



Verifying the legal origin of Russian timber

A checklist for companies trading in Russian timber



About the checklist:

The checklist for verifying the legal origin of Russian timber has been developed by WWF Russia (<http://www.wwf.ru>) and WWF Denmark (<http://www.wwf.dk>) with technical assistance of NEPCon (<http://www.nepcon.net>)

This checklist was developed as part of the Danish-Russian project "Verifying the legal origin of Russian timber" funded by the Danish Environmental Protection Agency from 2005 to 2007.

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Checklist for verifying the legal origin of Russian timber

1. Background

This checklist for verifying the legality of Russian timber has been developed within the framework of the Danish-Russian project "Verifying the legal origin of Russian timber".

It is based on the "Guidelines of timber origin legality verification" developed by WWF Russia, and on the results of a field test of these guidelines. The field tests were carried out by NEPCon at wood processing companies in the European part of Russia and in Siberia.

The checklist is designed for foreign companies wishing to confirm that the wood they are purchasing from Russia are of verified legal origin. The checklist can be applied by representatives of the foreign companies themselves or by an independent third party.

It should be noted that staff applying this checklist should have basic knowledge/experience in Russian forestry legislation and practical forest management in Russia. Simple reading of the glossary specified below, will not be sufficient to obtain the qualifications needed to complete the questionnaire and achieve reliable results.

The checklist aims at verifying the legality of timber origin according to the current Russian legislation only. It does not attempt to cover the requirements of certification schemes, such as FSC (FSC-STD-30-010 or FSC-STD-40-005) etc.

2. How to use the checklist

The checklist contains the following sections:

1. Purchase of roundwood that has been harvested in areas regulated by forest rent agreements or where harvesting has been carried out based on the results of forest auctions (according to the old forestry legislation, only valid until the end of 2007).
2. Purchase of roundwood that has been harvested in areas regulated by forest rent agreements (according to the new forestry legislation, valid from the beginning of 2007).
3. Purchase of roundwood that has been harvested in areas regulated by forest stands purchase agreements (according to the new forestry legislation, valid from the beginning of 2007).
4. Purchase of roundwood or final products from wood processing enterprises.
5. Purchase of roundwood or final products from brokers or traders

Section 1 of the checklist is only applicable until the end of 2007. **Sections 2 and 3** are applicable from January 2007 and onwards. This is because of the new Forest code of the Russian Federation, effective as of January 1, 2007. A number of 'old' legislative acts are still valid until the end of 2007, and the 'new' legislation will be developed further in 2007. Therefore, the checklist includes sections applicable during the transition period of 2007, when both old and new regulations are in force. And thus, the checklist needs updating in the second half of 2007 when the new legislation is fully developed. At the time of writing, it is impossible to say how for example a Forest Declaration or a Forest Development Project will take shape.



For purchases of roundwood or a final products from a wood processing enterprise, **section 4** of the checklist should be filled in, as well as **sections 1-3**.

For purchases of roundwood or final products from a broker or a trader, **section 5** of the checklist should be filled in, as well as **sections 1-3**.

The applicability of **sections 1-3** both for wood processing enterprises and brokers or traders should be considered in each specific case.

3. Terms and definitions

Felling permit – a document issued by the **Leskhoz**, giving the right to start timber harvesting (valid till the end of 2007).

Forest Area Rent Agreement – an agreement between **Lease Holder** and **Forest Renter**, which permits the Forest Renter to use a forest area, including the harvesting of timber.

Forest Declaration – a statement on forest use according to a **Forest Development Project** which is provided to a **Lease Holder** by a **Forest Renter** once a year. A concept from the new Forest Code. There is no clear definition/description of this procedure at the moment.

Forest Development Project – a document developed by a **Forest Renter** determining requirements for forest use at a rented forest area according to forestry regulations of a **Forest Management Division**. A concept from the new Forest Code. There is no clear definition/description of this procedure at the moment.

Forest Management Division (a forest management organization, lesnichestvo) – a principal territorial unit of forest management. It ensures use, conservation, protection and restoration of forests on allotted forest lands.

Forest Owner – the State (Russian Federation). The State representative (and **Lease Holder**) can be: The Leskhoz (until the end of 2007), federal authorities, regional authorities, local authorities (within the frames of rights given to them by the State).

Forest Renter – individual or legal entity which has concluded the forest rent agreement with a **Lease Holder**, and thus, has the right to the harvested timber.

Forest Stands Purchase Agreement – an agreement for sale of forest stands (standing timber).

Forest User – individual or legal entity having the right to harvest timber based on the forest rent agreement, forest stands purchase agreement or results of forest auction.

Forestry Regulations for a Forest Management Division (Forest Park) – a regulatory document which determines the requirements for forest use at the territory of a Forest Management division. A concept from the new Forest Code. There is no clear definition/description of this procedure at the moment.

Leskhoz - a forest management organization representing the State (valid until the end of 2007)

State or Municipal Expertise of a Forest Development Project – a concept from the new Forest Code. There is no clear definition/description of this procedure at the moment.



Checklist for verifying the legal origin of Russian timber

Section 1: For purchase of roundwood that has been harvested in areas regulated by forest rent agreements or where harvesting has been carried out based on the results of forest auctions (according to the old forestry legislation, valid until the end of 2007).

Note: criteria 1.1, 1.2, 1.3 are not applicable for timber that has been harvested based on results of forest auctions.

CRITERIA	INDICATORS
Forest site use rights	
1.1. A forest rent agreement has been concluded between the Owner (Leskhoz) and the Forest User (Renter) and approved by the State registration	<ul style="list-style-type: none"> • copy of forest rent agreement or information on the agreement, including number and date of State registration and duration
Observations/Findings:	
1.2. The rent is paid by the Forest User according to the conditions and within the timeframes specified in the forest rent agreement	<ul style="list-style-type: none"> • interview with representative of regional forest management authorities (Forest Committee etc.) • copies of payment orders with bank registration
Observations/Findings:	
1.3. The harvesting is carried out by the Forest User according to the forest management and harvest plan	<ul style="list-style-type: none"> • information on the forest management and harvest plan, including title and duration of the document and name of the Forest User
Observations/Findings:	



<p>1.4. The legal right for harvesting is confirmed by felling permit(s) issued to the Forest User by the Leskhoz</p>	<ul style="list-style-type: none"> copies of felling permits, or data on these permits, including name of the Forest User, registration numbers and duration of the permits, basic data of forest stands taxation
<p>Observations/Findings:</p>	
<p>1.5. After harvesting activities are finalized, a list of felling areas are submitted by the Forest User for inspection by the Leskhoz, under conditions and within timeframes specified in the forest rent agreement(s) and the felling permit(s)</p>	<ul style="list-style-type: none"> post harvest inventory statement drawn up by Leskhoz
<p>Observations/Findings:</p>	
<p>Accounts of quality and quantity of harvested timber</p>	
<p>1.6. The average annual harvested volume during the last three years does not exceed the annual allowable cut volume specified in the forest management and harvest plan(s)</p>	<ul style="list-style-type: none"> annual allowable cut volume actual harvest volumes during the last three years for different tree species
<p>Observations/Findings:</p>	
<p>1.7. The difference in the actual volume of harvested timber and the standing timber volume determined during the forest site preparation for harvesting, is not more than ± 10 % of the actual volume of harvested timber</p>	<ul style="list-style-type: none"> stumpage appraisal actual yield of commercial timber from felling
<p>Observations/Findings:</p>	



<p>1.8. Tree species identified during the forest site preparation for harvesting correspond to the actually harvested tree species</p>	<ul style="list-style-type: none"> • actual volumes of harvested timber for different tree species • data of forest stands taxation specified in felling permits
<p>Observations/Findings:</p>	
<p>1.9. Tree and brushwood species prohibited to cut as per legal requirements, are not cut</p>	<ul style="list-style-type: none"> • Information in felling permits (line "particular clauses") • regional Red List • post-harvest inventory statement drawn up by Leskhoz
<p>Observations/Findings:</p>	
<p>1.10. The forest use report is submitted annually by the Forest User to the Leskhoz</p>	<ul style="list-style-type: none"> • forest use report, including volumes of commercial timber specified in felling permits and actual volumes of harvested timber for each felling site
<p>Observations/Findings:</p>	



Section 2: For purchase of roundwood that has been harvested in areas regulated by forest rent agreements (according to the new forestry legislation, valid since the beginning of 2007).

CRITERIA	INDICATORS
Forest site use rights	
2.1. A forest rent agreement has been concluded between the Owner (Forest Management Division) and the Forest User (Renter) and approved by the State registration	<ul style="list-style-type: none"> • copy of forest rent agreement or information on the agreement, including number and date of State registration and duration
Observations/Findings:	
2.2. The rent is paid by the Forest User according to the conditions and within the timeframes specified in the forest rent agreement	<ul style="list-style-type: none"> • interview with representative of regional forest management authorities (Forest Committee etc.) • copies of payment orders with bank registration
Observations/Findings:	
2.3. The harvesting is carried out by the Forest User according to the requirements specified in the Forestry Regulations of the Forest Management Division	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	
2.4. The harvesting is carried out by the Forest User according to a Forest Development Project which has passed the State or Municipal Expertise	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	



2.5. The forest User prepares and submits annually a Forest Declaration to the Owner (Forest Management Division) confirming that harvesting is carried out according to the Forest Development Project	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	
2.6. After harvesting activities are finalized, the felling areas are submitted by the Forest User for an inspection by the Owner (Forest Management Division), according to the conditions and within the timeframes specified in forest rent agreement(s)	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	
Accounting of quality and quantity of harvested timber	
2.7. The average annual harvested volume does not exceed the annual allowable cut volume specified in the Forest Development Project	<ul style="list-style-type: none"> • annual allowable cut volume • actual harvest volumes during the last three years for different tree species
Observations/Findings:	
2.8. The difference in the actual volume of harvested timber and the standing timber volume determined during the forest sites preparation for harvesting, is not more than ± 10 % of the actual volume of harvested timber	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	



<p>2.9. Tree species identified during the forest sites preparation for harvesting, correspond to the tree species which are actually harvested.</p>	<ul style="list-style-type: none"> • actual volumes of harvested timber for different tree species • data of forest stands taxation
<p>Observations/Findings:</p>	
<p>2.10. Tree and brushwood species prohibited to cut as per legal requirements, are not cut</p>	<p><i>no data, needs updating by the end of 2007</i></p>
<p>Observations/Findings:</p>	
<p>2.11. The forest use report is submitted annually by the Forest User to Owner (Forest Management Division)</p>	<ul style="list-style-type: none"> • forest use report, including volumes of commercial timber specified in felling permits and actual volumes of harvested timber for each felling site
<p>Observations/Findings:</p>	



Section 3: For purchase of roundwood that has been harvested in areas regulated by forest stands purchase agreements (according to the new forestry legislation, valid since the beginning of 2007).

CRITERIA	INDICATORS
Forest site use rights	
3.1. A forest stands purchase agreement has been concluded between the Owner (Forest Management Division) and the Forest User to the period of up to one year	<ul style="list-style-type: none"> • copy of forest stands purchase agreement
Observations/Findings:	
3.2. The payment is done by the Forest User according to the conditions and within the timeframes specified in the forest stands purchase agreement	<ul style="list-style-type: none"> • interview with a representatives of regional forest management authorities (Forest Committee etc.) • copies of payment orders with bank registration
Observations/Findings:	
3.3. The harvesting is carried out by Forest User according to the requirements specified in Forestry Regulations of the Forest Management Division	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	
3.4. After harvest activities are finalized, the felling areas are submitted by the Forest User for an inspection by the Owner (Forest Management Division), according to the conditions and within the timeframes specified in the forest stands purchase agreement	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	



Account of quality and quantity of harvested timber	
3.5. The volume of harvested timber does not exceed the volume of harvested timber specified in the forest stands purchase agreement	<ul style="list-style-type: none"> the harvested volume specified in forest stands purchase agreement actual volume of harvested timber
Observations/Findings:	
3.6. The difference between the actual volume of harvested timber and the volume of standing timber determined during the forest sites preparation for harvesting, is not more than $\pm 10\%$ of the actual volume of harvested timber	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	
3.7. Tree species identified during the forest sites preparation for harvesting, correspond to the tree species which are actually harvested.	<ul style="list-style-type: none"> actual volumes of harvested timber for different tree species data of forest stands taxation
Observations/Findings:	
3.8. Tree and brushwood species prohibited for cut as per legal requirements, are not cut	<i>no data, needs updating by the end of 2007</i>
Observations/Findings:	
3.9. The forest use report is submitted annually by the Forest User to the Owner (Forest Management Division)	<ul style="list-style-type: none"> forest use report, including volumes of commercial timber specified in felling permits and actual volumes of harvested timber for each felling site
Observations/Findings:	



Section 4: For purchase of roundwood or final product from wood processing enterprises.

CRITERIA	INDICATORS
4.1. The company's supply contracts specify the quantity and includes a description of the purchased material	<ul style="list-style-type: none"> • copy of supply contract
Observations/Findings:	
4.2. The company registers the quantity of timber and timber products, which are delivered by suppliers on each contract	<ul style="list-style-type: none"> • registration system of received timber and timber products • volumes of received timber and timber products
Observations/Findings:	
4.3. The company registers the quantity of timber, semi-finished products, timber products at each storage area of the company, and timber that is being processed	<ul style="list-style-type: none"> • registration system of production of timber, semi-finished products and timber products
Observations/Findings:	
4.4. The company registers the quantity of timber products shipped to a consumer on each shipment contract	<ul style="list-style-type: none"> • registration system of product shipping • shipping documents and invoices on sold product
Observations/Findings:	



<p>4.5. The volume of timber products produced and supplied by a Company is in compliance with the volume of harvested and/or purchased timber with consideration of the actual production after timber processing</p>	<ul style="list-style-type: none"> • volumes of harvested and/or purchased timber • volumes of sold product • production yield
<p>Observations/Findings:</p>	
<p>4.6. The actual residuals of timber, semi-finished products and final products do not deviate $\pm 5\%$ for round timber (accepted deviation for a company) according to the accounting data</p>	<ul style="list-style-type: none"> • residuals of timber, semi-finished products and final products according to accounting data • actual residuals of timber, semi-finished products and final products
<p>Observations/Findings:</p>	
<p>4.7. The actual production of final products does not go beyond the limits of the Company's accepted deviations (usually $\pm 5\%$)</p>	<ul style="list-style-type: none"> • limits of Company's accepted deviations of actual production of final product • actual production yield
<p>Observations/Findings:</p>	



Section 5. For purchasing of roundwood or final product from brokers or traders

CRITERIA	INDICATORS
5.1. The company's supply contracts specify the quantity and includes a description of the purchased material	<ul style="list-style-type: none"> • copy of supply contract
Observations/Findings:	
5.2. The company registers the quantity of timber and timber products, received (or purchased) from suppliers on each contract	<ul style="list-style-type: none"> • registration system of received timber and timber products • volumes of received timber and timber products
Observations/Findings:	
5.3. The company registers the quantity of timber and timber products at each storage area of the Company (if applicable)	<ul style="list-style-type: none"> • registration system of storage of timber and timber products at storage areas
Observations/Findings:	
5.4. The company registers the quantity of timber products shipped to a consumer on each shipment contract	<ul style="list-style-type: none"> • registration system of timber and timber products shipping • shipping documents and invoices for sold products
Observations/Findings:	
5.5. The actual residuals of timber and final products do not deviate $\pm 5\%$ for round timber (accepted deviation for a company) according to the accounting data (if applicable)	<ul style="list-style-type: none"> • residuals of timber and timber products according to accounting data • actual residuals of timber and timber products
Observations/Findings:	