

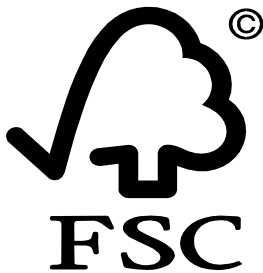
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# SmartWood

*Practical conservation through certified forestry*

## Forest Management **Certification Assessment** Report for:

Aitos State Forestry Unit  
in  
Bulgaria

Certificate code: SW-FM/CoC-003001

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Audit Dates: 7-9.11.2007

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## INTRODUCTION

This report presents the findings of an independent certification assessment conducted by a team of specialists representing the SmartWood Program of the Rainforest Alliance. The purpose of the assessment was to evaluate the ecological, economic and social performance of Aitos State Forestry Unit forest management as defined by the Forest Stewardship Council.

This report contains four main sections of information and findings and several appendixes. The whole report plus appendixes I will become public information about the forest management operation that may be distributed by SmartWood or the Forest Stewardship Council (FSC) to interested parties. The remainder of the appendixes are confidential, to be reviewed only by authorized SmartWood and FSC staff and reviewers bound by confidentiality agreements.

The purpose of the SmartWood program is to recognize conscientious land stewardship through independent evaluation and certification of forestry practices. Forestry operations that attain SmartWood certification may use the SmartWood and FSC labels for public marketing and advertising.

# 1. SCOPE OF THE CERTIFICATE

## 1.1. Scope of the certificate

The scope covers the forest area managed by Aitos State Forestry Unit (FMO) and all forest products harvested and produced by the enterprise. The FMO is responsible for management of the state owned forests only, thus why only the state forest is included in the scope of the certificate within an area of 43508 hectares.

## 1.2. Exclusion of areas from the scope of certificate

<b>X</b>	<b>Applicability of FSC partial certification and excision policy</b>		
<input checked="" type="checkbox"/>	All forest land owned or managed by the FME is included in the scope of this evaluation.		
<input type="checkbox"/>	FME owns and/or has management involvement in other forest land/properties (forest management units) not being evaluated. Provide description of other forests below:		
<input type="checkbox"/>	Is any portion of the forest management unit (s) under evaluation for certification being excluded? If yes, complete all sections below.		
Comments / Explanation for exclusion:	None		
Control measures	None		
<b>Other Forest area</b>	<b>Location</b>	<b>Size (ha)</b>	
None			

## 2. ASSESSMENT PROCESS

### 2.1. Certification Standard Used

SmartWood Interim Standard for Bulgaria draft 1.0., 25 May 2007 has been prepared by NEPCon and the Rainforest Alliance SmartWood program. SmartWood is an FSC accredited certification program of Rainforest Alliance and NEPCon is partner of Rainforest Alliance representing the SW program in Scandinavia, Russia and Eastern Europe. The standard is based on Forest Stewardship Council (FSC) general requirements detailed in FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship. The wording of FSC principles and criteria has been included in the standard unchanged. During the adaptation process NEPCon/SmartWood has developed indicators for each applicable criterion that detail the requirements considering local Bulgarian context. In case a criterion or principle has been considered non-applicable, the reason for this has been justified. The indicators in this standard are partly based on the Draft Bulgarian National FSC Standard (version 3rd), which has been prepared by FSC Working Group in Bulgaria ([www.panda.org/bg](http://www.panda.org/bg) and [www.forestrybg.net](http://www.forestrybg.net)) as well as takes into consideration WoodMark standards used for two FM assessments in Bulgaria. FSC requirements for standards as described in FSC-STD-20-003 Local adaptation of certification body generic forest stewardship standards (ver 1-0) and FSC-STD-20-002 Structure and Content of Forest Stewardship Standards (ver 1-0) have been fully followed during preparation of this standard. Based on the review of Bulgarian legislation it is NEPCon/SW position that this standard is not in conflict with any national legal requirements. At the same time NEPCon/SW is in position that this standard does not include performance thresholds that are lower than the national legal requirements.

### 2.2. Assessment team and qualifications

Aliaksandr Zubkevich - Nature, Ecology and People Consult (NEPCon).

Mr Zubkevich has education of engineer-economist in timber industry. He has post-graduate education in Belarusian state technological university and writes a post-graduate dissertation on the topic: Organization and economic base of harvesting development in Belarus. Aliaksandr Zubkevich is trained with several programs in Poland and Sweden, where prepared scientific reports. Also he wrote some scientific articles regarding forest sector development in Belarus. Till 2005 Mr. Zubkevich leaded republican NGO involved in ecological issues and education in ecology. Now Mr. Zubkevich works for NEPCon as representative in Belarus. He has been through SmartWood's CoC assessor training course in 2007 year. He participated in audits of leskhozvez in Belarus, Latvia and Poland, in main assessment in Ukraine

Zhivko Bogdanov, local expert

Bulgarian citizen, Forestry graduated, WWF expert and WWF DCP Bulgaria Forest Program Coordinator. He has been involved in the development of Bulgarian FSC Working Group and the national standard setting process since 2003, now he is FSC Contact Person in the country. Zhivko Bogdanov has participated in 5 pre-assessment audits in Russia, Italy and Bulgaria and 4 main forest management and chain of custody certification assessments in Bulgaria. He has been through SmartWood's CoC assessor training course in 2006, SGS Forest Certification Course in 2004, WoodMark Forest Management Certification Auditing training in 2004.

### 2.3. Report peer reviewers

Peer reviewer possess master of science in forestry, employee of association of national parks in Bulgaria, member of many environmental NGOs,

**2.4. Assessment schedule (including pre-assessment and stakeholder consultation)**

Date	Location /main sites	Main activities
<b>Pre-assessment</b>		
20.09.2007	Aitos office	Review of documents, interview with staff
<b>Main Assessment</b>		
07.11.2007	Aitos office	Review of documents, interview with staff.
08.11.2007	Aitos office	Review of documents, interview with staff
09.11.2007	Aitos forest area	Field audit, interview with field personnel, and presentation of audit results.
Total number of person days used for the audit: <b>6</b> = number of auditors participating <b>2</b> times total number of days spent for the audit <b>3</b>		

**2.5. Evaluation strategy**

Audit started with initial briefing meeting between forest unit managers and NEPCon assessors aimed to provide FMO with a clear understanding of what will be done during the certification assessment process. Then auditors step by step checked all documentation and reviewed staff in relation of implementation of the Smartwood standard. The following issues have been identified as potentially significant for the main assessment:

- H&S training and equipment of contractors
- Assessment of impact of forest activities on ecosystems
- Monitoring of protected species and HC VF

During field inspection auditors selected sites which characterizes different approaches in forestry and silviculture. Special attention was paid to sites with completed, ongoing and planned forest operation, because such sites give picture of forest policy of FMO. Apart from were visited sites valuable for biodiversity protection, important for local communities. Auditors visited totally 18 sites.

**List of management aspects reviewed by assessment team:**

Type of site	Sites Visited	Type of site	Sites visited
Road construction	8	Illegal settlement	-
Soil drainage	-	Bridges/stream crossing	-
Workshop	-	Chemical storage	-
Tree nursery	-	Wetland	1
Planned Harvest site	2	Steep slope/erosion	-
Ongoing Harvest site	4	Riparian zone	2
Completed logging	7	Planting	1
Soil scarification	-	Direct seeding	-
Planting site	1	Weed control	-
Felling by harvester	n/a	Natural regeneration	17

Felling by forest worker	12	Endangered species	3
Skidding/Forwarding	4	Wildlife management	2
Clearfelling	-	Nature Reserve	-
Shelterwood management	9	Key Biotope	4
Selective felling	5	Special management area	7
Sanitation cutting	-	Historical site	-
Pre-commercial thinning	2	Recreational site	1
Commercial thinning	4	Buffer zone	-
Logging camp	-	Local community	2

## 2.6. Stakeholder consultation process

The purpose of the stakeholder consultation strategy for this assessment was threefold:

- 1) To ensure that the public is aware of and informed about the assessment process and its objectives;
- 2) To assist the field assessment team in identifying potential issues; and,
- 3) To provide diverse opportunities for the public to discuss and act upon the findings of the assessment.

This process is not just stakeholder notification, but wherever possible, detailed and meaningful stakeholder interaction. The process of stakeholder interaction does not stop after the field visits, or for that matter, after even a certification decision is made. SmartWood welcomes, at any time, comments on certified operations and such comments often provide a basis for field assessment.

In the case of Aitos prior to the actual assessment process, a public consultation stakeholder document was developed and distributed by email, FAX and mail. Also information about planning assessment was posted on NEPCon web site.

<b>Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)</b>	<b>Stakeholders Notified (#)</b>	<b>Stakeholders consulted directly or provided input (#)</b>
NGOs	2	1
Local Community members	2	4
Govt agency	5	2
Union	1	-
Forest Management Planning company	2	-
Logging/Wood-processing company	1	1

### 3. ASSESSMENT FINDINGS AND OBSERVATIONS

#### 3.1. Stakeholder comments received

The stakeholder consultation activities were organized to give participants the opportunity to provide comments according to general categories of interest based upon the assessment criteria. The table below summarizes the issues identified by the assessment team with a brief discussion of each based upon specific interview and/or public meeting comments.

<b>FSC Principle</b>	<b>Stakeholder comment</b>	<b>SmartWood response</b>
<b>P1: FSC Commitment and Legal Compliance</b>	FMO respect the law and work transparently and legally.	Not needed
<b>P2: Tenure &amp; Use Rights &amp; Responsibilities</b>	FMO staff and operations respect other owner's rights.	Not needed
<b>P3 – Indigenous Peoples' Rights</b>	No comments received	NA
<b>P4: Community Relations &amp; Workers' Rights</b>	No comments received	Not needed
<b>P5: Benefits from the Forest</b>	No comments received	Not needed
<b>P6: Environmental Impact</b>	Water Basin Directorate, Varna by MoEW sent letter addressing the following:	During the assessment of Aitos FMO the auditing team find that unit's FMP has been consulted during its development with the related institutions and interested parties. The FMP and forest maps include water objects on the territories of Aitos FMO. The documentation and procedures of the unit is addressing the issue with soil protection and water stream protection during the forest operations adequately. The implementation of the system and the monitoring of the issue will continue to be checked during the following audits.
<b>P7: Management Plan</b>	<ol style="list-style-type: none"> <li>1. Forest Management Plans and Water Basin Plan developed by the WBDirectorate shall correspond each other;</li> <li>2. All catchments and water streams shall be mentioned in the FMP and on the forest maps;</li> <li>3. Water objects and the territory around shall be protect by erosion and damages by forest operations</li> </ol>	
<b>P8: Monitoring &amp; Assessment</b>	No comments received	Not needed
<b>P9: Maintenance of High Conservation Value Forest</b>	No comments received	Not needed
<b>P10 - Plantations</b>	No comments received	NA

### 3.2. Main strengths and weaknesses

Principle	Strengths	Weaknesses
<b>P1: FSC Commitment and Legal Compliance</b>	<ul style="list-style-type: none"> <li>• Legal requirements are known and followed by FMO Aitos</li> <li>• All taxed timely paid</li> <li>• International conventions listed and known</li> <li>• The general trend of illegal logging cases is decreasing</li> <li>• Clear commitment to FSC expressed in written in several cases.</li> <li>• There are no conflicts between laws and present standard</li> </ul>	
<b>P2: Tenure &amp; Use Rights &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>• Ownership issues are clear and undisputed</li> <li>• All forest areas are open for public use</li> </ul>	
<b>P3 – Indigenous Peoples’ Rights</b>	Not applicable	Not applicable
<b>P4: Community Relations &amp; Workers’ Rights</b>	<ul style="list-style-type: none"> <li>• Stable employment provided to staff and no discrimination of staff</li> <li>• Staff has access to relevant safety equipment</li> <li>• Cultural areas are mapped and local societies are considered</li> <li>• There is a clear procedure for processing, answering and resolving the complaints received by administration</li> </ul>	<ul style="list-style-type: none"> <li>• Workers in the forest didn’t has safety equipment (in particular safety boots, safety trousers) (CAR 01/07)</li> <li>• No publicly available health and safety policy (CAR 04/07)</li> <li>• Persons entering logging sites were not wearing helmets and high visibility vests (CAR 02/07)</li> </ul>
<b>P5: Benefits from the Forest</b>	<ul style="list-style-type: none"> <li>▪ Access to all NTF products is free for public use</li> <li>▪ Hunting is utilized</li> <li>▪ Actual harvest is well documented</li> <li>▪ Sales system favors high economic income and is based on auction system</li> </ul>	<ul style="list-style-type: none"> <li>• Existing financial system is far from being perfect. There are no correlation between incomes and expenses. All income flow to the national budget and all expenses financed by national budget. Such system constrains initiative and excludes management’s independence. Budget covers all planned forest management costs with the exception of new road construction. Interview with staff indicated that funds on new road construction hadn’t been planed during last several years.(OBS 01/07)</li> <li>• Assessment of the impact of forest management on the multiple services produced in the forest is not provided in written (CAR 06/07)</li> <li>• It was observed during field inspection damage of remaining</li> </ul>

		trees (CAR 05/07)
<b>P6: Environmental Impact</b>	<ul style="list-style-type: none"> <li>▪ Maps of protected areas are available and used</li> <li>▪ Protected species habitats are known and mapped</li> <li>▪ Natural regeneration used in large extent</li> <li>▪ Over 5% of forest areas are strictly protected</li> <li>▪ No of chemical use in the forest</li> <li>▪ No GMO-s, biological control agents or exotic species are used</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procedure of assessment of potential impact on environment during forest management plan preparation is not implemented (CAR 07/07)</li> <li>▪ No system in place and implemented for conducting environmental impact assessment prior to road building (CAR 08/07)</li> <li>▪ Requirements of leaving in the forest old and hollow trees and dead wood as well as leaving at least 5 biological valuable trees per hectare are not clear defined in cutting regulation documents given to contractors (CAR 09/07)</li> <li>▪ Oil absorbent kits are not used in tractors (CAR 11/07)</li> <li>▪ Biodegradable oil are not used for chainsaws and hydraulic oil in forest machinery (12/07)</li> <li>▪ There was significant amount of garbage in the visited forest areas (OBS 02/07)</li> <li>▪</li> </ul>
<b>P7: Management Plan</b>	<ul style="list-style-type: none"> <li>▪ Detailed and technically sound management plans exist</li> <li>▪ Specific timeframe for updating management plans is implemented</li> </ul>	Relevant staff has not been trained according biodiversity protection (CAR 13/07)
<b>P8: Monitoring &amp; Assessment</b>	<ul style="list-style-type: none"> <li>▪ Thorough monitoring system is in place covering almost all required aspects.</li> <li>▪ CoC rules are followed</li> <li>▪ Monitoring result summary is included in the public summary of the management plan</li> </ul>	
<b>P9: Maintenance of High Conservation Value Forest</b>	<ul style="list-style-type: none"> <li>▪ All HCV forest areas are mapped and protection values are known</li> <li>▪ Consultation with various stakeholder groups has been conducted for identification of HCV forest areas.</li> </ul>	There is good developed system of HCVF identification and monitoring. This system was developed by external organization and in report just mentioned that stakeholders were consulted. But there is no list of stakeholders in FMO (CAR 14/07)
<b>P10 - Plantations</b>	Not applicable	
<b>Chain of custody</b>	CoC rules are followed	
<b>Group Certification Requirements</b>	Not applicable	

### 3.3. Identified non-conformances and corrective actions

A non-conformance is a discrepancy or gap identified during the assessment between some aspect of the FME’s management system and one or more of the requirements of the forest stewardship standard. Depending on the severity of the non-conformance the assessment team differentiates between major and minor non conformances.

- **Major non-conformance** results where there is a fundamental failure to achieve the objective of the relevant FSC criterion. A number of minor non-conformances against one requirement may be considered to have a cumulative effect, and therefore be considered a major nonconformance.
- **Minor non-conformance** is a temporary, unusual or non-systematic non-conformance, for which the effects are limited.

Major non conformances must be corrected **before** the certificate can be issued. While minor non-conformances do not prohibit issuing the certificate, they must be addressed within the given timeframe to maintain the certificate.

Each non-conformance is addressed by the audit team by issuing a corrective action request (CAR) CARs are requirements that candidate operations must agree to, and which must be addressed, within the given timeframe of a maximum of one year period.

<b>CAR 01/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 4.2.2
<b>Nonconformance</b>		Field inspection showed that most of health and safety equipment was lacking. In particular chain of saw operator didn't have safety boots, safety trousers. Also tractors in the forest were not equipped with medicine first aid kit
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b> FMO shall take steps to ensure full compliance with health and safety requirements for contractors as specified in the standard.		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if app.):</b>		

<b>CAR 02/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 4.2.3
<b>Nonconformance</b>		Persons entering logging sites were not wearing helmets and high visibility vests. The order #187 dated 25.09.2007 prohibited entering sites with on-going operation without helmet and high visibility vest. But field inspection showed that in practice such requirement not implemented
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b> FMO shall ensure that every person entering an ongoing logging site shall wear a helmet and high visibility vest.		
<b>Timeline for conformance:</b>		By the next annual audit

<b>Evidence to close CAR:</b>	Pending
<b>CAR Status:</b>	OPEN
<b>Follow-up Actions (if applicable):</b>	

<b>CAR 03/07</b>	<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 4.2.9	
<b>Nonconformance</b>		On the visited site with ongoing operation warning signs were no posted at access roads to site.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall ensure that warning signs be posted at access roads to sites with ongoing logging operation		
<b>Timeline for conformance:</b>	By the next annual audit	
<b>Evidence to close CAR:</b>	Pending	
<b>CAR Status:</b>	OPEN	
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 04/07</b>	<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 4.2.11	
<b>Nonconformance</b>		FMO has labour safety requirements mentioned in the contracts with contractors. There is journal of registration of accident in the forest. FMO issued list to all contractors with requirements to meet FSC standards. Field inspection and interview showed that system doesn't work properly. Auditors concluded that still FMO didn't posses health and safety policy and management system in place.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall develop of health and safety policy and implement a robust system for checking of non compliances, report observed non compliances and ensure that appropriate action is taken in case of compliance with health and safety requirement.		
<b>Timeline for conformance:</b>	By the next annual audit	
<b>Evidence to close CAR:</b>	Pending	
<b>CAR Status:</b>	OPEN	
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 05/07</b>	<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 5.3.2	
<b>Nonconformance</b>		It was observed during field inspection damage of remaining trees. Also on logyard wood sortiments were loaded near remaining trees and damaged them
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall develop and implement procedure to minimize damage of remaining trees.		

<b>Timeline for conformance:</b>	By the next annual audit
<b>Evidence to close CAR:</b>	Pending
<b>CAR Status:</b>	OPEN
<b>Follow-up Actions (if applicable):</b>	

<b>CAR 06/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 5.5.2
<b>Nonconformance</b>		FMO has annual estimation of available hunting games, potential resources of berries and mushrooms included in forest management plan, but formal assessment of the impact of forest management on the multiple services produced in the forest is not provided in written
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall assess impact of forest management on the multiple services produced in the forest in written. Such assessment shall include estimation of impact on outdoor life, watersheds, NTFP (fishing, hunting, berries and mushrooms), protection of cultural and biological values.		
<b>Timeline for conformance:</b>		Prior to next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 07/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 6.1.1, 6.1.2
<b>Nonconformance</b>		Potential impact on environment is assessed during forest management plan preparation. The order 190 # dated 25.09.2007 designated next procedures compulsory for implementation during planning forest operation: "Program for management of biodiversity elements and HC VF management in Aitos FMO", "Preferable practices for protection and maintenance of biodiversity in Aitos FMO", "Protecting of the elements of biodiversity during forest activities", "Role of biodiversity trees and groups of trees left in forest. Practice of dead wood management in the forest". The order requires that foresters shall take into consideration the mentioned above documents during preparation of sites for different kind of activities. During annual forest planning it is required that impact on the landscape to be estimated; rear and endangered species, availability of deadwood and hollow trees on sites, potential trees for leaving shall be selected and bird nesting water steam availability. Forest ranger shall assess potential impact on environment and after finishing of work shall estimate factual impact. The results shall be documented in protocol. But audit showed that forest ranger use old technological maps and still don't make assessment of environmental impact as described in the Order
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall ensure that assessment of potential impact on environment during forest management plan preparation is documented and implemented in practice.		

<b>Timeline for conformance:</b>	By the next annual audit
<b>Evidence to close CAR:</b>	Pending
<b>CAR Status:</b>	OPEN
<b>Follow-up Actions (if applicable):</b>	

<b>CAR 08/07</b>	<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 6.1.3	
<b>Nonconformance</b>		Current procedures do not require environmental impact assessments for major activities, if they are below level specified in law requirements. There is procedure for conducting documented environmental impact assessments prior to major forest management activities such as constructions of new roads or maintenance of drainage systems.. But this procedure still not been implemented.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall ensure implementing develop procedure and good practice when planning major forest activities such as road construction in the forest or maintenance of drainage systems..		
<b>Timeline for conformance:</b>	By the next annual audit	
<b>Evidence to close CAR:</b>	Pending	
<b>CAR Status:</b>	OPEN	
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 09/07</b>	<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 6.3.5, 6.3.6	
<b>Nonconformance</b>		FMO developed procedure for leaving old and hollow trees and dead wood in the forest and also for leaving at least 5 biological valuable trees per hectare. But requirements didn't mention in cutting regulation documents for contractors.
<b>Major</b>	<b>Minor</b> X	
<b>Corrective Action Request:</b> FMO shall ensure that old and hollow trees and dead wood as well as at least 5 biological valuable trees per hectare are left in the forest.		
<b>Timeline for conformance:</b>	By the next annual audit	
<b>Evidence to close CAR:</b>	Pending	
<b>CAR Status:</b>	OPEN	
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 10/07</b>	<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 6.6.1, 6.6.2	
<b>Nonconformance</b>	FMO haven't used any chemicals during 2007 year. In 2006 was used	

<b>Major</b>	<b>Minor</b> <b>X</b>	<p>remained preparation. National law #56 dated 11.11.2003 “Protection of forest against pest, diseases”, regulates usage of chemical preparation. Also rules of usage of chemicals is regulated in orders 25 dated 1999 and 56 dated 2003 issued by the Ministry of agriculture and forestry.</p> <p>During audit it was discovered that FMO used in previous years pesticide (Fonzilat) which contained prohibited FSC substance fluazifop-butyl. There are remained some quantities of such pesticide in FMO. In 2007 no chemicals were used. 9.11.2007 these has been issued order no 223 implementing procedure of avoiding using any FSC banned chemicals as well as procedures for safe use of other chemicals.</p>
<b>Corrective Action Request:</b>		
FMO shall develop procedure for sound utilization of FSC banned chemical that remains in FMO.		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 11/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 6.7.6
<b>Nonconformance</b>		Oil absorbent kits are not used in tractors.
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b>		
FMO shall ensure that all forest machinery is equipped with oil absorbents		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 12/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 6.7.6
<b>Nonconformance</b>		Biodegradable oil is not used for chainsaws and hydraulic oil in forest machinery.
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b>		
FMO shall ensure using biodegradable oil for chainsaws and hydraulic oil in forest machinery		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if applicable):</b>		

applicable):	
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<b>CAR 13/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 7.3.3
<b>Nonconformance</b>		Training of relevant staff according biodiversity has not been conducted
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b> FMO shall ensure that relevant staff passes training according biodiversity in the region of Aitos. Training shall be documented.		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if applicable):</b>		

<b>CAR 14/07</b>		<b>Reference Standard &amp; Criteria:</b> SW interim standard for Bulgaria P&C 9.2.1, 9.2.2
<b>Nonconformance</b>		There is good developed system of HCVF identification and monitoring. This system was developed by external organization and in report just mentioned that stakeholders were consulted. But there is no list of stakeholders available in FMO and FMO doesn't know who had been consulted.
<b>Major</b>	<b>Minor</b> <b>X</b>	
<b>Corrective Action Request:</b> FMO shall document the stakeholder consultation process regarding HCVFs in written.		
<b>Timeline for conformance:</b>		By the next annual audit
<b>Evidence to close CAR:</b>		Pending
<b>CAR Status:</b>		OPEN
<b>Follow-up Actions (if applicable):</b>		

### 3.4. Observations

**Observations** are very minor problems or the early stages of a problem which does not of itself constitute a nonconformance, but which the auditor considers may lead to a future nonconformance if not addressed by the client. An observation may be a warning signal on a particular issue that, if not addressed, could turn into a CAR in the future (or a pre-condition or condition during a 5 year re-assessment).

<b>OBS 01/07</b>	<b>Reference Standard &amp; Requirement:</b> SW interim standard for Bulgaria P&C 5.1.1
Existing financial system is far from being perfect. There are no correlation between incomes and expenses. All income flow to the national budget and all expenses financed by national budget. Such system constrains initiative and excludes management's independence. Budget covers all planned forest management costs with the exception of new road construction. Interview with staff indicated that funds on new road construction don't plan during last several years.	
<b>Observation:</b> Auditors recommend FMO apply to forest branch authorities with aim to try to enforce reformation of financial system in Bulgaria towards market and best European practices.	
<b>OBS 02/07</b>	<b>Reference Standard &amp; Requirement:</b> SW interim standard for Bulgaria P&C 5.3.3, 6.7.2
There was significant amount of garbage observed in the visited forest areas. FMO took some steps (developed procedure) to solve this problem. But field inspection confirmed that taken efforts not sufficient.	
<b>Observation:</b> Auditors recommend FMO take more efficient steps to reduce amount of waste in the forest. Nbm	
<b>OBS 03/07</b>	<b>Reference Standard &amp; Requirement:</b> SW interim standard for Bulgaria P&C 6.5.1.11
Requirement to design where it is possible silt traps, water buffer and preventing drains flow into the water streams are not mentioned in procedures	
<b>Observation:</b> Auditors recommend FMO include silt traps, water buffer and preventing drains flow into the water streams in practice.	
<b>OBS 04/07</b>	<b>Reference Standard &amp; Requirement:</b> SW interim standard for Bulgaria P&C 6.7.5
Field inspection showed that tractors were with slight oil leakage	
<b>Observation:</b> Auditors recommend FMO take steps to exclude using of forest machinery with oil leakage.	

### 3.5. Certification Recommendation

Based on a thorough review of FME performance in the field, consultation with stakeholders, analysis of management documentation or other audit evidence the SmartWood assessment team recommends the following:

<b>Certification requirements met, certificate should be issued</b>	<input checked="" type="checkbox"/>
<b>Certification requirements not met, major CARs must be met prior to certificate</b>	<input type="checkbox"/>

<b>issuance.</b>		
FME has demonstrated that their described system of management is being implemented consistently over the whole forest areas covered by the scope of the evaluation		
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments:		
FME's management system, if implemented as described, is capable of ensuring that all the requirements of the certification standards are met across the scope of the certificate		
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments:		
Issues identified as controversial or hard to evaluate.		
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments:		
Certificate type recommended:	<input checked="" type="checkbox"/> Forest management and Chain of custody <input type="checkbox"/> Forest management only (no CoC)	

In order to maintain certification, the FME will be audited annually on-site and required to remain in conformance with the FSC principles and criteria as further defined by regional guidelines developed by SmartWood or the FSC. The FME will also be required to fulfill the corrective actions as described below. Experts from SmartWood will review continued forest management performance and conformance with the corrective action requests described in this report, annually during scheduled and/or random audits

## **4. CLIENT SPECIFIC BACKGROUND INFORMATION**

### **4.1. Ownership and land tenure description**

The FMO's forest area is 43508 ha. The owner of the forest land is the Bulgarian state.

### **4.2. Legislative and government regulatory context**

FMO is managed by Aitos State Forestry Unit, 9 Hadji Dimitar Str, Aitos 8500, Bulgaria, which is an organizational unit of National Forestry Board, Burgas Regional Forest Directorate. The FMO is divided into 5 Forest Management Departments with total 24 Forest guarding sub-departments: FD I (9040.7 ha), FD II (9435.9 ha), FD III (7202.0 ha), FD IV (8564.4 ha), FD V (9547.0 ha). The National Forestry Board by the Ministry of Agriculture and Forests is responsible for the development of legislative instruments affecting the management of forests and is responsible in the same time for regulating the forestry management and monitoring compliance with legal requirements. The National Forestry Board, which unit is Aitos FMO, is responsible also for management and protection of the forest in the following category of Protected Areas: Nature Parks, Protected Sites, Nature Monuments, Historical Monuments. Private licensed companies are responsible for undertaking detail field surveys and preparing overall background papers for all management plans, including digital forest site type maps and forest road network maps as well as prepare the forest management plans for 10 years period. The forest management plan includes detail inventory and planning in every stand. The National Forestry Board approves forest management plans.

### **4.3. Environmental Context**

Aitos FMO are located in South-East part in the country on the hilly area on South side the East Balkan mountain and mostly (97% of all forests) on the South slopes of the mountain to its top. The FMO includes territories of two municipalities almost equally spread in the unit's borders. The forest cover of the territory of the hilly Aitos municipality area is about 19%, which is less than the average for the country about 30%. The forest territories there are located on the hills to the beginning of the mountain slopes and are next to agriculture fields, many orchards and vineyards. The second part of Aitos FMO is located in Ruen municipality in the East part of the Balkan mountain, 25 km far from Black Sea. All the territory is on the Southern slopes of the mountain from the beginning to the top. The highest point of the territory is about 715 m altitude. The forest cover there is far more than in the hilly areas and is about 51% of the territory of the municipality. The forest there is spread as continuous massive in the landscape to the top of the mountain with connection between different forest stands. The fields or natural open spaces in this second part of the unit are located around the settlements and are smaller than in the hilly areas.

The Forest Management Plan of the unit tolerated Natural regeneration of all forests. When support for natural regeneration is needed then native trees species are used in accordance with the forest legislation. Only small plots of no-native species plantations are established by FMO as experimental stands for improving of the production rate of the area.

The dominant tree species are oaks. There are also many beech forest with common beech and oriental beech, as well as mixed oak and beech forests. The dominant mean of management of dominantly oak and beech stands on the FMO is shelter-wood management methods with elements also of selection cutting systems – all with natural regeneration.

Aitos State Forestry Unit contains all three types of forest categories: production, protective (special purpose forest – ecological and recreational functions) and protected forest (forests in Protected Areas).

There are 9 different Protected Areas on the territory of Aitos FMO. One of them is Nature Reserve "Kalfata", 8.5 ha, which is under the responsibility and management of the regional

structures of Ministry of Environment and Water. Two of the rest Protected Sites on the territory of the FMO (“Hisarya” and “Trite Tsera”) are in category Protected Sites and the next 6 are in category Nature Monument. These 8 Protected Areas are under the management of Aitos FMO according to the biodiversity and forestry law in the country. There are also 3 Natura 2000 zones on the territory of the unit, which are designated according to Biodiversity Protection Law and waiting for approval by the EU commission. They shall be managed properly for maintenance of the Favorable Conservation Status of the habitats inside.

The FMO has conducted HCVF study for the territory of the unit according to National Toolkit for identification, management and monitoring of HCVF. The Toolkit is based on the FSC requirements for HCVF and is describing 6 category of important forest by their functions covering all aspects of the concept – biodiversity, ecological and social values of the forest. Appropriate forest management and monitoring practices have been developed and adopted by the FMO in special report for HCVF for the territory of the unit.

There have been identified about 16 plant and 26 animal important species on the territory of the unit and 8 endangered forest ecosystems according to EUNIS and NATURA2000 specifications.

#### **4.4. Socioeconomic Context**

The territorial scope of Aitos FMO includes 2 municipalities with 59 settlements in total.

Thus why the forest cover in one of the municipalities – Aitos, is quite small level of only 19%, the economical importance of forestry is not sufficient. But in other way, having in mind that most of the households use wood for heating, the social importance of forest management is important for ensuring firewood for needs of the local people. Different is situation in another half of the FMO which include Ruen municipality. The high forest coverage of 51% compared to the average of 30% for the country is showing that the forestry there have big social and economical value. The forest in the territory is using as timber resource for constructions, wood-processing and as firewood for local people. But still agriculture, construction business and trade are more important for the region than forestry.

Most part of the forestland in the FMO is state owned – only 1% of all forestland has municipality or private ownership. Thus why Aitos FMO have to ensure all the needed firewood resources from its territory for all categories of the consumers, other way conflicts between them would raise.

Several big wood-processing companies operate in the region as well as many local logging companies. All of them are the main wood consumers from the FMO and usually work as contractors for different forest activities of Aitos FMO.

All usage of non-timber forest resources on the territory of FMO, including hunting, is organized. Local hunting associations organize the hunting them self’s but permissions for game based on the annual plan and control of the activities are by FMO staff. The local people allowed to collect for free for their own needs NTFP on the whole territory of the FMO and the grazing is organized according to annual plans developed together with interested local people.

The well developed infrastructure, agriculture, transport and construction business and trade in the region indicate that the local people and industry is not dependant from the forest resources on the territory of the unit.

## APPENDIX I: Public summary of the management plan

(NOTE: To be prepared by the client prior to assessment, Information verified by assessment team)

<p>Main objectives of the forest management are:            Primary priority: Improvement of forest growing rate and maintenance of stable forest ecosystems            Secondary priority: Implementation of the sustainable management. Utilization of the forests in a way and to the extent that their stability, vitality, biodiversity, production ability, regeneration capacity and ability to fulfil beneficial functions will maintain secured in the long term            Other priorities: Maintenance of the forests as the sustainable natural resource for the benefit of future generations</p>	
<p>Forest composition:            The composition of the main species is as following: oak species 55.9%; oriental beech 7.8% and horn bean 6.4%. Natural and semi-natural forests are 77.7% and planted forest is 13.9%. The copices are about 73% of all forests.</p>	
<p>Description of Silvicultural system(s) used:            shelter-wood management and group-selection system or combination of both</p>	
<b>Silvicultural system</b>	<b>% of forest under this management</b>
Even aged management	1798 ha
Clearfelling (clearcut size range less than 1 ha)	ha
Shelterwood	1798 ha
Uneven aged management	ha
Individual tree selection	16 ha
Group selection (group harvested of less than 1 ha in size)	1622.4 ha
Other types of management (explain)sanitary	142 ha
<p>Harvest methods and equipment used: Chainsaws, horses or tractors with carts. All forest work done by contractors. Chain saw operator fell marked by forest ranger tree, then cut the branches and cut the log onto several assortments. Then skidder or horses haul sortments in stockpile at road</p>	
<p>Estimate of maximum sustainable yield for main commercial species: 72892 m3</p>	
<p>Explanation of the assumptions (e.g. silvicultural) upon which estimates are based and reference to the source of data (e.g. inventory data, permanent sample plots, yield tables) upon which estimates are based upon.            Estimates made on the base of Forest Management Plan and national laws. FMP is evaluating every 10 years based on inventory of the forest resources and calculated by yield tables</p>	
<p>FME organizational structure and management responsibilities from senior management to operational level (how is management organized, who controls and takes decisions etc.)            FMO is managed by Aitos State Frestry Unit which is an organizational unit of State Forestry Agency, Burgas Regional Forest Directorate.            FMO structure: director provide general administration of the unit, main speciallists are</p>	

responsible for detailed operations (silviculture, use etc.). FMO is divided in several subdivisions with forest ranger in each.  
Forest rangers are responsible for site-preparation for logging, forest guarding, silviculture practice, control of forest operations and hunting.

Structure of forest management units (division of forest area into manageable units etc.)  
Aitos FMO is organized into 5 Forest Management Departments with total 24 Forest guarding sub-departments: FD I (9040.7 ha), FD II (9435.9 ha), FD III (7202.0 ha), FD IV (8564.4 ha), FD V (9547.0 ha).

Monitoring procedures (including yield of all forest products harvested, growth rates, regeneration, and forest condition, composition/changes in flora and fauna, environmental and social impacts of forest management, costs, productivity and efficiency of forest management)

FMO is making revisions of subdistrict operations every 6 months. FMO regularly is providing assessment of health conditions of the forests.

There are procedures for monitoring of biodiversity and ecological functions of forest such as "Program for monitoring of HCVF and biodiversity in Aitos FMO".

Social Impact Assessment of the forest operations has made by external organization. It is attached to the Forest Management Plan. The SIA include system for analysis of the social and economical impacts of the operations.

The system for monitoring of social and economical aspects is implemented. There is system for monitoring of the usage, forest growth rate and conditions, which is necessary and based on legislative requirements and instructions.

Environmental protection measures, e.g. buffer zones for streams, riparian areas, etc., protection measures for Rare Threatened and Endangered Species and habitat

There are 9 different Protected Areas on the territory of Aitos FMO. One of them is Nature Reserve "Kalfata", 8.5 ha, which is under the responsibility and management of the regional structures of Ministry of Environment and Water. Two of the rest Protected Sites on the territory of the FMO ("Hisarya" and "Trite Tsera") are in category Protected Sites and the next 6 are in category Nature Monument. These 8 Protected Areas are under the management of Aitos FMO according to the regimes defined by their Orders for designation, and in correspondence with the biodiversity and forestry law. There are also 3 Natura 2000 zones on the territory of the unit, which are identified according to Biodiversity Protection Law and waiting for approval by the EU commission. They shall be managed properly for maintenance of the Favorable Conservation Status of the habitats inside.

The FMO has conducted HCVF study for the territory of the unit according to National Toolkit for identification, management and monitoring of HCVF. The Toolkit is based on the FSC requirements for HCVF and is describing 6 category of important forest by their functions covering all aspects of the concept – biodiversity, ecological and social values of the forest. Specific forest management and monitoring practices have been developed and adopted by the FMO in special report for HCVF for the territory of the unit.

There have been identified about 16 plant and 26 animal important species on the territory of the unit and 8 endangered forest ecosystems according to EUNIS and NATURA2000 specifications.

Other Sections may be added by the FME