

Timber Legality Risk Assessment ANGOLA

Version 1.0 | 27 December 2021



COUNTRY RISK
ASSESSMENTS



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A. Introduction

This Timber Legality Risk Assessment for Angola analyses the risk of sourcing timber from illegal harvesting and transport areas. Preferred by Nature has been working on risk assessments for timber legality, in partnership with several organizations, since 2007.

Version history

Version 1.0: Published December 27 2021

Overview of methodology

Preferred by Nature would like to recognize the huge contribution our consultants working in Angola have performed in connection with this report. Their involvement has been invaluable in obtaining the latest information across the broad range of timber legality issues presented in this report. Preferred by Nature's country, risks assessments are by definition always evolving, and by retaining local experts, are we confident the advice expressed in this report is truthful and reliable.

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

Interviews with experts

The list of experts is not included in the risk assessment. However, all experts are known to Preferred by Nature.

Version 1.0: Expert consultation in October 2019.

Public consultation

Online public consultation on the Sourcing Hub: November 23 – December 23 2021

A. Overview of legality risks

Timber Risk Score: 0 / 100 in 2021

This report evaluates the risk of illegality in Angola for 5 categories and 21 sub-categories of law. We found:

- **Specified risk for 19 sub-categories.**
- **Low risk for 0 sub-categories.**
- **No legal requirements for 2 sub-categories.**

There is a general lack of information available to evaluate risks related to the sub-categories, and a precautionary approach to conclude specified risks has been used. It should be noted that the conclusion is based on the generally low level of World Bank World governance score for Angola, and the low Corruption Perception Index (27/100 in 2020), which indicates a high level of corruption. Therefore, there is little evidence to state that low state risk is present, and attention to all sub-categories should be paid when sourcing from Angola.

For **Legal Rights to Harvest**, there is:

- Risk related to Land tenure and management rights based on a precautionary approach (1.1)
- Risk related to Concession licenses based on a precautionary approach (1.2)
- Risk related to Management and harvesting planning based on a precautionary approach (1.3)
- Illegal transfer of Annual Forest Harvesting Licenses between national to foreign companies (1.4)
- Logging activities are carried out without or with a fraudulent permit (1.4)

For **Taxes and Fees**, there is:

- Risk related to Payment of royalties and harvesting fees based on a precautionary approach (1.5)
- Risk related to Value-added taxes and other sales taxes based on a precautionary approach (1.6)
- Risk related to Income and profit taxes based on a precautionary approach (1.7)

For **Timber Harvesting Activities**, there is:

- Risk of harvesting below the minimum allowed felling diameter (1.8)
- Risk of harvesting beyond boundaries (1.8)
- Risk of illegal logging of protected species (1.9)
- Risk related to Environmental requirements based on a precautionary approach (1.10)
- Risk related to Health and safety based on a precautionary approach (1.11)
- Risk that Employment regulations are not respected (lack of compliant and registered employment contract, employer not paying social contributions, workers' pay below the minimum wage) (1.12)

For **Third parties' rights**, there is:

- Risk related to Customary rights based on a precautionary approach (1.13)
- Risk related to Free prior and informed consent based on a precautionary approach (1.14)

For **Trade and transport**, there is:

- Risk that false declarations are made regarding species and their volume on transport documents (1.16)

- Risk related to Trade and Transport based on a precautionary approach (1.17)
- Risk related to Offshore trading and transfer pricing based on a precautionary approach (1.18)
- Risk related to Custom Regulations based on a precautionary approach (1.19)
- Risk related to CITES based on a precautionary approach (1.20)

Timber source types and risks

There are 3 main timber source types found in Angola. 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.

Annual Forest Harvesting License

Annual Forest Harvesting Licenses shall be issued only for one season of felling or harvesting of wood and Non-Timber Forest Products and for areas not exceeding 1,000 ha on land located in production forest, community forest areas, or on land from previous concessions or reserves.

- 1) **Natural forest in production forest/ public domain (State-owned property)**
- 2) **Natural forest - community forest. Mainly for subsistence and community use.** It can be used for commercial harvesting under authorization when there is sufficient forest resource potential and only under the prior consent of the communities. This type of harvesting can be collective, individual, or collective in partnership with third parties.
- 3) **Plantation Forest (Public Plantation and private). All existing plantation forests are state-owned.** Private forest plantations are to be established on a case-by-case basis, and none currently exist for timber harvesting.

Forest Concession Contract

No forest concession contracts exist at the time of this assessment.

A Forest Concession Contract can be issued for the following:

- 1) **Natural forest in production forest/ public domain (State-owned property)**
- 2) **Natural forest - community forest. Mainly for subsistence and community use.** It can be used for commercial harvesting under authorization when there is sufficient forest resource potential and only under the prior consent of the communities. This type of harvesting can be collective, individual, or collective in partnership with third parties.
- 3) **Plantation Forest (Public Plantation and private). All existing plantation forests are state-owned.** Private forest plantations are to be established on a case-by-case basis, and none currently exist for timber harvesting.

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

NOTE: Timber can also originate from seized timber. This has not been covered in the risk assessment

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

Legal Category	Sub-Category	Source type	
		Annual Forest Harvesting License	Forest Concession Contract Plantation Forest
Legal rights to harvest	1.1 Land tenure and management rights	Specified	Specified
	1.2 Concession licenses	Specified - Not evaluated	Specified - Not evaluated
	1.3 Management and harvesting planning	Specified	Specified
	1.4 Harvesting permits	Specified	Specified
Taxes and fees	1.5 Payment of royalties and harvesting fees	Specified	Specified
	1.6 Value-added taxes and other sales taxes	Specified	Specified
	1.7 Income and profit taxes	Specified	Specified
Timber harvesting activities	1.8 Timber harvesting regulations	Specified	Specified
	1.9 Protected sites and species	Specified	Specified
	1.10 Environmental requirements	Specified	Specified
	1.11 Health and safety	Specified	Specified
	1.12 Legal employment	Specified	Specified
Third parties' rights	1.13 Customary rights	Specified	Specified
	1.14 Free prior and informed consent	Specified	Specified
	1.15 Indigenous/traditional peoples rights	N/A	N/A
Trade and transport	1.16 Classification of species, quantities, qualities	Specified	Specified
	1.17 Trade and transport	Specified	Specified
	1.18 Offshore trading and transfer pricing	Specified	Specified
	1.19 Custom regulations	Specified	Specified
	1.20 CITES	Specified	Specified
	1.21 Legislation requiring due diligence/due care procedures	N/A	N/A

B. Overview of the forest sector in Angola

Angola has abundant and extensive forest resources and biodiversity with considerable economic potential¹. The extent of forest and other wooded land is estimated at 58,480 million hectares, 47% of the country's 12,467 million hectares of land area². Wood stock is estimated at a total of 4.5 billion m³. The Annual Allowable Cut (AAC) is approximately 500,000 m³. According to the Ministry of Economic Planning, Angola's timber resources are largely underexploited. It is argued that timber resources within the natural productive forest and plantation forest of approximately 57,450,000m³ could be harvested. If sustainable management principles are followed, in practical terms, an average of 1,210,000 m³ of logwood could be exploited throughout the forest, with 360,000 m³ from natural forest and 850,000 m³ from plantations. It is believed that the real size of forest in Angola is not known, as a national forest inventory has not been conducted. An ongoing national inventory is in development, making key data on the extent of forest resources available³.

By law⁴, the government is the owner of all forests, including existing public plantations.

- The Ministry of Agriculture and Forestry (MINAGRIF) is the responsible ministerial department for the agricultural and forestry Sectors⁶ and is responsible for policy formulation and defining the strategic direction for the forest sector regarding national development.⁵
- The National Directorate of Forestry within the Ministry of Agriculture and Forestry (MINAGRIF) has an advisory role responsible for proposing policies and strategies and related activities to develop the forestry sector⁶.
- The Forestry Development Institute (IDF) is the regulator for the Forestry Sector and, in principle, the implementing authority of forest policy and related legislation, programs, and activities. The IDF is viewed as a major player in the decision-making on policy issues and the development of such policy.

Angola has recovered from a long period of civil conflicts (1975-2002), which affected the forest sector's development. The new era of stability and rapid development indicates a high-level commitment to sustainable forest management, improving livelihoods for the rural people who largely depend on forest resources. More importantly, there has been a recognition to diversify Angola's Oil-based economy. The forestry sector is identified as a key alternative sector and thus will receive greater attention than previously.

However, as the forest policy and related legislation have been established and implemented after the civil conflicts, Forestry Development Institute, which is the executive arm of the forestry sector, is challenged by inadequate capacity for its mandate in terms of technical knowledge, skills, experience, and the number of professional staff. Consequently, IDF cannot implement long-term forest concessions for forest management as established by law and instead depends on an Annual Forest Harvesting License, which awards timber harvesting rights based on specific species. However, this practice can deplete the forest of its high-valued timber species.

Official sources state that current timber extraction is approximately 200,000 m³ or about 40% of the annual allowable cutting capacity. Official sources state that in 2018 54,891 m³ of round wood was harvested from the natural forest, and 34,000 m³ of round wood was harvested from in-forest plantations.

¹ [FAO 2010, Global Forest Resources Assessment 2010](#), Italy, Rome

² IDF, Personal Communication 2019.

³ [FAO, 2017, Enhancing National Forest Monitoring and Assessment in Angola and Ecuador](#)

⁴ Law nr. 9/04 of November 09, 2004, Land Law

⁵ Executive Decree No. 260/18

⁶ Presidential Decree No. 5/14

The World Bank Governance Indicators⁷ provide the following scores for Angola in 2020.

	Estimate (-2.5 to + 2.5)	Percentile rank, 0-100 (0 lowest rank, 100 highest rank)
Government Effectiveness	-1.2	13
Regulatory Quality	-0.9	16.3
Rule of Law	-1.0	13.5
Control of Corruption	-1.1	13.5

The estimate and percentile score show that Angola faces challenges with the four governance indicators listed. On the Transparency International Corruption Perception Index,⁸ Angola scores 27 out of 100 (100 being least corrupt).

The low score on corruption, governance and the rule of law will be considered for this risk assessment when evaluating risks related to the Angolan forest sector, transport, and trade.

⁷ World bank (2021). Governance Indicators. Available at: <https://databank.worldbank.org/source/worldwide-governance-indicators>

⁸ Transparency International (2021). Corruption Perception Index – Angola. Available at: <https://www.transparency.org/en/cpi/2020/index/ago>

C. Legality Risk Assessment

LEGAL RIGHTS TO HARVEST

1.1. Land tenure and management rights

Legislation covering land tenure rights, including customary land rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights.

Management rights related to other rights than land and land management is covered under 1.13 (Customary rights) and 1.15 (Indigenous/traditional people's rights)

This indicator also covers legal forest management business registration and tax registration, including relevant legal required licenses (Industrial business and tax registration are covered under 1.22). 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. 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

1.1.1. Applicable laws and regulations

- Constitution of the Republic of Angola, of January 21 2010:
 - Article 15 (1) (land): Land, which is by origin the state's property, may be transferred to individuals or corporate bodies, with a view to its rational and full use, under the terms of the Constitution and the law.
 - Article 16 (natural resources). Natural resources are the property of the state. The state which shall determine the conditions for concessions, surveys and harvestings extraction under the terms of the constitution, the law and international law.
Available at: <http://extwprlegs1.fao.org/docs/pdf/ang72591ENG.pdf>
- Law Act No. 9/04 of November, (Land Law):
 - Article 5 All lands in Angola are state property. It is the state that transfers land occupied by private individuals, including land under private ownership.
 - Article 7 Useful and effective usage. 1. The transfer of property rights and the establishment of limited land rights over lands integrated into the private property of the State can only take place with the objective of guaranteeing their useful and effective usage.
 - Article 10 (natural resources) ownership of state natural resources. Natural resources belong to the state.
 - Article 35 (private property right). Anyone can own a piece of land in the state's private domain to work on it, that is, to cultivate, build houses, raise animals and sell the products they derive from their use of the land. Note: This applies only to Angolan nationals.
 - Article 37 (customary use right). This indicates that the state recognizes the land rights of all families or rural communities that have occupied these lands for several years. This right protects the habits and customs of land-use communities.
Available at: <http://extwprlegs1.fao.org/docs/pdf/ang49570.pdf>
- Presidential Decree No. 15/18 of January 25 approves the Ministry of Agriculture and Forests (MINAGRIF) by the President of the Republic of Angola, as a ministerial department to propose the formulation, conduct, execute and control the policy of the Executive in the fields of agriculture, livestock, forests, and secure food security and food from a development perspective.

- Article 18 (National Directorate of Forests) of the Decree establishes the National Directorate of Forests as the service under the Ministry to be responsible for formulating, promoting and monitoring forest policies and strategies.
- Article 23 (the Forest Development Institute) establishes the Forest Development Institute (IDF) as a legal person governed by legal personality and administrative, financial and asset management autonomy to create the promotion, coordination and implementation of policies in the field of forestry, wildlife, land and development technology transfer.

All forest laws are available at <https://www.lexlink.eu/conteudo/geral/ia-serie/3843219/decreto-presidencial-no-1518/14793/por-tipo-de-documentolegal>http://www.parlamento.ao/#http://www.parlamento.ao/glue/AN_Navigation_home.jsp

- Law No. 6/17 of January 24 2017 (Forest and Wildlife Basic Legislation) establishes the norms which seek to guarantee conservation, and rational and sustainable use of forests and wildlife in the national territory, and the general basis for the exercise of activities:
 - Article 138 (Holder of Executive Power) gives power to the Executive Director to define the general policy of protection and utilization of forests and wildlife, using available scientific data on the state and the demands of sustainable management. Item 3(b) as n9 approved by the head of the Executive Director, carries out among other activities, to recognize and grant rights of use and exploit forest and wildlife resources.
 - Article 59 (Forestry Exploration Activities) clarifies that: Logging activities shall be carried out in production forests; In the public domain's natural forests of the State or local authorities, the activity of logging shall be exercised by Angolan natural or legal persons who have been granted the right of logging; In forest plantations, activities related to logging is carried out by natural and legal persons who fulfil the requirements of this Law; In State-owned forest plantations, activities related to logging operations are carried out by natural or legal persons who enter into a logging concession contract with the State, under the terms to be regulated. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Law No. 3/04 of June 2004 on land, territorial and urban planning. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC118155>
- Presidential Decree No. 171/18 approving the Forestry Regulation. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178389>
 - Article 110 (extract) Plantations(Purposes). 1. According to this law, plantations are public and private. All natural or legal persons, both domestic and foreign, as well as rural communities, are engaged in forest plantation activities in accordance with this Act, on the condition that they are holders of land rights on the ground on which they intend to carry out their activities.
 - Article 111 (extract) Rights and obligations of holders of forest plantations. 1. Plantations Forest owners have the right to property of plantation areas

1.1.2. Legal authority

- Ministry of Agriculture and Forests (MINAGRIF)
- Forestry Development Institute (IDF) of the Ministry of Agriculture and Forestry

1.1.3. Legally required documents or records

- Land title certificate
- Community land title certificate
- Annual Forest Harvesting Licenses

1.1.4. Sources of information

Non-Government sources

- European Commission, 2019. Strengthened capacity for better land tenure and natural resources governance in Angola. Available at: https://ec.europa.eu/international-partnerships/projects/strengthened-capacity-better-land-tenure-and-natural-resources-governance-angola_en

1.1.5. Risk determination

Overview of legal requirements

The 2010 Constitution of the Republic of Angola (Article 15) states that land is the state's property and can be transferred to individuals or corporate bodies for their rational and full use. The law clearly states that the transfer of land tenure rights over the State property does not imply the acquisition of any right over the natural resources. Natural resources, including natural forests, are property of the State, determining the condition, surveying, and harvesting for concessions (Article 16). The abovementioned provisions are elaborated in Land Law no. 9/04 (Land Law) in Articles 10, 35. The Land Law Article 37 on Customary Rights recognizes the land rights of families and rural communities that have occupied these lands for several years.

Logging is restricted to production forests. Law No. 6/17 of January 24, 2017 (Forest and Wildlife Basic Legislation) Article 59 clarified that logging activities could be carried out in production forests, natural forests either in the public domain or under local authorities' jurisdiction in forest plantations. The article clarifies that only natural or legal Angolans can exercise logging rights in natural forests. In State-owned Forest plantations, natural or legal persons can exercise the right to carry out logging activities under logging concession contracts, under terms that are yet to be regulated.

The use and access to forest and wildlife resources are conditional on obtaining a license or concession contract issued by the Ministerial Department for the Protection of Forestry. In protection and special-purpose forests, harvesting is prohibited except for subsistence use or scientific purposes. Regarding forest conversion to other uses, forest clearing and deforestation on land classified as forests are prohibited except for special cases specified in the law.

Natural resources belong to the State. However, according to Presidential Decree no. 171/18, plantations can be private. Private plantations owners have the right to the property of plantations areas.

Law 3/04 on Territorial Planning and Urbanization governs rural and urban land and requires territorial development plans at central, provincial, and municipal levels. Territorial planning shall respect the State's right over natural resources, including the forest use or harvesting by the rural communities or private through concessions. Rural plans shall classify rural land as agricultural or forest land.

The institutional arrangement for the management of forests is also legally defined. The Presidential Decree No. 15/18 of January approved the Ministry of Agriculture and Forests (MINAGRIF) as the ministerial department of the Executive (Government) responsible for policy in the forests subsector. Article 18 of the Presidential decree establishes the National Directorate of Forests under MINAGRIF as responsible for formulating, promoting, and monitoring forest policies and strategies. The Forest Development Institute (IDF) is established by Article 23 of the Presidential Decree No. 15/18 of January and given Executive powers by Article 138 of Law No. 6/17 of January (Forest and Wildlife Basic Law) as a legal person with administrative, financial, and asset management autonomy to implement policies in the forest and wildlife sector.

Description of risk

- Stakeholders acknowledge and accept that land and natural forests are State property. During the research for this risk assessment during expert consultation, stakeholders, including civil society organisations (CSOs), also confirmed that the State recognises customary use rights of land and forest for subsistence use. An example of this is the government, with the support of an NGO working with local communities, which have been able to give community land certificates for some

communities in Southern Angola to demonstrate government recognition of community land tenure rights. The authority of the MINAGRIF (regarding policy development and monitoring) and IDF's implementation authority are also recognised and accepted by the stakeholders.

- Civil Society Organizations have been skeptical of the current technical capabilities of the IDF to carry out its legal mandate adequately. The IDF has also recognised capacity issues, and as a result, they are implementing a new policy in a stepwise approach to commensurate with their current capacity. For example, according to the IDF, no long-term forest concession contracts have been established because they do not have the experience and the capacity to manage the process. Instead, more manageable annual licenses are being issued (Based on expert consultation, 2019)
- In post-war Angola, land tenure is weak. Land property is sometimes unclear, and cases of residents occupying land without formal title deeds are frequent. For example, many poor people fled to cities during the war and informally settled on lands they did not own a legal title. Various foreign aid development projects were implemented to achieve better governance of land tenure and natural resources in Angola, strengthen governmental capacities, prevent conflicts, and improve land occupation security. However, the result of development projects to solve land tenure conflicts is unknown. (European Commission, 2019).

Risk Conclusion

This indicator has been evaluated as a specified risk for all source types. This conclusion is based on the low CPI (27/100 in 2020), which indicates a high level of corruption, weak land tenure according to the European Commission, and capacity issues of IDF. We, therefore, do not have sufficient evidence to state low risk. Attention to this indicator should be paid when sourcing from Angola.

1.1.6. Risk designation and specification

All source types: Specified risk based on a precautionary approach.

1.1.7. Control measures and verifiers

Mitigating the risk related to Land tenure and management rights based on a precautionary approach

Consultation

- Consultation shall verify that there are no ongoing land right conflicts. Relevant stakeholders are:
 - local families and rural communities
 - Authorities - Ministry of Agriculture and Forestry (MINAGRIF) and Forest Development Institute (IDF)

Review and verify documents

Documents relevant to the review, when applicable, are:

- Land title certificate
- Community land title certificate
- Annual Forest Harvesting Licenses

1.2. Concession licenses

Legislation regulating procedures for issuing forest concession licenses, including use of legal methods to obtain concession licenses. Especially bribery, corruption and nepotism are well-known issues in connection with concession licenses. This indicator intends 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

- Law no. 6/17 of January 24 2017. Forests and Wildlife Basic Law. Establishes the norms that seek to guarantee the conservation, rational and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.
 - Article 9 (j) (Sustainable Forest and wildlife management instruments) of Law No. 6/17 identifies concession and licensing schemes as instruments of sustainable forest and wildlife management.
 - Article 10 (Access and use of forest and wildlife resources). Access to and use of forest and wildlife resources for profit and non-profit is subject to obtaining permission, license or concession contract issued by the Ministerial Department that oversees the Forest and Wildlife Sector by delegation of power to the Holder of Power Executive, under the terms of Law no. 6/17 Forest and Wildlife Basic Law.
 - Article 59 (Forestry Harvesting Activities) clarifies that: Logging activities shall be carried out in production forests. In natural forests in the public domain of the State or local authorities, the activity of logging shall be exercised by Angolan natural or legal persons who have been granted the right to log. Timber extraction in forest plantations is carried out by natural and legal persons who fulfil the requirements of this Law In State-owned forest plantations, activities related to logging operations are carried out by natural or legal persons who conclude with the State, logging concession contract under the terms to be regulated. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential Decree No. 171/18 of July 23 2018 (approving the Forestry Regulation), regulates the forest and wildlife basic law:
 - Section III (Access to Forestry Rights): Article 52 (schemes for access to logging rights). Clarifies that access to logging rights for both for profit and non-profit is through forest concessions and Annual Forest Harvesting Licenses.
 - Article 60 (forms of harvesting under forest concession contract) provides for different concession models for the use of forest resources.
 - Article 61 (forest concession contract award rules) number 1 allocates the right to harvest as rule-based on bidding, auctioning and developing a simplified contract under initiative from the applicant to request for a preferred area and has the responsibility to carry out mapping and an inventory of the area.
 - Article 15 (protected tree classification procedure) enforces the need for environmental impact assessment to award logging rights.
 - Article 54 (transfer of the right to harvest) clarifies that logging rights constituted by forest concession or harvesting license are not transferrable if there is proven incapacity of the respective holder, in which case the heirs duly authorized representatives or their legal representatives takes over.
 - Article 58 (General Characterization) concession contracts should include processing of products obligations and reforestation depending on the agreement.
 - CHAPTER XIII Infringements Article 168 (sanctions)

- Article 169 (Accessory punishment measures) of forest regulation provides a list of sanctions for infringements against both the forest and wildlife basic law and the forest regulation. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178389>
- Joint Executive Decree No. 200/16 on forestry taxes. Establishes the forestry taxes and other charges resulting from the harvesting of forestry products. It also applies to the harvesting of forestry non-timber products, issuing forestry certificates and permits, transport authorization and conducting surveys to update the forestry taxes amounts and the responsibility of the Central and Local Executive Services of the Forestry Development Institute. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang155324.pdf>
- Law 3/18 of May 9 2018 (General Tax Law). Revoked by The Presidential Legislative Decree no. 10/19, of November 29 2019, approving the new Customs Tariff. Available at: <https://www.minfin.gov.ao/PortalMinfin/#!/legislacao/legislacao-tributaria>
- Law no. 5/98 of June 19 (Law on the Environment). Establishes basic principles to be carried out by the Government of Angola on the following issues: 1) natural heritage protection; 2) ecosystem preservation and 3) environmental conservation, in order to guarantee the quality of human life. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC018069>
- Decree No. 51/04 of July 23, 2004 (Environmental Impact Assessment) approves the Environmental Impact Assessment (EIA) Legislation, aimed at regulating the environmental and administrative procedures related to the implementation of public and private projects. It establishes the environmental requirements to be satisfied to benefit from the authorization to perform any environmental activity. The Annex lists down all the activities needing an EIA authorization. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC119509>
- Executive Decree No. 92/12 (approves the Environmental Impact Assessment administrative procedures). It approves the Environmental Impact Assessment (EIA) terms of reference to perform administrative procedures related to implementing public and private projects. It establishes model forms and the baselines for carry out studies related to Environmental Impact Assessment necessary for specific projects or activities. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC119510>

1.2.2. Legal authority

- Forestry Development Institute (National level only) of the Ministry of Agriculture and Forest
- National Directorate to Prevention and Environmental Impact Assessment (National level) at the Ministry of Environment
- Ministry of Industry
- General Tax Authority (GAT)

1.2.3. Legally required documents or records

- Concession Agreement
- Environmental permit for installation

1.2.4. Sources of information

Government sources

- Personal communication with staff at: Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, The Ministry of Environment; General Tax Administration, Ministry of Commerce.

Non-Government sources

- Personal communication with civil society organisations and wood processing companies.
- TimberLex – Angola, 2021. Food and Agriculture Organization of the United Nations. Available at: <http://34.149.51.237/>
- Angop, 2021. Concessão de licenças florestais vai abranger todas províncias com potencial. Available at: <https://www.angop.ao/noticias/economia/concessao-de-licencas-apontada-como-mecanismos-para-acabar-com-garimpo-de-madeira/>

1.2.5. Risk determination

Overview of Legal Requirements

According to the Angolan Constitution, land, in general, and natural resources are the property of the State. However, the State can define the conditions for concessions, surveys, and harvesting by law. The law clearly states that the transfer of land tenure rights over the State property does not imply the acquisition of any right over the natural resources.

Law No. 6/17 on Forest and Wildlife Basic Legislation identifies concession and license schemes as sustainable forest and wildlife management (art. 9(j)). The said act states further that using and accessing forest and wildlife resources for profit and non-profit purposes is conditional on obtaining an authorization, license, or concession contract issued by the Ministerial Department for the Protection of Forestry (art. 10). Article 52 of Presidential Decree No. 171/18 (the law that regulates the Forest and Wildlife Basic Law) clarifies access to logging rights for-profit and non-profit use through forest concession and annual harvesting licenses.

Allocation of the right of harvesting must be based on bidding, auctioning, and developing a simplified contract under an initiative from the applicant to request for the preferred area and responsibility to carry out mapping and inventory of the area (Presidential Decree no. 171/18 (art. 61)).

Law No. 6/17 on Forest and Wildlife Basic Legislation and Presidential Decree no. 171/18 lay down the model of the contract for the concession of forest harvesting rights. It is stated that the determination of the concession areas follows the provisions contained in land use plans and relies on the demonstration of the capability of the stakeholders to use the areas according to the aims they intend to achieve. The duration of the concession contract is set up to a maximum of twenty-five years (art. 58), renewable for an equal or shorter period.

The forest concession shall be in earlier forest concessions or forest reserves. The forest concession area shall be delimited by a perimeter that marks the boundaries.

The concession must operate under a detailed management plan approved by the grantor. The concessionaire has various obligations deriving from the concession contract, such as the obligation to reforest within the exploited forest perimeter, comply with the concession contract clauses, and process the product obtained, in whole or in part (Presidential Decree No. 171/18, Art. 58). The said acts also regulate the causes of the modification or termination of the contract.

Decree no. 171/18 (art. 54) clarifies that logging rights constituted by forest concession or harvesting license are not transferrable if proven incapacity of the respective holder. The heirs duly authorized representatives or their legal representatives takes over. Transfer of license and forest harvesting to third parties will result in a fine (art 169) (TimberLex – Angola, 2021).

Description of risk

According to Angop (2021) and expert consultation during the development of this document, no forest concession has been issued yet since the law came into force.

Acknowledging a lack of experience and capacity, forest authorities currently only issue Annual Forest Harvesting Licenses and want to learn about this management before concession contracts are issued.

It has therefore not been possible to evaluate risks related to concessions. A specified risk has been concluded based on a precautionary approach until evidence shows that the requirements related to concessions are well implemented. If concessions are being issued, the legal implementation shall be evaluated.

Risk conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from concessions in Angola.

1.2.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.2.7. Control measures and verifiers

Mitigation of the risk related to Concession licenses based on a precautionary approach

Review documents and verify

- Concession Agreement
- Environmental permit for installation

Furthermore, it shall be verified that the concession allocation process has been followed as legally required.

Consultation

- Consult the Forest Development Institute (IDF) to verify how the consultation process has been implemented and if the rules have been followed.

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

- Law no. 6/17 of January 24 2017. Forests and Wildlife Basic Law. It establishes the norms that seek to guarantee conservation, rational and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.
 - Article 9 (sustainable forest and wildlife management instruments). List of the various tools for the sustainable management of forest and wildlife is to include the inventory of resources.
 - Article 53 (Forest Management Plan) identifies the forest management plan as the technical document for predicting the forms of harvesting for commercial purposes of forest or wildlife resources and aims to ensure the management and sustainable use of resources, including the species and quantity to be cut, shot or hunted in each period.

- Article 61 (realization of forest area of the area to be exploited). Demarcation of forest area and initial inventory, this is the responsibility of the holder of logging rights. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC162520>
- Presidential Decree No. 171/18 of July 23 2018 (approving the forestry regulation). Regulates the forest and wildlife basic law.
 - Chapter IV Concession Agreement Regime. Article 58 (General Characterization) Logging under a concession contract to be made to include operations under detailed management plans:
 - Article 31 (obligations of the holder of logging rights) item (m) indicates adoption and implementation of fire control and forest fire prevention and firefighting plans of different origin, particularly coal production, shifting agriculture, and hunting.
 - Article 77.0 (Procedures) application for and granting of Annual Forest Harvesting License requires, among others: maps, site description and a logging plan.
 - Article 72 (General Characterization) Forest harvesting under annual licenses is subject to : (a) harvesting of limited quantities and license period limited to the duration of the marketing year for forestry; and (b) operation under a simplified forestry plan approved by the grantor. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178389>
- Law no. 5/98 of June 19 (Law on the Environment) establishes basic principles to be carried out by the Government of Angola on the following issues: 1) natural heritage protection; 2) ecosystem preservation and 3) environmental conservation in order to guarantee the quality of human life. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC018069> and <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC018069>
- Decree No. 51/04 of July 23 2004 (Environmental Impact Assessment) approves the Environmental Impact Assessment (EIA) Legislation, aimed at regulating the environmental and administrative procedures related to the implementation of public and private projects. It establishes the environmental requirements to be satisfied to benefit from the authorization to perform any environmental activity. The Annex lists all the activities needing an EIA authorization. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC119509>

1.3.2. Legal authority

- Forestry Development Institute (IDF) of the Ministry of Agriculture and Forestry
- National Directorate for Prevention and Environmental Impact Assessment from the Ministry of Environment

1.3.3. Legally required documents or records

For *Concession contract holders*

- Forest management plan approved by IDF
- Inventory report
- Environmental permit for installation

For *Annual Forest Harvesting License*:

- 1/100,000 map of the concession area prepared by the local services of the Institute of Geodesy and Cartography of Angola (IGCA)
- Environmental Impact Assessment and Environmental Management Plan
- Logging plan indicating the species to be exploited, the harvesting method, the types of products to be obtained.

1.3.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, the Ministry of Environment. All forest laws are available at: http://www.parlamento.ao/#http://www.parlamento.ao/glue/AN_Navigation_home.jsp?
- Government of Angola Presidential Decree No. 171/18 of July 23 2018 (approving the Forestry Regulation). Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178389>

Government of Angola. Law no. 6/17 of January 24 2017. Presidential Decree No. 15/18 approving the Statute of the Ministry of Agriculture and Forestry (MINAGRIF).
<http://www.fao.org/faolex/results/details/en/c/LEX-FAOC162520>

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.
- TimberLex – Angola, 2021. Food and Agriculture Organization of the United Nations. Available at: <http://34.149.51.237/>

1.3.5. Risk determination

Overview of Legal Requirements

Angolan law lays down various instruments and procedures for forest legal management and harvesting. The Law on Forest and Wildlife Basic Legislation provides for a National Forestry Plan at a national level. The said plan is defined as a sustainable and integrated management tool that aims at planning and implementing technical and administrative actions. The said Act also provides a Forest Management Plan, defined as a technical document indicating the sources of commercial harvesting of forest resources, aiming to ensure sustainable resource management. The plan indicates, among other things, the species and quantities of resources to be cut or hunted in each period, the technologies to be used, and the areas or zones where harvesting takes place. Forest harvesting under a concession is carried out according to detailed management plans. A simplified management plan is required (Presidential Decree No. 171/18 approving the Forestry Regulation, Law No. 6/17 on Forest and Wildlife Basic Legislation).

Forest inventories

National level inventories are the responsibility of the State. It is the responsibility of the Forest Ministerial Department to order the implementation of the National Forest Inventory at least every ten years. The Institute prepares the National Forest Inventory for Forest Development. The National Forest Inventory collects information covering all types of forests on the national territory to support the formulation of forest policies, the National Forest Plan, and the development of national land planning.

The Forest Harvesting Inventory is the holder's responsibility of logging rights, with the technical assistance of the competent ministerial department. The harvesting inventory shall contain various data, such as lists of species, estimated commercial volumes, maps of the forest composition at the date of the inventory, and after the planned harvesting, the forest regeneration potential, the percentage of burned land, and other forest parameters. The Institute shall approve the results of the submitted inventory for Forest Development.

The Management Forest Inventory is required for all individuals or legal persons, public or private, carrying out activities related to the harvesting of forests.

The Forest Ministerial Department ensures that all interested parties have constant information on the forest inventories of different types (TimberLex – Angola, 2021).

Presidential Decree No. 171/18, art. 31 (Obligations of the holder of logging rights) under item (m) mentions adopting and implementing fire control, forest fire-prevention, and firefighting plans of different origins regard coal production, shifting agriculture, and hunting.

For Annual Forest Harvesting License, Decree No. 171/18, art. 77 requires, among other application requirements, to include:

- A map of scale 1/100,000 scale of the area to be explored, prepared by the local services of the Institute of Geodesy and Cartography of Angola (IGCA), accompanied by a description of the intended area and respective area information on the legal situation of the land.
- Description of the proposed forest area if there is no previous forest inventory, describe the forest types in the area and enumerate the main species present.
- The logging plan indicates the species being exploited, the harvesting method, and the types of products the applicant proposes to obtain.
- Environmental Impact Assessment and Environmental Management Plan.

Description of Risk

There is no information available on the risks related to timber management and Harvesting planning.

Since no forest concession contracts have been issued in Angola, forest level planning requirements are observed only for Annual Forest Harvesting Licenses. The simplified management plan required by Annual Forest Harvesting License holders is made as part of the application process. According to outcomes from the expert consultation, during the development of this report in October 2019, the requirement to have a simplified management plan in place was found to have been enforced. However, there is a lack of details related to the planning documents' quality and whether these reflect the actual situation on the ground. Based on a precautionary approach, the risk is therefore specified.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.3.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.3.7. Control measures and verifiers

Mitigation of the risk related to Management and harvesting planning based on a precautionary approach

Review documents and verify

For *Concession contract holders*

- Forest management plan approved by the Forest Development Institute (IDF)
- Inventory report
- Environmental permit for installation

For *Annual Forest Harvesting License*:

- 1/100,000 map of the concession area prepared by the local services of the Institute of Geodesy and Cartography of Angola (IGCA)
- Environmental Impact Assessment and Environmental Management Plan
- Logging plan indicating the species to be exploited, the harvesting method, the types of products to be obtained.

Onsite verification

Check that the maps and management plans in place are consistent with the situation on the ground.

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

- Law no. 6/17 of January 24 2017. Forests and Wildlife Basic Law. It establishes the norms that seek to guarantee the conservation, rational and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.
 - Article 9 (j) (sustainable forest and wildlife management instruments) identifies concession and licensing schemes among others as instruments of sustainable forest and wildlife management).
 - Article 10 (access and use of forest and wildlife resources). Access to and use of forest and wildlife resources, for profit and non-profit is subject to obtaining authorization, license or concession contract issued by the Ministerial Department that oversees the forest and wildlife sector by delegation of power to the holder of power executive
 - Article 59 (Forestry Harvesting Activities) clarifies that:
 - I. Logging activities shall be carried out in production forests.
 - II. In natural forests in the public domain of the State or local authorities, the activity of logging shall be exercised by Angolan natural or legal persons who have been granted the right of logging.
 - III. The activity of harvesting of forest plantations is carried out by natural and legal persons who fulfil the requirements of this law.
 - IV. In state-owned forest plantations, activities related to logging operations are carried out by natural or legal persons who conclude with the state a logging concession contract under the terms to be regulated. Available at:
<http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential Decree No. 171/18 of July 23 2018 (approving the Forestry Regulation). Regulates the forest and wildlife basic law.
 - Section III (Access to Forestry Rights), article 52 (schemes for access to logging rights) clarifies that access to logging rights for both for profit and non-profit is through forest concession and annual harvesting licenses.
 - Article 77 (Procedures) gives detailed procedures and requirements for the Annual Forest Harvesting License application and issue.
 - Article 15 (Protected tree classification procedure) triggers the need for Environmental Impact Assessment in the award of logging rights.
 - Article 73 (License Types and Content) clarifies the type of rights that can be in annual logging permits, including harvesting of timber.
 - Article 52 (Regimes of access to forest harvesting rights) clarifies access to logging rights for profit and non-profit through forest concession and Annual Forest Harvesting Licenses.
 - Article 54 (transfer of the right of harvesting) clarifies that logging rights constituted by forest concession or harvesting license is not transferrable if not for the reason or proven incapacity of

the respective holder in which case the heirs duly authorized representatives or their legal representatives takes over.

- Article 16 (Protected species) 1. Special authorization required for (a) the cutting of specimens of forest species classified as rare, endangered, threatened or of particular ecological value; (b) cutting of specimens of vulnerable and endemic species.
- Chapter XIII Infringements Article 168 (sanctions) and article 169 (Accessory punishment measures) of the forest regulation provide list of sanctions for infringements against both the forest and wildlife basic law and the forest regulation. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178389>
- Executive Decree No. 115/21 of May 5 2021 establishing the calendar for issuing a Annual Forest Harvesting Licence during the Forest Campaign period. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang203393.pdf>
- Executive Decree No. 95/21 of April 15 2021 establishing quotas for the 2021 Forestry Campaign, by province and by species, for forestry licensing of round wood, firewood and charcoal. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang203895.pdf>
- Joint Executive Decree No. 200/16 establishes the forestry taxes and other charges resulting from the harvesting of forestry products. It also applies to the harvesting of non-timber forest products, issuing forestry certificates and permits, transport authorization and conducting surveys to update the forestry taxes amounts and the responsibility of the Central and Local Executive Services of the Forestry Development Institute. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC155324>
- Law 3/18 of May 9 2018 (General Tax Law) deals with all tax issues in Angola. Revoked by The Presidential Legislative Decree no. 10/19, of November 29 2019. Available at: <https://www.minfin.gov.ao/PortalMinfin/#!/legislacao/legislacao-tributaria>
- Law no. 5/98 of June 19 1998 (Law on the Environment) establishes basic principles to be carried out by the Government of Angola on the following issues: 1) natural heritage protection; 2) ecosystem preservation and 3) environmental conservation, in order to guarantee the quality of human life. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC018069>
- Decree No. 51/04 of July 23 2004(Environmental Impact Assessment) approves the Environmental Impact Assessment (EIA) Legislation, aimed at regulating the environmental and administrative procedures related to the implementation of public and private projects. It establishes the environmental requirements to be satisfied to benefit from the authorization to perform any environmental activity. The Annex lists all the activities needing an EIA authorization. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC119509>
- Executive Decree No. 92/12 (approving the Environmental Impact Assessment administrative procedures) approves the Environmental Impact Assessment (EIA) terms of reference to determine administrative procedures related to the implementation of public and private projects. It establishes model forms and the baselines for studies related to Environmental Impact Assessments necessary for specific projects or activities. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC119510>

1.4.2. Legal authority

- Forestry Development Institute (National level only) of the Ministry of Agriculture and Forestry
- National Directorate of Prevention and Environmental Impact Assessment (National level) at the Ministry of Environment
- General Tax Authority (GAT)

1.4.3. Legally required documents or records

- Annual Forest Exploration License
- Environmental permit for installation
- Environmental Impact Assessment Report approved by the Ministry of Environment and the Ministry of Agriculture and Forestry.
- Proof of company registration or association at the tax office of the province where forestry operation intends to be carried out.
- Identification of the applicant with proof of national citizenship for the case of a person or social agreement in the case of legal or collective persons.
- Declaration of the traditional authorities and of the municipal administration where it intends to carry out the forest harvesting.
- The General Tax Authority issued a fiscal non-debtor declaration.
- Partnership agreement recognized at the National Registry Office, in the case of exploration in partnership with locals or foreigners.
- Declaration of subjection to current laws and national courts in case of conflict.
- Proof of financial capacity adequate to the volume required, to be provided by a bank statement.
- Proof of ownership of the logging equipment.
- Maps of the location of the area to be exploited, in triplicate, based on the region's map, on a scale of 1/100,000, prepared by the local services of the Institute of Geodesy and Cartography of Angola (IGCA),
- Description of the area, including the main species list if no previous inventory exists for the area.
- Forest plan indicating the species to be exploited, the harvesting method, the types, and products proposed to be obtained from the logging operations.

1.4.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, The Ministry of Environment; General Tax Administration, Ministry of Commerce

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.
- Nazaré Veloso, 2018. Angolan government increases sanctions related to illegal logging. Available at: <https://macauhub.com.mo/2018/04/09/pt-governo-de-angola-agrava-punicoes-relacionadas-com-o-abate-ilegal-de-arvores/>
- José Evangelista, 2017. Why illegal deforestation in Angola must stop. Available at: <https://www.howwemadeitinafrica.com/illegal-deforestation-angola-must-stop/57430/>
- ANGOP. , 2017. The government envisages harder penalties to end illegal logging. Available at: https://www.angop.ao/angola/en_us/noticias/economia/2017/9/41/Government-envisages-harder-penalties-end-illegal-logging_2fcc3fa6-c983-40e0-a06e-ca5502d03fb2.html
- TimberLex – Angola, 2021. Food and Agriculture Organization of the United Nations. Available at: <http://34.149.51.237/>

1.4.5. Risk determination

Overview of Legal Requirements

Access to harvesting rights of forest resources for profit and non-profit purposes shall be established by granting annual forest concessions and harvesting licenses. The Forest Ministerial Department is responsible for authorising the conclusion of concession contracts (see 1.2) and the issue of Annual Forest Harvesting Licences.

Annual Forest Harvesting Licences

Law No. 6/17 Forest and Wildlife Basic Law states that the Annual Forest Harvesting Licences shall be issued only for one season of felling or harvesting of wood and Non-Timber Forest Products and shall expire on October 31 of the year in which they were issued or on an earlier date expressly mentioned in the permit. Decree No. 115/21 of May 5, 2021, established the calendar for issuing the Annual Forestry Harvesting Licence during the Forest Campaign period. Decree No. 95/21 of April 15, 2021, established quotas for issuing Annual Forest Harvesting Licences for different provinces and species (for round wood, firewood, and charcoal):

Maximum Volume of Roundwood per province (Província) allowed under Annual Forest Harvesting Licence (Decree No. 95/21 of April 15, 2021)

Nº	Província	Volume (m ³)
1	Bengo	24.600
2	Bié	5.850
3	Cabinda	25.000
4	Cuando Cubango	15.000
5	Cuanza Norte	12.300
6	Cuanza Sul	2.100
7	Lunda Norte	6.100
8	Lunda Sul	7.100
9	Malanje	6.100
10	Moxico	19.750
11	Huíla	5.000
12	Uíge	35.000
13	Zaire	8.000
TOTAL		175.900

Annual Forest Harvesting Licences shall only be issued for areas not exceeding 1,000 hectares in production forests, in Community Forest areas, on land from previous concessions, or reserves extinguished or deactivated. All Annual Forest Harvesting Licenses holders shall provide the grantor with a report of the activity developed.

Community Forest Harvesting can be collective, individual, or collective in partnership with third parties. The harvesting of forests by communities shall take place on the public domain or communal land. The communities have the right to use and enjoy other land granted through licenses (Forest and Wildlife Basic Law, art 74).

Logging rights in natural forest is reserved for the citizens of Angola. Foreign nationals can only give administrative and logistical support to Angolan nationals regarding annual harvesting licenses. Therefore, all existing Annual Forest Harvesting licenses in the natural forest must be held and operated by Angolan nationals. However, logging activities in forest plantations can be carried out by natural and legal persons who fulfill the requirements of the Forest and Wildlife Basic Act (Law No. 6/17 Forest and Wildlife Basic Law, art. 77)

Application and issuance of Annual Forest Harvesting Licence

When applying for an Annual Forest Harvesting Licence, individuals must provide proof of Angolan citizenship or a social agreement in the case of legal or collective persons. It is also required to prove financial capacity adequate to the volume of wood applied for, such as a bank statement and proof of ownership of logging equipment (Law No. 6/17 Forest and Wildlife Basic Law, art. 77). In the application and issuance of Annual Forest Harvesting Licences.

Suppose an application for an Annual Forest Harvesting License is successful and the applicant accepts the technical and administrative conditions. In that case, the IDF Director-General issues the Annual Forest Harvesting License after the payment of fees due at the local tax office of the region where the logging is to be carried out (Law No. 6/17, art.77). Logging rights are not transferrable unless proven incapacity of the respective holder; the heirs become authorized representatives (Law no. 6/17, art 54).

Article 168 (sanctions) and Article 169 (accessory punishment measures) of the forest regulation provide a list of sanctions for infringements against both the forest and basic wildlife law and the forest regulation; these include in item e), a fine for transfer of the license and forest harvesting by third parties (TimberLex – Angola, 2021).

Description of Risk

According to stakeholders and media reports, some Angolan Annual Forest Harvesting License holders have transferred their licenses to foreign companies and nationals, contradicting Article 54 of the forest regulation. Authorities are aware of reports on illegality; media reports quote authorities referring to the sanctions which come with this offense. During the development of this report, personal communication also confirmed that authorities know or have heard of reports of such illegal transfer of Annual Forest Harvesting Licenses. The main reason for this illegal transfer is perceived to be license applicants' inadequate financial capacity. Therefore, authorities have decided to strengthen the verification of the applicant's financial capacity and equipment ownership to decrease the likelihood of illegal license transfers. However, the implementation of the strengthening of the enforcement of this requirement is yet to have been seen, and its effectiveness evaluated.

No further information and evidence were identified to state low risk related to applying and issuing licences.

Risk Conclusion

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

1.4.6. Risk designation and specification

All source types: Specified risk:

- Illegal transfer of Annual Forest Harvesting Licenses between national to foreign companies
- Logging activities are carried out without or with a fraudulent permit

1.4.7. Control measures and verifiers

Mitigating the risk of illegal transfer of Annual Forest Harvesting Licenses between national to foreign companies

Review documents and verify

- Annual Forest Harvesting Licenses and associated documents (environmental permit for installation, environmental impact assessment report, company registration, etc.) shall be held and operated by Angolan nationals.

Consult

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

Mitigating the risk that logging activities are carried out without or with a fraudulent permit

Review documents and verify

- The validity of the Forest harvesting License
- Compare information with supply chain documents to help verify that material is originating from the said forest area

Onsite verification

- Verify that information in the license correspond with the situation in the field.

Consult

- Consultation with Forest Development Institute (IDF) to verify the validity of the Forest harvesting License

TAXES AND FEES

1.5. Payment of royalties and harvesting fees

Legislation covers 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

- Law no. 6/17 of January 24 2017. Forests and Wildlife Basic Law. It establishes the norms that seek to guarantee the conservation, rational and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.
 - Article 14 (rights and duties for the pursuit of economic activity in the forestry and wildlife domains). Pay fees and other special contributions due to forest and wildlife harvesting are under the terms of this Law. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential Decree No. 171/18 of July 23, 2018 (approving the forestry regulation) regulates the forest and wildlife basic law.
 - Article 77 (Procedures) (11) the issue of annual harvesting license is made after the payment of established fees.
 - Article 78 (License Revalidation) annual harvesting license required to be revalidated, 5% increase is to be paid on the amount of the exploration fees established.
 - Article 72 (General Characterization) for Annual Forest Harvesting License holders under item (d) clarifies the obligation to pay logging and reforestation fees.
 - Article 73 (License Types and Content) (1g). The Annual Forest Harvesting License scheme indicates the value of the harvesting fee and other fees.
 - Article 31 (e) (Obligations of the holder of logging rights). Timely and full payment of forest operating fees, the provision of bonuses, and collateral concerning any damages to the State. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178389>
- Joint Executive Decree No. 200/16 on forestry taxes. This establishes forestry taxes and other charges resulting from the harvesting of forestry products. It also applies to the harvesting of non-timber forest products, issuing forestry certificates and permits, transport authorization, and conducting surveys to update forestry tax amounts and the responsibility of the Central and Local Executive Services of the Forestry Development Institute. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC155324>

1.5.2. Legal authority

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

1.5.3. Legally required documents or records

- Annual Forest Harvesting License (indicates the total volume of timber and the volume of specific species approved in the license)
- Certificate of origin and transit permit (indicates the species, the volume harvested, and the amount being transported for which the applicable fees are calculated)
- Bank payment receipts (30% payment for reforestation and 10% for local administration)

1.5.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry and the General Tax Administration

1.5.5. Risk determination

Overview of Legal Requirements

Law no. 6/17 of January 24, 2017 (Forests and Wildlife Basic Law), Article 14, item 5(m) and the Presidential Decree No. 171/18 approving the Forestry Regulation require natural or legal persons engaged in activities relating to forest and wildlife resources to pay fees and other special contributions due to forest and wildlife harvesting.

The Industrial Tax Code set the basis for the taxation of industrial activity, including forest processing. Taxpayers will have to justify arm's length pricing in the cases of commercial transactions of the taxpayer with other "special relations" entities.

Joint Executive Decree No. 200/16 on forestry taxes establishes the forestry taxes and other charges resulting from the harvesting of forestry products. It also applies to the harvesting of forestry non-timber products, issuing forestry certificates and permits, transport authorization, and conducting surveys to update the forestry taxes amounts and the responsibility of the Central and Local Executive Services of the Forestry Development Institute.

The Presidential decree 171/18 of July 23, 2018, regulates Law no. 6/17 and the Joint Decree #200/16 April 26, 2016, of the Ministry of Finance and Agriculture, which specifies the set requirements for calculating forest fees. The product value calculation upon which the forest product fees are calculated is based on species class number x the UCF (Fiscal Correction Unit) x Volume. From this value, 30% must be paid as reforestation tax and 10% for local administration while the forest enterprise retains the remaining 60%.

The Presidential Decree No. 171/18 approving Forests and Wildlife Basic Law Article 77 (Procedures) (11) indicates the is issued after the payment of fees. Once the applicant has accepted the technical and administrative conditions, also, under Article 78 (License Revalidation) of the Forest regulation, the Annual Forest Harvesting License could not be started or completed during the year of harvesting. Still, it can be revalidated under specified justifiable conditions, which, if accepted, requires the payment of a 5% increase on exploration fees paid when initially established. In the same forest regulation under Article 72 (General Characterization) for Annual Forest Harvesting License holders) item (d) clarifies the obligation to pay logging and reforestation fees.

Article 31 (Obligations of the holder of logging rights) approves the Forestry Regulation. Item (e) requires that all timber rights holders are required to make timely and full payment of forest operating fees and provide compensation for any collateral damages to the state.

Description of risks

There are stakeholder concerns that timber rights holders are more knowledgeable in the species and forest operations than the staff of the IDF. The latter are on-the-ground enforcing these regulations, which can lead to IDF staff not identifying potential violations of classification (Expert consultation, 2019). Species and timber volume are important variables for calculating the forest product fee; see

findings for 1.16 Classification of species, quantities, and qualities and 1.17 Trade and transport. If species are incorrectly classified, there is a risk of incorrect payment VAT.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.5.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.5.7. Control measures and verifiers

Mitigating the risk related to Payment of royalties and harvesting fees based on a precautionary approach

Review documents and verify

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

Consult

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

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

1.6. Value-added taxes and other sales taxes

Legislation covers different 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

- Law no. 42/20 of 31 January 2021, approving a new VAT Regime - Simplified VAT Regime - applicable to taxpayers whose annual turnover and/or import operations of the previous 12 months were equal AOA350 million or less. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4x/mjc2/~edisp/minfin1276361.pdf>
- Presidential Decree No. 292/18 of December 3, approving the Legal Regime of Invoices and Equivalent Documents, adjusted to the new Angolan socio-economic reality, and adapting the requirements of the VAT Code. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mdu2/~edisp/minfin056116.pdf>

- Joint Executive Decree No. 200/16 on forestry taxes. This establishes the forestry taxes and other charges resulting from the harvesting of forestry products. It also applies to the harvesting of non-timber forest products, the issuing of forestry certificates and permits, transport authorization and conducting surveys to update the forestry tax amounts and the responsibility of the Central and Local Executive Services of the Forestry Development Institute. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC155324>
- Law 3/18 of 9 May 2018 (General Tax Law). This law deals with all tax issues in Angola. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mje2/~edisp/minfin216967.pdf>
- Law No. 7/19 of 24 April, 2019, approves the Value Added Tax Code. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/otux/~edisp/minfin951421.pdf>

1.6.2. Legal authority

- General Tax Administration of the Ministry of Finance

1.6.3. Legally required documents or records

- Tax Non-debtor clearance

1.6.4. Sources of information

Government sources

- Personal Communication with staff at: Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry and the General Tax Administration,
- Government of Angola, 2016. Joint Executive Decree No. 200/16 on forestry taxes. Establishes the forestry taxes and other charges resulting from the harvesting of forestry products. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC155324>
- General Tax Administration, 2018. Law 3/18 of 3 May 2018 (General Tax Law). This law deals with all tax issues in Angola. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mje2/~edisp/minfin216967.pdf>

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies
- Ernst and Young, 2021 Angola: Indirect Tax Changes for 2021. Available at: https://www.ey.com/en_gl/tax-alerts/angola-indirect-tax-changes-for-2021
- PWC, 2021. Angola, Corporate - Other taxes. Available at: <https://taxsummaries.pwc.com/angola/corporate/other-taxes>

1.6.5. Risk determination

Overview of Legal Requirements

Value Added Tax (VAT) has been introduced in Angola by Law no. 7/19 of 24 April 2019.

The General Regime for VAT payment is 14%. VAT is levied upon a) the transmission of goods and services rendered within the Angolan territory; and b) the import of goods.

Among the taxpayers subjected to VAT are:

- a) Any individual or entity that performs any of the acts to which VAT is levied;

- b) Any individual, legal entity, or entities that acquire services from non-resident entities without domicile, headquarters, or permanent establishment in the national territory;
- c) The estate, the governmental entities, Public Institutes, Municipalities, Public Institutions of pension and social security, except when they act within their powers of authority and provide no distortions to the competition arise;
- d) Political parties and coalitions, trade unions, and religious institutions are legally constituted, performing the operations that are subjected to VAT (Ernst and Young, 2021).

General VAT regime

All entities with a turnover or goods import operations higher than AOA (kwanza-local currency) 350 million are liable to the General VAT regime. These taxpayers and those that choose to be framed in the standard regime should assess VAT on the supplies of goods and services and, in principle, can deduct the VAT incurred on their purchases.

Entities operating in the manufacturing industry are always required to be under the standard VAT regime.

The taxpayers subject to this regime should:

- Assess VAT on invoices issued.
- File a monthly VAT return up to the last working day of the end of the month following the one in which the operations were carried out (file all the respective annexes of the VAT return).
- Have proper accounting according to Angolan PGC (Angolan GAAP).
- When carrying out exclusively exempt operations, these taxpayers must pay stamp tax on the receipt at a rate of 7% (Ernst and Young, 2021).

Simplified VAT Regime

Angolan Law no. 42/20 of 31 December 2020, approving the State Budget for 2021, introduced a new VAT Regime - Simplified VAT Regime - which applies to taxpayers whose annual turnover and/or import operations the previous 12 months was equal to AOA 350 million or less.

This new Simplified VAT Regime, if applicable to a taxpayer, provides for:

- VAT to be charged at a rate of **7%** on the turnover amount effectively paid by the customers related to the sales of goods and services subject to VAT and not exempt.
- VAT to be charged (through the reverse-charge mechanism) at a rate of 7% on the services acquired and paid to non-resident entities.
- Recovery of 7% of the VAT incurred on the acquisitions of goods and services (including import VAT).
- Refund claims of the correspondent VAT credit.
- Concerning VAT-exempt transactions performed, payment of Stamp Tax at a rate of 7% on the receipt of discharge of such transactions related to item 23.3 of the table attached to the Stamp Tax Code, which may be allowed against income tax (Ernst and Young, 2021).

Taxpayers under the Simplified VAT Regime may opt to be included in the standard VAT regime if all the following requirements are fulfilled:

- Organised accounting according to Angolan PGC (Angolan GAAP).
- Absence of tax and customs debt.
- Registration duly updated in the system of the General Register of Taxpayers.
- Issuance of invoices/equivalent documents through certified billing software.

- Submission by electronic data transmission regarding the VAT returns and the elements of its accounts (PWC, 2021).

Scope of VAT

- Taxpayers whose annual turnover or import transactions are equal to or less than AOA10 million are excluded from the scope of VAT (PWC, 2021).

Description of Risk

The legislation on VAT is only recently introduced in Angola, and there is a risk that the law is not enforced due to the recently introduced requirements. It is still early to evaluate the implementation of the law.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.6.6. Risk designation and specification

All source type: specified risk based on a precautionary approach.

1.6.7. Control measures and verifiers

Mitigating the risk related to Value-added taxes and other sales taxes based on a precautionary approach

Review documents and verify

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

Consult

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

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

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 timber sale and does not include other taxes generally applicable for companies or related to salary payments.

1.7.1. Applicable laws and regulations

- Joint Executive Decree No. 200/16 on forestry taxes. Establishes forestry taxes and other charges resulting from the harvesting of forestry products. It also applies to the harvesting of non-timber forest products, issuing forestry certificates and permits, transport authorization and conducting surveys to update the forestry taxes amounts and the responsibility of the Central and Local

Executive Services of the Forestry Development Institute. Available at:
<http://www.fao.org/faolex/results/details/en/c/LEX-FAOC155324>

- Law 3/18 of 9 May 2018 (General Tax Law). This law deals with all tax issues in Angola. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mje2/~edisp/minfin1216967.pdf>
- Law No. 21/14, of 22 October 2014; General Tax Code. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mje2/~edisp/minfin16613.pdf>
- Law 21/20 of July 2020, amending the General Tax Code. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4x/mjm3/~edisp/minfin1237849.pdf>
- Law No. 9/19, of April 24, 2019, amends the Income Tax Code (approved by Law no. 18/14 of 22 October). No link is available online.
- Law no. 26/2020, of 20th July 2020 (amends the Industrial Tax Code Law no. 10/14 of October 22). Available at: <https://www2.deloitte.com/content/dam/Deloitte/ao/Documents/tax/Lei%2026-20%20-%20Alter%C3%A7%C3%B5es%20ao%20C%C3%B3digo%20do%20Imposto%20Industrial.pdf>
- Law no 10/14 of 22 October 2014 (Industrial Tax Code). Available at: <https://gazettes.africa/archive/ao/2014/ao-government-gazette-dated-2014-07-30-no-140.pdf>

1.7.2. Legal authority

- General Tax Administration of the Ministry of Finance.

1.7.3. Legally required documents or records

- Income tax non-debtor letter from the General Tax Administration upon request

1.7.4. Sources of information

Government sources

- Personal communication with the Forest Development Institute (IDF) staff of the Ministry of Agriculture and Forestry and the General Tax Administration. All laws available at: <https://www.legis-palop.org/>

Non-Government sources

- Personal communication with Civil Society Organisations and the private sector of wood processing companies.
- PWC, 2021. Angola - Corporate - Taxes on corporate income. Available at: <https://taxsummaries.pwc.com/angola/corporate/taxes-on-corporate-income>

1.7.5. Risk determination

Overview of Legal Requirements

Law no. 26/2020, of 20th July 2020, approved several amendments to the Industrial Tax Code. By the amendment, the Standard tax rate was reduced from 30% to 25%. In addition, the new law replaced the two existing taxation groups (Group A and B) with a General and a Simplified regime.

Currently, the tax rate (25%) is on the profits deriving from business activities carried out in Angola by resident entities or non-resident entities with a permanent tax establishment, as defined by Angolan domestic legislation (PWC, 2021).

The General Tax Code, Law No. 21/14, of October 22 sets the general basis for tax in Angola to include income tax. General Tax Code (Law 21/20) was amended in July 2020.

Law no 10/14 of October 22, 2014 (Industrial Tax Code) sets the basis for taxation of industrial activity, including forest processing. The Industrial Tax Code was amended by Law no. 26/2020 of 20 July. Among the key amendments is the subjection of persons and entities to industry tax. That is in addition to commercial entities; the industrial tax now applies to civil firms with or without a commercial activity object, cooperatives, foundations, autonomous funds, public companies, and other public or private law bodies with headquarters or place of effective management within the Angolan territory (PWC, 2021).

Description of Risk

There is no information on the risks related to Income and profit taxes.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.7.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.7.7. Control measures and verifiers

Mitigating the risk related to Income and profit taxes based on a precautionary approach

Review documents and verify

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

Consult

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

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

TIMBER HARVESTING ACTIVITIES

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

- Law no. 6/17 of 24 January 2017 (Forests and Wildlife Basic Law) establishes the norms that seek to guarantee the conservation and rational and sustainable use of forests and wildlife in the national territory and the general bases of the exercise of activities
 - Article 59 (forestry exploration activities) 1) Logging activities shall be carried out in production forests.
 - Article 14 (rights and duties for the pursuit of economic activity in the forestry and Wildlife domains) item (f) refrain from harvesting, cutting, hunting, marketing, or otherwise causing harm to endangered, endangered, and vulnerable species or their habitats.
 - Article 28.0 (size of resources). The Ministerial Department that oversees the Forestry and Fauna established by delegation of the Executive Branch establishes minimum dimensions, particularly diameters for forest species for extraction. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential decree 171/18 of 23 July 2018 regulates law no 6/17 – Forest and Wildlife Basic Law.
 - Article 77 (procedures) gives detailed procedures and requirements for applying and issuing Annual Forest Harvesting Licenses to include forest plans indicating the harvesting method.
 - Article 37 (forest campaign) defines the forest campaign as the time of the year in which logging activities in the field are allowed.
 - Article 38 (classification of wood-producing species) sets the criteria for classifying timber and timber-producing species. Annex 1 of the regulation contains the classified list of timber species.
 - Article 60 (forms of and operation under a forest concession contract) item (3) harvesting is limited to the species list defined in the forest concession contract. In addition to the authorized harvesting, the concessionaire is further obliged to comply with the biometric parameters of the operating inventory, limited to the harvesting of the species listed in the forest concession contract, including respect for natural regeneration.
 - Article 39 (operating restrictions) regarding protected species the provisions in Article 16.
 - Article 16 (protected species). Authorization for logging rare, threatened, and endangered species to be given under specified conditions.
 - Chapter XIII (infringements) Article 168 (inquiries and sanctions) provides the sanctions list for forest offenses, including activities violating logging requirements. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>
- Law 6/17 of 24 Jan 2017 (Environmental Impact Assessment in forest operation to include the authority for the Ministry of the Environment to supervise operations that significantly affect wildlife, forestry, and the ecosystem and is a condition for the issuance of annual harvesting license. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC162520>

1.8.2. Legal authority

- Forest Development Institute (FDI) of the Ministry of Agriculture
- National Directorate for Prevention and Environmental Impact Assessment from the Ministry of Environment

1.8.3. Legally required documents or records

- Annual Forest Harvesting License
- Environmental impact assessment report
- Forest plan in the case of Annual Forest Harvesting Licenses

1.8.4. Sources of Information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry and the Ministry of Environment.

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies

1.8.5. Risk determination

Overview of Legal Requirements

Access to harvesting rights of forest resources for-profit and non-profit purposes shall be established by granting annual forest concessions or Annual Forest Harvesting Licences. The Forest Ministerial Department is responsible for authorizing the conclusion of concession contracts and the issue of Annual Forest Harvesting Licences.

Angolan legislation does not contain specific provisions on artisanal logging, although it recognizes the right of all the citizens to use the forest resources for artisanal use.

The procedures for awarding the Annual Forest Harvesting License include submitting a forest plan, indicating the harvesting method to be used. The species to be harvested and the types and products obtained from the logging operations (Presidential Decree No. 171/18 of 23 July 2018, art 77). Felling is required to observe the minimum felling diameter established for each timber species, as well as seasonal limitation. Article 37 of the presidential decree defines harvesting as the year when weather conditions permit logging in natural forests. The period of the forest campaign begins on May 1 and ends on October 31 of the same year. Logging in natural forests is allowed during this period, and all harvesting activities are required to be compulsorily withdrawn by its end. Article 27 from the Forests and Wildlife Basic Law defines that the Ministerial Department in charge of Forestry and Wildlife establishes the annual period of vegetative reproduction for the different forest species, prohibited from harvesting.

Harvesting activities are restricted to specific operations such as a) removal of forest products, (b) extraction of dry fuel material, c) wood for community use, and e) forest plantation management activities. Clear sanctions are also detailed in the Forests and Wildlife Basic Law to deter offenders.

Law no. 6/17 - Law on the Bases of Forests and Wildlife, Article 59 (forestry exploration activities) clarifies that logging activities must only be carried out in production forests.

Article 38 (classification of wood producing species) directs timber classification according to their commercial, scientific value, rarity, utility, and strength. Timber-producing species are classified as a function of density group and class of technological quality. This classification is outlined in Annex I of

the forest regulation. Harvesting is limited to the species listed in the forest concession contract as given under Article 60 (forms of and operation under a forest concession contract) item (3).

Sanctions for infringements related to logging activities are provided in Chapter XIII (infringements) Article 168 (inquiries and sanctions), including:

- Logging in the vegetative rest period.
- Carry out logging outside the authorized area.
- Logging of species not included in the logging plan or license.
- Harvest volumes greater than those contained in the logging plan and the logging license.
- Harvesting, cutting or damaging, processing, marketing, or displaying products from endangered species or have ecological, aesthetic, historical, or cultural value.

Description of Risk

During the development of this report (October 2019), experts have indicated that

- Some Annual Forest Harvesting License holders are known to harvest timber below the minimum diameter and beyond their permitted areas' boundaries.
- Illegal timber harvested in the situations described above is processed using mobile wood processing machinery before being transported to any of the three functioning timber products warehouses for control and application of timber export permits, phytosanitary certificates, and other documents.
- Violations of harvesting restrictions continue given the lack of control by authorities and the ongoing improvement of the forestry sector, which includes the establishment of annual harvesting quotas for each of the 16 timber-producing provinces. Although the authorities have stepped up enforcement measures, inadequate regulator's technical capacity and logistics such as transport for field supervisors have weakened enforcement efforts. Timber license holders and their foreign partners also have better technical knowledge of species and forest operations than regulators. Therefore there is a high risk that the regulator could be easily evaded.
- Perceived corruption among government officials and the influence of "powerful generals" also contribute to timber right holders and traders circumventing harvesting requirements.

Risk Conclusion

This indicator has been evaluated as a 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

All source types: Specified risk:

- Risk of harvesting below the minimum allowed felling diameter
- Risk of harvesting beyond the boundaries

1.8.7. Control measures and verifiers

Mitigating the risk of harvesting below the minimum allowed felling diameter and the risk of harvesting beyond the boundaries

Review documents and verify

- Forest management plan or simplified management plan, as applicable;
- Valid annual harvesting license specifying the species that the company is authorised to harvest;
- Site logbooks and waybills (samples);

- If applicable, reports of field checks and inspections are carried out by the Ministry of Forests representatives.

Consult

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

- Civil society organisations;
- Local forest administration;

Onsite verification

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

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

- Law no. 6/17 of 24 January 2017 (Forests and Wildlife Basic Law) establishes the norms that seek to guarantee the conservation and rational and sustainable use of forests and wildlife in the national territory, and the general bases of the exercise of activities.
 - Article 7 (forest heritage) classifies Angola forest in terms of use into protection forests, special purpose forests and production forests.
 - Chapter II rights and duties Article II (obligations of the state). Item (j) ensure the protection of endangered species, or endangered and vulnerable ecosystems or in any way requiring measures of special protection.
 - Article 14.0 (rights and duties for the pursuit of economic activity in the forestry and wildlife domains) item (f) refrain from harvesting, cutting, hunting, marketing or otherwise causing harm to endangered, threatened and vulnerable species or their habitats. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential decree 171/18 of 23 July 2018 regulates the law no. 6/17 – forest and wildlife basic law.
 - Article 6.0 (permanent protection forests) (1) (22) states that permanent protected forest defined and its purpose stated (5). The harvesting of forest products in permanent protection forests is prohibited, except for subsistence uses or scientific purposes.
 - Article 16 (protected species). Special authorization is required to be obtained from the Ministry of Agriculture and Forestry on the advice of the Ministry of Environment for (a) the cutting of specimens of forest species classified as rare, threatened and endangered, or of particular ecological value; and (b) cutting of specimens of vulnerable and endemic species.
 - Article 14 (protected trees) (2). Felling or mutilation of protected trees is prohibited.
 - Article 38 (2) (classification of wood producing species) (2). The ministerial department holder is required to oversee the forest sector in coordination with the holder of the ministerial

department that oversees the permit and update, as appropriate, the list of species classification in accordance to the previous paragraph, as well as the list of protected flora species. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>

- Executive decree No. 278/18 of 7th August 2018 establishes the prohibition of harvesting Mussivi (*Guibourtia coleosperma*) throughout the national territory for two years. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178368.pdf>
- Executive Decree No. 57/21 of 3rd March 2021 extending for another 2 years the ban on cutting the Mussivi species throughout the national territory. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang204999.pdf>
- Law No. 38/11 creates the National Parks in Luengue-Luiana, Mavinga and Mayombe within the provinces of Kuando Kubango and Cabinda. Available at: <https://www.ecolex.org/details/legislation/law-no-3811-creating-the-national-parks-of-luengue-luiana-mavinga-and-mayombe-within-the-provinces-of-kuando-kubango-and-cabinda-lex-faoc118430/>
- Presidential Decree No. 290/18 approves the statute of Maiombe National Park Management Service. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC182968>
- Presidential decree No. 264/18 approving the statute of the Luéngue Luiana National Park Management Service. Available at: <http://www.fao.org/faolex/results/details/es/c/LEX-FAOC182975/>
- Presidential decree No. 261/18 approving the statute of the Bicular National Park Management Service. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178410.pdf>
- Presidential decree No. 260/18 approving the statute of the Cangandala National Park Management Service. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178411>
- Presidential decree No. 259/18 approving the statute of the Cameia National Park Management Service. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC178413>
- Presidential decree No. 258/18 approving the statute of the Quiçama National Park Management Service. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC182981/>
- Presidential decree No. 253/18 approving the statute of the Mavinga National Park Management Service. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang182992.pdf>
- Presidential decree No. 252/18 approving the statute of the Mupa National Park Management Service. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC182993>

1.9.2. Legal authority

- Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry

1.9.3. Legally required documents or records

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

1.9.4. Sources of Information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry and The Ministry of Environment.

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies
- Huntly, B.; Beja, P.; Vaz Pinto, P.; Russo, V.; Veríssimo, L; Morais, M., 2019. Biodiversity Conservation: History, Protected Areas and Hotspots. Biodiversity of Angola, pp. 495-512. Open Access – Chapter. Springer Link. 21.02.2019. Available at: https://link.springer.com/chapter/10.1007/978-3-030-03083-4_18
- Paulina, C., 2021. Cidadãos detidos por exploração ilegal de madeira no Cuando Cubango. Journal de Angola. 06/02/2021. Available at: <https://www.jornaldeangola.ao/ao/noticias/cidadaos-detidos-por-exploracao-ilegal-de-madeira-no-cuando-cubango/>
- TimberLex – Angola, 2021. Food and Agriculture Organization of the United Nations. Available at: <http://34.149.51.237/>

1.9.5. Risk determination

Overview of Legal Requirements

The Constitutional Law of the Republic of Angola states that the state shall take the requisite measures to protect the environment and species of flora and fauna throughout the national territory and maintain the ecological balance. Angola's forests and wildlife are defined as national heritage, whose protection constitutes an obligation of the state, citizens, and legal persons carrying out economic activities related to them.

The Law no. 6/17 of 24 January 2017 (Forests and Wildlife Basic Law), Chap. II, art II(j), the State is required to ensure the protection of endangered species, endangered ecosystems, and vulnerable or in any way requiring special protection measures. Under Article 14(f), timber rights holders, among other forest use right holders, must refrain from harvesting, cutting, hunting, marketing, or otherwise causing harm to endangered, rare, and vulnerable species or their habitats. Protected trees benefit from the status of natural monuments. They are to be identified in territories by signboard indicating the common and scientific names of the species and the classification category. Cutting or mutilation of protected trees is prohibited.

Article 39 (operating restrictions) restricts the cutting of protected species following Article 16 (protected species), which requires logging authorisation under specified conditions.

Protection of species

Special authorisation from the Ministry of Agriculture and Forestry is required for (Decree 171/18 of 23 July 2018, art.16):

- cutting of specimens of forest species classified as rare threatened or of particular ecological value;
- the cutting of specimens of vulnerable and endemic species.

Harvesting restrictions are provided for protected species.

Under Decree 171/18 of 23 July 2018, the authorization to harvest species may subsequently be suspended, reduced in quantity, or prohibited from export if new knowledge of the species concerned is obtained. The Ministry of Agriculture and Forestry is required to keep the list of rare, threatened, and endangered species up to date. Protected trees are considered natural monuments, and felling or mutilation of protected trees are prohibited. The protected trees are to be identified on the ground by a sign indicating the common and scientific names of the species and the classification certificate. (art. 16). Article 38 (2) (classification of wood producing species) of Decree 171/18 of 23 July 2018 requires the Ministerial Department, which oversees the forest sector, in coordination with the Ministerial Department, that oversees the environmental permit; to update the list of species of flora considered as protected and the list of species classification (See sub-category 1.16) in which rarity of species shall be considered together with other characteristics relevant for wood.

It is forbidden to cut Mussivi African Rosewood (*Guibourtia Coleosperma*). The logging ban has been in place since August 2018 (Executive decree No. 278/18) and is extended until March 2022 (Executive Decree No. 57/21 of 3rd March 2021).

Protected and special-purpose forests

The State shall ensure that the areas of protected and special-purpose forests are defined. The Presidential decree 171/18 of 23 July 2018, art. 6(2) states that permanently protected forests may be natural or plantations. Permanently protected forests in terms of their location include:

- at headwaters and riverbanks within a perimeter of 50 meters and a minimum range of 50 to 500 meters, respectively.
- Around ponds, lakes, or water reservoirs within a radius of 50 to 100 meters.

Article 5 prohibits the harvesting of forest products in permanent protection forests, except for subsistence uses or scientific purposes.

The state, by legislation, established several national parks for protecting endangered ecosystems and habitats and rare, threatened, and endangered species (TimberLex – Angola, 2021).

Description of Risk

Clear definitions are given in the forest legislation to protect important sites and species. Still, limited information was available to evaluate the actual implementation of the legal requirements related to forestry.

There have been reports of illegal cutting and exporting Mussivi African Rosewood (*Guibourtia Coleosperma*), a species banned from harvesting and exporting in Angola. According to expert consultation (October 2019), such violations were mainly within the period immediately after the ban, and the authorities have been effective in making arrests. However, recent sources (Paulina 2021) indicate that Mussivi African Rosewood's illegal logging is still present.

According to Huntly (2019), many of the biodiversity hotspots identified in protected areas expansion strategies are still to be accurately surveyed, described, and gazetted. Huntly further states that Angola has excellent conservation strategies at a national scale, and several parks have pragmatic 'emergency' management plans. Still, there is a need for adaptation and implementation of these plans. For many protected areas, a triage approach to zonation and investment is appropriate where land invasions, illegal infrastructure developments, and other irreversible developments have taken place.

Risk Conclusion

This indicator has been evaluated as a specified risk. There are information showing issues for protected sites and species, and specifically, there are risks related to illegal logging of protected species. Attention to implementing regulation for protected sites and species should be paid when sourcing from Angola.

1.9.6. Risk designation and specification

All source types: Specified risk:

- Illegal logging of protected species

1.9.7. Control measures and verifiers

Mitigating the risk of illegal logging of protected species

Review documents and verify

Ensure that material sourced is not listed as a protected species in Angola.

Check the documents:

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

Onsite audits

- While conducting onsite audits, verify that protected species identified in harvesting documents have not been harvested.

Others (species identification)

Verify the species with visual identification or timber testing.

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

- Constitution of the Republic of Angola, of 21 January 2010, [Article 39 of the Angola Constitution] (Environmental rights) (2). The state shall take the requisite measures to protect the environment and species of flora and fauna throughout national territory. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang72591ENG.pdf> and <https://www.legis-palop.org/> ?
- Law No. 6/17 of 24 January 2017 (Forest and Wildlife Basic Law) establishes the norms that seek to guarantee the conservation, rational and sustainable use of forests and wildlife in the national territory, and the general bases of the exercise of activities.
 - Article 14.0 (rights and duties for the pursuit of economic activity in the forestry and Wildlife domains) (e) economic activities in forest and wildlife domain to minimize negative environmental damage.
 - Article 70 (obligations of the holder of the right of the forest). Holders of forest harvesting rights have the obligations to comply with environmental protection requirements. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential decree No. 171/18 of 23 July 2018 (approving the Forestry Regulation). Regulates the forest and wildlife basic law.
 - Article 95 (competences) item 3. Logging or clearing areas over 200 hectares should be required environmental impact assessment
 - Article 77 (procedures) gives detail procedures and requirement for the application and issue of Annual Forest Harvesting License to include the approved EIA report.
 - Article 114 (Environmental Impact Assessment - EIA) EIA is to be imposed grantors for a) planting projects in areas larger than 1.000 hectares. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>
- Law no. 5/98 of 19 June (Law on the Environment) establishes basic principles to be carried out by the Government of Angola on the following issues: 1) natural heritage protection; 2) ecosystem preservation and 3) environmental conservation, in order to guarantee the quality of human life. This law concerns the National Programme of Environmental Management, to be drawn up according to the national legislation. It specifies conditions and requirements to be satisfied by environmental quality standards. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC018069>

- Presidential Decree No. 117/20 of 22nd April 2020 approving the General Regulation for Environmental Impact Assessment and the Environmental Licensing Procedure. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang194840.pdf>
- Decree No. 51/04 of July 23 2004 (Environmental Impact Assessment) approves the Environmental Impact Assessment (EIA) Legislation, aimed at regulating the environmental and administrative procedures related to the implementation of public and private projects. It establishes the environmental requirements to be satisfied in order to benefit from the authorization to perform any environmental activity. The Annex lists down all the activities needing an EIA authorization. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC119509>
- Decree No. 59/07 of 13 July on (Environmental Licensing) regulates environmental licensing of all activities that, because of their nature, location or size, may have a significant environmental and social impact. Particular attention is paid to the regulation of the licensing procedure and of the rights and duties of the licensees. Moreover, the decree establishes a national registry of environmental consultants to support in the licensing process. The Annexes provide the license models for both operations and installations. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC099350>

1.10.2. Legal authority

- Forestry Development Institute (IDF)
- National Directorate for Prevention and Environmental Impact Assessment from the Ministry of Environment

1.10.3. Legally required documents or records

- Environmental Impact Assessment Report approved by the Environmental Ministry and the Ministry of Agriculture and Forestry.
- Environmental permit for installation

1.10.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry and the Ministry of Environment.

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.

1.10.5. Risk determination

Overview of Legal Requirements

Environmental rights are clearly expressed in Article 39 of the National Constitution, 2020 and encourage the state to take necessary measures to protect the environment and the species of flora and fauna in the country; maintain the ecological balance, ensure the correct location of economic activities, and the sustainable development and use of all-natural resources, respect for the rights of future generations and the preservation of species.

Forestry/environmental laws include environmental protection. Users of forests for economic activities to carry out activities to minimize the negative environmental impacts of activities on forest ecosystems (Forest and Wildlife Basic Law No. 6/17, art. 14(e) requires). Forest harvesting rights holders are to use forest resources sustainably (Forest and Wildlife Basic Law No. 6/17, art. 70) and ensure (a) compliance with existing legislation, in particular of the provisions of the Forest and Wildlife Basic Law, the

legislation on waters, land, town planning and land use planning and environmental protection, as well as the conditions laid down in the concession contract or community license.

The Presidential Decree No. 171/18 of 23 July 2018 (the Forest Regulation), art. 114 requires that an Environmental Impact Assessment be imposed by state entity: (a) for planting projects on areas larger than 1,000 hectares; (b) for planting projects which the land on which the person concerned already holds title to land by law and land that is granted for forest planting. Article 95(3) of the forest regulation further clarifies that logging or clearing of an area over 200 hectares may require prior Environmental Impact Assessment at the expense of the person concerned. Article 77, which gives the detailed procedure for the award of the Annual Forest Harvesting License, includes the applicant's requirement to hold an EIA report approved by the Ministry of Environment and the Ministry of Agriculture and Forestry for the area for which the application is made.

Law no. 5/98 of 19 June (Law on the Environment) establishes the basic principles to be carried out by the Government of Angola on the following issues: 1) natural heritage protection, 2) ecosystem preservation, and 3) environmental conservation, to guarantee the quality of human life. This law concerns the National Programme of Environmental Management, to be drawn up according to the national legislation. It specifies conditions and requirements to be satisfied by environmental quality standards. The Decree No. 51/04 Environmental Impact Assessment) establishes the environmental requirements to be completed to perform any environmental activity. It has an Annex listing all the activities requiring an EIA authorization. Decree No. 59/07 (Environmental Licensing) regulates environmental licensing of all activities that may have a significant environmental and social impact because of their nature, location, or size. Particular attention is paid to the regulation of the licensing procedure and the licensees' rights and duties. It establishes a national registry of environmental consultants to support the licensing process. The Annexes provide the license models for both operations and installations.

Description of Risk

Environmental laws are established in the forest legislation, but there is no information on the risks related to violations of environmental requirements.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola.

1.10.6. Risk designation and specification

All source type: specified risk based on a precautionary approach.

1.10.7. Control measures and verifiers

Mitigating the risk related to Environmental requirements based on a precautionary approach

Review documents and verify

- Environmental Impact Assessment Report approved by the Environmental Ministry and the Ministry of Agriculture and Forestry.
- Environmental permit for installation

Onsite audits

While conducting onsite audits, verify that all environmental requirements are adhered to in the field.

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

- General Labor Law (No. 7/15 of 15 June 2015)
 - Article 81 (general employer obligations). Employer to take necessary measures for occupational health and safety including the provision of Personal Protective Equipment (PPEs).
 - Article 83 (obligation of the worker). Workers who have received necessary instructions to correctly use collective and individual protection equipment and to ensure conservation.
 - Article 85 (2) (employer Emergency obligations). Employer obligation to inform the competent authorities of the accident or illness in the event of occupational accidents or illness.
 - Article 87 (authority of the General Labor Inspectorate). Supervision of compliance with regulatory provisions on occupational health and safety is the responsibility of the Inspector General of Labour. Article 91 (medical examination). Medical examinations of worker shall be carried out by health authorities without prejudice to the special examinations and care required by the characteristics of certain types of labor provided in the applicable regulations. Available at:
<https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/99347/118526/F831720958/lei%20geral%20do%20Trabalho%207-15.pdf>
- Decree No. 9/95 of 21 April 1995 (Decree on the Regulation of the General Labor Inspectorate). Establishes the fundamental purpose of the Inspector General of Labour
 - Article 3 (general assignments) (B). Enforces occupational hygiene, safety and health standards.
 - Article 25 (powers of inspectors) 1. Inspection staff are permanently vested in their capacity and shall have public authority power. (b) to carry out any examinations, inspections, investigations, inquiries and other steps deemed necessary to ensure that labor standards are complied with. Available at:
http://www.ilo.int/dyn/legosh/en/f?p=LEGPOL:503:6501263165076:::503:P503_REFERENCE_ID:167642
- Decree No. 31/94, of 5 August establishes the principles that include the promotion of safety, hygiene and health at work. It repeals all legal and regulatory provisions contrary to this decree. Available at:
<https://www.ilo.org/dyn/natlex/docs/MONOGRAPH/56323/60225/F1112604275/DECRETO%2031%2094.pdf>

1.11.2. Legal authority

- Ministry of Public Administration, Employment and Social Security (MAPESS).

1.11.3. Legally required documents or records

- The Occupational Health and Safety (OSH) Services monthly, quarterly and annual reports for companies with 50 or more employees

1.11.4. Sources of information

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.
- Ahmad I and Barros L C., 2019. Angola Decent Work Check 2019. Amsterdam, Wage Indicator Foundation, February. Available at: <https://wageindicator.org/documents/decentworkcheck/africa/angola-english.pdf>
- Meusalario, 2021. Angola General Labour Law. Health and Safety. Available at: <https://meusalario.org/angola/lei-geral-do-trabalho/saude-e-seguranca>
- Howwemadeitinafrica, 2017. Why illegal deforestation in Angola must stop. Available at: <https://www.howwemadeitinafrica.com/illegal-deforestation-angola-must-stop/57430/>

1.11.5. Risk determination

Overview of Legal Requirements

The General Labour Law (No. 7/15 of 15 June 2015), article 81 (general employer obligations), requires employers to take necessary measures for their workers' occupational health and safety and include the provision of PPEs. Article 83 (obligation of the worker) also makes it an offense for workers who have received PPEs, and the necessary instructions to not correctly use the collective and individual protection equipment and further not to ensure its maintenance. Under Article 85 (2) (employer emergency obligations), employers must inform the competent authorities of an accident or illness in the event of occupational accidents or illness within the time limit and follow the procedure outlined in the legislation. Article 87 (Authority of the General Labour Inspectorate) recognises that supervision of compliance with regulatory provisions on occupational health and safety is the responsibility of the Inspector General of Labour. Article 91 (medical examination) permits health authorities to carry out medical examinations of workers. The health authorities shall carry it out without the special examinations and care required by the characteristics of certain types of labor provided for in the applicable regulations.

The Inspector-General of Labour is to inform and advise on matters of legal and employment relations in regards to legislation on working and employment conditions, a system of protection of employment and unemployment of workers and payment of contributions of social security, as well as propose the necessary measures to overcome the gaps in labor legislation (The Decree No. 9/95 of 21 April 1995 (Decree on the Regulation of the General Labour Inspectorate). Enforcement of occupational hygiene, safety, and health standards is the responsibility of the Inspector General of Labour through inspection staff of the Labour Directorate (art. 3 and art. 25). The inspection staff is to carry out any examinations, inspections, investigations, inquiries, and other necessary steps to ensure that labor standards are complied with.

Description of Risk

Health and safety at the forest level often violate requirements as there is no enforcement or very weak enforcement of regulations (Expert consultation, 2019).

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.11.6. Risk designation and specification

All source types: Specified risk based on a precautionary approach.

1.11.7. Control measures and verifiers

Mitigating the risk related to Health and safety based on a precautionary approach

Onsite audits

- Verify that all Health and Safety requirements are adhered to in the field.
- Interview with staff shall verify that they have received Personal protective equipment as required and are being maintained.

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

- Ratified 34 International Conventions related to Labour
 - C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
 - C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
 - C029 - Forced Labour Convention, 1930 (No. 29)
 - C105 - Abolition of Forced Labour Convention, 1957 (No. 105)
 - C006 - Night Work of Young Persons (Industry) Convention, 1919 (No. 6)
 - C081 - Labour Inspection Convention, 1947 (No. 81)
 - C138 - Minimum Age Convention, 1973 (No. 138) minimum age specified: 14 years
 - C182 - Worst Forms of Child Labour Convention, 1999 (No. 182) C026 - Minimum Wage-Fixing Machinery Convention, 1928 (No. 26)
 - C012 - Workmen's Compensation (Agriculture) Convention, 1921 (No. 12)
 - C017 - Workmen's Compensation (Accidents) Convention, 1925 (No. 17)Available at:
[https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_INSTRUMENT_SORT,P11200_COUNTRY_ID:2,102999#Occupational safety and health](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_INSTRUMENT_SORT,P11200_COUNTRY_ID:2,102999#Occupational+safety+and+health)
- Constitution of the Republic of Angola, of 21 January 2010,
 - Article: 60 (ban on torture and degrading treatment). No-one shall be subjected to torture, forced labour or cruel, degrading or inhuman treatment.
 - Article 50 (trade union freedoms) (1). It shall be recognised that all workers have the freedom to create trade union organisations to defend their collective and individual interests.
 - Article 21(h) (Fundamental tasks of the state). To promote equal rights and opportunities between Angolans, regardless of origins, race, party affiliations, sex, colour, age or any other form of discrimination. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang72591ENG.pdf>, <https://www.legis-palop.org/>
- The General Labour Law (7/2015) of 15 June 2015. The main statute governing all aspects of employment relationships in Angola;
 - Article 13 (capabilities) 1. The relationship with the labour law established with minors between the ages of fourteen (14) and eighteen (18) shall be valid as long as authorized by the legal representative or in his absence by the employment center or the appropriate institution.
 - Article 161 (fixed national minimum wage) 1. The national minimum wage is fixed in periodically manner by the Holder of the Executive Power.

- Article 5 (prohibition of forced or compulsory labour) 1. Forced or compulsory work is prohibited. 2. It is not by force or compulsory to work
- Article 7 (related rights as the right to work)
- Article 4 (right to work). Available at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/99347/118526/F831720958/lei%20geral%20do%20Trabalho%207-15.pdf>
- Decree no. 9/95 of 21 April (General Labour Inspectorate Regulation) Available at: https://www.ilo.org/dyn/legosh/en/f?p=14100:1100:0::NO::P1100_ISO_CODE3,P1100_YEAR:AGO,2014#
- Presidential Decree No. 136/19 of 5 May (Unique Social Register) Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mjiz/~edisp/minfin223319.pdf>
- Executive Decree No 406/17 of 30 August (Social Solidarity Grant). All Labour laws are available at: <https://www.lexlink.eu/legislacao/angola/188/laboral/por-tema>
- Presidential Decree No. 91/17 of 7 June (Single National Guaranteed Minimum Wage). Revoked by the Decree No. 88/19 of 21 March 2019. Available at: <https://www.maptss.gov.ao/wp-content/uploads/2019/08/2019-DRI-038-JT-OK.pdf>
- Law (20-A/1992) of 14 August 1992; (the law on the right to collective bargaining) Available at: https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=56295&p_country=AGO&p_classification=02
- Law (21-D/1992) of 28 August 1992; (Trade Union Law). All labour laws are available at: <http://extwprlegs1.fao.org/docs/pdf/ang11736.pdf>
- Law (23/1991) of 15 June 1991; (the Law on Strike). All Labour laws are available at: https://library.fes.de/pdf-files/bueros/angola/hosting/l_greve.pdf
- Presidential Decree No. 40/17 of 6 March; (fixed-term and indefinite employment contracts) are available at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/110863/138039/F-1423916652/Dec.%20Pres.%2040-17%20ANGOLA.pdf>
- List of work prohibited and conditioned to women - Presidential Decree No. 29/17 of 22 February are available at: https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=110745&p_count=33&p_classification=01
- Temporary Assignment of Workers - Presidential Decree No. 31/17, of 22 February. Available at: https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=110968&p_count=3&p_classification=12
- Presidential Decree No. 87/19 of 21 March 2019 (adjusts the amount of pensions from the compulsory social protection level) - Repeals Presidential Decree No. 93/17 of 7 June. Available at: <https://angolaforex.com/2019/03/23/diario-da-republica-i-a-serie-n-o-38-de-21-de-marco-de-2019/>

1.12.2. Legal authority

- Ministry of Public Administration, Employment and Social Security (MAPESS).

1.12.3. Legally required documents or records

- Employment contract (applicable to some kinds of job).
- Social security clearance letter

1.12.4. Sources of information

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.
- ILO (International Labour Conventions ratified by Angola). International Conventions Ratified by Angola. Available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_INSTRUMENT_SORT,P11200_COUNTRY_ID:2,102999#Occupational_safety_and_health
- Ahmad, I. and Barros, L. C., 2019. Angola Decent Work Check 2019. Amsterdam, Wage Indicator Foundation, February. Available at: <https://wageindicator.org/documents/decentworkcheck/africa/angola-english.pdf>
- Meusalario, 2021. Angola General Labour Law. Available at: <https://meusalario.org/angola/lei-geral-do-trabalho/saude-e-seguranca>

1.12.5. Risk determination

Overview of Legal Requirements

The general labor law and Forest and Wildlife Basic law contain provisions on working conditions. In particular, the Forests and Wildlife Basic Law states that Angolan citizens must be preferred in the recruitment and training for forestry activities.

Provisions on working conditions are contained in the general labor law and forestry legislation. In particular, the Forests and Wildlife Basic Law states that Angolan citizens must be preferred in the recruitment and training for forestry activities.

Fundamental collective rights of workers have been recognized, and the general right to work. Forced labor is prohibited and underage work, discriminative behaviors, and degrading or inhuman treatments.

Angola has ratified 34 International Conventions related to Labour, namely C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98); C029 - Forced Labour Convention, 1930 (No. 29); C105 - Abolition of Forced Labour Convention, 1957 (No. 105); C006 - Night Work of Young Persons (Industry) Convention, 1919 (No. 6); C081 - Labour Inspection Convention, 1947 (No. 81); C138 - Minimum Age Convention, 1973 (No. 138) Minimum age specified: 14 years; C182 - Worst Forms of Child Labour Convention, 1999 (No. 182); C026 - Minimum Wage-Fixing Machinery Convention, 1928 (No. 26); C012 - Workmen's Compensation (Agriculture) Convention, 1921 (No. 12); and C017 - Workmen's Compensation (Accidents) Convention, 1925 (No. 17).

These contents have been included in the country's legislation, starting from the highest law which the Constitution of the Republic of Angola of 21 January 2010. Article 60 (ban on torture and degrading treatment) of the constitution clearly states that no one shall be subjected to torture, forced labor, or cruel, degrading, or inhuman treatment. Article 50 (trade union freedoms) recognizes that all workers have the freedom to create trade union organisations to defend their collective and individual interests. In contrast, Article 21(h) states that one of the fundamental tasks of the state is to promote equal rights and opportunities between Angolans, regardless of origins, race, party affiliations, sex, color, age, or any other form of discrimination. Several labor laws have been enacted to give meaning to these constitutional provisions.

The General Labour Law (7/2015) of 15 June 2015 is the main statute governing all employment relationships in Angola. Article 13 (1 and 2) (capabilities) sets the minimum working age. People aged 14 and 18 require authorisation to work by a legal representative, employment center, or other appropriate institutions. The article also gives meaning to the conclusion of work contracts. Though from the General Labour Law, an employment agreement does not need to be made in writing, a

written employment agreement is required in some cases, such as employment agreements entered into with foreign employees and traineeship agreements.

Article 161 (fixed national minimum wage) confirms the periodic setting of a national minimum wage by the Executive Authority, which belongs to the President of the Republic in Angola. Article 5 (1 and 2) (prohibition of forced or compulsory labor) states that forced or compulsory work is prohibited. Article 7 (1) (related rights as the right to work) states the fundamental the right to work, the right to freely exercise a profession adds that the fundamental rights of workers shall be: (a) freedom of association and consequent right to organize, use and exercise of trade union activity b) the right to negotiate with the collective; c) the right to strike; (d) the right to meet and participate in the business activity of the enterprise. Article 4 (1) (Right to work) states the right to work and bans discrimination from indicating that every citizen has the right to freely choose work, with equal opportunity and without any discrimination based on race, gender, ethnic origin, marital status, social origin and status, religious reasons, political opinion, union affiliation, and language.

Decree no. 9/95 of 21 April 1995 is the General Labour Inspectorate Regulation. Article 4 (specific assignments) specifies the duties of the General Labour Inspectorate to include checks for the regular processing of social security discounts and the payment of contributions. Presidential Decree No. 136/19 of 5 May 2019 (unique social register) gives specific regulations on registration for social security. While decree No. 38/08 of 19 June 2008 establishes the legal regime for contractual ties and contribution for compulsory social protection. In Chapter III (contributory regime), Article 12 (1) of this law sets the contribution rate for compulsory social protection at 3% for the employee and 8% for the employer of the worker's total salary.

Description of Risk

Angola's employment laws require employers to comply with the national minimum wage established for their industrial sector. The laws include mandatory registration of all workers for social protection, deduction, and payment of social security contribution at a rate of 3% by the employee and 8% by the employer. However, based on expert consultation (October 2019) during the development of this report, in some remote forest operations and timber processing facilities, these legal employment requirements are violated. Some workers engaged in forest operations and wood processing are not registered for social protection by their employers. Social security contribution deductions are not made or paid on their behalf by employers. Some forest operations and wood processing employers do not pay the monthly minimum wage for the agricultural sector. Therefore the risk is considered specified.

Risk Conclusion

This indicator has been evaluated as a 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

All source types: Specified risk:

- Employment regulations are not respected (employment contracts lacking, not being registered, or not complying with legal requirements), an employer not paying social contributions, workers' pay below the minimum wage)

1.12.7. Control measures and verifiers

Mitigating the risk that Employment regulations are not respected

Review document and verify

- Proof that workers are registered with the National Social Security
- A sample of employment contracts and/or proof of contract declaration with the labor administration.
- Documents relating to the payment of social contribution and payment proof to meet minimum wage.

Onsite verification and consultation

Through an interview with forest workers and document review verify that workers have been given an employment contract, a social security, rest days and annual leave, are over the minimum legal age, and are being paid within the regulatory time frame, etc.

THIRD PARTIES' RIGHTS

1.13 Customary rights

Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights. The indicator is relevant to customary rights other than land and land management rights. Customary land and land management rights are covered under 1.1.

1.13.1. Applicable laws and regulations

- Law no. 6/17 Forest and Wildlife Basic Law establishes the norms that seek to guarantee the conservation, rational, and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
 - Article 62 (Types of Rights) 1. Rights to forest resources. Property transferable to individuals includes the right for subsistence and the right for use and community enjoyment.
 - Article 73 (about the position of rights). The right to log shall be exercised within the strict respect for the rights of third parties.
 - Article 145 (Forest Levies) It is incumbent upon the Executive Authority which is the President of the Republic to establish a percentage of revenues from forest levies applied to benefit communities located where the forest harvesting takes place.
 - Criteria for fixing rated:
 - (a) the market value of the species and subspecies concerned rights of forest harvesting;
 - (b) the quantities of forest resources harvesting or cutting or hunting resources;
 - (c) the type of forest in which the harvesting takes place;
 - (d) the profitability of logging, measured in accordance to the function of the specimens contained in the concession.
 - A percentage of the value of the fees and fines reverts to the specialized body implementing the measures sustainable management of forests and wildlife, in accordance with applicable law. No forestry fees payable by products from private forest plantations.
- Presidential decree No. 171/18 of 23 July 2018 (approving the Forestry Regulation) regulates the forest and wildlife basic law. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>
 - Article 32 (harmonization and overlap of rights) (1). The allocation of rights to area of forest does not prevent the exercise of equally valid third-party rights b) right of forest harvesting to respect third party rights.
 - Article 77 (procedures) (3). The preliminary assessment of annual forest license application to the IDF comprises a) analysis of the legal situation of the intended area in consultation with the responsible authorities for registration of lands, in order to obtain guarantees there will be no overlap of areas and collision with third party rights.
 - Article 21 (subsistence use rights and community law) (5). In the case of expropriation for public utility or other land-use form of customary useful land, the community has the right to assign other land with identical or similar vegetation cover that of the expropriated or disaffected.

- Article 31 (Obligations of the holder of logging rights) forest concession agreement b) recognises customary useful domain forest land necessary for the harvesting of under the terms of Law 6/17, January 24, 2018;
- Article 26 (intra-community marketing) sales of firewood, materials of constraint and non-wood products between neighbors, a) are of tradition and customary use;
- Article 116 (procedures) (1). The process for establishing forest plantations requires the person concerned to address the head of the Ministerial Department, which oversees the forest sector, accompanied by the following documents: (i) a copy of the title of land law or of the title of the customary useful domain, or evidence of the steps already taken with the competent services to obtain them.
- Law Act No. 9/04 of November, (Land Law):
 - Article 37 (customary use right). This indicates that the state recognizes the land rights of all families or rural communities that have occupied these lands for several years. This right protects the habits and customs of land-use communities.

1.13.2. Legal authority

- Forestry Development Institute (IDF) of the Ministry of Agriculture and Forestry

1.13.3. Legally required documents or records

- Map of the concession area
- For Annual Forest Harvesting License: 1/100,000 map of the concession area prepared by the local services of the Institute of Geodesy and Cartography of Angola (IGCA),
- For plantation development application: a copy of the title to land or the customary useful domain or evidence of the steps already taken with the competent services to obtain them.

1.13.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, The Ministry of Environment.

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.

1.13.5. Risk determination

Overview of Legal Requirements

The Forest and Wildlife Basic Law (Law no. 6/17) establish the norms that seek to guarantee the conservation, rational, and sustainable use of forests and wildlife in Angola, as well as the general basis for the exercise of activities related to forestry under Article 62 (b) (Types of Rights) which recognises the right to use forest land for community needs. Article 73 (about the position of rights) clarifies that the right of logging shall be exercised with respect for the rights of third parties regarding existing natural rights and easements within the concession area; in particular access by local communities to the natural resources not covered by the law of forest exploration. Article 14 (rights and duties for the pursuit of economic activity in the forestry and wildlife domains) item (c) requires that the pursuit of economic activities within the Forestry and the Wildlife sector respect the rights of third parties, in particular of rural communities and holders of other rights to natural resources existing within the area of forestry or wildlife harvesting, in particular as regards easements of water, of passage, and mining; (d) and to respect established sites of cultural, ecological, economic, religious or spiritual importance, over which the respective communities have rights.

The Land Law (No. 9/04) Article 37 on Customary Rights recognizes the land rights of families and rural communities that have occupied these lands for several years.

The Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation), which regulates the forest and basic wildlife law under Article 32 (harmonization and overlap of rights), clarifies that (1) the allocation of the right to forestry in a given area does not prevent the exercise of equally valid rights, earlier or later of third parties over other natural features from the same area; (2) and that the right of forest harvesting shall be exercised concerning third-party rights regarding natural resources and existing services within the concession area especially, local communities access to natural resources which are not covered by the law on logging. Article 77 (procedures) (3a) requires that the preliminary assessment by the IDF of Annual Forest Harvesting License applications comprise the analysis of the legal situation of the intended area in consultation with the local department of the Institute of Geodesy and Cartography of Angola. They are responsible for the registration of land titles. This shall be done to guarantee that there will be no overlap of areas and collision with third-party rights.

The Forest and Wildlife Basic Law, art 21(4), guarantees that the right to subsistence use and community needs of forests and wildlife resources is governed by communities' customary norms and practices. Art 21(5) clarifies that in the case of expropriation of forest land for public utility or another land-use form of customary useful land, the community has the right to get assigned other land with identical or similar vegetation cover than that of the expropriated. Article 31 (Obligations of the holder of logging rights) of the forest regulation requires that holders of logging rights (b) recognize the customary use of forest areas necessary for local harvesting under the Forest and Wildlife Basic Law terms. Article 26 recognizes the sales of firewood and non-wood products between neighbours for (a) traditional and customary use. Under article 116, an application for forest plantation development includes (i) a copy of the title of land or title of customary use land or evidence of the steps already taken with the competent services to obtain titles required.

Description of Risk

Angolan legislation has clear provisions to safeguard customary third-party rights from timber harvesting and other operational activities. However, there is no information on whether their provisions are well in place and adhered to.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B.Overview of the forest sector in Angola), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola.

1.13.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.13.7. Control measures and verifiers

Mitigating the risk related to Customary rights based on a precautionary approach

Review document and verify

- A letter of prior consent from the community must be provided where the forest harvesting application is made.
- Prior agreement between the communities and the initiator of a forest plantation on communities' lands in case the plantation is not established and managed by the communities themselves

Consult

Consultation local communities shall verify that Third Parties' rights are respected

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

- Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation) regulates the forest and wildlife basic law.
 - Article 22 (safeguarding the right to use for subsistence and community enjoyment) of presidential decree 171/18 of 23 July. No commercial harvesting of forest products must override the right of subsistence and communities living in the area where such harvesting is authorized. The granting of commercial harvesting rights to third parties in community forests should be processed only with prior consent of the people of the resident community.
 - Article 77 (procedures). Applications for Annual Forest Harvesting License must include c) a statement by authorities and municipal administration where they intend to log.
 - Article 113 (location of plantations) 1e) where either commercial and industrial, community plantations, or energy sources, are located on (e) community land, the development of which must be established by the communities themselves, or by initiative of others with their prior agreement.

Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>

1.14.2. Legal authority

- Forestry Development Institute (IDF) of the Ministry of Agriculture and Forestry

1.14.3. Legally required documents or records

- A letter of prior consent from the community must be provided where the forest harvesting application is made.
- Prior agreement between the communities and an initiator of forest plantation on communities' lands where the plantation is not established and managed by the communities themselves

1.14.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, The Ministry of Environment

1.14.5. Risk determination

Overview of Legal Requirements

Forest lands are the state's property, but community use for subsistence and other uses is recognized in the forest area. Commercial harvesting rights to third parties in community forests should be processed only by prior consent of the community present in the area where commercial forest harvesting is made.

Presidential Decree No. 171/18 of 23 July 2018 requires;

- a) commercial harvesting of forest products must not override the right of subsistence use and communities living in the area where such harvesting is authorized (art 22), and;
- b) that the granting of commercial harvesting rights to third parties in community forests should be processed only with the prior consent of the community (art 22).
- c) an application for an Annual Forest Harvesting license must include a statement by traditional authorities and municipal administration where the applicant intends to carry out logging (art. 77).

- d) Commercial, industrial and community plantations or energy sources located on community land must be developed by the communities themselves. If by the initiative of others, then the prior agreement with the communities is required (art, 113(1c)).

Description of Risk

There are clear provisions for Free, Prior, and Informed consent related to approving and carrying out timber harvesting and other operational activities. However, no information is available on whether the provisions are well in place and adhered to.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola.

1.14.6. Risk designation and specification.

All source types: specified risk based on a precautionary approach.

1.14.7. Control measures and verifiers

Mitigating the risk related to Free prior and informed consent based on a precautionary approach

Review document and verify

- A letter of prior consent from the community must be provided where the forest harvesting application is made.
- Prior agreement between the communities and the initiator of a forest plantation on communities' lands in case the plantation is not established and managed by the communities themselves

Consult

Consultation local communities shall verify that Third Parties' Rights are respected.

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 right to use certain forest related resources or practice traditional activities, as well as benefit sharing, which may involve forest lands. Land and land management rights related to indigenous/traditional peoples' rights are covered under 1.1.

1.15.1. Applicable laws and regulations

- Ratified international convention related to indigenous people.
 - C107 - Indigenous and Tribal Populations Convention, 1957 (No. 107) 04 Jun 1976, still in force. Available at:
https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312252:NO

1.15.2. Legal authority

N/A

1.15.3. Legally required documents or records

N/A

1.15.4. Sources of information

Government sources

- Government of Angola. National Laws: <https://www.legis-palop.org/>
- Constitution of the Republic of Angola of 21 January 2010: Available at: <https://www.legis-palop.org/>

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies.
- ILO (International Labour Convention) Ratified by Angola. Available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_INSTRUMENT_SORT,P11200_COUNTRY_ID:2,102999#Occupational_safety_and_health
- International Work Group for Indigenous Affairs (IWGIA). Indigenous peoples in Angola. Available at: <https://www.iwgia.org/en/angola/742-indigenous-peoples-in-angola>

1.15.5. Risk determination

Overview of Legal Requirements

Angola has been a signatory state to ILO Convention 107 on Indigenous and Tribal Populations since 1976. However, there is no reference to indigenous people in the Constitution of the Republic of Angola. There is no specific policy or provision in the constitution which can be referenced to indigenous people. Likewise, there are no specific references to indigenous peoples or minorities in Law No. 6/17 on Forest and Wildlife Basic Legislation, the Presidential Decree No. 171/18 approving the Forestry Regulation, or other domestic law. The International Work Group for Indigenous Affairs (IWGIA) has concluded that the Government of Angola does not recognise the concept of indigenous peoples as affirmed in international law, despite being a signatory to ILO Convention 107 on Indigenous and Tribal Populations since 1976, though with very limited reporting. The international organisation further states that Angola has not indicated any interest in considering the ratification of ILO Convention 169 on Indigenous and Tribal Peoples, which superseded C107 in 1989.

Description of Risk

Although stakeholders have confirmed, there are indigenous people in Angola and that the country has ratified international conventions related to indigenous peoples, these laws have not been implemented in any of the national forest or related laws and are therefore not enforceable within the country. Therefore, the indicator is not applicable.

Risk Conclusion

Not applicable

1.15.6. Risk designation and specification

Not applicable

1.15.7. Control measures and verifiers

Not applicable

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

- Law no. 6/17 Forest and Wildlife Basic Law establishes the norms that seek to guarantee the conservation, rational, and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
 - Article 39 (2) (inventory and classification of species and their habitats). The State shall ensure the implementation of projects of research aimed at the identification and classification of species of wild flora and fauna, as well as of their ecosystems.
 - Article 61 (conducting forest inventory of the area to be explored) 1) where forestry is carried out, the prior identification and inventory work is the responsibility of the rights holder. Logging, valid after approval by the department which oversees the forest and wildlife sector. 2) The ministerial department that oversees the forestry and Wildlife sector must accompany the work inventory by the right holder and provide technical assistance on methods, if necessary.
- Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation). Regulates the forest and wildlife basic law.
 - Article 38 (classification of wood producing species). Criteria for classification of timber species and the ministerial departments with authority to carry out timber species classification.
 - Article 40 (classification of log and sawn wood) classifies round wood and sawn timber in Annex 1 and Annex VIII of the Forest regulation. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>

1.16.2. Legal authority

- Forestry Development Institute (IDF) of the Ministry of Agriculture and Forestry

1.16.3. Legally required documents or records

- Certificate of origin
- Transit permit

1.16.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, The Ministry of Environment.

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies

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

1.16.5. Risk determination

Overview of Legal Requirements

Article 39 (2) (Inventory and Classification of Species and their Habitats) of Law no. 6/17 Forest and Wildlife Basic Law requires the state to ensure the implementation of research projects aimed at the identification and classification of wild flora and fauna species, as well as their ecosystems.

Within the Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation), which regulates the forest and wildlife basic law, Article 38 (1) (classification of wood producing species) provides clear criteria for the classification of timber species. These include commercial value, scientific value, rarity, utility and strength, wood density group, and a class of technological quality. A detailed list is given in Annex 1 of the regulation that all timber classification in Angola must follow.

Decree No. 171/18, art 40 (classification of log and sawn wood), classifies;

- 1) *Round log* as wood resulting directly from the felled tree stem, is cylindrical or conical in shape, slightly oval or tortuous, of a length of 6.00 meters or more (for dense rainforest), 2.80 meters (for open forest). Minimum felling diameter required by law differs between species, and;
- 2) *Sawn wood* as the direct result of the splitting of the logs into pieces cut longitudinally by saw, regardless of its section dimensions rectangular or square, and as: (a) square block or fillet; b) board; c) beam; d) vigota; e) barroto; f) clapboard; (i) other commercially accepted forms. The detailed dimensions of these defined sawn wood are given in the Annex VIII of the regulation.

Description of Risk

According to expert consultation (October 2019), the procedures requiring classifying timber according to species, wood density, and commercial class and minimum felling diameter classes were generally considered. The certificate of origin and transit permit from the relevant province and the related documentation also contain species classification as given in Annex 1 (for logs) and Annex VIII (for sawn wood) of Decree No. 171/18. However, there seems to be a risk that the requirement to classify timber accurately related to species and volumes is only on paper and not done accurately. While there, to the stakeholders' knowledge, there is no known evidence of inserting wrong information into the trade documents, the stakeholders are concerned that timber operators have better experience and competence in identifying timber species than the regulator. There is a recognition of the inadequate capacity of the IDF, and as a consequens license holders could therefore be able to swap species and evade detection by IDF.

During expert consultation, it was also noticed that enforcement measures done by the State include the use of weigh bridges at the checkpoints and the use of scanning machines at the ports of export to check wood quantities against declared quantities on the related documents. Variance in declaration timber volumes of more than 10% is an offense and attracts sanctions. However, stakeholders believe that corrupt officials and influence from "generals" have weakened enforcement efforts, and timber can be transported under falsified volumes and, therefore, high risk to timber legality.

A high level of corruption, weak regulatory quality, and the rule of law in Angola are supported by the World Bank Governance Indicators (WB, 2021).

Risk Conclusion

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

1.16.6. Risk designation and specification

All source types: specified risk:

- False declarations are made regarding species and their volume on transport documents

1.16.7. Control measures and verifiers

Mitigating the risk of false declarations are made regarding species and their volume on transport documents

Review documents and verify

- Annual Harvesting License;
- Site logbooks (samples);
- Document for transportation of logs and processed wood (samples);

Verify the following:

- the information presented on the various transport documents for logs and sawn timber is coherent;
- species sold and stated in export or sale documents are the same as in transport documents (conduct a microscopic analysis of the wood if necessary).

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

- Law no. 6/17 of 24 January 2017, Forests and Wildlife Basic Law, establishes the norms that seek to guarantee the conservation, rational and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.
 - Article 86 (product certificate at office). Certificates are required to cover forest products harvested as given on the license, but harvested timber cannot be transported out of the forest during the approval process of certificate.
 - Article 152 (competences of surveillance officers) (i) inspect any suspect vehicle, vessel, or aircraft item to be used in hunting contrary to the provisions of this law, or in the transport of any forest products do not come from legal holdings. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation). Regulates the forest and wildlife basic law.
 - Article 148 (required to display certificates of origin and transit permit). List of forest operators required to display relevant documents.
 - Article 150 (transport of wood in log and sawn). Prohibition of inter provincial transport of list of forest products and the mode of transport.
 - Article 151 (forest product warehouses). Forest product warehouse locations and requirement to firstly present all forest products intended for sales and marketing at a product warehouse for inspection by IDF, the Tax Police, the General Tax Administration, Commerce and Commercial Banking.
 - Article 144 (general restrictions) lists the sources of timber which can be transported, stored, transferred, marketed, or displayed for sale forest products. Section I0 Internal Transit, Article 145 (Required Certificate of Origin and Transit Guide). Requirement for certificate of origin and transit permit for transport of forest products and the administrative process for issuance of these documents.

- Article 146 (standard and control of certificates of origin). The form and who can request for a certificate of origin.
- Article 168 (infringements and sanctions). Related to transport and trade in forest products. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>
- Executive Decree No. 308/17 approving Forestry License forms, Certificates of Origin, Storage, Transit Guide and Provisional Wood Transport Authorization for the 2017 Forest Campaign. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC168056>

1.17.2. Legal authority

- Forest Development Institute, Ministry of Agriculture and Forestry
- General Tax Administration, Ministry of Finance

1.17.3. Legally required documents or records

- Annual Forest Harvesting License
- Certificate of origin
- Transit permit/certificate
- Phytosanitary Certificate
- Product Certificate
- Consignment note
- Waybill

1.17.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, The General Tax Administration, and the Ministry of Environment.

1.17.5. Risk determination

Overview of Legal Requirements

There are provisions in place for registering and issuing a certificate to cover forest products harvested under a license but which could not be transported out of the forest during the validity period of the license (Forests and basic wildlife law, art 86). Inspection officers have the power to inspect any suspect vehicle, vessel, or aircraft used in the transport of any forest products to check if these do not originate from a legal origin (art 152).

The forest actors required to display relevant documents covering their forest products whenever required by the forest inspectorate or by the tax and customs policy include (Forests and basic wildlife law, Article 148):

- a) transporters of forest products; the certificate of origin and a transit guide/permit are required for transit checks.
- b) The sellers; For products sold by an authorized entity, the sales receipt, the copies of the certificate of origin, and the transit guide.
- c) The buyer; the transit certificate and transit permit/certificate.
- d) Processing units for products being processed or deposited in the yards of the processing units.

For a consignment moving within the same locality (intra-provincial trade) from one operator to the other for sale, processing, or using the following documents are required: a consignment note or equivalent document accompanied by copies of the certificate of origin and waybill are required.

The inspectorate office can retain these documents until full clarification is reached whenever illegality is suspected.

Decree No. 171/18 Article 150 (transport of logs and sawn wood) of the Forests and basic wildlife law provides that 1) the inter-provincial transport of the timber in log form is prohibited 2) intra-provincial transport of Roundwood in containers and tipper trucks are also prohibited. Inter-provincial transport of Roundwood is to be carried out on vehicles with a platform box with side braces or stanchions following the models set out in Annex VII or on lorries adapted for transporting timber round form as provided in the regulation.

Article 151 (forest product warehouses) make provision for forest product warehouses located in nearby zones of production and circulation of forest products with infrastructures and services intended for the reception of forest products, in particular, timber from logging areas and semi-processed units for checks and internal and external marketing by the various forest operators. The article clarifies that no forest products intended for sale or marketing can be displayed without first passing through one of the warehouses existing in the country for checks by the IDF, the Tax Police, the General Tax Administration, Commerce, and Commercial Banking.

Article 144 (general restrictions) of the regulation gives the sources of timber which can be transported, stored, transferred, marketed, or displayed for sale as forest products from (a) Annual Forest Exploitation Licenses granted following terms of the forest regulation, b) forestry concessions granted following the forest regulation, c) established commercial and industrial plantations following the terms of the forest regulation, (d) community forest plantations established by the terms of the forest regulation, e) from sales made by the state as a result of seizures of infringement of the provisions of this Regulation. The article further states that the possession, import, export, reproduction, and /or transit in the national territory of genetically modified forested species and their parts or products is not allowed except under the authorization of the IDF.

Section IO Internal Transit, Article 145 (Required Certificate of Origin and Transit Guide) of the forest regulation states that 1) no forest products from farms in natural forest or plantations can be transported within the national territory, by any land or waterway, without their certificates of origin and transit guide based on the operating license or in the forest concession contract. The certificate of origin must be issued and signed by the Head of the IDF Provincial Department, where Annual Forest Harvesting is carried out. Transit permit shall be completed and signed by the holders of forest concession contracts, annual logging, and plantation operations and checked by: a) resident inspector, in the case of forest concession contracts and harvesting of forest plantations; b) head of the Provincial Department of the IDF of the area where the exploration takes place and in his absence, by the Chief of Technical and Supervisory Section, in the case of Annual Forest Exploration Licenses.

Forest products coming from outside Angola and passing through the national territory to other countries are to have a certificate of origin and a phytosanitary certificate issued by the competent authorities of the country of origin.

Article 168 (infringements and sanctions) details the sanction related to the infringements.

Description of Risk

No information has been identified to describe the trade and transport risks. It is unclear if there is a risk of lack or misuse of trade and transport documentation. Fraudulent documents seem to be an issue in Angola and are covered under 1.16.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola.

1.17.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.17.7. Control measures and verifiers

Currently, we have not identified potential mitigation measures for the risk identified. Any input on possible mitigation measures will be appreciated.

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

- Industrial Tax Code (Law 19/14 of October 22, 2014), Article 50^o of the applicable for tax years from 2014 onwards. Amendments on the Industrial Tax Code– Law no. 4/19, of 18 April
- Circular No. 12/DLT/DNI/2014. Available at: General Tax Administration
- Presidential Decree no. 147/13 of 1 October 2013. Available at: <https://audicon-ta-angola.com/wp-content/uploads/2019/05/Dossier-Pre%C3%A7os-de-Transferencia.pdf>
- Presidential Decree No. 292/18, published 3 December, approved the Legal Regime of Invoices and Equivalent Documents, revoking Presidential Decree No. 149/13 of 1 October 2013.
- Presidential Decree No. 171/18 of 23 July 2018 (approving the Forestry Regulation). Regulates the forest and wildlife basic law.
 - Article 152 (1d) (export of forest products) d) sales invoice to buyer based on prices reference minimums. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>

1.18.2. Legal authority

- External Trade Department, Ministry of Trade
- Forestry Development Institute, Ministry of Agriculture and Forest
- The study, Statistics and Planning Cabinet, the Ministry of Industry
- General Tax Authority, the Ministry of Finance

1.18.3. Legally required documents or records

- Export certificate and REI – Export and Import Registration
- Letters of credit

1.18.4. Sources of information

Government sources

- Personal communication with the Forest Development Institute (IDF) staff of the Ministry of Agriculture and Forestry, Ministry of Commerce External Trade Department, The General Tax Administration.

Non-Government sources

- Lead Advogados, 2019. Recent Changes in the Tax Regime. Available at: <http://leadadvogados.com/en/alteracoes-recentes-a-legislacao-fiscal/>
- WTS, 2017. Global Country TP Guide. Angola. Available at: <https://www.wts.com/wts.com/insights/tp-documentation/country-sheets/wts-country-tp-guide---angola.pdf>
- Global Transfer Pricing Review-Angola, 2015. Available at: <https://assets.kpmg/content/dam/kpmg/pdf/2015/10/tp-review-angola-v3.pdf>

1.18.5. Risk determination

Overview of Legal Requirements

The Industrial Tax Code (Law 19/14 of October 22, 2014), Article 50^o of the application for tax years from 2014 onwards, and as amendments on the Industrial Tax Code – Law no. 4/19, of 18 April call for the obligation of documentation applicable to tax years and transactions beginning or occurring on or after 1 January 2013⁹. Taxpayers will have to justify arm's length pricing in the cases of commercial transactions of the taxpayer with other "special relations" entities, regardless of whether these transactions are subject to industrial tax. This concerns domestic and cross-border transactions. The rules generally cover commercial transactions, including any transaction of goods, rights, or services, including financial transactions.

Decree no. 147/13 states that an entity-specific transfer pricing file would have to be prepared and submitted to the tax administration within six months of the end of the tax year. This transfer-pricing file must be prepared annually and must detail the relationships and prices established by the large taxpayers with the companies and entities with which they have "special relations." The entity-specific transfer pricing file must contain:

- describes the taxpayer and the group structure
- describes the industry/sector
- identifies the related entities with which the taxpayer has carried out transactions and characterise the special relationship existing between them
- describe and quantify the related transactions by nature of the transaction and by counterparties
- analyse the split of functions and risks of each transaction between the involved parties
- select the transfer pricing method to validate the terms and conditions applied, and
- present the transfer pricing economic analyses to validate each transaction.

Article 152 (1d) (export of forest products) of the Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation) make provisions for the application to the IDF Director-General, requesting the phytosanitary and exports of forest license to include sales invoice to the buyer based on reference minimums prices. The forest regulation defines minimum reference prices as the reference price for exported timber calculated based on the average prices practiced in the main international markets. The export will not be allowed for products below the minimum reference price.

⁹ WTS Global

Description of Risk

There is no information available on the risks related to Offshore trading and transfer pricing

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.18.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.18.7. Control measures and verifiers

We have not identified potential mitigation measures for the risk identified.

1.19. Custom regulations

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

1.19.1. Applicable laws and regulations

- The Presidential Legislative Decree no. 10/19, of 29 November 2019, was published approving the new Customs Tariff, revoking Presidential Legislative Decree no 3/18 of 9 May 2018. The Decree enter into force on 29 December 2019. Available at: <https://www.lexlink.eu/conteudo/geral/legislacao/3922881/decreto-legislativo-presidencial-no-1019/14751/por-tema>
- Rectification no. 17-18 Customs Tariff.pdf. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mje2/~edisp/minfin216968.pdf>
- Customs Code, approved by Decree-Law No. 5/06 of 4 October. Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mjij/~edisp/minfin22423.pdf>
- Customs circulars are available at: <http://www.agt.minfin.gov.ao/PortalAGT/#!/legislacao/aduaneira/circulares>
- Presidential legislative decree 3/18 May 2018 Available at: <http://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/zmlu/mje2/~edisp/minfin216967.pdf>
- Presidential Decree 74/17 of 7 April 2017. Approves the regulations of administrative procedures for licensing of imports, exports and re-exports. Available at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/110746/137825/F-504480433/dp%2030%2017%20ang.pdf>
 - Article 4 (enrollment in REI) sets out the registration for the application for exporters and importers registration (REI). Importers and exporters need to be registered with the Ministry of Commerce for REI (I.e., REI Registration).
- Law no. 6/17 of 24 January 2017. Forests and Wildlife Basic Law. Establishes the norms that seek to guarantee the conservation, rational, and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.

- Article 87 (exports and imports of forest products): export of touts is allowed only upon presentation of the license; certificate of origin, transit advice and phytosanitary certificate; import of forest products needs authorisation from the IDF of the Ministry Agriculture and Forestry; the exportation and importation of forest products obey the procedures the administrators licensing of imports, exports and re-exports, provided for in the legislation in force. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation). Regulates the forest and wildlife basic law.
 - Article 152 (exporting of forest products) details the process for exporting forest products including the permission requirement for the export of endemic or species classified as vulnerable. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>
- Executive Decree No. 133/19 approving the model forms for phytosanitary certificate of origin to export and re-export plant, and forestry products, pesticides and fertilizers, and the related prior import license. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC186972>
- The Presidential Legislative Decree no. 10/19, Approves the Customs Tariff for Import and Export. Available at: <https://www.minfin.gov.ao/PortalMinfin/#!/legislacao/legislacao-tributaria>

1.19.2. Legal authority

- National Directorate of External Trade of the Ministry of Commerce
- General Tax Administration (AGT) of the Ministry of Finance
- Commerce and Commercial Banking.
- Forestry Development Institute (IDF) of the Ministry of Agriculture and Forest

1.19.3. Legally required documents or records

- National identity
- NIF (Tax ID)
- Business registration
- Air Waybill (AWB)/ Bill of Lading (BL)
- Commercial Invoice
- Loading Certificate issued in the country of shipment
- Export and Import License
- Application form for the issue of Loading Certificates
- Proof of payment of applicable fees and tax using the registered tax identification

For the registration process of export and import:

- Harvesting permit
- Certificate of origin
- Transit permit/certificate
- Phytosanitary certificate
- Foreign exchange declaration form (for exported products)
- Packing list
- Declaration of phytosanitary treatment of wood (issued by a company accredited by IDF)

- Declaration of non-tax debtor (tax clearance)
- Declaration of registration at exhibitions and imports (products for the exhibition of imported products)
- Permission from IDF for the export of endemic or species classified as vulnerable
- Consignment note or copy of Certificate of Origin (for products moving within the same locality)
- CITES certificate (for CITES species)
- Export registration and export license (REI) from Ministry of Trade and Export Permit from Ministry of Industry, letters of credit
- Bank Payment for a receipt for export charges if creditable or proof of credit bank transfer corresponding to the amount on the invoice issued by a bank outside the country in favor of bank of the exporter account domiciled in Angola
- Specification list containing dimensions and volume of wood pieces

Export certificate for forest products issued by the IDF requires the following:

- Copy of the export invoice duly signed and stamped
- Copy of the certificate of the production data registration from the Ministry of Industry (i for producer company)
- Acquisition invoice and producer declaration to confirm that the product is made in Angola (applicable only for exporters companies)
- REI – Export and Import Registration issued by the Ministry of Trade.
- Proof of payment for REI application
- Copy of a certificate of non-debt to social assurance and finance through the general tax authority.

1.19.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, the General of Tax Administration, National Directorate of External Trade of the Ministry of Commerce, and the Angolan Private Investment and Export Promotion Agency.

Non-Government sources

- Personal communication with Civil Society Organisations and wood processing companies

1.19.5. Risk determination

Overview of Legal Requirements

The Angolan Customs Code, approved by Decree-Law No. 5/06 of 4 October, sets the customs requirements for general imports and exports, including timber, complemented by sector-specific requirements. For all exports and imports, the law requires original Air Waybill (AWB)/ Bill of Lading (BL), original commercial invoice (listing HTS codes for each item), Packing list, Angolan Loading Certificate issued in the country of shipment, Import License, Phytosanitary Certificate issued by the relevant ministry and in the case of timber by the Ministry of Agriculture and Forestry.

Article 87(2) of the Forests and Wildlife Basic Law (Law no. 6/17 of 24 January 2017) clearly states that the export of forest products is only allowed upon presentation of the Annual Forest Harvesting License, Certificate of Origin, Transit permit/Certificate, and Phytosanitary Certificate. Item 3 of the same article requires import of forest products to obtain authorization from the Ministry of Agriculture and Forestry upon presentation of proforma invoices covering the product, Phytosanitary Certificate, and model

certificate of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) issued at the source of import.

Decree No. 171/18 Article 152 (exporting forest products) of the regulation outlines the required process for exporting forest products. The process begins with an application by the harvesting company/expert to the IDF general director, requesting Phytosanitary Certificate, and Export certificate for forest products as well as the foreign exchange declaration form in the specified format given in the regulation, including the following documents:

- a) copy of the Certificate of Origin of the product to be exported, accompanied by Transit Permit/Certificate and in case of harvesting rights holders;
- b) Commercial Invoice issued by a company or operator recognized by the IDF in the case of wood purchased from third parties;
- c) Specification list containing dimensions and volume of wood pieces;
- d) Commercial invoice to a buyer based on minimum price reference
- e) Declaration of phytosanitary treatment of wood issued by a company accredited by the IDF;
- f) Declaration of the non-tax debtor;
- g) Declaration of registration at exhibitions and imports
- h) Bank Payment for receipt corresponds to the invoice issued by a bank outside the country in favor of a bank of exporter account domiciled in Angola.

The export of endemic or classified forest species as vulnerable requires permission from the IDF.

Article 144 (general restrictions) of the regulation gives the sources of timber which can be transported, stored, transferred, marketed, or displayed for sale as forest products from (a) annual operating licenses granted following terms of the forest regulation, b) forestry concessions granted following the forest regulation and c) established commercial and industrial plantations following the terms of the forest regulation, (d) community forest plantations established by the terms of the forest regulation, e) from sales made by the state as a result of seizures of infringement of the provisions of this regulation. The article further states that the possession, importation, exportation, reproduction, and/or transit in the national territory of genetically forested species and their parts or products is not allowed except under the authorization of the IDF. Article 144 (general restrictions) prohibits the possession, import, export, reproduction, and/or transit in the national territory of genetically modified forested species as well as their parts or products, except under the authorization of the IDF.

Registration of importers/exporters

The Presidential Decree 74/17, 2017, art 4 sets out the registration for the application for Exporters and Importers Registration (REI). Importers and exporters register their REI to the Ministry of Commerce (i.e., REI Registration). REI registration requires a) an ID, b) business registration, and c) proof of payment for REI application, The NIF (Tax ID).

When issued, export registration certification is to be renewed every year and therefore should always be valid before an entity can export. Freight forwarders complete export documentation, and when approved (validation at the external trade department), it then goes to the customs division of the General Tax Administration and National Bank (for the payment of the letters of credit). Validation includes checks to ensure the exported forest products meet the reference pricing for timber against transfer pricing. The criminal investigation agency also does the checks at the Ministry of trade. Angolan import duty rates were adjusted in August 2018 by Presidential Decree no. 03/18 May 2018. The Presidential Legislative Decree No. 3/18 of May 09 approves the customs tariff of Import and Export Rights. The Rectification no. 17-18 Customs Tariff gives the details of custom tariff.

Description of Risk

The timber export has to comply with the customs, commerce, tax, and forestry requirements. Export of timber between these ministries is coordinated and linked by an online system. For any particular export, the applicable tax, foreign exchange (forex), commerce, and forestry requirements must be met and approved, and validated by the Directorate of External Trade before it gives final authorisation for export. The system is to be checked by the National Security Intelligence, which carries out regulation audits of exports.

No evidence was identified on the effectiveness of the online system and the relevant authorities and the requirements described on custom requirements.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola

1.19.6. Risk designation and specification

All source types: specified risk based on a precautionary approach.

1.19.7. Control measures and verifiers

We have not identified potential mitigation measures for the risk identified.

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

- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Available at: <https://www.cites.org/eng/disc/parties/chronolo.php>
- Law no. 6/17 of 24 January 2017. Forests and Wildlife Basic Law. Establishes the norms that seek to guarantee the conservation, rational, and sustainable use of forests and wildlife in the national territory as well as the general bases for the exercise of activities related to them.
 - Article 87 (3) (exports and imports of forest products). Importation of CITES Forest products shall require authorisation by application including CITES permit issued at source. The exportation and importation of forest products follow import, exports and re-exports licensing procedures. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang162520.pdf>
- Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation). Regulates the forest and wildlife basic law.
 - Article 155 (supervision and control of imports and exports). The responsibility of the ministerial department that oversees the environmental sector to supervise and control the importation and export of forest products covered by CITES.
 - Article 154 (export and import of CITES species). Export and import products of species listed in the
 - Convention on the International Trade in Wild Flora and Fauna Species Endangered Species (CITES) requires authorization from the National Administrative Authority of the Convention. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang178389.pdf>
- Executive Decree No. 469/15 prohibiting hunting activity and logging within the country of all protected species of wild fauna and flora. These activities are seen as endangering biodiversity, in accordance with CITES. It gives monitoring and controls responsibility to the Ministry of the Environment for supervision and determination of penalties. Available at: <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC148227>
- Executive Decree no. 433/16 that validates the CITES Permit. Available at: <http://extwprlegs1.fao.org/docs/pdf/ang160211.pdf>

1.20.2. Legal authority

- National Administrative Authority of CITES at the Ministry of Environment

1.20.3. Legally required documents or records

- Application for a CITES permit
- CITES permit
- Phytosanitary Certificate

1.20.4. Sources of information

Government sources

- Personal communication with staff at Forest Development Institute (IDF) of the Ministry of Agriculture and Forestry, CITES Office at National Institute for Biodiversity and Protected Areas, Ministry of Environment.

Non-Government sources

- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Available at: <https://www.cites.org/eng/disc/parties/chronolo.php>
- ANGOP, 2017. The government envisages harder penalties to end illegal logging... Available at: https://www.angop.ao/angola/en_us/noticias/economia/2017/9/41/Government-envisages-harder-penalties-end-illegal-logging_2fcc3fa6-c983-40e0-a06e-ca5502d03fb2.html
- Paulina, C. 2021. Cidadãos detidos por exploração ilegal de madeira no Cuando Cubango. Journal de Angola. 06/02/2021. Available at: <https://www.jornaldeangola.ao/ao/noticias/cidadaos-detidos-por-exploracao-ilegal-de-madeira-no-cuando-cubango/>

1.20.5. Risk determination

Overview of Legal Requirements

Angola was accessioned to the CITES on 02/10/2013 and came into force on 31/12/2013. It has not yet been ratified but has been domesticated into legislation. The Law no. 6/17 of 24 January 2017. Forests and Wildlife basic law Article 87 (exports and imports of forest products) requires import and export of CITES species to get prior approval and presentation of CITES certificate during the approval process.

Presidential Decree No. 171/18 of 23 July 2018 (approving the forestry regulation) regulates the forest and wildlife basic law. Article 155 (supervision and control of imports and exports) gives the authority to the IDF and DNF of the Ministerial of Agriculture and Forestry, and the Ministry of Environment respectively to ensure compliance with the provisions of Articles 153 (importation of forest products), 154 (export and import of CITES species) and 155 of this regulation. The supervision and control of import and export of forest products covered by CITES species are given to the Ministerial Department at the Ministry of Environment.

Article 154 (export and import of CITES species). The export and import of species listed in the (CITES) require authorization from the national administrative authority. CITES importers and exporters are required to present the following documents: (a) in the case of export, import licenses issued by the authorities of the destination country, supported by phytosanitary certificates and CITES export licenses concerning the species listed in Appendices I, II, and III of that convention; and (b) in the case of imports, phytosanitary certificates and export CITES issued by the country of origin concerning species in Appendix I, II and III of Convention, seconded by import license issued by the National Administrative Authority of the Angola Convention.

Executive Decree No. 469/15 prohibits hunting activity and logging within the country of all protected wild fauna and flora species. These activities are cited as endangering biodiversity, violating the intention of the CITES treaty. Monitoring and controls responsibility is given to the Ministry of

Environment for supervision and determination of penalties. Executive Decree no. 433/16 validates the CITES permit.

The CITES permit application process is centralized with other export application processes but made to the National Directorate of Biodiversity of the Ministry of Environment. Inspection is carried out on the products after receipt of the application, followed by an interview with the applicant to seek clarification of any issues that might not be clear to the issuing authorities.

CITES-listed tree species in Angola are *Diospyros spp.*; *Prunus Africana* (appendix II).

Description of Risk

Enforcement of CITES requirements in Angola includes education on importers and exporters of the application process. There is no information about the effective and legal implementation of CITES requirements in Angola; however, due to the low score of CPI (27/100 in 2020), there can be risks of corrupted practices in issuing CITES permits.

Risk Conclusion

This indicator has been evaluated as a specified risk. This conclusion is based on a precautionary approach based on the low CPI (27/100 in 2020) and low score for the World Bank Governance Indicators (read more in the B. Overview of the forest sector), which indicates a high level of corruption and the rule of law. We have no evidence to state low risks of legal violation of the required legislation, and attention to this indicator should be paid when sourcing from Angola.

1.20.6. Risk designation and specification

All source types: specified risk based on a precautionary approach

1.20.7. Control measures and verifiers

We have not identified potential mitigation measures for the risk identified.

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.

Not applicable. There is no legislation in place requiring due care/ due diligence procedures.

Annex I. Timber source types

The table **Timber Source Types in Angola** 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 to allow a more detailed risk specification. 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.

Several different characteristics can define timber Source Type. 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 forests 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 issues 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 ANGOLA						
Forest type	Region/Area	Legal Land Classification	Ownership	Management regime	License / Permit Type	Description of source type
Natural Tropical Forest	National level	Permanent production forest	Natural forest in production forest/ public domain (State-owned property)	Public	Annual Forest Harvesting License	Source Type 1 – Annual Forest Harvesting License Annual Forest Harvesting Licences shall be issued only for one season of felling or harvesting of wood and Non-Timber Forest Products, and for areas not exceeding 1,000 ha on land located in production forest, community forest areas, or on land from previous concessions or reserves
		Permanent production forest	Natural forest - community forest. Mainly for subsistence and community use	Public	Annual Forest Harvesting License	
		Plantation	Plantation Forest (Public Plantation and private). All existing plantation forests are state-owned	Public/Private	Annual Forest Harvesting License	
Natural Tropical Forest	National level	Permanent production forest	Natural forest in production forest/ public domain (State-owned property)	Public	Forest Concession Contract	Source Type 2 - Forest Concession Contract No forest concession contracts exist at the time of this assessment.
		Permanent production forest	Natural forest - community forest. Mainly for subsistence and community use	Public	Forest Concession Contract	
Plantation		Plantation	Plantation Forest (Public Plantation	Public/Private	Forest Concession Contract	



			and private). All existing plantation forests are state-owned			
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About

LIFE Legal Wood

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



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