

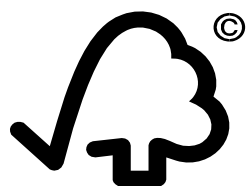
Certified by:



SmartWood Headquarters
65 Millet St. Suite 201
Richmond, VT 05477 USA
Tel: 802-434-5491
Fax: 802-434-3116
www.smartwood.org
Contact person: Jon Jickling
jjickling@ra.org

Audit Managed by:
NEPCon

Czapińskiego 3/311
30-048 Kraków, Poland
Tel: +48122950373
Fax: +48122950374
Contact person: Andrzej Czech
Email: ac@nepcon.net



FSC
ACCREDITED
FSC-ACC-004

© 1996 Forest Stewardship Council A.C.

FM-06 April 2007



SmartWood

Practical conservation through certified forestry

Forest Management
2008 Annual audit
Report for:

Hlavní město Praha
in
Praha, the Czech
Republic

Certificate code:	SW-FM/CoC-2345
Auditors:	Juraj Tuzinsky, Vasil Hutník
Audit Dates:	29 July 2008
Report Finalized:	25 August 2008

Operation Contact:	Ing. Dan Frantík
Address:	room 464, Jungmannova 35, 110 00 Praha 1, the Czech Republic

TABLE OF CONTENTS

1. INTRODUCTION	3
2. AUDIT FINDINGS AND RESULTS	3
2.1. AUDIT CONCLUSION	3
2.2. CHANGES IN THE FOREST MANAGEMENT OF THE FME	3
2.3. STAKEHOLDER ISSUES	3
2.4. CONFORMANCE WITH APPLICABLE CORRECTIVE ACTION REQUESTS	4
2.5. NEW CORRECTIVE ACTIONS ISSUED AS A RESULT OF THIS AUDIT	5
2.6. AUDIT OBSERVATIONS	6
3. AUDIT PROCESS	7
3.1. AUDITORS AND QUALIFICATIONS:	7
3.2. AUDIT SCHEDULE	7
3.3. SAMPLING METHODOLOGY:	8
3.4. STAKEHOLDER CONSULTATION PROCESS	8
3.5. CHANGES TO CERTIFICATION STANDARDS	8
APPENDIX V: FSC Annual Audit Reporting Form:	9
APPENDIX VI: SmartWood Database Update Form	12

1. INTRODUCTION

The purpose of this report is to document annual audit conformance of Hlavní město Praha, 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 checked="" type="checkbox"/>	Certification requirements <u>met</u>, certificate maintenance recommended Upon acceptance of CAR(s) issued below
<input 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

No changes have been implemented.

2.3. Stakeholder issues

Stakeholders were contacted via e-mail and phone. Auditors provided phone consultation to stakeholders and registered stakeholders' comments to Hlavní město Praha forest management. Five stakeholders provided comments related to forest management of Hlavní město Praha. Four stakeholders were positive about forest management of Hlavní město

Praha. One stakeholder complains about condition of locality Modřanské rokle. The team of auditors checked this issue during field visit and not found gap with FSC requirements.

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 01/07	Reference to Standard: 1.6.I
Non-conformance	FMU has not made a written public commitment to manage its forests in accordance with FSC Principles and Criteria.
Major <input type="checkbox"/>	
Corrective Action Request: Hlavní město Praha shall publicly commit to manage its forests in accordance with FSC Principles and Criteria.	
Timeline for conformance:	3 months from the date of this report, to be verified during first annual audit.
Evidence to close CAR:	The FME have a written commitment to manage its forests in accordance to the FSC Principles and Criteria at their web page.
CAR Status:	Closed
Follow-up Actions (if app.):	

CAR 02/07	Reference to Standard: 1.6.III.
Non-conformance	Hlavní město Praha ensured adherence general requirements of the Czech FSC Standard in contracts with contractors, but some specific requirements are lacking, for example use of chemicals banned by FSC.
Major <input type="checkbox"/>	
Corrective Action Request: The Hlavní město Praha shall include in contracts adherence of contractors to the requirements of the Czech FSC Standard.	
Timeline for conformance:	Prior to next annual audit
Evidence to close CAR:	FSC Czech standard requirement is included in contract with contractors.
CAR Status:	Closed
Follow-up Actions (if app.):	

CAR 03/07		Reference to Standard: 6.4.I., 6.4.III, 6.4.IV and 6.4.V.
Non-conformance		The FMO has not designed yet 3% of forest area as reference sites; however has good orientation where they will be located. They are already kept in their natural state. About 30 % of the total forest area is already protected by law in form of nature reserves and nature monuments, however theoretically some activities are allowed for enhancement of natural state.
Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>	
Corrective Action Request: The Hlavní město Praha shall formally define minimum 3% of the area as reference sites. Preference shall be given to larger areas, these areas shall be delineated on the maps and their boundaries indicated in the field, if possible. Reference sites shall be removed from the forest management and left without intervention.		
Timeline for conformance:		Prior to next annual audit
Evidence to close CAR:		The FMO has designed 5% of forest area as reference sites, left without intervention. Boundaries of reference sites are indicated in the field.
CAR Status:		Closed
Follow-up Actions (if app.):		

CAR 05/07		Reference to Standard: 9.1.I, 9.2.I.
Non-conformance		The owner has not formally identified stands with attributes of high conservation value forests although he is aware of such stands and takes care of them with high respect. 33 protected areas with total area of 787 ha occurs in the forest land, that is 32% of the total area FMU. They are composed out of following categories: protected landscape areas, nature reserves, national nature reserves, nature monuments, forest on steep slopes, slide rocks, peat bogs and in slopes with low production potential and prevalent soil protection function. All forests are forests of special purpose – with increased recreational function. They serve for recreation of more than one million of Prague inhabitants.
Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>	
Corrective Action Request: Hlavní město Praha shall identify stands with attributes of high conservation value forests in cooperation with stakeholders.		
Timeline for conformance:		Prior to next annual audit
Evidence to close CAR:		FMO have provided evidence of consultation about high conservation value forests with stakeholders. At web page FMU is available attributes of these forests and then identified localities.
CAR Status:		Closed
Follow-up Actions (if app.):		

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

CAR #: 1/08		Reference Standard #:4.2.II.
Non-conformance		One visited harvesting group has not any first aid safety kit.
Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>	
Corrective Action Request: FMO shall ensure that own employees and contractors have appropriate H&S equipment .		

Timeline for conformance:	Prior to next annual audit
Evidence to close CAR:	Pending
CAR Status:	OPEN
Follow-up Actions (if app.):	

CAR #: 2/08	Reference Standard #:6.6.II.
Non-conformance	FMU have used insecticide - DECIS EW 50 – with active substance deltamethrin, which is on list highly hazardous pesticides that is banned by FSC. Forest manager presented that deltamethrin was not on list prohibited pesticides before may 2007, and they have not information about new list of prohibited pesticides, effective from may 2007.
Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/>	
Corrective Action Request: FMO shall establish and implement new “Working instructions” which assure that chemicals banned by FSC will not be used in the future.	
Timeline for conformance:	Within one month after finishing of this report
Evidence to close CAR:	After finishing of annual audit, Hlavní město Praha have sent order letter to major contractor which ensures that no FSC-banned chemical (list of highly hazardous pesticide effective from may 2007) will be used during conducting forest operation. FMU send copy of this agreement to NEPCon. Based on above auditor team decided to close major CAR 2/08.
CAR Status:	CLOSED, OBS 02/07 has been issued
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 01/08	Reference Standard & Requirement: 4.2.1.
[Description of findings leading to observation]: No warning signs at place with ongoing harvesting operation. Forest manager states that they use it only when harvesting operation take place near public roads.	
Observation: It is recommended that sites of ongoing harvesting operation in recreational forests should be better marked with warning signs even if public route is not there to avoid accident with visitors.	

OBS 02/08	Reference Standard & Requirement: 6.6.II.
Hlavní město Praha have sent order letter to major contractor which ban use FSC-prohibited chemical (list of highly hazardous pesticide effective from may 2007) in the forest.	
Observation: It is recommended to implement procedure of careful checking of chemicals that will be used in the forest with review of current list of FSC banned chemicals.	

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Ing. Juraj Tužinský, lead auditor

Slovak citizen, graduate in forest management -Technical University in Zvolen, The Faculty of Forestry. He has practical experiences from forest management in Slovak State forest (Technician responsible for silviculture) and Community of forest owners - Nemecká Huta (Director and professional forest manager). He has worked for FSC Slovakia Working Group as Project manager since 2006. He has an interest in close to nature forestry. He has participated in several forest management and chain of custody certification assessments in Slovakia, Czech Republic, Bulgaria and Ukraine. Ing. Juraj Tužinský has been through SmartWood's lead assessor forest management and chain of custody training course.

Vasil Hutník, local expert

Czech Republic citizen, graduate in forest management – Forestry secondary school in Trutnov. Practical experience: Forest management planning institute – 2 years, different position in State forest– 6 years, Forest manager (self employer) in municipal forest (Rychnov n.Kn., Solnice)- 18 years. He has been involved in the establishing of the Czech FSC Working Group and was also member of Czech FSC standard setting committee. He participated as a observer in forest management certification for Sdružení obecných a soukromných vlastníků lesa Svitavy, in model certification KRNAP and Kinsky del Borgo. He participated in seminar about FSC chain of custody lectured by NEPCon.

3.2. Audit schedule

Date	Location /Main sites	Principal Activities
29 July 2008	Head office of Hlavní město Praha	Introduction of auditor, document inspection, selection localities for field visit
29 July 2008	Forest areas of Hlavní město Praha	Field visit of places with outgoing forest operation, new planted stands, field visit representative samples of ecosystems, high conservation value forest areas and sanitary cutting areas. Interview with field personnel.
29 July 2008	Head office of Hlavní město Praha	Forest manager interview, document inspection, final debriefing.

Total number of person days used for the audit:2 = number of auditors participating 2 times total number of days spent for the audit 1

3.3. Sampling methodology:

FMU or Site audited	Rationale for selection
Forest manager office	The office, where is documentation related to certification
Modřanská rokle	Harvesting groups, reference areas, new planted stand.
Cholupický vrch	Forest workers perform mechanical weed control.
Chuchelský háj	High conservation value forest

3.4. Stakeholder consultation process

Stakeholder type (i.e. NGO, government, local inhabitant etc.)	Stakeholders notified (#)	Stakeholders consulted or providing input (#)
NGO	11	2
Local inhabitants	2	2
FSC WG	1	1

3.5. Changes to Certification Standards

Forest stewardship standard used in audit:	Czech FSC Standard accredited by Accreditation Services International GmbH in Bonn, 30th of August 2006
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:	NA
Implications for FME:	Not applicable - no new requirements

APPENDIX V: FSC Annual Audit Reporting Form:

(NOTE: form to be prepared by the client prior to audit, information verified by audit team)

Forest management enterprise information:

FME legal name:	Hlavní město Praha
FME Certificate Code:	SW-FM/CoC – 2345

SCOPE OF CERTIFICATE

Type of certificate: single FMU	SLIMF Certificate: not applicable
---------------------------------	-----------------------------------

FSC Product categories included in the FM/CoC scope

<input checked="" type="checkbox"/>	Main Class	Sub Class 1	Subclass 2 or details
<input checked="" type="checkbox"/>	Logs/Wood in the rough	0311 - Logs of coniferous wood 0312 - Logs of non-coniferous wood 0313 - Fuel wood, in logs/other non proc forms	
<input type="checkbox"/>	3451 - Wood charcoal	34510 - Wood charcoal	
<input type="checkbox"/>	311 - Wood, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm; railway or tramway sleepers (cross-ties) of wood, not impregnated	3110 - Wood, sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm; railway or tramway sleepers (cross-ties) of wood, not impregnated	
<input type="checkbox"/>	312 - Wood continuously shaped along any of its edges or faces; wood wool; wood flour; wood in chips or particles	3123 - Wood in chips or particles	
<input type="checkbox"/>	Non Wood Forest Products (Note: when certified multiple ntfp exist, copy this row below for each product)	032 - Natural gums	0322 - chicle, l
<input type="checkbox"/>	other		
Total Sales/ Turnover (3.3)		7000 /1 600 000 US\$	
Volume of certified product sold as FSC certified (3.2) (previous calendar year)		0 m3	
Value of certified product sold as FSC certified (3.2b) (previous calendar year)		\$0.00 US\$	

FME INFO

Forest zone (2.3)	Temperate
Certified Area under Forest Type (3.4)	Semi-Natural and Mixed Plantation Natural Forest
- Natural	hectares
- Plantation	hectares
- Semi-natural, mixed plantation and mixed forest	2394 hectares
Stream sides and water bodies (2.4)	Linear Kilometers

Workers

Number of workers including employees, part-time and seasonal workers:	
Total workers (3.6)	2 workers (of which – provide detail below)

- Local Full time employees (a:b)	2 Male	Female
- Non - Local Full time employees (c:d)	Male	Female
- Local Part time workers (e:f)	Male	Female
- Non- local part time workers (g:h)	Male	Female
Worker access to potable water on the work site (3.7)	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Full time employees making more than \$2 a day (3.10)	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Number of serious accidents (3.8)	0 per 100 workers	
Number of fatalities (3.9)	0 per 100 workers	

FOREST AREA CLASSIFICATION	
Total certified area	2394 hectares
Total forest area in scope of certificate	2394 hectares
Ownership Tenure	
Management tenure: (3.5)	
Forest area that is:	
Privately managed (3.5)	hectares
State managed (3.5)	hectares
Community managed (3.5)	2394 hectares
Concession (3.5)	hectares
Area of production forests (areas where timber may be harvested)	hectares
Area without <u>any</u> harvesting or management activities: strict forest reserves (2.1)	107,76 hectares

High Conservation Values identified via formal HCV assessment by the FME and respective areas			
Code	HCV TYPES ¹	Description: Location on FMU	Area (ha)
HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).		
HCV2	Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.		
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.	1. Forests protected by state in the category: Protected landscape area 2,5 ha Nature reserve 177 ha National nature reserve 35 ha Nature monument 573 ha	1015,02 ha

¹ The HCV classification and numbering follows the ProForest HCVF toolkit. The toolkit also provides additional explanation regarding the categories. Toolkit is available at <http://hcvnetwork.org/library/global-hcv-toolkits>.

		2. HCVF identified with stakeholders 227,52 h	
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).	Forest on steep slopes, slide rocks, peat bogs and in slopes with low production potential and prevalent soil protection function.	273 ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).		
HCV6	Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).	All Prague forests are forests of special purpose – with increased recreational function. They serve for recreation of Prague inhabitants and visitors.	2394 ha
TOTAL HCVF AREA (2.2)			2394 ha
Number of sites significant to indigenous people and communities (3.11)			2394 ha

Highly Hazardous Pesticide Use		
FME has a valid FSC derogation for use of a highly hazardous pesticide	<input type="checkbox"/> YES (if yes, fill in below) <input checked="" type="checkbox"/> NO	
HH Pesticide (used in the last calendar year)	Amount used (in liters)	Hectares Treated
DECIS EW 50 – active substance deltamethrin	12	Used only on log yard
Number of FSC highly hazardous pesticides used in last calendar year (1.2)		
Liters of FSC highly hazardous pesticides (1.1a)	liters	
Number of hectares treated with FSC highly hazardous pesticides (1.1b)	hectares	

APPENDIX VI: SmartWood Database Update Form

Instructions: For each FSC certificate, SmartWood maintains a Fact Sheet, which includes important summary information about the certificate. During each annual audit SW auditors should work with the certificate holder to verify that the Fact Sheet information is up to date as follows:

1. Print out current Fact Sheet prior to audit from SW website or direct link to fact sheets (<http://www.ra-smartwood.org>)
2. Review information with the FME to verify all fields are accurate.
3. If changes are required (corrections, additions or deletions), **note only the changes** to the database information in the section below.
4. The changes identified to this form will be used by the SW office to update the database and communicate these changes to the FSC and other worldwide certification databases.

Is current Fact Sheet accurate and up-to-date? YES NO
(if yes, leave section below blank)

CLIENT INFORMATION (contact info for *SmartWood* and *FSC* website listings)

Organization name	Hlavní město Praha		
Primary Contact	Dan Frantík	Title	Ing.
Primary Address	29 July 2008	Telephone	Juraj Tuzinsky, Vasil Hutník
Address		Fax	
Email	Dan.frantik@cityofprague.cz	Webpage	Juraj Tuzinsky, Vasil Hutník

FORESTS

Change to Group Certificate	<input type="checkbox"/> yes <input type="checkbox"/> No	Change in # of parcels in group	total members
Total certified area		Hectares (or)	Acres

SPECIES (note if item to be added or deleted)

Scientific name	Common name	Add/Delete

PRODUCTS

Product type	Description	Add/Delete