



2013

Timber legality assurance in the Solomon Islands

Provisional guidelines to inform the development of timber legality assurance in the Solomon Islands

July 2013



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Guidance for timber exporters and importers

This guidance is to support timber exporters in the Solomon Islands and importers in Australia in ensuring the production and sale of legal timber from the Solomon Islands.

Specifically, this guidance is intended to assist importers and processors in Australia to undertake due diligence for importing timber products from the Solomon Islands, in accordance with Australia's legislative requirements that prohibit the importation of illegally logged timber and the domestic processing of Australian grown illegally logged raw logs.

This guidance also provides a tool for Solomon Islands exporters, to assist in ensuring the timber they export is produced and processed in compliance with the necessary approvals and licences. This should support exporters to communicate legality requirements to their customers in Australia and in other international markets.

Note this is provisional guidance material only and intended to be a ready reference to requirements in the Solomon Islands and Australia. Further detailed information to ensure compliance may need to be sought, as required.

Background to international timber legality requirements

Australia's *Illegal Logging Prohibition Act 2012* (the Act) received Royal Assent on 28 November 2012. From 29 November 2012, the importation of illegally logged timber and the domestic processing of Australian grown illegally logged raw logs is prohibited.

From 30 November 2014, Australian importers of regulated timber products will be required to:

- conduct due diligence in order to reduce the risk that illegally logged timber is imported or processed; and
- provide declarations, at the time of import, to Customs about the due diligence they have undertaken.

Regulations setting out the list of regulated timber products, due diligence requirements and the applicable civil penalties were tabled in the Australian Parliament in May 2013. These comprise amendments to the *Illegal Logging Prohibition Regulation 2012*, registered on 11 December 2012, and detail the required components of a due diligence system.

Australia's policy and legislative settings are broadly aligned with legislative developments in other major importer countries, including the United States of America (USA) and European Union (EU) Member States.

In the USA, the *Lacey Act amendments* of 2008 mean that US-based timber importers are now required to exercise 'due care' to ensure timber legality. Credible third party

verification of legality or forest management certification can be used as one means of demonstrating this due care.

More recently, EU Member States introduced the *EU Timber Regulation* in March 2013. This regulation prohibits illegally harvested timber from being placed on the EU market, and sets out mandatory procedures for those trading in timber within the EU to minimise the risk of illegal timber being sold.

Also, in New Zealand, the government has in place a policy to address illegal logging and associated trade. In this context, the New Zealand and Australian Governments have agreed to an *Arrangement on Combating Illegal Logging and Promoting Sustainable Forest Management*. The Arrangement will reportedly promote systems to verify the legality of timber and wood products in Australia, New Zealand and the Asia Pacific region.

It is reasonable to expect that the introduction of legality assurance systems in major import markets (e.g. the US and the EU) will establish due diligence requirements that extend through international trade to upstream processors and remanufacturers around the world. Any associated trends in the international timber trade will have implications for the entire supply chain, which may lead to increased customer interest in the source and legality of Solomon Islands timber and logs.

Australia's requirements for timber legality assurance

Australia's legislation and regulation requires timber importers to establish a system of procedures and measures (*a due diligence system*) to minimise the risk that regulated timber products they import include, or are made from, illegally logged timber. Australian domestic processors are also required to establish a due diligence system to minimise the risk of processing illegally logged raw logs.

Central to this regulation is the definition of illegally logged. A key component of Australia's definition is that the applicable legislation of the country of origin has been complied with. Under Australia's regulation, the *applicable legislation* means the legislation in force in the country, state or territory of harvest, covering the following matters:

- i. rights to harvest timber within legally gazetted boundaries;
- ii. payments for harvest rights and timber including duties related to timber harvesting;
- iii. timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting; and
- iv. third parties' legal rights concerning use and tenure that are affected by timber harvesting.

As such, importers will require their suppliers in the Solomon Islands (i.e. exporters) to provide assurance their timber products are produced in compliance with Solomon Islands' laws and regulations.

These Australian requirements are broadly aligned with the existing requirements introduced in other countries, notably within the EU Member States, although some additional aspects of assurance may be required in other jurisdictions.

Regulated timber products

The Australian regulation specifies regulated timber products that are covered by the legislation. The Australian list of regulated timber products is similar to that used by the EU Member States, with some exceptions where the imports of those products to Australia were of low trade value and/or volume. The regulated timber products that are currently, or might soon be, produced in the Solomon Islands comprise¹:

- HS 44.03 *Wood in rough*
- HS 44.07 *Wood sawn, chipped lengthwise*
- HS 44.08 *Sheets of veneer*

Other regulated timber products that are not currently produced in the Solomon Islands include particleboard; fibreboard; plywood; wood pulp; newsprint and other paper products.

Recognised timber legality frameworks

The Australian regulation recognises a designated set of timber legality frameworks that are able to satisfy, in part or entirely, the due diligence requirements for timber products. These recognised frameworks, as at May 2013, comprise:

1. EU FLEGT licensing scheme for imports of timber into the European Community²;
2. Forest Stewardship Council (FSC) forest management certification scheme; and
3. Programme for Endorsement of Forest Certification (PEFC) Sustainable Forest Management certification.

Where an importer can obtain credible evidence the timber products they are importing are produced in accordance with one of these frameworks, including valid certificates supported by the third party verification processes, this can be used to satisfy due diligence requirements in this way. Otherwise, importers will need to undertake further due diligence for timber legality assurance (see 'Guidelines for timber importers').

¹ Regulated products are identified by the international Harmonised System (HS) for tariff nomenclature.

² There is not currently an EU FLEGT licencing scheme in place in the Solomon Islands. As such it is not possible for timber exported from the Solomon Islands to carry such licences as documentation of timber legality.



▲ *Timber harvesting*



▲ *Primary processing*



▲ *Shipping to aggregation points and sawmills*



▲ *Secondary domestic processing*



▲ *Preparing for exports*

The Solomon Islands sawn timber sector

This guidance relates primarily to sawn timber production and export, as key markets for these products — notably Australia and also New Zealand — are introducing requirements for timber legality assurance. However, consideration is also given to log exports due to the related supply chains and approvals processes for the production and export of logs and sawn timber.

An overview of the typical supply chain for Solomon Islands sawn timber production and export is set out below, and provides context for the consideration of timber legality assurance for sawn timber products.

In accordance with Australian regulations, timber importers will need to establish due diligence systems for their own specific supply chains.

1. Timber harvesting

Harvesting occurs in locations throughout the country and is done by chainsaw. Varying levels of mechanisation are used in timber extraction depending on the scale of the operation, ranging from carrying timber by hand to the use of heavy machinery.

Timber harvesting can broadly be considered as either large (industrial scale operations) or small scale (community or village based operations).

2. Primary processing

Primary processing of logs is often done locally, either in the forest or at a local aggregation point, using portable mills or chainsaws. Such processing is similar in nature whether undertaken by small scale or larger scale operations.

3. Shipping to aggregation points and sawmills

Where primary processing has been done locally, flitches (squared logs) are shipped to Honiara or Noro (in the Western Province) for further processing. Where no local primary processing has been undertaken, logs are shipped to Honiara or Noro for processing by sawmills.

4. Secondary domestic processing

Further processing of flitches or logs is primarily undertaken in Honiara. Timber exports from the Solomon Islands are currently limited to predominantly roughsawn timber. While Solomon Islands' sawmills have capacity to produce timber flooring and moulded products, these are currently sold to the domestic market.

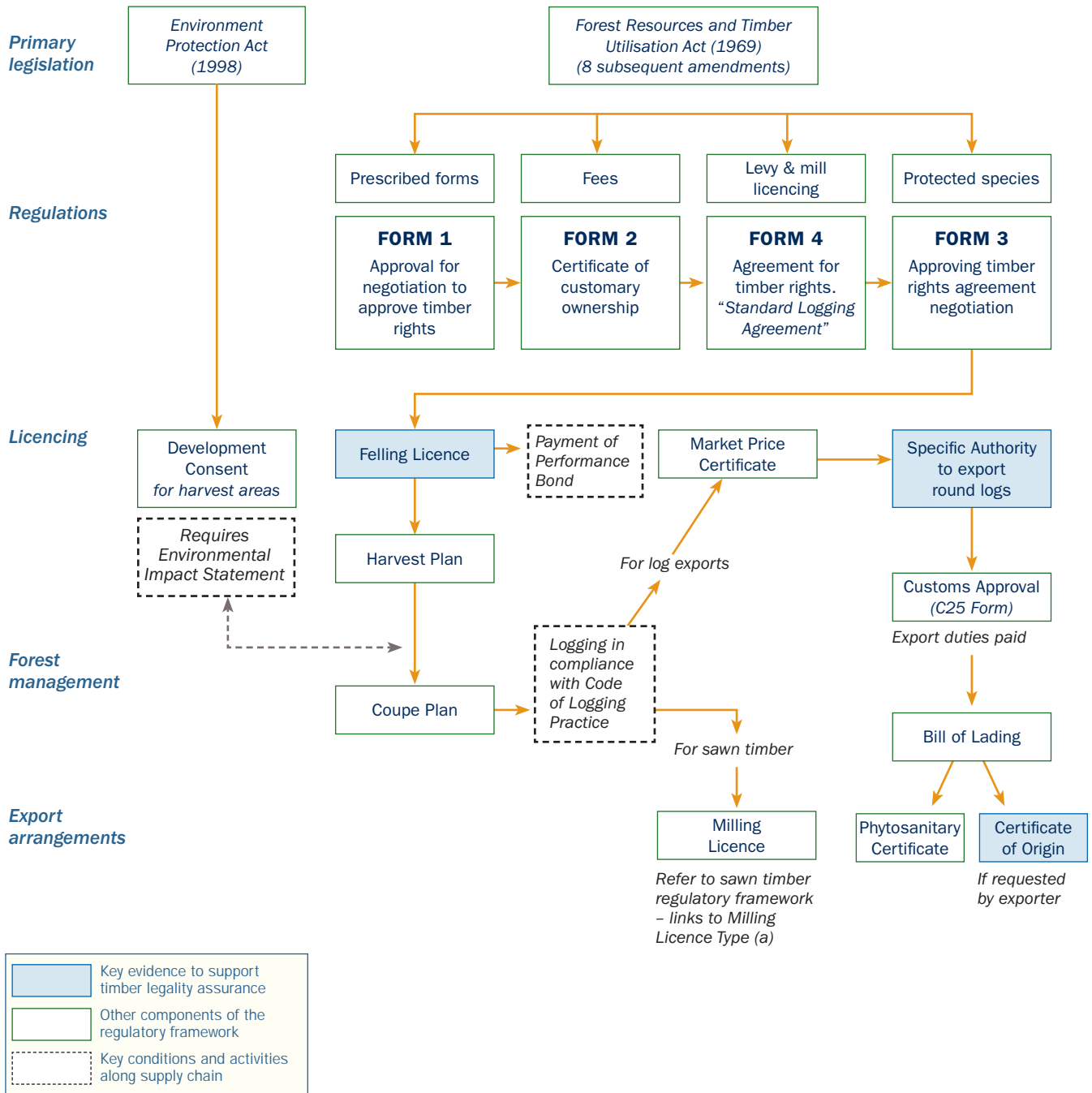
5. Preparing for exports

Sawn timber is shipped in containers, which are stacked on site at the relevant sawmill or timber yard. There are two container ports in Solomon Islands, Noro and Honiara. At present most timber is exported from Honiara with relatively lower volumes from Noro.

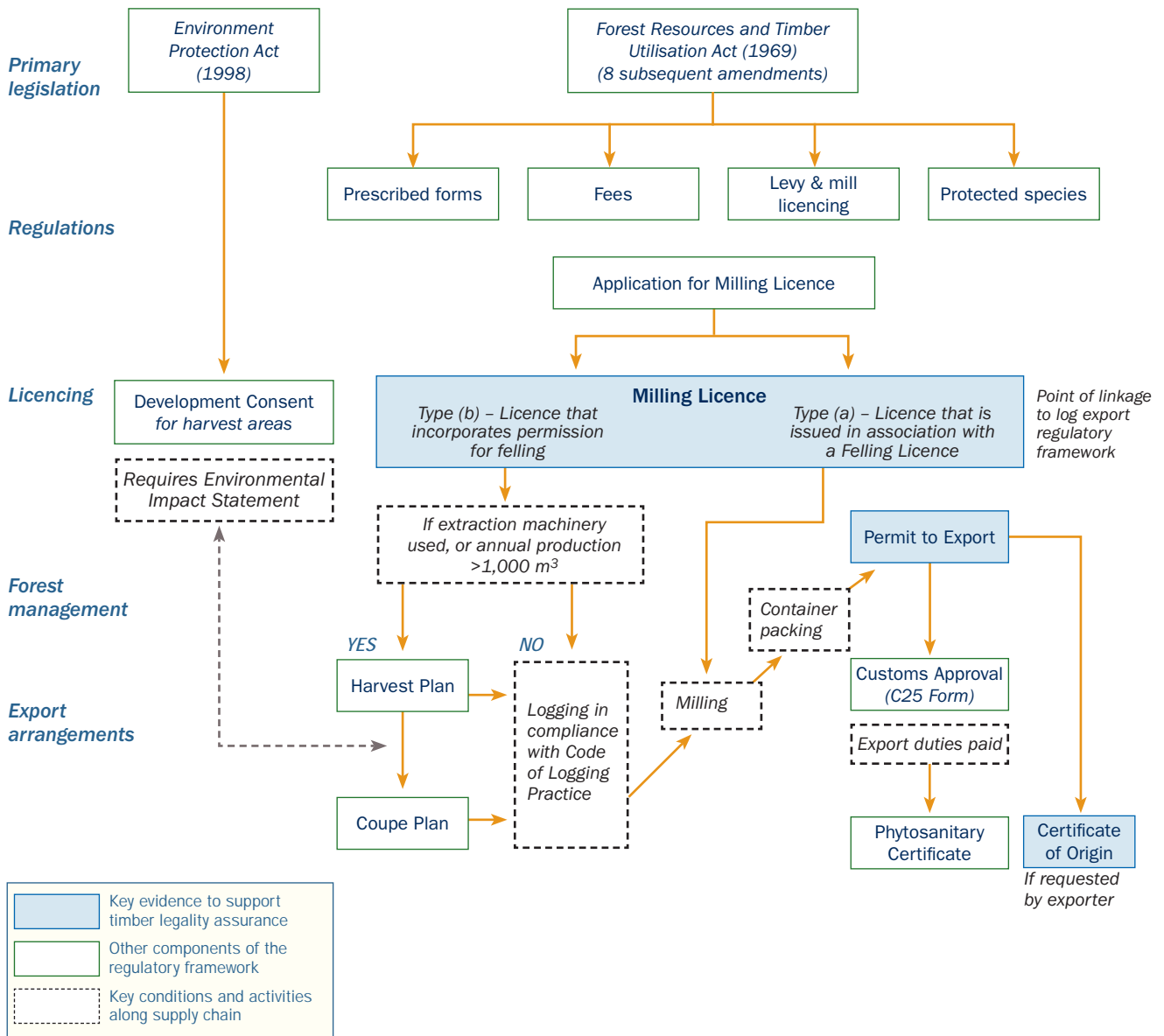
What does timber legality look like in the Solomon Islands?

The primary legislation for managing timber harvesting and the export of timber products is the *Forest Resources and Timber Utilisation Act 1969*, and its amendments over time. An overview of the regulatory framework for export of both logs and sawn timber products is set out below.

Overview of regulatory framework for log exports (which may direct logs to sawmilling operations)



Overview of regulatory framework for sawn timber production and timber exports





Approval process for production and export of sawn timber

This section describes the approval processes for production and export of sawn timber from the Solomon Islands, as depicted in the overview of the regulatory framework above.

- Where harvesting occurs under a *Felling Licence*, an associated *Milling Licence* is also required to permit further processing. Such Milling Licences are issued where milling is conducted in conjunction with log export operations, under clause 2(1)(a) of the Timber (Levy and Mill Licensing) Regulations to the *Forest Resources and Timber Utilisation Act*. This approval process is typically applied for commercial scale logging operations, which are required to submit harvest and coupe plans before harvesting can begin.
- Where harvesting occurs under a *Milling Licence*, both felling and further processing are permitted, under clause 2(1)(b) of the Timber (Levy and Mill Licensing) Regulations. This approval process is typically applied for landowners that are harvesting and milling timber on their own land.

Milling Licence holders who intend to use extraction machinery and/or produce more than 1,000 cubic metres per year must also submit annual *Harvest Plans*, and more detailed *Coupe Plans* to the Ministry of Forestry and Research for approval. The objective of this planning process is primarily to ensure that harvesting operations are undertaken in accordance with the Code of Logging Practice (which is primarily focused on industrial scale operations rather than small landholder operations).

Most sawn timber produced in the Solomon Islands for export markets is transported to Honiara for loading into containers and export through the port of Honiara.

To export timber products, an exporter must also obtain a *Permit to Export*, which is approved by the Ministry of Forestry and Research. The application for the *Permit to Export* must detail the relevant licence numbers, volume, species, and value of timber being exported, as well as documentation of the sale arrangements.

At the time of applying for a *Permit to Export*, an exporter has the option of applying for a *Certificate of Origin*. Issuing of the *Certificate of Origin* can occur wherever an associated *Permit to Export* has been approved.

The *Permit to Export* is then provided to the Customs & Excise Division, which checks the contents of each consignment and determines the duty payable. Once this duty is paid the Customs approval is issued. An exporter must also obtain a *Phytosanitary Certificate*, which is issued by the Solomon Islands Agricultural Quarantine Service. This certificate describes any fumigation that has been conducted for the specified container or containers. Note that fumigation is not a mandatory requirement for entry into some markets.

Exporters will need to have obtained these approvals to provide assurance of timber legality from the Solomon Islands.

Guidelines for timber importers

A step-by-step guideline for Solomon Islands' exporters and Australian importers to address Australia's illegal logging prohibition regulation is set out below.

STEP 1 • INFORMATION GATHERING

Request the exporter to provide the following:

- (a) description of the product and:
 - (i) trade name or common name of tree species; and
 - (ii) genus and scientific name
- (b) country of harvest, and where applicable:
 - (i) state or province, where the regulated timber product was harvested; and
 - (ii) forest harvesting unit (i.e. landholder group or area) where the regulated timber product was harvested, associated with a valid felling licence or milling licence
- (c) quantity (expressed in volume, weight or units)
- (d) transaction details, e.g. a receipt of purchase, delivery dockets
- (e) name, address, trading name and company registration of the exporter

Record: _____

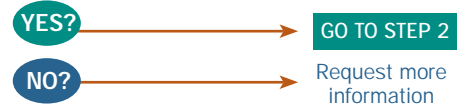
Record: _____

Record: _____

Record: _____

Record: _____

Can the exporter provide all of the above information?



STEP 2 • TIMBER LEGALITY FRAMEWORKS

Can the exporter provide credible evidence that the timber has been produced in accordance with one of the timber legality frameworks listed in Schedule 2 of the Australian regulations?

For example:

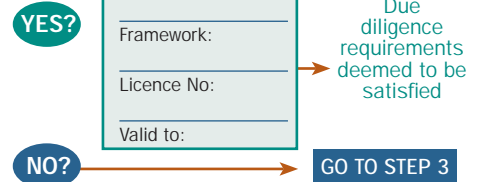
- FSC certification scheme
- PEFC certification

Record: _____

Framework: _____

Licence No: _____

Valid to: _____



STEP 3 • RISK ASSESSMENT

Request exporter to provide documents or other information showing compliance with the applicable legislation. For timber exports from the Solomon Islands, this would be addressed principally by:

- A valid Permit to Export (Attachment A)

Record: _____

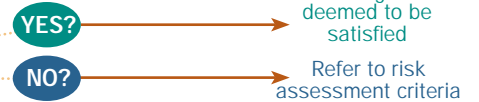
The Permit to Export is issued by the Commissioner of Forests, following the Ministry of Forestry's confirmation of the validity of licences associated with the timber supplied. Information that underpins the issuing of the Permit to Export includes:

- A valid Felling Licence (Attachment B) Record:
- A valid Milling Licence (Attachment C) Record:

In addition, a Certificate of Origin may be obtained by exporters, but is optional:

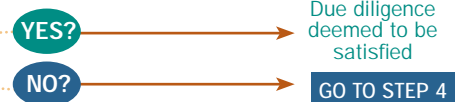
- A valid Certificate of Origin (Attachment D) Record:

Can the exporter provide adequate information to show compliance?



If 'no' above, consider risk that the regulated timber products was illegally logged, taking into account the relevant 'Risk Assessment Criteria' (see criteria below).

On this basis is the risk considered to be low?

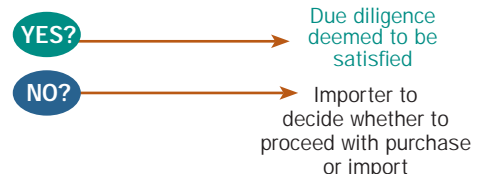


STEP 4 • RISK MITIGATION

Where risk assessment shows that risk is not low, risk mitigation measures that can be undertaken include:

- (a) Seek further information about the product and consider obtaining a third party assessment in relation to the product;
- (b) Based on any additional information, reassess the risk in accordance with Criteria in Step 3.

Application of risk mitigation has reduced the risk to an acceptable level?



Risk assessment criteria

The following guidance is provided to assist importers of timber products from the Solomon Islands with addressing relevant risk assessment criteria, with considerations that may extend beyond the specific supply chain of interest. This guidance was prepared in June 2013, based on current information, and will be subject to change over time.

Status notes on risk assessment criteria for the Solomon Islands

RISK ASSESSMENT CRITERIA	NOTES	ASSESSED RISK
Assurance of compliance with applicable legislation, which may include certification by third-party verified schemes which cover compliance with applicable legislation	<p>Evidence of compliance with Solomon Islands' legislation would principally include:</p> <ul style="list-style-type: none"> A valid <i>Permit to Export</i>; supplemented by: <ul style="list-style-type: none"> A valid <i>Felling Licence</i> (if required); A valid <i>Milling Licence</i>; and An optional <i>Certificate of Origin</i> from the Ministry of Forestry and Research, which accords with the information incorporated in the <i>Milling Licence</i> and the <i>Permit to Export</i>. <p>Currently there are some FSC-certified harvesting operations (notably in the Western Province) and sawmills in Honiara that carry FSC chain of custody certification.</p>	<p>Risk the timber product is, is made from, or includes illegally logged timber, is assessed as:</p> <p>Low risk? <input type="checkbox"/></p> <p>Not a low risk? <input type="checkbox"/></p> <p><i>Risk mitigation required</i></p>
Prevalence of illegal logging in the area of the species of tree from which the timber product is derived	<p>Primary species of timber exported from the Solomon Islands include <i>Vitex (Vitex cofassus)</i>, Akwa (or <i>Taun, Pomelia pinnata</i>), Kwila (or <i>Merbau, Intsia bijuga</i>) and Rosewood (<i>Pterocarpus indicus</i>). Collectively, these species account for a large proportion of current sawn timber production.</p> <p>The existing legislation prohibits the export of some key commercial species except as processed timber – that is, these species cannot be exported in roundwood (log) form. They are:</p> <p><i>Vitex (Vitex cofassus)</i>, Kwila (<i>Intsia bijuga</i>), Rosewood, (<i>Pterocarpus indicus</i>) and White beech or Canoe tree (<i>Gmelina moluccana</i>). Additionally, some species are banned from sale, whether domestically or for export, these are: Ngali nut (<i>Canarium indicum</i>) when in the fruit bearing stage, and Tubi (<i>Xanthostemon melanoxylon</i>).</p> <p>Note that the species for which sale and/or export are restricted have been subject to change and could change further in future.</p>	<p>Risk the timber product is, is made from, or includes illegally logged timber, is assessed as:</p> <p>Low risk? <input type="checkbox"/></p> <p>Not a low risk? <input type="checkbox"/></p> <p><i>Risk mitigation required</i></p>
Prevalence of illegal harvesting or practices in the jurisdiction of harvest, including consideration of the prevalence of armed conflict	<p>The nature of customary land ownership in the Solomon Islands serves to limit the extent to which harvesting could or does occur on land for which no land tenure rights or permits exist. This is because the large majority of land in the Solomon Islands is owned by local communities, as opposed to the State, which makes it unlikely that harvesting and export could occur without land tenure being generally accepted.</p> <p>Cases of illegal harvesting activity have been reported over time. These have included duplication or use of invalid (e.g. out of date) licences, logging of protected tree species, and instances of non-compliance with forest management measures.</p> <p>It should be noted that illegal activities associated with the production of sawn timber could be considered to be less likely than in the production of logs for export. This is due to the typically smaller scale of operations, and often more direct involvement of landowners in harvesting of logs specifically for sawn timber production.</p> <p>There are also concerns about the sustainability of the forest resources, which have been widely reported. These concerns and underlying drivers extend beyond timber legality controls.</p>	<p>Risk the timber product is, is made from, or includes illegally logged timber, is assessed as:</p> <p>Low risk? <input type="checkbox"/></p> <p>Not a low risk? <input type="checkbox"/></p> <p><i>Risk mitigation required</i></p>
Complexity of the supply chain of the regulated timber product	<p>Key features of the supply chain for sawn timber products are outlined under 'The Solomon Islands sawn timber sector' above. These include:</p> <ul style="list-style-type: none"> the fragmented spread of log harvest and local milling across the islands; the aggregation of timber in Honiara in particular (potentially Noro), with logs and flitches arriving on a range of boats, from across the provinces; unloading and transport to local mills; the further processing of timber in Honiara, for typically a range of domestic and export customers. Note that timber exports from the Solomon Islands are currently limited to predominantly roughsawn timber. 	<p>Risk the timber product is, is made from, or includes illegally logged timber, is assessed as:</p> <p>Low risk? <input type="checkbox"/></p> <p>Not a low risk? <input type="checkbox"/></p> <p><i>Risk mitigation required</i></p>
Risk associated with all the above criteria is considered low?		<p>YES? → Return to bottom of Step 3 – Risk Assessment</p> <p>NO? → Go to Step 4 – Risk Mitigation</p>



Further considerations

This guidance outlines the current framework for timber legality in the Solomon Islands, and identifies the licences and certificates that can be made available to support timber legality assurance.

Individual importers may seek further detailed information from exporters, to ensure compliance with relevant legislation and other requirements.

Review of guidance material

These guidelines relate to the legislative requirements currently in place in the Solomon Islands and Australia. As such, they should be reviewed periodically to ensure they accurately reflect all applicable requirements.

Australia's regulations will be reviewed periodically, and hence this guidance material will be subject to change over time. Notably, the Australian Government intends to review the list of regulated timber products periodically. These reviews will help to ensure that the regulations will remain an effective and efficient means of reducing the risk of illegally logged timber entering the Australian market. Periodic reviews will be used to inform the overarching review of the *Illegal Logging Prohibition Act* which is required to be undertaken, upon the request of the Australian Minister, five years after the commencement of the Act – i.e. in November 2017.

The Solomon Islands Government is continuing to liaise with its key trading partners, through bilateral and multilateral processes, on requirements for timber legality assurance in export markets.

Further information

For further information on the Solomon Islands' regulatory framework for forest management and the production of exports of timber products, stakeholders can direct inquiries to:

Solomon Islands Ministry of Forestry and Research

Contact can be made by phone on +677 22263 or +677 24524, or fax +677 24660.

For further information on Australia's *Illegal Logging Prohibition Act 2012* and associated regulation, stakeholders can direct inquiries to:

The Australian Government Department of Agriculture, Fisheries and Forestry

Contact details and further information: <http://www.daff.gov.au/forestry/policies/illegal-logging/>

Attachments

- Attachment A Permit to Export
- Attachment B Felling Licence
- Attachment C1 Milling Licence Type (a), which is issued in association with a Felling Licence
- Attachment C2 Milling Licence Type (b), which incorporates permission for felling
- Attachment D Certificate of Origin

Attachment A

Permit to Export

FD Permit Number

K

Permit to Export of Forest Produce

Issued to:	
Licence Number <i>for licence number of sawmilling where timber was produce)</i>	
Description of Goods	<i>See consignment details in attached application</i>
Name of Vessel:	
Place of Export and Approx Date:	
Ultimate destination of Goods:	

.....
Date

.....
Commissioner of Forests

Copies: Exporter
Customs and Excise Division
FD Records

Attachment B

Felling Licence

FORM B

Forest Resources and Timber Utilisation Act (Cap.40)

Forest Resources and Timber Utilisation (Felling Licences) Regulations 2005

Section 44, regulation 4)

FELLING LICENCE

Licence No. ...

Licensee (name and address): ...

Date Licence takes effect: ...

Date Licence expires: ...

Description of land licence applies to: (including province and locality where land is located) in ward, ...

Time after issue of licence within which licensee to commence operations:

Conditions of Licence:

- (1) The term of the licence is 5 years.
- (2) The licensee shall pay the prescribed annual fee (if any) on being granted the felling licence and then on the date in each year that is the anniversary of the date the licence was granted.
- (3) The licensee shall carry out his operations under the licence only within the area of land to which the licence applies, the boundaries of which are marked in red on the map issued by the Department of Lands and Survey, or the good quality certified copy of such a map, of the scale 1:50,000 or larger attached to the licence.

.....
Signed Reeves Moveni
Commissioner of Forest Resources

Date:.....

- (4) Any disputes relating to the ownership, boundaries or use of the land, or a part of the land, to which the licence applies shall be determined in accordance with the law of Solomon Islands.
- (5) The licensee shall conduct his operations under the licence in a manner that complies with the approved timber rights agreement, the conditions of the licence, the Act and subsidiary legislation made under the Act.
- (6) The licensee shall conduct his operations under the licence in a manner that complies with the Revised Solomon Islands Code of Logging Practice, May 2002 published by the Ministry of Forests, Environment and Conservation.
- (7) The licensee shall act in accordance with the agreement he certifies on his application for the grant of the licence;
- (8) Before commencing carrying out any operations under the licence, the licensee shall enter into, and give to the Commissioner of Forests Resources a copy of, a performance bond of \$250,000 that shall –
 - (a) be in the form of a bank guarantee or equivalent instrument acceptable to the Central Bank of Solomon Islands; and
 - (b) provide security for –
 - (i) payment of taxes, duties, levies, fees, royalties, rent, compensation and other charges or amounts that may be payable by him as licensee to the Government or the relevant provincial government under this Act or a provincial ordinance; and
 - (ii) payments arising from a contravention of the conditions of the licence, the Act and subsidiary legislation made under the Act; and
 - (c) be enforced by the Commissioner of Forest Resources against the issuing bank, insurance company or other authority if the licensee fails to pay a sum secured by it.
- (9) The licensee shall maintain the performance bond until he receives from the Commissioner of Forest Resources a written release from the performance bond in accordance with Form C.

- (10) The licensee shall pay all taxes, duties, levies, fees, royalties, rent, compensation and other charges or amounts as they fall due and payable by him as licensee to the Government or the relevant provincial government under the Forest Resources and Timber Utilisation Act or a provincial ordinance.
- (11) Subject to conditions (12) and (13), the volume of logs felled under the licence in a year shall not exceed the volume of logs specified by the Commissioner of Forest Resources as the maximum volume that may be felled under the licence during the year.
- (12) If the maximum volume of logs that may be felled in a year is not felled, the licensee may carry forward into the remaining years of the term of the licence the volume of logs not felled.
- (13) Logs that are 30 cm or more, but not more than 49cm, in diameter and less than 6 metres long shall not be included in the volume of logs felled referred to in conditions (11) and (12) if the licensee makes every endeavour to find a market for, and sell, those logs.
- (14) The licensee shall not carry out felling operations under the licensee's felling licence in a year during the term of the licence unless he has prepared, in accordance with the code of logging practice, an annual harvesting plan for the year and the Commissioner of Forest Resources has approved the plan.
- (15) The Licensee shall not commence felling operations in a coupe unless he has prepared, in accordance with the code of logging practice, a coupe plan for the coupe and the forest officer authorized to do so has approved the coupe plan.
- (16) The licensee shall comply with the directions (if any) given to him by the Commissioner of Forest Resources for the purpose of good silviculture, including the minimum girth of trees for seed bearing or regeneration.
- (17) The licensee shall take all necessary steps to prevent pollution of the ground, and any pond, river, stream or water source, including the following;
 - (a) ensuring all oil, fuel, chemicals and other pollutants are stored in secure containers and safeguards are in place to prevent accidental contamination of any water or soil;
 - (b) not allowing refuse, rubbish, sewage, oil, fuel or other pollutants to be discharged into any pond, river, stream or water source.

- (18) The licensee shall comply with the River Waters Act (Cap 135), and subsidiary legislation made under that Act, and shall ensure that all his officers and employees are aware of their obligations under that Act.
- (19) The licensee shall ensure that the working practices carried out under the licence are safe and shall comply with all relevant laws, including the Act and subsidiary legislation made under the Act, the Safety at Work Act (Cap 74) and any directions given from time to time by the Commissioner of Labour for the prevention of accidents and securing safe working conditions for his officers and employees.
- (20) The licensee shall ensure that all trees felled under the licence are felled so as to minimize waste and produce the maximum volume of merchantable timber.
- (21) The licensee shall remove all logs from where they are harvested to storage areas within 3 months after felling the timber, but in any case as soon as is necessary, to prevent damage to the timber by decay, insects, fungus or disease.
- (22) The licensee shall at all times allow the Commissioner of Forest Resources or a forest officer access without notice to all and any areas of the licensee's operations including any vehicles, facilities, equipment or premises, for the purposes of ascertaining whether or not the licensee is contravening the licence, the Act or subsidiary legislation made under the Act.
- (23) The licensee shall at all times allow the Commissioner of Forest Resources or a forest officer access to any timber obtained under the licence for the purpose of inspecting the timber and for ascertaining the following;
 - (a) the volume, species and grade of the timber;
 - (b) whether there has been any degradation of the timber since it was felled.
 - (c) Whether the timber is timber felled under the licence;
 - (d) Whether the timber is of suitable quality for the purpose for which it is to be used.
- (24) The licensee shall keep true and proper records, of his operations carried out under his felling licence, which shall include –
 - (a) a record of the species of timber felled, sawn, sold or exported;
 - (b) a record of the areas where timber is felled and a record showing which timber is taken from which area;

- (c) a record of the volume of timber felled, sawn, sold or exported;
 - (d) a record of the value of timber sold or exported;
 - (e) copies of all documentation for exporting of logs and sawn timber;
 - (f) copies of all documentation required for importing machinery used by the licensee;
 - (g) the royalties payable and paid to the owner of land;
 - (h) reforestation activities carried out;
 - (i) conservation and rehabilitation activities carried out;
 - (j) the amount of duty payable on exported timber and, of that amount, the amount of duty paid and the amount of duty remitted;
 - (k) a copy of each annual plan and coupe plan approved in accordance with regulation 12;
 - (l) a copy of his application for his felling licence and all accompanying documents; and
 - (m) a copy of his felling licence.
- (25) The licensee shall have respect for and interfere as little as possible with the rights of the owner of the land and any other person who has an interest in or a right to carry out activities on, the land on which the licence has effect (which, if the land is customary land, includes hunting, fishing and collecting, felling and taking away trees on other materials for domestic or traditional purposes).
- (26) The licensee shall take all reasonable steps to ensure that his officers and employees are respectful to and observant of local customs and will not enter cultural areas, such as tambu areas and garden and village areas.
- (27) The licensee shall not transfer, assign or dispose of the licence but may, with the Commissioner of Forest Resource's approval in writing, enter into a subcontracting arrangement for the carrying out of operations under the licence.
- (28) If the licensee is required to be authorized under or comply with an Act other than the Forest Resources and Timber Utilization Act (Cap 40) or a provincial ordinance for conducting the felling operations authorized by the licence, the licensee shall maintain that authorization and shall not contravene that Act or provincial ordinance.

- (29) The licensee may, at any time, surrender the licence by giving to the Commissioner of Forest Resources 6 months notice in writing of his intention to surrender the licence.
- (30) On the expiry, surrender or cancellation of the licence, the licensee remains liable for –
- (a) an act or omission done, caused or permitted or made by him as the licensee prior to the expiry, surrender or cancellation;
 - (b) a liability incurred by him as the licensee under this Act prior to the expiry, surrender or cancellation; and
 - (c) complying with the requirements relating to completing his operations and departing from the land to which the licence applied and to being released from his performance bond.
- (31) If the licence is about to expire or has been cancelled; or the licensee is about to cease operations under his licence, the licensee shall complete his operations in a manner that is satisfactory to the Commissioner of Forest Resources or a forest officer authorized for that purpose by the Commissioner of Forest Resources, and in particular shall have –
- (a) rectified, to the satisfaction of an inspector under the River Waters Act (Cap 135), any damage to a pond, river, stream or water source caused by carrying out operations under the licence;
 - (b) cleared all ponds, rivers, streams and watercourses of obstructions, dams and temporary culverts caused or constructed when carrying out operations under the licence;
 - (c) dammed and drained all skidding tracks on slopes;
 - (d) ripped, to broken up soil compaction, all Yarding and working areas on the land subject to the licence and spread topsoil evenly back across the disturbed areas;
 - (e) removed, and satisfactorily disposed of, all oil, chemical and similar pollutants and rubbish from the land subject to the licence;
 - (f) restored all quarries, pits and gravel extraction areas on the land subject to the licence applied to a safe and environmentally acceptable condition;

- (g) filled or drained areas of stagnant water created by operations on the land subject to the licence;
 - (h) carried out a thorough final maintenance of all roads and bridges on the land subject to the licence and left materials for future repairs and maintenance in accordance with the approved timber rights agreement; and
 - (i) paid all taxes, duties, levies, fees, royalties, rent, compensation and other charges or amounts that payable to the Government or the relevant provincial government by him as licensee under this Act or a provincial ordinance.
- (32) Any building, structure or apparatus erected or placed by the licensee on the land subject to the licence shall, on the expiry of 12 months after the licensee ceases operations under the licence (for whatever reason), become the property of the owner of the land.

Any other conditions:

- (1) Production quota per annum: ...**
- (2) Allowable Export quota per annum: ...**
- (3) Allowable volume input of Sawn timber per annum: ...**

.....
Signed Reeves Moveni
Commissioner of Forest Resources

Date:.....

Attach a map issued by the Department of Lands and Survey, or a good quality certified copy of such a map, of scale 1:50,000 or larger, with the boundaries of the area of land to which the licence applies marked in red.

Attachment C1

Milling Licence Type (a),
which is issued in association
with a Felling Licence

NOT TRANSFERABLE

Reg. 2(1) (a)
Licence No: ...
Date of issue: ...
Date of expiry: ...

THE FOREST RESOURCES AND TIMBER UTILISATION ACT

THE TIMBER (LEVY AND MILL LICENSING) REGULATIONS

LICENCE TO OPERATE A MILL

(Where the licensee is authorized to fell trees by a license issued under section 5 of the ACT)

Subject to the provisions of the Act and any Regulations made thereunder in force from time to time during the currency of this license and to the under-mentioned conditions. License is hereby granted to:

(Name): ...

of (address ...

(herein after called the Licensee) to install and operate mills/ mill at/ within: (place or area) **under Felling Licence ...**

Conditions

1. The licensee shall only produce sawn timber and shall not produce any other form of milled timber save under and in accordance with the terms and conditions of the prior written approval of the Commissioner of Forests.
2. No timber may be milled other than timber from trees which have fallen or been felled within (areas) **Felling Licence...** it shall be the responsibility of the Licensee to ascertain the place in which trees have fallen or been felled.

Provided that timber from trees which have fallen or been felled outside the said area covered by the License/authority may also be milled with the specific written approval of the Commissioner of Forests.

3. The licensee shall not produce more than (quantity) ... **m³/annum** timber in any one calendar year without the approval of the Commissioner, nor shall the licensee produce any other form of milled timber in excess of the quality authorized by the Commissioner of Forest Resources under Condition 1 hereof.

4. The licence shall not acquire log timber in excess of quantities notified to him in writing by the Commissioner of Forest Resources (which in the opinion of the Commissioner are sufficient to produce the maximum output of milled timber authorized under conditions 1 and 2 hereof).
5. The licensee shall have records of log timber acquired, log timber milled and milled timber produce, sold, supplied and exported and the value thereof in such manner and to such extent as the Commissioner of Forest Resources may require and shall render to the Commissioner of Forest Resources such returns of the same at such intervals and in such manner as the Commissioner of Forest Resources may require. All such records as aforesaid shall at all reasonable times be open to inspection by the Commissioner of Forest Resources or any other Forest Officer authorized in writing in that behalf by the Commissioner of Forest Resources.
6. The Licensee shall ensure that his working practices are safe and comply with such direction (of any) as may from time to time be given by the Commissioner of Labour for the prevention of accidents and securing safe working conditions for employees.
7. The Licence is not negotiable or transferable.
8. The Commissioner of Forest Resources may cancel this Licence if the Licensee shall commit an act of bankruptcy or have a receiving order made against him or if distress or execution be levied against the mill/mills licensed hereunder or if proceedings be commenced for winding up the Licensee.
9. The Licensee shall not cease production of milled timber for any period in excess of three months without the prior written approval of the Commissioner of Forest Resources.

.....
Reeves Moveni
Commissioner of Forests

G.T.R. No: ... Dated ...

Note: The Licensee should study the Forest Resources and Timber Utilization Act and the Timber (Levy and Mill Licensing) Regulations. Section 39 of the Act empowers the Commissioner of Forest Resources to cancel or suspend this Licence for contravention of any of its terms and conditions or any of the provisions of the Act or Regulations.

Attachment C2

Milling Licence Type (b),
which incorporates permission
for felling

NOT TRANSFERABLE

Reg. 2(1) (b)
Licence No: ...
Date of issue: ...
Date of expiry: ...

THE FOREST RESOURCES AND TIMBER UTILISATION ACT

THE TIMBER (LEVY AND MILL LICENSING) REGULATIONS

LICENCE TO OPERATE A MILL

(Where the licensee is not authorized to fell trees by a license issued under section 5 of the ACT)

Subject to the provisions of the Act and any Regulations made thereunder in force from time to time during the currency of this license and to the under-mentioned conditions. License is hereby granted to:

(Name)
of (address
(herein after called the Licensee) to install and operate mills/ mill at/ within: (place or area)

Conditions

1. The licensee shall only produce sawn timber and shall not produce any other form of milled timber save under and in accordance with the terms and conditions of the prior written approval of the Commissioner of Forests.
2. No timber may be milled other than timber from trees which have fallen or been felled within (areas) **as above** it shall be the responsibility of the Licensee to ascertain the place in which trees have fallen or been felled.

Provided that timber from trees which have fallen or been felled outside the said area covered by the License/authority may also be milled with the specific written approval of the Commissioner of Forests.

3. The licensee shall not produce more than (quantity) ... **m3/annum** timber in any one calendar year without the approval of the Commissioner, nor shall the licensee produce any other form of milled timber in excess of the quality authorized by the Commissioner of Forest Resources under Condition 1 hereof.

4. The licence shall not acquire log timber in excess of quantities notified to him in writing by the Commissioner of Forest Resources (which in the opinion of the Commissioner are sufficient to produce the maximum output of milled timber authorized under conditions 1 and 2 hereof).
5. The licensee shall have records of log timber acquired, log timber milled and milled timber produce, sold, supplied and exported and the value thereof in such manner and to such extent as the Commissioner of Forest Resources may require and shall render to the Commissioner of Forest Resources such returns of the same at such intervals and in such manner as the Commissioner of Forest Resources may require. All such records as aforesaid shall at all reasonable times be open to inspection by the Commissioner of Forest Resources or any other Forest Officer authorized in writing in that behalf by the Commissioner of Forest Resources.
6. The Licensee shall ensure that his working practices are safe and comply with such direction (of any) as may from time to time be given by the Commissioner of Labour for the prevention of accidents and securing safe working conditions for employees.
7. The Licence is not negotiable or transferable.
8. The Commissioner of Forest Resources may cancel this Licence if the Licensee shall commit an act of bankruptcy or have a receiving or made against him or if distress or execution be levied against the mill/mills licensed hereunder or if proceedings be commenced for winding up the Licensee.
9. The Licensee shall not cease production of milled timber for any period in excess of three months without the prior written approval of the Commissioner of Forest Resources.

.....
Reeves Moveni
Commissioner of Forests

G.T.R. No: ...

Note: The Licensee should study the Forest Resources and Timber Utilization Act and the Timber (Levy and Mill Licensing) Regulations. Section 39 of the Act empowers the Commissioner of Forest Resources to cancel or suspend this Licence for contravention of any of its terms and conditions or any of the provisions of the Act or Regulations.

Attachment D

Certificate of Origin



SOLOMON ISLANDS
GOVERNMENT

MINISTRY OF FORESTRY & RESEARCH

P O Box G24
HONIARA
Solomon Islands

Facsimile: (677) 22824/24660

Telephone: 677) 28802/24215

Our Ref:

Date:

TO WHOM IT MAY CONCERN

CERTIFICATE OF ORIGIN

The Forestry Division of the Ministry of Forestry & Research in the Solomon Islands hereby certify that **Ninety Five Decimal Five Nine One (95.591m³) of Rosewood Timbers** loaded on _____ are originally from Solomon Islands, And that this Timber Produced by _____ comes from legally licensed area(s).

Consignee:

4 FCL of Rosewood (KD/GOS) Timber

95.591m3

Container No:

Thank you,



Reeves Moveni
Commissioner of Forests
Ministry of Forestry & Research

Further information

For further information on the Solomon Islands' regulatory framework for forest management and the production of exports of timber products, stakeholders can direct inquiries to:

Solomon Islands Ministry of Forestry and Research

Contact can be made by phone on +677 22263 or +677 24524, or fax +677 24660.

For further information on Australia's *Illegal Logging Prohibition Act 2012* and associated regulation, stakeholders can direct inquiries to:

The Australian Government Department of Agriculture, Fisheries and Forestry

Contact details and further information: <http://www.daff.gov.au/forestry/policies/illegal-logging/>

