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Equatorial Guinea Risk Mitigation Guide Timber



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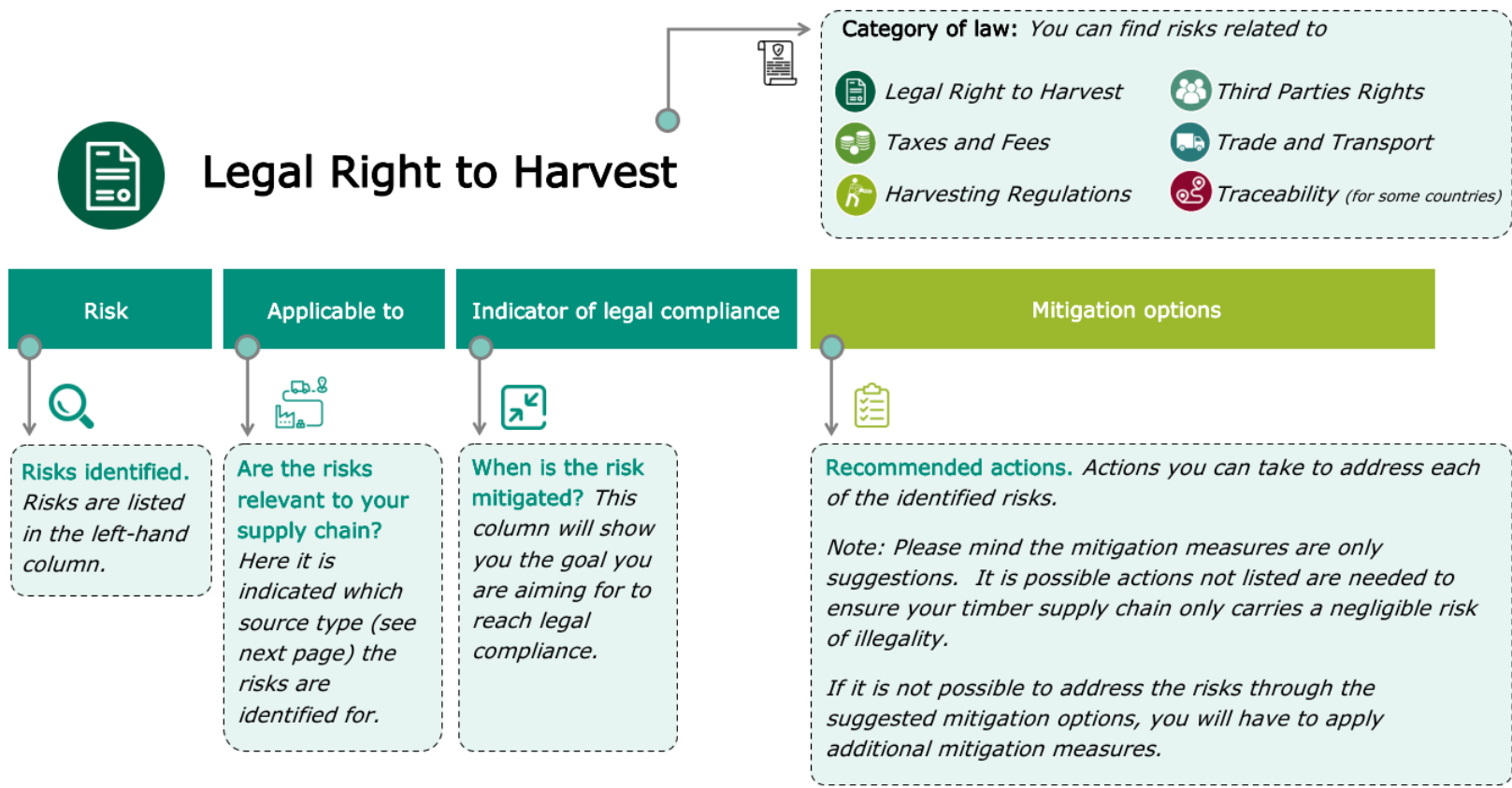


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Equatorial Guinea Forestry Risk Mitigation Guide

This guide provides a series of mitigation options to assure low risk of illegality of timber harvested in Equatorial Guinea.



List of abbreviations

Legal Authorities:

- DGEFIM - Director General of Forest Harvesting and Timber Commercialization
- GF - The General Directorate of the Forest Guard
- INDEFOR-AP - National Institute for Forest Development and Management of Protected Areas
- INSESO - National Social Security Institute - Instituto Nacional de Seguridad Social de Guinea Ecuatorial
- INSESO - National Social Security Institute of Equatorial Guinea
- MAGBMA - Ministry for Agriculture, Livestock, Forests, and the Environment
- MPRH - Ministry of Fishery and Water Resources
- MTFESS - Ministry of Labour, Employment Promotion and Social Security
- OCIPEF - Office of Control, Information and Promotion of Forest Species

Permits:

- CAAF - Forest Harvesting Lease Agreement - Contrato de Arrendamiento por Aprovechamiento Forest

Timber Source Types

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

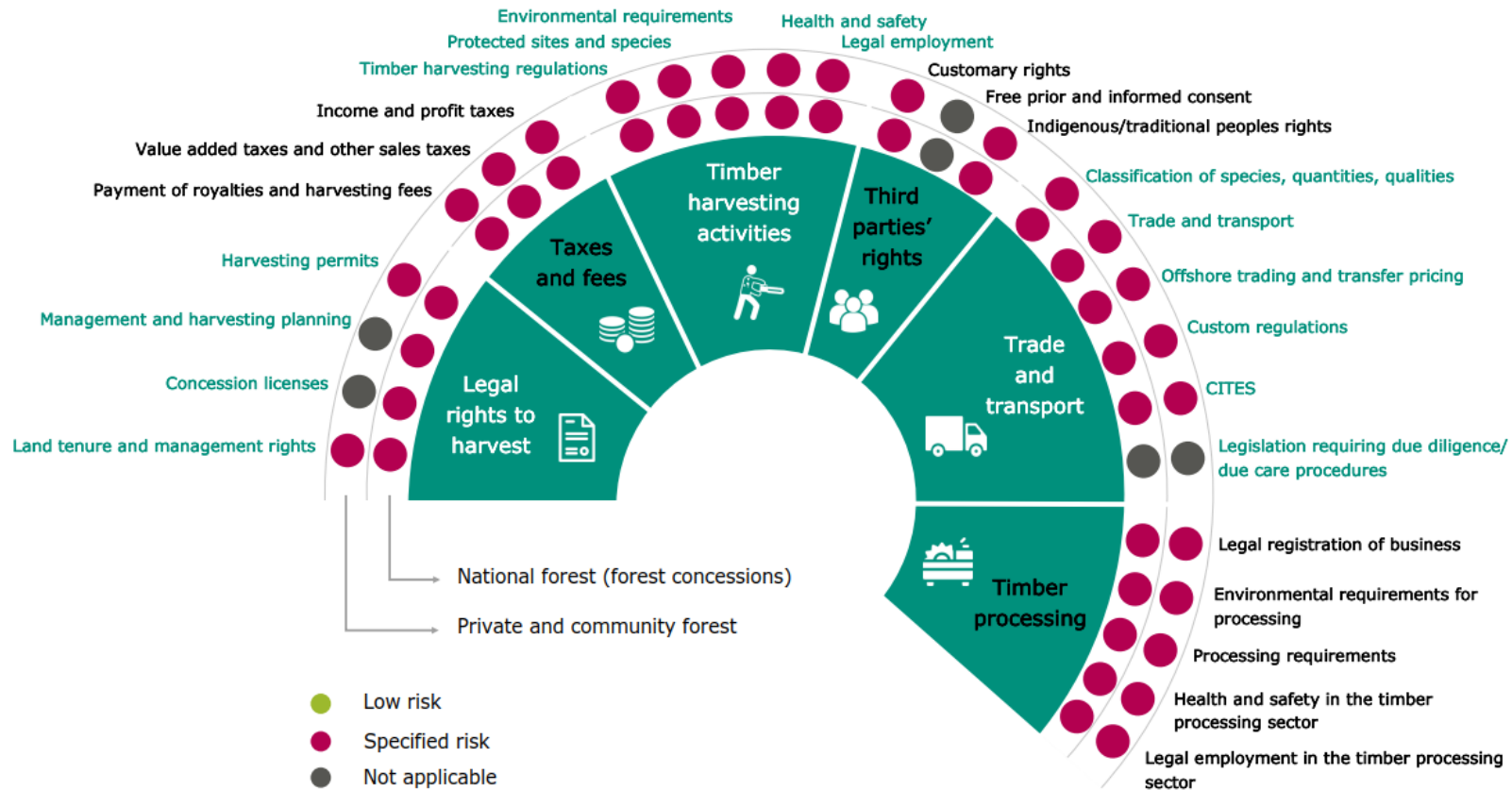
Here is a description of the different kinds of Timber Source Types, you will find in Equatorial Guinea:

Privately owned Forests (continental region)	Natural or reforested forests, located within the limits of silvi-agricultural or rustic farms, and for which harvesting requires a logging authorization granted by the forest administration. The harvest can be done by the forest owner, or by an authorized third party. <u>License/permit</u> : A Harvesting Authorization (Autorización de Apeo) issued by the responsible Ministry with signature from President, after the completion of corresponding studies is required to be able to harvest in privately owned forests.
Community Forests (continental region)	Area of natural or reforested forests that the state recognizes, limits and awards in permanent use to the rural communities. <u>License/permit</u> : Harvesting Authorization (Autorización de Apeo) awarded by the responsible Ministry and signed by the President. Before requesting a permit for harvest a communal forest recognition certificate is required (signed by the President).
National Forests (Forest's concessions) (continental region)	Areas of natural or reforested forests that the state reserves for itself, to exploit directly and exclusively or through third parties with the economic capacity to log, transform and export wood. <u>License/permit</u> : Forest Forest concessions through a Forest Lease Agreement (Contrato de Arrendamiento por Aprovechamiento Forestal, CAAF). It is requested from the Forestry Ministry to get the President of the Republic's signature.



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Overview of legality risks



General Risk Level and mitigation needs

Risk	Applicable to	Mitigation options
<p>There is a general high level of risks in Eq. Guinea.</p> <p>Below we have listed specific risks that we have identified, but due to a high level of perceived corruption (CPI 16/100 in 2020¹) we generally advise for a full evaluation of legal compliance at forest and processing factories level for all aspects of law within Eq. Guinea.</p>	<p>All source types</p>	<p>For mitigating risks in Eq. Guinea, the following types of risk mitigation measures are recommended;</p> <ul style="list-style-type: none"> • Supply chain mapping back to forest level • Onsite verification • Document Review • Consultation • Timber testing <p>We stress the need for thorough onsite verification to be able to effectively mitigate risks in Eq. Guinea.</p> <p>It is recommended to seek professional advice and support from EU Monitoring Organisations and/or organisations such as Certification bodies with knowledge on the country and forest sector to conduct onsite verification.</p>

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



Legal Rights to Harvest

Risk	Applicable to	Indicator of legal compliance	Mitigation options
<p>Potential overlap of lands under a harvesting permit or CAAF, and neighbouring areas, such as other forest concessions, private lands, communal forests, or Protected areas (1.1)</p>	<p>All source types</p>	<p>Land should be registered in the cadastral system, have clear property limits, and hold a legal status of the property</p>	<p>Onsite verification: Visit the <u>forest area</u> where logging is carried out, to examine the delimitation of the property boundaries on the land, their owners, and their accredited documentation. Logging could take place in the Forest concessions, Communal forests and Privately Owned Forests. Crosscheck the documents listed below with the following:</p> <ol style="list-style-type: none"> Location matches with the boundaries established in the harvesting permit or CAAF and their respective Measurement certificate. Verify on the ground that there is no overlap with areas designated for national parks, or forests within 2 km around villages. Boundaries of the Forest concession/or harvesting area are clearly marked on the ground. (NOTE: A 1-2 metres track around the area shall be in place to delimitate the boundaries). Verify that logging operations are carried out within the boundary delimitation. <p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> That the land where logging is carried out has the official documents guaranteeing the legal status of the property: <ul style="list-style-type: none"> Privately owned Forests - <u>Titles of Property</u> (signed by the President). Community Forests - <u>Communal Forest certificate</u> signed by the President.
<p>Risk that logging companies harvest timber within the 2km buffer zones around villages that have been included in the concession area (1.1)</p>	<p>All source types</p>	<p>Logging shall not be conducted in the 2km buffer zones around villagers</p>	
<p>Traditional occupation and land use by local inhabitants without required documentation, which generate property conflicts when forest concessions are awarded on the same land (1.1)</p>	<p>All source types</p>	<p>Land should be registered in the cadastral system, have clear property limits, and hold a legal status of the property</p>	

			<ul style="list-style-type: none"> ○ National Forests – <u>CAAF</u> and their respective localization certificates. • Using the Official delimitation maps, and Measurement certificates identify areas for potential tenure conflicts, tenure overlapping that may need to be verified in the field (i.e: Boundary shared with a protected area, forests villages within the concession, etc...) • Technical reports about inspections, (may be provided by the forest technician responsible in the Area) carried out in the forest, agricultural, mining and infrastructure sectors to verify that the boundaries are correct. <p>Consult:</p> <ul style="list-style-type: none"> • <u>Local villages authorities, and inhabitants, local Forest Administration, Indefor (Protected areas) field operators of logging companies</u> to verify that there is no conflicts regarding land tenure; and in case of potential conflicts, how they have been resolved. • Consult local communities to verify if any conflicts are ongoing, and what actions has been applied to deal with the potential conflict.
<p>Forest concessions (CAAF) awarded without the required documents or without complete evaluation by the authorities. (1.2)</p>	<p>National Forests (Forest concessions)</p>	<p>Forest leasing agreement (CAAF) application shall be properly evaluated and have all the documentation required for approval</p>	<p>Review documents and verify: Forest Harvesting Lease Agreement (CAAF)</p> <ul style="list-style-type: none"> • Verify that a <u>CAAF</u> is in place, and that it is signed by the President of the Republic. Ensure the documentation for the application process is complete and signed by the required authorities: <ul style="list-style-type: none"> a. Favourable report from the MAGBMA b. Tax Identification Number (N.I.F) c. Forest management plan (approved by MAGBMA) d. Economic solvency (proved through a guarantee issued by a local commercial bank) e. Forest tax solvency (evidence can be obtained from the Public Treasury)

			<ul style="list-style-type: none"> f. Bond commitment (right of occupation) to be paid to the Public Treasury) g. Feasibility study (the study must be completed by a technical expert recognized by the forest administration) h. Measurement certificate i. Timber processing commitment- presented in the form of a Manifesto Act j. Social works commitment (the social works will be specified, with projects and budgets, in a contract signed by the government) <p>Onsite verification:</p> <ul style="list-style-type: none"> • Verify and cross-check that information in the above-mentioned documents correspond to the facts in the field. • Verify the company beneficiary of the CAAF has a primary or secondary processing industry legally registered and operating in the country. This can be checked at the Industrial Establishment Registry Book, obtained at the Ministry of Industry as well as at the Registry of MAGBMA <p>Consult:</p> <ul style="list-style-type: none"> • Talk with the logging companies which hold a CAAF to verify they understand the required process and documents required to obtain a CAAF - ensure they have followed the correct procedure • Consult with responsible people in the MAGBMA and INDEFOR to confirm the company has follow the correct procedures to obtain the CAAF.
Development of forest management plans without the required contents (1.3)	National Forests (Forest' concessions)	Forest management plan shall be developed in compliance with legal requirements.	<p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • <u>Forest management plan documents</u> to check if all legally required sections are included, and verify that the content of each section have quality and details to ensure that it is a useful document that can be applicable in the field:

		CAAF holders shall have a national forestry engineer as a technical advisor	<ul style="list-style-type: none"> a) Map of the forest concession; b) Forest delimitation certificate; c) Forest management inventory document; d) Annual cutting plan; e) Route network plan; f) Description of silvicultural treatment methods; g) Description of reforestation or management of natural regeneration; h) Description of forest protection methods; i) Annual budget for the implementation of the plan <ul style="list-style-type: none"> • Verify that forest management plans have been developed and signed by a competent national forestry engineer as a technician advisor • Verify the Forest management plan has been approved by the Ministry responsible of Forests (MAGBMA). <p>Onsite verification:</p> <ul style="list-style-type: none"> • Consultation with local experts (i.e: Independent forestry experts, INDEFOR or MAGBMA technicians) to confirm/discuss if the level of the management plan is sufficient.
Lack of forest management plan implementation by the companies (1.3)	National Forests (Forest concessions)	Forest Management plan shall be implemented in compliance with legal requirements	<p>Onsite verification:</p> <ul style="list-style-type: none"> • Visit <u>forest concessions</u> to verify the compliance of legally required management standards as specified in the Forest Management Plan. <p>Consult:</p> <ul style="list-style-type: none"> • Interview the various parties (<u>forestry administration, local communities, and forestry companies</u>) about their level of compliance to the Forest Management Plans requirements.
Harvesting permits are awarded without the required documents or without complete evaluation by the authorities. (1.4)	Privately owned forest	Harvesting permit application shall be properly evaluated and have all documentation required for approval	<p>Review documents and verify:</p> <p><u>Harvesting Permit:</u></p> <ul style="list-style-type: none"> • Verify that a harvesting permit is in place, is granted by DGEFIM and signed by the President of the Republic • Verify that it is valid and it contains the following:

			<ul style="list-style-type: none"> a. Personal Identification Document of the owner of the forest (DIP) b. Identification of the forest plot to be harvested c. Issue and expiration dates (valid 3 months from the date of issue) d. Species to extract and their diameters – it needs to be designated by a technical expert e. A guarantee of conservation and recovery of the forest <p><u>Documents to obtain Harvesting permit:</u></p> <ul style="list-style-type: none"> • Ensure the following documentation was complete and reviewed prior to issuing of the harvesting permit: <ul style="list-style-type: none"> a. Property title for the forest; b. Chainsaw registry; c. Technical information about the commercial trees in the forest area; d. Authorization of local sale (in case the destiny of the timber is domestic market)
<p>Harvesting permits are awarded without the required documents or without complete evaluation by the authorities. (1.4)</p>	<p>Community Forest</p>	<p>Harvesting permit shall be granted following the required process and documentation</p>	<p>Review documents and verify:</p> <p><u>Harvesting Permit:</u></p> <ul style="list-style-type: none"> • Verify that a harvesting permit is in place, is granted by DGEFIM and signed by the President of the Republic. • Verify that following list of documents are included in the Harvesting Permit: <ul style="list-style-type: none"> a. Certificate of recognition of the communal forest (signed by the President of the Republic) b. Testimony report from the government c. Request to MAGBMA (stating the justification for harvesting of the communal forest, with such request signed by the community representative) d. A list of priority works for the community, signed by the members of the village council. • Verify the date (valid 1 year from the date of issue)

			<p><u>Request to obtain Harvesting permit:</u></p> <ul style="list-style-type: none"> • Ensure the documentation is complete prior to issuing the permit: <ul style="list-style-type: none"> a. Request addressed to the responsible minister, clearly stating the justification for harvesting of the communal forest, with such request signed by the community representative. b. A list of priority works for the community, agreed, and signed by the members of the village council. <p>Onsite verification: Verify and cross-check that information on Harvest Permit boundaries as included in the Measurement Certificate correspond with information on the ground.</p>
<p>Illegal logging done through verbal agreements between chainsaw operators and villages or individual owners (1.4).</p>	<p>Communal forests or privately owned forests</p>	<p>Harvesting permit for the use of chainsaws shall be in place</p>	<p><u>Review documents and verify:</u></p> <ul style="list-style-type: none"> • Verify that chainsaw loggers have an approved <u>Harvesting Permit</u> appropriately processed by MAGBMA and signed by the President of the Republic. • <u>Review</u> the application records of <u>Harvesting permit</u> to verify that the legal required procedure has been followed, and the records include the required legal documents. <p>Consult:</p> <ul style="list-style-type: none"> • <u>Forestry administration</u> to verify that the Harvesting Permit for chainsaw operations has been granted in compliance with the legal requirements.



Taxes and Fees

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Evasion of payments of forest occupation fees, conservation fees, and compensation fees (1.5).	All source types	Forest occupation, conservation and compensation fees shall be paid.	Review documents and verify: <ul style="list-style-type: none"> Review Forest Tax Solvency document (for Forest occupation and compensation fees) Proof of Payment of Conservation fee Cross-check proof of taxes payments with the taxes payment requirements, to verify adequate levels of payment and that all payments have been paid to the State.
Timber processing industries do not report their total production to avoid paying value-added tax (VAT) (1.6)	Processing and trading companies for the domestic market (excluding exporters)	VAT shall be paid according to the law. The purchase and sale of wood are subject to the general VAT rate of 15%.	Review documents and verify: <ul style="list-style-type: none"> Check that the <u>purchase</u> and <u>sale</u> invoices issued show 15% VAT. Review the VAT summary declarations, and <u>proof of VAT payment</u> and verify that the declared VAT amount corresponds to the production data (sales) made by the company. Consult: <ul style="list-style-type: none"> Conduct interviews with the parties involved (<u>forest administration, OCIPEF, finance agents and forestry companies</u>) to verify that payment of the VAT has occurred as established by the tax law.
Incorrect income and profit taxes payment (1.7)	All source types	Income and profit taxes shall be paid according to the law.	Review documents and verify (to be checked during onsite verification):

Evasion of Minimum Fiscal Fee (CMF) by logging companies (1.7).

Minimal Fiscal Fee shall be paid (1% of the turnover of the company for the previous fiscal year. This amount cannot be lower than XAF 800,000-even if the company does not generate any revenue).

- The tax and fees rates in applicable legislation to confirm the current legal vacuum on forest rates.
- The reports of 're-cubing' and reclassification of wood. To check is the were not re-cubing and reclassification to pay less taxes
- Review of commercial invoices requesting the guides relating to the price list and species. Check that species classified in commercial invoices match the species listed in Forest Management Plan or Harvesting Permit.
- Proof of CMF (Minimum Fiscal Fee) entered in the Public Treasury (should be provided by the company)
- To verify that the amount matches in the following databases:
 - in receipts by the officials at CMF and
 - the amount recorded in the Public Treasury an
 - actual turn-over

Consult:

- Interviews with relevant authorities (customs, companies, OCIPEF section, economic section, statistics section and forest governance section) to verify the accuracy of the documents delivered.
- Conduct interviews with the parties involved (forest administration, OCIPEFC, FONADEFO, finance agents and forestry companies) to verify that the Minimum Fiscal Fee (CMF) is paid as established by the tax law.



Timber Harvesting Activities

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Logging of forest stands prior to the required 25 years rotation cycle (1.8, 1.10).	All source types	Forests must recover for 25 years following harvest	<p>Onsite verification:</p> <ul style="list-style-type: none"> • Visits to the forest area to verify if the area is regenerating and if selective cutting was done. Ensuring the company harvests only species with a commercial interest on that moment, and all logs meet minimum diameter requirements. <p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • Transport Guide to identify if transported to the port, to verify if the species and the minimum diameters are transported <p>Consult:</p> <ul style="list-style-type: none"> • Interviews with stakeholders (forestry companies staff, forestry administration and village councils) to ensure that people operating in the filed knows about logging requirements, minimum diameters. It is important to verify it specially with people who mark the trees before the chainsaw operators go to cut them to verify whether forest loggers implement selective cutting and minimum diameter rule was followed.
Risk of not conducting selective cutting when harvesting (1.4, 1.8)	All source types	Ecological sustainability of the forest shall be ensured by using selective cutting	
Logging of species with a smaller diameter than authorized (1.8, 1.10).	All source types	Minimum diameter for logging species is 40 cm at a height of 1.30 m	
Lack of respect for the protection buffer zones, where cut is not allowed; slopes, riverbanks (1.8, 1.10).	National Forests (forests concessions)	Logging in protection buffer zones is not allowed	<p>Onsite verification:</p> <ul style="list-style-type: none"> • Visits to the forest area to verify that: <ul style="list-style-type: none"> - Areas where logging is restricted (i.e: riverbanks slope areas) have been identified and marked and trees are not cut on those areas.

			<p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • Verify Forest Management Plan or Harvesting Permit to verify logging area. <p>Consult:</p> <ul style="list-style-type: none"> • Interview with logging company workers in the field to ensure they understand logging restrictions, ensuring they know where the limits of the harvesting area are, as well as they know which are the key elements to be protected (riverbanks, slope areas, swamp areas,)
Lack of planning to establish skidding trails (1.3 1.8).	All source types	Skidding trails should be established	<p>Onsite verification:</p> <ul style="list-style-type: none"> • Visits to the forest area to verify that skidding trails are established <p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • Verify <u>Forest Management Plan</u> (for CAAF) or <u>Harvesting permit</u> if trawling tracks are mentioned <p>Consult:</p> <ul style="list-style-type: none"> • Interviews with stakeholders (forestry companies, forestry administration and village councils) to verify that trawling tracks are established
Roads and temporary bridges are constructed without the necessary security measures, causing accidents and flooding by blocking rivers and streams (1.8, 1.10).	All source types	<p>Where existing roads/bridges exist, this shall be used in forest operations</p> <p>Opening of new roads will have to be justified to the forest administration</p>	<p>Onsite verification:</p> <ul style="list-style-type: none"> • Visits to the forest area to verify that roads and temporary bridges are constructed using security measures <p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • Verify Forest Management Plan (for CAAF) or Harvesting permit if security measures for constructing roads and temporary bridges are mentioned <p>Consult:</p>

			<ul style="list-style-type: none"> Interviews with stakeholders (forestry companies, forestry administration and village councils) to verify that roads and temporary bridges are constructed using security measures
Harvesting prohibited species (1.8, 1.9)	All source types	<p>Prohibited species shall not be harvested.</p> <p>Following species are prohibited (as of June 2021): Engong, Anvut, Olem, Abam, Ebonsok, Andok, Eweme, Adjab, Abe (cola), Oñeñ (bitacola), Atom and other fruit tree species suitable for human consumption and medicines</p>	<p>Onsite verification:</p> <ul style="list-style-type: none"> Visits to the forest area to verify that prohibited species were not harvested <p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> Check Management Plan (for CAAF) or Harvesting permit if by any chance prohibited species are not included and mapped. <p>Consult:</p> <ul style="list-style-type: none"> Interview forest agents, military control points, hunters, transporters and sellers regarding their perception of illegal activities by a specific company relating to prohibited species <p>Conduct targeted timber testing: (on samples of purchased material to identify the species or origin of timber and verify that timber purchased is not on the list of protected species). See Preferred by Natures Thematic article No 1 on Timber Testing Techniques</p>
Illegal harvesting in protected areas (1.4, 1.9).	National Forests (Forest concessions)	Harvesting shall not be done in protected areas.	<p>Onsite verification:</p> <p>Verify that timber is not originating from protected areas by tracking timber to the harvesting site.</p> <ul style="list-style-type: none"> Identify logging site by marked codes. All logs are marked with a code which include code assigned for the logging company + logging site code + species code. Verify that species and volumes of timber under assessment correspond with the stumps at logging site. Verify that the area harvested is within the limits established in the Measurement Certificate and within the map of the forest annexed in the Harvesting Permit or CAAF.

			<ul style="list-style-type: none"> • If relevant, boundaries between harvesting area and Protected area are clearly indicated in the field (1-2 metres of clear line around the forest area). <p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • INDEFOR-AP inspection reports to verify if there are recordings of the illegal entries of companies operating in protected areas. • Map of the forest /Measurement Certificate to verify species and volumes harvested in applicable harvesting plot (verify onsite). <p>Consult:</p> <p>Interview forest workers to confirm that they are aware of the forest concession boundaries.</p> <ul style="list-style-type: none"> • Interview forest agents, INDEFOR, military control points, hunters, transporters, and sellers regarding their perception of illegal activities by a specific company relating to harvesting in protected areas.
<p>Illegal logging of bubinga (<i>Guibourtia tessmannii</i>) envila (ebano) or <i>Diospyros crassiflora</i> and nsonso (wengue) or <i>Millettia laurentii</i> without permit or with fraudulent permit (1.4, 1.9)</p>	<p>All source types</p>	<p>Logging of protected species requires valid Special Harvesting permit.</p>	<p>Review documents and verify:</p> <ul style="list-style-type: none"> • Special Harvesting permit <p>In case of use of special species such as oveng (bubinga) or <i>Guibourtia tessmannii</i>, envila (ebano) or <i>Diospyros crassiflora</i> and nsonso (wengue) or <i>Millettia laurentii</i>, verify that the special Harvesting permit granted by the responsible ministry is in place.</p> <ul style="list-style-type: none"> • Review the file for requesting special permit and compliance with the legal process requirements <p>Onsite verification</p> <ul style="list-style-type: none"> • Verify that species and volumes of timber under assessment correspond with the stumps at logging site. <p>Consult:</p> <ul style="list-style-type: none"> • Check with INDEFOR-AP for knowledge of protected species that suffer threats of exploitation without a special harvesting permit.

<p>Logging is done without Environmental Licences and Environmental Impact Assessments (1.10)</p>	<p>All source types</p>	<p>Companies shall have Environmental Licences and Environmental Impact Assessments</p>	<p>Review documents and verify:</p> <ul style="list-style-type: none"> • Environmental Licences and Environmental Impact Assessments and if documents are approved by the MAGBMA <p>Onsite verification:</p> <ul style="list-style-type: none"> • Verify that the EIA is accurately reflecting the situation on the ground
<p>Violation of health and safety requirements during harvesting activities (1.11);</p> <ul style="list-style-type: none"> - lack of hygiene and security committee, - lack of distribution and use of personal safety equipment, - use of toxic and dangerous products without protection, - wood transport done outside the hours stipulated by the law) 	<p>All source types</p>	<p>Health and safety requirements shall be complied with during harvesting activities</p>	<p>Onsite verification:</p> <p>Visit the harvesting site and observe use of personal protective equipment and adequate hygiene and safety measures.</p> <p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> • Records of employers' registration in INSESO. Review cases of accidents registered • Workers' social security affiliation documents • Internal regulations on safety and health, or a workplace risk and accident prevention plan • Registration of personal protective equipment delivery • Registration of training of workers with respect to health and safety • Accident record/file (Accident records should be kept by the harvesting company) <p>Consult:</p> <ul style="list-style-type: none"> • Interviews with forestry workers and management about the health and safety situation during logging activities.
<p>Lack of work contracts for seasonal and discontinuous work (1.12)</p>	<p>National Forests (Forest concessions)</p>	<p>Employment contracts shall be established between employers and employees following legal requirements.</p>	<p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> • Check that formalized employment contracts for all workers are in place, and workers are registered in MAGBMA • Review legal documentation: <ul style="list-style-type: none"> a. Formalization of the employment contract b. Records of employers' registration in INSESO c. Workers' social security affiliation documents

			<ul style="list-style-type: none"> d. Insurance card e. Job certificate f. Wage registration book g. Work permits for foreigners. h. Work inspection book <ul style="list-style-type: none"> • Check if foreign workers have work permits. • Check that fixed wages meet the minimum wage (consult with INSESO, see below) and verify that payments are made correctly (payroll payment record). <p>Onsite verification:</p> <ul style="list-style-type: none"> • Check in the field (visit harvesting sites) that workers who are working correspond to those declared by the company. <p>Consult:</p> <ul style="list-style-type: none"> • Interviews with stakeholders (INSESO staff, forestry companies, forestry administration and village councils) as well as workers about how requirements for formalization of the work contracts for seasonal and discontinuous work has been followed. • Consult with INSESO about minimum wage requirements at the time of logging activities.
Lack of registration of the workers in the National Social Security Institute (INSESO) (1.12).	All source types	Employer shall register their employees for INSESO in the case of occupational hazards and accidents	<p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> • Check workers are registered on the social security regime of the INSESO by reviewing their social security cards at the INSESO office. • Check monthly worker contributions to INSESO. <p>Consult:</p> <ul style="list-style-type: none"> • Interviews with INSESO staff and workers to verify that registration of staff at INSESO is correct and valid
Lack of training of employees by the forestry companies (1.12).		Forestry companies are obliged to implement training programmes of	<p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> • Review company training records <p>Consult:</p>

professional, technical and skilled labour personnel

- Interviews with staff/workers engaged in special areas of work shall provide confidence that they have attended specific training applicable to their role and responsibilities, and have obtained the relevant level of qualification for the task they perform



Third Parties' Rights

Risk	Applicable to	Indicator of legal compliance	Mitigation options
<p>The mechanisms for distributing the forest benefits between the parties are not applied in a way to ensure benefits to all communities. (1.13, 1.15).</p>	<p>Communal forest</p>	<p>85% of the economic benefits from the use of a communal forest shall be allocated to the beneficiary community (stated in the "List of Priority Works" as part of Harvesting Permit)</p>	<p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> • A List of Priority Works for the community, agreed and signed by members of the village council. verify that it includes a budget, and proof of payment of the social works carried out. Check that the cost of carrying out said works corresponds to what is paid according to the area used. • Review technical reports on social works, awarded in relation to contracts for exploitation of forest use <p>Onsite verification:</p> <ul style="list-style-type: none"> • Visits to the harvesting areas and town councils, to verify the degree of compliance to implement works stated in "A list of Priority Works" <p>Consult:</p> <ul style="list-style-type: none"> • Interview forest administration and control agent (person should be appointed by the forest administration to report monthly on the use and implementation of the planned communal works) about implementation of planned communal works.

	National Forests (Forest concessions)	<p>Company shall execute social works in the villages and municipalities surrounding the forest area harvested</p> <p>CAAF holder shall deposit a bond equivalent to 50% of the total cost of the works</p>	<ul style="list-style-type: none"> Interview community members if the communal works were implemented <p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> Social work commitment (the social works will be specified, with projects and budgets, in a contract signed by the government on the recommendation of the beneficiaries) Deposit to the local commercial bank (CAAF holder shall deposit a bond equivalent to 50% of the total cost of the works) <p>Onsite verification:</p> <ul style="list-style-type: none"> Visit villages and municipalities and observe that social works have been or are in the process of being implemented. <p>Consult:</p> <ul style="list-style-type: none"> Interview the different parties involved (local population, village councils, peripheral authorities, forestry companies, forestry administration) to verify the degree of compliance to implement social works
There is a risk that fruit trees are harvested during the logging (1.13, 1.15).	All source types	Fruit trees suitable for human consumption or/and medicines shall not be harvested	<p>Review documents and verify (to be checked during onsite):</p> <ul style="list-style-type: none"> Review <u>inspection reports</u> on violations in relation to fruit trees of communities that may be affected by harvesting. The reports should be found in the Forest administration. <p>Consult:</p> <ul style="list-style-type: none"> Interview the different parties involved (local population, peripheral authorities, forestry companies and forestry administration) to verify that fruit trees were not harvested. <p>Onsite verification:</p> <ul style="list-style-type: none"> Field verification of the logging area to check that fruit trees were not harvested

Not all companies hire local workers (1.15).	National Forests (Forest's concessions) Forest Harvesting Lease Agreement (CAAF).	Holder of the CAAF is required to exclusively employ national staff at all levels, except in cases where the required qualification or specialty is not available in the country	<p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> Review employment contracts to verify that employees are local workers <p>Onsite verification:</p> <ul style="list-style-type: none"> Verify that the company recruits local labour in the areas where the exploitation is carried out. <p>Consult:</p> <ul style="list-style-type: none"> Interview the different parties involved (forestry companies, local communities, forestry administration) to verify that local workers were hired.
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Trade and Transport

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
Companies present false specifications to reduce the volumes and the classification of the qualities (1.16).	All source types	Species, qualities, and volumes shall be correctly classified	<p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> Review the following trade and transport documents and cross-check information to verify that information on species, quantities and qualities match, and no prohibited species are listed: Wood classification sheet Transport delivery notes Commercial invoices Transport guide
To transport illegally harvested prohibited and protected species codes are changed and instead	All source types	Species, qualities, and volumes shall be correctly classified	

using codes of similar species (1.16)			<ul style="list-style-type: none"> • Delivery note • Forest Management Plan or Harvesting Permit
Classification of wood for export do not follow the legal requirements (1.16).	All source types	Species, qualities, and volumes shall be correctly classified	<p>Verify that products to be purchased correspond with the information provided in documents.</p> <p>Onsite verification:</p> <ul style="list-style-type: none"> • Visit the logging site to observe what species and quantities were harvested and compare with the information on the documents mentioned above. <p>Consult:</p> <ul style="list-style-type: none"> • Interview the different parties involved (forestry companies, customs agents, the consignee agency, inspectors of OCIPEF) on the processes applicable to the classification of wood and transportation. <p>Conduct targeted timber testing: (on samples of purchased material to verify the species or origin of timber). See Preferred by Natures Thematic article No 1 on Timber Testing Techniques</p>
Wood in the stacks without the company's logo—wood from unclear origin (1.16).	All source types	Company logo shall follow logs while transporting	<p>Onsite verification:</p> <ul style="list-style-type: none"> • Visit customs site to check if wood stackers have company's logo
Change of information in the Transport guide during transport – required information is altered (species, volume or quantity transported, date and time of commencement (1.17).	All source types	Transport of forest products within the country must be authorized and registered using transport guide (Guía de Transporte) with accurate information.	<p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> • Review transport guide and verify that all information is provided and valid as required • Review <u>technical reports</u> (either Forest Administration or in the OCIPEF) on inspections of wood transport performed. • Verify that all copies of Transport Guides are identical at:

Transport of wood without transport guide in illegal logging zones and bribe the controlling agents (1.17).	All source types	Five identical copies of Transport Guide shall be produced and shared with require bodies	<ul style="list-style-type: none"> ○ Forest Administration- Harvesting Section (Sección de Aprovechamiento) and ○ Economic Section (Sección Económica) ○ OCIPEF ○ Receiver of logs <p>Onsite verification:</p> <ul style="list-style-type: none"> ● Visit of checkpoint used to control transport, to verify the transport information of a truck. Compared that to what is legally required. <p>Consult:</p> <ul style="list-style-type: none"> ● Interviews with the different parties involved (entrepreneurs, control agents at forest barriers, in harvesting sections, and marketing of timber) on company's compliance with legal requirements to transport wood
Use of expired transport guides and repeated use of a guide when there is a lack of all the required information and to bribe the controlling agents (1.17).	All source types		
Illegal export without documentation or the approval of the forest administration (1.19)	All source types	Export of wood shall be done after having all required documentation and approval from forest administration	<p>Review documents and verify (to be checked during onsite verification):</p> <ul style="list-style-type: none"> ● Verify that export company holds a valid <u>Export License</u>. ● Verify <u>Control Act Loading Containers with Processed Wood</u> is valid and signed by following authorities; <ol style="list-style-type: none"> 1. OCIPEF (Shipping Agency), 2. Port Police Body, 3. National security Body, Administration of the Port of Bata, 4. Customs (Export Section), 5. Consignee Agency of the Port of Bata (IMAGE SA). ● Verify that there is a valid <u>Shipping Guide</u> by OCIPEF. And revise the application dossier to ensure required application process is fulfilled. ● Verify <u>receipt of the payment</u> of customs fees, and fees related to exporting timber. ● Verify the Application for boarding permits have been submitted and approved by the following authorities; <ol style="list-style-type: none"> 1. Customs, 2. Port Administration and;

3. Regional Delegation of the MAGBMA (Forest Governance Section)

- Verify that the commercial invoice and the specification has been submitted to DGEFIM within a period not exceeding two weeks after export
- Verify the shipment manifest (Manifiesto de Embarque), signed by
 1. Customs Administration (Head of export and main administrator),
 2. Captain of the ship,
 3. Consignatory Agency (IMAGE SA).
- Compare information included in the delivery notes/transport documents against the volume measurement (re-cubillage) conducted at the port of landing, as well as review the technical reports on the relocation and classification of wood.
- Compare information indicated in all required documents for exporting (Shipping Guide information versus commercial invoices, bill of lading, packing list) to verify information about species, quantities (in tonnes and volume), product type match in all of them.

Onsite verification:

- Participate in the loading of the containers and observe the procedure. Verify that all required bodies are present:
 1. one representative of the exporting company
 2. one representative of MAGBMA
 3. a representative of Customs (Export Section)
 4. one representative of the Ministry of National Security
 5. one representative of the Port Commission
 6. one representative of OCIPEF (Shipping Agency)
 7. Administration of the Port of Bata
 8. Shipping Agency of the Port of Bata (IMAGE SA).
- Check the procedure for processed wood products: merchandise must be presented in bags or packages, clearly stating the following technical information: the measurements, the code, the

			number of the package, the initials of the company that owns the merchandise, and the code of origin.
Illegal export of roundwood (valid for logs exported prior to 26 October, 2020) (1.19)	All source types	Roundwood shall not be exported prior to 26 October 2020 <i>Note: Legal requirement repealed 26 October, 2020</i>	Review documents and verify (to be checked during onsite verification): <ul style="list-style-type: none"> Verify that the following export documents do not include roundwood: <ul style="list-style-type: none"> a) Commercial invoice b) Packing list c) Certificate of Origin d) Bill of Lading e) Shipping Guide
Illegal export of roundwood logs from prohibited species (1.19)	All source types	Prohibited species shall not be harvested and exported Note: The lift of the roundwood export ban on 26 October 2020 is not applicable to prohibited species	Do not export/import prohibited species from Eq. Guinea.
Species <i>Guibourtia tessmannii</i> , <i>Diospyros crassiflora</i> , <i>Milletia laurentii</i> and <i>Prunus africana</i> are exported with CITES certificate despite national export ban (1.20)	All source types	Species <i>Guibourtia tessmannii</i> , <i>Diospyros crassiflora</i> , <i>Milletia laurentii</i> and <i>Prunus africana</i> are not exported under any type of permit	Do not buy species <i>Guibourtia tessmannii</i> , <i>Diospyros crassiflora</i> , <i>Milletia laurentii</i> and <i>Prunus Africana</i> regardless the permit. Conduct targeted timber testing: (on samples of purchased material to verify that above mentioned species are mixed into the products sourced, or substituting the species declared in trade documents). See Preferred by Natures Thematic article No 1 on Timber Testing Techniques Review documents and verify (to be checked during onsite verification): <ul style="list-style-type: none"> Verify <u>CITES certificate</u> to check if prohibited species are not included

- All cross border-trade of CITES-listed species shall be documented and accompanied by the certificates issued by competent authorities (CITES Management Authorities), as well as correctly classified (type, HS custom code, species, quantities, qualities, etc.). Information (species, quantity, date, etc) on the Shipping Guide shall match the commercial invoice, packing list and phytosanitary certificate (if applicable).
- Consult:**
- Interview with different parties involved (businessmen, stack control agents, shipping brigades, customs, consignee agency, port administration) to check if forbidden species were not exported

CITES certificates are granted without availability assessment and without annual quotas (1.20)

All source types

Availability assessment and annual quotas shall be in place before purchasing CITES species under a CITES certificates

Avoid importing CITES species from Eq. Guinea

CITES Conference of the Parties and the Standing Committee recommends to suspend trade of CITES species from the country.

The annual quota for CITES protected species is not developed as required, thus it is not possible to verify if permits for CITES do not exceed those limits.



Processing

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Forestry and wood processing companies operating without registration documentation required by the state government (1.22)	All source types	Forestry and wood processing companies in supply chain shall be properly registered and authorized	Review and verify documents: <ul style="list-style-type: none"> Verify that the companies involved in the supply chain are properly registered and authorized to conduct their activities in the country. Check these documents: <ol style="list-style-type: none"> Legalization and Registration of the statutes of the company in the Notary Tax Identification Number (NIF) Registration in the corresponding Department (according to the company's corporate purpose)
There is an excessive waste of wood during the processing, which is burned (1.23)	All source types	Industries shall perform	Onsite verification: <ul style="list-style-type: none"> Visits to industries to observe excessive waste utilization
Companies operate without development of an industry (1.24)	All source types	No forest concessions should be developed without the prior establishment of either a first or second transformation industry	Review and verify documents: <ul style="list-style-type: none"> Review forest concession application reports to see if industrialization projects are implemented. Review statistic reports covering forest processing industries to verify the coefficient of use of the roundwood of each company. Onsite verification <ul style="list-style-type: none"> Visit to forest processing industries and their wood stacks to check the volume transformed and the machinery used

Annex I. List of key terms in English and Spanish

Source types:

- Privately owned forest - Parcela forestal
- Communal forest - Bosque communal
- National forest - Bosque nacional

Documents:

Privately owned forest:

- Property title for privately owned forests – Título de propiedad para las parcelas forestales
- Tree purchasing contract - Contrato de Compra de árboles
- Harvesting permit - Autorización de Apeo

Communal forests:

- Tree purchasing contract - Contrato de compra de madera en el bosque communal
- Certificate of recognition of the communal forest - Certificado de Reconocimiento de Bosque Comunal
- Harvesting permit - Autorización de Apeo

National forest:

- Forest Harvesting Lease Agreement - Contrato de Arrendamiento por Aprovechamiento Forestal (CAAF)
- Measurement certificate (forest delimitation certificate) - Certificado de medición.

General:

- Forest management plan - Plan de Manejo Forestal
- Environmental Impact Assessment - Evaluación de Impacto Ambiental
- Transport guide - Guía de transporte
- Commercial invoice - Factura commercial
- Certificate of Origin - Certificado de Origen
- Bill of Lading - Autorización de Embargue

- Phytosanitary certificate - Certificado fitosanitario
- Export license for processed wood, valid. and renewable annually-Licencia exportación para madera transformada válida y renovable anualmente
- Shipping Guide - Guía de Embarque
- Business Promotion Registration Act - Acta de Registro de promoción Empresarial
- Certificate of registration in the Industrial Establishment Registry Book - Certificado de inscripción en el Libro de Registro de Establecimiento Industriales)
- Certificate of Registration of Small and Medium Enterprises - Certificado de registro de pequeñas y medianas empresas
- License for export-import - Licencia Importación/Exportación
- Forest tax solvency - Solvencia Tributaria forestal
- Employment Contract - Contrato de Trabajo

Legal Authorities:

- The Head of State (President of the Republic)- Presidencia del Gobierno (President de la República)
- Director General of Forest Harvesting and Timber Commercialization - Director General de Explotación Forestal e Industrialización de la Madera (DGEFIM)
- National Social Security Institute of Equatorial Guinea - Instituto Nacional de Seguridad Social (INSESO)
- Ministry for Agriculture, Livestock, Forests and the Environment- Ministerio de Agricultura, Ganadería, Bosques y Medio Ambiente de Guinea Ecuatorial (MAGBMA)
- Ministry of Fishery and Water Resources - Ministerio de Pesca y Recursos Hídricos (MPRH)
- Ministry of Labour, Employment Promotion and Social Security - Ministro de Trabajo, Fomento de Empleo y Seguridad Social (MTFESS)
- National Institute for Forest Development and Management of Protected Areas - Instituto Nacional de Desarrollo Forestal y Manejo del Sistema de Áreas Protegidas (INDEFOR-AP)
- The General Directorate of the Forest Guard - La Dirección General de La Guardería Forestal (GF)
- General Directorate of Forests and Reforestation - Dirección General de Bosques y Repoblación Forestal
- Ministry of Finance, Economy and Planning (Public Treasury) - Ministerio de Hacienda, Economía y planificación (Tesoro Público)
- Office of Control, Information and Promotion of Forest Species - Oficina de control, Información y Promoción de las Especies Forestales (OCIPEF)
- National Social Security Institute - Instituto Nacional de Seguridad Social de Guinea Ecuatorial (INSESO)
- Director General of Forest - Director General de Producción Forestal

Others:

- Value Added Tax (VAT) – Impuesto sobre el Valor Añadido (IVA)
- Minimum Fiscal Fee - Cuota Mínima Fiscal (CMF)
- Personal Identification Document - Documento de Identidad Personal (DIP)
- Tax Identification Number - Número de Identificación Fiscal (NIF)
- Environmental license - Licencia Medioambiental
- Environmental impact assessment report - Informe de Evaluación de Impactos Ambientales

About LIFE Legal Wood

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



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