

# ASI-ACCREDITATION SERVICES INTERNATIONAL GmbH

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## FSC Annual Surveillance of Control Union (CU) for 2008

Forest Management Audit to Maderas Peruanas MAPESAC, (Pucallpa  
- Peru)

Date of audit: 9 – 11 October 2008

*Final Version*

	NAME	DATE
Report drafted by:	Carlos Ruiz-Garvia	25 November 2008
Reviewed by ASI:	Alfredo Unda	15 February 2009
Reviewed by CAB:	Gerben Stegeman	17 March 2009
Finalized by ASI:	Carlos Ruiz-Garvia	5 April 2009
Report last updated:	Carlos Ruiz-Garvia	26 June 2009

## Credits

The author would like to thank Gerben Stegeman and Luis Miguel Aparicio from CU Program and their audit team as well as Giacomo Franchini M. from MAPESAC and their staff for preparing and making the arrangements that made this assessment possible and efficient.

## 1 Background of the assessment

The operation audited by CU, Maderas Peruanas S.A.C (MAPESAC)

<b>Name of contact person</b>	Giacomo Franchini Montero (Gerente MAPESAC) Guiomar Seijas
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<b>Scope of certificate</b>	FM certification

### Brief description of the operation

Maderas Peruanas SAC (MAPESAC) is a wood company founded in 1968. MAPESAC holder of a forest concession of 21,096 ha in Ucayali, eastern Lima. (Concession No 25-PUC/C-J-088-02). Mapesac was granted with a FSC certificate in 7-03-2006 (CU-FM/COC-802905). This was the first certificate granted to a private industry concessionaire in Peru. The company produces flooring, mouldings, pallet and wooden plugs for the export market and previously held a chain of custody certificate.

The timber harvested is processed into sawnwood, finished products mainly for export to Europe, the US and Asia

### Brief description of the assessment

An FSC Annual Surveillance of Control Union (CU) for 2008 of the operations of Maderas Peruanas S.A.C. (MAPESAC) (CU.FM/COC.802905) located in the Ucayali region of Peru was carried out on October 08-12, 2008. The CU audit was lead by Mr. Luis Miguel Aparicio of Control Union (CU), a FSC accredited certification body from the Netherlands. The witness assessment was lead by Dr. Carlos Ruiz-Garvia, Accreditation Program Manager for Accreditation Services International (ASI) with Alfredo Unda as the local forest specialist (ASI Local Expert) support from Chile.

The certificate was selected by the ASI Accreditation Program Manager (Mr. Guntars Laguns) wanted to follow up on issues addressed by ASI in previous audits. ASI received confirmation from CU for the Mapesac assessment on the 1<sup>st</sup> of October 2008.

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Mr. Giacomo Franchini, general manager of MAPESA, was the primary contact for Control Union during the audit with support from various staff members throughout the exercise. Staff members from MAPESA were in attendance for the office and field components of the audit.

The audit was conducted over a three-day period and covered two large sections of the forest and operations found in the concession. The audit witnessing activities were split and the ASI Local Expert took charge of the local stakeholders' interviews and the MAPESAC documents revision.

ASI performed an FSC Annual Surveillance Assessment of Control Union (CU) for 2005 at MAPESAC from 29 August to 02 September 2005 (CU main evaluation). The lead auditor for this assessment was Mr Hubert the Bonafos. The report was finalized on the 10<sup>th</sup> of October 2005. The certificate was selected by the FSC accreditation assessor as it was the second forest management certification project to be finalized by CU in the Amazon basin. The FSC audit team joined CU audit team for the main evaluation as CU main evaluation was postponed by 9 months due to an early 2004-2005 rainy season.

### The certification history

<b>Main evaluation:</b>	August 29 – September 02, 2005 (No certification report finalized at the time of FSC surveillance audit).
<b>Date of certificate issue</b>	7 March 2006
<b>Date of 2nd surveillance</b>	04-08 September 2006
<b>Date of 3rd surveillance</b>	21-23 September 2007

Previous CU reports submitted to ASI before the audit took place:

2005 802905FSC.FM.CUSRPT -2005-01-LMA  
2006 802905FSC.FM.CUSRPT -2006-01-LMA  
2007 802905FSC.FM.CUSRPT -2007-01-LMA

### ASI Assessment Details

<b>Purpose of audit</b>	FSC Annual Surveillance of Control Union (CU) for 2008
<b>ASI lead auditor</b>	Dr. Carlos Ruiz-Garvia (Accreditation Program Manager)
<b>Local Expert</b>	Alfredo Unda
<b>Audit language</b>	Spanish
<b>Sites visited</b>	MAPESAC head office and the FMU, Pucallpa - Peru

### Audit agenda

The audit agenda was set up by CU as follow:

<b>9 October 2008</b>	
09:30	Opening meeting at Mapesac Office
11:00	Presentation by CU, Mapesac and discussions
15:30	Review of documents and records
<b>10 October 2008</b>	
09:00-18:00	Harbour at Rio Ucayali

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	Visit to selected sites at the concession (camp, restoration and reforestation activities after harvesting, permanent plots, trials, monitoring, forest inventory, verification of the implementation of silviculture treatments).
<b>11 October 2008</b>	
10:00-14:00	Visit to selected sites at the concession (road construction, and harvesting operations).
17:00	CU closing meeting (
19:00	ASI closing meeting
19:30	Adjourned

### People involved in the audit

<b>CU team</b>	Mr. Luis Miguel Aparicio (CU lead auditor)
<b>Mapesac</b>	Sr. Giacomo Franchini, Gerente General Ing. Giomar Seijas, Asesora Técnica Ing. Oscar Melgarejo, Jefe del Bosque
<b>Others</b>	Not applicable for this assessment

## 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 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 based on a sample of the valid certificates of the audited CAB within the scope of accreditation. The number of audits per year is determined by ASI surveillance policy; sampling is based on the ASI sampling procedure. ASI conducts witness audits following the recommendations of the ISO/ IAF Accreditation Auditing Practice Group (APPG) published in 2005. Due to the nature of the ASI surveillance procedure, the audit evidence is only based on a sample of the

information available and therefore there is always an element of uncertainty in the audit findings.

### 3 Terminology

ASI is applying the terminology following ISO Guide 65, ISO/IEC 17000:2004, ISO/IEC 19011:2002, and the FSC Terms and Definitions from the applicable accreditation and certification standards.

In the following, definitions are provided that apply for key terms relating to this report:

**Assessment:** Evaluation by ASI to assess the competence of a CAB, based on particular accreditation requirements and for a defined scope of accreditation.

**Assessor:** Person assigned by ASI to perform, alone or as part of an assessment team, an assessment of a CAB.

**Audit:** Evaluation by a CAB to verify the compliance of a company with FSC standards.

**Auditor:** Person assigned by the CAB with the competence to conduct an audit.

**CAB:** "Conformity Assessment Body", also "Certification Body"; body that performs certification services under the authority of FSC and under the control of ASI.

**CAR:** "Corrective Action Request"; is issued against the assessed CAB to describe and correct detected nonconformity with accreditation requirements. According to the severity of the nonconformity, a short (usually 3 months) or medium (usually 12 months) timeline is defined to correct the problem.

**Nonconformity:** The absence of, or the failure to implement and maintain, one or more management system requirements of the reference standards, or a situation which would, on the basis of available objective evidence raise significant doubt as to the credibility of the certificates issued by the CAB.

According to their severity, nonconformity is graded into three categories:

#### Major Nonconformity (Category 1)

A systematic failure or significant deficiency -either as a single incident or a combination of a number of similar incidents- in a significant part of the quality system, or the lack of implementation of such a part, governed by applicable standards. A number of minor nonconformities against one requirement of the applicable standards can represent a total breakdown of the system and thus be considered a major nonconformity

#### Minor Nonconformity (Category 2)

An isolated or sporadic lapse in the content or implementation of procedures or records which could reasonable lead to failure of the system if not corrected. If a pattern of minor nonconformities occurs over successive assessments, it may represent a total breakdown of the system and a major nonconformance is issued.

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### Observation (Category 3)

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. Observations shall be recorded in the audit report for the benefit of the customer.

Objective evidence: evidence that someone can inspect and evaluate for themselves; this includes documented evidence from documents and records, anecdotal evidence from interviews (if independently corroborated), and factual evidence through direct observations in the field.

Surveillance: set of activities to monitor the continued compliance of accredited CABs with accreditation requirements.

Witnessing: ASI assessors are observing the CAB auditors carrying out certification services in the company / operation of their certificate holder.

#### 4 ASI stakeholder consultation process

The ASI stakeholder consultation process consists of 3 parts:

1. Announcement of the assessment on the FSC electronic fora about one month prior to the assessment to solicit stakeholder comments and other comments and complaints previously sent by stakeholders to the certification body;
2. Specific messages to local stakeholders requesting input for the ASI field audit;
3. Individual contact, meetings and interviews with selected key-stakeholders prior to, during and/or after the ASI field audit.

A list of local stakeholders was prepared in advance to the audit covering a good range of interests and was all regionally localized. It is felt that since this was an annual audit that the breadth – scope of the stakeholder list was adequate and provided sufficient depth of stakeholder interests for the MAPESAC forest concession and the purposes of the annual audit.

An attempt was made to contact stakeholders with a variety of interests and perspectives on forest management on the MAPESAC forest concession. Emphasis was placed on contacting members of the local groups and ONGs dealing with forestry, environmental, rural and indigenous communities. Also officials of the regional government (GOREU) and the forest service (INRENA) were interviewed as well as other institutions.

ASI organized a brief meeting with the National Initiative in Lima on the 7/10/08 (morning), one day previous to the assessment. The main reason of the meeting was to get some feedback on performance of CU in Peru and advice to contact key persons to interview for forestry legal changes and forest concession contract.

#### People involved in the meeting:

<b>NI PERU (CFPERU)</b>	Javier Arce (Board of Directors) Maria Trujillo (Manager of CFPERU)
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With the input of the NI, ASI organized a brief meeting with National Authorities at INRENA (Institute of Natural Resources – Peru) in order to receive feedback on the FMP of MAPESAC and on changes on the Forestry Legal Framework and other new legal requirements.

### People involved in the meeting:

<b>INRENA - CERFOR</b>	Elena Rubio Daniel Matos
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The comments provided by these authorities were the following:

- MAPESAC's FMP was approved in 2006 and has a validity of 5 years.
- MAPESAC presented an amendment to the FMP/Annual Operation Plan in order to redefine their management unit for 2008 due to reported illegal logging activities. This addendum was evaluated and approved by INRENA.
- MAPESAC is in compliance with their payments (patents) and duties with INRENA.
- The authorities indicated that there were no changes in the size of the MAPESAC concession. However, effective changes on the size of the concession (from 21.061 ha to 17.036 ha) was officially informed after the audit took place in a letter sent from INRENA to Ms. Adriana Amico dated in 11 Nov. 2008.

In addition to the previous stakeholder meetings, several local stakeholders were first contacted through e-mail messages before arriving to Ucayali, but not answers were received and they were visited in person in Pucallpa. Eleven stakeholders were interviewed and the details of each of the interviews are provided in Appendix 1. Of the 11 stakeholders 4 were ONGs, 3 governmental institutions, 3 private companies associations, 1 civil non-profit association. The findings of the consultation exercise are explained in detail in Annex 2.

<b>Main stakeholder comments interviewed in Pucallpa</b>	<b>ASI response</b>
Most stakeholders contacted had a general positive opinion of the forest management performance of MAPESAC and its staff, although most did not have direct and proven information about this performance and some added MAPESAC forest management performance is the usual practice in Ucayali.	No specific actions derived from these comments were taken by ASI.
The majority indicated that illegal logging was the main forestry problem in Ucayali and that MAPESAC was also affected. A few have heard rumors that MAPESAC had bought timber out of the	No objective evidence was provided by stakeholders to identify noncompliance. However, the ASI team follows up on this issue during the assessment and raised minor <b>CAR.CU.FM.PER.2007.02</b>

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<p>certified concession, about a year ago. Some added MAPESAC concession has been invaded and illegal logging has occurred.</p>	
<p>Some stakeholders indicated that professional forest management does not exist in Ucayali as it has not been implemented properly and a large effort on information and training activities are required. Some indicated as sample of this, that it was utopian that a concessionary established, maintained and measured forest permanent plots as people in charge lack proper training and experience.</p>	<p>No objective evidence was provided by stakeholders on issues raised by stakeholders to identify noncompliance in term of forest management and monitoring.</p>

### 4 Audit findings

#### 4.1 CAB AUDIT PERFORMANCE

CAB AUDIT PERFORMANCE	
FSC requirements	Findings and conclusions
<p>Auditor qualification (20-004)</p>	<p>CU lead auditor for this CU surveillance audit is from Peru, and has been working as a freelance with CU since 2005. He has followed CU training course for lead auditors. CU lead auditor demonstrated the experience and qualifications to evaluate all aspects of the FSC P&amp;C during the surveillance audit.</p> <p>The auditor qualification was in compliance with FSC requirements.</p>
<p>Standard adaptation (20-003)</p>	<p>The FOREST MANAGEMENT CERTIFICATION STANDARDS FOR WOOD PRODUCTS FROM FORESTS IN THE PERUVIAN AMAZON Approved by the <i>Consejo Peruano para la Certificación Forestal Voluntaria</i> (Peruvian Council for Voluntary Forest Certification) on 20 July 2001<sup>1</sup> was used during this assessment.</p> <p>Regarding Principle 9.1 of the STD C Until the FSC establishes its position regarding Principle 9 (Maintenance of High Value Conservation Forests) and Criterion 6.10, each certifying body's generic standard will be used for assessment purposes. CU generic STD is available at</p>

<sup>1</sup> Estándares de Certificación del Manejo Forestal para Productos Maderables en Bosques de la Amazonía Peruana. (Reconocimiento oficial de los estándares por FSC: 30 de mayo de 2002)

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	<p><a href="http://www.controlunion.com/certification">www.controlunion.com/certification</a>.</p> <p>No non-compliance was identified by the ASI Assessor.</p>
Stakeholder consultation (20-006)	<p>None of the stakeholders interviewed by the ASI local expert had been contacted by Control Union in the past to participate in MAPESAC certification public activities, at least to the knowledge of the official interviewed. In some cases the person was not aware if CU could have met other representative of the organization, but several said that they were aware that no contact has existed with CU during the MAPESAC certification process. Some of them were aware that MP was under a certification process although no contact has been requested by CU to participate. As the main certification audit was carried out during the previous Peruvian government, most officials now have been replaced by the new administration like INRENA and the Regional Government, and they are not aware of past contacts.</p> <p>Therefore, most stakeholders contacted did not know CU, only one of them did have contact with CU as they have requested a certification quote in 2005 and also participated in a certification training carried out by CU at the MAPESAC offices.</p> <p><b>See Minor CAR.CU.FM.PER.2008.01</b></p>
Evaluation process (20-007)	<p>Compliance with FSC-STD-20-007 V2-1 was evaluated during this ASI Assessment as CU Main Evaluation took place in 2005.</p> <p>No non-compliance was identified by the ASI Assessor.</p>
Decision making (20-002 Part 2)	<p>CU reviewed all open CARs and Recommendations (Observations) raised in previous audits (minor NC: 30 from Sept 2007). CU upgraded the minor NC to Major mainly because the company didn't demonstrate compliance within the given timeline.</p> <p>CU did adequately implement FSC requirements regarding conditions and corrective action requests.</p>
Auditor performance (ISO 19011)	<p>No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
Audit report (20-008)	<p>The surveillance evaluation report resulting from this audit was submitted by CU on the 23<sup>rd</sup> Dec 2008.</p> <p>No-noncompliance against this requirement was</p>

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	<p>Identified by ASI assessor in this assessment. However, the ASI Lead auditor raised a recommendation to CU as a result of the following aspects</p> <ul style="list-style-type: none"> <li>- Misuse of terms for closing out of CARs which may lead to confusion (e.g. NC 30: "Corrected" instead of closed or upgraded).</li> <li>- Lack of reference (e.g. Major CAR: NC 2008-05)</li> </ul> <p><b>See REC.CU.FM.PER.2008.01</b></p>
Public summary (20-009)	<p>The public summary of this audit is posted in CU website in the following link:</p> <p><a href="http://certification.controlunion.com">http://certification.controlunion.com</a></p> <p>No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
Chain of custody issues	<p>Not evaluated by CU in this audit No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
Use of FSC trademark	<p>Not evaluated by CU in this audit No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
Application of relevant FSC policies and guidelines	<p>N/A in this audit</p>

### 4.2 OPERATION'S COMPLIANCE WITH CERTIFICATION REQUIREMENTS

OPERATION'S COMPLIANCE WITH CERTIFICATION REQUIREMENTS	
FSC requirements	Findings and conclusions
Principle 1	<p><b>Indicator 1.5.2:</b></p> <p>MAPESAC confirmed and showed several denounces of illegal logging in the concession, and complained of lack of support from INRENA and related authorities.</p> <p>Illegal logging monitoring and control is a major challenge in the Ucayali forests. Several stakeholders suggested that most people involved in forestry operations are affected or practiced it in different degrees as is considered a current practice. Some suggested a major improvement of this situation is basic before proper forestry can be developed locally, together with training and development of forest management</p>

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	<p>techniques not yet known or demonstrated in the region. Critics to the traditional forestry approach by the forest service were abundant as well as missing of high standards of technical and monitoring.</p> <p>CU didn't appropriated evaluate/follow up compliance against criteria 1.5 regarding the monitoring and effective safeguards the company is taking against illegal logging.</p> <p><b>See Minor CAR.CU.FM.PER.2008.02</b></p> <p><b>Indicator 1.6.1:</b></p> <p>There is a MAPESAC signed document declaring adhesion to FSC Principles of voluntary certification dated July 2005.</p>
Principle 2	<p><b>Indicator 2.3.2:</b></p> <p>There is a MAPESAC document entitled "Acta de Colindancia entre el Caserío Nueva Arizona y la Concesion de MAPESAC", signed by the parties on the 30m Set. 2005. The rest of the concession limits are with other concessions or government land.</p> <p><b>Indicator 2.3.3:</b></p> <p>According to the majority of the stakeholders interviewed they have not heard of any dispute affecting MAPESAC. There is only the situation with INRENA mentioned above in Indicator 1.5.1</p>
Principle 3	<p>There is a MAPESAC document to ensure and regulate access to the forest to native communities (<i>Cartilla de Política de Relaciones Públicas</i>).</p> <p><b>Indicator 3.2.5:</b></p> <p>MAPESAC has a dispute resolution document available, Carlos has the copy... Also, there is a registry verified in the field.</p> <p>No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
Principle 4	<p><b>Indicator 4.2.6:</b></p>

	<p>There are several MAPESAC documents dealing with safety at work like:</p> <ul style="list-style-type: none"> <li>a. Manual de Seguridad Ocupacional, July 2005.</li> <li>b. Primeros auxilios. Fondebosque, 2004.</li> <li>c. Procedimientos para primeros auxilios. 2004.</li> <li>d. One first aid training Registry in 2005 seen, the 2008 training is in the field. The MAPESAC manager claims there is a annual training.</li> </ul> <p>The ASI assessor evaluated the implementation of safety conditions and records in the field. One critical aspect of safety in MAPESAC is the historical events of violent robbery in the field. One worker was shooting on his head two years ago. The ASI assessor verified the record, the investigation, the police report and the actions taken by the company prevent such events. The company has implemented guards and surveillance patrol available on the harvesting operations. Also has located its camps close to the harbour within the community.</p> <p><b>Indicator 4.2.7:</b></p> <p>There is a Emergency Evacuation Procedure: <i>“Procedimiento para emergencias en el bosque de la concesión de la Empresa Maderas Peruanas SAC”</i>. Last couple of pages of document c. above. This is the closest MAPESAC document to a Health Prevention Plan (HPP). A formal HPP is missing.</p> <p><b>See REC.CU.FM.PER.2008.02</b></p> <p><b>Indicator 4.4.1:</b></p> <p>There is a MAPESAC document entitled: <i>“Exposiciones de sensibilización sobre el PGMF y acciones de MAPESAC en los caseríos y comunidades nativas circundantes a la concesión”</i> Sept. 2005. This document is a social impact evaluation of MAPESAC forest activities in the concession. The goal was to disseminate information on the forest</p>
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	<p>management plan activities, and to raise awareness in the local populations of the importance of forest environmental issues.</p> <p>There are pictures and registries of “caserios” population participation in meetings, in the above document as also separate registries of MAPESAC collaboration with materials and other donations to the communities.</p> <p><b>Indicator 4.4.3:</b></p> <p>Several stakeholders insisted in the need to incorporate local and neighboring communities in forest management planning and activities. Some indicated that although MAPESAC has a very good relationship with communities adjacent to the concession area, it did not have any relationship with other relevant communities outside the concession. This created a negative climate. Another stakeholder recommended that MAPESAC should profit of its participation on a forest management committee where 10 small communities, MAPESAC and ProNaturaleza participate in the Utiquinia River. The activities of the committee need to be consolidated.</p> <p><b>See REC.CU.FM.PER.2008.03</b></p> <p><b>Indicator 4.5.1:</b></p> <p>One stakeholder claimed MAPESAC has been denounced by a group of communities previously to the certification process to INRENA for illegal logging activities. MAPESAC manager showed the file with the legal denounces related documents and it happened in 2003, before the certification period. INRENA evaluation of the case was favorable to MAPESAC. Most stakeholders did not know of any present dispute against MAPESAC.</p> <p>No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
Principle 5	<p>CU raised a Minor CAR against MAPESAC in 2007 because the company didn't demonstrate compliance with 5.1.4 (NC 30: lack of silcultural treatments to ensure</p>

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	<p>competitive natural regeneration of <i>Dypeterix</i> sp.).</p> <p>The CU auditor appropriately evaluated the closing out of this CAR. Field visits were used to cross check key aspects of documents reviewed at the office.</p> <p>In relation to this audit, besides the closing out of NC 30, CU evaluated indicator 5.3.1 in this surveillance audit.</p> <p>No-noncompliance against this requirement was identified by ASI assessor in this assessment.</p>
<p>Principle 6</p>	<p><b><u>Environmental Impact Assessment (EIA):</u></b></p> <p>There is an EIA document of MAPESAC forest activities, and although there are recommendations, they seem too few and incomplete for the size of the operations. The document does not indicate if the EIA was presented to government authorities for approval, or if this a legal requirement in Peru.</p> <p>According to the EIA document the main impact is the damage to remnant trees and regeneration, although it claims it affects mostly trees below 40 cm DBH and mainly non commercial species. However, the ASI team didn't identify objective evidence of noncompliance against these requirements.</p> <p>CU should sample and evaluate compliance against P6 in future surveillance audits to verify if the EIA (especially on issues related to road construction activities in the flood season) is in compliance with FSC requirements.</p> <p><b>See REC.CU.FM.PER.2008.04</b></p> <p><b>Indicator 6.5.1:</b></p> <p>Although MAPESAC has available a FondeBosque document regarding recommendations on reduced impact logging, some stakeholders indicated the need to reduce soil impact when harvesting, as the tractor driver gets too close to the trees being</p>

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	<p>harvested unnecessarily and soil damage was extensive as the tractor loop was too large. One person indicated timber extraction cables were too short and logs extraction should be improved to avoid soil damage as soils are very sensitive to compaction and erosion. Another person suggested to eliminate tractor use for similar reasons, and included tree regeneration as damage. These comments referred not only to MAPESAC but to most local forest companies logging practice.</p> <p>The ASI assessor evaluated these issues in the field and during the harvesting operation and no-noncompliance against this requirement was identified.</p>
<p>Principle 7</p>	<p>MAPESAC's the last FMP was approved in 2006 and has a validity of 5 years. However, at the time of the assessment there were indications that the National Authorities had redefine MAPESAC concession limits. CU visited the INRENA's local office<sup>2</sup> and contacted the National Office for further clarification.</p> <p>Effective changes on the size of the concession (from 21.061 ha to 17.036 ha) was officially informed after the audit took place in a letter sent from INRENA to Ms. Adriana Amico dated in 11 Nov. 2008.</p> <p>CU raised a MAJOR CAR to MAPESAC<sup>3</sup> with an extended timeframe of 6 months to comply against P7.</p> <p>ASI assessor identified the CAR raised by CU as appropriate.</p>
<p>Principle 8</p>	<p>CU didn't identify that the company is not implementing studies of rare and threatened species according to the recommendations provided in the FMP (page 89<sup>4</sup>).</p>

<sup>2</sup> Administración Técnica Forestal y de Fauna Silvestre (ATFFS) de Pucallpa.

<sup>3</sup> NC 2008 -05: Date of issue: 11 October 2008.

<sup>4</sup> Diciembre del 2003: Informe de consultoría. Carlos S. Vásquez Consultor de manejo y conservación de Biodiversidad Proyecto PARA Centro de Servicio Económico - Pucallpa  
 ...."Se requiere una evaluación complementaria de fauna silvestre en el sector norte de la concesión, que aparenta estar en una situación diferente a la del sector sur evaluación. Se han seleccionado 16 especies de flora arbórea de importancia para la fauna terrestre y acuática, entre las 116 especies registradas en el inventario forestal que deben protegerse durante las operaciones de aprovechamiento forestal. En el sector SUR de la concesión es prioritario plantear

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	<b>See CAR.CU.FM.PER.2007.03</b>
Principle 9	P9 was not evaluated by the CU lead auditor un this audit. However, the ASI assessor evaluated compliance of P9 (at a principle level) and No-noncompliance against this requirement was identified in this assessment.
Principle 10	N/A

### 5 Nonconformities and observations

Major CAR(s)	Minor CAR(s)	Observations
0	2	5

See nonconformity reports (attached) for details.

### 6 Conclusion and recommendation

CU audit team conducted a professional audit and confirmed a number of the problems reported by stakeholders mainly related to changes in the concession limits. CARs were proposed by CU to address these issues.

Some instances of nonconformity were detected by ASI in the CU certification process. Corrective actions have been proposed. Based on the findings of this audit, the ASI lead auditor recommends to FSC AC the continuation of the FSC forest management accreditation for CU subject to the timely compliance with the proposed CARs.

### Attachments

- CU comments (17.03.09)
- Annex1: Nonconformity reports (NCRs)
- Annex 2: Local expert Report (Confidential)

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*y desarrollar iniciativas para recuperar a comunidad de animales silvestres, para reactivar los procesos ecológicos de la dinámica forestal que se hayan desactivado por su actual falta y para beneficio de las comunidades colindantes o de la empresa concesionaria.”...*

**CU COMMENTS ON DRAFT REPORT 2008 ANNUAL SURVEILLANCE AUDIT CU-MAPESAC  
(17.03.2009)**

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- **CAR.CU.FM.PER.2008.01:** *“None of the stakeholders interviewed by the ASI local expert had been contacted by Control Union in the past to participate in MAPESAC certification public activities, at least to the knowledge of the official interviewed. The ASI team identifies lack of contacts between the stakeholders in the consultation processes.”*

Comments CU: CU fully agrees that stakeholder consultation is a very important issue and that everything has to be done in order to give all possible stakeholders the opportunity to comment on a certain operation. However, according to CU both the findings and the non-conformity as mentioned in the report are not clear. Our comments are the following:

- As already stated in the report, some of the stakeholders interviewed by ASI indicated that *they were not aware if CU could have met other representatives of the organization in the past* (see Annex 2, local expert report);
- Also in Annex 2 it is stated that *several said that they were aware that no contact has existed with CU during the MP certification process*. These statements still have the status of stakeholder comments. However, the report does not indicate that these comments have been verified by ASI through checking the main evaluation's report or directly on the database at one of our offices;
- We are not able to check whether the eleven stakeholders have been contacted before, given that no information regarding the stakeholders is mentioned in the report and also the mentioned Annex 2 has not been provided to us in the draft report.
- However, it can be appreciated in our main assessment report that a full public consultation has taken place, which according to the information from our colleagues in Peru also was checked by Hubert de Bonafoz and Martin Alcalde during an ASI audit in the same year. Also many representatives of local stakeholders of public and private institutions and companies were invited as observers during the main evaluation process.
- The second part of the non-conformity is very confusing and not clear. At least we do not agree that it is the responsibility of a CB to assure contact between the stakeholders in the consultation process. This is something that goes totally beyond the influence and control of a CB, and therefore it is not the responsibility of a CB to create such platforms of contact and exchange between stakeholders.

As a conclusion, CU believes that the findings mentioned in the report are insufficient in order to be able to issue a non-conformity and therefore we are asking ASI to revise this NC and its status.

**ASI RESPONSE (5/04/09):** None of the stakeholders interviewed by the ASI local expert had been contacted by Control Union in the past to participate in MAPESAC

**FSC Forest Management Surveillance Audit of CU for 2008: MAPESAC**

certification public activities, at least to the knowledge of the official interviewed. ASI keeps open minor CAR.CU.FM.PER.2008.01.

## FSC Forest Management Surveillance Audit of CU for 2008: MAPESAC

- **CAR.CU.FM.PER.2008.02:** *“CU didn’t appropriated evaluate/follow up compliance against criteria 1.5 regarding the monitoring and effective safeguards the company is taking against illegal logging”.*

Comments CU: As far as we understand from the report, also this point was raised by some stakeholders. CU agrees with the statement that illegal logging, monitoring and control is one of the major challenges in the Ucayali district. However, in the report it is not clear what the exact findings were in order to conclude that this concerns a minor non-conformity towards CU.

CU has carried out the following activities during all audits (including this surveillance audit which was witnessed by ASI):

1. CU has evaluated the safeguards the company has taken against illegal logging, using the following means:
  - a. Document review
    - Documentation has been verified, stating that MAPESAC keeps a detailed record of official correspondence with INRENA and the National Peruvian Police (Policía Nacional del Perú - PNP). The records show that in several cases both entities have been informed about the occurrence of illegal logging activities, in which the company has requested that both entities take appropriate measures;
    - MAPESAC has designated persons who are in charge of the theme “illegal logging”. These so called “Custodios del Bosque” are recognized by INRENA according to applicable national legislation;
    - MAPESAC invests resources and develops activities of vigilance and control regarding illegal operations. This includes patrolling registers. Therefore it is usually MAPESAC who detects and denounces the irregularities, based on their own internal vigilance and control system.
    - Together with PNP and INRENA, MAPESAC has participated in interventions against illegal loggers;
    - In several occasions before and after their FSC certification, MAPESAC has requested to INRENA a review of the administrative division of their forest, indicating what the changes should be in the framework of assuring an active presence of the enterprise in those areas where illegal loggers are affecting the integrity of the concession;
    - According to what could be detected from the document review, the enterprise maintains a good relationship with the surrounding communities. Registers have been checked by CU.
  - b. Interviews with officials of the “Administración Técnica Forestal y de Fauna Silvestre” (ATFFS) of Pucallpa.
    - During each annual audit, CU has visited the ATFFS of Pucallpa, interviewing the officials in charge at several organization levels;
    - The existence of illegal logging activities were verified as well as the authenticity of the files and records presented by MAPESAC to CU were checked;
    - The correct procedures of the company were verified with respect to applications and requests presented to INRENA regarding the

## FSC Forest Management Surveillance Audit of CU for 2008: MAPESAC

reallocation of their activities (new proposals of their annual felling area - *Areas de Corta Annual* - ACA), changes in the interventions of the ACA as a result of illegal logging activities in order to maintain active institutional presence in those areas where illegal logging takes place.

c. *In situ* verification of activities

- Development of activities regarding construction and maintenance of boundaries and the collocation of boundary marks and informative signs indicating the boundaries of the concession;
- Development of activities of community relationship with surrounding villages;
- Changes in the administrative arrangements as a response to illegal logging have been implemented in the field;
- Working opportunities have been given to inhabitants of surrounding villages, with emphasis on personnel contracted for monitoring and vigilance of the concession area.

2. According to CU, the actions taken by the enterprise are the only ones that have been possible in the framework of the applicable national legislation.

As a conclusion, CU believes that the findings mentioned in the report are insufficient in order to be able to issue a non-conformity and therefore we are asking ASI to revise this NC and its status.

**ASI RESPONSE (5/04/09):** ASI is satisfied with the clarifications provided by CU. MAPESAC is therefore in compliance with Criteria 1.5 and CU provided enough evidence to demonstrate that indicators 1.5.1, 1.5.2, 1.5.3, 1.5.4 were appropriately evaluated.

Although the company demonstrated that its is doing significant efforts to detect and prevent illegal logging activities within its concession, there are some indications which indicates these measures are still insufficient and illegal logging continues to be a greater threat for the Concession. ASI recommends to better monitor illegal logging activities (trends, impacts, etc.) and to measure impacts of preventive measures to optimize it implementation and effective strategies.

ASI will not issue CAR.CU.FM.PER.2008.02 and issued REC.CU.FM.PER.2008.02

- **CAR.CU.FM.PER.2008.03:** no comments
- **REC.CU.FM.PER.2008.01:** no comments
- **REC.CU.FM.PER.2008.02:** no comments
- **REC.CU.FM.PER.2008.03:** *“Several stakeholders insisted in the need to incorporate local and neighboring communities in forest management planning and activities. Some indicated that although MAPESAC has a very good relationship with communities in the concession area, it did not have any*

## FSC Forest Management Surveillance Audit of CU for 2008: MAPESAC

*relationship with communities outside the concession. This created a negative climate. Another stakeholder recommended that MAPESAC should profit of its participation on a forest management committee where 10 small communities, MAPESAC and ProNaturaleza participate in the Utiquinia River. The activities of the committee should be consolidated.”*

Comments CU: NO communities exist within the concession area, as apparently mentioned by some of the stakeholders.

ASI RESPONSE (5/04/09): Thanks for the clarification. The text reworded.

o Other comments:

A difference exists between the title of the electronic file sent by ASI (**ASI-REP-53-CU-2008-PE**) and the code used at the bottom of each page of the Word document (**ASI-REP-52-CU-2008-MAPESAC**).

ASI RESPONSE (5/04/09): “53” code means report finalized.

- o No appendix 1 is included with the stakeholders interviewed.  
ASI RESPONSE (5/04/09): included.

- o Why a 6-months timeframe for the minor CARs?:  
ASI RESPONSE (5/04/09): extended to the next office assessment.

**ANNEX 1: Nonconformity reports (NCRs)**

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<b>NONCONFORMITY / CORRECTIVE ACTION REQUEST</b>			
REF. No.	<b>CAR.CU.FM.PER.2008.01</b>	Date	<b>13 October 2008</b>
Nonconformity detected by (name of auditor)		<b>Carlos Ruiz-Garvia</b>	
Through (e.g. office audit, document review)		<b>FM Surveillance Assessment 2008</b>	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> <b>MINOR</b> <input type="checkbox"/> OBSERVATION	
None of the stakeholders interviewed by the ASI local expert had been contacted by Control Union in the past to participate in MAPESAC certification public activities, at least to the knowledge of the official interviewed.			
Normative Reference(s)	<b>FSC-STD-20-006 (V2-1), clause 8.1 and FSC-STD-20-007 (V2-1)4.3.3.1 c)</b>		
Corrective Action Request: <b>CU 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.</b>			
Timeline for implementation		next office assessment	
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.	<b>CAR.CU.FM.PER.2008.03</b>	Date	<b>13 October 2008</b>	
Nonconformity detected by (name of auditor)		<b>Carlos Ruiz-Garvia</b>		
Through (e.g. office audit, document review)		<b>FM Surveillance Assessment 2008</b>		
Nonconformity		Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> <b>MINOR</b> <input type="checkbox"/> OBSERVATION	
CU didn't identify that the company is not implementing studies of rare and threatened species according to the recommendations provided in the FMP (page 89).				
Normative Reference(s)		<b>FSC FOREST MANAGEMENT CERTIFICATION STANDARDS FOR WOOD PRODUCTS FROM FORESTS IN THE PERUVIAN AMAZON, Criteria 8.2 c)</b>		
Corrective Action Request: <b>CU 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.</b>				
Timeline for implementation		next office assessment		
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.	REC.CU.FM.PER.2008.01	Date	13 October 2008
Nonconformity detected by (name of auditor)		Carlos Ruiz-Garvia	
Through (e.g. office audit, document review)		FM Surveillance Assessment 2008	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> <b>OBSERVATION</b>	
<p>The surveillance evaluation report resulting from this audit was submitted by CU on the 23<sup>rd</sup> Dec 2008.</p> <p>No-noncompliance against this requirement was identified by ASI assessor in this assessment. However, the ASI Lead auditor raised a recommendation to CU as a result of the following aspects</p> <ul style="list-style-type: none"> <li>- Misuse of terms for closing out of CARs which may lead to confusion (e.g. NC 30: "Corrected" instead of closed or upgraded).</li> <li>- Lack of reference (e.g. Major CAR: NC 2008-05)</li> </ul>			
Normative Reference(s)			
Comments:			

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### NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	<b>REC.CU.FM.PER.2008.02</b>	Date	<b>13 October 2008</b>
Nonconformity detected by (name of auditor)	<b>Carlos Ruiz-Garvia</b>		
Through (e.g. office audit, document review)	<b>FM Surveillance Assessment 2008</b>		
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> <b>OBSERVATION</b>	
There is a Emergency Evacuation Procedure: " <i>Procedimiento para emergencias en el bosque de la concesión de la Empresa Maderas Peruanas SAC</i> ". Last couple of pages of document c. above. This is the closest MAPESAC document to a Health Prevention Plan (HPP). A formal HPP is missing.			
Normative Reference(s)			
Comments:			

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### NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	<b>REC.CU.FM.PER.2008.03</b>	Date	<b>13 October 2008</b>
Nonconformity detected by (name of auditor)		<b>Carlos Ruiz-Garvia</b>	
Through (e.g. office audit, document review)		<b>FM Surveillance Assessment 2008</b>	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> <b>OBSERVATION</b>	
<p>Several stakeholders insisted in the need to incorporate local and neighboring communities in forest management planning and activities. Some indicated that although MAPESAC has a very good relationship with communities adjacent to the concession area, it did not have any relationship with other relevant communities outside the concession. This created a negative climate. Another stakeholder recommended that MAPESAC should profit of its participation on a forest management committee where 10 small communities, MAPESAC and ProNaturaleza participate in the Utiquinia River. The activities of the committee should be consolidated.</p>			
Normative Reference(s)			
Comments:			

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### NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	<b>REC.CU.FM.PER.2008.04</b>	Date	<b>13 October 2008</b>
Nonconformity detected by (name of auditor)		<b>Carlos Ruiz-Garvia</b>	
Through (e.g. office audit, document review)		<b>FM Surveillance Assessment 2008</b>	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> <b>OBSERVATION</b>	
CU should sample and evaluate compliance against P6 in future surveillance audits to verify if the EIA (especially on issues related to road construction activities in the flood season) is in compliance with FSC requirements.			
Normative Reference(s)			
Comments:			

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### NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	<b>REC.CU.FM.PER.2008.05</b>	Date	<b>13 October 2008</b>
Nonconformity detected by (name of auditor)		<b>Carlos Ruiz-Garvia</b>	
Through (e.g. office audit, document review)		<b>FM Surveillance Assessment 2008</b>	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> <b>OBSERVATION</b>	
<p>Although the company demonstrated that its is doing significant efforts to detect and prevent illegal logging activities within its concession, there are some indications which indicates these measures are still insufficient and illegal logging continues to be a greater threat for the Concession. ASI recommends to better monitor illegal logging activities (trends, impacts, etc.) and to measure impacts of preventive measures to optimize it implementation and effective strategies.</p>			
Normative Reference(s)			
Comments:			