

ASI-ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

FSC Audit of Rainforest Alliance/SmartWood in 2007

Forest Management Audit to Agroforestal S.A., Nicaragua (SW-FM/COC-1214)

Date of audit: 13th – 15th August 2007

(Public Summary Report)

	NAME	DATE
Report drafted by:	Hubert de Bonafos	22 August 2007
Reviewed by ASI:	Carlos Ruiz	23 August 2007
Reviewed by CAB:	SW	24 September 2007
Finalized by ASI:	Hubert de Bonafos	20 December 2007
Report last updated:		

FSC Forest Management Surveillance Audit of SW for 2007: Agroforestral S.A.,
Nicaragua

Credits

The author would like to thank William Arreaga from the Rainforest Alliance/SmartWood Program and his audit team as well as Agroforestral S.A. 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 SW

Name of operation	Agroforestral S.A.
Type of certificate	Multiple FMU
Total area	Approx. 12.000 ha
Type of management	Plantation of tropical species with areas of natural forest SW excluded from the certificate areas planted with coffee.
Name of contact person	Clemente Poncon and Norman Cisnero
Address	Reparto San Juan, Casa No. 309, Managua
Country	Nicaragua
Phone number	(505) 270-6824 y (505) 270-6825
Fax number	(505) 278-3238
URL	None
E-mail address	cmponcon@turbonett.com

Brief description of the operation

Agroforestral is managing plantations on 4 different FMUs in Nicaragua with a total of 3,570 ha (SW assessment report section B page 7).

On these FMUs, Agroforestral S.A. is managing plantations of tropical species (exotic and native species), native forests (under protection), coffee and for other agricultural products and other uses such as tourism.

The certification history

Main audit:	12 to 17 November 2003
Date of certificate issue	04 May 2004
Date of 1st surveillance	06 to 09 June 2005
Date of 2nd surveillance	22, 25 and 28 July 2006
	13 to 15 August 2007

ASI Assessment Details

Purpose of audit	Annual surveillance audit
ASI lead auditor	Hubert de Bonafos
Local Expert/ translator	Carlos Ruiz
Audit language	Spanish
Sites visited	FMUs la Cumplida, Ecoforestal and El Eden

**FSC Forest Management Surveillance Audit of SW for 2007: Agroforestal S.A.,
Nicaragua**

Audit agenda

ASI did not focus on any specific issues and when asked, the SW audit team stated that there was no specific corrective action request to follow-up on and that this surveillance audit was generic, without a specific focus.

The audit agenda was set up by SW.

13 August 2007	
6:30	Living Managua
10:00 to 11:30	Opening meeting and discussion
11:30 to 11:40	Audit of chemical storage area
11:40 to 12:00	Visit to school
12:45 to 13:10	Visit of Fern area
13:45 to 14:00	Office and review of documents (salary, etc)
14:30	Lunch and travel back to Managua
14 August 2007	
8:00	Living Managua
11:00 to 12:00	Discussion in office
12:30 to 13:00	Interview with workers
13:00 to 14:00	Field audit in plantation area
14:00	Lunch and travel back to Managua
15 August 2007	
7:00 to 7:30	Discussion ASI and SW audit teams on preliminary results of ASI audit
8:45	Arrival FMU El Eden
9:00 to 10:00	Field audit plantation area
10:00 to 10:15	Review of thinning operation
10:15 to 10:45	Discussion on SW audit preliminary findings
	SW closing meeting

People involved in the audit

SW audit team	William Arreaga (SW lead auditor) Gabriel Travisany
Operation	Clement Poncon (presidente Agroforestal S.A. and Ecoforestal S.A.) Norman Cisneros (Director Forestal) Noel Rodriguez (Administration) Milton Suaso (In charge of certification) Israel Guido (Administration)
Others	6 workers were interviewed as a group

2 Assessment objectives and planning

Background:

This operation was selected for ASI annual surveillance audit at random. No complaint had been received from stakeholders. ASI selected this operation in Nicaragua to monitor SW certification activities in Central America.

3 ASI stakeholder consultation process

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

1. Announcement of the assessment on the FSC electronic fora about one month prior to the assessment to solicit stakeholder comments plus comments and complaints previously received from stakeholders ;
2. Individual interviews with selected key-stakeholders prior, during and after the audit.

ASI received comments from:

- One member of the working group in Nicaragua.
- Subdirector of INAFOR

Main stakeholder comments	ASI response
La Empresa agroforestal es un buen ejemplo en Nicaragua y muy apreciado por las autoridades y la opinión publica en general.	N/A.

4 Audit findings

4.1 CAB AUDIT PERFORMANCE

CAB AUDIT PERFORMANCE	
FSC requirements	Findings and conclusions
Compliance with legal requirements (ISO 65, section 4.2.g)	The forestry legislation in Nicaragua (Ley No 462) specifies that auditors and specialized independent organizations evaluating the execution of management plans must be registered with INAFOR. ASI auditor discussed with INAFOR subdirector who confirmed that this was the case and that INAFOR was expecting all FSC accredited certification bodies operating in Nicaragua to apply for registration to INAFOR. SW has not registered with INAFOR before starting its certification activities in Nicaragua. SW shall contact INAFOR to clarify legal

**FSC Forest Management Surveillance Audit of SW for 2007: Agroforestal S.A.,
Nicaragua**

	<p>requirements in Nicaragua and formally apply to be registered by INAFOR in order to pursue its certification activities in Nicaragua.</p> <p>CAR.SW.FM.NIC.2007.01</p>
<p>Auditor qualification (20-004)</p>	<p>SW lead auditor for this SW surveillance audit is from Guatemala, and has been working with SW since 2004. He has followed SW training course for lead auditors. SW lead auditor had the experience and qualifications to evaluate all aspects of the FSC P&C during the surveillance audit.</p> <p>The auditor qualification was in compliance with FSC requirements.</p>
<p>Standard adaptation (20-002 and 20-003)</p>	<p>The adaptation of SW Interim Standards for Nicaragua was performed in 2006. This new version of the standard was finalised in December 2006 and replaced the 2003 SW Interim Standard for Nicaragua.</p> <p>Prior to the audit, ASI requested SW to provide evidence of appropriate stakeholder consultation process for the adaptation of this SW Interim standard. SW office in Central America sent two e-mails dated 22nd of December 2006 and 3rd of January 2007 (after the completion of SW Interim Standard) to 5 companies, 1 Foundation and 1 Indigenous organisation, informing that the standard was valid as of 1st December 2006 and stating that comments are welcome.</p> <p>This is in compliance with FSC requirements as SW did not perform any main evaluation within a month following this publication of the standard.</p> <p>SW Interim Standard for Nicaragua does not fully comply with FSC requirements for content of forest stewardship standards (FSC-STD-20-002, section 3.6) in the case of the following criteria 6.7, 8.5, 10.1, 10.2. The indicators proposed for these criteria do not address all the requirements of the corresponding criterion.</p> <p>REC.SW.FM.NIC.2007.01</p>
<p>Stakeholder consultation (20-006)</p>	<p>Prior to the audit, ASI requested SW to provide evidence of appropriate stakeholder consultation process in the certification process of Agroforestal. SW office in Central America sent a list of stakeholders that includes the contact person for the working group in Nicaragua, 3 persons from the National Forest Services, 2 persons from Monitoring Governmental Entities, 3 persons (with the same e-mail address) from one indigenous organization, 11 SW clients (with Agroforestal President and Forestal Director included in the list) and 6 other</p>

FSC Forest Management Surveillance Audit of SW for 2007: Agroforestal S.A.,
Nicaragua

	<p>stakeholders. From the list provided, SW does not appear to have consulted any national NGO, international NGO, Union representative or representatives of local communities for each one of the FMUs. SW report section 3 page 19 states that some NGOs were interviewed but the name of the NGOs are not indicated and do not appear in SW list. At the end of SW report there is a list of stakeholder which were consulted. This list does not correspond to the other list provided by SW. In this second list 10 manager from Agroforestal S.A., 3 workers from Agroforestal S.A., and 5 other stakeholders are listed. From this second list, SW does not appear to have consulted national NGOs, Union representatives or representatives of local communities for the certified FMUs. CAR.SW.FM.NIC.2007.02</p>
Evaluation process (20-007)	Was not evaluated during this ASI audit as SW main evaluation took place in 2003, before the date of implementation of FSC standard FSC-STD-20-007.
Decision making (20-002 Part 2)	<p>SW did not adequately implement FSC requirements regarding conditions and corrective action requests.</p> <ul style="list-style-type: none"> - SW issued condition No 18 following the main assessment with a 3 years deadline for compliance. SW audit team did not follow-up on this condition during the 1st, 2nd or 3rd surveillance audits. - SW raised 20 conditions following the main assessment in 2003. 6 of these conditions were upgraded to 5 major CARs following the first surveillance audit in 2005. 1 new major CAR was also issued. All major CARs were closed by SW following the 2nd surveillance audit in 2006, with 1 new major CAR being raised. During the ASI surveillance audit, corresponding to the 3rd SW surveillance audit in 2007, there was evidence that the following major CARs had not been adequately addressed by the company despite the fact that they had been closed by SW: CAR 05-04, 07-04, 10-04, 14-04, 17-04, 01-05. - A major CAR was raised following SW 2nd surveillance audit (CAR 01-06) because the company did not have chain of custody procedures. At the time of the ASI audit there was no evidence that the company was in compliance with chain of custody requirements. Compliance with chain of custody requirements

**FSC Forest Management Surveillance Audit of SW for 2007: Agroforestal S.A.,
Nicaragua**

	<p>shall have been addressed by SW at the main assessment or SW should have issued an FM certificate and not an FM/COC. CAR.SW.FM.NIC.2007.03</p>
Auditor performance (ISO 19011)	<p>The SW audit team performed the audit in line with most ISO 19011 recommendations; audit agenda, opening meeting, communication during the audit, and closing meeting. Two recommendations were not addressed: - Section 6.4.3 recommending an audit checklist. - Section 6.5.4 information was not collected and verified in a systematic way. REC.SW.FM.NIC.2007.02</p>
Audit report (20-008)	<p>SW audit report dated 21 April 2004 was not systematically reviewed for compliance as FSC reporting requirements have changed since 2004.</p>
Public summary (20-009)	<p>SW public summary report was not systematically reviewed for compliance as FSC requirements have changed since 2004.</p>
Chain of custody issues	<p>At the time of SW main assessment, SW audit team states that the company has a chain of custody system that can be considered complete and functioning. However, a major CAR was raised following SW 2nd surveillance audit (CAR 01-06) because the company did not have chain of custody procedures (timeline for compliance 01 March 2007). At the time of the ASI audit the company had started thinning operations but there was no evidence that the company was in compliance with FSC chain of custody requirements. Compliance with chain of custody requirements shall have been addressed adequately or SW should have issued an FM and not an FM/COC certificate. CAR.SW.FM.NIC.2007.04</p>
Use of FSC trademark	<p>At the time of the ASI audit, the certificate holder was not using the FSC trademark.</p>
Application of relevant FSC policies and guidelines	<p>FSC-POL-20-003 (excision of areas from the scope of certification): SW certificate to Agroforestal S.A. includes 4 FMUs, one of which is called La Cumplida and includes around 700 ha of coffee plantation. SW assessment report section 6 page 20 indicates that coffee and fern plantations were evaluated by the SW audit team and the certified area indicated in SW report for the FMU la Cumplida (1,615 ha) appears to include the total area of the FMU.</p>

FSC Forest Management Surveillance Audit of SW for 2007: Agroforestral S.A.,
Nicaragua

	<p>At the time of the ASI audit, SW audit team stated that coffee plantations on the certified FMUs were excluded from the scope of the certificate due to the use of FSC prohibited chemicals on these coffee plantations.</p> <p>However, SW did not demonstrate compliance with FSC Policy 20-003 for the excision of areas from the scope of certification, section 2.2.e, which was approved in March 2004.</p> <p>CAR.SW.FM.NIC.2007.05</p> <p>FSC-GUI-30-001 Pesticide Policy: Guidance on implementation.</p> <p>FSC-ADV-30-601: Is use of an FSC-prohibited chemical pesticide a ‘major failure’? (October 2002)</p> <p>SW issued a certificate to Agroforestral S.A. while the company was and is still using FSC prohibited chemicals. Following SW assessment in 2003, SW raised a recommendation to the company regarding FSC prohibited chemicals.</p> <p>Following SW 1st surveillance audit in 2005, SW indicated that the company is using a number of FSC prohibited chemicals. SW raised a major CAR (CAR 01-05) stating that the list of chemicals approved by Agroforestral contains a number of products with active ingredients prohibited by the FSC. SW major CAR had a deadline of 1 month after finalisation of the report; i.e. 12 November 2005.</p> <p>On the 22-28 of July 2006 SW evaluated compliance of the certificate holder and reported in November 2006 that the major CAR 01-05 had been closed based a Company’s Policy and the fact that “prohibited chemicals do not appear on the company’s inventory”.</p> <p>At the time of the ASI audit, the following FSC prohibited chemicals could be found in the company’s storage area: Cypermetrine, Carbendazim, Thionex.</p> <p>FSC advice note states that an FSC certificate may not be issued to companies that use FSC prohibited chemicals unless such use is covered by a derogation issued by the FSC Board Committee on Chemical pesticides.</p> <p>CAR.SW.FM.NIC.2007.06</p>
--	---

5 Nonconformities and observations

Major CAR(s)	Minor CAR(s)	Observations
4	5	3

See nonconformity reports (attached) for details.

6 Conclusion and recommendation

SW audit team performed a monitoring audit in line with FSC accreditation requirements. However, SW did not adequately follow-up on many of its previous findings.

At the time of the ASI surveillance audit, and despite a strong commitment from the certified company to comply with FSC certification requirements, the company could not demonstrate compliance with a number of important certification requirements.

SW should have followed-up on the conditions and major corrective actions raised during its main assessment and first surveillance audit to ensure compliance with FSC certification requirements. SW should not have closed conditions and major CARs before compliance could be adequately demonstrated in the field as this did not help the company to understand and comply with all FSC certification requirements.

SW should ensure that compliance with FSC Principle 9 is adequately evaluated during all its main assessments and surveillance audits.

Based on the findings of this audit, the ASI lead auditor recommends to maintain FSC forest management accreditation for SW subject to the timely implementation of the proposed CARs.

Attachments

- Nonconformity reports (NCRs)
- ASI feedback to CAB comments on report (if provided)
- Local expert's report (ASI version only)

Annex 1: Nonconformity reports (NCRs)

ACCREDITATION SERVICES INTERNATIONAL GmbH			
Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com			
NONCONFORMITY / CORRECTIVE ACTION REQUEST			
REF. No.	CAR.SW.FM.NIC.2007.01	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
The forestry legislation in Nicaragua (Ley No 462) specifies that auditors and specialized independent organizations evaluating the execution of management plans must be registered with INAFOR. SW has not registered with INAFOR before starting its certification activities in Nicaragua.			
Normative Reference(s)	ISO 65, section 4.2.g		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	12 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.02	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit SW did not provide evidence that a stakeholder consultation process in line with FSC requirements had been performed.			
Normative Reference(s)	FSC-STD-20-006, section 2.3		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	12 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.03	Date	22 August 2007	
Nonconformity detected by (name of auditor)		Hubert de Bonafos		
Through (e.g. office audit, document review)		FM surveillance Audit 2007		
Nonconformity	Status	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION		
<p>At the time of the ASI surveillance audit, SW had not adequately followed-up on conditions and major corrective action requests. SW had closed conditions and major CARs before compliance could be adequately demonstrated in the field. This practice is leading to misunderstandings with certified companies regarding FSC certification requirements.</p>				
Normative Reference(s)	FSC-STD-20-002, sections 8.3.3 and 8.6			
Corrective Action Request: Rainforest Alliance/SmartWood program 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		3 months from finalization of this report.		
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:				

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.04	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
<p>At the time of the ASI surveillance audit, SW had issued and FSC FM/COC certificate to a company that had not implemented appropriate chain of custody procedures. At the time of its 2nd surveillance audit SW had raised a major CAR to address this lack of chain of custody procedures with 01 March 2007 as timeline for compliance. At the time of the ASI audit the company had started some thinning operations but could not demonstrate compliance with chain of custody certification requirements and SW had not adequately followed-up to ensure compliance.</p>			
Normative Reference(s)	FSC Criterion 8.3		
<p>Corrective Action Request: Rainforest Alliance/SmartWood program 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.</p>			
Timeline for implementation	3 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.05	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit, SW audit team stated that coffee plantations on the certified FMUs were excluded from the scope of the certificate due to the use of FSC prohibited chemicals on these coffee plantations. However, SW did not adequately implement FSC policy for the excision of these areas from the scope of the certificate.			
Normative Reference(s)	FSC-POL-20-003, section 2.2.e		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	12 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.06	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit, SW had issued a certificate to a company using FSC prohibited chemicals. This is not in line with FSC Guidance and FSC Advice Note on the use of FSC prohibited chemicals.			
Normative Reference(s)	FSC-GUI-30-001 section 3 FSC-ADV-30-601 section 1		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	3 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.07	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit the company could not demonstrate compliance with criteria 8.4 and 8.5 and SW had not raised appropriate corrective action request to address these nonconformities.			
Normative Reference(s)	FSC Criteria 8.4 and 8.5		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	12 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.08	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input checked="" type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit the company could not demonstrate compliance with FSC Principle 9 certification requirements and SW had not raised appropriate corrective action request to address these nonconformities.			
Normative Reference(s)	FSC Principle 9		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	12 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	CAR.SW.FM.NIC.2007.09	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> MINOR <input type="checkbox"/> OBSERVATION	
At the time of the ASI audit the company could not demonstrate compliance with criterion 10.2 and SW had not raised appropriate corrective action request to address this nonconformity.			
Normative Reference(s)	FSC Criterion 10.2		
Corrective Action Request: Rainforest Alliance/SmartWood program 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	12 months from finalization of this report.		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.NIC.2007.01	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
SW Interim Standard for Nicaragua does not fully comply with FSC requirements for content of forest stewardship standards (FSC-STD-20-002, section 3.6) in the case of the following criteria 6.7, 8.5, 10.1, 10.2. The indicators proposed for these criteria do not address all the requirements of the corresponding criterion.			
Normative Reference(s)	FSC-STD-20-002, section 3.6		
Corrective Action Request: Rainforest Alliance/SmartWood program should 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	N/A		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.NIC.2007.02	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
<p>During the ASI surveillance audit, the SW audit team did not address two recommendations included in ISO 19011:</p> <ul style="list-style-type: none"> - Section 6.4.3 recommending an audit checklist. - Section 6.5.4 information was not collected and verified in a systematic way. 			
Normative Reference(s)	ISO 19011, sections 6.4.3 and 6.5.4		
<p>Corrective Action Request:</p> <p>Rainforest Alliance/SmartWood program should 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.</p>			
Timeline for implementation	N/A		
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:			

ACCREDITATION SERVICES INTERNATIONAL GmbH

Charles-de-Gaulle-Str. 5 • 53113 Bonn, Germany • Tel.: +49 - 228 - 367 66 0 • info@accreditation-services.com

NONCONFORMITY / CORRECTIVE ACTION REQUEST

REF. No.	REC.SW.FM.NIC.2007.03	Date	22 August 2007
Nonconformity detected by (name of auditor)		Hubert de Bonafos	
Through (e.g. office audit, document review)		FM surveillance Audit 2007	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> OBSERVATION	
At the time of the ASI surveillance audit, SW report and SW audit team were not clear regarding the legal ownership of the certified FMUs. SW should be clear in its certification reports so that there is no misunderstanding possible regarding legal ownership of a certified FMU.			
Normative Reference(s)	FSC Principle 2		
Corrective Action Request: Rainforest Alliance/SmartWood program should 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	N/A		
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:			