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FM-02 - 24 July 2013



## Forest Management Certification Reassessment Report for:

Department of Forestry, Lao PDR  
(DOF)  
In  
Vientiane, Lao PDR

Report Finalized:	14 November 2016
Audit Dates:	30 May – 3 June, 2016
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Certificate code:	RA-FM/COC-001711
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## INTRODUCTION

This report presents the findings of an independent certification assessment conducted by a team of specialists representing the Rainforest Alliance. The purpose of the assessment was to evaluate the ecological, economic and social performance of Department of Forestry, Lao PDR (DOF) forest management as defined by the Principles and Criteria established by the Forest Stewardship Council™ (FSC®).

The Rainforest Alliance founded its previous SmartWood program in 1989 to certify responsible forestry practices and has grown to provide a variety of auditing services. Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA.

This report contains four main sections of information and findings and several appendices. Sections 1 through 4 of the report plus appendix I will become public information about the forest management operation and comprise a public summary of the full report that may be distributed by Rainforest Alliance or the FSC to interested parties. The remainder of the appendices are confidential, to be reviewed only by authorized Rainforest Alliance and FSC personnel bound by confidentiality agreements. A copy of the public summary of this report can be obtained on the FSC website at <http://info.fsc.org/>.

A key purpose of the Rainforest Alliance auditing is to recognize conscientious land stewardship through independent evaluation and certification of forestry practices. Forestry operations that attain FSC certification may use Rainforest Alliance and FSC trademarks for public marketing and advertising.

### **Standard Conversions**

1 mbf = 5.1 m<sup>3</sup>  
1 cord = 2.55 m<sup>3</sup>  
1 gallon (US) =  
3.78541 liters

1 inch = 2.54 cm

## Lexicon

DAFO	District Agriculture and Forestry Office
DOFI	Department of Forestry inspection. In charge of law enforcement at the National level for timber and wildlife.
PFA	Production Forest area
PFS	Provincial Forestry Section. In charge PFAs and uncategorized forest management areas in the province.
PADETC	Participatory Development Training Center. PADETC is an NGO hired by WWF to support the rattan producing villages in the improvement of their product (quality control, pre-processing) and marketing.
PICO	Provincial Industry and Commerce Office.
POFI	Provincial Office of Forestry Inspection. In charge of law enforcement at the Provincial level for timber and wildlife.
PSFM	Participatory Sustainable Forest Management

# 1. SCOPE OF THE CERTIFICATE

Department of forestry Lao is a government agency manage production forest areas (PFAs) in the country. In this reassessment, DOF was evaluated as group certificate with 2 FMUs as group member with total area 10,948.9 hectare.

The group member consists of Xiengleu Village and Xiengxien Village. Both FMUs are located in Bolikhan District, Bolikhamxay Province, Laos. The approximate central point of the Xiengleu Village forest is 18.69333° North and 104.02917° East and for the the Xiengxien Village forest is 18.71917 ° North and 103.99583 ° East. DOF is managing both FMUs with collaboration with village. There is no timber harvesting activity on both FMUs during this reassessment. The main activity on both FMUs is harvest of Rattan (*Calamus solitaires*) by local communities using manual technique.

## Scope of the DOF Group Certification in 2016

Forest management enterprise (FME) information:			
<b>FME legal name:</b>	Department of Forestry		
<b>FME legal jurisdiction:</b>	Laos		
<b>Type of legal entity</b>	Government agency		
<b>Contact person (public):</b>	Phomma Pathoummavong		
<b>Address:</b>	Ministry of Agriculture and Forestry Vientiane Capital Lao PDR P.O.Box : 2932		
<b>Tel/FAX/email:</b>	Mobile: (856) 20 55601729, <a href="mailto:p.pathoummavong@yahoo.com">p.pathoummavong@yahoo.com</a>		
<b>Website:</b>			
<b>Reporting period:</b>	Previous 12 month period	<b>Dates</b>	April 2 2015 – June 2 2016

A. Scope of Forest Area			
Type of certificate: group		SLIMF Certificate Low intensity SLIMF	
Group or Multiple FMU	Number of group members (if applicable):		2
	Total number of Forest Management Units FMUs: (if applicable, list each below):		2
	FMU size classification within the scope:		
		# of FMUs	total forest area of FMU's
	< 100 ha		ha
	100 – 1000 ha		ha
	1000 – 10 000 ha	2	10948.9 ha
	> 10 000 ha		ha
	SLIMF FMUs		ha
<b>Group Certificate:</b> List of FMUs included in the certificate scope provided in <b>Appendix IV-a:</b>			
<b>Single/Multi-FMU Certificate:</b> List of each FMU included in the certificate scope:			

B. FSC Product categories included in the FM/CoC scope (FSC-STD-40-004a)			
<input checked="" type="checkbox"/>	Level 1	Level 2	Species
<input checked="" type="checkbox"/>	N4 Straw, wicker, rattan and similar	N4.1 Rattan cane (rough form)	<i>Calamus poilanea</i> <i>Daemonirops jenkinsiana</i>

			<i>Calamus gracilis</i> <i>Calamus palustris</i> <i>Korthalsia laciniata</i> <i>Calamus solitaires</i> <i>Calamus tetradactylus</i> <i>Calamus bimaniferus</i> <i>Calamus rhabdocladus</i>
<input type="checkbox"/>	W1 Rough Wood	W1.1 Roundwood (logs)	
<input type="checkbox"/>	W2 Wood charcoal		
<input type="checkbox"/>	W3 Wood in chips or particles	W3.1 Wood chips	
<input type="checkbox"/>	W4 Impregnated/treated wood	W4.1 Impregnated roundwood	
<input type="checkbox"/>	W5 Solid wood (sawn, chipped, sliced or peeled)	W5.1 Flitches and boules	
<input type="checkbox"/>	Non Wood Forest Products	[enter from FSC-STD-40-004a v2-0]	
<input type="checkbox"/>	other		

### C. Species and Sustainable Rate of Harvest (AAC)

Latin name	Common trade name	Annual allowable cut	Actual harvest (2015)	Projected harvest for next year
<i>Calamus poilanea</i>	Big rattan cane	27285 canes		
<i>Daemonirops jenkinsiana</i>		72145 canes		
<i>Calamus gracilis</i>		22455 canes		
<i>Calamus palustris</i>		3975 canes		
<i>Korthalsia laciniata</i>		89349 canes		
<i>Calamus solitaires</i>	Small rattan cane	21051 canes		2000 canes
<i>Calamus tetradactylus</i>		2340 canes		
<i>Calamus bimaniferus</i>		3087 canes		
<i>Calamus rhabdocladus</i>		59155 canes		
Total AAC		300842 canes	0 canes	2000 canes
Total annual estimated log production:			0 m3	
Total annual estimates production of certified NTFP:			2000 canes	
(list all certified NTFP by product type): see above				

### D. FMU Info

Forest zone	Subtropical
Certified Area under Forest Type	
Natural	10948.9 ha
Plantation	ha
Stream sides and water bodies	Information not available

### E. Forest Area Classification

Total certified area (land base)	10948.9 ha
Total forest area	10949.9 ha
a. Total production forest area	0 ha
b. Total non-productive forest area (no harvesting)	10948.9 ha
Protected forest area (strict reserves)	1818 ha

Areas protected from timber harvesting and managed only for NTFPs or services	9130.9 ha		
Remaining non-productive forest	0 ha		
Total non-forest area (e.g., water bodies, wetlands, fields, rocky outcrops, etc.)			0 ha
F. Ownership/Management Classification			
Ownership Tenure			State/Public ownership
Management Tenure (list primary tenure type for group certificates)			community managed
Certified area that is:	Privately managed	ha	
	State/Public managed	ha	
	Community managed	10948.9 ha	
G. Forest Regeneration			
Area or share of the total production forest area regenerated naturally			100%
Area or share of the total production forest area regenerated by planting or seeding			0 ha
Area or share of the total production forest are regenerated by other or mixed methods (describe)			0 ha

<b>H. High Conservation Values identified via formal HCV assessment by the FME and respective areas</b>			
Code	HCV TYPES <sup>1</sup>	Description:	Area
HCV1	Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia).		0 ha
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.		0 ha
HCV3	Forest areas that are in or contain rare, threatened or endangered ecosystems.		0 ha
HCV4	Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control).	Forest for watershed protection	1818 ha
HCV5	Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).	All the remaining forest is a HCV, as it provides the community with multiple NTFPs such as honey, fish, game, rattan, fruit trees and bushes such as <i>Ormocia Combodiana</i> , <i>Aerranga sp.</i> , <i>Fagaceae</i> , <i>Euphorbiaceae</i> , <i>Anacardiaceae</i> , medicinal plants such as malva nuts, orchid stems, cardamom, berberine, fern roots, Lao ginseng, mushrooms, 'hom sam meuang', etc.	9113.9 ha
HCV6	Forest areas critical to local communities' traditional	Spirit forests	17 ha

<sup>1</sup> 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>.

	cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).		
Number of sites significant to indigenous people and/or local communities			3

#### I. Pesticide Use

☒ FME does not use pesticides. (delete rows below)

#### Exclusion and/or Excision of areas from the scope of certificate

X	Applicability of FSC partial certification and excision policy
<input type="checkbox"/>	All forest land owned or managed by the FME is included in the scope of this evaluation.
<input checked="" type="checkbox"/>	FME owns and/or has management involvement in other forest land/properties (forest management units) not being evaluated. <b>If yes, complete sections A &amp; D below.</b>
<input type="checkbox"/>	Is any portion of the forest management unit (s) under evaluation for certification being excised from the scope of the evaluation? <b>If yes, complete sections B, C &amp; D below. Conformance with FSC-POL-20-003 <i>The Excision of Areas from the Scope of Certification</i> shall be documented below.</b>
A. Comments / Explanation for exclusion of FMUs from certification:	
Finding: No approved FMP for the remaining areas.	
B. Rationale for excision of area from FMU(s) included in scope of evaluation:	
<i>Note: Rationale shall be consistent with one of the permitted conditions specified in FSC-POL-20-003, under which such certifications may be permitted.</i>	
Finding:	
C. Summary of conformance evaluation against requirements of FSC-POL-20-003	
Finding:	
D. Control measures to prevent contamination of certified wood with wood from excluded/excised forest areas.	
Finding:	
There is no wood entering the supply chain. At this point only rattan is commercially harvested from the certified area and rattan is the only product on which the DOF would make a FSC certified claim. There is no certified nor non-certified wood coming from this certificate.	
Rattan is not commercially harvested from anywhere else in the areas under DOF responsibility, as no other quota has been issued other than for the two villages in the scope. The DOF has adopted CoC procedures to avoid contamination.	
At the village level, rattan is harvested for non-commercial use by the villagers themselves in other forest zones around the village outside of the FSC rattan production area. Contamination with that non certified rattan is avoided through segregation.	

The DOF has management responsibility on all 51 PFAs in the country:



**Table 1: PFAs in Lao PDR and FMU roster (as of April 2016)**

Province	PFA	PFA area, ha	FMA/District	SFMA/Kumban	FMU class *
Attapue	Nam Kong	88,559	Phouvong	3	4
			Sanamxay	1	4
			Xaysettha	1	4
	Xekhamphor Bengvilay	37,862	Sanamxay	1	4
	Nam Pa Huayvy	75,037	Xanxay	4	4
			Xaysettha	2	4
Bokeo	Sammeuang	78,699	Houayxay	1	4
			Meung	3	4
			Tonpheung	1	4
	Phouviengxai	44,894	Phaoudom	3	4
Bolikhamxay	Huay Sup-Namtek	8,590	Bolikhhan	1	4
	Phou Tum	12,179	Bolikhhan	2	4
	Phou Pasang-Punghok	47,657	Bolikhhan	2	4
	Phak Beuak	112,756	Bolikhhan	4	4
			Pakkading	1	4
			Paksan	1	4
			Viengthong	1	4
Champasack	Nongtangok	58,000	Mounlapamok	2	4
			Soukhoma	2	4
	Pathoumphone	27,043	Pathoumphone	5	2
			Bachiang	2	2
Houaphan	Houaykor	31,476	Heram	2	4
			Huameng	1	4
	Phoulieu	71,823	Houameung	2	4
			Xam Nuea	4	4
			Phoulieu	1	4
	Yodyeuang-Phadeng	68,133	Muangkuan	2	4
			Nonghead	1	4
			Xamtay	5	4
Khammouane	Dong Phouxoi	147,406	Mahaxay	6	2
			Xaibouathong	3	2
			Xebangfay	4	1
	Nakathing-Nongkapath	105,416	Boualapha	7	2
			Mahaxay	1	1
			Xaibouathong	3	2

\*FMU class: 1=Certified, includes formerly certified FMUs (2005-2015) and considered for certification assessment in 2016 or certification scope expansion in 2017; 2=Accredited; 3=Unaccredited; 4=Being considered for membership

Province	PFA	PFA area, ha	FMA/ District	SFMA/ Kumban	FMU class *
Luangnamtha	Phou Led Longmoun	20,150	Nalae	3	4
			Viengphoukha	1	4
	Nam Fa	24,649	Long	3	4
Luangphabang	Phouluangtai	83,017	Chompet	8	4
	Saynamkhan	64,043	Phonxai	5	4
Oudomxay	Namphak	52,118	La	1	4
			Namor	1	4
			Xay	1	4
	Namnga	98,786	Beng	2	4
			Houn	4	4
			Nga	6	4
			Xay	2	4
	Saikhong	69,791	Houn	1	4
			Nga	1	4
			Pakbeng	2	4
Phongsaly	Namban-Pralan	109,339	Mai	4	4
	Namboun	49,234	Bounneua	3	4
			Bountai	3	4
			Phongsaly	1	4
Salavan	Lao Ngam	74,580	Khongxedon	2	2
			Laongam	2	2
			Salavan	3	2
			Vapi	2	2
	Phou Talava	61,772	Salavan	2	2
			Taoy	1	2
			Toumlan	3	2
Savannakhet	Dong Kapho	51,650	Phalanxay	2	2
			Phin	2	2
			Xonnabouly	2	2
	Dong Sithouane	150,900	Songkhone	3	2
			Thapangthong	5	1
Vientiane	Houay Siat	36,107	Kasi	1	4
			Met	2	4
	Nongpet-Naseng	68,725	Feuang	4	4
			Kasi	2	4
			Met	1	4
			Vangvieng	1	4
	Phou Gneuy	100,228	Feuang	4	4
			Met	4	4
			Meun	4	4
			Xanakham	2	4
			Vangvieng	1	4
	Phou Phaphieng	36,725	Vangvieng	1	4

Province	PFA	PFA area, ha	FMA/ District	SFMA/ Kumban	FMU class *
Xaisomboun	Phou Samliam	44,780	Anouvong	1	4
Xayabouly	Phou Phadam	95,224	Paklay	2	4
			Phieng	4	4
			Xaiyabouly	3	4
			Boten	2	4
	Huay Gngang	36,717	Hongsa	3	4
	Pha Nangnon	48,174	Xienghon	4	4
	Pha Nang ngoi	29,144	Khop	4	4
	Kengchok-Nam Ngim	114,943	Phieng	3	4
			Xaiyabouly	3	4
Xekong	Dakchang	38,461	Dakcheung	1	4
			Kaleum	3	4
	Dakmong	5,028	Dakcheung	1	4
	Houaypen	89,532	Kaleum	3	4
			Lamam	4	4
	Namdee	11,760	Dakcheung	1	4
	Phoukateum	21,338	Kaleum	2	4
	Prong	16,990	Dakcheung	1	4
Xiengkhouang	Longkhan-Longkhao	97,816	Kham	2	4
			Phoukoud	3	4
	Namchong-Namngiep	122,259	Khoun	4	4
			Mork	1	4
			Thathom	4	4
	Nammou	90,534	Mork	2	4
			Namngard	1	4
			Thathom	1	4
<b>17 provinces</b>	<b>51 PFAs</b>	<b>3,089,423</b>	<b>105 FMAs in 79 Districts</b>	<b>258</b>	

## 2. ASSESSMENT PROCESS

### Certification Standard Used

Forest Stewardship standard Used for assessment:	FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR, 5 December 2014; FM-33 Rainforest Alliance/ SmartWood Generic Non Timber Forest Products Certification Addendum (March 2012); FM-35: Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (FMEs) (19 Aug 2013); FSC-STD-30-005 V-1 FSC standard for group entities in forest management groups
Local Adaptation: (if applicable)	No changes to the standard since the previous evaluation. Standard can be downloaded from the Rainforest Alliance <a href="#">webiste.</a>

### Reassessment team and qualifications

Auditor Name	Alex Boursier	Auditor role	Lead Auditor
Qualifications:	Alex Boursier, M.Sc., R.P.F.: Was manager of Rainforest Alliance Canada between 2005 and 2013. Alex is a forester with a Master's degree in agroforestry and over 17 years of experience in his field. He worked in Africa, India, South, Central and North America in FSC certification, education, community forestry and natural resources management. Alex is an FSC Senior auditor and Rainforest Alliance Lead auditor trainer. He has executed a large number of FSC audits. He is fluent in French, English and Spanish. Alex completed the Sustainable Agriculture Network (SAN) Lead auditor training in 2014.		
Auditor Name	Thoumthone Vongvisouk	Auditor role	Local Content Expert
Qualifications:	Thoumthone Vongvisouk has a PhD in natural resource governance. He specializes in conservation, land use planning, livelihood development and REDD+. Thoumthone contributed to several research projects in his field. He also worked as consultant for several projects and International NGOs. He speaks Lao and English.		

### Assessment schedule (including pre-assessment and stakeholder consultation)

Date	Location /main sites	Main activities
May 30 2016	Paksan, DOF office	Opening meeting, documentation review, interviews with DOF, WWF, PIC, PoFI, PFS, DAFO and PADETC staff. Visit to a local sawmill to inspect wood supply.
	Sawmill visit	Verification of legality of logs in the yard.
May 31 2016	Road between Paksan and the two villages.	Halting of log trucks on the way to the villages and inspection of legality of log load.
	Xiengxien & Xiengleu villages.	Meeting with the villagers. Interviews. Review of documentation.
June 1 <sup>st</sup> 2016	Xiengxien	Walk to forest. Signage. HCVs. NTFPs. Trails.
June 2 <sup>nd</sup> 2016	Paksan	Documentation review. Interviews.
June 3 <sup>rd</sup> 2016	Paksan	Closing meeting.
Total number of person days used for the assessment: <b>10</b> = number of auditors participating <b>2</b> X average number of days spent in preparation, on site and post site visit follow-up including stakeholder consultation <b>5</b> .		

### Evaluation strategy

The Lead auditor of this re-assessment had conducted FSC annual audits of the DOF between 2013 and 2014, in the same two villages as in the current scope. The other team member had one prior experience as FSC local expert. By virtue of previous experience, team members were familiar with DOF's personnel, procedures and forest operations, as well as the communities, geography, PFAs, economic, social and environmental issues and many of the interested parties.

In May 2016, a re-assessment plan was finalized. The plan included a timetable to complete the required activities including public notification, scheduling, report delivery dates and many other logistical issues.

During the months prior to the re-assessment, the DOF, supported by SUFORD and WWF, compiled information documenting their efforts to conform to the indicators in the FSC standards. Evidence documents were made available to the team prior to the re-assessment. Additional evidence was provided by DOF, WWF, SUFORD, DAFO, PFS, PoFI and the rattan producing villages throughout the days the re-assessment team was on-site.

During the re-assessment, team members sent e-mail messages to eight individuals and organizations in Laos and abroad, including NGOs, informing them of the opportunity to provide comment. A notice of the re-assessment notice was also posted on the FSC website. The team received comments from one stakeholder as a result of the public notice sent via email, comments from six NGOs and international development project representatives, and from multiple villagers and other stakeholders while on site.

Meetings, interviews and document reviews were done in both villages. Auditors sampled the nearest of the two forests (a 6 h walk) of the rattan producing villages. A plan for selecting and visiting a representative sample of field sites was developed upon arrival in the village. These sites are identified in section 2.5.2 below.

In total two auditor-days were spent visiting field sites in the forest.

Assessment focused on NTFPs. For example, all timber related requirements for criterion 5.6 (allowable harvest) was marked as non-applicable, as there is no timber harvesting. However in the eventuality of a scope expansion audit, timber specific requirements such as 5.6 and other should be covered fully prior to inclusion of timber producing areas in the scope of the certificate.

#### 2.4.1 List of FMUs selected for evaluation

FMU Name	Rationale for Selection
Xiengxien FSC certified production forest	Need to see signage identifying the certified area. Need to see trail leading to the forest (for evidence of waste). Need to see integrity of the HCVs on the way. Need to see presence of NTFPs. Verify precision of maps.

#### 2.4.2 List of management aspects reviewed by assessment team:

Type of site	Sites visited	Type of site	Sites visited
Road construction		Illegal settlement	
Soil drainage		Bridges/stream crossing	X
Workshop		Chemical storage	
Tree nursery		Wetland	X
Planned Harvest site		Steep slope/erosion	X
Ongoing Harvest site		Riparian zone	X
Completed logging		Planting	
Soil scarification		Direct seeding	
Planting site		Weed control	
Felling by harvester		Natural regeneration	X
Felling by forest worker		Endangered species	
Skidding/Forwarding		Wildlife management	
Clearfelling/Clearcut		Nature Reserve	X
Shelterwood management		Key Biotope	
Selective felling		Special management area	X
Sanitation cutting		Historical site	
Pre-commercial thinning		Recreational site	
Commercial thinning		Buffer zone	X
Logging camp		Local community	X

#### 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. Rainforest Alliance welcomes, at any time, comments on certified operations and such comments often provide a basis for field assessment.

In the case of DOF prior to the actual assessment process, a public consultation stakeholder document was developed and distributed by email, FAX and mail. Through input from WWF, SUFORD and DOF, an initial list of stakeholders was developed and public announcements were distributed to them. This list also provided a basis for the assessment team to select people for interviews (in person or by telephone or through email). Public meetings were also held.

<b>Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)</b>	<b>Stakeholders Notified (#)</b>	<b>Stakeholders consulted directly or provided input (#)</b>
National/International NGOs	5	6
Local/Regional NGOs	1	1
Local Community members	Multiple	15
Govt Agency	Multiple	11
Labor Union	-	-
International consultants	2	2

### 3. ASSESSMENT FINDINGS AND OBSERVATIONS

#### 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.

FSC Principle	Stakeholder comment	Rainforest Alliance response
<b>P1: FSC Commitment and Legal Compliance</b>	Before fieldwork, two stakeholders communicated by email with the auditors and raised concerns about illegal logging in areas where the DOF has management responsibilities and elsewhere in the Lao PDR in general. One provided documented evidence and the other provided coordinates and satellite images. Stakeholders were not concerned that there would be illegal logging inside the two village forests in the scope of this assessment, but outside.	<p>The auditors investigated the issue of illegal logging in areas where the DOF has management responsibilities, inside and outside of the scope of this assessment. Auditors did not find any evidence of illegal logging in the two village forests in the scope of this assessment, but found undisputable evidence of illegal logging in the Phak Beuak PFA, outside of the scope of the assessment. Auditors also received allegations of illegal logging inside a protected area and protection forests around the Nam Ngiep dam, but for lack of time at the time of the audit were not able to confirm this was happening.</p> <p>Since the end of the fieldwork, the DOF and Lao government have publicly recognized the failures in the control of illegal logging in PFAs. Since the end of fieldwork, the highest political authorities in the country have issued public statements (reported in government media like newspapers, TV and websites) recognizing the extent of the illegal logging problem in Laos extends far beyond the Phak Beuak PFA and even into protected areas. Authorities have stated their firm intention to address the issue and identified actions to be taken.</p>
<b>P2: Tenure &amp; Use Rights &amp; Responsibilities</b>	No comment received.	No response needed.
<b>P3 – Indigenous Peoples' Rights</b>	Villages have declared that revenues in the village have increased because of the WWF rattan project.	No response needed.
<b>P4: Community Relations &amp; Workers' Rights</b>	No comment received.	No response needed.
<b>P5: Benefits from the Forest</b>	No comment received.	No response needed.
<b>P6: Environmental Impact</b>	A villager declared that rattan was not well managed before the WWF rattan project. Now he says he can see that it is.	No response needed.



	A stakeholder mentioned the forest was not identified with signage.	The auditors walked to the candidate forest where rattan is produced and found that it is well identified with signage. Photos of signs were taken by the auditors as evidence.
<b>P7: Management Plan</b>	No comment received.	No response needed.
<b>P8: Monitoring &amp; Assessment</b>	No comment received.	No response needed.
<b>P9: Maintenance of High Conservation Value Forest</b>	No comment received.	No response needed.
<b>P10 - Plantations</b>	No comment received.	No response needed.

### Summary of Evaluation Findings for FSC Forest Criteria

PRINCIPLE 1: Compliance with law and FSC Principles					
Criterion 1.1 Respect for national and local laws and administrative requirements					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Auditors find the DOF and village partners on the rattan project are in good order in terms of permits, tenure, authorizations and quotas.				
Criterion 1.2 Payment of legally prescribed fees, royalties, taxes and other charges					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Auditors found a copy of the quota authorization. There are no fees to pay as rattan collection had not started at the time of the audit. No other fees are paid by the villagers with regards to forestry. Timber is not harvested.				
Criterion 1.3 Respect for provisions of international agreements					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	ILO: No hired workers. Families do all the work themselves. If a family won't harvest by themselves they will have to give their quota to another family.  CITES: Orchids only NTFP at risk. Auditors checked that it is not harvested by the villagers.				
Criterion 1.4 Conflicts between laws and regulations, and the FSC P&C					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	No conflict between Laos's laws and FSC requirements identified by the DOF. The auditor sampled a few elements which are sometimes problematic and confirms that indeed, no article of Laotian law is in conflict with sampled FSC requirement.				
Criterion 1.5 Protection of forests from illegal activities					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Village forests are very well protected against illegal activities. Village rules are set up by villagers themselves, prohibiting illegal activities. The rules are communicated to neighboring villages and enforced by villager's patrols. Rattan management areas are well marked. Satellite imagery shows no sign of logging inside the two candidate FMUs.				
Criterion 1.6 Demonstration of a long-term commitment to the FSC P&C					
Conformance	X	Nonconformance		NCR #(s)	

Finding (strength/weakness)	Auditors found strong legal conformance inside the two village FMUs.				
	There is a long history of widespread illegal logging outside the scope of this assessment, in PFA where the DOF has management responsibilities.				
<b>PRINCIPLE 2: Tenure and use rights and responsibilities</b>					
<b>Criterion 2.1 Demonstration of land tenure and forest use rights</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The villagers have been issued agreements by DAFO to implement FSC certification and use the rattan forest for NTFP collection. Quotas have been issued.				
<b>Criterion 2.2 Local communities' legal or customary tenure or use rights</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Villagers are the sole operators and beneficiaries of their forest. They full control 100% of all commercial and non-commercial harvestings in their forest. They do not make all management decisions as the DOF shares authority over these forested areas with them. Communities' own rules prohibit commercial logging and hunting. Auditors find these are enforced by the villagers themselves through regular patrols in the forest.				
<b>Criterion 2.3 Disputes over tenure claims and use rights</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Mechanisms in place for resolving disputes. No outstanding disputes.				
<b>PRINCIPLE 3: Indigenous peoples' rights</b>					
<b>Criterion 3.1 Indigenous peoples' control of forest management</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Villagers are the sole operators and beneficiaries of their forest. They full control 100% of all commercial and non-commercial harvestings in their forest. They do not make all management decisions as the DOF shares authority over these forested areas with them. Communities' own rules prohibit commercial logging and hunting. Auditors find these are enforced by the villagers themselves through regular patrols in the forest.				
<b>Criterion 3.2 Maintenance of indigenous peoples' resources or tenure rights</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Rights and resources of the communities are well identified and protected by the villagers themselves. The communities participate, together with the DOF, in the decisions regarding commercial and non-commercial harvestings in their forest.				
<b>Criterion 3.3 Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	HCV5 and 6 areas have been identified, they include sacred spirit forests, cremation grounds, etc. and they have been identified, mapped and are protected by the villagers themselves.				
<b>Criterion 3.4 Compensation of indigenous peoples for the application of their traditional knowledge</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Traditional knowledge is not used by any third party. Villagers are the sole operators and beneficiaries of their forest.				
<b>PRINCIPLE 4: Community relations and workers rights</b>					

<b>Criterion 4.1    Employment, training, and other services for local communities</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Villagers are the sole managers and beneficiaries of their forest. Families do all the rattan harvesting and all other operations themselves, therefore, there are no employees.				
<b>Criterion 4.2    Compliance with health and safety regulations</b>					
Conformance		Nonconformance	X	NCR #(s)	04/16
Finding (strength/weakness)	The villagers are doing the management and harvesting themselves and are not hired by a third party to do it (villagers are entrepreneurs, not employees). During the audit the DOF did not demonstrate knowledge of the national minimum health and safety requirements and how those compare with the conditions of the rattan harvesters. While, hard hats, boots and gloves have been provided by DOF to the villagers working on their own rattan cane harvesting operations, the DOF was not able to demonstrate whether or not this satisfies the minimum national requirements. Non-conformance 04/16 is issued. Before harvesting, training is given on safety and low impact harvesting, preservation of regeneration, etc.				
<b>Criterion 4.3    Workers' rights to organize and negotiate with employers</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	There are no employees or other types of workers. All rattan harvesting operations are conducted by families of villagers themselves.				
<b>Criterion 4.4    Social impact evaluations and consultation</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Socioeconomic impacts are assessed. Villagers take decisions jointly with forest authorities on management of their forest.				
<b>Criterion 4.5    Resolution of grievances and settlement of compensation claims</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Villagers are themselves the managers. Risk of losses and damages minimal as only NTFPs are collected. No logging.				
<b>PRINCIPLE 5: Benefits from the forest</b>					
<b>Criterion 5.1    Economic viability taking full environmental, social, and operational costs into account</b>					
Conformance		Nonconformance	X	NCR #(s)	01/16
Finding (strength/weakness)	Village funds were used in the past to create plantations close to the village in order to alleviate the pressure on rattan for food consumption. Villagers are trained in pre-processing of the rattan (straightening).  Economic viability is not ensured. The rattan producing villages are heavily dependent on external support. The WWF project is supporting the rattan producing villages until 2017 and then SUFORD will support them until 2018. After that, it is expected that PAFO and DAFO will be working with the villages. While WWF staff did articulate verbally what some elements of a plan towards self-sufficiency would be, this is not formalized in a plan. This is a non-conformance. NCR 01/16 is issued.				
<b>Criterion 5.2    Optimal use and local processing of forest products</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	No timber, only NTFP (rattan) is harvested. Training on pre-processing has been delivered to villagers. This is expected to increase value of the product and decrease transport costs.				

<b>Criterion 5.3 Waste minimization and avoidance of damage to forest resources</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	No timber harvested, only rattan. This is a very low impact operation, but also the villagers are applying best practices (carrying the canes instead of dragging them, etc.) so as to minimize damage to the forest.				
<b>Criterion 5.4 Forest management and the local economy</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	WWF has a plan to conduct inventory of bamboo and eventually include it in the scope of the certificate. All pre-processing is going to be done locally in the villages by the villagers themselves.				
<b>Criterion 5.5 Maintenance of the value of forest services and resources</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Very low impact manual harvesting and hauling of NTFP is the only site disturbing activity implemented. Auditors find the full range of forest services are protected under the current plan and operations.				
<b>Criterion 5.6 Harvest levels</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	NAFRI and WWF provided study on rattan growth in Bolikhamxai province, Khamkeurth district in 2011. Also rattan growth study in Xiengleu village in 2015. Sustainable harvest level is known and based on science. Rattan is not harvested during the rainy season.				
<b>PRINCIPLE 6: Environmental impact</b>					
<b>Criterion 6.1 Environmental impacts evaluation</b>					
Conformance		Nonconformance	X	NCR #(s)	02/16
Finding (strength/weakness)	Environmental impacts assessment are not formally done prior to on site rattan harvesting operations. There are no forms or checklists and no training for this. This is a non-conformance.				
<b>Criterion 6.2 Protection of rare, threatened and endangered species</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The presence of species at risk is assessed at the forest management planning phase. Auditors saw the document used in participatory forest planning to identify with the villagers the species they have seen in the last few years in the village FMUs. These participatory biodiversity assessments have been done in November 2016. Maps of Xiengleu and Xiengxien clearly identify conservation zones. Village rules prohibit any hunting in or around the village FMU. Patrols are done by the villagers monthly during the rainy season, and three times a month in the dry season.				
<b>Criterion 6.3 Maintenance of ecological functions and values</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Villagers are trained before harvesting of rattan, thus they know how to avoid impacts on environment and other biodiversity. Rattan canes are carried instead of being dragged on the forest floor. If rattan climbs up to the branches of the trees, harvesters will climb up to the tree to cut it, instead of cutting the trees and other plant growing around the harvested rattan.				
<b>Criterion 6.4 Protection of representative samples of existing ecosystems</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding	The village forests include hundreds of hectares of watershed protection forests. Those				

(strength/weakness)	have been identified jointly with the villagers and forest authorities. Because there is no logging, the forest is protected by default. Village rules dictate protection of the forest and these rules are enforced.				
<b>Criterion 6.5 Protection against damage to soils, residual forest and water resources during operations</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Buffer zones for water protection along streams and rivers appear on maps in the management plan. There is no road access to the rattan management area.				
<b>Criterion 6.6 Chemical pest management</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	No chemicals are used by the group members.				
<b>Criterion 6.7 Use and disposal of chemicals, containers, liquid and solid non-organic wastes</b>					
Conformance		Nonconformance	X	NCR #(s)	03/16
Finding (strength/weakness)	During the field visit to the forest of Xiengxien, auditors found plastic bags and other waste, mostly consisting of food packaging, along the trail and on a site along a river. This is a non-conformance.				
<b>Criterion 6.8 Use of biological control agents and genetically modified organisms</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	No biological control agents or GMOs are used in the FMUs included in the scope of the certificate.				
<b>Criterion 6.9 The use of exotic species</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The use of exotic species is prohibited in natural forest in Laos.				
<b>Criterion 6.10 Forest conversion to plantations or non-forest land uses</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	There is no conversion in the candidate FMUs. The DOF has procedures that fully cover all requirements of 6.10, including prohibiting conversion unless not exceeding 5%, and resulting in long terms benefits for the country.				
<b>PRINCIPLE 7: Management plan</b>					
<b>Criterion 7.1 Management plan requirements</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The DOF has excellent management plans and manuals, such as the group policies and the PSFM manual, which fully cover all requirements of 7.1. Maps are available and detailed enough.				
<b>Criterion 7.2 Management plan revision</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The management plan was updated in 2016 and covers a nine year timeframe.				
<b>Criterion 7.3 Training and supervision of forest workers</b>					
Conformance	X	Nonconformance		NCR #(s)	

Finding (strength/weakness)	Trainings are given on: - production and use of the FMP; - forest inventory; - Health and safety training; - forest law; - training on rattan harvesting and reduction of negative environmental impacts;  Auditors have consulted the list of training attendees.				
<b>Criterion 7.4 Public availability of the management plan elements</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Auditors have seen the FMPs distributed in the rattan producing villages. The FMP includes its own summary. The FMP is available on the SUFORD website.				
<b>PRINCIPLE 8: Monitoring and evaluation</b>					
<b>Criterion 8.1 Frequency, intensity and consistency of monitoring</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Section 6 of the updated PSFM Operations Manual is a comprehensive procedure for periodic monitoring and reporting of different technical, environmental, and socioeconomic aspects. It includes the recurrence of each monitoring.				
<b>Criterion 8.2 Research and data collection for monitoring</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Section 6 of the PSFM is a comprehensive monitoring plan which allows for description of changes in forest conditions.				
<b>Criterion 8.3 Chain of custody</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	PSFM procedures cover all aspects of chain of custody.				
<b>Criterion 8.4 Incorporation of monitoring results into the management plan</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The DOF does incorporate monitoring results into management plans at the time of revision. Data from the socioeconomic monitoring is used for reporting purposes and for annual planning. Rattan growth study is used for calculation of the AAC.				
<b>Criterion 8.5 Publicly available summary of monitoring</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	The DOF posts a summary of all monitoring results on the SUFORD website. Summarized monitoring include growth rate; post-harvesting monitoring (pre-harvesting impacts monitoring is not done – this is the object of NCR 02/16); EIA; biodiversity monitoring; socio-economic impacts and accident report.				
<b>PRINCIPLE 9: High Conservation Value Forests</b>					
<b>Criterion 9.1 Evaluation to determine high conservation value attributes</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	HCVs were assessed as part of the FMP preparation process. It is done as a participatory exercise with the villagers. HVCs are mapped as a result. Auditors saw the maps identifying HCV categories 4, 5 and 6 on both forests. Auditors observed signs on foot trails that identified the presence of HCVs.				
<b>Criterion 9.2 Consultation process</b>					

Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	Consultation of villagers is part of the FMP elaboration process. Draft plans are presented to the villages for comments/input. A procedure exists in the PSFM operations manual to keep evidence of stakeholder input.				
<b>Criterion 9.3 Measures to maintain and enhance high conservation value attributes</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	<p>The two villages' 2012-2021 FMPs prescribe protection measures for HCVs 4-5-6:</p> <p>Protection measures include: For HCV 4 forests: Hunting is prohibited, timber is not allowed to be cut, rattan and bamboo are not allowed to be harvested in HCV areas, soil removal, agriculture, conversion, etc. are all prohibited activities. HCV4 are equivalent to protected areas.</p> <p>HCV5: No rattan harvesting without quota, no cutting rattan shoot, no timber collection, no hunting.</p> <p>HCV6: No agriculture, no timber harvesting, no soil removal, no quarry, no hunting.</p>				
<b>Criterion 9.4 Monitoring to assess effectiveness</b>					
Conformance	X	Nonconformance		NCR #(s)	
Finding (strength/weakness)	<p>This system is defined in section 6.4.5 of the PSFM operations manual. Auditors find the biodiversity monitoring and monitoring of the growth rate (rattan is an HCV) of rattan can inform the DOF on the effectiveness of the measures taken to protect HCVs.</p>				

## Identified nonconformances and Nonconformity Reports (NCRs)

A nonconformance 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 nonconformance the assessment team differentiates between major and minor nonconformances.

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

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

Each nonconformance is addressed by the audit team by issuing a nonconformity report (NCR). NCRs are requirements that candidate operations must agree to, and which must be addressed, within the given timeframe of a maximum of one year period.

NCR#:	01/16	NC Classification:	Major	Minor X
Standard & Requirement:	FM-33 Rainforest Alliance/SmartWood Generic Non Timber Forest Products Certification Addendum (March 2012) 5.1 NTFP.3			
Report Section:	APPENDIX II: Certification standard conformance checklist			
Description of Nonconformance and Related Evidence:				
Indicator 5.1 NTFP.3 requires a plan to reduce dependency on external support in cases of externally supported NTFP harvest operations.				
The two rattan producing villages are heavily dependent on WWF for finding markets, training, funding of their activities, management, monitoring, etc. These villages have no resource or capacity outside of the WWF project to maintain the commercial rattan production, much less to maintain conformance to the FSC standard. The WWF project is supporting the rattan producing villages until 2017 and then SUFORD will support until 2018. After that, it is expected that PAFO and DAFO will be working with the villages. While WWF staff did articulate verbally what some elements of a plan towards self-sufficiency would be, this is not formalized in a plan.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Within 12 months of finalization of this report.			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
NCR Status:	OPEN			
Comments (optional):				



NCR#:	02/16	NC Classification:	Major	Minor X
Standard & Requirement:	FM-33 Rainforest Alliance/SmartWood Generic Non Timber Forest Products Certification Addendum (March 2012) 6.1 NTFP.1			
Report Section:	APPENDIX II: Certification standard conformance checklist			
Description of Nonconformance and Related Evidence:				
<p>Indicator 6.1. NTFP.1 says that environmental assessments shall include the impacts resulting from commercial harvesting of NTFPs.</p> <p>Section 6.5.2 of the PSFM “Assessing the Environmental Impacts of Site Disturbing Activities and Reporting the Social and Environmental Assessments in FMUs” mentions that “Measures to mitigate the anticipated negative impacts of site disturbing activities shall be included in the FMU management plan to the extent possible”. Some of these measures are provided in Section 5.1.6 of the PSFM manual.</p> <p>The audit team found that environmental impact assessments are not formally done prior to on site rattan harvesting operations. There are no forms or checklists and no training for this.</p>				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
Timeline for Conformance:	Within 12 months of finalization of this report.			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
NCR Status:	OPEN			
Comments (optional):				

NCR#:	03/16	NC Classification:	Major	Minor X
Standard & Requirement:	FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR (December 2014) 6.7.1			
Report Section:	APPENDIX II: Certification standard conformance checklist			
Description of Nonconformance and Related Evidence:				
<p>Indicator 6.7.1 says chemical, container, liquid and solid waste shall be disposed of off-site in an environmentally sound and legal manner, whether from forest operations or processing facilities.</p> <p>During the field visit to the forest of Xiengxien, auditors found plastic bags and other waste, mostly originating from food containers, along the trail and on a site along a river.</p>				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
Timeline for Conformance:	Within 12 months of finalization of this report.			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			

<b>NCR Status:</b>	OPEN
Comments (optional):	

NCR#:	04/16	NC Classification:	Major	Minor X
Standard & Requirement:	FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR (December 2014) 4.2.3			
Report Section:	APPENDIX II: Certification standard conformance checklist			
Description of Nonconformance and Related Evidence:				
Indicator 4.2.3 says health and safety measures shall comply with national minimum requirements.				
The villagers are doing the management and harvesting themselves and are not hired by a third party to do it (villagers are entrepreneurs, not employees). During the audit the DOF did not demonstrate knowledge of the national minimum health and safety requirements and how those compare with the conditions of the rattan harvesters. While, hard hats, boots and gloves have been provided by DOF to the villagers working on their own rattan cane harvesting operations, the DOF was not able to demonstrate whether or not this satisfies the minimum national requirements.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Within 12 months of finalization of this report.			
Evidence Provided by Organization:	PENDING			
Findings for Evaluation of Evidence:	PENDING			
NCR Status:	OPEN			
Comments (optional):				

### Conformance with applicable nonconformity reports (Reassessments Only)

The section below describes the activities of the certificate holder to address each applicable nonconformity report (NCR) issued during previous evaluations. For each NCR a finding is presented along with a description of its current status using the following categories. Failure to meet NCRs 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 Rainforest Alliance certificate if Major NCRs are not met. The following classification is used to indicate the status of the NCR:

Status Categories	Explanation
Closed	Operation has successfully met the NCR.
Open	Operation has either <u>not met</u> or has <u>partially met</u> the NCR.

☐ Check if N/A (there are no open NCRs to review)

NCR#:	01/14	NC Classification:	Major	Minor X
Standard & Requirement:	FM-33 Rainforest Alliance/ SmartWood Generic Non Timber Forest Products Certification Addendum (March 2012) 4.4 NTFP. 3			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				
Indicator 4.4.NTFP.3 requires the social impact evaluations to consider the perspective of NTFP harvesters and local users.				
The socioeconomic evaluation prepared by WWF for rattan production does not present the perspective of villagers (NTFP harvesters and local users). However during the meetings with the rattan harvesting communities the auditors asked specifically if there were any concerns or problems (negative impacts) caused by the rattan harvesting activities. The communities sampled were overwhelmingly positive about the activity. Nevertheless, the absence of villagers' perspective in WWF's socioeconomic impact evaluation is a non-conformance.				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Prior to recertification			
Evidence Provided by Organization:	- Updated PSFM Operations Manual May 2016, section 6.5 - Annual operation report and plan for two villages, which includes the results of the socioeconomic impact assessments; - Interviews with villagers in two villages by the auditors			
Findings for Evaluation of Evidence:	DAFO conducted a survey of 20 households in each of the two rattan harvesting villages of Xiengxien and Xiengleu to identify socioeconomic impacts on May 25 2016. Economic impacts, forest conditions, and social impacts were surveyed. Results show village cohesion through working together and valorization through the rattan harvesting activity. Ethnic minority equity and gender equity increased. Villagers worked together to implement the village regulations.			
NCR Status:	CLOSED			
Comments (optional):				

NCR#:	02/14	NC Classification:	Major	Minor X
Standard & Requirement:		FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR (December 2014) 9.4.1		
Report Section:		Appendix IV		
Description of Nonconformance and Related Evidence:				
Indicator 9.4.1 requires a system for continuous monitoring of HCVF values to be incorporated into the FME's planning, monitoring and reporting procedures.				
The DOF does no monitoring of the effectiveness of its system in protecting HCVs in the identified HCVFs. This is a minor non-conformance because rattan harvesting has a very low impact, and logging has not occurred since 2010.				
Corrective Action Request:		Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.		
Timeline for Conformance:		Prior to recertification		
Evidence Provided by		- Updated PSFM Operations Manual (Section 6.4.5)		

Organization:	<ul style="list-style-type: none"> <li>- Annual operations report and plan of the two Village Forestry FMUs that includes the HCV monitoring results</li> <li>- Interviews with WWF, DOF and SUFORD staff</li> <li>- village annual reports</li> </ul>
Findings for Evaluation of Evidence:	Auditors found reports on HCV monitoring in the village annual reports. The system for monitoring of HCVF values is defined in section 6.4.5 of the PSFM operations manual. Auditors find the biodiversity monitoring and monitoring of the growth rate (rattan is an HCV) of rattan can inform the DOF on the effectiveness of the measures taken to protect HCVs.
<b>NCR Status:</b>	CLOSED
Comments (optional):	

NCR#:	04/14	NC Classification:	Major	Minor X
Standard & Requirement:	FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR (December 2014) 8.2.1			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				
<p>Indicator 8.2.1 requires the monitoring plan to be technically sound and identify/describe observed changes in conditions in terms of environment (environmental changes affecting flora, fauna, soil and water resources) (outbreak of pest, invasive species, nesting sites for endangered bird species) and socioeconomic aspects.</p> <p>A participatory wildlife assessment was done 15 years ago on timber production FMUs. A new assessment will be replicated in Oct 2015 in preparation for the lifting of the logging ban. Rattan producing FMUs will also be monitored with the annual biodiversity participatory monitoring program. However, soil erosion and water monitoring, pest outbreaks, invasive species and nesting sites are not monitored. While concerns and risks are low (water and erosion: generally stable and flat terrain in FMUs; pest outbreaks: low risk in diverse natural forests in the region; invasive species: generally not a concern in Laos), the absence of any form of monitoring of these forest conditions is a non-conformance.</p> <p>Although a system exists to report accidents and no accidents are reported, there is no system in place to measure accident rates if and when accident do occur.</p>				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Prior to recertification			
Evidence Provided by Organization:	- Accident record			
Findings for Evaluation of Evidence:	The DOF has adopted an accident record form which is to be filled out by the harvesting group if and when an accident happens. Auditors consulted the record and found there had been no accident reported. Auditors confirmed the absence of accidents during meetings with villagers in the two sampled villages.			
NCR Status:	CLOSED			
Comments (optional):				

<b>NCR#:</b>	05/14	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FM-35 Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (August 2013 ) CoC 5.2			

Report Section:	Appendix V
<b>Description of Nonconformance and Related Evidence:</b>	
<p>The COC requirement 5.2 says that the FME shall have procedures in place and demonstrate submission of FSC/Rainforest Alliance claims to Rainforest Alliance for review and approval prior to use, including:</p> <p>a) On-product use of the FSC label/RAC seal;</p> <p>b) Promotional (off-product) claims that include the FSC trademarks ("Forest Stewardship Council", "FS checkmark tree logo) and/or the Rainforest Alliance trademarks (names and seal)(50-001, 1.1.6).</p> <p>Findings: WWF has submitted evidence of submission of request to RA for trademark approval. However there is no procedure in place requiring them to do so. Also, the DOF CoC procedure does not mention the timeframe for record keeping.</p>	
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>
Timeline for Conformance:	Prior to recertification
Evidence Provided by Organization:	<ul style="list-style-type: none"> <li>- Updated PSFM operations manual</li> <li>- DOF group Certification Operations Manual</li> <li>- Interviews with DOF, WWF and SUFORD staff</li> <li>- Direct observations by the auditors</li> </ul>
Findings for Evaluation of Evidence:	<p>The updated PSFM operations manual (section 5.3.8 Use of FSC/RA Trademarks) now requires trademarks to be communicated to and approved by Rainforest Alliance prior to use.</p> <p>Table 5.1 of the PSFM operations manual dictates the distribution of each kind of document amongst the various organizations (DOF, PFS, DFU and VFLC).</p> <p>Section 1.3.4 of the DOF Group Certification Operations Manual requires the keeping of records for a minimum of 5 years.</p> <p>The auditor verified that since the certificate has been suspended, the FSC trademark has not been used.</p> <p>This NC can be closed.</p>
NCR Status:	CLOSED
Comments (optional):	

NCR#:	06/14	NC Classification:	Major	Minor X
Standard & Requirement:	FM-33 Rainforest Alliance/ Generic Non Timber Forest Products Certification Addendum (March 2012) 6.2 NTFP. 1			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				
<p>Indicator 6.2. NTFP.1 requires species that are on either local and/or international endangered or threatened species lists (e.g., CITES Appendix 1, “critically endangered” IUCN list, national lists, etc.) are not harvested. Through the sample done by the auditors in the villages, auditors identified a sample of 17 different NTFP species harvested for family consumption (not commercially harvested). This list is not extensive. Although WWF and SUFORD assure the auditors none of these flora species are on any RTE list, no evidence was presented to support this. This is a non-conformance.</p> <p>Rattan villages sampled by the audit team did not have the posters of endangered species distributed to many other villages.</p>				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate			

	conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.
<b>Timeline for Conformance:</b>	Prior to recertification
Evidence Provided by Organization:	Endangered species posters Endangered species list with images Village FMPs with NTFP lists
Findings for Evaluation of Evidence:	Auditors found posters of endangered species and lists posted in the villages.  The FMPs list NTFPs collected by the villagers for consumption. None of the 14 species collected are listed on the CITES list. The only NTFP species listed on the CITES list is orchids, which are not collected by the villagers.  This NC can be closed.
<b>NCR Status:</b>	CLOSED
Comments (optional):	

NCR#:	07/14	NC Classification:	Major	Minor X
Standard & Requirement:	FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR (December 2014) 8.1.1			
Report Section:	Appendix IV			
Description of Nonconformance and Related Evidence:				
<p>Indicator 8.1.1 requires a plan and design, based on consistent and replicable procedures, to exist for periodic monitoring and reporting.</p> <p>DOF has pre-harvest inventory plots which are re-measured every 15 years. DOF has also established 50 PSPs per province in 1996 (248 in total). They were re-measured already twice. The result of the re-measurement allowed the production of “Growth models for the indigenous forests and trees in Savannakhet” produced by SUFORD in 2005. A participatory wildlife assessment was done in 2002. For the timber producing FMUs, the biodiversity monitoring is done annually on different FMUs on a cycle of 15 years.</p> <p>However all these monitoring are not part of a consistent and replicable procedure for monitoring and reporting.</p>				
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.			
Timeline for Conformance:	Prior to recertification			
Evidence Provided by Organization:	Section 6 of the updated PSFM Operations Manual			
Findings for Evaluation of Evidence:	Section 6 of the updated PSFM Operations Manual is a comprehensive procedure for periodic monitoring and reporting of different technical, environmental, and socioeconomic aspects. It includes the frequency for each defined monitoring activity.			
	This NC can be closed.			



<b>NCR Status:</b>	CLOSED
Comments (optional):	

NCR#:	08/14	NC Classification:	Major	Minor X
Standard & Requirement:	FSC-STD-30-005 v1-0 Criterion 3.1			
Report Section:	APPENDIX VII: Group management conformance checklist			
Description of Nonconformance and Related Evidence:				
<p>Criteria 3.1 says the Group entity shall establish, implement and maintain written procedures for Group membership covering all applicable requirements of this standard, according to scale and complexity of the group including:</p> <ul style="list-style-type: none"><li>I. Organizational structure;</li><li>II. Responsibilities of the Group entity and the Group members including main activities to fulfill such responsibilities (i.e. Development of management plans, sales and marketing of FSC products, harvesting, planting, monitoring, etc.);</li><li>III. Rules regarding eligibility for membership to the Group;</li><li>IV. Rules regarding withdrawal/ suspension of members from the Group;</li><li>V. Clear description of the process to fulfill any corrective action requests issued internally and by the certification body including timelines and implications if any of the corrective actions are not complied with;</li><li>VI. Documented procedures for the inclusion of new Group members;</li><li>VII. Complaints procedure for Group members.</li></ul> <p>Auditors reviewed the Group Certification Policy and found it to adequately cover most of the requirements of 3.1. However, the policy is out of date. For example it makes no reference to rattan and other NTFP, while there are now 6 rattan producing FMUs. Other issues include internal monitoring, which was recently upgraded but this does not translate in the current December 2007 Group Certification Policy.</p>				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
Timeline for Conformance:	Prior to recertification			
Evidence Provided by Organization:	<p>June 2016 version of the PSFM Operations Manual</p> <p>May 2016 version of the DOF Group Certification Operations Manual</p>			
Findings for Evaluation of Evidence:	<p>The DOF presented its May 2016 version of the DOF Group Certification Operations Manual. The auditor found all elements of the requirement are covered in the DOF Manual:</p> <ul style="list-style-type: none"><li>I. Covered under section 2.2 Organizational Structure of the DOF Group of FMUs</li><li>II. Responsibilities of the Group entity are under section 2.7; Responsibilities of the group members are under section 6.1;</li><li>III and IV. Covered under section 5.4.1 Acceptance of FMUs for Membership in the DOF Group of FMUs;</li><li>V. Covered under sections 5.4.3 Conduct of Internal FMU Monitoring and Assessment and 5.4.4 Accreditation and Certification Procedures</li><li>VI. Covered under section 5.4.1 Acceptance of FMUs for Membership in the DOF Group of FMUs;</li><li>VII. Covered in section 3.5 Complaints and Dispute Resolution</li></ul> <p>This NC can be closed.</p>			

<b>NCR Status:</b>	CLOSED
Comments (optional):	

<b>NCR#:</b>	09/14	<b>NC Classification:</b>	Major	Minor X
Standard & Requirement:	FM-32 Rainforest Alliance Interim Standard for Assessing Forest Management in Lao PDR (December 2014) 8.5.1			
Report Section:	Appendix IV			
<b>Description of Nonconformance and Related Evidence:</b>				
<p>Indicator 8.5.1 requires the FME to incorporate into publicly available summaries the results of monitoring.</p> <p>Since there is no timber harvesting since 2010 (because of the log ban imposed by the government), no monitoring activities have been carried out in any certified FMUs. Nevertheless, FME has the monitoring procedure in place and this will be able to be applied when the harvesting will resume in 2016. However the on-going rattan harvesting is the object of monitoring for growth and yield, biodiversity, accident rates, and production. These monitoring results are not incorporated into publicly available summaries. This is a non-conformance.</p>				
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the nonconformance.</p>			
<b>Timeline for Conformance:</b>	Prior to recertification			
Evidence Provided by Organization:	<p>Summary of monitoring results for 2015-2016</p> <p>Link to website where results are posted</p>			
Findings for Evaluation of Evidence:	<p>Updated PSFM Operations Manual (Section 6.7) incorporating the publication of public summaries of FMP, monitoring results, and other important documents and reports. The DOF now posts a summary of all monitoring results on the SUFORD website. Summarized monitoring include growth rate; pre and post-harvesting monitoring; EIA at the FMP preparation stage and post harvesting (Pre-harvesting EIA not done – this is the object of NC 02/16); biodiversity monitoring; socio-economic impacts and accident report. This NCR can be closed.</p>			
<b>NCR Status:</b>	CLOSED			
Comments (optional):				



## 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 Rainforest Alliance assessment team recommends the following:

<b>Certification requirements met;</b> Upon acceptance of NCR(s) issued above	<input checked="" type="checkbox"/>
<b>Certification requirements not met</b>	<input type="checkbox"/>
Subject to conformance with minor NCRs (if applicable), the 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: Over the scope of the evaluation, the DOF is implementing a management system consistently. The scope is very narrow at this point, covering only two relatively small FMUs producing NTPFs only.	
FME's management system, if implemented as described and subject to conformance with minor NCRs (if applicable), 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: Across the current scope of the certificate, the DOF is capable of ensuring all the requirements of the FSC standards are met, subject to conformance with minor NCRs. The scope of the candidate area is small in terms of area and products (only NTFP).	
Issues identified as controversial or hard to evaluate.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments:  Two stakeholders shared their concerns with the auditors by email that there might be illegal logging in PFAs outside the scope of the assessment but where the DOF has management responsibilities, as well as in protected areas and protection forests where the umbrella organization of the DOF, the Ministry of Agriculture and Forestry, is the manager. While logging is permitted in PFAs under certain conditions despite the ban on logging in effect since 2010, this logging needs to comply with the requirements of the 24 Dec 2007 forest act. This law describes the following requirements for logging to be legal in Laos: - Survey and inventory of the area to be harvested; - Marking of trees to be cut; - Hauling roads and log landings need to be defined on the ground; - An annual harvesting plan needs to be formulated and submitted to government for approval.  These stakeholders provided, amongst other evidence, coordinates of selective logging sites (logging roads and log landings) inside of the Phak Beuak PFA. The PFA is outside the scope of this assessment, but under the management responsibility of the DOF. A visualization of the area on Google Earth using the coordinates provided by the stakeholders indicated the presence of logging roads and log landings (presence of logs is clearly visible on the images) in a core forested area of the PFA. Satellite images available are for 2013 and 2014 (year 3 and 4 of the 2010 logging ban). A comparison of the two clearly shows a significant increase in the extent of roads and landings during that 12 months period. The road network visible on the images is very typical of selective logging. The auditors contacted the Swiss organization Sarmap who provided various multi-temporal composite images (Sentinel-1A and Landsat-8) of the same area spanning from May 2015 to May 2016. The image shows an increase in bare soil in the same area during that period.	

The auditors triangulated this information by interviewing the DAFO, PoFI and PFS in Paksan. The existence of the remote sensing and Google Earth evidence was not discussed at that point. These forest authorities assured the auditors there had been absolutely no logging in many years in Phak Beuak, and that the logging ban was in force in that area since 2010, as it is everywhere else. As is custom in Laos when there is a need to access the forest, auditors requested authorization to sample sites inside the Phak Beuak PFA. Access was denied for security reasons. Auditors insisted, informing the forest authorities that the auditor's inability to sample the PFA could jeopardize the audit. The request was denied again. A third attempt to be granted access was also denied. PFS confirmed there was no forest management planning available for that zone, because no logging had taken place. At that point, the auditors still did not confront the DAFO, PoFI and PFS with the evidence at hand that shows logging between 2013 and 2014 (Google Earth).

The remote sensing and Google Earth evidence of logging in the Phak Beuak PFA was then presented to WWF and the DOF, who all reached the same conclusion as the auditors (presence of logging roads and log yards) and acknowledged the obvious presence of extensive and very significant selective logging in the Phak Beuak PFA between 2013 and 2014. The absence of any form of documentation, plan, inventory, etc. for the 2013-2014 logging in the Phak Beuak PFA make these operations illegal. The DOF representatives were unaware that logging had been happening in the Phak Beuak PFA despite the ban, and offered to bring this issue up with the PFS. The explanation of PFS came three days later, after the end of this assessment's closing meeting, in the form of a short, verbal admission that illegal logging had indeed been done by the local community, that operations had been stopped in 2014 and that the investigation was on-going. Because access for the auditors to the PFA and relevant villages was denied and because Google Earth images do not go beyond 2014 for that area, there is no way to know if operations were on-going at the time of this assessment. The PFS's initial denial of the presence of logging in Phak Beuak raises doubt on their claim that operations are now stopped. Apart from the verbal explanation, PFS also presented an inventory of illegally harvested logs and transport authorizations to local mills up to 2014, as evidence that no logging had occurred since. This of course is not an acceptable proof and only more recent satellite imagery or ground proofing combined with villagers interview would allow to verify whether or not logging is on-going. In conclusion, the allegation is not that the Laos government or DoF is conducting illegal logging or responsible for it, but rather that they have not been taking actions to control it and therefore, are complicit or indifferent to the illegal activities outside of the scope of this assessment.

The Laos government has recently acknowledged publicly the problem of illegal logging in natural forest and is in the beginning stages of taking measures to control it.

Description of activities taken by the FME prior to the certification decision to correct major or minor nonconformity(s) identified during the assessment.

N/A

Certificate type recommended:

- ☒ Forest management and Chain of custody  
☐ Forest management only (no CoC)

Once certified, 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 Rainforest Alliance or the FSC in order to maintain certification. The FME will also be required to fulfill the corrective actions as described below. Experts from Rainforest Alliance 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 (legal and customary)

The two village tenures are adjacent and located within the Phak Beuak PFA. This is state owned land on which the villagers have legal and customary rights, in the form of rattan and other NTFP collection. Lands are co-managed by the DOF and the villagers. There is no timber harvesting by the villagers nor any by other party on the two FMUs.

### 4.2 Legislative and government regulatory context

There are four levels of jurisdiction in Laos. At the National level, the Ministry of agriculture and forestry is the overarching institution, under which the DOF and DOFI operate. At the provincial level, institutions such as POFI, PICO and PFS share responsibilities with regards to law enforcement for timber and wildlife, regulation of industry and commerce and forest management respectively. At the district level, the DAFO is in charge of control of day to day forestry related matters. Lastly, at the village level, villagers identify areas for protection, conservation, and adopt rules for the forest where they exercise their rights.

It should be mentioned that because of the long standing logging ban, the system and institutions described above have lost knowledge, practice and manpower in their respective fields. As a result, control is lacking and illegal logging in Laos is now common. The forest act of 24 December 2007 is minimalist (contains no elements of sustainability) but not even respected. Conversion for agriculture and logging in protected areas, protection forests and PFA despite the 2010 logging ban is common. Controls are insufficient and while some authorities lack knowledge and resources to enforce the law, others ignore it and authorize logging for economic development without having the authority to do so (as explained by national government authorities in the media recently). Under the Lao PDR communist regime, ENGOs who could act as watchdogs and push for better practices are for the most part non-existent, apart from WWF.

This situation is likely to evolve in a positive way in the next few months in the context of the adoption of Sustainable Participatory Forest Management, coupled with recent government declarations that illegal logging is a plague that must be stopped. Measures have been identified for that to happen and the next few months will show if those are bearing fruit.

### 4.3 Environmental Context

Because of a long history of occupation, shifting cultivation, colonialism, war and illegal logging, many forests of Laos are heavily degraded. While the pressure for agriculture and grazing lands is visible, the two FMUs however show no sign of recent disturbance as they have been preserved by the villagers from illegal logging, settlement and conversion. As a result they are rich in biodiversity, as is the surrounding section of the Phak Beuak PFA which they are part of. The FMUs are fully protected against logging and have sections classified and identified on maps by the villagers and the DOF on the basis of the services they provide, such as protection against erosion, provision of drinking and irrigation water, spirit forests and a very wide range of NTFPs.

### 4.4 Socioeconomic Context

The villagers have taken ownership of the protection of their forests, conducting patrols to detect illegal activities and adopting and enforcing village rules. Neighboring Hmong groups claim the FMUs as part of their traditional territories. It appears these claims may not be based on longstanding historical occupation, but on more recent movements since the end of the war.

The two forests under the scope of this assessment are part of a rural production system where rice cultivation, livestock and forest resources form the essential part of the villagers' income and activities. Families involved in the harvesting of rattan are middle income by local standards. Low income families do not have the resources to participate in the rattan activity, while the higher income families are not interested because of the little return it provides.

#### 4.5 Workers

##### Number of workers including employees, part-time and seasonal workers:

Total workers	20 workers (provide detail below)	
Local Full time employees (a:b)	Male	Female
Non - Local Full time employees (c:d)	Male	Female
Local Part time workers (e:f)	20 Male	Female
Non- local part time workers (g:h)	Male	Female
Worker access to potable water on the work site	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Full time employees making more than \$2 a day	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Number of serious accidents (past 12 month period)	0	
Number of fatalities (past 12 month period)	0	

## APPENDIX I: Public summary of the management plan

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

<b>1. Main objectives of the forest management are:</b>	
Primary priority:	Implement sustainable management of rattan resource
Secondary priority:	Ensure yearly rattan harvesting that is consistent with forest ecosystem and biodiversity conservation
Other priorities:	None; ;
<b>Forest composition:</b>	
<p>The FMUs are generally composed of subtropical moist broadleaf forests.</p> <p>The composition of the forest has not been described in detail in terms of timber, as the forest management plan focuses on rattan. Rattan was inventoried in both FMUs and found to be of commercial quantity. The following species of canes have been inventoried, representing an AAC of about 300 000 canes/year:</p> <p><i>Calamus poilanea</i>  <i>Daemonirops jenkinsiana</i>  <i>Calamus gracilis</i>  <i>Calamus palustris</i>  <i>Korthalsia laciniosa</i>  <i>Calamus solitaires</i>  <i>Calamus tetradactylus</i>  <i>Calamus bimaniferus</i>  <i>Calamus rhabdocladus</i></p>	
<b>Description of Silvicultural system(s) used:</b>	
<p>No logging. Conservation forests. Only NTFP harvest.</p> <p>The forest management plan of each FMU covers a 9-year planning period from 2013 to 2021, divided into three, three-year rattan harvesting zones on each FMU.</p> <p>The rattan resource management system prescribes that: (a) maximum annual harvest of rattan is 20% of rattan canes with at least 5-meter length; (b) strict application of rattan harvesting regulation and techniques; (c) protection of rattan resources, especially for rare variety of rattan; (d) natural regeneration of harvesting area; (e) re-planting in low-density area based on post-harvest assessment; (f) prohibition of conversion of the management area to other land uses; (g) and maintenance of the management area to promote regeneration and growth of vegetative resources.</p>	
<b>2. Silvicultural system</b>	<b>% of forest under this management</b>
Even aged management	0 ha
Clearcut (clearcut size range )	0 ha
Shelterwood	0 ha
Uneven aged management	0 ha
Individual tree selection	0 ha
Group selection (group harvested of less than 1 ha in size)	0 ha
Other types of management (explain)	0 ha
<b>3. Forest Operations</b>	
3.1 Harvest methods and equipment used:	Manual NTFP collection and hauling
3.2 Estimate of maximum sustainable yield for main commercial species:	2000 canes of solitaires

3.3 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.

No logging. But rattan cane sustainable yield is based on growth and yield measurement and monitoring.

3.4 FME organizational structure and management responsibilities from senior management to operational level (how is management organized, who controls and takes decisions, use of contractors, provisions for training, etc.).

Training provided by WWF with support from DOF. Decisions are taken jointly with the villagers, DOF and WWF. The villagers request a quota for the quantity of rattan to the government. Government decision is transmitted to various levels of provincial and district governments, then finally to the village.

3.5 Structure of forest management units (division of forest area into manageable units etc.).

The forest management plan of each FMU covers a 9-year planning period from 2013 to 2021, divided into three, three-year rattan harvesting zones on each FMU.

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3.6 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).

Monitoring objectives in the DOF's PSFM manual includes:

- **Annual operations monitoring and evaluation.** To obtain information for evaluating whether the planned PSFM activities have been able to meet prescribed targets in a timely manner.
- **Enforcement monitoring.** To obtain information for evaluating whether the implementation of PSFM is according to relevant national laws, regulations, and guidelines and international conventions. Inspections by DOFI and its local inspection are being done to check if laws and regulations are complied with in implementing PSFM in PFAs, as well as checking any illegal activities that are taking place in or affecting PFAs, e.g. wildlife trade, illegal logging. Inspections by the MAF Department of Inspection are done to check whether the use of public resources in PSFM has been efficient and effective.
- **Monitoring of forest condition.** To collect information on different aspects of forest condition, including forest flora and fauna and non-living elements such as soil and water resources, that would be useful in improving forest management systems, implementing PSFM, and updating forest management plans.
- **Impacts monitoring.** To obtain information for evaluating whether the application of PSFM in PFAs has resulted in the desired socio-economic and environmental impacts, including the maintenance of high conservation values found in PFAs and their FMAs/sub-FMAs.

A network of Permanent sample plots to measure growth rates, regeneration and NTFPs.

3.7 Management strategies for the identification and protection of rare, threatened and endangered species.

Participatory biodiversity assessments are used to identify the likely presence of RTE species. The inventory conducted in 2014 identified the occurrence of the following:

Leopard (*Panthera pardus*)

Phayre's Leaf-monkey (*Trachypithecus phayrei*)

A species of hornbill.

The management strategies adopted by the DOF and the villagers over the whole area of both FMUs include the prohibition of hunting, of collection of plants and NTFP for commercial purposes without a quota, villager patrols to enforce these rules, as well as the ban on logging which protects wildlife habitats and fauna by default.

Posters with endangered species are present in all villages.

3.8 Environmental safeguards implemented, e.g. buffer zones for streams, riparian areas, seasonal operation, chemical storage, etc.

The DOF and the villagers, supported by WWF and SUFORD-SU, have identified buffer zones and marked them on village forest maps. Rattan harvesting operations take place in the dry season only. Villagers have been trained by WWF on how to harvest rattan canes without damaging the remaining stem which will regenerate, and on how to carry the canes in order to minimize damage to soil and plants. Villagers do not use chemicals in the forest.

## APPENDIX II: Certification standard conformance checklist (confidential)

The following checklist must be completed separately for each FMU evaluated. For group certification assessments, checklists completed for each group member sampled shall demonstrate full conformance with all the requirements of the FSC P&C, except those already complied with at the group level. Based on the evaluation of conformance with each indicator, a conformance determination has been assigned. Conformance with indicators is determined by the entire assessment team through a consensus-based process. Where nonconformance with the standard is documented by the team, nonconformity reports (NCR) are outlined. The following definitions apply, and are the basis for all certification assessments:

<b>Major Nonconformance</b>	Requirements that FME must meet <u>before</u> certification by Rainforest Alliance can take place.
<b>Minor Nonconformance</b>	Requirements that FME must meet, within a defined time period (usually within one year), during the period of the certification,
<b>Observation</b>	<b>Observations</b> can be raised when issues or the early stages of a problem are identified 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 NCR in the future (or a pre-condition or condition during a 5 year re-assessment).

For each indicator presented below, the assessment team's determination of conformance and relevant findings are presented. Where applicable, NCRs or observations are referenced under the indicator and detailed in the note section of the applicable criterion. Note: where comments have been received from stakeholders about the client's conformance related to a defined criterion, please include reference to related finding under the explanatory notes.

<b>PRINCIPLE 1. <u>COMPLIANCE WITH LAWS AND FSC PRINCIPLES</u> - Forest management shall respect all applicable laws of the country in which they occur and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>1.1. Forest management shall respect all national and local laws and administrative requirements</b>	
<b>Criterion Level Remarks:</b>	
1.1.1 FME shall demonstrate a record of compliance with relevant federal, provincial/state, and local laws and regulations.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The auditors have seen the agreement from the Minister of agriculture and forestry dated Aug 9 2012, which defines the roles, tasks, rights and institutional structure of the DOF.</p> <p>The DOF being a government institution, and because it does no harvesting itself whatsoever, pays no tax and does not operate like a business, there is not much evidence of compliance with laws and regulations available. The rattan harvesting villagers operating under the DOF group however are subject to regulations on tax, forest management, environment, etc. Auditors have verified these requirements and have found the villagers to be in compliance. There is no evidence of commercial rattan harvesting since 2014, in</p>



	respect of the absence of quota. Villagers are up to date on payment of rattan harvesting related taxes (1000 kip/6m length).
1.1. NTFP.1 The FME shall demonstrate a record of compliance with relevant federal, provincial/state, and local laws and regulations related to the collection/harvesting and processing of NTFPs.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The auditors went to the two rattan harvesting villages and have found that the villagers are not registered as an enterprise. This is not a non-conformance, as the sales are legally organized through a village harvesting group, which buys the rattan from the villagers and sells it to the client.</p> <p>The prime minister's office approves the rattan quota, a copy of this approval is sent to MAF and to the provincial governor's office. The governor's office sends the approval to PAFO. The MAF sends a copy of the approval to DOF. Auditors have seen the quota approval.</p> <p>Since the quota was just recently approved, there has been no harvesting in the last two years. The evidence of compliance or non-compliance is therefore scarce. At this point auditors can only find evidence that there has been no commercial harvesting in the absence of a quota, and that harvesting just started at the time of the audit, once the quota was approved.</p> <p>In a few weeks when significant harvesting will have occurred, DAFO staff will inspect the volume collected and the client will pay the 1000 kip fee to the PIC.</p>
NOTES: (NCRs/Observations)	
<b>1.2. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid</b>	
<b>Criterion Level Remarks:</b>	
1.2.1 FME shall be up-to-date in payment of applicable fees, taxes, timber rights or leases, royalties, etc.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>There is no payment to verify because the harvesting had not yet started the on day of the audit.</p>
1.2.2 Where FME is not up-to-date on payments, a plan for completing all payments shall have been agreed to with the relevant institution.	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p> <p>Auditors have verified with the PIC that there is no outstanding account.</p>
1.2.NTFP.1 The FME or NTFP harvester(s) shall maintain up-to-date harvesting permits, collecting licenses, collecting contracts or cultivation permits and shall duly pay any related fees, leases, or royalties.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The auditors found the harvesters in the village had a copy of the recently approved quota.</p>
NOTES: (NCRs/Observations)	
<b>1.3. In signatory countries, the provisions of all the binding international agreements such as CITES, ILO conventions, ITTA, and Convention on Biological Diversity, shall be respected.</b>	

<b>Criterion Level Remarks:</b>	
1.3.1 FME shall be aware of and understand the legal and administrative obligations with respect to relevant international agreements.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> WWF, who is supporting the rattan producing villages and working with the DOF on demonstrating conformance with the FSC standard, is aware of the presence of orchids on the CITES list for Laos. WWF knows they cannot be harvested. Villagers are also aware of the red listed species as they were provided with this information by WWF. Laos is a signatory of the Convention on Biodiversity. Seeking FSC certification for the DOF is a way for Laos to demonstrate its implementation of the commitments of this convention.
1.3.2 FME operations shall meet the intent of applicable conventions including CITES, Convention on Biological Diversity and ILO conventions (29, 87, 98, 100, 105, 111, 138, 182 and other binding conventions).	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> ILO: No hired workers. Families do all the work themselves. If a family won't harvest by themselves they will have to give their quota to another family. CITES: Orchids only NTFP at risk. Auditors checked that it is not harvested by the villagers.
1.3. NTFP.1 NTFPs on CITES Appendix 1 shall not be harvested.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Rattan is not on any list of species at risk. The only potential NTFP are orchids. The auditors found no evidence that orchids were harvested by villagers inside the candidate area.
NOTES: (NCRs/Observations)	
<b>1.4. Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case-by-case basis, by the certifiers and the involved or affected parties.</b>	
<b>Criterion Level Remarks:</b>	
1.4.1 Conflicts between laws, FSC P&C and international treaties or conventions shall be identified by FME.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> No conflicts have been identified. Auditors tested some of the usual controversial FSC requirements (evidence of long term rights, conversion) and concluded that none were in conflict with the laws of Laos.
1.4.2 FME SHOULD work in conjunction with the appropriate regulatory bodies and other parties to resolve conflicts between laws/regulations and FSC Principles or Criteria.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No conflicts have been identified.
1.4. NTFP.1 Collection of forest resources (e.g. NTFPs, firewood, timber, game etc.) for commercial purposes by third party NTFP harvesters (e.g. local communities, individuals external to the FME) throughout the forest management area shall be monitored, and controlled.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The DAFO controls and monitors the rattan harvesting carried out by the communities.
NOTES: (NCRs/Observations)	
<b>1.5. Forest management areas should be protected from illegal harvesting, settlement, and other unauthorized activities.</b>	

<b>Criterion Level Remarks:</b>	
1.5.1 The forest management unit(s) shall be protected from unauthorized harvesting activities and other activities not controlled by forest manager or villagers with use rights.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Village forests are very well protected against illegal activities. Village rules are set up by villagers themselves, prohibiting illegal activities. The rules are communicated to neighboring villages and enforced by villager patrols. Rattan management areas are well marked. Satellite imagery shows no sign of logging inside the two candidate FMUs.</p>
1.5.2 For large operations, a system shall exist for documenting and reporting to the appropriate authority instances of illegal harvesting, settlement, occupation or other unauthorized activities.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The DOF is a large operation, but the current scope of the certification is very small and limited to the two villages. In case there is illegal activity the villagers will report to DAFO, DAFO will come check and fines will be issued by DAFO.</p>
NOTES: (NCRs/Observations)	
<b>1.6. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.</b>	
<b>Criterion Level Remarks:</b>	
1.6.1 For <b>large</b> operations, FME shall have a publicly available policy or statement committing the organization to adhere to the FSC certification standards on the forest under assessment.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Auditors reviewed the management plan for the Phak Beuak production forest. It contains a commitment to getting the PFA certified to the FSC standard.</p>
1.6.2 FME shall not implement activities that blatantly conflict with the FSC P&C on forest areas outside of the forest area under assessment.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Two stakeholders shared their concerns with the auditors by email that there might be illegal logging in PFAs (outside the scope of the assessment but where the DOF has management responsibilities), as well as in protected areas and protection forests where the umbrella organization of the DOF, the Ministry of Agriculture and Forestry, is the manager. While logging is permitted in PFAs under certain conditions despite the ban on logging in effect since 2010, this logging needs to comply with the requirements of the 24 Dec 2007 forest act. This law describes the following requirements for logging to be legal in Laos:</p> <ul style="list-style-type: none"> <li>- Survey and inventory of the area to be harvested;</li> <li>- Marking of trees to be cut;</li> <li>- Hauling roads and log landings need to be defined on the ground;</li> <li>- An annual harvesting plan needs to be formulated and submitted to government for approval.</li> </ul> <p>These stakeholders provided, amongst other evidence, coordinates of selective logging sites (logging roads and log landings) inside of the Phak Beuak PFA. The PFA is outside the scope of this assessment, but under the management responsibility of the DOF. A visualization of the area on Google Earth using the coordinates provided by the stakeholders indicated the presence of logging roads and log landings (presence of logs is clearly visible on the images) in a core forested area of the PFA. Satellite images available are for 2013 and 2014 (year 3 and 4 of the 2010 logging ban). A comparison of the two clearly shows a significant increase</p>

in the extent of roads and landings during that 12 months period. The road network visible on the images is very typical of selective logging. The auditors contacted the Swiss organization Sarmap who provided various multi-temporal composite images (Sentinel-1A and Landsat-8) of the same area spanning from May 2015 to May 2016. The image shows an increase in bare soil in the same area during that period.

The auditors triangulated this information by interviewing the DAFO, PoFI and PFS in Paksan. The existence of the remote sensing and Google Earth evidence was not discussed at that point. These forest authorities assured the auditors there had been absolutely no logging in many years in Phak Beuak, and that the logging ban was in force in that area since 2010, as it is everywhere else. As is custom in Laos when there is a need to access the forest, auditors requested authorization to sample sites inside the Phak Beuak PFA. Access was denied for security reasons. Auditors insisted, informing the forest authorities that the auditor's inability to sample the PFA could jeopardize the audit. The request was denied again. A third attempt to be granted access was also denied. PFS confirmed there was no forest management planning available for that zone, because no logging had taken place. At that point, the auditors still did not confront the DAFO, PoFI and PFS with the evidence at hand that shows logging between 2013 and 2014 (Google Earth).

The remote sensing and Google Earth evidence of logging in the Phak Beuak PFA was then presented to WWF and the DOF, who all reached the same conclusion as the auditors (presence of logging roads and log yards) and acknowledged the obvious presence of extensive and very significant selective logging in the Phak Beuak PFA between 2013 and 2014. The absence of any form of documentation, plan, inventory, etc. for the 2013-2014 logging in the Phak Beuak PFA make these operations illegal. The DOF representatives were unaware that logging had been happening in the Phak Beuak PFA despite the ban, and offered to bring this issue up with the PFS. The explanation of PFS came three days later, after the end of this assessment's closing meeting, in the form of a short, verbal admission that illegal logging had indeed been done by the local community, that operations had been stopped in 2014 and that the investigation was on-going. Because access for the auditors to the PFA and relevant villages was denied and because Google Earth images do not go beyond 2014 for that area, there is no way to know if operations were on-going at the time of this assessment. The PFS's initial denial of the presence of logging in Phak Beuak raises doubt on their claim that operations are now stopped. Apart from the verbal explanation, PFS also presented an inventory of illegally harvested logs and transport authorizations to local mills up to 2014, as evidence that no logging had occurred since. This of course is not an acceptable proof and only more recent satellite imagery or ground proofing combined with villagers interview would allow to verify whether or not logging is on-going. In conclusion, the allegation is not that the Laos government or DoF is conducting illegal logging or responsible for it, but rather that they have not been taking actions to control it and therefore, are

complicit or indifferent to the illegal activities outside of the scope of this assessment.

The Laos government has recently acknowledged publicly the problem of illegal logging in natural forest and is in the beginning stages of taking measures to control it.

### **Addressing the issue**

Since the end of fieldwork, during the report writing phase, several government news articles were published recognizing illegal logging has taken place in PFA, protection forests and protected areas in Laos for decades. See:

1. Vientiane Times, June 15, 2016, "PM directs crackdown on illegal logging in Khammuan" in [http://www.vientianetimes.org.la/FreeContent/FreeContent\\_PM.htm](http://www.vientianetimes.org.la/FreeContent/FreeContent_PM.htm)
2. Vientiane Times, June 15, 2016, "Log removal ban to address illegal logging: Deputy Minister" in [http://www.vientianetimes.org.la/FreeContent/FreeContent\\_Log.htm](http://www.vientianetimes.org.la/FreeContent/FreeContent_Log.htm)
3. Vientiane Times, June 14, 2016, "Nation losing more forests than it gains, minister says" in [http://www.vientianetimes.org.la/subnew/Previous\\_135/FreeContent/FreeContent\\_Nation.htm](http://www.vientianetimes.org.la/subnew/Previous_135/FreeContent/FreeContent_Nation.htm)
4. Vientiane Times, June 14, 2016, "Province, district authorities have no right to approve logging" in [http://www.vientianetimes.org.la/FreeContent/FreeContent\\_Province135.htm](http://www.vientianetimes.org.la/FreeContent/FreeContent_Province135.htm)
5. Vientiane Times, June 13, 2016, "Provinces instructed to inspect log movements to address illegal trade" in [http://www.vientianetimes.org.la/subnew/Previous\\_134/FreeContent/FreeContent\\_Provinces.htm](http://www.vientianetimes.org.la/subnew/Previous_134/FreeContent/FreeContent_Provinces.htm)

Events in recent weeks reported in these news articles show that the DOF and the highest Laotian authorities are taking positive steps to address illegal logging:

1- On 13 May 2016 the Prime Minister (Thongloun Sisoulith) issued Order No. 15/PM in a move to address illegal logging. This order aims to close loopholes in illegal logging and cross-border trade of logs, ban the export of all types of unfinished wood products including timber and logs, and prohibit all state bodies from exchanging wood with development projects, and instructs that all businesses are not allowed to carry out logging as it must be done by state officials at large;

2- The MAF Minister (Dr. Lien Thikeo) is fully aware of the very alarming extent of illegal logging, as well as the modus operandi of the perpetrators, and has admitted these in public.

3- The MAF Deputy Minister (Mr. Thongphat Vongmany) on 11 June 2016 with national and provincial authorities (PAFOs from all over the country) explained to them: (1) the measures in Order No. 15/PME/2016 to address illegal logging and improve domestic timber business operations, and (2) their role to give proper recommendations so that the provincial governors

	<p>will observe the law whenever they are considering the approval of logging in the province;</p> <p>4- MAF Deputy Minister Thongphat Vongmany in the same meeting also instructed the PAFOs to take urgent action to inspect all types of logs and their movement to prevent illegal logging, and warned them not to conspire and help businesses to hide illegally felled logs, or face harsh disciplinary measures. He said that “the leadership [the country's top leadership] is determined and has reached common consensus to take decisive action to fight illegal logging.” He further said that PM No. 15/PM/2016 was issued in accordance with the guidance made by the Party Secretary General (Mr. Bounnhang Vorachit) with the 11-member Party politburo also praising the government's move in issuing the order. These underline the seriousness of purpose of the government to address illegal logging and the agreement of the very top (Party politburo);</p> <p>5- The DOF, with support from SUFORD-SU, has been assessing possible illegal logging in some hotspots observed with satellite images with ground checking. The results of the deforestation and logging assessments have been presented to stakeholders in government and other sectors in May 2016, including DOFI, which has the responsibility to investigate the occurrences of illegal logging. A list of PFAs with hotspots has been prepared by SUFORD-SU for investigation by DOFI as instructed in the Aide Memoire of the Joint Project Implementation Mission (DOF with World Bank and Finish Donors) in May 2016.</p> <p>6- The DOF, with support from SUFORD-SU is completing forest management plans in all 51 PFAs in a few months, and is anticipating the implementation of sustainable harvesting by conducting pre-harvest inventories in April-May 2016 and sustainable harvest planning in the first week of June 2016.</p> <p>However, since illegal logging has been going on for decades, it can be assumed getting it under control will take time. This is a long term problem which will require very significant changes at multiple levels of government, forest administration and private sector.</p>
1.6.3 FME shall disclose information on all forest areas over which the FME has some degree of management responsibility to demonstrate compliance with current FSC policies on partial certification and on excision of areas from the scope of certification.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Areas under DOF management are fully disclosed under table 1 in section 1.2.</p>
NOTES: (NCRs/Observations)	

**PRINCIPLE 2. TENURE AND USE RIGHTS AND RESPONSIBILITIES - Long-term tenure and use rights to the land and forest resources shall be clearly defined documented and legally established.**

<u>Criteria and Indicators</u>	<u>Findings</u>
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<b>2.1 Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated. Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.</b>	
<b>Criterion Level Remarks:</b>	
2.1.1 FME shall have documented evidence of legal, long term (at least one rotation length or harvest cycle) rights to manage the lands and to utilize the forest resources for which certification are sought.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The auditors consulted the agreement by which the DAFO gives the right to the village to implement FSC certification and use the rattan forest for NTFP collection. This agreement requires the village to respect the laws of Laos and to not convert the forest. It acknowledges the villages' right to request a quota from the government based on growth and yield calculations.
2.1. NTFP.1 Agreements shall exist between the FME and third party commercial NTFP harvesters and should be documented (e.g. a lease contract or other agreement outlining harvest area, species collected, estimated extracted volume, etc.).	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> There are no third party harvesters. All harvesting is done by the families from the village themselves.
NOTES: (NCRs/Observations)	
<b>2.2 Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.</b>	
<b>Criterion Level Remarks:</b>	
2.2.1 All legal or customary tenure or use rights to the forest resource of all local communities shall be clearly documented by the forest managers.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Villages have DAFO-signed letter defining the forest as their village forest.
2.2.2 FME shall provide evidence that free and informed consent to management activities affecting use rights has been given by local communities or affected parties.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> This is a community managed forest. Village rules and forest management regulations are the frame in which is it done. The forest management plan was elaborated by WWF and SUFORD-SU in a participatory manner with the villagers.
2.2.3 FME planning processes shall include participation of local communities or parties with legal or customary tenure or use rights.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Local villagers have participated in the elaboration of the FMPs. They are also involved in the surveying. Short training is also given prior to their involvement in FMP elaboration.
2.2. NTFP.1 Local communities shall receive fair and adequate benefits for any use of their name or image in marketing	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Name or image of villages/villagers not used in marketing of rattan.
2.2. NTFP.2-When local knowledge is the basis of an NTFP-related patent, informed consent shall be obtained and the affected community shall receive fair and adequate benefits.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> There are no patents to consider in this case, villagers managing their resource themselves.
NOTES: (NCRs/Observations)	
<b>2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.</b>	
<b>Criterion Level Remarks:</b>	

2.3.1 FME shall use mechanisms for resolving disputes over tenure claims and use rights that respectfully involve the disputants and are consistent in process.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Section 3.7.4.2 of the PSFM operations manual and section 3.5 of the group operations manual. Villages have mediation units where grievances and disputes are processed. At the time of the audit there were no outstanding dispute. The dispute resolution mechanism integrates traditional village conflict resolution mechanisms.
2.3.2 FME SHOULD not be involved in outstanding disputes of substantial magnitude on the candidate forest area that involve a significant number of interests.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> At the time of the audit there were no outstanding disputes.
2.3.3 FME shall demonstrate significant progress achieved to resolve major disputes.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> At the time of the audit there were no outstanding disputes.
2.3.4 FME shall document and maintain records of communication on disputes and their resolution, including evidence that the dispute have been resolved.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> At the time of the audit there were no outstanding dispute. No disputes have been recorded in a very long time.
2.3. NTFP.1 Large-scale harvesting and commercialization of NTFPs shall be described in advance to affected communities, by means which are appropriate to the local reality, when the harvest of such products has the potential to impact local subsistence use.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The communities (villages) themselves, do the harvesting and participate in the planning; it is not done by an external third party.
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 3. <u>INDIGENOUS PEOPLE'S RIGHTS</u> - The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.</b>	
<b>PRINCIPLE APPLICABILITY NOTES:</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.</b>	
<b>Criterion Level Remarks:</b>	
3.1.1 FME shall identify Indigenous peoples with customary/traditional rights to forest resources (timber and non-timber) where indigenous people have established customary or legal rights to their land/territories or forest resources and their entitlements formally recognized in mutually accepted agreements.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The two villages have mixed populations of Laolum (indigenous to this area as well), Laophong and Khamu. SUFORD conducted in 2012 a very thorough ethnicity study in all SUFORD-AF villages, which includes Xiengxien Xienglou. While the area is also claimed by Hmong, interviews (no Hmong interviewed) all point in the direction of this people having move in the area relatively recently and not having a traditional link to the candidate area.
3.1.2 No forest management operations shall take place in areas identified under 3.1.1 above, without clear evidence of free and informed consent of the indigenous peoples claiming such land, territories or customary rights.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The villagers themselves, all indigenous, are co-managing their own land and have contributed at all steps of the management planning. They also fully control 100% of the rattan cane harvesting themselves. They do not make all



	management decisions as the DOF shares authority over these forested areas with them. Communities' own rules prohibit commercial logging and hunting. Auditors find these are enforced by the villagers themselves through regular patrols in the forest.
3.1.3 Agreements with indigenous groups shall be honored.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
NOTES: (NCRs/Observations)	
<b>3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.</b>	
<b>Criterion Level Remarks:</b>	
3.2.1 There shall be no evidence or indication that the FME threatens the rights and resources of indigenous peoples.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Rights and resources of the communities are well identified and protected by the villagers themselves. Communities participate together with the DOF in the decisions regarding control of commercial and non-commercial harvestings in their forest.
NOTES: (NCRs/Observations)	
<b>3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.</b>	
<b>Criterion Level Remarks:</b>	
3.3.1 Special sites of indigenous cultural, ecological, economic or religious significance shall be documented in management planning documents. They SHOULD be identified on maps or in the forest.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> HCV6 areas are identified in the certified areas. Those include sacred spirit forests, cremation grounds, etc.
3.3.2 Policies and procedures shall include the involvement of indigenous people, or specialists they designate, in the identification of special sites.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The special sites have been identified by the villagers themselves.
3.3.3 Special sites SHOULD be identified in management/operational plans.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The FMP includes maps (appendix X) of the identified HCV 6 areas.
3.3.4 Special sites shall be protected during forest operations.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Villages have decided that there would be no operations allowed in HCV6 areas. These areas are protected by maintaining these areas through strict conservation.
3.3. NTFP.1 Culturally and religiously significant sites, groves, plants and animals of cultural or religious importance shall be identified and protected from NTFP harvesting activities.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> See above.
NOTES: (NCRs/Observations)	
<b>3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation is formally agreed upon with their free and informed consent before forest operations commence.</b>	
<b>Criterion Level Remarks:</b>	

3.4.1 Written or verbal agreements on terms of compensation shall exist when there is use of traditional knowledge for commercial purposes.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Traditional Knowledge is not used by any third party. Villagers are the sole managers and beneficiaries of their forest.
3.4.2 Compensation systems for the use of traditional knowledge shall be in place prior to commencement of forest operations which affect indigenous interests.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Villagers are the sole managers and beneficiaries of their forest.
3.4.NTFP.1 Indigenous communities receive shall fair and adequate benefits for any use of their name or image in marketing of NTFPs.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Villagers are the sole managers and beneficiaries of their forest.
3.4.NTFP.2 When indigenous knowledge is the basis of an NTFP-related patent, informed consent shall be obtained and the affected community shall receive fair and adequate benefits.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Villagers are the sole managers and beneficiaries of their forest.
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 4. <u>COMMUNITY RELATIONS AND WORKERS' RIGHTS</u> - Forest management operations shall maintain or enhance the long-term social and economic well being of forest workers and local communities.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.</b>	
<b>Criterion Level Remarks:</b>	
4.1.1 Local communities and residents shall be given equal or preferential opportunities in forest management activities in terms of employment, training, and provision of supplies to FME, and other benefits or opportunities.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Villagers are the sole managers and beneficiaries of their forest. Families do all the rattan harvesting and all other operations themselves and there are no employees.
4.1. NTFP.1 Local communities shall be given preference to NTFP resources in the forest management area before other third parties.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Villagers are the sole managers and beneficiaries of their forest. Families do all the rattan harvesting and all other operations themselves and there are no employees. .
NOTES: (NCRs/Observations)	
<b>4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.</b>	
<b>Criterion Level Remarks:</b>	
4.2.1 Wages and other benefits (health, retirement, worker's compensation, housing, food) for full-time staff and contractors shall be consistent with (not lower than) prevailing local standards.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Small rattan is sold to the purchaser for 1000 kip/5.2m length cane. A villager will typically harvest and bring back between 20 and 30 canes/day. This is at the margin of minimum wage which is about 30,000 kip/day. However while the revenue generated by the rattan commercial activity is very low, because the

	villagers are doing the management and harvesting themselves and not hired by a third party to do it (villagers are entrepreneurs, not employees), this is not a non-conformance.
4.2.2 FME shall implement a program of worker safety.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Hard hats, boots and gloves have been provided by DOF to the villagers working on their own rattan cane harvesting operations. Before harvesting training is given on safety and low impact harvesting, preservation of regeneration, etc.
4.2.3 Health and safety measures shall comply with national minimum requirements.	Conformance with Indicator: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/> The villagers are doing the management and harvesting themselves and are not hired by a third party to do it (villagers are entrepreneurs, not employees). During the audit the DOF did not demonstrate knowledge of the national minimum health and safety requirements and how those compare with the conditions of the rattan harvesters. While, hard hats, boots and gloves have been provided by DOF to the villagers working on their own rattan cane harvesting operations, the DOF was not able to demonstrate whether or not this satisfies the minimum national requirements. Non-conformance 04/16 is issued. Before harvesting, training is given on safety and low impact harvesting, preservation of regeneration, etc; for this reason, only a minor non-conformance is issued.
4.2.4 Workers (staff and contractors) shall be provided with safety equipment in good working order, appropriate to the tasks of workers and the equipment used (e.g. local norms are important, ideally the following: hard hats, hearing protection, high visibility vests, steel toe boots and chainsaw proof chaps).	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Hard hats, boots and gloves have been provided by DOF to the villagers working on rattan cane harvesting. Emergency kits are also present in the villages. No hearing protection needed as no machinery is used.
4.2.5 FME shall maintain up to date records of work-related accidents, and preferably all safety performance.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> There has been no harvesting since 2014, and obviously no accidents, therefore no records available.
4.2.6 FME policies and practices shall ensure equal treatment of employees in terms of hiring, advancement, dismissal, remuneration and employment related social security.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> There are no employees. Villagers harvest rattan by themselves, they do not hire other people to do this.  There is no social security in the village, the social security in Laos is only applicable for the governmental staff. The private sector staff and CSO staff is depending on their organization.
4.2. NTFP.1 Wages and other benefits (health, retirement, workers' compensation, housing, food) for workers involved in NTFP harvest operations shall be consistent with (not lower than) prevailing local standards.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Villagers harvest rattan themselves by using household labor. Labor division in the house is depending on labor forces that is available in each household. However, on the one hand, wealthy households prefer to work on other

	<p>businesses rather than harvesting rattan because they gain more income from working on other businesses; on the other hand, poor households that do not have enough labor forces cannot expend the effort to harvest rattan. Thus, mostly the middle income families are involved in rattan harvesting.</p> <p>However, villagers gain less benefits from harvesting rattan than through other works/businesses; for instance harvesting rattan yields about 20.000 – 30.000 kip/day/person. The minimum wage in Laos is 30.000 kip/day/person. This is not a problem as villagers are entrepreneurs who voluntarily decide to get involved in the activity and are not hired or forced by anyone to perform this work.</p>
4.2. NTFP.2 NTFP harvest and processing methods and facilities shall protect the safety and health of both workers and end consumers.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Villagers are provided hard hat, gloves and boots by the project and people use this equipment when they harvest rattan.</p> <p>Before they harvest rattan, they receive training conducted by the project in order to be aware of harvesting techniques and approaches to protect other plants around the harvested rattan. During the training, villagers also learn how to rope rattan.</p>
NOTES: (NCRs/Observations)	
<b>4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labor Organization (ILO).</b>	
<b>Criterion Level Remarks:</b>	
4.3.1 FMEs, by their actions and policies, shall respect the rights of workers (staff and contractors) to organize or join trade unions and to engage in collective bargaining as outlined in ILO Conventions 87 and 98.	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p> <p>There are no employees. All rattan harvesting operations are conducted by families of villagers themselves.</p>
NOTES: (NCRs/Observations)	
<b>4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.</b>	
<b>Criterion Level Remarks:</b>	
4.4.1 In conjunction with local stakeholders and other interested parties, the FME shall evaluate socio-economic impacts associated with forest management activities. The evaluation shall be in accordance to the scale and intensity of operations.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>DAFO conducted a survey of 20 households in each of the two rattan harvesting villages of Xiengxien and Xiengleu to identify socioeconomic impacts on May 25 2016. Economic impacts, forest conditions, and social impacts were surveyed. Results show the rattan harvesting activity increases village cohesion through villagers working together, and valorization of individuals through the rattan harvesting activity. Ethnic minority equity and gender equity increased. Villagers worked together to implement the village regulations.</p>

4.4.2 FME shall demonstrate that input from community participation was considered and/or responded to during management planning and operations.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Management plans are prepared jointly with the villagers. Decisions on where the rattan will be harvested are taken jointly with the villagers.
4.4.3 Consultations shall be maintained with people and groups (both men and women) directly affected by management operations.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Auditors consulted the recent surveys and socioeconomic impact assessment and found that families were interviewed, with husband and wife present.
4.4. NTFP.1 Social impacts of NTFP harvest and commercialization by the FME or third parties on local communities shall be addressed and incorporated into management planning, particularly respecting subsistence NTFP users.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The socioeconomic impact assessment conducted recently show only positive impacts from rattan cane harvesting. Results show the rattan harvesting activity increases village cohesion through villagers working together, and valorization of individuals through the rattan harvesting activity. Ethnic minority equity and gender equity increased. Villagers worked together to implement the village regulations. The commercial harvesting of rattan is done far in the forest, away from the easier to access rattan close to the village, which eliminates the risk of minimizes impact on other villagers' non-commercial harvest. There are no negative impacts to be mitigated through adjustments to management planning.
4.4. NTFP.2 Negative social and cultural impacts on local communities resulting from the influx of NTFP harvesters or commercialization of NTFPs shall be minimized.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> No negative impacts identified via the survey and socioeconomic impact study. There is no influx of NTFP harvesters as all harvesting is done by local villagers.
4.4. NTFP.3 Social impact evaluations shall consider the perspective of NTFP harvesters and local users.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The social impact evaluation was conducted using a representative sample of villagers, which includes rattan harvesters and local users of rattan.
NOTES: (NCRs/Observations)	
<b>4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihood of villagers. Measures shall be undertaken to avoid such loss or damage.</b>	
<b>Criterion Level Remarks:</b>	
4.5.1 FME shall make all reasonable efforts to avoid losses and damages affecting villagers, and in resolving grievances related to legal rights, damage compensation and negative impacts.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The villagers themselves are the co-managers of the forest, and harvesters of rattan both commercially and domestically. Decisions on rattan harvesting are done collectively at the village level, which minimizes the risk of affecting rights, causing damage etc.. Risk of losses and damages are minimal as only NTFPs are collected. There is no logging.
4.5.2 Procedures for consistently and effectively resolving grievances and determining compensation for loss or damage shall be implemented.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Conflict and grievance resolution procedures are in the SPFM manual. No records on implementation as there are no reports of grievances.
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 5. <u>BENEFITS FROM THE FOREST</u> - Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>5.1 Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.</b>	
<b>Criterion Level Remarks:</b>	
5.1.1 Budgets shall include provision for environmental and social as well as operational costs necessary to maintain certifiable status (e.g. management planning, road maintenance, silvicultural treatments, long-term forest health, growth and yield monitoring, and conservation investments).	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>In addition to the price paid to the harvester for each cane, 10% of the sale of rattan to the purchaser is paid back by the purchaser to the village's rattan harvester's group's fund, and another 10% for the village development fund. Another 80% tax (natural resource fee) is paid to the state. Another 20% is the replanting tax paid to PAFO.</p> <p>Village funds were used in the past to create plantations close to the village in order to alleviate the pressure on rattan for food consumption.</p> <p>The purchaser is considering investing in a rattan nursery in order to improve regeneration.</p>
5.1.2 The income predicted in the operating budgets shall be based upon sound assumptions.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>There is no budget prepared yet for 2016, but the amounts involved will be very low. Harvesting of 1000 canes this year (expected revenue 125US\$) for each of the two villages, according to the villagers, is just to keep the relationship with the client. No budget needed for this year.</p>
5.1. NTFP.1 Where NTFPs are being commercially harvested by third parties, compensation made to the FME (cash, services or products) shall be at or above the norm, and shall be perceived by the FME as an incentive to encourage long-term forest management.	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p> <p>No third party is involved; all harvesting is done by the villagers themselves.</p>
5.1. NTFP.2 Efficient harvesting and processing equipment and methods should be used in order to minimize ecological impacts and maximize the economic viability of the NTFP harvest operation. FMEs balance the introduction of new technologies and practices with respect for traditional cultural practices.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Villagers do basic processing (i.e. straighten the cane and boil/steam the rattan) to keep the quality of the rattan and to increase its price. PADETC provided training on this basic rattan processing to the villagers.</p>
5.1. NTFP.3 In the case of externally supported NTFP harvest operations, a plan shall exist to reduce the level of dependency on external support and to maximize levels of self-sufficiency and control.	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/></p> <p>The two rattan producing villages are heavily dependent on WWF for finding markets, training, funding of their activities, management, monitoring, etc. These villages have no resource or capacity outside of the WWF project to maintain the commercial rattan production, much less to maintain conformance to the FSC</p>

	standard. The WWF project is supporting the rattan producing villages until 2017 and then SUFORD will support until 2018. After that, it is expected that PAFO and DAFO will be working with the villages. While WWF staff did articulate verbally what some elements of a plan towards self-sufficiency would be, this is not formalized in a plan. This is a non-conformance. NCR 01/16 is issued.
NOTES: (NCRs/Observations)	
<b>5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.</b>	
<b>Criterion Level Remarks:</b>	
5.2.1 FME shall seek the "highest and best use" for individual tree and timber species.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No timber harvested.
5.2.2 FME shall encourage utilization of frequently occurring, lesser known, or less-commonly utilized plant species for commercial and subsistence uses.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> WWF has a plan to conduct inventory of bamboo and eventually include it in the scope of the certificate.
5.2.3 Non-timber forest products (NTFPs) SHOULD be considered during forest use and processing.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> NTFPs are the only products harvested.
5.2.4 Local processing shall be emphasized where possible.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> WWF has hired the NGO PADETC to conduct training in the two villages for quality improvement (boiling canes to minimize fungus and to make canes straight). This pre-processing will minimize transport costs and increase quality. The trainings have been delivered already.
5.2. NTFP.1 Utilization of lesser-known species shall not compromise local NTFP needs (e.g. for fruits, medicines, game-attracting species, etc.) and shall not negatively impact forest diversity.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Rattan is the only species utilized commercially at this point. The bamboo will be inventoried before harvesting if included in the scope of the commercial products.
5.2. NTFP.2 When feasible and applicable, the FME should apply multiple certification systems (e.g. FSC, organic, fair trade) to NTFP resources.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> There are no plans for applying for additional certifications to cover the rattan production.
NOTES: (NCRs/Observations)	
<b>5.3 Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</b>	
<b>Criterion Level Remarks:</b>	
5.3.1 Harvesting techniques shall be designed to avoid log breakage, timber degradation and damage to the forest stand and other resources.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  When villagers harvest rattan, they avoid damaging other plant species. Rattan canes are carried instead of being dragged. If rattan climb up to the branches of the trees, villagers usually climb up to the tree to cut rattan, they do not cut the trees and other plant grow around the harvested rattan.

5.3.2 Waste generated through harvesting operations, on-site processing and extraction shall be minimized.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Villagers leave the leaves and other waste from rattan in the forest; i.e. they leave the leaves of rattan in the branches of the trees after they cut and take the cane. Thus, they only take the cane and leave the rest in forest.</p>
5.3.NTFP.1 The FME or NTFP harvester(s) should explore options to utilize or commercialize NTFP processing waste, when feasible and appropriate.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Some villagers cut the cane after they are brought to the village. They cut to length based on what is specified in the order. This year they are cutting 5 m lengths, and villagers use the waste after cut for handicraft.</p>
NOTES: (NCRs/Observations)	
<b>5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</b>	
<b>Criterion Level Remarks:</b>	
5.4.1 FME shall foster product diversification and exploration of new markets and products (also Criterion 5.2).	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>WWF, who is supporting the rattan producing villages and working with the DOF on demonstrating conformance with the FSC standard, has a plan to conduct inventory of bamboo and include it in the scope of the certificate eventually.</p>
5.4.2 FME shall support local value added processing.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>All pre-processing is going to be done locally in the villages by the villagers themselves.</p>
NOTES: (NCRs/Observations)	
<b>5.5 Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</b>	
<b>Criterion Level Remarks:</b>	
5.5.1 FME shall protect the full range of forest services associated with the defined forest area including: municipal watersheds, commercial and recreational fisheries (or the supply of water to downstream fisheries), visual quality, contributions to regional biodiversity, recreation and tourism.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>No logging is being conducted and only very low impact manual harvesting and hauling of NTFP is taking place on the FMUs. Auditors find the full range of forest services are protected under the current plan and operations.</p>
5.5.2 FME shall protect riparian zones along all watercourses, streams, pools, springs and lakes/ponds, consistent with the requirement of national regulations or best management practices.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The PSFU has strong provisions for protecting riparian zones in the following sections:  4.2.5.3 Mapping FMU Management Zones  4.2.4.2 Classifying and Defining HCVs under Lao Conditions  5.1.2.4 Steps in preparing a sustainable harvesting plan  5.2.2 Preparing for Regenerating the Forest and Tree Marking</p>



	The auditors found that the riparian areas were marked along all water bodies on FMU maps and that they were respected on the ground.
5.5.3 FME SHOULD map riparian protection zones that enhance the value of forest services and resources, such as watershed and fisheries.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Auditors have reviewed the maps and found them to identify the riparian protection zones. The maps are included in Appendix X of the FMP.
NOTES: (NCRs/Observations)	
<b>5.6 The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b>	
<b>Criterion Level Remarks:</b>	
5.6.1 Appropriate to the scale and intensity of operations, estimates of total periodic timber growth on the defined forest area - by species categories - shall be generated through a combination of empirical data and published literature.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No timber, only NTFP.
5.6.2 Allowable harvest levels shall be based on conservative, well-documented and most current estimates of growth and yield.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No timber, only NTFP.
5.6.3 Harvesting shall be based on a calculated periodic allowable harvest (e.g. annual allowable cut) and actual harvests do not exceed calculated replenishment rates over the long term.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No timber, only NTFP.
5.6. NTFP.1 The intensity, frequency and seasonality of NTFP harvest, by area and volume, shall be based on a combination of scientific study and/or long-term local experience and knowledge and shall not exceed sustainable levels.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  The seasonality of the rattan harvest is based on local customs. Rattan is not harvested during the rainy season. The frequency and intensity (number of canes/area) of sustainable harvest of rattan canes is based on a growth and yield study made by NAFRI and WWF in the area of the FMUs (Bolikhamsai province, Khamkeurth district) in 2011. Another WWF study on rattan growth and yield was made by WWF in one of the FMUs (Xiengleu) in 2015.. The sustainable annual harvest is presented in terms of number of canes/year in section 1.C. of this report.
5.6. NTFP.2 NTFP harvest rates, cultural techniques and harvest methods shall be appropriate for the particular plant part used (exudate, reproductive propagule, vegetative structure; See annex 1 for guidance) and management activities maintain viable populations of target NTFPs.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  Allowable rate of harvest is in number of canes per year. Harvest technique is based on a WWF publication and local knowledge. It requires the harvesting of rattan canes 5m in height or more to ensure regeneration and maintain a viable population. The cut is done at a height of 1m to allow the cane to survive and regrow. Auditors find this technique to be aligned with best practices for rattan cane harvesting, summarized in WWF's Sustainable Rattan Harvesting Mini Guide.

5.6. NTFP.3 Appropriate NTFP harvest prescriptions shall be implemented in the field.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Harvest technique is based on a WWF publication and local knowledge.
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 6. <u>ENVIRONMENTAL IMPACT</u>- Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>6.1 Assessment of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.</b>	
<b>Criterion Level Remarks:</b>	
6.1.1 Environmental assessments shall be completed during management planning.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> There is no timber harvesting. See 6.1.1 NTFP.1 below.
6.1.2 Environmental assessments shall consistently occur prior to site disturbing activities.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> There is no timber harvesting. See 6.1.1 NTFP.1 below.
6.1.3 Environmental impacts of on-site processing facilities shall be controlled (e.g. waste, construction impacts, etc.).	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Only pre-processing will be done (boiling of the canes) in the villages. This pre-processing will require firewood. This is not started. No EIA available because the pre-processing is just a project at this point, this is not a non-conformance.
6.1.4 Landscape level impacts of forest management (e.g. cumulative effects of forest operations within and nearby the FMU) shall be considered.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> In the absence of any logging, and in the context of only manual rattan cane harvesting following identification of a sustainable AAC, landscape level impacts are negligible and do not need to be assessed.
6.1.5. <b>Applicable to SLIMF FMEs only</b> (note: above indicators do not apply) Before initiating any operation, the possible negative environmental impacts shall be identified and the operation is designed to minimize them. Assessments do not need to be documented unless legally required	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
6.1. NTFP.1 Environmental assessments shall include the impacts resulting from commercial harvesting of NTFPs.	Conformance with Indicator: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Section 6.5.2 of the PSFM "Assessing the Environmental Impacts of Site

	<p>Disturbing Activities and Reporting the Social and Environmental Assessments in FMUs" mentions that "Measures to mitigate the anticipated negative impacts of site disturbing activities shall be included in the FMU management plan to the extent possible". Some of these measures are provided in Section 5.1.6 of the PSFM manual. However, this is not done. Environmental impacts assessment are not formally done prior to on site rattan harvesting operations. There are no forms or checklists and no training for this. This is a non-conformance. NCR 02/16 is issued.</p> <p>However, post harvesting monitoring is done. Harvesters have forms to fill out to identify the impacts caused by their harvesting of rattan cane. Impacts assessed include erosion, damage to habitats, respect of buffer zones, etc. Auditors saw the post harvest forms to be filled out. This is a good point for conformance with this indicator. But the commitments of the PSFM with regards to assessment of impacts <u>prior</u> to site disturbance are not fulfilled. This remains a non-conformance.</p>
NOTES: (NCRs/Observations)	
<b>6.2. Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled</b>	
<b>Criterion Level Remarks:</b>	
6.2.1 The likely presence of rare, threatened or endangered species and their habitats (e.g. nesting and feeding areas) shall be assessed on the basis of the best available information.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The presence of species at risk is assessed at the forest management planning phase. Auditors saw the document used in participatory forest planning to identify with the villagers the species they have seen in the last few years in the village FMUs. These participatory biodiversity assessments have been done in July 2014 and again in November of 2015.</p> <p>Participatory biodiversity assessments are used to identify the likely presence of RTE species. The inventory conducted in 2014 identified the occurrence of the following:          Leopard (<i>Panthera pardus</i>)          Phayre's Leaf-monkey (<i>Trachypithecus phayrei</i>)          A species of hornbill.</p> <p>Posters with endangered species are present in all villages.</p>
6.2.2 Timber species on either local and/or international endangered or threatened species lists (e.g. CITES Appendix 1, national lists) shall not be harvested.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>No timber harvesting. PSFM Operations Manual prescribes (section 5.6.2.3) prohibits the harvesting of such species.</p>

6.2.3 Appropriate to the scale and intensity of management, conservation zones, protection areas or other protection measures shall be established based on technically sound requirements for the protection of rare, threatened and endangered species and their habitats.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The management strategies adopted by the DOF and the villagers over the whole area of both FMUs include the prohibition of hunting, of collection of plants and NTFP for commercial purposes without a quota.</p>
6.2.4 Conservation zones SHOULD be demarcated on maps, and where feasible, on the ground.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Maps of Xiengleu and Xiengxien clearly identify conservation and other zones.</p>
6.2.5 Effective procedures shall be implemented during forest operations to protect conservation zones, identified species and their habitats	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Conservation (HVCFs) zones are marked (auditors saw the signage) and mapped. Harvesters are aware of the species at risk and are not allowed to hunt/collect them. The management strategies adopted by the DOF and the villagers over the whole area of both FMUs include the prohibition of hunting, of collection of plants and NTFP for commercial purposes without a quota, villager patrols to enforce these rules, as well as the ban on logging which protects wildlife habitats and fauna by default. Auditors interviewed villagers on the collection of orchids, and found that while some traders sometimes come from Vietnam or China asking for them, they are not collected because they are rare and difficult to access. Village rules also prohibit their collection and sale, and breach to this rule by a villager would be known and would have consequences for the harvester.</p> <p>Posters with endangered species are present in all villages.</p>
6.2.6 Hunting, fishing, trapping and NTFP collecting shall be controlled in the forest.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Village rules prohibit any hunting in or around the village FMU. Patrols are done by the villagers monthly on rainy season, and three times/month in the dry season.</p>
6.2.7 <b>Applicable to SLIMF FMEs only:</b> (note: indicators 6.2.1 – 6.2.5 do not apply) Where information exists on rare, threatened and endangered species and their habitat, the FME shall use this information to protect these resources.	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
6.2. NTFP.1 NTFPs on either local and/or international endangered or threatened species lists (e.g., CITES Appendix 1, “critically endangered” IUCN list, national lists, etc.) shall not be harvested.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Only one species (orchids) that is on the CITES list has value and could be interesting for harvesting. Auditors found during interviews in the villages that villagers were aware of this and were not collecting orchids, which are rare anyway in the area.</p>
NOTES: (NCRs/Observations)	
<p><b>6.3 Ecological functions and values shall be maintained intact, enhanced, or restored, including:</b></p> <p><b>a) Forest regeneration and succession.</b></p> <p><b>b) Genetic, species, and ecosystem diversity.</b></p>	

<b>c) Natural cycles that affect the productivity of the forest ecosystem.</b>	
<b>Criterion Level Remarks:</b>	
<p>6.3.1 The forest manager shall have site-specific data or published analyses of local forest ecosystems that provides information on the FMU with regards to:</p> <ul style="list-style-type: none"> <li>• regeneration and succession</li> <li>• genetic, species and ecosystem diversity</li> <li>• natural cycles that affect productivity</li> </ul>	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p> <p>There is no timber harvesting, no silviculture. This is not applicable.</p>
<p>6.3.2 Forest management systems shall maintain, enhance or restore ecological functions and values of the FMU based on the data in 6.3.1. Management systems shall include:</p> <ul style="list-style-type: none"> <li>• Silvicultural and other management practices which are appropriate for forest ecosystem function, structure, diversity and succession</li> <li>• Where appropriate, a program for the restoration of degraded sites</li> <li>• Natural regeneration, unless data shows that enrichment planting or artificial reforestation will enhance or restore genetic, species or ecosystem diversity.</li> </ul>	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p> <p>There is no timber harvesting, no silviculture, no planting. This is not applicable</p>
<p>6.3. NTFP.1 NTFP harvest and management shall minimize impacts to forest composition and structure and soil structure and fertility.</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Villagers are trained before harvesting of rattan, thus they know how to avoid impacts on environment and other biodiversity. Rattan canes are carried instead of being dragged on the forest floor. If rattan climbs up to the branches of the trees, harvesters will climb up to the tree to cut it, instead of cutting the trees and other plant growing around the harvested rattan.</p>
<p>6.3. NTFP.2 NTFP harvest and management shall take into account the ecological role and requirements of the target NTFP and other associated species, e.g. food for frugivorous birds and mammals, animal dispersal of seeds, maintenance of specific ecological interdependencies, etc.</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>During interviews, villagers have explained that they are not allowed to harvest rattan that climb into the big trees with fruit valuable for wildlife such as bird (i.e. Mai Hai, etc.).</p>
<p>6.3. NTFP.3 Measures shall be taken to maintain the natural composition and structure of NTFP populations (e.g management of natural regeneration, enrichment planting, selection and protection of seed trees.</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Low harvest rates and low impact harvest techniques ensure natural composition and structure of rattan is maintained. For the 2015-2016 period, villagers plan to enrich 100 ha with 1000 seedling of rattan; this enrichment will be done during this rainy season (2016).</p>

6.3. NTFP.4 Severe forest simplification arising from NTFP management shall be allowed only when it: is temporally or spatially bound, provides a limited impact on the overall forest management unit, maintains high conservation value forest attributes or provides secure, outstanding conservation benefits to local communities or forest protection efforts.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Only rattan is collected, and following sound AAC calculations. Only mature (5m+) rattan cane is harvested, and not all mature canes are harvested. Risk of forest simplification is nil.
NOTES: (NCRs/Observations)	
<b>6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.</b>	
<b>Criterion Level Remarks:</b>	
6.4.1 Representative samples of existing ecosystems shall be protected in their natural state, based on the identification of key biological areas and/or consultation with environmental stakeholders, local government and scientific authorities.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The village forests include hundreds of hectares of watershed protection forests. Those have been identified jointly with the villagers and forest authorities.
6.4.2 In conjunction with experts, restoration and protection activities shall be defined, documented, and implemented in the forest.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Because there is no logging, the forest is protected by default. Village rules dictate protection of the forest and these rules are enforced.
6.4.3 <b>Applicable to SLIMF FMEs only:</b> (note: above indicators do not apply) Where representative samples of ecosystems are known to exist in the FMU these shall be protected.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
NOTES: (NCRs/Observations)	
<b>6.5 Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.</b>	
<b>Criterion Level Remarks:</b>	
6.5.1 All forest operations with the potential for negative environmental impact (as identified in 6.1) shall have written guidelines defining acceptable practices which are available to forest managers and supervisors. Such operational guidelines shall meet or exceed national or regional best management practices.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The DOF has guidelines for minimizing environmental impacts and has defined best practices for rattan harvesting. These guidelines have been designed with the help from SUFOR-SU and WWF. They include for example staying out of buffer zones even though rattan harvesting is already very low impact. This exceeds national best management practices.
6.5.2 Maps and/or work plans shall be produced at a scale that allows effective supervision of soil and water resource management and protection activities.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  Maps in the rattan management plan indicates the stream buffer zone. Villagers are not allowed to harvest rattan in the area 30 m close to rivers/streams this is to avoid landslide and water pollution.
6.5.3 Topographic maps SHOULD be prepared before logging	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

or road construction occurs.	No new road construction for rattan harvesting and transportation.
6.5.4 Topographic maps SHOULD specify areas suitable for all-weather harvesting or dryweather only; and indicate locations for extraction (or haul) roads, loading ramps (or log yards), main skid (or snig) trails, drainage structures, buffer zones, and conservation areas.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  Villagers are only allowed to harvest rattan during the dry season from November to May.
6.5.5 Training shall be given to FME staff and contractors to meet guidance requirements	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  Rattan is harvested by villagers, whom received training before harvesting of rattan. There is no contractor for rattan harvesting.
6.5.6 Road construction, maintenance and closure standards shall be followed in the forest.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>  No new road construction for rattan harvesting and transportation. All operations are done manually and rattan is extracted on foot through small village trails.
6.5. NTFP.1 Impacts of NTFP harvest and management on soil and water resources, especially access trails and roads, shall be minimized.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  Buffer zones for water protection along streams/rivers appear on maps in the management plan. There is no road access to the rattan management area and all extraction is done on foot via small village trails.
NOTES: (NCRs/Observations)	
<b>6.6 Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.</b>	
<b>Criterion Level Remarks:</b>	
6.6.1 Forest managers shall employ silvicultural systems, integrated pest management and vegetation control strategies that result in the least adverse environmental impact. Pesticides are used only when non-chemical management practices have been proven ineffective or cost prohibitive.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> No pesticides used.
6.6.2 If chemicals are used, the following requirements apply: • A complete inventory of chemicals shall be provided by the FME and detailed inspections of storage areas or other facilities validate that inventory is complete and accurate;	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No chemicals used.

<ul style="list-style-type: none"> <li>• Records shall be kept of all chemical used by the FME including name of the product, location and method of application, total quantity of chemical used and dates of application.</li> <li>• Safe handling, application (using proper equipment) and storage procedures shall be followed; and,</li> <li>• Staff and contractors shall receive training in handling, application and storage procedures.</li> </ul>	
6.6.3 Chemicals prohibited by the FSC (FSC-POL-30-601) or those banned in Europe, U.S. and target country, or World Health Organization Type 1A or 1B and chlorinated hydrocarbon pesticides shall not be used. The exception is when a formal derogation has been granted by the FSC. In such cases, the FME follows the terms of the approved derogation.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> No chemicals used.
6.6.NTFP.1 The FME or NTFP harvester(s) shall employ NTFP production and collection systems, integrated pest management and vegetation control strategies that result in the least adverse environmental impact. Pesticides are used only when nonchemical management practices have been proven ineffective or cost prohibitive.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> No pesticides or other chemicals are used.
NOTES: (NCRs/Observations)	
<b>6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</b>	
<b>Criterion Level Remarks:</b>	
6.7.1 Chemical, container, liquid and solid waste shall be disposed of off-site in an environmentally sound and legal manner, whether from forest operations or processing facilities.	Conformance with Indicator: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/> During the field visit to the forest of Xiengxien, auditors found plastic bags and other waste, mostly originating from food as containers, along the trail and on a site along a river. This is a non-conformance. NCR 03/16 is issued.
NOTES: (NCRs/Observations)	
<b>6.8. Use of biological control agents shall be documented, minimized, monitored, and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.</b>	
<b>Criterion Level Remarks:</b>	
6.8.1 Use of biological control agents shall be documented, minimized, monitored and strictly controlled.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No biological control agents are used on the FMUs
6.8.2 Use of genetically modified organisms (GMOs) shall be prohibited	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No GMOs are utilized on the FMUs.
NOTES: (NCRs/Observations)	
<b>6.9 The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.</b>	



<b>Criterion Level Remarks:</b>	
6.9.1 Use of exotic species shall be discouraged and carefully controlled, i.e. when used it is for well-justified and specific purposes (e.g. environmental benefit) and monitored for environmental impact.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Use of exotics is prohibited in natural forest in Laos.
6.9.2 Where exotic species are planted, measures shall occur to prevent spontaneous regeneration outside plantation areas, unusual mortality, disease, insect outbreaks or other adverse environmental impacts	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Exotic species are not planted on the FMUs.
NOTES: (NCRs/Observations)	
<b>6.10 Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:</b> <b>a) Entails a very limited portion of the forest management unit; and</b> <b>b) Does not occur on high conservation value forest areas; and</b> <b>c) Will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.</b>	
<b>Criterion Level Remarks:</b> Section 5.1.6.3 of the PSFM operations manual identifies activities that cause potentially negative impacts that shall either be avoided or their negative impacts mitigated. In particular: <p>a. Shifting cultivation areas shall be zoned for agroforestry where stabilized rotational agriculture is allowed, provided that rotational agriculture does not extend to existing natural forest in the production forest zone or conservation/protection forest zone.</p> <p>b. To increase wood production or develop sustainable livelihoods, conversion of fallow forest, which is used for nutrient cycling in rotational agriculture, to tree plantation shall be allowed with agreement by affected villagers.</p> <p>c. Conversion of natural forest to other uses:</p> <p>i. Conversion of natural forest in the production forest zone and conservation/protection forest zone to agricultural area shall not be allowed.</p> <p>ii. Conversion of natural forest to infrastructure and other uses may be allowed if so ordered by explicit higher government policy and program with attached EIA (see Item 5 on EIA), resulting in long-term benefit to the country, and not exceeding 5% of the forest area over five years.</p> <p>h. Quarrying inside forest sites shall be planned and with EIA as a requirement. Quarrying in the natural production forest zone shall not be allowed.</p> <p>j. Forest harvesting shall not cause large openings that may result in invasion of bamboos and other species that are not native to the original forest ecosystem.</p> <p>k. Inter-planting of exotic species in natural forest stands shall not be allowed.</p> <p>l. Degradation of high conservation values shall not be allowed.</p> <p>Auditors also saw a document by DAFO which prohibits the conversion of the forest by the villagers. No recent conversion was observed during the assessment.</p>	

With these policies, the DOF is fully conformant with Criterion 6.10.	
6.10.1 FME shall not convert forests, or threatened non-forested habitat to plantations or nonforest land uses, except where the conversion meets the conditions of 6.10.2 – 6.10.4.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> There have been no conversion in the two FMUs in the scope of this assessment, PSFU procedures as quoted above cover all requirements of 6.10.
6.10.2 If conversion occurs, it shall be very limited in scale and not exceed 5% of the forest management unit over any 5 year period (See FSC-DIR-20-007-ADV-10)	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Covered under c. ii. above.
6.10.3 If conversion occurs, the forest manager shall demonstrate that any conversion produces long term conservation benefits across the FMU.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Covered under b. above.
6.10.4 If the conversion occurs, plantations or non-forest uses shall not replace high conservation value forest.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> This requirement is covered under I.
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 7. <u>MANAGEMENT PLAN</u> - A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>7.1. The management plan and supporting documents shall provide:</b> <b>a) management objectives,</b> <b>b) description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands,</b> <b>c) description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories,</b> <b>d) rationale for rate of annual harvest and species selection,</b> <b>e) provisions for monitoring of forest growth and dynamics,</b> <b>f) environmental safeguards based on environmental assessments,</b> <b>g) plans for the identification and protection of rare, threatened and endangered species,</b> <b>h) maps describing the forest resource base including protected areas, planned management activities and land ownership, and description and justification of harvesting techniques and equipment to be used.</b>	
<b>Criterion Level Remarks:</b>	
7.1.1 FME Management plan, or appendices or reference documents, shall include presentation of the following components: a) Management objectives; b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socioeconomic conditions, and a profile of adjacent lands; c) Description of silvicultural and/or other management system,	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  Management objectives are found in section 2.2 of the management plan; Description of the forest resources are found in annex 15 of the management plan; Silviculture is found in annex 6, table 18/1 and table 18/2 of management plan; Harvesting techniques for rattan are found in a document called

<p>based on the ecology of the forest in question and information gathered through resource inventories;</p> <p>d) Description and justification for use of different harvesting techniques and equipment;</p> <p>e) Description and justification of forest management prescriptions and their silvicultural and ecological rationale i.e. based on site specific forest data or published analysis of local forest ecology or silviculture;</p> <p>f) Rate of harvest of forest products (timber or non-timber, as applicable) and species selection including justification;</p> <p>g) Measures for identifying and protecting rare, threatened and endangered species and/or their habitat;</p> <p>h) Map(s) describing the forest resource including forest types, watercourses and drains, compartments/blocks, roads, log landings and processing sites, protected areas, unique biological or cultural resources, and other planned management activities;</p> <p>i) Environmental safeguards based on environmental assessments (see criterion 6.1); and,</p> <p>j) Plans for monitoring of forest growth, regeneration and dynamics.</p>	<p>“guideline of rattan harvesting techniques”;</p> <p>e) Rattan harvesting prescriptions are based on a WWF guide on how to establish a sustainable production for rattan in Laos;</p> <p>f) the rate of harvest is found in in annex 6, table 18/2 of management plan;</p> <p>g) The FMP clearly identifies HCVs and HCVFs and the measures to protect them (restrictions on hunting, logging, harvesting, clearing, etc.);</p> <p>h) The FMP includes excellent village FPA maps, which identify riparian areas, HCVFs, village, etc. See appendix X;</p> <p>i) The FMP mentions no pre-harvest monitoring. This is a non-conformance identified already under 6.1. See NCR 02/16;</p> <p>j) Rattan is inventoried. Document called “Report on rattan growth measurement in the certified area) 3 sampling plots per village to monitor growth, regeneration and species diversity of rattan.</p>
<p>7.1.2 NTFP resources and uses SHOULD be inventoried and their management explicitly considered during planning.</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The FMPs are for rattan exclusively. Rattan is inventoried. 3 sampling plots per village to monitor growth, regeneration and species diversity of rattan.</p>
<p>7.1.3 Maps that are presented shall be accurate and sufficient to guide forest activities (also see Criterion 6.5).</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Considering the low impact of manual NTFP harvesting, the absence of road building, hauling etc., village forest maps are good enough for DOF and WWF staff working in the field, and are sufficient to guide harvesting and other operations in the field. Watercourses are identified with their buffers, the forest is delineated and the legend appropriately identifies the various zones and uses of the forest.</p>
<p>7.1.4 Management plans or related annual operating or harvesting plan shall be available to staff and used in the forest.</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Auditors found the villagers had a copy of their FMP.</p> <p>All documents related to the projects are copied at all levels. Organizations involved in the rattan project include DoF (Forestry Technical Standard Development Division); PAFO (Village Forestry Unit of the PFS); DAFO (District Forestry Unit) and villages.</p>

<p><b>7.1.5 Applicable to SLIMF FMEs only:</b> (note: above indicators do not apply) A written management plan exists that includes at least the following:</p> <ul style="list-style-type: none"> <li>a) The objectives of management;</li> <li>b) A description of the forest;</li> <li>c) How the objectives will be met, harvesting methods and silviculture (clear cuts, selective cuts, thinnings) to ensure sustainability;</li> <li>d) Sustainable harvest limits (which must be consistent with FSC criteria 5.6);</li> <li>e) Environmental/ social impacts of the plan;</li> <li>f) Conservation of rare species and any high conservation values;</li> <li>g) Maps of the forest, showing protected areas, planned management and land ownership; and,</li> <li>h) Duration of the plan.</li> </ul>	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
<p>7.1. NTFP.1 The management plan, or appendices to the plan, shall specifically address and incorporate commercially-managed NTFPs, including:</p> <ul style="list-style-type: none"> <li>– NTFP Management objectives,</li> <li>– Resource use rights and socio-economic conditions of harvesters;</li> <li>– Harvest areas (described in a map, if possible);</li> <li>– Rate, timing, and quantity of NTFPs to be harvested, based upon plant part used (exudate, reproductive propagule, vegetative structure) and established best management practices for each NTFP;</li> <li>– Description of and justification for the amount of each NTFP harvested, the implemented harvesting technique and the equipment used;</li> <li>– Sources of information that sustain the rationale behind NTFP management activities, (i.e., based on site-specific field data, local knowledge or published regional forest research and government requirements).</li> </ul>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The FMP includes a socioeconomic description of the villagers (their livelihoods, livestock, seasonal activities, small businesses, how they use income from NTFP collection, etc.), which are the harvesters.</p> <p>Sources of information that sustain the rationale behind NTFP management include rattan inventories by WWF, the DOF and the villagers, as well rattan harvesting best practices published by WWF and finally local knowledge.</p> <p>The other elements are all covered under section 7.1.1</p>
<p>NOTES: (NCRs/Observations)</p>	
<p><b>7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</b></p>	
<p><b>Criterion Level Remarks:</b></p>	
<p>7.2.1 A technically sound and financially realistic timeframe</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>

shall exist for revision/adjustment of the management plan.	Management plan was updated in 2016 for 9 years timeframe, which is more realistic than the previous 3 year timeframe of management plans.
7.2.2 Management plan (and/or annual operating plan) revision or adjustments shall occur on timely and consistent basis.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The annual harvesting plan is revised annually before the harvesting season. The management plan is valid for a period of 9 years and to be revised prior to the next cycle in 2025.
7.2.3 Management plan revisions shall incorporate the results of monitoring or new scientific and technical information regarding changing silvicultural, environmental, social and economic conditions.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>  New revised management plan includes revision/extended harvesting plan, and a new, additional prescription for HCVs. The PSFM operations manual mentions the management plan "... should be considered as a living document, which may be revised to incorporate improvements as experience is gained in its application."
7.2.4 <b>Applicable for SLIMF FME-s only</b> (Note: above indicators do not apply) Management plan shall be reviewed at least every 5 years and updated, if necessary, incorporating the results of monitoring to plan and implement future management.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>  This is not SLIMF.
NOTES: (NCRs/Observations)	
<b>7.3. Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.</b>	
<b>Criterion Level Remarks:</b>	
7.3.1 Evidence of formal or informal training of forest workers to ensure proper implementation of the management plan shall exist in the forest. <b>Applicable to all FMEs including SLIMFs.</b>	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Trainings are given on: - production and use of the FMP; - forest inventory; - Health and safety training; - forest law; - training on rattan harvesting and reduction of negative environmental impacts;  Auditors have consulted the list of training attendees.
7.3.2 For large FMEs, a formal training plan for staff and forest workers related to the management plan and its implementation shall be documented.	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> DOF is currently operating on a small scale with these two villages. If they are to expand this certificate, the DOF will need to adopt a formal training plan.
7.3. NTFP.1 NTFP harvesters shall receive information, training and/or supervision to ensure the management plan is implemented in the field.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Rattan harvesters are trained by WWF on rattan harvesting techniques, and many other topics. See 7.3.1 above. Auditors interviewed villagers involved in the harvesting while on site in the forest and found that the trainings provided had

	been retained. Villagers demonstrated they were familiar with harvesting techniques, health and safety (helmets and gloves were worn at all times while in the forest), etc.
NOTES: (NCRs/Observations)	
<b>7.4. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1</b>	
<b>Criterion Level Remarks:</b>	
7.4.1 FME shall make publicly available a summary of the management plan including information on elements listed in criterion 7.1.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Auditors have seen the FMPs distributed in the rattan producing villages. The FMP includes its own summary. The FMP is available on the SUFORD website.
7.4.2 <b>Applicable for SLIMF FME-s only</b> (Note: above indicators do not apply): Upon request, FME shall make available relevant parts of the management plan to stakeholders who are directly affected by the forest management activities of FME (e.g. neighboring landowners).	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 8. <u>MONITORING AND ASSESSMENT</u> - Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.</b>	
<b>Criterion Level Remarks:</b>	
8.1.1 A plan and design, based on consistent and replicable procedures, shall exist for periodic monitoring and reporting.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Section 6 of the updated PSFM Operations Manual is a comprehensive procedure for periodic monitoring and reporting of different technical, environmental, and socioeconomic aspects. It includes the frequency for conducting the monitoring activities.
8.1.2 The frequency and intensity of monitoring shall be based on the size and complexity of the operation and the fragility of the resources under management.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Section 6 of the updated PSFM Operations Manual is a comprehensive procedure for periodic monitoring and reporting of different technical, environmental, and socioeconomic aspects. It includes the recurrence of each monitoring.
8.1.3 <b>Applicable to SLIMF FMEs only</b> (Note: above indicators do not apply): FME shall conduct regular and consistent monitoring in connection with harvesting operations and	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>

reforestation.	
NOTES: (NCRs/Observations)	
<b>8.2. Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:</b> <b>a) yield of all forest products harvested,</b> <b>b) growth rates, regeneration, and condition of the forest,</b> <b>c) composition and observed changes in the flora and fauna,</b> <b>d) environmental and social impacts of harvesting and other operations, and</b> <b>e) cost, productivity, and efficiency of forest management.</b>	
<b>Criterion Level Remarks:</b>	
8.2.1 The monitoring plan shall be technically sound and identify/describe observed changes in conditions in terms of: • Silviculture (growth rates, regeneration and forest condition, typically as part of a suitable continuous forest inventory system); • Commercial harvest including NTFPs; • Environment (environmental changes affecting flora, fauna, soil and water resources) (outbreak of pest, invasive species, nesting sites for endangered bird species); • Socioeconomic aspects (forest management costs, yields of all products, and changes in community and worker relations or conditions, accident rates); and, • Identified high conservation value forest attributes.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Section 6 of the PSFM is a comprehensive monitoring plan which allows for description of changes in forest conditions, including: • Annual operations monitoring and evaluation. • Enforcement monitoring • Monitoring of forest condition • Impacts monitoring • FMU assessment to improve standards of PSFM implementation  The DOF has adopted an accident record form which is to be filled out by the harvesting group if and when an accident happens. Auditors consulted the record and found there had been no accident reported.
8.2.2 <b>Applicable to SLIMF FMEs only</b> (Note: above indicators do not apply): FME shall at a minimum monitor and record information on the following: • Amount of products harvested; • Regular monitoring of any identified high conservation values; • Invasive exotic species; • Growth and regeneration of managed species; • Post harvest inspection for erosion and estimate of residual basal area; and, • Periodic inventory (10 years)	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
8.2. NTFP.1 The monitoring plan shall include the observed changes in conditions related to: – NTFP populations (impact of harvest, growth rates, loss or vigor or decline, recruitment); – Any outstanding environmental changes from NTFP management affecting flora, fauna, soil and water resources.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Section 6.5 of the PSFM covers Social and Environmental Impacts Monitoring and Assessment.  Auditors reviewed the result of the socioeconomic impact assessment conducted by WWF, PAFO, DAFO and the villagers in May 2016.

– Socioeconomic aspects of NTFP use and harvest (changes in community and worker relations or conditions, changes in NTFP use or demand, etc.)	
NOTES: (NCRs/Observations)	
<b>8.3. Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain-of-custody."</b>	
<b>Criterion Level Remarks:</b>	
8.3.1 Volume and source data on harvested forest products shall be available (i.e. scaled, inventoried, measured) in the forest, in transport, at intermediate storage yards (e.g. log yards), and processing centers controlled by FME. (not applicable to SLIMFs)	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> No timber harvest. See 8.3 NTFP.1 below.
8.3.2 Sales invoices and other documentation related to the sale of certified products shall include the chain of custody certificate code in the correct format (e.g. RA-FM/COC-XXXX).	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> No sales since 2014, no use of CoC code yet but PSFM procedures do cover all aspects of chain of custody including use of cert code and trademarks.
8.3.3 Certified forest products shall be clearly distinguished from non-certified products through marks or labels, separate documented storage, and accompanying invoices up to the point of sale (i.e. up to the "forest gate").	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Whole forest will be certified if certificate is issued. There will be no non-certified rattan.
8.3.4 Applicable to SLIMF FMEs only (indicators 8.3.1 and 8.3.3. do not apply): Documentation shall be available allowing products to be traced from the forest to the forest gate..	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
8.3. NTFP.1 Volume and source data on loads of NTFPs shall be available in the forest, in transport, and at processing and distribution centers controlled by the FME or NTFP harvester(s).	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> finding does not address No harvesting since 2014, no such data available at the time of the assessment. PSFM procedures however do cover all aspects of chain of custody and monitoring of harvested and stocked volumes (or number of canes).
NOTES: (NCRs/Observations)	
<b>8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.</b>	
<b>Criterion Level Remarks:</b>	
8.4.1 FME shall demonstrate that monitoring results are incorporated into revisions of the management plan.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The FME demonstrated that data from the socioeconomic impact monitoring had been used for reporting purposes and for annual planning.  The FME has a system for the periodic update of the rattan AAC calculation, based on WWF and DOF studies on the growth of rattan.
NOTES: (NCRs/Observations)	
<b>8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.</b>	
<b>Criterion Level Remarks:</b>	



8.5.1 For <b>large</b> operations, results of monitoring shall be incorporated into summaries and other documents that are publicly available.	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> The DOF posts a summary of all monitoring results on the SUFORD website. Summarized monitoring include growth rate; post-harvesting monitoring; EIA; biodiversity monitoring; socio-economic impacts and accident report.
8.5.2 Applicable for medium size and SLIMF FMEs only: (Note: the above indicator does not apply) Upon request, FME shall make available relevant parts of the management plan to stakeholders who are directly affected by the forest management activities of FME (e.g. neighboring landowners).	Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
NOTES: (NCRs/Observations)	

<b>PRINCIPLE 9. MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS - Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.</b>	
<b><u>Criteria and Indicators</u></b>	<b><u>Findings</u></b>
<b>9.1. Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.</b>	
<b>Criterion Level Remarks:</b>	
9.1.1 FMEs shall have conducted an assessment to identify HCVs. Such an assessment should include: <ul style="list-style-type: none"> <li>• Consultation with conservation databases and maps;</li> <li>• Consideration of primary or secondary data collected during forest inventories on the designated forest area by FME staff, consultants or advisors;</li> <li>• Interviews with environmental/biological specialists indigenous/local communities, and scientific experts, etc.;</li> <li>• Documentation of threats to HCVs; and,</li> <li>• If threats to HCVs or HCVF exist, identification of actions to address the threats.</li> </ul>	Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> HCVs were assessed as part of the village FMP preparation process. It was done by WWF as a participatory exercise with the villagers of the two candidate FMUs. HCVs are mapped as a result. The result is that the full area of both FMUs qualifies as one of the three last HCV categories.  HCV1: The FMUs are rich in biodiversity compared to neighboring village forests, and the biodiversity assessment has identified the occurrence of RTE species: <ul style="list-style-type: none"> <li>• Leopard (<i>Panthera pardus</i>)</li> <li>• Phayre's Leaf-monkey (<i>Trachypithecus phayrei</i>)</li> <li>• A species of hornbill.</li> </ul> However, the forests are relatively small in scale and do not qualify, according to the HCV assessment, as presenting concentrations of these biodiversity values. For this reasons, the HCV assessment identifies no HCV1 forests inside the FMUs.  HCV2: N/A due to the relatively small scale of the FMUs.  HCV3: No Rare, threatened, or endangered ecosystems, habitats or refugia have been identified in the FMUs. This is understandable considering the relatively small scale of the FMUs, and the fact that the FMUs are part of a much larger PFA (Phak Beuak) which, despite the illegal logging, still contains large swaths of mature forests and presents a similar ecosystem as that of the FMUs.

	<p>Auditors saw the maps identifying HCV categories 4, 5 and 6 on both forests. Auditors found on the forest signage that makes it clear the walker is entering in a HCVF.</p> <p>The two villages' 2012-2021 FMPs prescribe protection measures for HCVs 4-5-6: For HCV 4 forests: Hunting is prohibited, timber is not allowed to be cut, rattan and bamboo are not allowed to be harvested in HCV areas, soil removal, agriculture, conversion, etc. are all prohibited activities. HCV4 are equivalent to protected areas.</p> <p>HCV5: No rattan harvesting without quota, no cutting rattan shoot, no timber collection, no hunting.</p> <p>HCV6: No agriculture, no timber harvesting, no soil removal, no quarry, no hunting.</p>
<p>9.1.2 For large operations, FME shall:</p> <ul style="list-style-type: none"> <li>• Produce written HCVF assessment(s) that identify(ies) HCVs or HCVF and proposes strategies to ensure their protection; and,</li> <li>• Conduct credible, independent, technically qualified review of the HCVF assessment and related recommendations to address HCV threats and protection; and,</li> <li>• Demonstrate that credible actions are being taken to address HCV/HCVF protection and/or threat reduction.</li> </ul>	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p> <p>The DOF intends to expand the scope of its certificate to the PFAs. As it stands now with the two village FMUs, the DOF does not qualify as large operation. However, before expansion to PFAs, the DOF will be producing HCV written assessment reports as they prepare PFA FMPs. This will be done prior to expansion of the scope to PFAs in the near future. For the moment, no HCV assessment is completed (except the old one from 2004) for PFAs, as they are not included in the scope of this assessment.</p>
<p>9.1.3 Applicable to SLIMF FMEs only: Consultations shall have occurred with environmental stakeholders, government or scientists to identify HCVs and/or HCVF. If HCVs or HCVF are present, FME shall take all reasonable steps to protect these values and/or reduce threats.</p>	<p>Conformance with Indicator: Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
<p>9.1. NTFP.1 Consultations to determine the status of a HCVF shall specifically include NTFPs as an element of the social analysis section covering forest importance to local communities (as per definition "d" of HCVF provided by FSC).</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>In each of the two village forests, large HCV5 forests have been identified and protected exactly because they contain important NTFPs for the villages. Rattan, bamboo, and dipterocarpus resin, all for livelihood collection. These are the two main NTFPs which are used to designate category 5 HCVs.</p>
NOTES: (NCRs/Observations)	
<p><b>9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.</b></p>	
<b>Criterion Level Remarks:</b>	
<p>9.2.1 FME consultations with stakeholders shall clearly outline identified conservation attributes as well as proposed strategies for their maintenance or threat reduction.</p>	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Consultation of villagers is part of the FMP elaboration process. Draft plans are presented to the villages for comments/input. A procedure exists in the PSFM operations manual to keep evidence of stakeholder input.</p> <p>No HCV1-3 were identified on the FMUs.</p>

	<p>The two villages' 2012-2021 FMPs prescribe protection measures for HCVs 4-5-6:</p> <p>For HCV 4 forests: Hunting is prohibited, timber is not allowed to be cut, rattan and bamboo are not allowed to be harvested in HCV areas, soil removal, agriculture, conversion, etc. are all prohibited activities. HCV4 are equivalent to protected areas.</p> <p>HCV5 : No rattan harvesting without quota, no cutting rattan shoot, no timber collection, no hunting.</p> <p>HCV6: No agriculture, no timber harvesting, no soil removal, no quarry, no hunting.</p>
9.2.2 For large operations, the stakeholder consultation for HCVF strategy development, and actions taken in response to such consultation, shall be documented.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>PSFM operations manual under section 3.7.4 table 3.3 requires village consent in key PSFM stages. This includes HCV consultations. WWF keeps records of minutes from meetings and consultations with villagers.</p>
NOTES: (NCRs/Observations)	
<b>9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.</b>	
<b>Criterion Level Remarks:</b>	
9.3.1 If HCVF or HCVs are present, planning documents shall provide site-specific information which describes the measures taken to protect or restore such values.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>The two villages' 2012-2021 FMPs identify protection measures for HCVs 4-5-6.</p> <p>For HCV 4 forests: Hunting is prohibited, timber is not allowed to be cut, rattan and bamboo are not allowed to be harvested in HCV areas, soil removal, agriculture, conversion, etc. are all prohibited activities. HCV4 are equivalent to protected areas.</p> <p>HCV5 : No rattan harvesting without quota, no cutting rattan shoot, no timber collection, no hunting.</p> <p>HCV6: No agriculture, no timber harvesting, no soil removal, no quarry, no hunting.</p>
9.3.2 Measures to protect HCVF values shall be available in public documents or in the FME management plan summary.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>Village management plans are available online on the SUFORD website and the summary on the first pages includes measures to protect HCVF values.</p>
NOTES: (NCRs/Observations)	
<b>9.4. Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain and enhance the applicable conservation attributes.</b>	
<b>Criterion Level Remarks:</b>	
9.4.1 A system for continuous monitoring of HCVF values shall be incorporated into the FME's planning, monitoring and reporting procedures.	<p>Conformance with Indicator: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>This system is defined in section 6.4.5 of the PSFM operations manual. Auditors find the biodiversity monitoring and monitoring of the growth rate (rattan is an HCV) of rattan can inform the DOF on the effectiveness of the measures taken to protect HCVs.</p>
NOTES: (NCRs/Observations)	

**PRINCIPLE 10. PLANTATIONS** - Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

**PRINCIPLE APPLICABILITY NOTES: NO PLANTATIONS – THIS SECTION IS NOT APPLICABLE.**

## APPENDIX III: Chain-of-Custody Conformance (confidential)

Note: This CoC Appendix is used for FMEs only selling standing timber, stumpage, logs, chips and/or non-timber forest products (NTFPs) produced within a FMU covered by the scope of the certificate. FME certificate scopes that include primary or secondary processing facilities shall include an evaluation against the full FSC CoC standard: FSC-STD-40-004. Refer to that separate report Appendix.

### A. Definition of Forest Gate: (check all that apply)

<input type="checkbox"/>	<b>Standing Tree/Stump:</b> FME sells standing timber via stumpage sales.
<input checked="" type="checkbox"/>	<b>The Log Landing:</b> FME sells wood from the landing/yarding area.
<input checked="" type="checkbox"/>	<b>On-site Concentration Yard:</b> Transfer of ownership occurs at a concentration yard under the control of the FME.
<input type="checkbox"/>	<b>Off-site Mill/Log Yard:</b> Transfer of ownership occurs when offloaded at purchaser's facility.
<input type="checkbox"/>	<b>Other:</b> <i>explanation</i>

Comments: Because there has been no quota issued for rattan by the government since 2014, there has been no commercial harvest nor sale of rattan since. A quota for 1000 canes per village was issued in the weeks before the audit. At the time this audit took place, rattan harvesting had not begun.

### B. Scope Definition of CoC Certificate:

Does the FME further process material before transfer at forest gate? <i>(If yes then processing must be evaluated to full CoC checklist for CoC standard FSC-STD-40-004 v2.)</i> <b>Note: This does not apply to on-site production of chips/biomass from wood harvested from the evaluated forest area or onsite processing of NTFPs.</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments: Villagers have received training on pre-processing and will likely be doing it by the next audit.	
Is the FME a large scale operation (>10,000 hectares) or a Group Certificate? <i>(If yes then CoC procedures for all relevant CoC criteria shall be documented.)</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments:	
Does non-FSC certified material enter the scope of this certificate prior to the forest gate, resulting in a risk of contamination with wood/NTFPs from the evaluated forest area (e.g. FME owns/manages both FSC certified and non-FSC certified FMUs)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments:	
Does FME outsource handling or processing of FSC certified material to subcontractors (i.e. milling or concentration yards) prior to transfer of ownership at the forest gate? <i>(If yes a finding is required for criterion CoC 4.1 below.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments:	
Does FME purchase certified wood/NTFPs from other FSC certificate holders and plan to sell that material as FSC certified? <i>(If yes then a separate CoC certificate is required that includes a full evaluation of the operation against FSC-STD-40-004 v2.)</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Comments:	
Does FME use FSC and/or Rainforest Alliance trademarks for promotion or product labeling? <i>(If FME does not nor has no plans to use FSC/RA trademarks delete trademark criteria checklist below.)</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Comments: The DOF intends to use the trademark, but has not done so since 2014.	

### C. Sales of Forest Products:

Total Sales/ Turnover	0 US\$
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**D. Chain-of-Custody Criteria** [FM-35 Rainforest Alliance Chain-of-Custody Standard for Forest Management Enterprises (FMEs)]

COC 1.1: FME shall define the personnel/position(s) responsible for implementing the CoC control system.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p><b>Findings:</b> The forest Certification Coordinator is responsible for implementing the CoC control system. This is in the agreement on roles and responsibilities of the Technical standard development division.</p> <p>Mrs Bouavanh Phachomphonh – WWF Project Manager - is responsible for the Rattan production FMUs and is appointed as the responsible person for implementing the CoC.</p>	
COC 1.2: All relevant staff shall demonstrate awareness of the FME's procedures and competence in implementing the FME's CoC control system.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p><b>Findings:</b> The CoC procedures have not been implemented since 2014 because of the absence of commercial rattan cane harvest. The auditors found that despite the little use of the CoC procedures, DOF and WWF staff were sufficiently aware of them.</p>	
<p>COC 1.3: FME procedures/work instructions shall provide effective control of FSC certified forest products (including NTFPs) from standing timber until ownership is transferred at the forest gate. <i>Note: For <b>large scale operations (&gt;10,000ha)</b> and <b>Group Entities</b>, CoC procedures covering all relevant CoC criteria shall be documented.</i> Including:</p> <p style="padding-left: 40px;">Procedures for physical segregation and identification of FSC certified from non-FSC certified material. <b>(If applicable)</b></p> <p style="padding-left: 40px;">Procedures to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation. <b>(If applicable)</b></p> <p style="padding-left: 40px;">Procedures to include the FME's FSC certificate registration code and FSC claim (FSC 100%) on all sales and shipping documentation for sales of FSC certified products.</p> <p style="padding-left: 40px;">Recordkeeping procedures to ensure that all applicable records related to the production and sales of FSC certified products (e.g. harvest summaries, sales summaries, invoices, bills of lading) are maintained for a minimum of 5 years.</p> <p style="padding-left: 40px;">Procedures to ensure compliance with all applicable FSC/Rainforest Alliance trademark use requirements.</p> <p><b>Note 1: In the case of group certificates, the Group Manager must ensure Group Members implement CoC control system as defined in documents procedures/work instruction.</b></p> <p><b>Note 2: In cases where it is not possible or practical to include the FME's certificate registration code on shipping documents, the FMEs procedures shall provide for a clear, auditable link between the material included in the shipment, a FMU included in the scope of the certificate and the applicable sales documentation (i.e. harvest or procurement contract) that includes the required information detailed in c) above.</b></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><b>Findings:</b></p> <p>Auditors reviewed the documents called Group certification policy, SUPSFM PSFM Operations Manual as well as "FSC Chain of Custody Certification for Rattan Processing: A Primer" drafted by WWF officers in 2011 and updated in 2015. Findings are:</p> <p>a) FSC procedures prescribe segregation of the FSC products. However it would be unlikely that non-certified products would be mixed because upon certification, there will be no non-certified rattan since the whole forest is certified and the villagers don't buy non-certified rattan from other suppliers.</p> <p>b) There will be no non-certified rattan since the whole forest is certified and the villagers don't buy non-certified rattan from other suppliers.</p> <p>c) PSFM section operations manual 5.3.6.3 (CoC Tracking and Documentation) section 3 point f. v. says "Prepare a log transport list that includes all logs that have been loaded to the truck with their CoC code entered in the log transport list."</p> <p>d) Section 1.3.4 of the DOF Group Certification Operations Manual requires the keeping of records for a minimum of 5 years. Auditors requested a sample of documentation from the last 2 years and this was presented by the villagers, who were aware they have to keep all records. Section 5.3.6.3 CoC Tracking and Documentation, point 4 also says all the documents shall be well-maintained and stored in the concerned</p>	

offices for a minimum of 5 years for use as evidences in future internal and external audits. This is also repeated under section 6.6 Additional Guidelines for Use of FSC/RA Trademarks in the DOF Group Certification Operations Manual.

e) The DOF Group Certification Operations Manual section 6.6 Additional Guidelines for Use of FSC/RA Trademarks: covers the full requirements for FSC and RA trademark use.

## 2. Certified Material Handling and Segregation

COC 2.1: FME shall have a CoC control system in place to prevent the mixing of non-FSC certified materials with FSC certified forest products from the evaluated forest area, including:

Physical segregation and identification of FSC certified from non-FSC certified material.

A system to ensure that non-FSC certified material is not represented as FSC certified on sales and shipping documentation.

**Note: If no outside wood/NTFP is handled by FME within scope of certificate, mark as N/A.**

Yes ☒ No ☐  
N/A ☐

**Findings:** Section 6.5 Internal Chain of Custody of the DOF Group Certification Operations Manual prescribes physical segregation of certified and non-certified material to avoid mixing. Also prescribes that sales and shipment documentation shall separate the documents of certified products from non-certified products.

COC 2.2: FME shall identify the sales system(s) or "Forest Gate", for each FSC certified product covered by the Chain of Custody control system: i.e. standing stock; sale from log yard in the forest; sale at the buyer's gate; sale from a log concentration yard, etc.

Yes ☒ No ☐

**Findings:** Section 6.5 Internal Chain of Custody of the DOF Group Certification Operations Manual describes the forest gate as being the second landing (point of sale) after the harvesting area (first landing).

COC 2.3: FME shall have a system that ensures that FME products are reliably identified as FSC certified (e.g. through documentation or marking system) at the forest gate.

Yes ☒ No ☐

**Findings:** Section 6.5 Internal Chain of Custody of the DOF Group Certification Operations Manual says:

Total quantity produced by product of Certified Members shall be determined from the harvesting area (first landing) and the forest gate point of sale (second landing) and crosschecked to ensure that the total quantity reported at the harvesting area tallies with that at the forest gate storage area.

- Harvesting area and forest gate storage documentation shall correctly reflect the total quantity of certified products.

- Physical quantity and shipping documentation from forest gate storage shall be checked by the Certified Member representative to ensure that the total quantity of certified products shipped out by the buyer, as well as the quantity indicated in shipping documents, does not exceed the total quantity of certified products stored and documented at the forest gate storage.

- Sale and shipment documentation shall separate the documents of certified products from non-certified products.

- The FSC label on FSC materials shall be clearly visible and shall include the FSC-issued license code. FSC materials must not carry any other label, such as those pertaining to national certification or any other certification scheme.

COC 2.4: FME shall ensure that certified material is not mixed with non-FSC certified material at any stage, up to and including the sale of the material.

Yes ☒ No ☐  
N/A ☐

**Note: If no outside wood is handled by FME within scope of certificate, mark as N/A.**

**Findings:** This is covered under section 6.5 Internal Chain of Custody of the DOF Group Certification Operations Manual as well as in PSFM section operations manual 5.3.6.3 (CoC Tracking and Documentation).

## 3. Certified Sales and Recordkeeping

COC 3.1: For material sold with FSC claim the FME shall include the following information on sales and shipping documentation:

a) FME FSC certificate registration code, and

b) FSC certified claim: FSC 100%

Yes ☒ No ☐

**Note: In cases where it is not possible or practical to include the FME's certificate**

<b>registration code on shipping documents, the FMEs shall ensure there is a clear, auditable link between the material included in the shipment, a FMU included in the scope of the certificate and the applicable sales documentation (i.e. harvest or procurement contract) that includes the required information detailed above.</b>	
<b>Findings:</b> There have been no sales since 2014. Procedures however do prescribe the mentions of the FSC certificate code and FSC 100% on sales and shipping documentation.	
COC 3.2: FME shall maintain certification production and sales related documents (e.g. harvest summaries, invoices, bills of lading) for a minimum of 5 years. Documents shall be kept in a central location and/or are easily available for inspection during audits.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Section 1.3.4 of the DOF Group Certification Operations Manual requires the keeping of records for a minimum of 5 years. Auditors requested a sample of documentation from the last 2 years and this was presented by the villagers, who were aware they have to keep all records. Section 5.3.6.3 CoC Tracking and Documentation, point 4 also says all the documents shall be well-maintained and stored in the concerned offices for a minimum of 5 years for use as evidences in future internal and external audits. This is also repeated under section 6.6 Additional Guidelines for Use of FSC/RA Trademarks in the DOF Group Certification Operations Manual. A table shows exactly where each type of document shall be kept.	
COC 3.3: FME shall compile an annual report on FSC certified sales containing monthly sales in terms of volume of each FSC certified product sold to each customer. This report shall be made available to Rainforest Alliance staff and auditors during regular audits and upon request.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> There have been no sales since 2014.	

<b>4. Outsourcing</b>	
COC 4.1: FME shall obtain approval from Rainforest Alliance prior to initiating outsourcing of handling (e.g. storage concentration yards) or processing of FSC certified material to subcontractors.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
CoC 4.2: FME control system shall ensure that CoC procedures are followed at subcontracted facilities for outsourcing and FME shall collect signed outsourcing agreements covering all applicable FSC outsourcing requirements per FSC--40-004 <i>FSC Standard for Chain of Custody Certification</i> . <b>Note 1: If FME outsources processing or handling of FSC certified material the outsourcing report appendix is required.</b> <b>Note 2: Check N/A If FME does not outsource processing or handling of FSC material.</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<b>Findings:</b>	

## 5. FSC/Rainforest Alliance Trademark (TMK) Use Criteria

<b>Standard Requirement:</b> The following section summarizes the FME's compliance with FSC and Rainforest Alliance trademark requirements. Trademarks include the Forest Stewardship Council and Rainforest Alliance names, acronyms (FSC), logos, labels, and seals. This checklist is directly based on the FSC standard.FSC-STD-50-001 <i>FSC Requirements for use of the FSC trademarks by Certificate Holders</i> . References to the specific FSC document and requirement numbers are included in parenthesis at the end of each requirement. (Rainforest Alliance Certified Seal = RAC seal).	
<b>General</b>	
COC 5.1: FME shall have procedures in place that ensure all on-product and promotional FSC/Rainforest Alliance trademark use follows the applicable policies:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> PSFM manual section 5.3.8 Use of FSC/RA Trademarks prescribes pre-approval before trademark use. The DOF group certification manual section 6.6 Additional Guidelines for Use of FSC/RA Trademarks fully cover all trademark use requirements.	
COC 5.2: FME shall have procedures in place and demonstrate submission of all FSC/Rainforest Alliance claims to Rainforest Alliance for review and approval prior to use, including" a) On-product use of the FSC label/RAC seal;	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>



b) Promotional (off-product) claims that include the FSC trademarks ("Forest Stewardship Council", "FSC", checkmark tree logo) and/or the Rainforest Alliance trademarks (names and seal)(50-001, 1.1.6).	
<b>Findings:</b> The updated PSFM operations manual (section 5.3.8 Use of FSC/RA Trademarks) now requires trademarks to be communicated to and approved by Rainforest Alliance prior to use.	
COC 5.3: FME shall have procedures in place and demonstrates that all trademark review and approval correspondence with Rainforest Alliance is kept on file for a minimum of 5 years:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Section 1.3.4 of the DOF Group Certification Operations Manual requires the keeping of records for a minimum of 5 years. Auditors requested a sample of documentation from the last 2 years and this was presented by the villagers, who were aware they have to keep all records. Section 5.3.6.3 CoC Tracking and Documentation, point 4 also says all the documents shall be well-maintained and stored in the concerned offices for a minimum of 5 years for use as evidences in future internal and external audits. This is also repeated under section 6.6 Additional Guidelines for Use of FSC/RA Trademarks in the DOF Group Certification Operations Manual. A table shows exactly where each type of document shall be kept.	

<b>Off-product / Promotional</b>	
<input type="checkbox"/> Check if section not applicable (FME does not, and does not plan to use the FSC trademarks off-product or in promotional pieces)	
Note: promotional use items include advertisements, brochures, web pages, catalogues, press releases, tradeshow booths, stationary templates, corporate promotional items (e.g., t-shirts, cups, hats, gifts).	
When applicable to the FME's promotional/off-product use of the trademarks, the criteria below shall be met:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> There are no examples of such uses to review because there was no trademark use since the last audit.	
COC 5.4: If the FSC trademarks are used for promotion of FMUs, FME shall limit promotion to FMUs covered by the scope of the certificate.	
COC 5.5: In cases that the Rainforest Alliance trademarks are used (50-001, 6.2): The FSC trademarks shall not be at a disadvantage (e.g., smaller size); The FSC checkmark tree logo shall be included when the RAC seal is in place.	
COC 5.6: If the FSC "promotional panel" is used, the following elements shall be included: FSC checkmark logo, FSC trademark license code, FSC promotional statement, FSC web site address (50-001, 5.1). Note: the promotional panel is a prescribed layout with a border available to certificate holders on the FSC label generator site.	
COC 5.7: In cases that the FSC trademarks are used with the trademarks (logos, names, and identifying marks) of other forestry verification schemes (SFI, PEFC, etc.), Rainforest Alliance approval shall be in place (50-001, 7.2).	
COC 5.8: Use of the FSC trademarks in promotion of the FME's FSC certification shall not imply certain aspects are included which are outside the scope of the certificate (50-001, 1.9).	
COC 5.9: Use of the FSC trademarks on stationery templates (including letterhead, business cards, envelopes, invoices, paper pads) shall be approved by Rainforest Alliance to ensure correct usage (50-001, 7.3, 7.4 & 7.5).	
COC 5.10: In cases that the FSC trademarks are used as part of a product name, domain name, and/or FME name, R approval shall be in place (50-001, 1.13).	

<b>On-product</b>	
<input type="checkbox"/> Check if section not applicable (FME does not, and does not plan to apply FSC labels on product)	
COC 5.11: FME shall have a secure system in place for labeling products that ensures the following (50-00,1 1.19):	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

a) Only those products originating from forests covered by the scope of a valid FSC certificate are FSC-labeled; b) Only those products that meet the eligibility requirements per CoC standard requirements for FSC-labeling are FSC-labeled; c) Only the FSC 100% label is used.	
<b>Findings:</b> DOF group certification operations manual section 6.6 Additional Guidelines for Use of FSC/RA Trademarks prescribes several procedures that ensure conformant use of FSC/RA trademarks on-product or for promotional materials for the requirements above.	
When applicable to the FME's on-product labeling, the criteria below shall be met:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Section 5.3.7 Timber Sale and Removal of Sold Logs of the PSFM section 3. i. says "The FSC label on FSC materials shall be clearly visible and shall include the FSC-issued license code. FSC materials must not carry any other label, such as those pertaining to national certification or any other certification scheme."	
COC 5.12: The FSC trademark license code assigned by FSC shall be used in the FSC label (50-001, 1.5).	
COC 5.13: FME shall not use the FSC labels together with the logos or names of other forestry verification schemes (50-001, 2.6).	
COC 5.14: The FSC label shall be applied to products in such a way that it is clearly visible (50-001, 2.3).	

## APPENDIX IV: Group management conformance checklist *FSC-STD-30-005 v1-0* (confidential)

### Group Certification Division of Responsibilities

Type of Forest Management Group:	Type I group	
Forest Management Activity	Group Entity	Group Member
Forest management planning	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FMU monitoring activities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forest and resource inventory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Harvest planning	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Harvesting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Training of forest workers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal compliance (taxes, permitting, etc)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Timber Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marketing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FSC/RA trademark use (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Summary of division of responsibilities:</b> Group Entity Organization and Responsibilities prescribe the responsibilities allocation.		

### Quality System Requirements

<b>1.0 General Requirements</b>	
1.1 The Group entity shall be an independent legal entity or an individual acting as a legal entity.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings required if No:</b>	
1.2 The Group entity shall comply with relevant legal obligations, as registration and payment of applicable fees and taxes.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings required if No:</b>	
1.3 The Group entity shall have a written public policy of commitment to the FSC Principles and Criteria.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings required if No:</b>	
1.4 The Group entity shall define training needs and implement training activities and/or communication strategies relevant to the implementation of the applicable FSC standards.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> 6.2 Training and Extension of the DOF Group Certification Operations Manual prescribes trainings for DOF officers and employees, as well as for villagers. WWF for example organized a few weeks before this audit a training by PADETC for the villagers on pre-processing of rattan for value added.	
<b>2.0 Responsibilities</b>	
2.1 The Group entity shall clearly define and document the division of responsibilities between the Group entity and the Group members in relation to forest management activities (for example with respect to management planning, monitoring, harvesting, quality control, marketing, timber sale, etc).	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>NOTE:</b> The actual division of responsibilities may differ greatly between different group certification schemes. Responsibilities regarding compliance to the applicable Forest Stewardship Standard may be divided between the Group entity and Group members in order to take into account of a landscape approach.	

<b>Findings:</b> Section 2.7 Responsibilities of the Group Entity, and section 6.1 responsibilities of the group manager and group members of the DOF Group Certification Operations Manual clearly describe the responsibilities of each party.	
2.2 The Group entity shall appoint a management representative as having overall responsibility and authority for the Group entity's compliance with all applicable requirements of this standard.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> "Group Entity Organization and Responsibilities" designates Mr. Phomma as the overall responsible person for group management while Mr. Dalinh is responsible for the DOF's certificate. In practice, SUFORD-SU and WWF staff are also providing support for the management for DOF's certification.	
2.3 Group entity staff and Group members shall demonstrate knowledge of the Group's procedures and the applicable Forest Stewardship Standard.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The level of knowledge of staff around FSC is acceptable, considering the operation has not harvested timber in many years, and that there is no FSC sales, no FSC harvest since 2014. Interviews with villagers revealed that they understand the concept of sustainable management plan in their FMUs.	
<b>3.0 Group Entity Procedures</b>	
3.1 The Group entity shall establish, implement and maintain written procedures for Group membership covering all applicable requirements of this standard, according to scale and complexity of the group including:  Organizational structure; Responsibilities of the Group entity and the Group members including main activities to fulfill such responsibilities (i.e. Development of management plans, sales and marketing of FSC products, harvesting, planting, monitoring, etc); Rules regarding eligibility for membership to the Group; Rules regarding withdrawal/ suspension of members from the Group; Clear description of the process to fulfill any corrective action requests issued internally and by the certification body including timelines and implications if any of the corrective actions are not complied with; Documented procedures for the inclusion of new Group members; Complaints procedure for Group members.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The DOF presented its May 2016 version of the DOF Group Certification Operations Manual. The auditor found all elements of the requirement are covered in the DOF Manual: I. is covered under section 2.2 Organizational Structure of the DOF Group of FMUs II. Responsibilities of the Group entity are under section 2.7; Responsibilities of the group members are under section 6.1; III and IV. Covered under section 5.4.1 Acceptance of FMUs for Membership in the DOF Group of FMUs; V. Covered under sections 5.4.3 Conduct of Internal FMU Monitoring and Assessment and 5.4.4 Accreditation and Certification Procedures VI. Covered under section 5.4.1 Acceptance of FMUs for Membership in the DOF Group of FMUs; VII. Covered in section 3.5 Complaints and Dispute Resolution	
3.2 The Group entity's procedures shall be sufficient to establish an efficient internal control system ensuring that all members are fulfilling applicable requirements.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Procedures are sufficient. While staff are knowledgeable about them, they lack practice as there have been no harvest whatsoever for many years. This is not a non-conformance.	
3.3 The Group entity shall define the personnel responsible for each procedure together with the qualifications or training measures required for its implementation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The qualification and experience required for the personnel responsible for each procedure is well defined in the DOF's procedures.	
3.4 The Group entity or the certification body (upon request of Group entity and at the Group entities expense) shall evaluate every applicant for membership of the Group and ensure that there are no major nonconformances with applicable requirements of the Forest	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Stewardship Standard, and with any additional requirements for membership of the Group, prior to being granted membership of the Group.	
<b>NOTE: for applicants complying with SLIMF eligibility criteria for size, the initial evaluation may be done through a desk audit.</b>	
<b>Findings:</b> Section 2 of the DOF Group Certification Operations Manual covers the mechanism to assess an applicant for certified pool membership and this means that new potential members are evaluated before joining the group. The auditors sampled the two new rattan FMUs and found no evidence of major non-conformance on those sites.	
<b>4.0 Group Member Informed Consent</b>	
<p>4.1 The Group entity shall provide each Group member with documentation, or access to documentation, specifying the relevant terms and conditions of Group membership. The documentation shall include:</p> <ul style="list-style-type: none"> <li>Access to a copy of the applicable Forest Stewardship Standard;</li> <li>Explanation of the certification body's process;</li> <li>Explanation of the certification body's, and FSC's rights to access the Group members' forests and documentation for the purposes of evaluation and monitoring;</li> <li>Explanation of the certification body's, and FSC's requirements with respect to publication of information;</li> <li>Explanation of any obligations with respect to Group membership, such as: <ul style="list-style-type: none"> <li>a. maintenance of information for monitoring purposes;</li> <li>b. use of systems for tracking and tracing of forest products;</li> <li>c. requirement to conform with conditions or corrective action requests issued by the certification body and the group entity</li> <li>d. any special requirements for Group members related to marketing or sales of products within and outside of the certificate;</li> <li>e. other obligations of Group membership; and</li> <li>f. explanation of any costs associated with Group membership.</li> </ul> </li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The auditors founds that section 3.7.4 Securing Village Consent on Key PSFM Activities and Redressing Grievances of the DOF's Group Certification manual covers all these requirements. On site in the villages the auditors found the documentation was available.	
<p>4.2 A consent declaration or equivalent shall be available between the Group Entity and each Group member or the member's representative who voluntarily wishes to participate in the Group. The consent declaration shall:</p> <ul style="list-style-type: none"> <li>I. include a commitment to comply with all applicable certification requirements;</li> <li>II. acknowledge and agree to the obligations and responsibilities of the Group entity;</li> <li>III. acknowledge and agree to the obligations and responsibilities of Group membership;</li> <li>IV. agree to membership of the scheme, <i>and</i></li> <li>V. authorize the Group entity to be the primary contact for certification and to apply for certification on the member's behalf.</li> </ul> <p><b>NOTE: A consent declaration does not have to be an individual document. It can be part of a contract or any other document (e.g. meeting minutes) that specifies the agreed relationship between the Group member and the Group entity.</b></p>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Auditors found the documents signed by the village heads by which they agree to be part of the group, commit to sustainable forest management, acknowledge their rights and obligations, etc.	
<b>5.0 Group Records</b>	
5.1 The group entity shall maintain complete and up-to-date records covering all applicable	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<p>requirements of this standard. These shall include:</p> <p>List of names and contact details of Group members, together with dates of entering and leaving the Group scheme, reason for leaving, and the type of forest ownership per member;</p> <p>Any records of training provided to staff or Group members, relevant to the implementation of this standard or the applicable Forest Stewardship Standard;</p> <p>A map or supporting documentation describing or showing the location of the member's forest properties;</p> <p>Evidence of consent of all Group members;</p> <p>Documentation and records regarding recommended practices for forest management (i.e. silvicultural systems);</p> <p>Records demonstrating the implementation of any internal control or monitoring systems. Such records shall include records of internal inspections, non-compliances identified in such inspections, actions taken to correct any such non-compliance;</p> <p>Records of the estimated annual overall FSC production and annual FSC sales of the Group.</p> <p><b>NOTE: The amount of data that is maintained centrally by the Group entity may vary from case to case. In order to reduce costs of evaluation by the certification body, and subsequent monitoring by FSC, data should be stored centrally wherever possible.</b></p>	
<p><b>Findings:</b> Section 6.3 Group Databases and Records of the DOF Group Certification Operations Manual covers all the requirements of this Criterion. Auditors sampled training records, maps, evidence of consent documentation on forest management, monitoring and records of FSC production and sales (nil for this year), and found that those records and documents were readily available.</p>	
<p>5.2 Group records shall be retained for at least five (5) years.</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><b>Findings:</b> During the audit it was found that the group entity is well aware this requirement and group records are retained for a minimum of five years. This is covered in multiples places in both the DOF Group Certification Operations Manual and in the PSFM manual.</p>	
<p>5.3 Group entities shall not issue any kind of certificates or declarations to their group members that could be confused with FSC certificates.</p> <p><b>NOTE: Group member certificates may however be requested from Rainforest Alliance.</b></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><b>Findings:</b> During the audit, the auditors found no evidences that DOF has issued such group certificates or declarations to its group members. Section 2.7 Responsibilities of the Group Entity of the DOF Group Certification Operations Manual mentions "The Group Entity shall not issue sub-licenses for use of the FSC Logo or other FSC Trademarks".</p>	

## Group Features

<p><b>6.0 Group Size</b></p>	
<p>6.1 The Group entity shall have sufficient human and technical resources to manage and control the Group in line with the requirements of this standard.</p> <p><b>NOTE: The number of Group members, their individual size and the total area will influence the evaluation intensity applied by the certification body in their annual audits.</b></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><b>Findings:</b> Auditors found that the group entity, together with financial and technical support from SUFORD-SU and WWF, have capacity (adequate human and technical resources) to manage its group of 2 members.</p>	

6.2 The Group entity shall specify in their procedures the maximum number of members that can be supported by the management system and the human and technical capacities of the Group entity.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> As specified in the DOF's procedure, DOF identifies the maximum number of members of 100.	
<b>7.0 Multinational Groups</b>	
7.1 Group schemes shall only be applied to national groups which are covered by the same Forest Stewardship Standard.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
<b>Findings required if No:</b>	
7.2 The Group entity shall request formal approval by FSC IC through their accredited Certification Body to allow certification of such a group scheme.	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
<b>Findings required if No:</b>	

## Internal Monitoring

<b>8.0 Monitoring Requirements</b>	
8.1 The Group entity shall implement a documented monitoring and control system that includes at least the following: <ul style="list-style-type: none"> <li>I. Written description of the monitoring and control system;</li> <li>II. Regular (at least annual) monitoring visits to a sample of Group members to confirm continued compliance with all the requirements of the applicable Forest Stewardship Standard, and with any additional requirements for membership of the Group.</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The DOF Group Certification Operations Manual includes section 5.4.5 Annual Internal Audits.	
8.2 The Group entity shall define criteria to be monitored at each internal audit and according to the group characteristics, risk factors and local circumstances.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> Section 5.4.5 Annual Internal Audits of the DOF group certification manual prescribes: "The assessment shall be based on the FSC Principles and Criteria for Forest Stewardship. Assessment of all FSC Principles will be done for Accredited FMUs that have been recommended for membership in the Sub-Pool of Certified FMUs."	
8.3. The minimum sample to be visited annually for internal monitoring shall be determined as follows: <p><b>a) Type I Groups with mixed responsibilities (see FSC-STD-30-005 v-1 section D Terms and definitions)</b> Groups or sub-groups with mixed responsibilities shall apply a <i>minimum</i> sampling of <math>X = \sqrt{y}</math> for 'normal' FMUs and <math>X = 0.6 * \sqrt{y}</math> for FMUs &lt; 1,000 ha. Sampling shall be increased if HCVs are threatened or land tenure or use right disputes are pending within the group.</p> <p><b>b) Type II Resource Manager Groups (see FSC-STD-30-005 v-1 section D Terms and definitions)</b> Group entities who also operate as resource managers may define the required internal sampling intensity at their own discretion for the forest properties they are managing, independent of their size and ownership (the minimum numbers as defined above do not apply here).</p> <p><b>NOTE: for the purpose of sampling, FMUs &lt; 1,000 ha and managed by the same managerial body may be combined into a 'resource management unit' (RMU) according to the proposal made in FSC-STD-20-007 Annex 1.</b></p>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Findings:</b> The DOF Section 5.4.5 Annual Internal Audits of the DOF group certification manual prescribes "The number of Accredited FMUs that will be audited in a given year shall be computed to be at least 30% of	

the total number of Accredited PSFM FMUs and at least 30% of the total number of Accredited Village Forestry FMUs, provided that the total number of Accredited FMUs and Certified FMUs to be audited each year shall not be less than 50% of the total number of Accredited FMUs and Certified FMUs.” This goes beyond the minimal sampling prescribed by the standard for Type 1 groups.

**FSC-STD-30-005 recommendations for internal monitoring.**

8.4 For monitoring purposes the Group entity should use the same stratification into sets of ‘like’ FMUs as defined by the certification body in their evaluation.

8.5 The Group entity should visit different members in their annual monitoring than the ones selected for evaluation by the certification body, unless pending corrective actions, complaints or risk factors are requiring a revisit of the same units.

8.6 In the selection process of members to be visited, the Group entity should include random selection techniques.

**Comments:** DOF prescribes a mix of random and targeted selection techniques.

8.7 The Group entity shall issue corrective action requests to address non-compliances identified during their visits and monitor their implementation.

Yes ☒ No ☐

**Findings:** The internal audit procedure in the DOF manual prescribes the issuance of non-conformances corrective action requests by the DOF to members.

8.8 Additional monitoring visits shall be scheduled when potential problems arise or the Group entity receives information from stakeholders about alleged violations of the FSC requirements by Group members.

Yes ☐ No ☐  
NA ☒

**Findings:** There has been no such input from stakeholders during the audit period.

**Group Assessment Requirements: (Completed by RA Task Manager/Lead Auditor)**

Group member size restriction:	DOF's procedure prescribes that the maximum number of members allowed is 100. However the scope of this certificate is limited to NTFP – Rattan only. A scope expansion audit will be needed before any other group members managing other NTFPs or timber production can be included.
RA Certificate auditing strategy:	The DOF has systems, policies and procedures in place to expand to timber harvesting PFAs. However because there have been no timber harvesting in many years, auditors will need to pay attention to DOF's implementation and use of these systems and policies as they might lack practice in managing forest management altogether.



## APPENDIX IV-a: Certified Group Member/FMU List

**Total # members in the certified pool: 2**

**Total area in Current Pool (ha. or acres): 10948.9 ha**

**CERTIFIED FMU TABLE** *(list all FMU included in certificate scope)*

Name of Member/ Contact Details	Assigned Sub Code	Management Tenure	FMU Location (e.g. town, county)	FMU Latitude/ Longitude <sup>2</sup>	FMU area (ha)	Main Products
Provincial Forestry Section, Bolikhamxay Province	Xiengleu Village	State managed, Village co-managed	Bolikhan District, Bolikhamxay Province, Laos	N18.69333 E 104.02917	4,789.7	Rattan
Provincial Forestry Section, Bolikhamxay Province	Xiengxien Village	State managed, Village co-managed	Bolikhan District, Bolikhamxay Province, Laos	N18.71917 E103.99583	6,159.2	Rattan
<b>Total area in certified pool</b>					10948.9	

### Non-pool forestlands

**Total number of forestlands for which the candidate group manager has some management responsibilities or ownership: 51**

**Total area of that those forestlands represent (ha): 10948.9**

<sup>2</sup>The center point of a contiguous FMU or group of dispersed properties that together comprise a FMU in latitude and longitude decimal degrees with a maximum of 5 decimals.

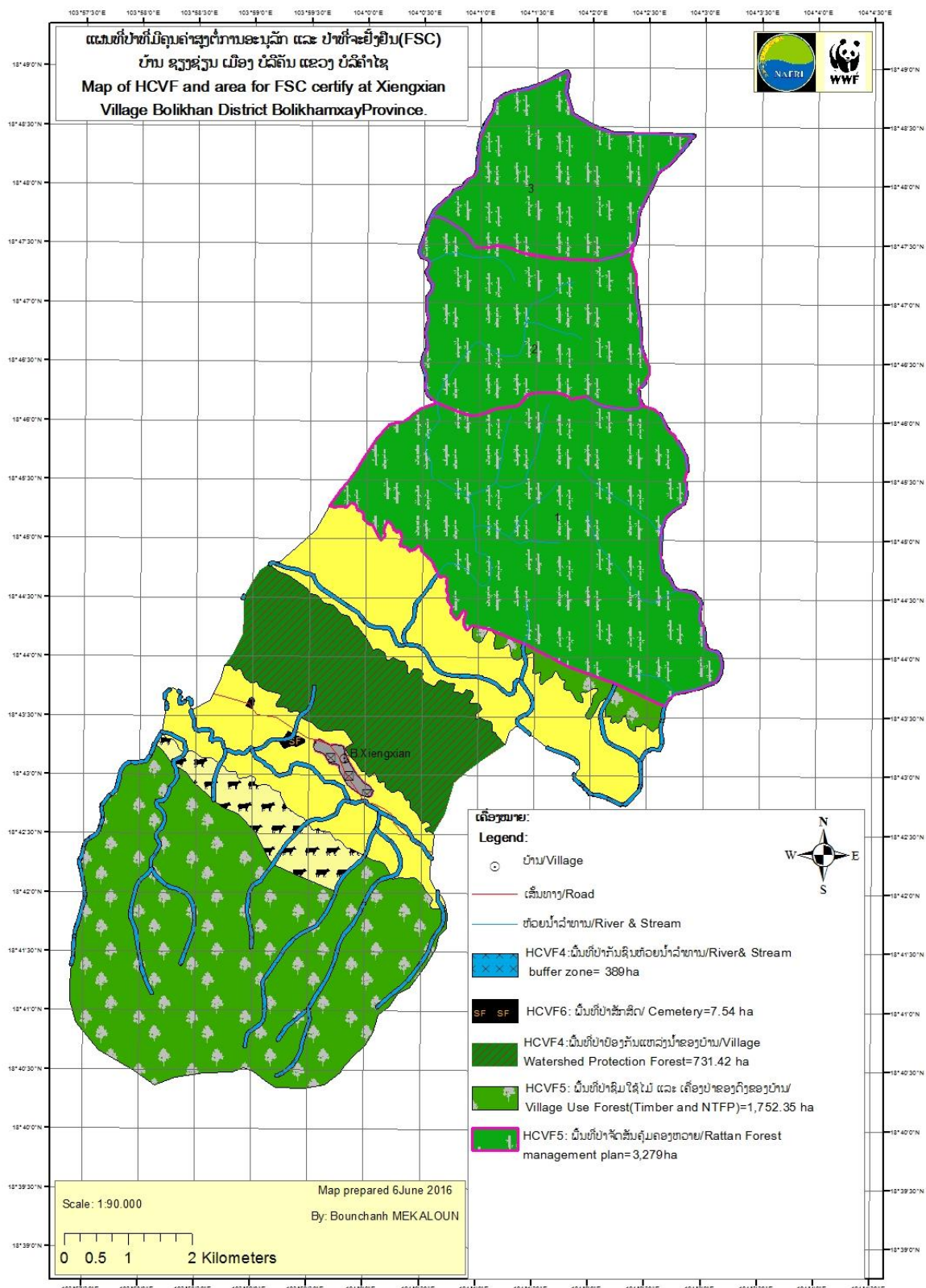
## APPENDIX V: List of all visited sites (confidential)

District	Compartment	Sub-Cmptmt	Area	Auditors	Type of site / short description of site
Bilikhan	Nakoun village cluster	Xiengxien village	Rattan management area (in the border of zone 3)	Alexandre Thoumthone	Visited the limit of the rattan management area, where the first sign of the area is located and identified with signage. This is the site where villagers plan to harvest rattan this year.
Bilikhan	Nakoun village cluster	Xiengleu village	Rattan warehouse	Alexandre Thoumthone	Xieng Leu is one of two target villages for rattan management area where DoF applies for FSC certification. Auditors visited the warehouse where rattan will be stored when harvest begins.
Bilikhan			Pasan Wood Processing factory	Alexandre Thoumthone	Timber factory. The owner of this factory imports timbers from Nam Mang Hydropower Dam construction area.

## **APPENDIX VI: Detailed list of stakeholders consulted (confidential)**

# APPENDIX IX: FME map

Map 1: Xiengxien Village Forestry FMU



Map 2: Xiengleu Village Forestry FMU

