NEPCon
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Honduras Risk Mitigation Guide

Timber

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Honduras Forestry Risk Mitigation Guide

This guide provides an overview of the risks that timber was harvested, transported or traded illegally in Honduras and the actions that can be taken to mitigate those risks. The guide can be used by any company wishing to reduce the risk that the timber it is buying is illegal. The guide relates only to timber harvested in Honduras – not to material imported into Honduras.

To use this document, you should:

- Look up the legality risks that exist for the timber source types in Honduras using the left-hand column of the table below. The risks are listed by type of law-category (first column) and the timber source type (second column).

- Determine whether or not there is a chance that this risk applies to your supply chain. Use the second column in the table below to help you determine whether this risk is applicable, and the third column in the table below to show you the goal you're aiming for. If there is a risk in your supply chain, you have to carry out risk mitigation activities to the point where you can demonstrate that the risk of illegality is negligible.

- Look up the potential actions that you could take to address each of the specified risks using the two right hand columns of the table below. This list provides suggested actions that you could take. Note that it is possible that there are other actions – not listed below – that you could take to assure yourself that your timber has negligible risk of illegality.

Navigate this document through Timber Source Types

To use this risk mitigation guide, you will first need to determine the origin of your timber. You have to identify not only the country, but also the type of forest the timber comes from in terms of ownership, management, classification and permits – this is called the Timber Source Type. This information is very important in order to find out which risks are related to your specific supply chain and your timber products, and how you can mitigate these risks.

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

Source Type 1: National public forest:	Wood coming from forests in government areas assigned to private individuals or communities through a management contract which may be short-, medium- or long-term
Source Type 2: Municipality-owned (ejidales) – public forest:	Wood coming from forests under areas owned by municipalities assigned to private individuals or communities through a management contract which may be short-, medium- or long-term
Source Type 3: Private forest:	Wood from privately owned natural forests
Source Type 4: Forest plantations:	Wood from plantations, which can be publicly, privately and municipality owned.
Source Type 5: Agro-forest plantation systems:	Wood coming from agroforestry systems with coffee or other crops grown in association with timber species

In column two below, you can see what Source Types the risks are applicable for.

Overview of legal categories

Legal Rights to Harvest	05	Third Parties' Rights	27
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Land tenure and management rights

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Fraudulent privatization of forest land	All types of forests	A Title of Property, free of tax and with confirmation from the Property Institute (IP) that there are no claims against the property. *or* A Title inscribed in the Inalienable Public Forest	**Review and verify documents** For private owners and municipally-owned property (ejidales): • Title of domain and complete certification of the registration of the title in the Property Insitute (IP) (*asiento registral*) with each Annual Operating Plan (AOP)	• Land registry (Title of domain and complete certification of the registration of the title (*asiento registral*) with each Annual Operating Plan (AOP)) shall confirm ownership and validity of property deed. • For public forest areas, the registration of the title of the public land in the Inalienable Public Forest Resources

		Resources Catalogue (*Catálogo del Patrimonio Público Forestal Inalienable* (CPPFI))	• Certificate of property title registration, certificate from the institute of the property with its cartographic map indicating location of the property • Management Contract for natural or legal persons and communities For public forest areas*:* • The title of land • Management Contract for natural or legal persons and communities **Consult** Consultation with neighbours, local communities and authorities in the *ICF (Instituto de Conservación Forestal Áreas Protegidas y Vida Silvestre)* and the *IP* (*Instituto de la Propiedad*) on whether there are no irregularities in the property titles.	Catalogue (Catálogo del Patrimonio Público Forestal Inalienable (CPPFI)), shall confirm ownership and validity of the property deed. • The Forest Management Plan and the Management Contract shall clearly indicate the property rights • The certificate of property title registration with its cartographic map indicating location of the property shall prove the cadastral situation and no encumbrances. • Records/minutes of consultation showing no conflicts of land tenue
Unclear / overlapping land claims due to unclear mapping	National Forests with management granted to natural/legal person or communities	There are no third-party complains in those areas granted under management contracts, must be confirmed before starting any forest activity.	**Review and verify documents** To prove the cadastral situation: • Certificate of property title registration • Certificate from the institute of the property with its cartographic map indicating location of the property;**onsult:**	• The technical inspections of the harvesting areas by ICF personnel or independent monitoring shall confirm that harvesting is performed within the property limits. • The documents: certificate of property title registration, certificate from the institute of the property with its cartographic map indicating location of

			Consult Consultation with neighbours, local communities and authorities in the ICF (*Instituto de Conservación Forestal Áreas Protegidas y Vida Silvestre*) and the IP (*Instituto de la Propiedad*) on whether there are land mapping problems.	the property; shall clearly indicate the area of the existing title. • Proof of no encumbrances and the verification done by the state that no other titles are registered on the same property (resolution "No Objection") Records/minutes of consultation showing no mapping problems and no conflicts of land area measurements
Titles are issued by the wrong governmental entity **The National Agrarian Institute (Instituto Nacional Agrario) has awarded titles on forestry land which is outside their jurisdiction,.**	National Public Forest and Municipality-owned (*ejidales*) Public Forests	Forestry land shall be awarded by ICF - registration of the forest land under the Inalienable Public Forest Resources Catalogue (Catálogo del Patrimonio Público Forestal Inalienable CPPFI)	**Review and verify documents** • Title of domain and registration; • Certificate of property title registration **Consultonsult:** Consultation with authorities in the ICF (*Instituto de Conservación Forestal Áreas Protegidas y Vida Silvestre*), the IP (*Instituto de la Propiedad*) and the INA (National Agrarian Institute- *Instituto Nacional Agrario*) on whether there are problems with land titles.	• The title of domain and registration and the certificate of property title registration; may be used to prove the cadastral situation and the type of land (forest or agricultural) and the correct registration of the title. • Records/minutes of consultation showing no conflicts of land titles

Concession licenses

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Property claims exist in areas assigned to third parties or other occupants, due to management contracts being awarded without the government having performed a proper legal reorganisation of the property.	Public Forest with Management Contracts with natural/legal person; communities	Management contracts and communal forest management contracts shall be granted on areas without any conflicting property claims.	**Review and verify documents** • Forest management contracts, to confirm that they include the rights and obligations of the parties registered and that they are not transferrable to third parties • Property Title for National Land titles and Municipality-owned (*ejidales*) lands awarded in favour of the government **Consult** • Consultation with communal organizations, community members, advisory councils and authorities in the ICF (*Instituto de Conservación Forestal Áreas Protegidas y Vida Silvestre*) on whether ther eare conflicts regarding land tenure and whether there are Forest Management contracts	• Areas that are granted to natural/legal person or communities through a forest management contract shall have been submitted to the "Legal reorganisation" process (*saneamiento jurídico*) prior to the registration (precluding any complain on the property by third parties or illegal invasions) • For public forest areas, the registration of the title of the public land in the Inalienable Public Forest Resources Catalogue (Catálogo del Patrimonio Público Forestal Inalienable CPPFI), shall confirm ownership and validity of the property deed. • The Forest Management Plan and the Management Contract clearly indicate the property rights • Records/minutes of consultation showing that there are no conflicts regarding land tenure and that no Forest

			approved and already implemented in titles that are being granted to third parties. • Consultations with community members to verify that the terms of the management contracts have been properly communicated to the recipient communities.	Management contracts have been approved and are already implemented in titles that are being granted to third parties. • ICF authorities shall confirm that the recipients of the management contracts have complied with the registration requirements.

Management and harvesting planning

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Harvesting without an approved plan	All types of forests	Harvesting shall only be conducted with a Forest Management Plan, an Annual Operation Plan, a salvage plan or a harvesting plan (plantation and agroforestry system)	**Review and verify documents** • Forest Management Plan (FMP) • Annual Operating Plan)AOP) • Approved Salvage plan • Approved harvesting plan (plantations and/or agroforestry systems)	• Verify that the FMP have been approved and registered with the corresponding municipality before development of the AOP. • Verify that the AOP is approved and the contents of the AOP shall be consistent with the planning proposed in the FMP.

			Consult Consultation with authorities in the ICF (*Instituto de Conservación Forestal Áreas Protegidas y Vida Silvestre*) shall confirm that an approved plan exist for the harvested timber.	
Forest Management Plan and the Annual Operating Plans are not implemented correctly	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	FMP and AOP are approved and valid and the activities included in them are followed and correctly implemented in the field	**Review and verify documents** • Approved Forest Management Plan and Annual Operating Plans, including legal and administrative requirements as well as ICF's requirements with respect to technical norms and good management. **Consult** Municipality authorities shall be consulted to verify the correct registration of the FMP and AOP. **Field visit** Required to verify the compliance in the field of the activities established in the FMP and AOP.	• For the development of the AOP, the FMP shall be approved and registered with the corresponding municipality • The FMP and the AOP shall contain the legal and administrative requirements as well as *ICF*'s requirements with respect to technical norms and good management. • The contents of the AOP shall be consistent with the planning proposed in the FMP. • Periodic field inspections shall be conducted to verify compliance with the activities established in the FMP and AOP • Documented evidence that the FMP and AOP have been approved in accordance with the technical and legal requirements stipulated by the ICF (registrations, technical rulings, approvals and reviews of FMP and AOP).

Proper monitoring of social- and environmental requirements in the FMP is not conducted	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	FMP and AOP are approved and valid and the social/environmental activities included on are followed and correctly implemented in the field .	**Review and verify documents** Forest Management Plan and Annual Operating Plans including protection and conservation areas on maps. Approved Forest Management Plan and Annual Operating Plans including legal and administrative requirements as well as ICF's requirements with respect to social and environmental norms. **Consult** Communities to verify harvesting activities has been communicated to them before beginning operations. **Field visit** Field visits to verify signage on the land of the protected and conservation areas	• The harvesting activities shall be made known to the communities included in the areas before beginning operations (evidence such as meeting minutes and photographs). • Protection and conservation areas shall be defined by maps and indicated by signage on the land (site visits to verify signage). • The FMP and the AOP shall contain the legal and administrative requirements as well as *ICF*'s requirements with respect to social and environmental norms. • Periodic field inspections shall be conducted in the field to verify compliance with the social and environmental activities established in the FMP and AOP.
Inventory data is incorrect	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	Inventories and management techniques shall follow the guidelines contained in the technical norms and regulations for the FMP and AOP according to the type of forest.	**Review and verify documents** • FMP and AOP • Review the field inspection reports (done by ICF) to POA areas considering the conclusion in terms of volume/species. AOP contain detailed maps of the felling areas and volume/species data in accordance with the approved management plan.Consult **Consult**	• Verify that in the FMP and AOP, inventories and management techniques follow the guidelines contained in the technical norms and regulations according to the type of forest. • AOP contains detailed maps of the felling areas and volume/species data in accordance with the approved management plan. • Periodic field inspections shall be performed to verify compliance of the

			Consultation with authorities on whether the information in the inventory and treatments included on the AOP is consistent with approved forest management plans. **Field visit** Field visits to verify compliance of the information on the inventory and the treatments used match with the AOP.	activities established in the FMP and AOP • Field inspection reports (done by ICF) to POA areas include relevant information on volume/species harvested. • Records/minutes of consultation showing consistent in terms of inventories and treatments.
Trees are not marked correctly	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	In the field, trees to be harvested (included on the AOP) need to be marked.	**Review and verify documents** AOP includes volume and number of trees approved to be harvested **Field visit** Field visits to verify the selected trees for harvesting match with the planning included on the AOP.	Recordings from field visits Marked trees in the field match with included on the AOP.

Harvesting permits

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Harvesting without a permit	All types of forests	Legal procedures for harvest should be followed (harvesting permits approved by authorities and registration of the responsible personnel (contractors, technicians and machinery) shall be done before harvesting).	**Review and verify documents** • Harvesting permits approved by authorities (depending on the sources, different documents will need to be approved and used before harvesting activities-see document guide) • Valid identification of contractors • Registration of personnel and machinery with the ICF. **Consult** Authorities on the validity of the harvesting permits	• Harvesting permits are in place. • Identification of contractors exist • Registration of personnel and machinery with the ICF need to be done before harvesting activity. • Authorities confirm the validity of the harvesting permits
Irregularities in the approval and renewal of AOPs (including the preparation of Standing Timber Auctions (IFM))	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	AOPs are approved based on the technical norms for each type of forest (Conifer and Broadleaf)	**Review and verify documents** • Maps include correctly the boundaries of the felling areas	• The ICF, through its staff and support organizations, such as the IFM, shall visit the sites to verify felling area boundaries, species and volumes.

e.g. payment of bribes.			• AOPs follow the existing technical norms for each type of forest (conifer and broadleaf) **Consult** Authorities (ICF and municipalities) on the validity of the AOP; and confirm the result from field visits done by staff from ICF in relation with felling area boundaries, species and volumes. Consult interested third parties in the field about how the harvesting activities are done in terms of volume and boundaries respected in the area **Field visit** Field visit to verify that boundaries of the felling areas match with the maps of the AOPs.	• The areas to be harvested shall have a currently in force AOP • The boundaries of the felling areas shall be identified on the land and on maps, and maps are verified as correct in the field • The ICF, municipalities and interested third parties must confirm the validity of the AOP (the check shall be done in different hierarchy levels)
Manipulation of communal organizations to obtain Communal Forest Management Contract.	National Forest, Municipalities Forest (*Ejidal*)	Communal Forest Management Contracts shall be respected and stablish between the state/municipality with communities	**Review and verify documents** Communal Forest Management Contracts shall exist and follow legal requirements **Consult** Consultations with interested parties on the site about legal procedures to obtain the Communal Forest Management Contracts and if allegations of manipulation exist.	• Minutes from the consultation with the communities must confirm the validity of the Communal Forest management Contracts and the existence of allegations of manipulation of communities.

			Consultation with authorities (ICF and municipalities) that shall confirm the validity of the Communal Forest Management Contracts and if exist allegations of manipulation.	
Misuse of salvage plans, such as the authorization of these plans for other purpose	All types of forests	Salvage felling shall only take place when justified	**Consult** Consultations with interested parties in the field about whether salvage plans that have been granted are justified Consultation with authorities (ICF and municipalities) on the validity of the salvage plan **Field visit** Field visit to verify the correct use of salvage plans and checked the areas to identified the compliance with the measures included on the salvage plan.	• The areas to be harvested through a salvage plan should be justified and follow the conditions and measures included on this salvage plan. • The ICF and municipalities confirm the validity of the salvage plan. • Consultations with interested parties in the field about areas where the salvage plans have been granted.

Payment of royalties and harvesting fees

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Evasion of fees through corruption/ bribery	All types of forests	Payment of taxes and administrative fees shall have been paid.	**Review and verify documents** Receipts and invoices for the payment of taxes and administrative fees. **Consult** Authorities (ICF and municipalities) to confirm the validity of the receipts.	• Consultations with ICF and municipalities to verify the payment of administrative and municipal fees • Receipts and invoices shall be stamped and signed by the applicable authority, and show the payment of taxes and administrative fees.
Altering harvest volume data to reduce charges	All types of forests	Payment of charges need to be in line with the real volume harvested.	**Review and verify documents** Verify volumes, species and quantities reported on invoices match the fees charged. Verify data pertaining to inventories and classification of species. **On-site verification**	• Volumes, species and quantities reported on invoices match the fees charged by the ICF and municipalities. • The data pertaining inventories and classification of species agree with fees charged by the ICF and municipalities (site visits by the technician and the ICF).

			Field visit to verify the correct data included on inventories and classification of species. **Consult** Consultations with ICF staff in charge of the field verification of the inventory data of management plans and AOPs to verify complaints or irregularities	

Value added taxes and other sales taxes

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Evasion of value added tax	All type of forest (only applicable when a first transformation is done)	Value added tax shall be included on the invoices (exemption: Roundwood)	**Review and verify documents** • The forest industries (primary and secondary) shall have copies of invoices indicating the amount of value-added taxes charged • Check that information on invoices is corresponds with documents with information on product descriptions,	• Invoices include the amount of value-added taxes charged and the National Taxpayer Registration number (*Registro Tributario Nacional* RTN) • The information included on the invoice matche other legal documents from the forest (FMP, AOP.)

			volumes, qualities and species. E.g. AOPs, forest management contract, etc. • Companies shall be registered in the National Taxpayer Register (*Registro Tributario Nacional RTN*) for natural or legal persons	
Sales of timber without invoices	All types of forests	All timber sold shall have an invoice	**Review and verify documents** • Sales invoices • Companies shall be registered in the National Taxpayer Register (*Registro Tributario Nacional* (*RTN*) for natural or legal persons	• An Invoice shall contain National Taxpayer Registration number (Registro Tributario Nacional and accompany the product sold or transported

Income and profit taxes

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Evasion of payment of income tax (due to false data on taxpayer declarations)	All types of forests (Cooperatives are exempt from income and profit tax)	Payment of income tax shall be done based on real data.	**Review and verify documents** Income tax declaration **Consult** Authorities (Ministry of Finances (Secretaría de Finanzas (SEFIN- SAR)) shall confirm that all required income tax payments have been made and are consistent with the income tax declaration.	• Ministry of Finances (Secretaría de Finanzas (SEFIN- SAR)) confirm that the income tax payments have been made and are consistent with the income tax declaration.
Evasion of payment of income tax (use of fraudulent invoices)	All type of forest (not applicable for harvesting companies, only when a first transformation of wood is done)	Payment of income tax shall be done based on correct invoices	**Review and verify documents** Sales invoices **Consult** Consultations with SAR authorities to verify the payment of taxes is done on the corresponding date	• Sales invoices include the correct amount and the National Taxpayer Registration number (*Registro Tributario Nacional* (*RTN*) • Consultations with the SAR to verify the payment of income tax is up to date.

Timber harvesting regulations

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
General lack of compliance with harvesting norms	All types of forests	All harvesting (with the exception of infested areas which shall have a Salvage Plan, plantation and agroforestry systems which have a special plan) shall be performed according to the AOP approved by the *ICF*.	**Review and verify documents** Review ICF technical audits reports to verify the status of the forest audited and the performance. **On-site verification** Field visit to verify compliance with technical norms for harvesting	• The field inspections verify compliance with technical norms for harvesting. • The review of *ICF* technical audit reports verifies that final audits are performed (photographs and cross-checking). • The protection sites defined in the AOP shall be respected and marked with signage. • Inspections of the site verify that the at-risk species and trees for wildlife are protected.
Harvesting outside borders of the Forest Management Plan	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	Harvesting shall be performed within the boundaries of the Annual Felling Areas (*Areas de Corta Anual*, *ACA*) defined by the AOP	**Review and verify documents** Inspections and technical reports (from ICF) should be used to confirm that the timber has been cut within the area of the forest management plan **On-site verification** Field visit to verify that boundaries of the annual felling areas of the Annual	• Technical reports from the ICF and field visit can be used to verified that the harvesting is be performed within the boundaries of the Annual Felling Areas (*Areas de Corta Anual*, *ACA*) defined by the AOP. • Boundaries of the annual felling areas of the Annual Operation plan match with

			Operation plan match with the maps of the harvesting plans, and that harvesting in fact has taken place only within that area.	the maps of the harvesting plans, and that harvesting is observed to only take place within that area.
Annual Operating Plan is not implemented correctly in the field	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	Annual Operating Plan shall be in line with the Forest Management Plan and be implemented in the field	**Review and verify documents** Approved AOP is approved and include all technical and legal requirements and is consistent with the planning proposed in the FMP. Review ICF technical audits reports and the reports done by the Independent Forest Monitoring (Monitoreo Forestal Independiente (MFI)) **On-site verification** Required to verify the compliance in the field of the activities established in the FMP and AOP. **Consult** Consultations with ICF staff in charge of the field verification of the implementation of the management plans and AOPs and the Independent Forest Monitoring to verify complaints or irregularities	• Approved AOP is consistent with the planning proposed in the FMP. • AOP, technical reports from the ICF and Independent Forest Monitoring; as well as field visit can be used to verified that the AOP is correctly implemented in the field .

Protected sites and species

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Illegal logging in protected sites	All types of forests	Forest Management Plan shall include the activities and measures that can be implemented on the protected areas.	**Review and verify documents** FMP, AOP and maps establish and describe protected areas, based on LFAPVS and technical regulations • The protected areas indicated by the *LFAPVS* and technical regulations shall be established in the FMP and AOP, and the boundaries of the terrain shall be clearly identified. • Each protected area has its legal declaration, which includes a description of the activities permitted and protection measures for important species in relation to harvesting. **On-site verification** • Field visit to verify that protected sites and boundaries are clearly identified and respected.	• Review of the FMP, AOP and maps verify the measures, activities and area included as protected. • Field visit to protected areas shall be done to verify there is no illegal logging within the area. • Consultation with relevant authorities can be used to verify that illegal logging does/does not exist within the protected area.

			• The technical inspections done by authorities shall verify that the protected areas and regulations for protected species are respected. **Consult** Consultations with authorities of ICF and Co-managers of protected areas shall confirm that no illegal logging occurs within protected areas.	
Felling of seed trees and trees for wildlife habitat	All types of forests	Felling of seed trees and trees for wildlife habitat shall be protected, only the volume and trees included on the AOP can be harvested.	**Review and verify documents** Review ICF technical audits reports and the reports done by the Independent Forest Monitoring (Monitoreo Forestal Independiente (MFI)) **On-site verification** Field visit to verify that seed tress and trees for wildlife habitat are respected and only the volume and number of trees included on the AOP has been harvested. **Consult** Consultations with interested parties/communities on the site and authorities about protection of seed tress and trees for wildlife habitat.	• Reports from ICF technical audits and reports from the Independent Forest Monitoring verify that there is no seed trees and trees for wildlife habitat harvesting on the felling area. • Inspections of the site verify that the risk species and trees for wildlife are protected. • Consultations with those involved (property-owners, communities, authorities) verify that the threatened or endangered species identified have been properly protected.

Environmental requirements

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Irregularities in compliance with the technical regulations in the Annual Operating Plan and Forest Management Plan in relation to environmental requirements, e.g. erosion control measures	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	Forest Management Plan shall include an Environmental Impact Assessment (EIA)	**Review and verify documents** • Verify that the forest management plan and the annual operation plan include description of the environmental through an Environmental Impact Assessment (EIA). Review ICF technical audits reports and the reports done by the Independent Forest Monitoring (Monitoreo Forestal Independiente (MFI)) **Consult** Consultations with authorities about approval of FMP and AOP including environmental impact statements	• The FMP and AOP shall contain environmental impact statements approved by the *ICF*. • Reports from ICF technical audits and reports from the Independent Forest Monitoring verify that there is no irregularities with environmental requirements • Consultations with authorities (ICF) verify that the FMP and AOP include the Environmental Impact Assessment (EIA)
Measures specified in the environmental impact statement are not implemented/applied	National Forest, Municipalities Forest (*Ejidal*) and Private forest.	Measures included on the Environmental Impact Assessment (EIA) shall be correctly implemented	**Review and verify documents** Review ICF technical audits reports and the reports done by the Independent	• The technical monitoring of the sites enables verification of the effectiveness of the measures proposed.

			Forest Monitoring (Monitoreo Forestal Independiente (MFI)) **On-site verification** Field visit to verify the effectiveness of the measures proposed on the environmental impact statement.	• Damage to soil, water sources and biological diversity shall be minimized through the application of mitigation measures. • Review of on-site verification reports to demonstrate the effectiveness of the measures proposed in the contract.

Health and safety

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Safety equipment and first aid kit is not used	All types of forests	Forest companies or forest organizations shall have basic health and safety equipment for their employees or associates. Companies with more than 10 employees shall have a Mixed Health and Safety Committee	**Consult** Consultations with workers about knowledge of risks to health and safety that exist at the workplace and use of equipments • Equipment is acquired that is appropriate to the scale, intensity and climate in which the forestry work is performed.	Minutes from stakeholder consultation showing that workers have received health and safety equipment and that they know about the health and safety risks related to their work. Records from on-site verification confirming that health and safety equipment is used.

			• The workers and employees know the risks to their health and safety that exist at the workplace **On-site verification** Field visit to verify protection safety equipment and first aid kit is used in the field.	
Lack of medical care coverage/social security services	All types of forests	Forest companies or forest organizations shall have medical care coverage for their employees or associates.	**Review and verify documents** Companies shall demonstrate each worker is registered on the social security program, or private medical insurance or copy of contingency plan for health care in case of health problems	• The workers are found to be properly registered for social security, or there is a contingency plan in case of accidents.

Legal employment

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Child labour	All types of forests	Forest companies or forest organizations shall ensure that they are not hiring children under 14	**Review and verify documents** Forestry employers (owners of industries and forests) shall comply with the legal requirements for hiring workers involved	• Hiring children under 14 years of age is not permitted for forest harvesting work, and the minimum age for work

		years of age for forest harvesting work	in harvesting and transformation activities. Workers documented or oral contracts verification **Consult** Consultations with workers about hiring children under 14 years of age on harvesting work **On-site verification** Field visit to verify that children under 14 years of age are not doing a forest harvesting work.	considered to be hazardous shall be respected. • Inspections of work sites verify the non-existence of forced labor and other types of labor exploitation.
Lack of employment contracts	All types of forests	Forestry employers (owners of industries and forests) shall comply with the legal requirements for hiring workers involved in harvesting and transformation activities.	**Review and verify documents** Employment Contracts between forestry employers (owners of industries and forests) and employees shall follow the legal requirements. Workers documented or oral contracts verification **Consult** Consultations with authorities to verify company follows legal requirements for hiring and complaints and requests from workers have been addressed	• Consultations with IHSS and STSS authorities verify the registration of workers by forest companies. • Compliance with current minimum wage laws is required. • Consultations with IHSS inspectors to verify that the complaints and requests from workers have been addressed in the form of inspections of the companies to verify compliance with legislation.

			Consultation with employers and employees to ensure the labor rights laws are met.	
Freedom of association for workers is violated	All types of forests	Forest companies or forest organizations shall ensure that all employees have the right of freedom of association	**Consult** Consultations with representative of workers and/or their associations in relation with freedom of association Consultation with IHSS inspectors if exist any complain and request from workers	• Interviews with workers to verify that freedom of association and non-discrimination are respected. • Consultations with IHSS inspectors verify that the complaints and requests from workers have been addressed with respect to inspections of the companies to verify compliance with legislation

Customary rights

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Land rights (activities overlap with ancestral indigenous and Afro-Honduran territories or with land granted to communities for their management)	National Forest, Municipalities Forest (*Ejidal*)	Land rights from ancestral indigenous and Afro-Honduran territories shall be respected	**Consult** Consultations with third parties (indigenous and Afro-Honduran) about recognition of customary rights **On-site verification**	• Consultation with the parties involved (communities, indigenous peoples, *ICF*, *IP*, *DINAFROH*) confirms respect and recognition of customary rights. • Field inspections for on-site verification of indigenous and Afro-Honduran territories.

			Field visit of indigenous and Afro-Honduran territories	

Indigenous/traditional peoples' rights

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Ancestral rights of indigenous peoples over their territories are not fully recognised	Ancestral territories from Indigenous and Afro-Honduran peoples (PIAH)	Forest companies or forest organizations shall respect ancestral territories from Indigenous and Afro-Honduran peoples	**Consult** Consultations with third parties about recognition of ancestral rights	• Consultations with authorities in institutions with influence in PIAH territories (ICF, INA, IP) to confirm that they have been consulted, and that the risks from activities that affect their ancestral territories have been identified.
Claims and invasion by third parties even in areas where indigenous communities hold titles.	National Forest, Municipalities Forest (*Ejidal*)	Forest companies or forest organizations shall respect areas where indigenous communities hold titles	**Review and verify documents** Review documentation related to the process for awarding land titles to the *PIAH* **Consult** Consultations with authorities in relation with claims and invasion of indigenous communities lands, as well as illegal	• Interviews with government entities related to the *PIAH* (attorney's office for ethnicities and *DINAFROH* (Spanish acronym, Department of Indigenous and Afro-Honduran People (*direccion de pueblos indigenas y afrohondureños*) verified that complaints of violations of their rights have been addressed and the corresponding mitigation measures have been implemented.

			sales where local authorities have been involved Consult with representatives of PIAH to verify that there are no claims or that these are being resolved	• Review of documentation related to the process for awarding land titles to the PIAH and consultations in their communities demonstrate that the government, through its institutions, has guaranteed their rights.
Local authorities involved in illegal sales of indigenous ancestral territories	National Forest, Municipalities Forest (*Ejidal*)	There are no reports of illegal land sale in indigenous territories	**Review and verify documents** The title of property is not in dispute or has been previously been denounced to the Property Institute **Consult** Verification of complaints and consultations with representatives of indigenous peoples and authorities such as IP and ICF	• Stakeholders are in agreement that the title of property is not in dispute or has been denounced before

Classification of species, quantities, qualities

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Fraudulent invoices used by companies. - **Lack of stamps,** - **do not match the product sold in terms of volumes, species and quantities** **Re-use of invoices**	All types of forests	Invoices and transport documents correspond to the product transported	**Review and verify documents** • sales invoices • shipping waybills **Consult** Consultation with authorities (*ICF*, *Postas*, Attorney General, IFM) that shall confirm the correct classification of the product transported Consultation with authorities (*ICF* and *DEI*) shall confirm the correct compliance of technical norms and correct classification of the product.	• The classification (species, volumes, quantities and quality) of the products on the purchase-sales invoices or on the shipping waybills (guías de transporte) stamped by the ICF shall correspond to the product sold or transported. • Consultations with authorities in charge of the control of documentation accompanying transport (ICF, Postas, Attorney General, IFM) show evidence (reports, photographs of documents) of the correct classification of the product transported (species and quantities) and not duplicity of the invoice used.
The measures contained in the technical norms are rarely applied in the field, and technical supervision to evaluate compliance is not very effective (risk on	All types of forests	Forest companies or forest organizations shall respect technical norms related with classification species, volumes.	**Review and verify documents** Review reports from ICF audits in terms of classification of the product. **Consult**	• Reports of *ICF* and *DEI* audits of forestry companies (primary and secondary) show compliance with the documentation in terms of classification of the product (species and quantities).

incorrectly classifying species, erroneous volumes).			Consultation with authorities (ICF) that shall confirm the correct compliance of technical norms and correct classification of the product.	

Trade and transport

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Trucks travel during unauthorized hours without required invoices	All types of forests	The transport and documentation that accompanies the product correspond with the dates reported in the Transport waybill (*guía de movilización*)	**Review and verify documents** Review transport waybills and invoices and check whether products (species and quantities) match **Consult** Consultations with ICF, national police, Justice Department, to ensure the control over the transportation of products and sub-products have been done and non-compliance have been raised for the company evaluated.	• Transportation waybills (guías de movilización) and invoices eet all the safety requirements (ICF stamps, safety stamps, DEI registration, etc.) • The hours to transport any type of timber must be respected (5:00 a.m. to 9:00 p.m.) • Consultations with the ICF, national police, Justice Department, to ensure control over the transportation of products and sub-products is doneConsultations with the authorities responsible for the control of documentation related to timber trade and transportation, to corroborate the implementation of controls over

				companies that falsify transportation documents such as waybills and invoices.
Fraudulent use of transportation waybills (guías de movilización) (e.g. re-use of documents)	All types of forests	The information included on the transportation waybills shall match with the product transported in species, volume and quantities	**Review and verify documents** Review transport waybills and invoices and check whether products (species and quantities) match **Consult** Consultations with the authorities responsible and third parties shall confirm the correct compliance of legal procedures and correct use of trade and transport documentation	• Transport waybills (guías de movilización) and invoices meet all the safety requirements (ICF stamps, safety stamps, DEI registration, etc.) • Shipping documents must match the products (species, quantities). • Consultations with the authorities responsible for the control of documentation related to timber trade and transportation, to corroborate the implementation of controls over companies that falsify transportation documents such as waybills and invoices.

Customs regulations

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Illegal timber shipments (e.g. narcotics have been found hidden in forest shipments)	All types of forests	Exporter shall follow the custom rules	**Consult** Consultations with the responsible stakeholders from the forest to the custom (ICF, municipalities, MiAmbiente) to industry (DEI, ICF) and the final product (for example, DEI, OIRSA, SAG), on whether legal procedures for exporting wood are followed. Interviews with authorities responsible for the national processes (ENCTI) and international processes (VPA-FLEGT) in order to verify legality enable verification of compliance with legal procedures related to the export and import of forestry products. Consultations with DEI authorities to verify that there has not been any tax evasion, and that verification has been performed and it matches the declared merchandise.)	• Consultations with the responsible authorities, verify the origin of forestry products and payment of taxes. • All the administrative procedures and requirements for the export of timber and timber products are met (cross-checking, Timber Tracing System (*Sistema de Rastreo de Madera* (*SIRMA*, which according to government experts, will be implemented by the *ICF*)).

Improper preparation of exportation documents	All types of forests	Exporter shall follow the custom rules	**Review and verify documents** Export documents **Consult** Consultation with *DEI* authorities to verify that there has not been any tax evasion, and that verification has been performed and it matches the declared merchandise	• All export documentation follow the legal requirements and export documents can be linked together by cross-checking • All the administrative procedures and requirements for the export of timber and timber products are met (cross-checking, Timber Tracing System (*Sistema de Rastreo de Madera* (*SIRMA*, which according to government experts, will be implemented by the *ICF*)), • Minutes from consultations with *DEI* authorities to verify that there has not been any tax evasion, and that verification has been performed and it matches the declared merchandise.
Phytosanitary permits do not exist, or have been obtained through false declarations	All types of forests	Data of the phytosanitary certificate shall correspond with the other export documents	**Review and verify documents** Phytosanitary permits **Consult** Consultations with International Regional Organization for Plant and Livetock Health (*Organismo Internacional Regional de Sanidad Agropecuaria* (*OIRSA*) about the legality of the phytosanitary permit.	• All the administrative procedures and requirements for the export of timber and timber products are met (cross-checking, Timber Tracing System (*Sistema de Rastreo de Madera* (*SIRMA*, which according to government experts, will be implemented by the *ICF*)), consultations with *DEI* authorities to verify that there has not been any tax evasion, and that verification has been performed and it matches the declared merchandise.) • Consultations with International Regional Organization for Plant and

				Livestock Health (*Organismo Internacional Regional de Sanidad Agropecuaria* (*OIRSA*) to verify that there has not been any false phytosanitary permit.

CITES

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions	How to verify legal compliance (verifier) Find relevant key document examples in the Honduras Document Guide
Timber harvested under a legally issued CITES certificate is exported	All types of forests (CITEs species from plantations are exempted to have a CITEs certificate)	The information included on the certificate of origin shall correspond to information declared in CITES	**Review and verify documents** Statement of provenance (*dictamen de procedencia*) **Consult** Consultation with responsible authorities (ICF, SAG) regarding legal compliance of CITES permits issued. The issuance of CITES certificates must follow a rigorous procedure to enable coordination with systems that verify the legal origin of the product (SALH, ENCTI).	• All cross-border trade of CITES species must include the legally required documentation such as export certificates and permits issued by the corresponding authorities (SAG, ICF, DEI, OIRSA etc.) • Minutes with the responsible authorities (ICF, SAG) shall show that the CITES species list for Honduras is being applied and respected.

CITES species are exported as non-CITES species, and thus without CITES permit	All types of forests	Species shall be correctly declared and covered by applicable CITES permit as required	**Review and verify documents** • Review documents from the POA or harvesting permits, to evaluate the correct name of the species. • Verify the Certificate of Origin required for CITES **Timber testing** Use timber testing to determine the species and origin. The following types of timber testing can be used to determine origin and species: • DNA analysis • Stable isotope analysis • Wood anatomy (macro- and microscopic) analysis (for species identification only)	• Verification of the species received correspond to the species in the CITES permit. • Timber testing results are consistent with documents containing information on origin and species

About

Supporting Legal Timber Trade

Supporting Legal Timber Trade is a joint initiative run by NEPCon with the aim of supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber's origin is not only good for the forests, but good for business. The joint initiative is funded by the LIFE Programme of the European Union and UK Aid from the UK Government.

NEPCon

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

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