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FSC Annual Surveillance of IMO 2009

Forest Management Audit to Fuyang Dahe Bamboo Forest Management Association IMO-FM/COC-027679

Date of audit: 11 - 12 June 2009

(Final)

	NAME	DATE
Report drafted by:	Alistair Monument	26 August 2009
Reviewed by ASI:	Sasha Bosbeer	4 September 2009
Reviewed by IMO:	Thomas Papp-Vary	23 November 2009
Finalized by ASI:	Alistair Monument	19 December 2009
Report last updated:		

Credits

The author would like to thank Mr. Thomas Papp-Vary and Mr. Wang Dong from IMO as well as Mr. Zhao Li and all staff of Fuyang Dahe Bamboo Forest Management Association involved in the audit for preparing and making the arrangements that made this assessment possible and efficient.

1 Background

The operation audited by IMO

Name of operation	Fuyang Dahe Bamboo Forest Management Association
Total area	1106 ha
Type of management	Bamboo and Natural forest management
Name of contact person	Mr. Zhao Li
Address	Lehe Village, Yongchang Town Fuyang City, Zhejiang Province
Country	China
Phone number	+86-0571-63772935
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URL	
E-mail address	bamboodahe@yahoo.cn
Brief description	<p>Fuyang Dahe Bamboo Forest Management Association (FDBF) is a forest owners association that provides oversight and guidance to the forest owners who wish to have FSC certification in the forests of their members. FDBF is financed by the buyers of the bamboo, who locally process the bamboo and export the final products. FDBF was established in 2007, with the objective of organizing local bamboo forests and protected forest resources for achieving and maintaining forest certification. The forests primarily belong to the Chinese state, which is the landowner. The use rights are given to small farmers, who have a license to manage the land. The farmers consign their use rights of the bamboo forests to two villages (the basic administrative government in China) to manage the bamboo forest on behalf of them. By signing the consignment agreement, the farmers will give up their use and management rights on the bamboo forest.</p> <p>Two villages (Lehe and Tangchang) have obtained the bamboo forest ownership from 439 and 214 farmers by signing the use right consignment agreements. In 2008, Qingshan village has been included into the association and it also has obtained the bamboo forest ownership from 154 farmers by signing use right consignment agreements.</p>

The certification history

Pre-audit	December 14 - 15, 2006 Pre-Evaluation
Main audit:	Aug. 22-24, 2007
Date of certificate issue	December 29, 2007
Date of 1st surveillance	Sept. 10, 2008
Date of 2nd surveillance	June 11-12 2009 (this audit)

ASI Assessment Details

Purpose of assessment	Regular annual surveillance
ASI lead assessor	Alistair Monument
Local Expert/ translator	Ms Zhou Yan
Language	Chinese/English
Sites visited	Lehe, Qingshan

Assessment agenda

10 Jun 2009	
pm	travel
evening	ASI opening meeting with IMO
11 Jun 2009	
9:00 – 12:00	Opening meeting of IMO Review on FDBF's work during 2008 in the office of Yongchang town Bamboo Association (same building as Lehe village committee council)
13:15 – 17:15	Field trips 1. <u>Plot No. 13 for bamboo forest</u> 2. <u>Protected forest</u> 3. <u>Expanded forest area in 2008 (Qingshan village)</u>
19:30 – 20:00	Internal discussion of ASI
12 Jun 2009	
9:00 – 9:30	Internal meeting of ASI and IMO
09:30 – 12:00	Stakeholder consultation meeting in Tiandi guest house, where the audit group had accommodation.
12:00 – 12:30	IMO Auditors' interview with 2 bamboo farmers who also attended the stakeholder consultation meeting
13:55 – 14:30	Closing meeting of IMO, ASI and FDBF (represented by Mr. Zhao Li and Mr. Fan Donggen)
14:30 – 15:10	ASI closing meeting with IMO

People involved in the assessment

IMO	Mr. Thomas Papp-Vary, IMO Mr. Wang Dong, IMO (lead auditor)
Operation	Mr. Zhao Li, FDBF group manager (responsible for certification) Mr. Fan Donggen, FDBF Mr. Sun Yujian, FDBF technician

	Mr. Zhou Jungang, FDBF technician Mr. Shao Jianchun, FDBF head
Others	Mr. Sun Achang, local farmer and member of the association 12 June 2009 Stakeholder meeting Mr. Zhu Xiwen, former director of Fuyang Forestry Bureau; Mr. Wen Cheng, vice mayor of Yongchang town, Fuyang city; Mr. Sun Yujian, technical extension center, Fuyang Forestry Bureau; Mr. Zhou Jungang, technical extension center, Fuyang Forestry Bureau; Mr. Sun Jiansong, Fuyang Environmental Protection Bureau; Mr. Wang Xiaokun, bamboo farmer (with big forest areas); Mr. Shao Hongming, bamboo farmer (with big forest areas); Mr. Xie Jingzhong, Subtropical Forestry Research Institute, Chinese Academy of Forestry Mr. Li Yangen, Zhejiang Forestry University; Mr. Lin Junlie, Zhejiang Forestry University; Mr. Daniel G. CEO, Smith, Smith & Fong Co., Ltd; Mr. Tu Jianmin, Hangzhou Dahe Bamboo Industry Co., Ltd.

2 Assessment objectives and planning

The objectives of this forest management surveillance assessment are:

1. Evaluation of certification body's performance in implementing the accredited certification system in accordance with FSC accreditation requirements.
2. Witness an audit team to determine whether or not the team:
 - a) adequately applies the procedures and instructions of the certification body;
 - b) members exhibit the characteristics of an auditor as detailed in ISO 19011;
 - c) has the required expertise of the sector in which the audit is being undertaken;
 - d) applies appropriate expertise in the correct sense;
 - e) undertakes the audit effectively and draws correct conclusions.
3. Evaluation of the conformity of the certificate holder with FSC and certification body's certification requirements in so far as this is necessary to verify the performance of the certification body.
4. Evaluation of stakeholder comments or complaints ASI received in relation to this operation.

ASI annual surveillance assessments are conducted according to the methodology of “*witness audits*” following the recommendations of the ISO/ IAF Accreditation Auditing Practice Group (APPG) published in 2005. ASI assessments are based on a sample of the valid certificates of the assessed IMO within the scope of accreditation. The number of assessments per year is determined by ASI surveillance policy; sampling is based on the ASI sampling procedure. Due to the nature of the ASI surveillance procedure,

assessment evidence is only based on a sample of the information available and therefore there is always an element of uncertainty in the assessment findings.

3 ASI stakeholder consultation process

The stakeholder consultation process employed by ASI consists of 2 parts:

1. public announcement of the assessment on the FSC electronic fora and on the ASI website about one month prior to the audit to solicit stakeholder comments;
2. direct interviews with selected key-stakeholders, conducted by the ASI local expert on behalf of ASI prior to the assessment. The IMO Stakeholder list was not provided by IMO until the day before the audit started; hence, it was not possible to undertake interviews with many local stakeholders.

IMO comments 23 November 2009:

Just for clarification and in order to avoid a misunderstanding. IMO provided the stakeholder list, which has been an annex to the public report

- a) after the main audit on the IMO homepage in *.doc
www.imo.ch/imo_services_forest_fsc_en,1708,998.html-> China -> Fuyang*
- b) the same in *.doc via e-mail on 02.06.2009 to china@fsc.org as part of the 2007 report, Subject: Re: Assessment planning 2009 for IMO in China -> Audit at FUYANG on 11 and 12 June 2009”, attachment “2007-fuyang.zip” ?*
- c) Wang Dong sent the stakeholder list in *.xls including phone numbers and e-mail to Ms. Zhou Yan two days before the audit started, Subject: Re: stakeholder list (e-mail from Wang Dong on June 9th, 2009, cc: to Alistair and Thomas).*

Am I correct that you could not use the list of a) and b) and that IMO was too late with c) for making sure that you had sufficient time for contacting the stakeholders?

ASI assessor response:

The lists in a) and b) did not have contact details. The list provided at 23:41 on the 9th June, did not give sufficient time to contact stakeholders prior to travel to the audit on the 10th June.

Stakeholder comments	ASI response
Most stakeholder comments reported an overall satisfactory performance of the operation.	Noted.
FDBM group manager: Forest certification is a good scheme in general. However, he felt there were some difficulties in his job such as the relation with local people, garbage and litter in the forest and communication with IMO.	Noted. See ASI CAR to IMO on communication with their client.
Technical extension center, Fuyang forestry bureau, technician for FDBM: Forest certification fits the local conditions and the bamboo forest. He has a major concern on the sustainability of the bamboo forest. Certification has not yet brought economic benefits for local communities, although a positive impact on forest management and harvested bamboos' quality is noticeable now.	Noted.

Local forest station: The FSC standard for certification is somewhat demanding for local communities, and farmers could not understand it at the beginning. Now they gradually understand forest certification after the patient work of FDBF staff.	Noted.
Fuyang forestry bureau: Forest certification is a trend for future development of the forest. Protection and utilization of forest resource should go hand in hand.	Noted.
Subtropical Forestry Research Institute, Chinese Academy of Forestry (based in Fuyang): Bamboo is a good species for sustainable development. In some aspects, bamboo is same as wood species in certification. However, it has its own attributes such as more human intervention, selective felling methods, etc., which need to be considered during certification. Forest certification is good in the long run, especially for issues like providing jobs for women etc.	Noted.
Hangzhou Liyao Bamboo Products Co., Ltd: Forest certification is good in general, and he has no comments on most of the questions.	Noted.
Head of local village: Forest certification is good for the local community in general, especially in harvesting. The previous situation with unmanaged and unplanned harvesting has been improved a lot since certification.	Noted.
Large-scale bamboo farmer: This stakeholder had few comments during the interview but agreed that forest certification is good in general.	Noted.

(Following are comments from the IMO stakeholder consultation during the assessment at Fuyang on June 12, 2009)

Stakeholder comments	ASI response
Most stakeholder comments reported an overall satisfactory performance of the operation.	Noted.
Subtropical Forestry Research Institute, Chinese Academy of Forestry: The Chinese government and domestic forestry research institutes are also working on the promotion of forest certification and bamboo certification criteria are under discussion currently. Bamboo is part of forest, in his point of view. Earlier, people focused more on the economic benefit of the bamboo forest, and currently, attention is shifting to the function of ecological safety. Therefore, it is in compliance with the general goal of FSC of sustainable development. However, the FSC standard is made for wood forest and so some of its criteria do not fit the bamboo forest. An example is harvesting. Selective harvesting should be adopted in bamboo forest	Noted.

<p>management. And proper and more intensive intervention is required for bamboo forest management due to its short rotation.</p>	
<p>Fuyang Environmental Protection Bureau: Environmental impact assessment should be done for FSC project. It is done by FDBF; however, Mr. Sun pointed out that the assessment was not approved by the local environmental authorities. Moreover, he suggested that environmental assessment should be carried out every two to three years so that people can see from real data whether the certification project has positive or negative impacts on the local environment.</p>	<p>IMO followed up on the EIA issue in the audit.</p>
<p>Former director of Fuyang Forestry Bureau: Forest certification is a trend for forest development; it should be aimed at benefiting the majority instead of one or two individuals. Forest certification includes many aspects such as economic, social, ecological etc, and the weight should not be distributed evenly among all factors. The weight of each factor should be based on the local context, and FSC should be able to find the appropriate balance. Mr. Zhu also pointed out that for IMO alone it is difficult to do forest certification in Fuyang since IMO doesn't know the local context, therefore, if IMO could find a local partner such as Subtropical Forestry Research Institute or Zhejiang Forestry University to carry out the program, it would be better. FSC standards are bit high for Fuyang, so if FSC could lower its standard a bit and also if Fuyang could improve a little bit, they might be able to find a point to meet, which is more local condition based forest certification.</p>	<p>Noted.</p>
<p>Technical extension center, Fuyang Forestry Bureau: FSC certification can help forest product exporting. Moso bamboo is a special forest species and it is highly correlated to FSC in terms of sustainable development and environmental friendly. However, he suggested to include bamboo certification into FSC certification scheme and to make specific FSC certification criteria for bamboo. Or bamboo certification should become a sub-branch for FSC certification. The current certification standard doesn't fit for bamboo in some degree. The reasons, for instance, could be small-scale management models due to bamboo forests being allocated to household, the harvesting model and so on. Bamboo forest which is under FSC monitoring (from cultivation, management to processing) is definitely better than without the monitoring mechanism, especially for water, soil, landscaping and HCVF.</p>	<p>Noted.</p>
<p>Vice mayor of local village, who is in charge of agriculture and forestry: Generally, local farmers have a positive comment on bamboo forest certification. But since some FSC regulations such as "not encouraging the use of fertilizer" have not brought positive impacts to local community, the FSC scheme at Yongchang</p>	<p>Noted.</p>

town has not show any advantage and farmers also don't have very obvious response to FSC certification, either being positive, or being negative.	
Zhejiang University of Forestry: Mr. Lin does not know FSC very well. However, he encouraged intercropping in bamboo forest, such as herb medicines and other cash crops. Monoculture is definitely not good in his point of view.	Noted.
Bamboo farmer: One of the big local bamboo farmers, who has contracted over 400 mu (ca. 27 ha) of bamboo forest for management for 3 years up to now. His bamboo forest is FSC-certified forest and sold as FSC certified products. The economic benefit is more or less the same as before certification with a slight increase in selling prices. Based on his many years experience in bamboo forest management, he did topping (cut the top of the live bamboo so as to avoid possible snow fall and wind break) for his bamboo forest. Therefore, the economic loss of his bamboo forest is much lower than other forest following the 2008 snow disaster.	Noted.

Please note that some stakeholders provide their comments in confidence. ASI and FSC are respecting these requests.

IMO comments 23 November 2009:

(It's fine if this was the case in the FUYANG project. But just for information: Was confidential stakeholder input the case here or is it perhaps an artifact from another project? (IMO recently received an ASI surveillance report with similar wording but finally it came out that no stakeholder asked for confidence.))

ASI assessor response:

The word 'provided' in the above has been changed to 'provide' to cover cases where no stakeholders ask for confidentiality. In general stakeholder comments are taken to be in confidence.

4 Main Findings

IMO AUDIT PERFORMANCE	
FSC requirements	Findings and conclusions
Standard adaptation (20-003)	IMO did not develop an appropriate NTFP FSC standard for Bamboo in China as required by FSC Guidelines for Certification Bodies, Part 2: Forest Certification, Subject 2.8:Non Timber Forest Products Updated: March 2005 2.4 <i>The certification body shall use standards prepared or adapted in the region for that NTFP, or it shall prepare its own NTFP standards by a process of national or regional consultation similar to the process currently used for the local adaptation of certification body generic standards</i>

IMO states that they treated the forest as a conventional forest with a 'timber NTFP', hence treated the Bamboo as if it were timber as the management is virtually the same as for timber production. This, however, is not clearly in line with FSC Guidelines on NTFPs and in the opinion of the ASI team there would be significantly different indicators in place for a Bamboo standard. The local stakeholders and technicians also felt that specific criteria for bamboo were needed.

IMO comments 23 November 2009:

However, they did not articulate this wish during the stakeholder consultation in 2007.

There is a separate FSC standard for Bamboo in Colombia (Guadua), and a number of processes underway in China to develop specific FSC Bamboo standards for China, including through INBAR and CAF.

NC.IMO.FSC.FM.CHN.2009.01

The IMO workflow document (CH I 2-1-10-en-Dez08) does not fully address FSC requirements in FSC-STD-20-003 (version 2-1) section 3.1 on stakeholder consultation on standard adaptation. IMO's workflow procedures do not specify that standards need to be consulted on, as required by FSC requirements.

IMO comments 23 November 2009:

This is not correct:

1) The IMO workflow document (CH I 2-1-10-en-Dez08), clause 5.4.1.2 states: "Stakeholders receive the IMO Generic standard or accredited FSC standard and are asked for commenting the compliance with the standard in the company.

In case of a draft standard, they can also comment the draft standard itself. Stakeholders from environmental, economic and social interest groups are included."

2) The stakeholder invitation e-mail of 13.07.2007 states (in the ASCII text) "You can also comment the standard itself."

*3) The attached stakeholder letter of 13.07.2007 states: "You have been identified as one of these which means that your comments about the forest management of the controlled company **and/or the standards are taken into consideration."***

The document CH I 2-1-10-en-Dez08 states:

4. The standard/checklist including indicators, and, if available, verifiers have to be available in the language of the region to be certified at least one month before the start of the main audit. At the same time, it has to be published on the IMO website. It should be pointed out that only the original standard /

	<p><i>checklist in one of the official FSC languages is binding.</i></p> <p><i>The locally adapted standard, however, doesn't need to be available in English or Spanish. The adaptation to the standard can be carried out before its translation, i.e. the stakeholder can be consulted with a draft of the standard.</i></p> <p>In this case a consultation process on the standard was undertaken but without sufficient response. A note was included in the stakeholder consultation letter, and the standard was included on the website, but no comments were received.</p> <p>IMO comments 23 November 2009: <i>Please give reference to a standard requiring that any comments shall be received.</i></p> <p>ASI assessor response This is a comment on the quality of the process as opposed to a standard requirement</p> <p>IMO state that they adapted the standard but limited evidence of changes were included.</p> <p>Further there were no specific indicators that refer to bamboo and its utilization.</p> <p>IMO comments 23 November 2009: <i>Since the above mentioned section is not correct, we propose to delete NC.IMO.FSC.FM.CHN.2009.02.</i></p> <p>ASI assessor response: The ASI assessor accepts the IMO comments and has deleted NC.IMO.FSC.FM.CHN.2009.02. The Section in the workflow document (CH I 2-1-10-en-Dez08) 5.4.2 Local adoption of Standards does not include a specific requirement to consult, however this is covered in the previous section 5.4.1 Consultation of Stakeholders as IMO have pointed out above.</p>
Auditor qualification (20-004)	No formal auditor records were checked during the audit but the observations made during the audit indicate a satisfactory level of experience, professional knowledge and behavior.
Stakeholder consultation (20-006)	The IMO stakeholder list has not been updated since 2008. It includes mainly local authorities and Fuyang's collaborating organizations, and one big farmer is included, but small farmers who might have different perspectives are not represented. No stakeholders were contacted who were not recommended by the group manager. Gender balance is not

taken into consideration - all stakeholders are male. Age is also not considered - neither old nor young people were found during interview.

IMO comments 23 November 2009:

Please give reference to a standard requiring gender balance and age.

ASI assessor response

This is a comment on the quality of the process as opposed to a standard requirement

No national-level institutes or organizations are included in the stakeholder list submitted to the ASI local expert.

IMO comments 23 November 2009:

Seems to be a misunderstanding since the 2007 main audit report lists in the "Public Annex: Stakeholders FSC Certification FUYANG July/August 2007" (around page 20) also "National Stakeholders".

ASI assessor response

The ASI assessor accepts this comment and has added the text 'submitted to the ASI local expert' to the statement above.

The stakeholders interviewed had a positive attitude towards forest certification in general.

Some stakeholders including the client complained regarding a lack of or late responses from IMO regarding their email correspondence.

During the audit, IMO did not take advantage of opportunities to properly interview key stakeholders, e.g. a villager seen in the forest digging up edible bamboo shoots was not interviewed. IMO stated that they contacted more farmers and communities on previous visits.

A stakeholder meeting was organized during the audit, but the majority of participants were officials, forest department and administrative individuals, rather than communities impacted by the forest management. Two farmers were present, but they were large scale farmers managing other farm workers, who could not really represent the small scale farmers and less powerful communities.

The ASI team had to ask for a separate meeting to talk to the two farmers representatives who were present at the meeting without individuals from the company and officials present, after the stakeholder meeting.

	<p>IMO discussed with the 2 farmers representatives topics such as the issue of benefits from the forest and harvesting rights, particularly with regards to the issue of outside workers harvesting bamboo as opposed to the villagers. There were some problems in understanding the local dialects of the farmers.</p> <p>The ASI team concluded that local farmers and communities were not adequately consulted during the surveillance of IMO-FM/COC-027679 and farmers were not always given the opportunity to present their points of view in confidence.</p> <p>FSC-STD-20-006 (version 2-1):</p> <p><i>1.4.1 a range of stakeholders is consulted, appropriate to the scale and range of impacts of the forest management being assessed;</i> <i>Please justify why the range of stakeholders was not sufficiently consulted considering the scale of roughly 600 ha (1106 ha minus 408 ha for conservation) and, as it has been IMO's impression, low impacts of the management (see 2007 main report, chapter 5.1).</i></p> <p><i>1.4.2 stakeholders have the opportunity to present their points of view to the auditor(s) in confidence;</i></p> <p>NC.IMO.FSC.FM.CHN.2009.03</p>
Evaluation process (20-007; ISO 19011)	<p>The objectives in visiting each field site were not always clear.</p> <p>IMO stated that there were three criteria for choosing sites:</p> <ol style="list-style-type: none"> 1. Those have not been visited from the previous years' audits; 2. Newly added village; 3. Different forest types such as bamboo, protected forest etc. <p>This selection was appropriate. However, at each field visit, the main objective appeared to be to view the forest, as opposed to evaluating compliance against particular parts of the standard or interviewing particular stakeholders.</p> <p>The ASI assessor does not propose to raise a finding on this issue but would encourage IMO to consider this in future audits.</p>
Audit report (20-008)	No findings
Public summary (20-009)	No findings
Decision making (20-002, Part 2)	No findings
Application of FSC policies and guidelines	IMO stated the risk class was low (I), which justifies the short audit time and the sampling level. However, IMO did not

	<p>complete the risk analysis in their 08- Check List for FSC – Group Management Forestry, which would justify this decision.</p> <p>NC.IMO.FSC.FM.CHN.2009.04</p> <p>IMO did not complete separate checklists for each member at the main assessment or the surveillance. They stated that at each surveillance and at the main audit they looked at all villages and at all resource managers so only filled in one checklist for the entire operation, and had the same findings at all sites within the entire operation.</p> <p>As this certificate is not a group of SLIMFs, the certification body is required, at each surveillance, to evaluate each FMU sampled against all of the requirements of the applicable standard. As there were no separate checklists for different sites, it was not clear that all requirements were evaluated at each sample site.</p> <p>OBS.IMO.FSC.FM.CHN.2009.01</p>
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OPERATION'S COMPLIANCE WITH CERTIFICATION REQUIREMENTS	
FSC requirements	Findings and conclusions
Group FM requirements	<p>IMO had not been made aware of several changes at FDBF (e.g. name and structure change of the association in January 2009, increase in the area of bamboo forest, etc.) and specific important activities (e.g. increased harvesting in certain areas following heavy snow damage in February 2008).</p> <p>FDBF changed their name because, when they went to local authority for registration, they were told that another bamboo association (Fuyang Yongchang Town Bamboo Association, FYBA) has been registered previously. The change results from a government decision to merge two villages into one for administrative reasons (this is the also the reason for the enlargement of the forest area). It is not clear as to whether a completely new legal entity has been created. To reduce costs and administration the association decided to be incorporated into FYBA.</p> <p>FDBF state that they have informed IMO of this, but IMO stated they were not aware prior to this assessment and hence did not approve the changes and have not updated fsc-info.org appropriately.</p> <p>NC.IMO.FSC.FM.CHN.2009.05</p>

	<p>The internal group management system was not very clear, particularly regarding responsibilities between the association and forest department for training and verification.</p> <p>Two new forest technicians were working with the association, but were not fully aware of the FSC standard for forest certification and had not reviewed certification standard documents.</p> <p>With the recent change of new staff, this issue is not raised as a finding, but it is expected that in the future IMO will assess training of and communication to new staff in the certified operation.</p>
Principle 1	<p>The association's EIA had not been fully approved by government authorities due to procedural issues within the government.</p> <p>This issue was addressed by IMO during the assessment.</p>
Principle 2	<p>Compliance with FSC requirements on Customary rights, and land tenure was not clear enough in reports and checklists. It is important that IMO demonstrates that this was evaluated properly as it is a key issue in this certificate.</p> <p>The ASI team was informed that in Qingshan village this is a prominent issue, since Qingshan villagers have the habit of collecting firewood from the forest to get through the winter. These rights are under the protection of forest law, and farmers don't need to apply for permission from the local authority before going to the forest to collect the firewood.</p> <p>It appears that the group manager has informed villagers of what is happening but is not actively working to maintain villagers' customary rights.</p> <p>OBS.IMO.FSC.FM.CHN.2009.02</p>
Principle 3	<p>During the consultation meeting, it was discussed that more local knowledge could be used. i.e. Topping bamboo trees to reduced snow damage.</p>
Principle 4	<p>There were still some instances of non-compliance with health and safety regulations particularly for personnel employed by contractors. These were addressed through corrective action requests by IMO.</p> <p>No accidents had been recorded. The ASI team discussed the importance of recording accidents even if the forest manager did not deem them serious. This should follow the IMO checklist 4.2.9 that '<i>All work accidents are recorded and analysed.</i>' There was no evidence that accidents were not being recorded, however it should be something that IMO follows up on in future audits.</p>

Principle 5	<p>Over-quota salvage harvesting was mentioned during the opening meeting and the harvesting rate was almost doubled in 2008 as compared with previous years. IMO was not aware of the increase in bamboo harvesting volume, (See NC.IMO.FSC.FM.CHN.2009.05 on communication with the client).</p> <p>The over-quota harvesting was due to the snow damage from storms in February 2008 and salvage harvesting of damaged bamboos. There was no harvesting planned for 2009; this was in order to let the forest recover.</p>
Principle 6	<p>Waste disposal had been addressed by a previous CAR from IMO which was extended in 2008. Improvement on this issue was seen which was accepted by IMO.</p> <p>A clear felled site of 30-40 sqm (of forest) on a steep slope was seen in a natural forest area at the new Qingshan village site. It was suggested that this may have been undertaken by a local farmer who would like to grow bamboo on this site. IMO did not receive a clear explanation from the technician on site, and even though it appears this activity was undertaken prior to the site joining the group, such activities (any conversion or loss of natural forest area) should be followed up thoroughly by IMO.</p> <p>OBS.IMO.FSC.FM.CHN.2009.03</p>
Principle 7	<p>The group's forest resource map requires improvement and shall include some basic indications of infrastructure (e.g. roads water systems, settlement.)</p> <p>The group managers discussed that they will complete a new map in October 2009. The ASI auditor believed that the maps presented during the audit were not sufficiently comprehensive despite 2 years of certification. A non-conformity on this issue stated by IMO, at the audit to have been closed (<u>condition 6/07</u>) but IMO stated that a new one was to be considered.</p> <p>IMO should ensure that there is sufficient evidence presented to close out non-conformities and ensure that appropriate maps are prepared.</p> <p>OBS.IMO.FSC.FM.CHN.2009.04</p>
Principle 8	<p>There needs to be improvement in recording activities such as safety and training and IMO discussed this with the client.</p> <p>China of Custody issues seem to have improved, but IMO stated the group needs further improvements to invoices, and need clear marking to identify FSC products</p> <p>The ASI assessor observed that some documents do not match up exactly when comparing harvesting records and sales records. Some documents use weight as a measure while some use number of pieces of bamboo, making</p>

	reconciliation difficult. The group manager was able to show how different sales related to harvest, but it was not a clear system and potentially could be open to abuse (although at present there is no evidence of abuse).
Principle 9	No findings
Principle 10	No findings, as not evaluated.

5 Nonconformities and observations

Major NC(s)	Minor NC(s)	Observations
0	4	4

See nonconformity reports (attached) for details.

Note 1: the failure to successfully address MAJOR NCs within the given timeline may result in disciplinary measures, including the suspension of accreditation.

Note 2: Observations are related to an area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Thus, observations which are not considered by the CB may lead to corrective action requests in the future.

6 Conclusion and recommendation

IMO conducted a systematic and professional audit and addressed all issues in a professional manner.

Based on the findings of this assessment, the ASI lead assessor recommends to FSC AC the continuation of the current scope of FSC forest management accreditation for IMO, subject to the timely closing of the nonconformities identified during the audit and specified in the nonconformity reports (attached).

Attachments

- Nonconformity reports (NCRs)
- ASI feedback to IMO comments on report (if provided)
- Feedback from the ASI audit team (ASI version only)
- Local expert's report (ASI version only)

Annex 1

ACCREDITATION SERVICES INTERNATIONAL GmbH

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	NC.IMO.FSC.FM.CHN.2009.01	Date	12 June 2009
Nonconformity detected by (name of auditor)		Alistair Monument	
Through (e.g. office audit, document review)		FM assessment	
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION
IMO did not develop an appropriate NTFP FSC standard for Bamboo in China.			
Normative Reference(s)	FSC Guidelines for Certification Bodies, Part 2: Forest Certification, Subject 2.8:Non Timber Forest Products Updated: March 2005 Clause 2.4		
Corrective Action Request: IMO shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next IMO office audit	
Corrective Action implemented by Certification Body			
Corrective Action evaluated by ASI			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	NC.IMO.FSC.FM.CHN.2009.02	Date	12 June 2009
Nonconformity detected by (name of auditor)		Alistair Monument	
Through (e.g. office audit, document review)		FM assessment	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
Deleted			
Normative Reference(s)			
Corrective Action Request:			
Timeline for implementation			
Corrective Action implemented by Certification Body			
Corrective Action evaluated by ASI			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	NC.IMO.FSC.FM.CHN.2009.03	Date	12 June 2009	
Nonconformity detected by (name of auditor)		Alistair Monument		
Through (e.g. office audit, document review)		FM assessment		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
Local farmers and communities were not adequately consulted during the surveillance of IMO-FM/COC-027679, and farmers were not always given the opportunity to present their points of view in confidence.				
Normative Reference(s)		FSC-STD-20-006 (version 2-1) section 1.4.1, 1.4.2		
Corrective Action Request: IMO shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.				
Timeline for implementation		Next IMO office audit		
Corrective Action implemented by Certification Body				
Corrective Action evaluated by ASI				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*		Name auditor:		Date:
Comments:				

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	NC.IMO.FSC.FM.CHN.2009.04	Date	12 June 2009
Nonconformity detected by (name of auditor)		Alistair Monument	
Through (e.g. office audit, document review)		FM assessment	
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION
IMO did not complete the risk analysis in the 08- Check List for FSC – Group Management Forestry, and hence were not able to provide documented justification for the low risk class assigned and low sampling level.			
Normative Reference(s)		FSC-STD-20-007 (version 2-1) Forest management evaluation 3.3.5 and 3.4.2.2	
Corrective Action Request: IMO shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next IMO office audit	
Corrective Action implemented by Certification Body			
Corrective Action evaluated by ASI			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	NC.IMO.FSC.FM.CHN.2009.05	Date	12 June 2009
Nonconformity detected by (name of auditor)		Alistair Monument	
Through (e.g. office audit, document review)		FM assessment	
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION
IMO did not approve changes to the name, legal structure, management system and scope of the Group Manager (Fuyang Dahe Bamboo Forest Management Association IMO-FM/COC-027679). These changes were made in January 2009, but IMO were not fully aware of the changes and had not updated www.fsc-info.org appropriately.			
Normative Reference(s)		FSC-STD-20-007 (version 2-1) Forest management evaluation 4.2.1 (b) note 12 ISO/IEC Guide 65: 1996 (E) clause 13.2	
Corrective Action Request: IMO shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.			
Timeline for implementation		Next IMO office audit	
Corrective Action implemented by Certification Body			
Corrective Action evaluated by ASI			
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:	Date:	
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	OBS.IMO.FSC.FM.CHN.2009.01	Date	12 June 2009
Nonconformity detected by (name of auditor)			
Through (e.g. office audit, document review)		FM assessment	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
IMO should demonstrate that each FMU selected as part of a sample in a group scheme is evaluated against all of the requirements of the applicable standard.			
Normative Reference(s)	FSC-STD-20-007 (version 2-1) Forest management evaluation 3.3.6		
Comments:			

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Nonconformity detected by (name of auditor)			
Through (e.g. office audit, document review)		FM assessment	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
IMO should demonstrate clear compliance at Fuyang Dahe Bamboo Forest Management Association IMO-FM/COC-027679 with FSC requirements on Customary Rights.			
Normative Reference(s)	FSC Criteria 2.2		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	OBS.IMO.FSC.FM.CHN.2009.03	Date	12 June 2009
Nonconformity detected by (name of auditor)			
Through (e.g. office audit, document review)		FM assessment	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
IMO should ensure any cases of suspected conversion of natural forest to bamboo plantations are investigated and explained by the group manager.			
Normative Reference(s)	FSC Criteria 6.10		
Comments:			

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NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	OBS.IMO.FSC.FM.CHN.2009.04	Date	12 June 2009
Nonconformity detected by (name of auditor)			
Through (e.g. office audit, document review)		FM assessment	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
IMO should ensure Fuyang Dahe Bamboo Forest Management Association IMO-FM/COC-027679 has a management planning system with clear, usable maps describing the forest resource base including protected areas, planned management activities and land ownership.			
Normative Reference(s)	FSC Criteria 7.1		
Comments:			

Annex 2

IMO comments	ASI Response