

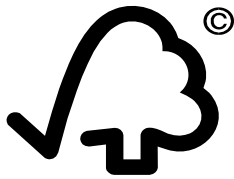
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**Rainforest
Alliance**

SmartWood Program

Forest Management
2008 Annual audit
Report for:

Brest RFB
in
Brest region, Belarus

Certificate code: SW-FM/CoC-001875

Auditors: **Aleksei Klochihin,
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Audit Dates: **4-7 August 2008**

Report Finalized: **19 December 2008**

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Standard Conversions

1 mbf = 5.1 m³
1 cord = 2.55 m³
1 gallon (US) = 3.78541 liters

1 inch = 2.54 cm
1 foot = 0.3048 m
1 yard = 0.9144 m
1 mile = 1.60934 km
1 acre = 0.405 hectares

1 pound = 0.4536 kg
1 US ton = 907.185 kg
1 UK ton = 1016.047 kg

1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Brest RFB group which consist of 6 members: FME "Baranovichskii leshoz", FME "Brestskii leshoz", FME "Ivacevichskii leshoz", FME "Pruzhanskii leshoz", FME "Telehanskii leshoz", FME "Luninecki leshoz", hereafter referred to as Forest Management Enterprise (FME). The report presents the findings of SmartWood auditors who have evaluated company systems and performance against FSC forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through corrective action requests.

SmartWood audit reports include information which will become public information. Sections 1-3 will be posted on SmartWood's website according to FSC requirements. All appendices will remain confidential.

Dispute resolution: If SmartWood clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact SmartWood regional or Headquarters offices directly (see contact information on report cover). Formal complaints or concerns should be sent in writing.

2. AUDIT FINDINGS AND RESULTS

2.1. Audit conclusion

Based on Company's conformance with FSC and SmartWood requirements, the audit team makes the following recommendation:	
<input type="checkbox"/>	Certification requirements <u>met</u>, certificate maintenance recommended Upon acceptance of CAR(s) issued below
<input checked="" type="checkbox"/>	Certification requirements <u>not met</u>: Conformance with Major CAR(s) required
Additional comments:	
Issues identified as controversial or hard to evaluate.	

2.2. Changes in the forest management of the FME

Group manager (Brest RFB) applied to Smartwood with request to include new member FME "Luninec leshoz" during annual audit and cancel single certificate of this new member with code SW-FM/CoC-1884. There are no any other changes in Brest RFB group since last annual audit happened.

2.3. Stakeholder issues

One part of the interested parties interviewed during audit (the Brest district local authorities, Bogdanovskii authorities, v. Bogdanovskaya) only positively responded about work of the of group members (FME Brest leshoz and FME Luninec leshoz). Especially they have noted, that the leshozes of group respond to all requests connected with beautification of settlements and maintenance of their infrastructure in a satisfactory condition. Also it has noted, that the group members provide the population with firewood, conduct educational work with youth, through school forestry.

Other part of the interested parties interviewed during audit (Luninec district inspectorate of natural resources and environmental protections and the interested stakeholders) have stated series of claims to work of the group members (FME Brest leshoz and FME Luninec leshoz).

Interview with an administration and environmental protections specialists of Luninec district inspectorate of natural resources has shown, that the FMEs of group (FME Luninec leshoz) has not reacted to their request to assist with demolition of illegally building in a water preserving zone of a reservation « Srednyaya Pripyat» and construction garbage removal. FME Luninec leshoz has explained situation that the given work is assigned by solution of Luninec district authorities to other local organizations (housing and communal services), in duties to the leshoz is made revegetation of liberated territory.

Auditors have agreed with position of the FME.

The FMEs of group (FME Brest leshoz) have not included in forest management plan for 2005-2014 measures on maintenance and conservation of high conservation value forests. It has led in a revision period to emergence of a disputed situation, between the interested parties and the FME of the group connected with management of economic activities in a core of a biosphere reservation «Pribuzhskoe Polesye». From the point of view of the interested parties, conducted final cuttings in a core of a biosphere reservation and a road constructing required for their conducting, activities planned in the forest management plan of FME Brest leshoze 2005-2014гг., already entail irrevocable loss of valuable natural associations.

Auditors have issued major CAR FM-03/07.

2.4. Conformance with applicable corrective action requests

The section below describes the activities of the certificate holder to address each applicable corrective action issued during previous evaluations. For each CAR a finding is presented along with a description of its current status using the following categories. Failure to meet CARs will result in nonconformances being upgraded from minor to major status with conformance required within 3 months with risk of suspension or termination of the SmartWood certificate if Major CARs are not met. The following classification is used to indicate the status of the CAR:

CAR Status Categories	Explanation
Closed	Certified operation has successfully met the CAR and addressed the underlying nonconformance.
Open	Certified operation has <u>not met</u> the CAR; underlying nonconformance is still present. CAR becomes a Major CAR with a 3 month deadline for conformance

CAR FM 01/07		Reference to Standard: (Criteria and indicator): FSC P&C 4.4.1
Nonconformance		Brestskij SFE and Pruzhanskij SFE published pamphlet about their activities in 2006, which can be found on the SFE stands and village council. Forest officers work with village councils. In local press notices with contact telephones of SFE specialists are published. Besides, each SFE has a complaint and suggestion book, where anyone can leave a note with his suggestions. However RFBs and SFEs did not demonstrate how this system allows local population and stakeholders to participate in the process of planning of forestry activities.
Major	Minor X	
Corrective Action Request: Group Manager and all certified state forest enterprises included in the group must elaborate and introduce system allowing local population and stakeholders to participate in the process of planning of forestry activities.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		The decree of the president of the republic of Belarus dated October, 15th 2007г. №498 « About additional measures on work with applications of citizens and legal entities» explains the operating procedure with applications of citizens and legal entities at the companies of any pattern of ownership. The group manager and the FME of group (FME Brest leshoz and FME Luninec FME) are used this normative document and count, that development of own procedures, after coming into force of the decree, became irrelevant. Auditors have decided that steps undertaken by the manager and the FMEs of group, sufficient to close CAR.
CAR Status:		CLOSED
Follow-up Actions (if app.):		

CAR FM 02/07		Reference to Standard: (Criteria and indicator): FSC P&C 6.2.1, 6.2.2, 6.2.3, 9.1.1 and 9.1.2
Nonconformance		Brestskij SFE and Pruzhanskij SFE completed to study rare species of animals and plants on its territory with the help of workers of Institute of zoology and Experimental botany National Academy of Sciences of Belarus and NGO Birdlife Belarus. SFE established procedure for recording information about rare species of flora and fauna and began to mark them on maps. But it is not still clear how current procedure will work. Besides recorded information was not passed to forest inventory organizations.
Major	Minor X	
Corrective Action Request: Group Manager and all certified state forest enterprises included in the group shall continue procedures for identifying and recording habitats of rare and endangered species of flora and fauna. SFE shall furthermore ensure that the identified habitats are marked on maps and passed to the forest inventory organization.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		The Ministry of Natural resources and Environmental Protections of the Republic of Belarus has approved the Instruction №28 dated 02.04.07г. « About the order of

	<p>revealing, taking under protection and inventory of places of growth of wild plants and the wildlife habitats included in Belarusian Red Book (come into force with 01.06.07r.). In accordance with instruction personnel of FME responsible for revealing of places of growth and living of habitats included in Belarusian Red Book within the branch control over protection and utilization vegetative and fauna and measures in the field of environmental protection and a woodland conservation of natural resources. Besides the manager of group develops procedure: "Provision of identification, recording, monitoring and protection of habitats of rare and endangered species listed in Red book of Belarus in Brest RFB". During visiting offices of the FMEs of the group (FME Brest leshoze and FME Luninec leshoz) and their structural divisions - forestry summary lists have been presented to auditors: «The summary list of habitats or plants inventories included in the Red Book of Belarus». Besides the maps with marked rare species have been demonstrated. Information about new rare and endangered species have not been transmitted to forest inventory organization due to not any forest inventory work was planned by FME in revision period. Transfer of these information to the forest inventory organization in accordance with Belarusian legislation, will be conducted within the frame of preparation to a scheduled forest inventory of group of certified FMEs.</p> <p>Auditors have counted the steps undertaken by the manager and the FMEs of group, sufficient to close CAR.</p>
CAR Status:	CLOSED
Follow-up Actions (if app.):	Control timeliness of transferring information about new rare and endangered species spotted in revision period to forest inventory organization in the frame of preparation to forest inventory process of Brest group.

CAR FM 03/07	Reference to Standard: (Criteria and indicator): FSC P&C 9.3.1 and 9.3.2	
Nonconformance	In Brestskij SFE and Pruzhanskij SFE consultations related to protection of high conservation values of forest were held. During these consultations the appropriate level of protection for high conservation value forest was identified. Reserves are marked. But in materials of forest inventory organization for 2007-2009 there is absence of plans of actions concerning support and conservation of forests of high conservation value.	
Major Minor X		
Corrective Action Request: Group Manager and all certified state forest enterprises included in the group shall include plans of actions for support and conservation of forests of high conservation value in the materials of forest inventory organization on 2007-2009.		
Timeline for conformance:	Prior to the next annual audit	
Evidence to close CAR:	The FMEs of group (FME Brest leshoz) have not included in forest management plan for 2005-2014 measures on maintenance and conservation of high conservation value forests. It has led in a revision period to emergence of a	

	disputed situation, between the interested parties and the FME of the group connected with management of economic activities in a core of a biosphere reservation «Pribuzhskoe Polesye». From the point of view of the interested parties, conducted final cuttings in a core of a biosphere reservation and a road constructing required for their conducting, activities planned in the forest management plan of FME Brest Ieshoze 2005-2014rr., already entail irrevocable loss of valuable natural associations. Auditors decided to upgrade minor CAR FM 03/07 to major CAR .
CAR Status:	OPEN. See Major CAR-03/07
Follow-up Actions (if app.):	

CAR FM 04/07	Reference to Standard: (Criteria and indicator): FSC P&C 1.4.1	
Nonconformance	Brestskij RFB and certified SFEs do not have a list of potential contradictions between national laws and FSC requirements.	
Major	Minor X	
Corrective Action Request: Group Manager and all certified state forest enterprises included in the group shall make a list of potential contradictions between national laws and FSC requirements.		
Timeline for conformance:	Prior to the next annual audit	
Evidence to close CAR:	Group manager and group's FMEs (FME Luninec Ieshoz and FME Brest Ieshoze) prepared list of list of potential contradictions between national laws and FSC requirements. Group manager applied to the Ministry of Forestry with request to help in solving these problems. Auditors decided that group manager and FME took sufficient steps to close CAR.	
CAR Status:	CLOSED	
Follow-up Actions (if app.):		

CAR FM 05/07	Reference to Standard: (Criteria and indicator): FSC P&C 6.4.3, 6.4.4	
Nonconformance	Brest RFB and certified SFE defined representative forests sites where all cutting are prohibited. The total square of these sites compose at least 5% of all SFE forest territory (5,7% in Baranovichi). It has not been analyzed if these sites present all different types of forests of the certified SFEs	
Major	Minor X	
Corrective Action Request: Brest RFB and SFEs included in the group shall conduct analyze of defined representative sites and ensure that these sites represent different type of forests of the SFEs. Brest RFB and SFEs included in the group shall ensure that no logging will take place in these areas.		
Timeline for conformance:	Prior to the next annual audit	
Evidence to close CAR:	Group FMEs (FME Brest Ieshoz and FME Luninec) protect representative sites on the area at least 5% in their nature conditions. Besides FMEs analyzed selected sites and presented results to auditors. Document review showed that	

	selected representative sites do not represent all type of forests of the FME. Auditors decided to upgrade minor CAR FM 05/07 to major CAR
CAR Status:	OPEN. See Major CAR-FM-05/07
Follow-up Actions (if app.):	

CAR CoC 01/07	Reference to Standard: (Criteria and indicator): SW COC standard Limited Scope (Dec 2005)	
Nonconformance		
Major	Minor X	Certified SFEs use a stamp with the certificate code on the invoices of special exporter “Bellesexport”, where “Bellesexport” is defined as a seller and there are no references to certified SFE name.
Corrective Action Request: Brest RFB and SFEs included in the group shall ensure that all invoices for certified products include the name of the SFE as sellers.		
Timeline for conformance:		Effective immediately. To be verified at first annual audit after reinstallation of certificate.
Evidence to close CAR:		In spite of minor CAR issued during last annual audit FME Brest leshoze continued to use stamp with certification their code on the invoices issued by “Belleseksport”. Auditors decided to upgrade minor CAR CoC 01/07 to Major CAR
CAR Status:		OPEN. See Major CAR CoC 01/07
Follow-up Actions (if app.):		

CAR GS 01/07	Reference to Standard: (Criteria and indicator): Smartwood GS 8	
Nonconformance		
Major	Minor X	Brest RFB controlled SFEs only regarding COC standard implementation. Brest RFB doesn't have a SFEs control system regarding their compliance with interim SmartWood forest management standard for Belarus. RFB didn't control group members regarding their implementation of forest management certification requirements and labor safety. Auditors concluded that Brest RFB don't provide efficient control of group SFE in concern with certification requirements.
Corrective Action Request: Group Manager shall prepare and implement procedures that ensure that all group members are regular monitored to ensure that they are meeting the FSC P&C and group membership requirements		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		Group manager have included in the program “Complex revision program of production and financial activities of Brest RFB forest management units” requirements to check fulfillment of FSC standards in certified FME. Group manager have developed schedule of revision with dates and responsible persons on 2008. Documentation concerning revision keeps in Control-revision department of Brest RFB and was available for auditors.

	Auditors counted that group manager made sufficient steps to close the CAR.
CAR Status:	CLOSED
Follow-up Actions (if app.):	

FME Luninec leshoz

CAR FM 01/07	Reference to Standard: (Criteria and indicator): FSC P&C 6.2.1, 6.2.2, 6.2.3, 6.2.5 & 9.1.1.	
Nonconformance		SFE have developed procedures for identifying and recording information on rare species of flora and fauna. Marking on maps habitats of rare species of flora and fauna have started. But it is not still clear how current procedure will work. But this information have not been passed to forest inventory organization yet.
Major	Minor X	
Corrective Action Request: Luninetz SFE shall continue procedures for identifying and recording habitats of rare and endangered species of flora and fauna. SFE shall furthermore ensure that the identified habitats are marked on maps and passed to the forest inventory organization.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		See findings under CAR FM-02/07 of Brest RFB
CAR Status:		Closed
Follow-up Actions (if app.):		

CAR FM 02/07	Reference to Standard: (Criteria and indicator): FSC P&C 6.3.7	
Nonconformance		There is no procedure with requirements to leave at least 10 trees per hectare on cutting area (5 in case of noble hardwoods). During field inspection auditors observed that trees for biodiversity leaves only in mixed and hardwood forests. In pine forests were leaved trees less than standard require.
Major	Minor X	
Corrective Action Request: Luninec SFE shall develop procedure of leaving at least 10 trees on cutting area (5 in case of noble hardwoods). These trees should be leaved forever in forest.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		FME Luninec leshoz issued the order #168 dated 25.02.08 "About training concerning FSC forest management and chain of custody certification and knowledge examination". Training program "Training program for forest rangers concerning fulfillment of FSC requirements" part 3 included questions of leaving and preserving of big trees on cutting areas and biodiversity. After training forest rangers passed through examination. Training was successful because review of cutting tickets and field inspections confirmed that on clear cutting areas at least 10 trees (5 in case of noble hardwoods) have been left. Auditors decided that FME Luninec leshoz undertook sufficient steps to close CAR.
CAR Status:		CLOSED
Follow-up Actions (if app.):		

CAR FM 03/07		Reference to Standard: (Criteria and indicator): FSC P&C 6.4.3, 6.4.4
Nonconformance		Luninec SFE defined representative forests sites where all cutting are prohibited. The total square of these sites compose at least 5% of all SFE forest territory. All information about these sites was supposed to be transferred to forest management planning organization and will be included in forest management plan. Analyze showing how these sites present different types of forests of SFE were no conducted.
Major	Minor X	
Corrective Action Request: Luninec SFEs shall analyze the defined representative sites and ensure that these sites will present represent different type of forests of SFE. SFE shall ensure that no logging will take place in these sites		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		See findings under CAR FM-05/07 of Brest RFB
CAR Status:		OPEN
Follow-up Actions (if app.):		See Major CAR 05/07

CAR FM 03/07		Reference to Standard: (Criteria and indicator): FSC P&C 9.3.1 и 9.3.2
Nonconformance		During forest inventory planning high conservation value forest are taking into consideration and putting into the plan. Level of conservation of such sites is defined in this management plan. Besides, there are reservations in SFE with special regime of forest activities in each ones. In the booklet which is public available all protected forests areas noted and regime of forest activities is defined. In the frame of a project of Global ecological found, UNO development program and Ministry of Forestry and with participation OF “Belgosles”, Institute of experimental botany, NGO “Achova ptushak backaushchyny” were developed the map of high conservation value forestry (HCVF) of Belarus. The results of this project were presented SFE. But because of technical reasons and short time from receiving such material to audit SFE were no conducted any analyze..
Major	Minor X	
Corrective Action Request: Luninec SFEs shall analyze the obtained information about HCVF and ensure that these sites are included on maps. SFE shall in consultation with stakeholders define needed level of protection of these sites and develop appropriate protection measure.		
Timeline for conformance:		Prior to the next annual audit
Evidence to close CAR:		FME Luninec leshoz have analyzed information concerning HCVF provided by interested parties and had consultation only with Luninec district inspectorate of natural resources. Major part of selected HCVF sites have been included by FME in representative sites (more then 5%). These site protected in their natural condition. Protection measures for rest of sites have not been defined by FMU still. On all of these rest sites possible to provide activity with some restriction in accordance with legislation or without any restrictions. It is in contradictory with some recommendations of interested parties made in the

	frame of international project. Auditors decided to upgrade minor CAR-FM-04/07 to Major CAR and combine it with Major CAR-FM-03/07 issued for Brest group.
CAR Status:	OPEN
Follow-up Actions (if app.):	See Major CAR 03/07

CAR CoC 01/07	Reference to Standard: (Criteria and indicator): SW COC standard Limited Scope (Dec 2005)	
Nonconformance	Luninec SFE uses a stamp with the certificate code on the invoices of special exporter "Bellesexport", where "Bellesexport" is defined as a seller and there are no references to certified SFE name.	
Major Minor		
Corrective Action Request: Luninec SFE shall ensure that all invoices include their names as sellers or shall not include their certificate codes in invoices of the special exporter.		
Timeline for conformance:	Prior to the next annual audit	
Evidence to close CAR:	Review of transport and financial documentation concerning certification showed that FME Luninec leshoz use stamp with certificate code and FSC claim only on documents where leshoz names as seller. Auditors decided that FME made sufficient steps to close CAR.	
CAR Status:	CLOSED	
Follow-up Actions (if app.):		

2.5. New corrective actions issued as a result of this audit

Major CAR 03/07	Reference to Standard: Criteria and indicator: FSC P&C 9.3.1, 9.3.2
Non-conformance	Annual audit 2007 In Brestskij SFE and Pruzhanskij SFE consultations

Major X	Minor	<p>related to protection of high conservation values of forest were held. During these consultations the appropriate level of protection for high conservation value forest was identified. Reserves are marked. But in materials of forest inventory organization for 2007-2009 there is absence of plans of actions concerning support and conservation of forests of high conservation value.</p> <p>During forest inventory planning high conservation value forest are taking into consideration and putting into the plan. Level of conservation of such sites is defined in this management plan. Besides, there are reservations in SFE with special regime of forest activities in each ones. In the booklet which is public available all protected forests areas noted and regime of forest activities is defined.</p> <p>In the frame of a project of Global ecological found, UNO development program and Ministry of Forestry and with participation OF “Belgosles”, Institute of experimental botany, NGO “Achova ptushak backaushchyny” were developed the map of high conservation value forestry (HCVF) of Belarus. The results of this project were presented SFE. But because of technical reasons and short time from receiving such material to audit SFE were no conducted any analyze..</p> <p><u>Annual audit 2008</u></p> <p>The FMEs of group (FME Brest leshoz) have not included in forest management plan for 2005-2014 measures on maintenance and conservation of high conservation value forests. It has led in a revision period to emergence of a disputed situation, between the interested parties and the FME of the group connected with management of economic activities in a core of a biosphere reservation «Pribuzhskoe Polesye». From the point of view of the interested parties, conducted final cuttings in a core of a biosphere reservation and a road constructing required for their conducting, activities planned in the forest management plan of FME Brest leshoze 2005-2014rr., already entail irrevocable loss of valuable natural associations.</p> <p>FME Luninec leshoz have analyzed information concerning HCVF provided by interested parties and had consultation only with Luninec district inspectorate of natural resources. Major part of selected HCVF sites have been included by FME in representative sites (more then 5%). These site protected in their natural condition. Protection measures for rest of sites have not been defined by FMU still. On all of these rest sites possible to provide activity with some restriction in accordance with legislation or without any restrictions. It is in contradictory with some recommendations of interested parties made in the frame of international project.</p>
<p>Corrective Action Request: Group manager together with group FMEs shall in process of consultation with wide range of interested parties define status for all selected HCVF sites (protected measures). Group manager and group FMEs shall adjust relative parts of forest management plans and/or other relative documents for the period 2005-2014 in accordance with new requirements for HCVF.</p>		
Timeline for conformance:	3 month from the report finalization (19.03.2009)	
Evidence to close CAR:	Pending	
CAR Status:	OPEN	

Follow-up Actions (if app.):	
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Major CAR FM 05/07	Reference to Standard: (Criteria and indicator): FSC P&C 6.4.3, 6.4.4	
Nonconformance		
Major X	Minor	<p>Annual audit 2007 Brest RFB and certified SFE defined representative forests sites where all cutting are prohibited. The total square of these sites compose at least 5% of all SFE forest territory (5,7% in Baranovich). It has not been analyzed if these sites present all different types of forests of the certified SFEs</p> <p>Luninec SFE defined representative forests sites where all cutting are prohibited. The total square of these sites compose at least 5% of all SFE forest territory. All information about these sites was supposed to be transferred to forest management planning organization and will be included in forest management plan. Analyze showing how these sites present different types of forests of SFE were no conducted</p> <p><u>Annual audit 2008</u></p> <p>Group FMEs (FME Brest leshoz and FME Luninec) protect representative sites on the area at least 5% in their nature conditions. Besides FMEs analyzed selected sites and presented results to auditors. Document review showed that selected representative sites do not represent all type of forests of the FME.</p> <p>Auditors decided to upgrade minor CAR FM 05/07 to major CAR</p>
Corrective Action Request:		
Brest RFB and SFEs included in the group shall conduct analyze of defined representative sites and ensure that these sites represent different type of forests of the SFEs.		
Timeline for conformance:	3 month from the report finalization (19.03.2009)	
Evidence to close CAR:	Pending	
CAR Status:	OPEN	
Follow-up Actions (if app.):		

Major CAR COC 01/07	Reference to Standard: (Criteria and indicator): SW COC standard Limited Scope (Dec 2005)	
Nonconformance		
Major X	Minor	<p>Major CAR verification audit 2007 Certified SFEs use a stamp with the certificate code on the invoices of special exporter "Bellesexport", where "Bellesexport" is defined as a seller and there are no references to certified SFE name.</p> <p>Minor CAR –COC-01/07 was issued by auditors</p> <p><u>Annual audit 2008</u></p> <p>In spite of minor CAR issued during last annual audit FME Brest leshoze continued to use stamp with certification their code on the invoices issued by "Belleseksport"</p> <p>Auditors decided to upgrade minor CAR –COC-01/07 to major CAR</p>
Corrective Action Request:		
Brest RFB and FMEs included in the group shall ensure that all invoices for certified products issued by special exporters do not include the certification code of the FME.		
Timeline for conformance:	3 month from the report finalization (19.03.2009)	

Evidence to close CAR:	Pending
CAR Status:	OPEN
Follow-up Actions (if app.):	

CAR FM 01/08	Reference to Standard: (Criteria and indicator): FSC P&C 1.6.1	
Nonconformance		There are no requirements to follow FSC P&C during providing services for FME in standard contracts between certified FME (FME Brest leshoz and FME Luninec leshoz) and contractors. Minor CAR was issued by auditors.
Major	Minor X	
Corrective Action Request: Group manager and certified FMEs shall ensure that all contract agreements with contractors will include requirements follow FSC P&C during providing activity on certified territory. Group manager and certified FMEs shall control fulfillment of FSC P&C by contractors.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR FM 02/08	Reference to Standard: (Criteria and indicator): FSC P&C 6.6.2	
Nonconformance		Documents review showed that certified FMEs of group used in revision period in nurseries pest "Fundazol" (active component "benomyl") which is dangerous and prohibited for use in FSC certified forests. Because of finishing of season work in nurseries the risk of repeated use of pest is excluded. That's why auditors decided to issue minor CAR.
Major	Minor X	
Corrective Action Request: Group manager and certified FMEs shall revise all available chemicals in accordance with FSC police (FSC-GUI-30-001 vers.2-0) and utilize prohibited by FSC pest in ecological safety manner. Group manager and certified FMEs shall develop measures which guarantee that FMEs will not buy and use prohibited chemicals.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR FM 03/08	Reference to Standard: (Criteria and indicator): FSC P&C 6.7.1	
Nonconformance		Interview with interested parties (Luninec district inspectorate of natural resources) and field audit of group's FMEs (FME Brest leshoze and FME Luninec leshoze) showed that near public road, settlements and public places for recreation in the forest available litter. Auditors issued minor CAR
Major	Minor X	
Corrective Action Request: Group manager and certified FMEs shall ensure gathering and disposal of litter on their territories.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR COC 01/08		Reference to Standard: (Criteria and indicator): FSC-TMK-50-20
Nonconformance		Documents review showed that stamp with FSC trademark used by FMEs of group (FME Brest leshoze and FME Luninec leshoze) do not meet requirements, because designed exclusively for on-product labeling. Auditors issued minor CAR
Major	Minor X	
Corrective Action Request: Group manager with certified FMEs shall prepare new stamps for transport and financial documents marking in accordance with FSC-TMK-50-20 . New stamps shall be agreed with SmartWood. Besides is case of missing in new stamps claim "FSC-Pure" this claim shall be added in transport and financial documentation for certified products.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR COC 02/08		Reference to Standard: (Criteria and indicator): SW COC standard Limited Scope (Dec 2005)
Nonconformance		FMEs of group (FME Brest leshoz and FME Luninec leshoz) use both for financial and transport documentation and labeling of final products old certificate code. Auditors issued minor CAR
Major	Minor X	
Corrective Action Request: Group manager with certified FMEs shall ensure use of new code SW-FM/COC-001875 for financial and transport documentation and labeling of final products.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR COC 03/08		Reference to Standard: (Criteria and indicator): FSC-STD-50-201, 2.3
Nonconformance		During review of public material printed by FME Luninec leshoze in the revision period several publication not agreed with SmartWood was elicited by auditors. Also there were some mistakes in publications (name of certified bodies). Auditors issued minor CAR.
Major	Minor X	
Corrective Action Request: Group manager with certified FMEs shall ensure that all publications or other material which include FSC trademark ((«Forest Stewardship Council», «FSC», logotype FSC) or/and Rainforest Alliance/SmartWood trademark (name and stamps) shall be agreed before use.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

CAR COC 04/08		Reference to Standard: (Criteria and indicator): FSC-STD-40-003 V 1-0, 3.1
Nonconformance		Group manager (Brest RFB) applied to SmartWood with request include new member (FME Luninec leshoz) in the group and cancel single certificate of FME Luninec leshoz SW-FM/CoC-1884 during annual audit of group. New member has own procedure "COC Smartwood standard requirements fulfillment instruction" which cover all aspects of SW COC standard Limited Scope (Dec 2005). But group manager didn't provide training of responsible for COC person in FME Luninec leshoze in accordance with group certification requirements. Auditors issued minor CAR
Major	Minor X	
Corrective Action Request: Group manager shall provide training of responsible for COC person in FME Luninec leshoze in accordance with group certification requirements. Training shall be documented.		
Timeline for conformance:		Prior next annual audit
Evidence to close CAR:		Pending
CAR Status:		OPEN
Follow-up Actions (if app.):		

2.6. Audit observations

Observations are very minor problems or the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance 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).

OBS FM 01/08	Reference Standard & Requirement: 6.7.5
FMEs of group (FME Brest leshoz and FME Luninec leshoze) do not use biodegradable oil in chain saws and forest machines. Auditors issued recommendation.	
Observation: Auditors recommended use biodegradable oil in chain saws and forest machines.	

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Lead auditor:

Aleksei Klochikhin (NEPCon/SmartWood, Russia)

Mr. Klochikhin has graduated forestry faculty and postgraduate studies (silviculture) at Arkhangelsk State Engineering University. During 2001-2004 he worked as forestry engineer at Innovation Group of Komi Regional Non-Profit Foundation "Silver Taiga" He prepared Priluzje Leskhoz to main assessment and annual audits of FSC certification. During 2004- 2006 he was a certification expert of forestry department at JSC "Mondi Business Paper Syktyvkar". He was responsible for preparation of Sysolskiy and Koigorodskiy Leskhoz, as well as logging

companies affiliated to Mondi, to FSC certification. Mr. Klochikhin participated in several SmartWood forest management assessments and audits in European Russia, Siberia and Russian Far East. Since April 2006 he works in NEPCon/SmartWood.

National auditor:

Aliaksandr Zubkevich (NEPCon/SmartWood, Belarus)

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 leskhozoz in Belarus, Latvia and Poland, in main assessment in Ukraine

3.2. Audit schedule

Date	Location /Main sites	Principal Activities
04.08.2008	Brest	Introduction meeting in Brest RFB group manager office Interview with managers and other responsible persons Document review
		Introduction meeting in FME Brest leskhozoz office Interview with managers and other responsible persons Document review
05.08.2008	Brest	Field inspection of Brest forest district office (Brest leskhozoz) Interview with managers and other responsible persons Document review
	Brest	Consultation with member of local municipality which is also deputy of Brest district board
	Brest forest district of FME "Brest leskhozoz"	Field inspection Interview with managers and other responsible persons Document review
	v. Vysokaya	Field inspection of Vysokaya forest district office Interview with managers and other responsible persons Document review
	Vysokaya forest district of FME "Brest leskhozoz"	Field inspection Interview with managers and other responsible persons Document review
	Brest	Field inspection of wood processing facilities of FME "Brest leskhozoz"

		Interview with managers and other responsible persons Document review
	Brest	Meeting with managers of FME Brest leshoze and representative of Brest RFB, preliminary results presenting Internal meeting of auditors
06.08.2008	Luninec	Introduction meeting in FME Brest leshoze office Interview with managers and other responsible persons Document review
		Consultation with representatives of Luninec district inspectorate of natural resources
		Internal meeting of auditors
07.08.2008	v. Bogdanovskaya	Consultation with representative of Bogdanovskaya local authorities Field inspection of Bogdanovskaya forest district office of FME Luninec leshoze Interview with managers and other responsible persons Document review
	Bogdanovskaya forest district of FME Luninec leshoze	Field inspection Interview with managers and other responsible persons Document review
	Luninec forest district of FME Luninec FME	Field inspection Interview with managers and other responsible persons Document review
	Railway station Dziatlovichi	Field inspection of wood processing facilities of FME Luninec leshoze Interview with managers and other responsible persons Document review
	Luninec	Meeting with managers of FME Luninec leshoze and representative of Brest RFB, preliminary results presenting

<p>Total number of person days used for the audit:8 = number of auditors participating 2 times total number of days spent for the audit 4</p>

3.3. Sampling methodology:

Brest group consist of 5 members before audit. During audit one new member was added to the group. For the purpose of audit two member was randomly selected: FME Brest leshoze and new member FME Luninec leshoze (possess individual certificate). Sites for field inspection in FME Brest leshoze and FME Luninec leshoze was selected with aim to estimate quality of forest management system of group and new member and changes in revision period. Sites with final cutting (clear cutting and selective), sites with commercial and pre-commercial thinning, sites with artificial reforestation, protected sites and HCVF sites were visited during audit. Main attention was paid to fulfillment of labor safety rules, abidance of technology,

influence of conducted activities on soil and biodiversity. Totally were visited 18 different sites in FME Brest leshoze and 12 in FME Luninec leshoze. Also wood processing facilities of FME Brest leshoze and FME Luninec leshoze were inspected. Main attention was paid to labor safety, abundance of ecological and preventive fire-fighting regulations. Also chain of custody system was estimated during audit. Documents were reviewed, personal were interviewed.

3.4. Stakeholder consultation process

Stakeholder type (i.e. NGO, government, local inhabitant etc.)	Stakeholders notified (#)	Stakeholders consulted or providing input (#)
National and regional NGO	1	1
Research institution	1	-
Local people	5	2
Inspections	2	1
Wood processing companies	-	-

3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	SmartWood FM interim standard for Belarus, vers.1.3 dated 01.09.2005
Revisions to the standard since the last audit:	<input checked="" type="checkbox"/> No changes to standard. <input type="checkbox"/> Standard was changed (detail changes below)
Changes in standard:	
Implications for FME:	Conformance to new requirements verified

