corps within their figures might refer to forestry (e.g. landscape damages, waste disposal, unauthorised buildings, etc.) but there is no explicit reference. As commented by Pettenella et al. (2012) there is a quite strong empirical evidence of infringements but it is rather difficult to get a clear and complete picture at national scale.

For risks linked to environmental protection, *sensu lato* reference can be made to 1 - Annex, in particular to the categories "Timber harvesting regulations" and "Protected sites and species".

As for landscape protection, reference can be made to appendix 1, in particular to "Timber harvesting regulations". Finally, as for hydrogeological risk conditions, reference can be made to CW 4 "Conversion", and appendix 1, "Timber harvesting regulations".

With reference to "Timber harvesting regulations", there are hints that offences mostly derive from damages resulting from harvesting or other management operations (e.g. damage to standing trees, natural regeneration, soil, etc.) or are linked to non-compliances with harvesting requirements dealing, for example, with prescribed minimum number of standards in coppice forests (Pettenella et al., 2012).

As for the "Protected sites and species" category the last Report for the Convention on Biological Diversity (2014) highlights that forest management and harvesting operations represent two of the less common/frequent threats to national protected areas. The Forestry Corps highlighted the increased incidence of illegal logging activities going on in many areas, including parks and protected areas; however, no detailed figures were provided (CFS, 2013 and 2013a). WWF and LIPU (2013) reported some criticisms on procedures for the evaluation and issuing of Impact Assessments (state of conservation not considered, poor analysis of alternative solutions, underestimation of impacts, etc.), indicating that the sanctions regime is still incomplete and not clear.

The risk for "forest conversion" can be considered as low because there is a strict legal framework in place and applicable national legislation does not allow forest conversion unless it is authorized by local (i.e. regional or sub-regional) responsible authorities and performed according to regional legislation. Conversion processes are kept under control and normally subject to compensation mechanisms.

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.10.6. Risk designation and specification

Specified risk

1.10.7. Control measures and verifiers

- Environmental and/or Social Impact Assessments shall be in place and approved by the legally competent authority if legally required.
- Requirements for environmental monitoring shall be enforced, if required.
- Environmental restrictions shall be followed in the field, such as requirements related to soil damage, buffer zones, retention trees, seasonal restrictions etc.

1.11. Health and safety

Legally required personnel protection equipment for persons involved in harvesting activities, use of safe felling and transport practice, establishment of protection zones around harvesting sites, and safety requirements to machinery used. Legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest (not office work, or other activities less related to actual forest operations). Risk relates to situations/areas where health and safety regulations are consistently violated to such a degree that puts the health and safety of forest workers at significant risk throughout forest operations.

1.11.1. Applicable laws and regulations

- National legislation on occupational health and safety. D.Lgs. n. 81 del 9 Aprile 2008 "Attuazione dell'articolo 1 della legge 3 agosto 2007, n.123, in materia di tutela della salute e sicurezza nei luoghi di lavoro/uso delle attrezzature di lavoro e dei dispositivi di protezione individuale".

In particular:

- Normative requirements regarding health and safety management system. D.lgs. n. 81 del 9 Aprile 2008 (Titolo I)
- Normative requirements regarding personal safety equipment. D.lgs. n. 81 del 9 Aprile 2008 (Titolo III)
- Normative requirements regarding the establishment of protection zones around harvesting sites. D.Lgs. n. 81 del 9 Aprile 2008 (Titolo IV), (art.96)
- Normative requirements regarding safety in relation to the use of chemicals. D.Lgs. n. 81 del 9 Aprile 2008 (Titolo IV)
- Normative requirements regarding safety in machinery use. D.lgs. n. 81 del 9 Aprile 2008 (Titolo VIII) D.lgs. n. 81 del 9 Aprile 2008. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2008-04-09;81!vig=>

1.11.2. Legal authority

- National Institute for Insurance against Accidents at Work (INAIL) (This institute works under the control of the Ministry of Labour and Social Affairs.)

1.11.3. Legally required documents or records

- Risk Assessment Document/Report (in Italian: Documento di Valutazione dei Rischi)
- Records of training
- Reports from INAIL/ASL periodic audits on machinery

1.11.4. Sources of information

Non-Government sources

- D'Alessio, M. (2015). *Scelte gestionali del patrimonio forestale regionale e organizzazione delle strutture*. [online]. Paper presented at ANARF 2015 meeting, Il Ruolo del settore pubblico nella gestione del patrimonio forestale: esperienze a confronto. Nuoro, 5-6th March 2015. Available at: www.anarf.org [Accessed: 22nd October 2015]
- INAIL (2012). *Andamento degli infortuni sul lavoro*. Istituto Nazionale Assicurazione contro gli Infortuni sul Lavoro, Rome (Italy).
- INAIL (2012a). *Infortuni e malattie professionali nella Silvicoltura*. Tipografia INAIL, Milan (Italy).
- INAIL (2012b). *Rapporto Annuale 2011*. Parte quarta/statistiche Infortuni e malattie professionali. Istituto Nazionale Assicurazione contro gli Infortuni sul Lavoro, Rome.

- INAIL (2015). *Report annuale sugli infortuni mortali e con feriti gravi verificatisi nel 2014 nel settore agricolo e forestale*. Osservatorio INAIL sugli infortuni nel settore agricolo e forestale, Rome (Italy).
- World Bank (2017). *Worldwide Governance Indicators*. [online]. Rule of Law. Available at: <http://info.worldbank.org/governance/wgi/#reports>

1.11.5. Risk determination

Overview of Legal Requirements

Legal requirements include specific rights and obligations for the employer(s), the employees and appointed workers (e.g. head of harvesting team). Any company shall develop, implement and maintain a Health and Safety management system in line with the applicable requirements of D.lgs. n. 81 del 9 Aprile 2008 and related regulations. In particular this should include: (i) Risk assessment, (ii) Health and safety procedures defined according to identified risks, (iii) Identification and attribution of specific responsibilities and roles for the implementation of (ii) (e.g. Prevention and Protection Service Manager, Staff Safety Manager, Emergency Manager, Occupational Doctor), (iv) Training according to responsibilities and roles as of (iii) and job tasks, (v) Use of appropriate safety equipment/devices, (vi) Maintenance and safety of equipment and machinery, including periodic audits by INAIL/ASL in the cases defined by law). It is important to highlight that, apart from the above-mentioned requirements, many regions have introduced additional measures to improve professional skills of forest workers, including competencies in the field of health and safety requirements. These measures include the creation of official registers of forest enterprises operating at regional scale and the introduction of licenses for forest workers who attend specific training sessions. Additional information is provided with regard to 1.12 below.

Description of Risk

Casual labour (see 1.12 below) is often linked to accident risks, contributing to increased risk level. Statistics on work accidents based on preliminary results of the National Agriculture Census and published by the National Institute for Insurance against Accidents at Work (INAIL) report 50,180 accidents in 2010. About 5% (i.e. 2,719) are due to silvicultural practices: 40% of these involve migrant workers. Figures are probably underestimated because forest workers are largely employed in activities different from silviculture (e.g. forest road construction, public park and garden management etc.). INAIL Occupation Database (2012), indeed, reports 8,996 accidents involving forest workers in 2009, 21 of which were fatal. The total number of accidents for lumberjacks has decreased since 2007, but has remained more-or-less stable for other categories. When comparing data over the 2006-2010 period, it can be observed that, while the total number of accidents in the agriculture and general industries decreased (-17.4%), those related to silvicultural activities increased (+3.5%) (INAIL, 2012a). Furthermore, according to the same source, 97% of accidents in silviculture are strictly job-related and the average prognosis for recovery from forest accidents is longer than for agricultural ones (14.5 vs. 8.6 days) (ISPELS quoted by Costanzo, 2010). Finally 2014 data on job accidents in agriculture (including forestry) indicate that 12% of fatal accidents and 32% of accidents with serious injuries involve tree harvesting and the use of chainsaws (INAIL, 2015).

It is worthwhile mentioning that 16 (out of 21) regions/autonomous provinces have introduced official registers of forest-service enterprises operating at regional scale according to general requirements defined by D.Lgs. 227/2001 (art. 7) (D'Alessio, 2015) and a few of them (Autonomous Province of Trento, Friuli Venegia Giulia, Umbria and Veneto) have introduced systems for issuing licenses to forest workers who attend specific training sessions, including sessions on health and safety issues. These licenses might be required to perform forest operations in specific cases (e.g. in public forests or when harvesting large volumes of timber), as specified by local (i.e. regional/province) regulations.

As for the forest industry, it should be noted that wood-processing remains one of the four economic sectors with the highest accident risk in Italy (INAIL, 2012b). It is worthwhile remembering that, according to the World Bank (2015), Italy has a Rule of Law indicator lower than 75% which, although not specifically referring to the forestry sector, could be seen as an indicator of a low law enforcement level.

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.11.6. Risk designation and specification

Specified risk

1.11.7. Control measures and verifiers

- All safety and health regulations shall be followed and all required safety equipment shall be used
- Occupational health and safety requirements shall be observed by all personnel involved in harvesting activities.
- Interviews with staff and contractors shall confirm that legally required protection equipment is required/provided by the organisation.
- All requirements on prevention of air and water pollution shall be followed and are verified through reports monitoring pollution (when applicable)
- Interviews with Public Authorities in charge of monitoring health and safety working conditions confirm that applicable legal requirements are met and there are no major non-compliances
- Interviews with representatives from relevant Labour Unions confirm that applicable legal requirements are met

1.12. Legal employment

Legal requirements for employment of personnel involved in harvesting activities including requirement for contracts and working permits, requirements for obligatory insurances, requirements for competence certificates and other training requirements, and payment of social and income taxes withhold by employer. Furthermore, the points cover observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association. Risk relates to situations/areas where systematic

or large scale noncompliance with labour and/or employment laws. The objective is to identify where serious violations of the legal rights of workers take place, such as forced, underage or illegal labour.

1.12.1. Applicable laws and regulations

- National legislation on compulsory occupational insurances. D.P.R. n.1124 del 30 Giugno 1965 "Testo unico delle disposizioni per l'assicurazione obbligatoria contro gli infortuni sul lavoro e le malattie professionali". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1965-06-30;1124!vig=>
- D.Lgs n.38 del 23 Febbraio 2000 "Disposizioni in materia di assicurazione contro gli infortuni sul lavoro e le malattie professionali". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2000-02-23;38!vig=>
- National legislation on obligatory competence certificates and other training requirements. D.Lgs n. 227 del 18 Maggio 2001 (art.7, agg.1) "Orientamento e modernizzazione del settore forestale". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2001;227>
- National legislation on the minimum working age and minimum age for personnel involved in hazardous work. L. n.777 del 17 Ottobre 1967 "Tutela del lavoro dei bambini e degli adolescenti". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1967-10-17;977>
- D.Lgs n.345 del 4 Agosto 1999 "Attuazione della direttiva 94/33/CE relativa alla protezione dei giovani sul lavoro". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:1999;345>
- National legislation on forced and compulsory labour, and freedom of association. L. n.300 del 20 Maggio 1970 (Parte III) "Statuto dei lavoratori". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1970-05-20;300!vig=>
- Urgent measures for financial stabilization and development. D.lgs n.138 del 13 Agosto 2011 (Art.12) " Ulteriori misure urgenti per la stabilizzazione finanziaria e per lo sviluppo". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legge:2011-08-13;138~art13>

1.12.2. Legal authority

- Ministry of Labour and Social Affairs

1.12.3. Legally required documents or records

- Employment contract
- INAIL registration and related documents

1.12.4. Sources of information

Non-Government sources

- Consiglio Editoriale della Rivista Sherwood (2002). *Il lavoro irregolare negli interventi selvicolturali*. [online]. Available at: <http://www.selvicoltura.it/OLAB/ARCHIVIODOCUMENTI/File/Articoli/IRREGOLARI.pdf> [Accessed: 08 October 2015].

- Costanzo, A. (2010). *Il binomio immigrazione- agricoltura*. Rapporto di una ricerca qualitativa in Toscana. Laboratorio di studi rurali Sismondi, Pisa.
- D'Alessio, M. (2015). *Scelte gestionali del patrimonio forestale regionale e organizzazione delle strutture*. [online]. Paper presented at ANARF 2015 meeting, Il Ruolo del settore pubblico nella gestione del patrimonio forestale: esperienze a confronto. Nuoro, 5-6th March 2015. Available at: www.anarf.org [Accessed: 22nd October 2015]
- INEA (2009). *Gli immigrati nell'agricoltura italiana*. Istituto Nazionale di Economia Agraria, Rome.
- ISTAT (2011). *La misura dell'occupazione non regolare nelle stime di contabilità nazionale*. Istituto Nazionale di Statistica, Rome.
- Pettenella D., Secco, L. (2004). *Il lavoro in selvicoltura*. Sherwood n. 97, Speciale atti convegno lavoro in bosco: p. 6-14.
- Pettenella, D., Florian, D., Masiero, M., Secco, L. (2012). *Attività illegali nella gestione delle risorse forestali in Italia/Illegal activities in the forestry sector in Italy*. SCORE project, co-financed by the Prevention of and Fight against Crime Programme of the European Union. European Commission-Directorate General Home Affairs.

1.12.5. Risk determination

Overview of Legal Requirements

Forest workers are employed in compliance with the requirements and conditions defined by the Collective National Bargaining Agreement (Contratto Nazionale del Lavoro, CCNL) for forest-timber workers or for agricultural workers.

According to DPR n. 1124/1965, silvicultural activities are included among agricultural activities covered by compulsory insurance from the National Institute for Insurance against Accidents at Work (INAIL). This applies to both full-time and seasonal employees.

Minimum working age is 16 years - in order to guarantee obligatory school education - and access to both education opportunities and conditions shall be granted in any case.

Furthermore, limitations exist with reference to hazardous and night labour (<18 years). National Labour Legislation includes requirements to avoid discrimination based on gender (D.Lgs. 198/2006, art. 27 to 35, considers as illegal any form of discrimination based on gender issues and referring to access to employment opportunities, wage level, career opportunities, etc.) while ensuring full protection of maternity (and paternity) rights. Requirements to avoid discrimination based on age, personal beliefs, religious beliefs, disabilities and sexual orientation have been established by D.Lgs. n. 215/2003, D.Lgs. n. 216/2003 and L. 101/2008.

Finally it is useful to remember that 16 regions have introduced official registers of forest-service enterprises operating at regional scale according to general requirements defined by D.Lgs. 227/2001 (art. 7) (D'Alessio, 2015) and a few of them (Autonomous Province of Trento, Friuli Venegia Giulia, Umbria and Veneto) have introduced systems for issuing licenses to forest workers who attend specific training sessions. These licenses might be required to perform forest operations in specific cases (e.g. in public forests or when harvesting large volumes of timber), as specified by local (i.e. regional/province) regulations.

Legislative requirements are then complemented by Health and Safety requirements as reported for 1.11, which also includes training requirements.

Description of Risk

Notwithstanding the presence of a robust normative framework that, in theory, should safeguard workers, casual labour is a common phenomenon in Italy. Available data for the forestry sector are scarce and their quality is low, but there is a common perception that forestry in Italy is moving towards “[...] unskilled, badly equipped, irregularly employed and underpaid workers, highly exposed to the risk of work accidents” (Consiglio Editoriale della Rivista Sherwood, 2002). According to national statistics, the ‘Agriculture, hunting and forestry’ macro-category ranks third among categories with the highest irregular employment rate in Italy, but available data do not allow specific figures to be extrapolated for forestry (ISTAT, 2011). In 2009 about 290,700 labour units - i.e. 24% of total units in the macro-category - were irregularly employed in agriculture and forestry. Irregular labour is also linked to the presence of (irregular) migrant forest workers who are often irregularly employed as piece-workers by small companies that sign regular contracts with forest owners and then outsource their activities (Costanzo, 2010).

Based on Pettenella and Secco (2004) and on Pettenella et al. (2012), forest workers in Italy can be distinguished as one of three main categories:

- public workers (about 54,000 units, mostly (91%) concentrated in southern regions) (D'Alessio, 2015), regularly employed,
- workers employed by forest cooperatives (4,000 to 6,000 units), normally regularly employed, but with some irregular employment risks related to changing workload, overtime and characteristics of single enterprises,
- workers employed by private forest enterprises (24,000 to 26,000 units) with very variable conditions in terms of regular employment and with a growing incidence of irregular employment.

Based on the available information, the risk for this category has been assessed as specified. This applies in particular in the case of workers employed by private forest enterprises, especially when operating in coppice forests and/or firewood production; while it can be assumed that public forest owners operate under regular labour conditions; and workers employed by forest cooperatives are normally less exposed to casual labour risks.

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.12.6. Risk designation and specification

Specified risk for private forest (including coppice forest)

Low risk for public forest

1.12.7. Control measures and verifiers

- All workers are employed according to the regulation and required contracts are in place
- Persons involved in harvesting activities shall be covered by obligatory insurances.

-
- Persons involved in harvesting activities shall hold required certificates of competence for the function they carry out.
 - At least the legally established minimum salaries shall be paid for personnel involved in harvesting activities.
 - Salaries shall be paid officially and declared by the employer according to requirements for personnel involved in harvesting activities.
 - Minimum age shall be observed for all personnel involved in harvesting activities.
 - Minimum age shall be observed for all personnel involved in hazardous work.
 - Stakeholders shall confirm that forced or compulsory labour is not involved in harvesting activities.
 - Employment contracts
 - Collection of payslip examples to check if wage level is in line with national requirements
 - Interviews with staff shall confirm that working conditions meet legal requirements.
 - Interviews with Public Authorities in charge of monitoring working conditions meet applicable legal requirements.
 - Interviews with representatives from relevant Labour Unions confirm that working conditions meet applicable legal requirements and there are no substantial conflicts in place.

THIRD PARTIES' RIGHTS

1.13 Customary rights

Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights.

1.13.1. Applicable laws and regulations

Customary rights are covered by the following national legislation:

- L. 16 June 1927, n. 1766 Conversion into law of R.D. May 22, 1924, n. 751, concerning the reorganization of the civic uses in the Kingdom, the RD August 28, 1924, n. 1484, amending Article. 26 of R.D. May 22, 1924, n. 751, and R.D. May 16, 1926, n. 895, extending the time allowed by art. 2 of R.D.L. May 22, 1924, n. 751.
- R.D. February 26, 1928, n. 332 Approval of the regulations for implementing the Law of 16 June 1927, n. 1766, on the reorganization of the civic uses of the Kingdom.
- Presidential Decree 11 of 15 January 1972 "Transfer to ordinary regions of the state administrative functions in the field of agriculture and forestry, hunting and fishing in inland waters and their personnel and offices". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1972-01-15;11>
- Presidential Decree n. 616 of 24 July 1977 "Implementation of the delegation in art. 1 of Law 22 July 1975 n. 382" (Chapter VIII). Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:1977-07-24;616!vig=>
- L. No. 31. 97 January 1994 New provisions for mountain areas. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1994-01-31;97!vig=>
- As of 1972, normative requirements regarding customary rights to forest resources have been devolved to Regional Administrations.
- Specific information on legislation defined at regional scale is available in Appendix 1: Summary Table

1.13.2. Legal authority

- As of 1972, normative requirements regarding customary rights to forest resources have been devolved to Regional Administrations. These act on the ground through relevant Departments, and/or competent territorial Authorities and administrative Bodies.
- Law 97/1994 further gave Italian Regions the power to define and reorganize the legal discipline concerning regional common properties.

1.13.3. Legally required documents or records

- Formal recognition of customary rights in place within regional boundaries
- Cadastral maps and related documents
- Enforcement of regional legislation concerning common domain, following most recent national legislative initiatives
- Ongoing or completed processes of land restitution to former Common Properties

1.13.4. Sources of information

Government sources

- Legislative sources (refer to relevant information in Appendix 1)

Non-Government sources

- Carletti, F. (2005). *La liquidazione degli usi civici*. Normativa, amministrazione e Commissario. In Ricoveri, G (ed) . Beni comuni fra tradizione e futuro, p. 99-109. EMI, Bologna (Italy).
- Grossi, P. (1977). *Un altro modo di possedere. L'emersione di forme alternative di proprietà alla coscienza giuridica postunitaria*. Giuffrè, Milano (Italy).
- Bassi, M. (2012). *Recognition and Support of ICCAs in Italy*. In: Kothari, A., Corrigan, C., Jonas, H., Neumann, A., Shrumm, H. (eds). Recognising and supporting territories and areas conserved by indigenous peoples and local communities: global overview and national case studies. Secretariat of the Convention on Biological Diversity, Technical Series no. 64, ICCA Consortium, Kalpavriksh, and Natural Justice, Montreal (Canada).
- Cacciavillani, I. (2012). *Inquadramento Storico*. In: Cacciavillani, I., Gaz, E., Martello, C., Tomasella, E., Zanderigo Rosolo, G. (eds.). *Manuale Di Diritto Regoliero*, p. 20-25. Istituto Bellunese di Ricerche Sociali e Culturali, Belluno (Italy).
- Cacciavillani, I., Gaz, E., Martello, C., Tomasella, E., Zanderigo Rosolo, G., (2012). *Manuale Di Diritto Regoliero*. Istituto Bellunese di Ricerche Sociali e Culturali, Belluno (Italy).
- Carestiato N. (2008). *Beni comuni e proprietà collettiva come attori territoriali per lo sviluppo locale*. Ph.D. thesis, Dept. 'G. Morandini', University of Padova (Italy).
- Istat, (2012). *6° Censimento Generale dell'Agricoltura – dati definitivi*. [online]. Available at: <http://censimentoagricoltura.istat.it/index.php?id=7>
- Favero M., (2015). *Common Property Regimes (Regole) in the Veneto Region (Italy): institutional linkages with Municipalities in the integrated forest landscape management*. Ph.D. thesis, TESAF Dept., University of Padova.

1.13.5. Risk determination

Overview of Legal Requirements

Formal recognition of customary rights that are in place within regional boundaries shall comply with the national legislation, with further detail being provided at a regional level.

Customary rights ("usi civici") allow local communities the right to benefit from some natural goods and services provided by common pool resources such as wood, mushrooms, herbs, livestock grazing, hunting, fishing, etc., although additional local legislation may apply.

In addition, Common Properties are associations provided with legal statutes and lists of people lawfully claiming property rights to the resource. They represent a common property regime, and rights-holders can be considered as resource owners (but some limitations to the ownership apply, as it can neither be sold, divided nor gained through adverse possession; and the land use designation cannot be changed).

Description of Risk

Customary rights might be impeded because of one of the followings, or similar causes (Bassi, 2012):

- Lack of responsive institutions; disempowerment
- eligible communities and common lands not properly defined or identified.

In general terms, however, it might be stated that (Bassi, 2012; Cacciavillani, 2012; Cacciavillani et al., 2012):

- National legislation definitely overcame unfavourable conditions set up during the historical fascist period. Thus nowadays, Common Properties are fully acknowledged and empowered by law with forest management and rural development responsibilities.
- Customary rights rely on well-established and long-lasting legislation.
- Particularly in southern Italy, customary rights often occur on “undemarcated lands”, where responsible communities and common lands have not yet been defined, demarcated or mapped. Nonetheless, disempowerment of customary rights not only emanates from non-responsive institutions, but from lack of awareness by relevant communities, with customary rights slowly and “naturally” disappearing because of deep socio-economic changes that have occurred over the past decades.
- In the case of Common Properties, both the strong, local traditions and the establishment of relevant research centers (e.g. Consulta Nazionale della Proprietà Collettiva, a self-established national advisory board organised along regional lines) provide a fertile ground for the implementation and enforcement of initiatives aimed at sustaining and enhancing the national common domains.
- Difficulties in “positioning” Common Properties within the Italian legal framework, traditionally based on the dichotomy between public and private property, have been definitely and positively overcome: despite their common nature, the legal status of “private personality” was assigned to such institutions, along with relevant public functions, e.g. environmental protection and socio-economic development in mountain areas.
- The national legal system provides a solid framework to potentially solve disputes on tenure arrangements, either in the case of customary rights or Common Properties.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.13.6. Risk designation and specification

Low risk

1.13.7. Control measures and verifiers

N/A

1.14. Free prior and informed consent

Legislation covering "free prior and informed consent" in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.

1.14.1. Applicable laws and regulations

Not applicable. There is no legislation covering free prior and informed consent in Italy.

1.14.2. Legal authority

N/A

1.14.3. Legally required documents or records

N/A

1.14.4. Sources of information

N/A

1.14.5. Risk determination

N/A

1.14.6. Risk designation and specification

N/A

1.14.7. Control measures and verifiers

N/A

1.15. Indigenous/traditional peoples' rights

Legislation that regulates the rights of indigenous/traditional people as far as it's related to forestry activities. Possible aspects to consider are land tenure, right to use certain forest related resources or practice traditional activities, which may involve forest lands.

1.15.1. Applicable laws and regulations

Not applicable. There are no Indigenous people acknowledged within the country - specific speaking minorities are fully recognised (by national and regional legislation) but they are not directly relevant to the forestry sector.

1.15.2. Legal authority

N/A

1.15.3. Legally required documents or records

N/A

1.15.4. Sources of information

N/A

1.15.5. Risk determination

N/A

1.15.6. Risk designation and specification

N/A

1.15.7. Control measures and verifiers

N/A

TRADE AND TRANSPORT

1.16. Classification of species, quantities, qualities

Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce/avoid payment of legality prescribed taxes and fees. Risk relates to material traded under illegal false statements of species, quantities or qualities. This could cover cases where this type of false classification is done to avoid payment of royalties or taxes or where trade bans on product types or species are implemented locally, nationally or internationally. This is mainly an issue in countries with high levels of corruption (CPI<50).

1.16.1. Applicable laws and regulations

National legislation on classification and description of traded goods:

- Presidential Decree n. 627 of October 6, 1978 (article 3) "Additional and corrective regulations on the Presidential Decree no. 633/1972, concerning the introduction and regulation of value added tax, pursuant to the delegation provided dall.art.7 law of 10 May 1975 (249) on the introduction of the obligation to issue the accompanying document for goods in transit". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1978-10-06;627~art1-com2-let1>
- Presidential Decree 472 of 14 August 1996 "Implementation of the provisions contained nell'aert.3, paragraph 147, letter d) of Law 28 December 1995, 549, regarding the abolition of the packing slip of goods traveling". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1996-08-14;472~art1>

1.16.2. Legal authority

- The Ministry of Economy and Finance
- For the law enforcement: Financial Guard (under the authority of the Minister of Economy and Finance)

1.16.3. Legally required documents or records

- Transport document (In Italian: Documento di Trasporto, DdT)
- Invoice (if issued together with the shipment)
- Delivery note (In Italian: Nota di consegna)

1.16.4. Sources of information

Government sources

- CFS (various years). Dossier attività operativa. Corpo Forestale dello Stato, Rome.
- Guardia di Finanza (various years). Rapporto annuale/Annual Report. Corpo della Guardia di Finanza, Rome.

1.16.5. Risk determination

Overview of Legal Requirements

DPR n. 627/1978, art. 1, indicates that when shipping products or goods, these shall be accompanied by documentation containing: (i) information on the sender, (ii) information on the recipient, and (iii) description (nature, quality, quantity and appearance) of transported goods. As for point (iii) no specific requirements or references are defined.

As defined by the Decree n. 472/1996, these details must be reported within the transport documents or, as an alternative, within the invoice if this is shipped together with products/goods.

Description of Risk

Based on reports by Forestry Corps and Financial Police (Guardia di Finanza), no specific data are reported with reference to infringements regarding information on species, quantity and quality on transport documents for timber products. As reported also for 1.17 below, the main risks related to transport documentation refer to the lack or some manipulation of documentation in the case of informal trade, i.e. when invoices and therefore transport documents are not provided, while in other cases there is not enough evidence to support any specific risk level. This issue with documentation is more common in the case of firewood than industrial timber.

Risk Conclusion

This indicator has been evaluated as low risk for industrial timber. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

And,

This indicator has been evaluated as specified risk for firewood. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.16.6. Risk designation and specification

Specified risk for firewood (Coppice forest).

Low risk for industrial timber.

1.16.7. Control measures and verifiers

- Products shall be correctly classified (species, quantities, qualities etc.) on sales documents, customs declarations and other legally required documents
- Evidence shall be provided upon request (photographs of labelling)
- Physical control where it should be verified that the present material equals what has been invoiced and marked

1.17. Trade and transport

All required trading permits shall exist as well as legally required transport document which accompany transport of wood from forest operation. Risk relates to the issuing of documents permitting the

removal of timber from the harvesting site (e.g., legally required removal passes, waybills, timber tags, etc.). In countries with high levels of corruption, these documents are often falsified or obtained by using bribery. In cases of illegal logging, transport documents from sites other than the actual harvesting site are often provided as a fake proof of legality with the harvested material.

1.17.1. Applicable laws and regulations

National legislation on transport documentation:

- L. 249 of 10 May 1976 (Article 7) "Conversion into law, with amendments, of Decree Law of 18 March 1976 n.46, concerning urgent measures on tax matters". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1976-05-10;249~art7>
- Presidential Decree n. 627 of October 6, 1978 "Rules supplementing and the decree of the President of the Republic on Oct. 26, 1972, 633, concerning the introduction and regulation of value added tax, pursuant to the delegation provided dall.art.7 law of May 10, 1975 (249) on the introduction of the obligation to issue the accompanying document for goods in transit". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1978-10-06;627~art1-com2-let1>
- Presidential Decree 472 of 14 August 1996 "Implementation of the provisions contained nell'aert.3, paragraph 147, letter d) of Law 28 December 1995, 549, regarding the abolition of the packing slip of goods traveling". <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1996-08-14;472~art1>

1.17.2. Legal authority

- The Ministry of Economy and Finance
- For the law enforcement: Financial Guard (under the authority of the Minister of Economy and Finance)

1.17.3. Legally required documents or records

- Transport document (In Italian: Documento di Trasporto, DdT)
- Waybill (In Italia: Lettera di vettura)
- Bill of lading (in Italian: Polizza di carico)
- Delivery note (In Italian: Nota di consegna)

1.17.4. Sources of information

Government sources

- Agenzia delle Entrate (2010). *Parere Agenzia delle entrate 23 dicembre 2010, prot. n. 954-177983/2010*. Agenzia delle Entrate, Rome.

Non-Government sources

- Co.Na.I.Bo (2014). *Proposta di detrazioni fiscali sull'acquisto della legna da ardere*. Tecniko&Pratiko, 108: p.11.
- ISTAT (2014). *I consumi energetici della famiglie italiane*. Direzione centrale delle statistiche socio-demografiche e ambientale. Istituto Nazionale di Statistica, Rome.

- Legno Servizi (2015). *In Italia il mercato nero della legna da ardere vale 180 milioni di euro*. [online]. Available at: <http://www.legnoservizi.it/in-italia-il-mercato-nero-della-legna-da-ardere-vale-180-milioni-di-euro/> [Accessed: 20th October 2015]
- Pettenella, D., Florian, D., Masiero, M., Secco, L. (2012). *Attività illegali nella gestione delle risorse forestali in Italia/Illegal activities in the forestry sector in Italy*. SCORE project, co-financed by the Prevention of and Fight against Crime Programme of the European Union. European Commission-Directorate General Home Affairs.

1.17.5. Risk determination

Overview of Legal Requirements

If sales documentation (i.e. an invoice) is not included with the shipment of a certain product/good then transport documentation (or equivalent) shall be issued indicating (i) shipping date, (ii) information on the sender, the recipient and the carrier, (iii) description of shipped goods (type and quality), and (iv) quantity. Two copies of each transport document shall be issued: one is to be kept by the sender, the second one by the recipient. Retention time shall be at least 10 years (see Civil Code, art. 2220). The transport document shall be included with the shipment or, as an alternative, it may be sent on the same shipping date via post, e-mail, fax or courier.

Description of Risk

The main risks regarding trade and transport are linked with the same issues highlighted under 1.6 Value added taxes and other sales taxes. The main risk is associated with the presence of a large informal market for firewood, and related tax fraud (VAT evasion). According to ISTAT (2014), about 20 M tonnes/year of wood are used by Italian households for energy purposes: 92% (18.4 M tonnes) of this volume consists of firewood. About 45% of Italian households using firewood for heating buy the firewood they burn, while 38% rely on their own firewood and the remaining 17% rely on both sources. As a total, about 53% of the consumed firewood is bought on the market and, according to Co.Na.I.Bo. (2014), only 10% is regularly traded and invoiced. Legno Servizi (2015), with the support of AIEL, estimates that the informal market for firewood in Italy totals some 180 M Euro (a value similar to the one estimated by Pettenella et al., 2012), of which a sum of 9.5 M Euro is believed to be evaded VAT.

It is reasonable to assume that when goods are sold informally and not regularly invoiced, transport documents are not issued or might be incomplete or incorrect.

Risk Conclusion

This indicator has been evaluated as low risk for industrial timber. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

And,

This indicator has been evaluated as specified risk for firewood. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.17.6. Risk designation and specification

Specified risk for firewood.

Low risk for industrial timber.

1.17.7. Control measures and verifiers

- Requirements related to transport means (e.g. trucks) shall always be followed
- Species and product types shall be traded legally.
- Required trade permits shall exist and be documented.
- All required transport documents shall exist and be documented.
- Volume, species and qualities shall be classified according to legal requirements.
- Documents related to transportation, trade or export shall be clearly linked to the specific material in question

1.18. Offshore trading and transfer pricing

Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and considered as an important generator of funds that can be used for payment of bribery and black money to the forest operation and personnel involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading as far as it is legally prohibited in the country, can be included here. Risk relates to situations when products are sold out of the country for prices that are significantly lower than market value and then sold to the next link in the supply chain for market prices, which is often a clear indicator of tax laundry. Commonly, the products are not physically transferred to the trading company.

1.18.1. Applicable laws and regulations

National legislation on offshore trading and transfer pricing:

- Leg. 78 of 1 July 2009 (Title II) "Anti-crisis measures and extension of time / anti-avoidance measures and international and domestic anti-circumvention". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legge:2009-07-01;78>
- D. L. n. 78 of 31 May 2010 "Urgent measures for financial stabilization and competitiveness", Art. 26. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legge:2010-05-31;78!vig=>
- Law 122 of July 30, 2010, Conversion into law, with amendments, of Decree-Law 31 May 2010, n. 78, on urgent measures for financial stabilization and economic competitiveness. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:2010-07-30;122!vig=>
- Financial State Agency, ruling 2010/137654 of 29 September 2010. Available at: www.agenziaentrate.gov.it/wps/wcm/connect/531de980442227faa4c0af05cd3f91ea/Prov+v+29092010+e+allegato+A.pdf?MOD=AJPERES&CACHEID=531de980442227faa4c0af05cd3f91ea

- Presidential Decree 917 of December 22, 1986 (art.32 and 55). "Approval of the consolidated law on income tax". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:presidente.repubblica:decreto:1986-12-22;917!vig=>

1.18.2. Legal authority

- The Ministry of Economy and Finance
- For the law enforcement: Financial Police (under the authority of the Minister of Economy and Finance) and the National Tax Agency (Agenzia delle Entrate)

1.18.3. Legally required documents or records

- Tax Agency Audit Reports
- Financial audit reports
- Accounting procedures
- Masterfile as defined by the Italian Revenue Agency in Decision 2010/137654 29 September 2010

1.18.4. Sources of information

Government sources

- Guardia di Finanza (2010). *2010 Rapporto annuale/Annual Report*. Corpo della Guardia di Finanza, Rome.
- Guardia di Finanza (2013). *2013 Rapporto annuale/Annual Report*. Corpo della Guardia di Finanza, Rome.

Non-Government sources

- Greenpeace (2008). *Conning the Congo*. [online]. Available at: www.greenpeace.org/international/Global/international/planet-2/report/2008/7/conning-the-congo.pdf [Accessed: 21st October 2015]
- Valente, P. (2015). *Le novità del transfer pricing*. IPSOA, Trieste.

1.18.5. Risk determination

Overview of Legal Requirements

Any financial activity or investment occurring in countries with a privileged fiscal regime (so called tax havens or "black-list countries" as identified in DM 21 November 2001) is assumed to occur through taxable income unless confirmed otherwise. In these cases sanctions for tax frauds are doubled.

Similar requirements are defined in the case of Controlled Foreign Companies or Corporations (CFC, i.e. corporate entities that are registered and conduct business in a different jurisdiction or country than the residency of the controlling owners), unless it can be proved that the CFC carries out industrial or trade activities as their primary activity within the foreign country or on the foreign market. Such requirements apply also for CFC established in countries not identified as a privileged fiscal regime if their taxation regime is lower than 50% of the applicable Italian taxation regime.

Description of Risk

According to the Financial Police (Guardia di Finanza), tax evasion continues to grow and international tax evasion follows a similar trend. In 2013 the Financial Police identified 15.2 billion Euros (+50% compared to 2010 figures) in undeclared income and illegitimate deductions largely involving transfers by individuals and companies to tax havens, transfer of capital abroad and transfer pricing. In particular, international tax evasion included: 8.14 billion Euros from establishing fictitious company headquarters abroad, 5.5 billion Euros from undeclared activities of foreign companies in Italy, 0.8 billion Euros from transfer pricing and 0.6 billion Euros from transfer of funds and other activities involving other countries. Financial Police reports, however, do not include specific data relating to international tax evasion in the forestry sector. Likewise, no specific reference to Italian companies is made by Greenpeace in their 2008 report, although they clearly state that international transfer pricing practices are quite common in the Democratic Republic of Congo and the Republic of the Congo and might involve several companies. Based on empirical evidence, major transfer pricing activities by forest companies operating in sub-Saharan Africa were informally reported in 2012 as confidential by a forest operator, but no specific reference was made to Italian companies.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.18.6. Risk designation and specification

Low risk

1.18.7. Control measures and verifiers

N/A

1.19. Custom regulations

Custom legislation covering areas such as export/import licenses, product classification (codes, quantities, qualities and species).

1.19.1. Applicable laws and regulations

European Regulation on product classification:

- Council Regulation (EEC) No 2913/92 of 12 October 1992 "Community customs code". Available at: <http://eur-lex.europa.eu/legal-content/IT/TXT/?uri=celex:31992R2913>
- [National legislation on phytosanitary requirements related to trade]
- D.Lgs n.214 del 19 Agosto 2005 "Attuazione della direttiva 2002/89/ce concernente le misure di protezione contro l'introduzione e la diffusione nella comunità di organismi nocivi ai vegetali o ai prodotti vegetali" Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2005-08-19;214!vig=2014-10-31>

1.19.2. Legal authority

- Italian Customs Agency

1.19.3. Legally required documents or records

- Customs Declaration Form
- Custom Bill of Entry

1.19.4. Sources of information

Government sources

- Agenzia delle dogane e dei monopoli (2014). *Organizzazione, attività e statistica dell'agenzia delle dogane e dei monopoli*

Non-government sources

- Cerullo, S., Faraglia, B.C., Gasparri, C. Zanuttini, R. (2012). *Pallet e imballaggi di legno. ISPM-15: lo standard IPPC/FAO per le misure fitosanitarie sugli imballaggi di legno.* Ministero delle Politiche Agricole, alimentari e Forestali and Conlegno.
- Legambiente (2013). *I mercati illegali*
- Traffici illeciti di rifiuti, merci contraffatte, prodotti agroalimentari e specie animali.
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1.19.5. Risk determination

Overview of Legal Requirements

Importers have to provide the National Customs Agency with import documentation that includes details of: (i) exporter, (ii) gross and net weight of the goods, (iii) means of transport (truck, container, railroad car, airplane flight number), (iv) references to transport documentation and (v) the type of goods. Information included within the import documentation shall correspond to the customs bill. Goods shall be identified according to the Combined Nomenclature System.

According to D. Lgs n. 178/2014 (see also 1.21 below) art. 3, points 5 and 6, importers that import products covered by a FLEGT license issued according to Regulation (EU) 2173/2005 shall pay a fee.

Exporters have to provide to the National Customs Agency export documentation that includes details of: (i) type of goods, (ii) the origin of product, (iii) means of transport (truck, container, railroad car, airplane flight number), (iv) references to transport documentation, and specific authorization (as phytosanitary certification) if requested by the country of destination, and (v) country of destination. Information included within the export documentation shall correspond to the customs bill. Goods shall be identified according to the Combined Nomenclature System.

The National Customs Agency can authorize the export only after an analysis of the export documentation is completed.

As regards phytosanitary measures, Italy has adopted the European Directive n. 2002/89/CE, on the Protection against organisms harmful to plants and plant products, through D.lgs. n. 214/2005. According to art. 3 of this law, timber, woodchips, sawdust and wood residues, as well as timber used for packaging, transport or protection is subject to phytosanitary controls performed by national and regional Phytosanitary Services. CN codes subject to these requirements are listed under Annex V, part A to the D.lgs. n. 214/2005. All producers and wholesalers of these products shall be authorized by the same Phytosanitary Services in order to place them on the market.

As regards compliance with ISPM-15 Standard for phytosanitary requirements of wooden packaging, adopted at EU-scale with European Directive 2004/102 CE and made compulsory by several countries at global scale, applications for packaging that has been produced or has received heating treatment in Italy shall be addressed to ConLegno, which has been appointed as the entity in charge of managing this matter (DM 13th July 2015).

Description of Risk

Reports published by the National Customs Agency do not highlight specific infringements related to violations of the customs regulations in the case of timber products. In a similar way, no figures, information or data are reported by non-government sources (e.g. Legambiente, 2013) that are more focused on different goods and materials (e.g. leather-based and agri-food products).

As for phytosanitary measures for wooden packaging, according to ConLegno there are about 1,300 Italian companies that are compliant with the ISPM-15 Standard; however, there are no statistics available related to import infringements.

As for FLEGT licenses, since no license has been issued so far, requirements remained not applicable and in any case import fees have not been defined yet.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.19.6. Risk designation and specification

Low risk

1.19.7. Control measures and verifiers

N/A

1.20. CITES

CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention). Note that the indicator relates to legislation existing for the area under assessment (and not e.g., the area from which CITES species are imported).

1.20.1. Applicable laws and regulations

- Ratification of Washington Convention. L. n.874 del 19 Dicembre 1975 "Ratifica ed esecuzione della convenzione sul commercio internazionale delle specie animali e vegetali"

in via di estinzione, firmata a Washington il 3 marzo 1973". Available at:

<http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1975-12-19;874>

- National legislation on implementation and management of Washington Convention in Italy. L. n.150 del 7 Febbraio 1992 " Disciplina dei reati relativi all'applicazione in Italia della convenzione sul commercio internazionale delle specie animali e vegetali in via di estinzione, firmata a Washington il 3 marzo 1973, di cui alla legge 19 dicembre 1975, n.874, e del reg. N.3626/82, e successive modificazioni, nonché norme per la commercializzazione e la detenzione di esemplari vivi di mammiferi e rettili che possono costituire pericolo per la salute e l'incolumità pubblica". Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:1992;150>

1.20.2. Legal authority

- Ministry for the Environment, Land and Sea (National Competent Authority)
- Ministry of Agricultural, Food and Forestry Policies (CITES enforcement)
- State Forestry Corps (under the control of the Ministry of Agricultural, Food and Forestry Policies) (for the control of CITES permits)
- Ministry of Economic Development (for import/export licence issuing)

1.20.3. Legally required documents or records

- CITES permits issued by exporting country
- Import permits issued by Italian Ministry of Economic Development

1.20.4. Sources of information

Government sources

- CFS (2015) *Nota Stampa: l'attività del Servizio CITES del Corpo Forestale dello Stato*. Corpo Forestale dello Stato, Rome.

Non-Government sources

- UNEP-WCMC and CITES (2015). *SPECIES+ database*. [online]. Available at: <http://www.speciesplus.net> [Accessed 21st October 2015]
- WWF Italia (2013). *Rapporto WWF sulla biodiversità*. [online]. Available at: http://awsassets.wwf.it/panda.org/downloads/rapporto_biodiversita_wwf_2013.pdf [Accessed: 21st October 2015]

1.20.5. Risk determination

Overview of Legal Requirements

Italy has ratified the CITES Convention through Law n. 874/1975. The Management Authority in charge of implementing the Convention is the Ministry of Environment, while the Ministry of Economic Development issues import/export permits, and the National Forestry Corps operates as the Competent Authority for granting re-export permits on behalf of the Ministry of Agricultural, Food and Forestry Policies (the Enforcing Authority).

Regarding enforcement, Law n. 150/1992 identifies the sanctions regime related to the implementation of the CITES Convention in Italy: sanctions can consist of fines, arrest, or seizure and confiscation of goods.

At national scale, 23 CITES units/offices operate at international airports and harbours to check the import/export permits, and an additional 28 certification offices (CITES Offices) operate in the main Italian cities to support the investigation and enforcement system.

Description of Risk

According to UNEP-WCMC and CITES Species+ database (2015), no tree species included within CITES Appendices are found in Italy. None of the 79 Italian flora species included within CITES Appendices qualifies as a tree or species that provides timber and timber-based products.

As for controls, the CITES Department of National Forestry Corps (2015) verified more than 68,000 CITES permits in 2014, mostly at customs level, and identified only 174 violations. None of these were related to timber products.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.20.6. Risk designation and specification

Low risk

1.20.7. Control measures and verifiers

NA

1.21. Legislation requiring due diligence/due care procedures

Legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.

1.21.1. Applicable laws and regulations

- National legislation on the designation of the Italian Competent Authority for Regulation (EU) 995/2010. D.M. n. 18799 del 27 Dicembre 2012. Available at: <https://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/6040>
- National legislation on the management, controls and sanctions for Regulation (EU) 995/2010. D. Lgs. n.178 del 30 Ottobre 2014 "Attuazione del regolamento (ce) n.217372005 relativo all'istituzione di un sistema di licenza FLEGT per le importazioni di legname nella comunita' Europea e del reg. (ue) n.995/2010 che stabilisce gli obblighi degli operatori che commercializzano legno e prodotti da esso derivati" Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2014;178>

1.21.2. Legal authority

- Ministry of Agricultural, Food and Forestry Policies (National Competent Authority)
- State Forestry Corps (under the control of The Ministry of Agricultural, Food and Forestry Policies) (for monitoring and control operations in the field)

1.21.3. Legally required documents or records

NA

1.21.4. Sources of information

Government sources

- CFS (2013). *Nota Stampa: Forestale: furti di legna, nuova realtà criminale*. Press release issued by the State Forestry Corps.
- Morgante, E. (2015). *Le risposte delle istituzioni nazionali ed internazionali: EUTR e FLEGT*. Paper presented at the Conference "Deforestazione e degrado delle foreste: le cause, le leggi, gli strumenti per la prevenzione", Rome 25th September 2015.

Non-Government sources

- Cerullo, S., Clerici, C., Paradiso, D., Zanuttini, R. (2013). *Il legno pensa al futuro*. La sfida della Due Diligence. Compagnia delle Foreste, Arezzo (Italy).
- European Commission (2015). *State of implementation of EU Timber Regulation in 28 Member States*. [online]. Available at: <http://ec.europa.eu/environment/forests/pdf/EUTR%20implementation%20scoreboard.pdf> [Accessed: 07th October 2015]
- Jonsson, R., Giurca, A., Masiero, M., Pepke, E., Pettenella, D., Prestemon, J., Winkel, G. (2015). *Assessment of the EU Timber Regulation and FLEGT Action Plan*. From Science to Policy 1. European Forest Institute, Joensuu (Finland).
- Italia, C. (2014). *Dovuta Diligenza: si parte con i controlli*. Industria della Carta 2014: p. 18-20
- Various Authors (2013). *EUTR e Due Diligence*. Di cosa si tratta? Cosa fare per essere in regola? Compagnia delle Foreste, Arezzo (Italy).

1.21.5. Risk determination

Overview of Legal Requirements

The Ministry of Agricultural, Food and Forestry Policies has been designated as the national Competent Authority, while the State Forestry Corps was designated in December 2012 as the body in charge of carrying out control operations. Subsequently the Ministry appointed the Directorate General for Rural Development as the national body in charge of coordinating EU Timber Regulation (EUTR) implementation, and in 2013 identified CITES units of State Forestry Corps as the main controlling bodies. Penalties were finally approved by means of a Ministerial Decree in December 2014. While national legislation basically mirrors the EU text, it also includes some additional issues such as the development of a national register of operators and of a multi-stakeholder permanent board on FLEGT-EUTR issues, with the aims of coordinating different parties and achieving effective implementation.

Description of Risk

Secondary legislation for the adoption of EUTR requirements has been developed quite late (i.e. after the Regulation came into full force) The European Commission EUTR Implementation Scoreboard indicates that the EU Timber Regulation is fully implemented in Italy (European Commission, 2015). National legislation clearly states that no additional human or financial resources will be devoted to monitoring and control activities for the purposes of EUTR. Meanwhile the State Forestry Corps reported in 2014 increasing concerns about small-scale illegal or informal logging activities in Italy and informally declared that they believe most Italian companies (including both importers and Italian forestry companies) are not in full compliance with the EUTR requirements and are likely waiting for the full enforcement of national legislation before they begin adopting specific measures (Mariano quoted by Italia, 2014). Controls by the Forestry Corps started in June 2015 (Morgante, 2015). Since risk are present in the forest sector in Italy, there is reason to believe that the Due diligence requirements are yet not fully implemented at forest level in Italy. Thus, based on a precautionary approach the risk is considered specified.

Risk Conclusion

This indicator has been evaluated as specified risk. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.

1.21.6. Risk designation and specification

Specified risk

1.21.7. Control measures and verifiers

1. Can the material be tracked back to the entity placing it on the market i.e. the Operator according to Regulation (EU) 995/2010 (EU timber Regulation, EUTR)?

- If the timber is sold as standing stock to a logging company, the logging company will be the Operator.
- If the timber is sold as an assortment by the forest owner/manager, then the forest owner/manager will be the Operator.

If no - do not buy

If yes - go to 2

2. Can the Operator document that a Due Diligence System is in place in accordance with Regulation (EU) 995/2010 (EUTR)? Operators placing for the first time on the internal market for distribution or use in the course of a commercial activity any products listed in the annex to Regulation (EU) 995/2010 (EUTR) should present:

- documents required according to articles 4.2 and 6 of Regulation (EU) 995/2010 (EUTR),
- documents required according to article 3, Commission Implementing Regulation (EU) 607/2012,

- register of information concerning the Operator's supply as provided for in article 6.1 a) of Regulation (EU) 995/2010 and documentation of application of risk mitigation procedures.

If no – do not buy

If yes - risk mitigated for this point. Additional collection of information:

- Evidence that the Operator is included within the National Operators Registry
- Evidence that FLEGT license fees have been paid by Operators importing timber/products from FLEGT-VPA countries
- Consultation with authorities in charge of performing controls
- Consultation with recognized Monitoring Organizations

Annex I. Timber source types

The table **Timber Source Types in Italy** identifies the different types of sources of timber it is possible to find in the country of origin.

'Timber Source Type' is a term used to describe the different legal sources of timber in a country, in order to allow a more detailed specification of risk. The Timber Source Type is used to clarify:

- which forest types timber can be sourced from legally;
- what the legal requirements are for each source type, and
- if there are risks related to certain source types and not others.

Timber Source Type can be defined by several different characteristics. It may be based on the actual type of forest (e.g. plantation or natural), or other attributes of forests such as ownership, management regime or legal land classification. In this context Timber Source Types are defined and discerned using the following characteristics:

- Forest type** - refers to the type of forest such as plantation or natural tropical forest, or mixed temperate forest. Often the clearest differentiation is between natural forest and plantations.
- Spatial scale (Region/Area)** - relating to meaningful divisions of a nation. However, in some cases the assessment may be carried out at national level where that allows the risk assessment to establish risk at a meaningful level. E.g. a small country with uniform legislation and a uniform level of risk in all areas of the country, as national level assessment may be enough. In case there are significant differences in the legal framework or legality risks between different types of ownership (e.g. public forest, private forest, industrial forest), between different type of forest (e.g. natural forest and plantations) and/or between different geographical regions the conformance risk evaluation shall specify these differences when specifying the risk and apply the appropriate control measures.
- Legal land/forest classification** - refers to the legal classification of land. Focus is on land from where timber can be sourced, and this could entail a number of different legal categories such as e.g. permanent production forest, farm land, protected areas, etc.
- Ownership** - Ownership of land may differ in a country and could be state, private, communal etc. Ownership of land obviously have impacts on how land can be managed and controlled.
- Management regime** - Independently of the ownership of the land, the management of forest resources may differ between areas. Management may also be differentiated as private, state, communal or other relevant type.
- License type** - Licenses may be issued to different entities with a range of underlying requirements for the licensee. A license might be issued on a limited area, limited period of time and have other restrictions and obligations. Examples could be a concession license, harvest permit, community forestry permit etc.

TIMBER SOURCE TYPES IN ITALY						
Forest type	Region / Area	Legal Land Classification	Ownership	Management regime	License / Permit Type	Description of source type
Public (semi-) natural forests					As defined by local regulations at regional/provincial scale (see Annex 1 for details)	Due to the highly differentiated normative framework (19 regional and two provincial forest laws and related secondary legislation), harvesting permits have different names and follow different issuing procedures depending on the region/autonomous province where harvesting occurs. In general terms, permits can be distinguished as one of two broad categories: (i) harvesting notifications, required for small-scale harvesting operations (i.e. small areas, limited volumes according to thresholds defined by regional/provincial laws), especially in coppice forests, and normally implying a simpler and quicker procedure; (ii) harvesting licenses/permits/projects, required for medium-to large-scale operations, in particular when occurring in high forests and/or in areas subject to legal restrictions (e.g. environmental, landscape or hydrogeological restrictions), and implying longer assessment/approval procedures.
Private (semi-) natural forests					As defined by local regulations at regional/provincial scale (see Annex 1 for details)	
Forest plantations					Harvesting notification	



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About

Supporting Legal Timber Trade

Supporting Legal Timber Trade is a joint project run by NEPCon with the aim of 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 joint project is funded by the LIFE programme of the European Union and UK aid from the UK government.



NEPCon (Nature Economy and People Connected) is an international, non-profit organisation that builds commitment and capacity for mainstreaming sustainability. Together with our partners, we foster solutions for safeguarding our natural resources and protecting our climate.

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