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FSC Surveillance of SGS Qualifor in 2009

Compliance audit

Forest Management Assessment of Industrie Forestiere d'Ouessou
(IFO), Republic of Congo

Date of audit: 01 to 05 February 2009

Final report

	NAME	DATE
Report drafted by:	Hubert de Bonafos	05 February 2009
Reviewed by ASI:	Carlos Ruiz-Garvia	06 February 2009
Reviewed by CAB:	SGS	11 February 2009
Finalized by ASI:	Hubert de Bonafos	11 February 2009
Report last updated:		

Credits

The author would like to thank Gerrit Marais from the SGS Qualifor Program, the SGS audit team and Mr Hansen and IFO's staff members for allowing this ASI compliance audit to take place and making the arrangements that made this assessment possible and efficient.

1 Background of the assessment

The operation audited by SGS

Name of operations	Industrie Forestiere d'Ouessou (IFO), Republic of Congo
Type of certificate	An FSC forest management certificate had not been issued to the company by SGS at the time of the ASI audit.
Total area	1,159,643 ha
Forest type	Natural Tropical forest

The certification history

SGS pre-assessment	January 2008
SGS main assessment	12 to 19 September 2008
SGS follow-up audit	01 to 05 February 2009
Date of certification	An FSC forest management certificate had not been issued to the company by SGS at the time of the ASI audit.

ASI Compliance audit

Purpose of assessment	<p>ASI compliance audit was organised following a complaint from Greenpeace. ASI organised this compliance audit to evaluate the competence of the CAB and conformity of the company with specific FSC certification requirements.</p> <p>Greenpeace, SGS and ASI agreed in a meeting during the FSC General Assembly in November 2008, that a compliance audit should be performed by ASI, together with a Greenpeace observer, to verify the competence of the SGS audit team, the adequacy of the SGS certification recommendation and the company's conformity with specific FSC certification requirements.</p> <p>The objective of the ASI audit was to verify that the SGS audit team had competently evaluated conformity of the company and that major nonconformities with FSC certification requirements at criterion level had been adequately identified, if any.</p> <p>This ASI compliance audit was planned just before Christmas 2008 but had to be postponed to February 2009.</p>
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	<p>Greenpeace did not provide ASI with specific comments prior to the audit. ,</p> <p>ASI sampled SGS evaluation of the following FSC certification requirements during this audit, using the SGS Qualifor standard adapted for the Congo (SGS standard used by SGS audit team to perform the SGS certification assessment):</p> <ul style="list-style-type: none"> - FSC Criteria 1.1 and 1.5 - FSC Criteria 2.2 and 2.3 - FSC Criteria 3.1, 3.2, 3.3, 3.4 - FSC Criteria 4.1, 4.2, 4.3, 4.4 and 4.5 - FSC Criteria 6.1, 6.2 and 6.4 - FSC Criteria 7.4 - FSC Criterion 8.1 - FSC Criteria 9.1, 9.2, 9.3
SGS Audit team	<p>Michal Brink (SGS lead auditor) Marie Christine Flechard Nicolas Perthuisot</p>
ASI Assessor	<p>Hubert de Bonafos (ASI lead assessor)</p>
Observers	<p>Professor Delvingt (ATIBT) participated as Observer in the ASI audit.</p> <p>Greenpeace was invited to send observers for this ASI audit. Greenpeace initially proposed two observers to follow the ASI audit but then rejected the invitation. Greenpeace explained that it did not want its observers to sign the confidentiality agreement proposed by ASI. Elie Hakizumwami (WWF Cameroon) and Felix Romero (WWF Spain) participated as observers in this audit.</p>

Assessment agenda

This ASI compliance audit was performed together with the participation of representatives of the company, the ASI assessor, the SGS audit team and observers. The ASI assessor requested the audit to be focused on specific certification requirements. The ASI assessor also selected sites and villages to be visited.

Sunday 01/02/2009	
15:00 – 17:00	Visit of company with the General Director Mr Hansen
17:00 – 18:00	Opening meeting ASI-SGS to define scope of ASI compliance audit
18:00 – 20:00	Presentation on IFO and its activities
Monday 02/02/2009	
8:15 – 8:45	SGS meeting with the company

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8:45 – 10:00	Presentation on Social management, activities and projects
10:00 – 11:00	Presentation on HCVF
11:00 – 11:30	Selection of sample of sites to be audited and selection of people for interviews
11:30 – 12:30	HR, review of salaries, and meeting with Union representative and elected IFO's staff representative (delegue du personel).
14:00 – 14:15	Interview of another elected IFO's staff representative
14:15 – 15:30	Visit of Ngombe village, Economat, Boucherie, Poissonerie and new bakery under construction, bricks houses for workers and supervisors, water points, source of water, etc.
15:30 – 17:30	Meeting SGS-ASI
17:30 – 18:00	Meeting with USLAB Eco-guards
18:30 – 20:00	Meeting with and interviews of IFO's social team members. Review of documents related to IFO's social program, micro-projects.
Tuesday 03/02/2009	
8:00 – 9:30	Limit of AAC 2008 (Area harvested in 2008), checking of roads, harvesting tracks, stumps.
9:30 – 10:30	Conservation area
10:30 – 11:30	Village of Molanda – Meeting with community
13:30 – 14:00	Permanent sample plot
16:00 – 16:30	Checking stumps number and GIS system
16:30 – 17:45	Meeting with IFO social team
18:00 – 19:00	Meeting ASI – SGS audit team
Wednesday 04/02/2009	
7:30 – 9:00	Felling site
9:30 – 10:45	Village of Ikamba – Meeting with community
11:00 – 11:30	Protected Afromosia near Village of Mombanga
12:00 – 13:15	Harvesting site
15:00 – 19:00	Office work
20:15 – 22:30	ASI-SGS closing meeting
Thursday 05/02/2009	
8:00 – 9:00	SGS meeting with the company

2 Assessment objectives and planning

The objectives of this ASI compliance audit were:

1. To evaluate certification body's performance and competence in implementing the accredited certification system in accordance with FSC accreditation requirements.
2. To verify the company's conformity with FSC certification requirements in so far as this is necessary to verify the competence and performance of the certification body. The focus was to evaluate company's conformity at a Criterion level (FSC definition of a major nonconformity is included in the section below) which maybe preventing SGS from issuing an FSC certificate to the company

3. To determine whether the recommendation of the certification body's audit team is appropriate
4. To evaluate stakeholder comments or complaints received by ASI in relation to this company. This ASI compliance audit was organised following a complaint from Greenpeace and Greenpeace's presentation on Danzer at the FSC General Assembly.

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.

Compliance audit: Audit undertaken by an accreditation body to verify the competence of the CAB, the adequacy of the CAB's certification recommendation and the company's conformity with specific certification requirements.

The objective of an ASI compliance audit is to verify that the CAB's audit team has competently evaluated conformity of the company and that major nonconformities with certification requirements, if any, have been adequately identified.,

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:

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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.

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.

ASI received comments from:

Main stakeholder comments	ASI response
In preparation for this audit, ASI contacted Greenpeace to receive specific written comments regarding the performance of SGS or regarding the conformity of the	

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<p>company against FSC certification requirements. Greenpeace did not provide ASI with specific written comments prior to the audit. However, during this audit ASI investigated the main allegations presented by Greenpeace at the FSC General Assembly in November 2008 in South Africa.</p>	
<p>Living conditions of workers at IFO are not appropriate.</p>	<p>ASI assessor verified conformity with FSC certification requirements against FSC Criteria 4.1, 4.2, 4.3, 4.4 and 4.5.</p> <p>Please see section under FSC Principle 4 for detailed findings of ASI evaluation.</p>
<p>IFO's conservation and protection areas are not appropriate as they focus mainly on swamp and flooded or wet areas/ Areas identified by IFO as conservation and protection areas do not include other forested areas.</p>	<p>ASI assessor verified conformity with FSC certification requirements against FSC criteria under Principles 6 and 9.</p> <p>The ASI assessor could verify that the company is protected other areas and has clearly identified and mapped large areas with high conservation values.</p> <p>Please see section under FSC Principles 6 and 9 for detailed findings of ASI evaluation.</p>
<p>Financial and tax issues raised in Greenpeace report; "<i>Coning the Congo</i>".</p>	<p>ASI assessor was not in a position to investigate financial issues during this ASI compliance audit. However, ASI checked this issue but could not detect any major nonconformity against FSC certification requirements.</p> <p>Please see section under FSC Principle 1 for detailed findings of ASI evaluation.</p>
<p>Comments from other stakeholders</p>	
<p>The forests that IFO exploits overlap the traditional lands of thousands of indigenous hunter-gatherer peoples, who rely upon those forests to secure their livelihoods. This fact is highly relevant to the other technical and environmental, ..., as many are linked to potentially highly negative impacts upon the rights and livelihoods of those vulnerable and marginalised peoples. Many of these negative impacts are associated with violations of international jurisprudence</p>	<p>ASI assessor evaluated compliance with FSC Principle 3 by using the indicators included in SGS Qualifor standard for Congo and referring to FSC Guidance on Principles 2 and 3 (FSC-GUI-30-004).</p> <p>A detailed description of ASI findings is included in section under Principle 3 below.</p>

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<p>related to the protection of their human rights.</p>	
<p>Apart from some relatively shallow and outdated socio-economic studies that I have so far reviewed, along with superficial efforts to provide minimal social services to a tiny proportion of the population, I am currently unaware of any other interventions that have been made by IFO to inform the indigenous population about their rights, about the work and plans of IFO, or about forest certification processes in general. As far as I am aware there has been no effort to enable those indigenous communities to document their traditional forests, or to engage them in dialogue and negotiation concerning the work of IFO based upon the principle of Free, Prior and Informed Consent.</p>	<p>ASI thoroughly investigated the company's social program and its implementation. IFO has performed appropriate socio-economic studies and has implemented a social program based on on-going dialogue and discussion. All local communities are actively engaged in defining, mapping and establishing their traditional rights.</p> <p>The social program currently implemented by the social team of the company was evaluated for conformity with FSC certification requirements.</p> <p>A detailed description of ASI findings is included in sections under Principles 2 and 3 below.</p>

5 Audit findings

5.1 CAB AUDIT PERFORMANCE

CAB AUDIT PERFORMANCE	
FSC requirements	Findings and conclusions
<p>Standard adaptation (20-003)</p>	<p>Not evaluated during this ASI compliance audit. The SGS standard adaptation process has already been evaluated by ASI during the ASI surveillance audit of SGS at CIB, Republic of Congo, in 2007. The CIB concession is right next to the IFO concession and SGS could use the same locally adapted standard for Congo.</p>
<p>Auditor qualification (20-004)</p>	<p>Not evaluated during this ASI compliance audit. This ASI compliance audit was not performed as a witness audit and therefore it was not possible to directly evaluate the SGS auditor qualification and performance.</p>
<p>Standard used (20-003)</p>	<p>Not thoroughly evaluated during this ASI compliance audit. However, the ASI assessor noted a minor</p>

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	<p>nonconformity with some of SGS indicators and sub-indicators included in SGS standard for Congo:</p> <ul style="list-style-type: none"> - The French and the English versions show some inconsistencies in terms of translation. Some indicators do not have the same meaning or even same requirement in the French and in the English version. - It is not clear whether sub-indicators are a requirement or just a verifier in the standard. - Some sub-indicators do not apply to the forest company but refer to the State (5.6.4.4). - Some indicators do not apply or cannot be implemented in North Congo on large concessions. - The meaning and requirements of some indicators are unclear. <p>The ASI assessor proposes a minor corrective action request to address this nonconformity with FSC standard FSC-STD-20-002, section 3:</p> <p>See ASI Nonconformity: CAR.SGS.FM.2009.01.RC</p>
<p>Stakeholder consultation (20-006)</p>	<p>SGS announced its main assessment at IFO on 06 August 2008, requesting comments from stakeholders on the performance of IFO by 7th of September 2008.</p> <p>A stakeholder sent detailed comments to SGS and a request to join SGS as an observer on 5th September 2008.</p> <p>SGS did not respond to this stakeholder before or after the SGS main assessment.</p> <p>FSC standard on stakeholder consultation process, FSC-STD-20-006, require the following:</p> <p>“7.3 After six months of the completion of the certification field evaluation, the certification body shall make available to stakeholders information on whether a certificate was issued or not. In the event of a certificate being issued, the certification body shall inform the consulted stakeholders on how the concerns they raised were addressed.”</p> <p>At the time of the ASI compliance audit, the SGS main assessment had taken place less than 6 months before the ASI audit and SGS had not issued a certificate to the company. However, ASI assessor considers that in this particular case, SGS</p>

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	<p>should have responded to the stakeholder comment and request and proposes a recommendation to SGS to respond to detailed comments received and any request to join SGS audit team as observer.</p> <p>See ASI Recommendation: ASI.REC.SGS.FM.2009.01.RC</p>
Pre-audit (20-005)	Not evaluated during this ASI compliance audit.
Evaluation process (20-007)	<p>The ASI assessor verified the competence of the CAB, the adequacy of the CAB's certification recommendation and the company's conformity with specific certification requirements.</p> <p>The ASI assessor did not directly checked the evaluation process performed by the SGS audit team but indirectly reviewed the evaluation work performed by SGS audit team during the SGS main assessment which took place in September 2008..</p> <p>The ASI assessor checked whether the company could demonstrate conformity with FSC certification requirements and verified that the SGS findings and certification recommendation was in conformity with ASI accreditation and FSC certification requirements.</p>
Decision making (20-002 Part 2)	<p>Not evaluated during this ASI compliance audit</p> <p>At the time of the ASI compliance audit, SGS had not made a certification decision.</p>
SGS Auditor performance (ISO 19011)	<p>Not evaluated during this ASI compliance audit.</p> <p>This ASI compliance audit was not performed as a witness audit and therefore it was not possible to directly evaluate the SGS auditor qualification and performance.</p>
SGS Audit report (20-008)	<p>Not evaluated during this ASI compliance audit</p> <p>At the time of the ASI compliance audit, SGS had not finalised its audit report.</p>
SGS Public summary (20-009)	<p>Not evaluated during this ASI compliance audit</p> <p>At the time of the ASI compliance audit, SGS had not published a public summary report as the certification process was not finalised.</p>

5.2 OPERATION’S COMPLIANCE WITH CERTIFICATION REQUIREMENTS

OPERATION’S COMPLIANCE WITH CERTIFICATION REQUIREMENTS	
FSC requirements	Findings and conclusions
Principle 1	<p><u>ASI assessor’s findings regarding compliance with FSC Criterion 1.2 (All fees, royalties, taxes and other charges shall be paid):</u> ASI assessor was not in a position to investigate financial issues and thoroughly evaluate compliance with criterion 1.2. However, ASI checked this issue with the SGS audit team and double checked SGS evaluation of this FSC certification requirements. It was clarified that:</p> <ul style="list-style-type: none"> - The company pays taxes on all exported timber according to a standard fee scheme established on 25 March 2005 (arête No 2739 MEFE/MEFB) and on fixed tax rates established by law in Congo. - SGS controls independently all logs and/or timber before it is exported. <p>ASI assessor also checked some of the export forms filled-in with the corresponding tax amount to be paid and approved by the appropriate authority.</p> <p>During this audit, ASI could not detect any major nonconformity with FSC certification requirements under 1.2.</p> <p><u>ASI assessor’s findings regarding compliance with FSC Criterion 1.5 (Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities):</u> ASI evaluated compliance with FSC criterion 1.5, interviewed the coordinator of USLAB eco-guards, reviewed activity reports and a summary for the year 2008, inspected arms and other material that had been confiscated.</p> <p>An agreement has been signed between IFO, WCS, and the Ministry of Forests to comply with the legislation. There are currently 14 guards with 5 sworn forestry agents monitoring illegal activities on the FMU. IFO has also 6 staff members working together with the eco-guards at fixed control points on the main roads, within the FMU and alongside the river Sangha. These fixed control points have been established in sensitive areas to control vehicles. Eco-guards have also two 4 wheel drive cars to monitor potential illegal activities.</p> <p>USLAB eco-guards are also cooperating with the eco-guards from the National Park.</p> <p>SGS audit team proposed a minor CAR to address a nonconformity identified under indicator 1.5.2 indicating that “<i>There is inadequate personnel and surveillance resources to control illegal activities</i>”.</p> <p>ASI assessor agrees with SGS audit team that there is not enough USLAB eco-guards to monitor all the sensitive areas with the FMU. Therefore a minor CAR is fully justified.</p> <p>ASI assessor also investigated whether a major CAR was more</p>

	<p>appropriate than a minor CAR (FSC definition of major CAR: fundamental failure to achieve the objectives of the relevant FSC Criterion in the Forest Management Unit).</p> <p>After ASI field audit and after reviewing the documented evidence provided, ASI assessor concluded that a minor CAR was justified due to the fact that a fully functioning system was in place.</p> <p>The company could demonstrate compliance with indicator 1.5.1: <i>Forest managers have taken reasonable measures to monitor, identify and control illegal harvesting, settlement and other unauthorized activities.</i></p> <p>The coordinator of the eco-guard could also demonstrate the positive impact of the eco-guard patrols on some illegal activities such as hutting, activities to support illegal hunting practices, illegal settlement.</p> <p>ASI reviewed 2 reports from patrols in December 2008 (09/12/2008 to 13/12/2008) and January 2009 (02/01/2009 to 06/01/2009). These reports with detailed maps and the evidence presented to the ASI assessor show that the work performed is important in checking for, monitoring and controlling illegal activities within the FMU.</p> <p>However, the eco-guard unit needs additional resources in terms of material as well as human resources, to increase its positive impact and monitor illegal activities within a very extensive FMU. However, SGS minor CAR is adequate to address this identified nonconformity.</p> <p>ASI assessor considers that SGS minor CAR is adequate to address the nonconformity identified under FSC indicator 1.5.2</p>
<p>Principle 2</p>	<p>ASI assessor evaluated compliance with criteria 2.2 and 2.3 by using the indicators included in SGS Qualifor standard for Congo and referring to FSC Guidance on Principles 2 and 3 (FSC-GUI-30-004).</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 2.2:</u></p> <p>FSC Guidance on Principles 2 and 3 (FSC-GUI-30-004) indicates the following:</p> <p><i>"Judging when consent given is both free and informed can be difficult. Free and informed consent has two aspects to it: the consent must be freely given, and it must be knowledgeably given."</i></p> <p><i>"The intent is that control is vested with the local communities with rights to the forest, whether or not they have their own operations, so that these rights or resources are sufficiently protected."</i></p> <p>Some examples of indicators of compliance proposed by FSC in its guidance document are as follow:</p>

	<p><i>FSC proposed 2.2.1</i> <i>All legal and/or customary tenure or use rights to the forest resource identified by the local communities are clearly documented, recognised, respected and mapped by the forest managers.</i></p> <p>SGS has included a very similar indicator in its standard for Congo: SGS 2.2.1 – All existing legal or customary tenure or use rights that local communities have within the FMU shall be documented and mapped</p> <p>ASI has evaluated compliance against this FSC certification requirement and found the company in conformity with the indicator.</p> <p>The ASI assessor verified evidence (meetings with local communities, participatory mapping and field visits with GPS, the IFO's social team adequately collects, documents, records and maps existing tenure or use rights) which demonstrated that these rights are recognised and respected by the company during its forestry activities.</p> <p><i>FSC proposed 2.2.2</i> <i>All legal or customary tenure or use rights to the forest resource of all local communities are recognised and respected in forest management planning and practise.</i></p> <p>SGS 2.2.2 – Forest planning and operations will be subject to these tenure or use rights unless such have been delegated to other agencies.</p> <p>ASI has evaluated compliance against these proposed FSC and SGS indicators and found that the company recognised and respected local communities tenure or use rights. See section above.</p> <p>The ASI assessor confirmed during field visit that areas identified together with the local communities were appropriately mapped and identified on site. Areas were identify prior to planning forestry activities and the identified areas were taken into account to plan road building and harvesting activities.</p> <p><i>FSC proposed 2.2.3</i> <i>The rights-holders (or their legitimate representatives) and the managers have identified together the possible impacts of the operation on the rights and resources of the local communities; the rights holders have then given free and informed consent for such activities through documented agreements.</i></p>
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	<p>SGS 2.2.3 – Where communities have delegated control of their legal or customary tenure or use rights, or part thereof, this can be confirmed by documented agreements and/or interviews with representatives of the local communities.</p> <p>SGS 2.2.4 – Allocation, by local communities, of duly recognized legal or customary tenure or use rights to other parties is documented, with evidence of free and informed consent.</p> <p>ASI evaluated compliance against this FSC certification requirement and found that the company had identified potential impacts through a social-economic analysis and had signed a number of written agreements with local communities. In these written agreements, IFO was committing to sustainably manage the forest, to involve local communities in forest management through appropriate stakeholder consultation process, and to inform communities about forest management activities.</p> <p>However, IFO also recognised the limitation of these written agreements and has been working very closely with the local communities. Its social team organised many meetings, information sessions and consultation processes with both the Bantu and Pygmy populations.</p> <p>IFO's social team has organised 40 Comite de Concertation for 85 communities, has established a Plateforme de Concertation with 26 delegates (with 1/3 women and 1/3 Pygmies), is working with 4 national NGOs (ORCCOP) and has organised 299 concertation meetings.</p> <p><i>FSC proposed 2.2.4</i> <i>Local communities are able to exercise their tenure and use rights to the extent that they choose, compatible with other rights and with all the provisions of the P&C.</i></p> <p>SGS 2.2.5 – The forest is accessible to local right holders to the extent that the forest's ecological function is not jeopardized.</p> <p>During this audit, the ASI assessor could confirm that local communities maintain use rights and have access to the forest. Hunting restrictions within the conservation areas and protection zones do not apply to traditional subsistence hunting activities.</p> <p>The social team of the company is made of Congolese staff members, both Bantu and Pygmy, and one coordinator. The social team is very active in communicating directly with all local communities, both in Lingala and other local languages, and an appropriate communication platform for on-going consultation</p>
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	<p>has been established between the company and all local communities.</p> <p>During this audit, ASI assessor did not detect any major nonconformity with FSC criterion 2.2.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 2.3:</u></p> <p>ASI assessor evaluated evidence of compliance with FSC criterion 2.3. SGS audit team proposed a minor CAR against indicator 2.3.1 due to the lack of clear deadlines related to response times on complaints and/or disputes. The procedure also did not contain close out time lines at the time of the SGS main assessment.</p> <p>IFO has developed appropriate documented procedures to resolve disputes and/or complaints (<i>IFO_23-01-v2_Proc_Resolution conflits_13Dec08</i>). At the time of this ASI audit the company's documented procedure had been updated since SGS main assessment and contained appropriate timelines and close out times.</p> <p>ASI assessor reviewed in detail a complaint file regarding a dispute following damage to fruit trees at Community Poulani-Camp Bidingue. A conciliation meeting took place on 05/08/2008 at the Community Poulani and resolution agreement was reached. This dispute was resolved on 27/08/2008 through payment of appropriate compensation for damage to 2 fruit trees. Compliance with indicator 2.3.2 was demonstrated through this complaint.</p> <p>ASI was not made aware of any unresolved tenure and/or use right disputes that are of such magnitude and involving such a number of interest that it could disqualify the operation from being certified. Therefore compliance with indicator 2.3.3 was demonstrated.</p> <p>To demonstrate compliance with indicator 2.3.4, the company is performing a thorough stakeholder consultation process with all communities (Bantu and Pygmy) before performing any harvesting activity (<i>Procedure de cartographie sociale des zones en exploitation - IFO_33-01-v2_Proc_Carto sociale_13Dec08</i>). Through participatory mapping exercises and site visits by IFO social team with community representatives, the company ensures that all resources are mapped and clearly marked on site before forestry operations can be started. This procedure had been implemented for the ACC 2009.</p> <p>The ASI assessor did not detect any major nonconformity with FSC Criterion 2.3.</p>
Principle 3	ASI assessor evaluated compliance with FSC Principle 3 by using the indicators included in SGS Qualifor standard for Congo and referring to FSC Guidance on Principles 2 and 3 (FSC-GUI-

	<p>30-004).</p> <p>FSC Guidance on Principles 2 and 3 (FSC-GUI-30-004):</p> <p><i>Criterion 3.1</i></p> <p><i>FSC recognises a broad range of rights that indigenous peoples have..... This Criterion partly covers a relationship between the forest manager and indigenous peoples, and, as with Principle 2, a right to meaningful and effective consultation is implicitly included.... Care should be taken to determine that the authority giving consent in all cases is a legitimate one, representative of and duly recognised by local Indigenous communities. And because the concept of “consent” by indigenous peoples for forestry operations is not only a difficult for some people to accept but also at times the consent itself is hard to identify, special consideration must be given to how the mechanism of consent is expressed.</i></p> <p><i>Criteria 3.2, 3.3, and 3.4</i></p> <p><i>By contrast, the requirements for these three Criteria are much simpler as they deal with, exclusively, area-based rights, point-based rights, and intellectual property-based rights and not relationships.</i></p> <p><u>ASI assessor’s findings regarding compliance with FSC Criterion 3.1:</u></p> <p>IFO could demonstrate that indigenous people have been recognized and their entitlement recognized in its management plan, operational plans and HCVF identification and management manual dated January 2009.</p> <p>At the time of the ASI audit there was evidence that uses rights had been identified and were respected. There was documented evidence that Pygmy people were represented in the Comites de concertation and the Plateforme de concertation. Lists of participants (with name, community, village) were presented together with photos.</p> <p>Appropriate documents and didactic materials based on photos were used during meetings. The IFO social team is composed for more than half of Pygmy people. They help in informing and communicating with indigenous communities, providing also important first hand information to the team coordinator.</p> <p>Documented evidence show that IFO has now taken appropriate measures to ensure that Pygmy people can participate in the meetings organized and can provide appropriate inputs to the discussion, with the establishment of sub-groups as well as plenary sessions.</p> <p>Interviews of Pygmies were also performed during the ASI audit to double check the activities of IFO’s social team.</p> <p>IFO has documented evidence showing that free and informed consent had been given by affected indigenous people, but IFO has also adopted a politic of constant dialogue and contact with the communities (Bantu and Pygmies are often living side by</p>
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<p>side). Constant dialogue and consultation is more important to people and much better received.</p> <p>Pygmies have also been provided with GPS and together with members of the social teams have identified and maps specific sites of interest but also their areas of activities. These maps were available at IFO. Furthermore, IFO repeats similar exercise 6 months before starting a new annual harvesting unit, as important sites may have changed. Therefore the mapping and identification on site of camps and important sites is performed with both Bantus and Pygmies before harvesting operations.</p> <p>Eco-guards have also received clear instruction to allow traditional hunting activities throughout the FMU. Only commercial or illegal hunting activities are monitored and restricted.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 3.2:</u></p> <p>ASI assessor checked documented evidence showing that any impact of forest management on communities' resources or tenure rights are identified and recorded. Documented evidence reviewed showed that such cases were addressed and resolved. IFO social team members are in charge of addressing and resolving these issues when necessary.</p> <p>IFO has now improved its meetings with indigenous communities to better communicate information to these communities. Photos and participatory maps are being used. ASI assessor checked directly that meetings had effectively taken place and that people had been informed, had understood the information communicated and was satisfied with the outcome.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 3.3:</u></p> <p>IFO identified significant sites at the time when the socio economic studies were performed by the company, but also identifies significant sites prior to each annual harvesting activities. Local villages, communities and indigenous people are contacted and consulted to identify sites of special importance. Meetings and field visits are organized. These activities have started in July 2008 for the AAC 2009, and were documented by IFO. Sites of special interest were identified, mapped and marked in the forest. IFO presented sufficient evidence to demonstrate that sites are adequately protected during harvesting operations. Access rights to local and indigenous communities are not restricted by IFO.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 3.4:</u></p> <p>IFO uses indigenous people as guide, guards and provides them with other work opportunities. People employed are compensated as other similar IFO's workers.</p> <p>Fishermen from the village of Molanda are also provided with</p>

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	<p>transportation and opportunities to sell their fishes at the market of Ngombe and have reported to be very pleased about that.</p> <p>ASI assessor did not detect any major nonconformity with FSC Principle 3.</p>
<p>Principle 4</p>	<p><u>ASI assessor's findings regarding compliance with FSC Criterion 4.1:</u> SGS report reflects adequately conformity of the company with FSC criterion 4.1. IFO is working with Congolese supervisors and is working with a workforce of over 900 people. The majority of employees are local people from Ngombe, Ouessou, Pocola, etc. Training is provided regularly to people working in the sawmill and in forestry activities. Infrastructures are provided and maintained by IFO (School, hospital, roads, etc). At the time of the ASI audit, IFO was building a school especially for Pygmy communities. In addition to the projects IFO is already implementing, IFO has included a large number of projects which will benefit the local communities in the Cahier des charges. A clear timeframe has been established for completion of these projects.</p> <p>IFO is preparing to recruit new Pygmies and have informed some villages regarding work opportunities in the specific AAC where the company is operating. The company has also started to evaluate systematically possibilities to recruit Pygmies. At the time of the ASI audit, the company had a list of Pygmies who had been contacted. However, as indicated in SGS report, only a limited number of Pygmies have currently been contracted by the company.</p> <p>ASI assessor considers that SGS minor CAR is adequate to address the nonconformity identified under FSC indicator 4.1.1.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 4.2:</u> IFO has been training workers and has been implementing a thorough H&S awareness program. Implementation of H&S requirements was checked in the field by ASI assessor. Felling and harvesting teams were all wearing appropriate H&S equipment and it was clear that this equipment was not just new. Felling technique was very good. First aid boxes were available on site and people had been trained in case of an accident.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 4.2.</p>

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	<p><u>ASI assessor's findings regarding compliance with FSC Criterion 4.3:</u> IFO has hosted new elections for staff representatives (Delegates du personel) in December 2008. The ASI assessor had a number of interviews with staff representatives and one union delegate. Workers from both the sawmill and the forest activities were represented. At the time of the ASI audit there was evidence that the rights of the workers to organize and voluntary negotiate with their employer was guaranteed.</p> <p>ASI assessor did not detect any major nonconformity with FSC criterion 4.3.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 4.4:</u> At the time of the ASI audit there was evidence that IFO was consulting with people and groups directly affected before starting its forestry management operations. IFO has performed a number of socio-economic studies to evaluate the social and cultural impacts of forest operations. Additionally, IFO has developed and implemented a procedure to have an ongoing consultation process with local communities. People are consulted before any operation can start and the company organizes sites visits together with the representatives of the communities to identify on site any potential impact. Sites and resources of special interest to local communities are clearly marked in the field and protected during operations. The company has established appropriate committees for consultation, discussion and negotiation with local communities. The committees established were functioning at the time of the ASI audit. All meetings with the committees and local communities were documented and recorded.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 4.4.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 4.5:</u> See section under Criterion 2.3.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 4.5.</p>
Principle 5	<i>Not evaluated during ASI compliance audit.</i>
Principle 6	<p><u>ASI assessor's findings regarding compliance with FSC Criterion 6.1:</u> The company has developed and implemented a 14001 environmental management system which addresses assessments of environmental impacts. In some specific cases,</p>

	<p>the company has not performed appropriate site-specific assessments of the potential environmental impacts prior to site disturbing operations.</p> <p>This nonconformity has adequately been addressed by the SGS audit team through an appropriate corrective action request under indicator 6.1.2.</p> <p>The ASI assessor verified that important environmental sites were identified, mapped and marked on site before operations, and protected by the company.</p> <p>The company has an internal monitoring system in place and corrective measures are implemented when required, in some cases even before nonconformities can arise (e.g. detailed monitoring of the quality of felling activities and follow-up through additional training).</p> <p>Reduced impact logging practices are adequately implemented.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 6.1.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 6.2:</u></p> <p>Protection measures have been implemented and conservation and protection areas have been established. Specific rare species such as Afromosia have been identified, mapped and protected.</p> <p>Areas where presence of elephants, gorillas and chimpanzees have been identified and mapped.</p> <p>Some ecosystems have been clearly identified and protected in their natural states. Large areas have been identified and mapped where commercial and illegal hunting is prohibited. These areas are being checked for illegal hunting activities. However, the company could improve conformity with indicator 6.2.4 by reviewing and making more specific the management measures proposed for areas of particular importance for rare fauna and flora;</p> <ul style="list-style-type: none">- The company has identified Afromosia as a high conservation value within the FMU and has protected a large area where Afromosia is present. However, the defined conservation area does not cover the whole area of Afromosia and specific management measures which will be implemented to maintain this high conservation value do not appear to have been clearly defined.- The company has also identified a buffer zone alongside the boundary of the National Park as high conservation value. However, specific management measures which may be implemented to maintain this high conservation value have not been identified and documented.- The company is currently waiting for the National Park bordering the FMU to develop its management plan. The development of this management plan by the National Park is under progress. However, the company could still
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	<p>define and document management measures proposed, even if these management measures have to be revisited once the National Park has finalized its management plan.</p> <p>SGS has proposed a minor corrective action request to address the lack of specific management measures for areas of particular importance for rare fauna and flora and the ASI assessor agrees that SGS minor corrective action request is appropriate to address the nonconformity detected.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 6.2.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 6.4:</u></p> <p>The company has protected representative sample of different ecosystems within the FMU. In addition to the defined protection and conservation areas, the company has also identified high conservation value areas.</p> <p>The company has also in place and is implementing a policy for the protection and conservation of forest ecosystems and of sites of cultural values.</p> <p>As indicated, some of the work performed by the company could be and should be improved. SGS raised and appropriate corrective action request to address this issue and the ASI assessor could not detect any major nonconformity against FSC criterion 6.4 during this audit.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 6.4.</p>
<p>Principle 7</p>	<p><u>ASI assessor's findings regarding compliance with FSC Criterion 7.4:</u></p> <p>IFO's public summary management plan was checked against FSC certification requirements:</p> <ul style="list-style-type: none"> a – Management objectives: Not clearly indicated in document. b – Description of the forest resources: Included in section 3 of the document. c – Rationale for rate of harvest: Included in sections 3 and 5 of the document. d – Provisions for monitoring: Not clearly indicated in document. e – Environmental safeguards: Section 6 could be better developed. f – Protection of rare species: Not included. g – Maps: Maps are included in the document. h – Harvesting techniques: Not included. <p>SGS audit team identified that the public summary management</p>

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	<p>plan of the company was not in full conformity with FSC certification requirements. SGS raised a corrective action request against the company requesting the public summary of the management plan to be updated before an FSC certificate can be issued.</p> <p>ASI assessor agrees with SGS proposed corrective action request to ensure that the public summary management plan of the company is in full compliance with FSC certification requirements under FSC criterion 7.4.</p>
<p>Principle 8</p>	<p><u>ASI assessor's findings regarding compliance with FSC Criterion 8.1:</u></p> <p>ASI assessor did not have enough time to thoroughly investigate all aspects of IFO's monitoring program. However, a number of important issues were checked for conformity. IFO has developed and implemented a thorough monitoring system based on its experience with ISO 14001 certification.</p> <p>The ASI assessor visited one of IFO's permanent sample plots and reviewed some of the results already obtained through these sample plots.</p> <p>IFO has an internal system to monitor health and safety issues at work. ASI assessor reviewed IFO's accident records, monitoring of the performance of chain saw operators, etc.</p> <p>Through its social team, committees and social program with the 4 national and local NGOs (ORCCOP), IFO is monitoring closely social issues.</p> <p>ASI assessor also sampled the company's chain of custody system between the FMU and sawmill. The company has a very developed system in place to follow all logs both through a paper trail, a database system and a GIS system.</p> <p>The ASI assessor did not identify any nonconformity with FSC Criterion 8.1.</p>
<p>Principle 9</p>	<p><u>ASI assessor's findings regarding compliance with FSC Criterion 9.1:</u></p> <p>The company has adequately assessed, in consultation with stakeholders, the FMU for HCVF and high conservation values have been adequately identified. The assessment procedure has been adequately documented.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 9.1.</p> <p>ASI assessor's findings regarding compliance with FSC Criterion</p>

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	<p><u>9.2:</u> The company has identified and documented appropriate management prescriptions for the identified high conservation values in consultation with stakeholders. The company has also established an on-going dialogue with local stakeholders to ensure that they are involved in the decision making process and that social and cultural high conservation values can be identified, marked and protected.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 9.2.</p> <p><u>ASI assessor's findings regarding compliance with FSC Criterion 9.3:</u> <u>9.3:</u> The company has identified high conservation value biological and social attributes and has documented the measures to be implemented to maintain the identified attributes. The measures proposed are described in the company's public summary document on high conservation value forests. The company has set aside some core areas which are under strict protection (<i>Series de Protection, Series de Conservation, Zones tampon, Chasse interdite, Site d'interet particulier</i>).</p> <p>As indicated under FSC Criterion 6.2 above, the company could improve in better defining measures to be specified and implemented over the long-term in priority areas to maintain the high conservation values (e.g. Zone tampon Parc National, Serie de conservation Molanda).</p> <p>SGS has proposed a minor corrective action request to address these issues and the ASI assessor agrees that SGS minor corrective action request is appropriate.</p> <p>ASI assessor did not detect any major nonconformity with FSC Criterion 9.3.</p>
Principle 10	Not applicable to this ASI compliance audit.
Use of FSC trademark	At the time of the ASI assessment, the company was not using the FSC trademark.
Partial certification of large scale operations	<p><u>FSC-POL-20-002-Partial Certification:</u> Section 2: <i>This guideline explains how assessors should also evaluate evidence of commitment in other FMUs, under the same ownership, but operated by different managers.</i></p> <p>IFO is part of the Danzer group and ASI assessor evaluated whether FSC Partial Certification requirements could apply to the Danzer Group as owner of IFO.</p>

	<p>Danzer is a family business which owns a number of forestry operations in North America and Africa. The ASI assessor was informed that IFO is subsidiary of the Danzer group (Danzer is 100% shareholder of IFO) and that all investment decisions are taken by the Danzer group in Switzerland. The General Director of IFO only reports to the Danzer group which reviews the proposal before approval. Finally, all public documents related to IFO certification are published on the Danzer's website.</p> <p>ASI assessor considers that in the case of IFO, part of the Danzer Group, SGS audit team should consider and report in conformity with FSC partial certification requirements for large operations.</p> <p>:</p> <p>See ASI recommendation: ASI.REC.SGS.FM.2009.02.RC</p>
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6 Nonconformities and observations

Major CAR(s)	Minor CAR(s)	Observations
0	1	2

See nonconformity reports (attached) for details.

Note 1: the failure to successfully address MAJOR CARs 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.

7 Conclusion and recommendation

The ASI audit was not conducted as a regular ASI surveillance assessment and, due to the short timeframe to perform this audit, it was focused on evaluating conformity of the company and detecting any **major nonconformity at the level of FSC criteria** which maybe preventing SGS from issuing an FSC certificate to the company.

During this ASI compliance audit, the ASI assessor could not detect any major nonconformity.

The ASI assessor is satisfied that the CARs raised by SGS during this audit address the minor nonconformities which have been detected during SGS main assessment.

Based on the findings of this assessment, the ASI lead assessor recommends to FSC AC the continuation of the FSC forest management accreditation for SGS, subject to the timely closing of the minor nonconformities identified during the audit and specified in this report.

Attachments

Annex 1: Nonconformity reports

ASI feedback to CAB comments on report (if provided)

ANNEX 1

ACCREDITATION SERVICES INTERNATIONAL GmbH				
Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com				
NONCONFORMITY (NC)				
REF. No.	ASI.CAR.SGS.FM.2009.01.RC	Date	05 February 2009	
Nonconformity detected by (name of auditor)		Hubert de Bonafos		
Through (e.g. office audit, document review)		ASI Compliance Audit 2009		
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION		
The ASI assessor noted a minor nonconformity with some of SGS indicators and sub-indicators included in SGS standard for Congo: - The French and the English versions show some inconsistencies in terms of translation. Some indicators do not have the same meaning or even same requirement in the French and in the English version. - It is not clear whether sub-indicators are a requirement or just a verifier in the standard. - Some sub-indicators do not apply to the forest company but refer to the State (5.6.4.4). - Some indicators do not apply or cannot be implemented in North Congo on large concessions. - The meaning and requirements of some indicators are unclear.				
Normative Reference(s)	FSC-STD-20-002, section 3 on FSC Standards			
Corrective Action Request: CB 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 office audit		
Corrective Action implemented by Certification Body				
Here: describe action taken in detail				
Corrective Action evaluated by ASI				
Here: describe conclusion in detail				
<input type="checkbox"/> CLOSED <input type="checkbox"/> UPGRADED <input type="checkbox"/> OTHER DECISION*	Name auditor:		Date:	
Comments:				

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OBSERVATION

REF. No.	ASI.REC.SGS.FM.2009.01.RC	Date	5 February 2009
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		ASI Compliance Audit 2009	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
SGS announced its main assessment at IFO on 06 August 2008, requesting comments from stakeholders on the performance of IFO by 7 th of September 2008. A stakeholder sent detailed comments to SGS and a request to join SGS as an observer on 5 th September 2008. SGS did not respond to this stakeholder before or after the assessment.			
Normative Reference(s)	FSC-STD-20-006, section 7.3 on Stakeholder Consultation		
Comments:			

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OBSERVATION

REF. No.	ASI.REC.SGS.FM.2009.02.RC	Date	5 February 2009
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		ASI Compliance Audit 2009	
Observation	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
ASI assessor considers that in the case of IFO part of the Danzer Group, SGS audit team should consider and report in conformity with FSC partial certification requirements for large operations.			
Normative Reference(s)	FSC-POL-20-002, section 2 on Partial Certification		
Comments:			