



SGS QUALIFOR
(Associated Document)

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1 of 22

Approved by:

Gerrit Marais

FOREST MANAGEMENT
CONTROLLED WOOD CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project Nr:	9459-CD		
Client:	SIFORCO		
Web Page:	N/a		
Address:	Maluku – BP 8434 Kinshasa		
Country:	Democratic Republic of Congo		
Certificate Nr.	SGS-CW/FM-008062	Certificate Type:	Single FMU
Date of Issue	22 Sept 2010	Date of expiry:	21 Sept 2015
Forest Zone:	Tropical		
Total Certified Area	523340 ha		
Scope:	Forest Management for controlled wood of 523340 ha of tropical forests in the Equateur and Oriental provinces of Democratic Republic of Congo for the production of hardwood. Concession No 0002/CCE/DAFECN/1989 and 025/CAB/MIN/ECN-EF/04		
Evaluation Standard	SGS Standard for FSC Controlled Wood (AD54-B version 03): 15 May 2009		
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Evaluation dates:			
Main Evaluation	29 July to 04 August 2010		
Surveillance 1	27.07.2011 to 02.08.2011		
Surveillance 2			
Surveillance 3			
Surveillance 4			

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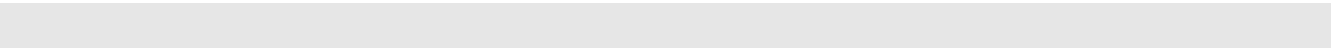


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ASSOCIATED DOCUMENTS (not part of the Public Summary)

AD 20:	Evaluation Itinerary
AD 21:	Attendance Record
	Evaluation team CV's

	List of stakeholders contacted
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Complaints and Disputes

Procedures for submitting complaints, appeals and disputes, and the SGS processing of such are published on www.sgs.com/forestry. This information is also available on request – refer contact details on the first page.

INTRODUCTION

The purpose of the evaluation was to evaluate the operations of SIFORCO against the requirements of the QUALIFOR Programme Controlled Wood Standard, as determined by the SGS Group's forest certification programme accredited by Forest Stewardship Council.

1. SCOPE OF CERTIFICATE

The scope of the certificate falls within the Tropical Forest Zone and includes 1 Forest Management Unit (FMU) as described below.

Description of FMUs:				
Name of the FMU(s)	Ownership	Area (ha)	Longitude E/W	Latitude N/S
Concession No 0002/CCE/DAFECN/1989 and 025/CAB/MIN/ECN-EF/04	STATE	523340	23deg 00min E	2 deg 45 min N

Size of FMUs:		
	Nr of FMUs	Area (ha)
SLIMF		
Less than 100ha		
100 to 1000 ha in area		
1001 to 10000 ha in area		
More than 10000 ha in area	1	523340
Total		

List of Timber and non-Timber Forest Products included in the scope		
Species (botanical name)	Species (common name)	Area (ha)
<i>Azelia bipindensis</i> Harms	Doussie	523340
<i>Albizia ferruginea</i> (Guill. & Perr.) Benth.	Yatanza	
<i>Autranella congolensis</i> (De Wild.) A.Chev.	Mukulungu	
<i>Canarium schweinfurthii</i> Engl.	Aiélé	
<i>Copaifera mildbraedii</i>	Etimóé	
<i>Diospyros crassiflora</i> Hiern	Ebene	
<i>Entandrophragma angolense</i> (Welw.) C. DC.	Tiami	
<i>Entandrophragma candollei</i> Harms	Kosipo	
<i>Entandrophragma cylindricum</i> (Sprague) Sprague	Sapelli	
<i>Entandrophragma utile</i> (Dawe & Sprague) Sprague	Sipo	
<i>Erythrophleum ivorense</i> A. Chev.	Tali	
<i>Gilbertiodendron dewevrei</i> (De Wild.) J. Leonard	Limbali	

List of Timber and non-Timber Forest Products included in the scope		
Species (botanical name)	Species (common name)	Area (ha)
<i>Gossweilerodendron balsamiferum</i> (Vermoesen) Harms	Tola	
<i>Guarea cedrata</i> (A. Chev.) Pellegr.	Bosse claire	
<i>Khaya anthotheca</i> (Welw.) C. DC.	Acajou	
<i>Lophira alata</i> Banks ex C. F. Gaertn.	Azobé	
<i>Lovoa trichilioides</i> Harms	Dibetou	
<i>Milicia excelsa</i> (Welw.) C. C. Berg	Iroko	
<i>Nauclea diderrichii</i> (De Wild.) Merr.	Bilinga	
<i>Oxystigma oxyphyllum</i>	Tchitola	
<i>Pterocarpus soyauxii</i> Taub.	Padouk	
<i>Ricinodendron heudelotii</i> (Baill.) Heckel	Essessang	
<i>Staudtia Kamerunensis</i>	Niové	
<i>Terminalia superba</i> Engl. & Diels	Frake	
Totals area of production		

List of Timber Product Categories	
Product	Notes
Round wood	All round wood is internally transferred as saw logs or veneer logs
Totals	

1. COMPANY BACKGROUND

1.1 Ownership

SIFORCO is a DanzerGroup company, 100% subsidiary of Danzer Congolese Timber AG. The major shareholder is Danzer Anlagen und Beteiligungsgesellschaft GmbH.

1.2 Forests not included in the scope of certification

SIFORCO has other forest concessions under its management that are not included in the scope of certification as SIFORCO is currently not harvesting in these forest concessions.

Name Concession permit	Area (ha)	Location / Country
K2 Bolombo- 007/CAB/MIN/ECNT95	292 486	Bolombo, DRC
K3 Bolobo- 018/CAB/MIN/AFF/EDT/00	160 000	Bolobo, DRC
K7 Mentole- 026/CAB/MIN/ECN-EF/05	249 050	Mentole, DRC
K7 Mentole- 027/CAB/MIN/ECN-EF/05	181 980	Mentole, DRC
K9 Bolila- 028/CAB/MIN/ECN-EF/04	114 180	Bolila, DRC
K9 Bolila- 029/CAB/MIN/ECN-EF/04	192 950	Bolila, DRC
K9 Bolila- 030/CAB/MIN/ECN-EF/04	213 740	Bolila, DRC

2. FOREST MANAGEMENT SYSTEM

The following documents were made available for the evaluation process:

- Stakeholder lists
- Company policies, procedures and work instructions

- ❑ Tax certificates
- ❑ Harvesting permits

2.1 Bio-physical setting

Geography:

The concessions are located within the Congo-Basin, along the Congo river, with a plain topography and small undulating areas which an altitude between 400 and 500 m.

Most of the area consists of the alluvium of the Congo river. The relief consists of a vast area of plains which altitude does not exceed 400 m.

Ecology:

The climate is equatorial, warm and humid, with a high rainfall of 1600 to 1700 mm/year in K8.

The climate is characterised by a dry season of about 3 months from mid-November until mid-February and a small dry season in July / August. Mid August until mid November has the highest rainfall (large wet season).

The most important forest type in K8, according to the Yangambi classification, is 'dense humid evergreen forests' of the 'guinea-congolaise region' and, along the rivers, closed forests under the principal influence of the soil: permanently inundated wetlands and periodically inundated wetland forest. A small part of the forest area consists of mono-dominant Limbali forest (*Gilbertiodendron dewevrei*).

Soils:

A predominant soil type is ferralitic, strongly desaturated and impoverished soil. Under a coarse litter, there is a low humus horizon, that is sandy. There is no accumulation horizon, but a gradual increase in the clay content in the profile itself.

Part of the soils are associated with alluvium and are often sandy white clay but the most important feature is the hydrology: soils that are subject to hydromorphic features but not permanently (Gley soils) or soil with partial hydromorphic features (soils with Gley at depth, pseudo-Gley soils with mottles and concretions).

Sandy soils are present associated with old and new terraces that originated from the Congo Basin rivers.

2.2 Planning process

Annual permits are obtained following the legal requirements.

It includes the results of the detailed forest harvest inventory (100% inventory of trees to be harvested and protected), annual allowable cut in volume and number of trees per species and harvest planning.

An annual operational plan is developed based on the detailed harvesting maps.

A forest management plan is in preparation: the socio-economic study is almost finalised and the forest and wildlife inventory is ongoing.

2.3 Harvest and regeneration

Silvicultural system and regeneration (Système sylvicole et régénération)

The silvicultural system used by SIFORCO is a selective logging system with a reconstitution of the forest based on growth of juvenile trees, advanced regeneration and natural regeneration. No silvicultural treatments (pruning or row thinning) are applied due to the complex structure of the natural forest composition and the fact that areas are left to recover and closed for a period of 25 to 30 years after harvesting.

Forest harvesting inventory (Inventaire d'exploitation)

A forest harvesting inventory takes place with a 100% sample of trees to be harvested, trees left due to poor quality and trees to be protected.

The inventory takes place as from a diameter corresponding with the minimum harvesting diameter and one or two diameter. Harvestable trees are measured, numbered on the base of the trunk and they are marked on maps that are calibrated through GPS points. The precise harvesting inventory provides the basis for the whole harvesting chain, the chain of custody and allows for application of Reduced Impact Logging.

The trunk volume and number of trees per species that are to be harvested, including only the trees of sufficient quality and excluding the trees that are to be protected, are used for the logging permits issued by the forest administration.

Road building and maintenance (Construction de routes et entretien)

Based on the forest map and satellite images, corrected by the annual harvesting inventory and the density of trees, a road network plan is compiled that minimizes impact on the environment. In particular, roads are positioned to follow the water divide, preventing passing too close to wetlands, rivers, sources, lakes and other sensitive areas. A road will only cross rivers or wetlands by a dike and bridges where other access is not possible.

The road planning team implements the road network plan in the field and corrects, wherever necessary, the theoretical location to adapt to the local conditions in the field.

Roads are constructed by bulldozers (CAT D6, D7) and adjacent trees are logged to allow drying by the sun. The legal maximum road width is complied with for main roads, while for secondary roads a smaller road width is being used. Roads are closed after use and regrowth takes place. Especially for secondary roads, after a few years, the difference with the remaining forest can only be distinguished by the tree species, due to presence of pioneer trees like *Musanga cecropioides* or *Macaranga spp.*

Road maintenance consists mainly of levelling by a grader and application of gravel layer. In order to obtain gravel, quarries are made at regular intervals alongside the roads, where such gravel is available.

Harvesting and transport (Exploitation et transport)

The trees marked on the harvest plan are harvested. After harvesting, the tree is left for a week or more in order for the foliage to assist with the drying of the wood. Thereafter, crosscutting takes place in the forest to remove the crown.

Skidding takes place in two phases or in one phase directly by the skidders. The small bulldozers (CAT D6) opens up the skid trail marked by the planning team with a cut line, that has been pre-planned according to a fish-bone layout and avoiding sensitive areas. The CAT D6 must free up the log and position it for the wheeled skidder. The wheeled skidder (CAT 530 or 545) extracts the logs to the landing. Often, skidding is done directly by the wheeled skidder. The landings are prepared along the road, at the entrance of the main skid trails, with a size that is adjusted according to the amount of volume to be taken out.

At the landing, logs are crosscut and where necessary unusable parts are removed.

Logs are loaded on trucks by a loader (CAT 56) and transported from the forest to the logyard ("beach", port) along at the Congo river (Engengelé). Logs are transported on the Congo river by barges (for heavy timber species) or by log rafts for floating timber species, to Maluku, the main industrial site of SIFORCO, situated 80 km north of Kinshasa.

In Maluku, the wood is transformed in the sawmill or prepared for export as logs. Lumber and logs for export are transported by truck to Matadi, the main port of DRC.

2.4 Monitoring processes

SIFORCO has a monitoring programme in place for forest harvesting activities, as well as social and environmental aspects.

The forest management unit is mainly responsible for monitoring of forest harvesting activities. Monitoring is being done by the forest manager, and by special teams for Monitoring "Suivi-évaluation". The following activities are being monitored:

- Harvesting inventory: precision in positioning of trees, diameter measurement, % of trees unintentionally left behind;
- Logging techniques and harvesting rate: systematic control of stump and log numbering, trees left for reason of quality; quality of application of Reduced Impact Logging techniques;
- Skid trail planning: sample control in the field, quality of planning and paint marking. GPS control still to be implemented.
- Skidding: sample control on quality of skid trail, impact of skidding. GPS control still to be implemented.
- Road construction: control on maximum road width, quality of road system;
- Forest landings: control of maximum size;
- Use of Safety equipment and waste collection;
- Post harvesting monitoring: possible waste, removal of temporary culverts.

In terms of Social aspects, amongst others, the following aspects are being monitored by the social unit of SIFORCO:

- Health and hospital, such as: the number of visits, main diseases that occur, birth control, child births, laboratory analyses done.
- Number of requests and disputes and the quality of resolving such disputes;
- Progress with the construction of social infrastructures;
- Number of meetings with the local communities
- Demography of the workers camp (and one time sampling census of the communities in the concession).

Monitoring takes place on a regular basis by the Danzer Group Environmental Coordinator in order to assess the correct implementation of good forest management.

2.5 Social aspects

A population census of the FMU is ongoing. The population up to date estimated is as follows:

- 250 employees and their family and a total of 6000 people living on the forest camp of "Kpengé";
- about 90.000 people living in the FMU, and 110.000 people with an influence on the FMU.

In the FMU rural areas, human settlements are mainly present along the public (administrative) roads. The nearby town of Bumba has about 200.000 inhabitants.

Three ethno-linguistic groups can be found in the FMU: the Kibudza in the west ("Province de l'Equateur"), the Kibati in the East (Province Orientale) and the Kibenza in the north ("Province Equateur et Orientale").

There are no indigenous people (Pygmées) in the FMU.

The rural population of the FMU is young with 54% of the population under 18 years old. Gender study shows a balance between genders with a disparity in rural areas in favour of women (26%) compared to men (21%).

Sources of revenues

The rural economy of the FMU is being studied in the socio-economic and social impact study that should be finalised by end 2011.

Forest activities: Direct employment induced by SIFORCO in the FMU and the main site along the Congo river represents 440 employees and their family.

Though, for example in the forest base "Kpengbé" where 250 employees and their families are living, the 6000 inhabitants directly or indirectly profit from the presence of SIFORCO.

The **agriculture sector** is one of the economic pillars of the region with as main crops manioc, maïs, rice, peanuts and plantain. Farming in the region is mainly done by women, while the men cut the trees in slash and burn agriculture.

Small village Palm-tree plantations from local farmers, who manually produce palm oil and sell it in the villages or in the cities of Bumba and Aketi.

Fishing is one of the most practiced traditional activities. It is concentrated along the rivers like Tshimbi, Kpengbé, Loéka, etc.

Hunting is the most practiced traditional activity in the region. It represents the an important source of animal proteins.

Animal breeding is limited and is essentially a man activity. It generally concerns stock breeding on smallholding (poultry, sheep and goats).

Despite this sector being in its infancy there are numerous **crafters** that can be found. The most dynamics one are the stone cutters, brick makers, basket makers, sculptors, furniture makers, tailors and charcoal makers.

The use of **Non-forest timber products (NTFP)** within the FMU is, as everywhere in the Congo basin, very numerous and diversified. Harvested products are use both for self-consumption and for trading in order to generate additional incomes.

Trading:

A number of private enterprises trade in the region but are mainly based in the nearby cities of Bumba and Aketi.

Retailing is informal and very prosperous in region and provides livelihood for thousands of people. Small retailers are very numerous across the department, even in the most remote areas.

2.6 Environmental aspects

Biodiversity in the FMU is linked to presence of natural forest. The FMU has a lower conservation value due to the high population pressure. Large and protected species such as elephant, chimpanzee, forest buffalo, panther, etc. have disappeared or are very rare in the FMU. In addition, the agricultural area is increasing due to a high human population.

The implementation of reduced impact logging techniques aims to mitigate the environmental impact, in addition the low harvesting intensity means that the area affected by harvesting is only about 5 to 10%. Most of the affected species can regenerate after harvesting.

3. CHANGES IN MANAGEMENT, HARVESTING, SILVICULTURE AND MONITORING

The following table shows significant changes that took place in the management, monitoring, harvesting and regeneration practices of the certificate holder over the certificate period.

Description of Change	Notes
SURVEILLANCE 1	
no changes	
SURVEILLANCE 2	
SURVEILLANCE 3	
SURVEILLANCE 4	

Description of Change	Notes

4. PREPARATION FOR THE EVALUATION

4.1 Schedule

The Evaluation was preceded by a pre-evaluation by SGS QUALIFOR during September 2009. This examined the management systems and identified any gaps that might preclude certification. Information gathered was used to plan the main evaluation. Key stakeholders were identified.

4.2 Team

The table below shows the team that conducted the main evaluation and the independent specialist(s) that were selected to review the main evaluation report before certification is considered.

Evaluation Team	Notes
Team Leader	Michal Brink is a Professor of Forest Science, has a PhD in forestry and an MBA, 28 years experience in forestry internationally, >200 days FSC auditing. Speaks English and Afrikaans.
Local Specialist	Florian Terriere has a Masters Degree in Forest Engineering, 8 years experience in forestry internationally – 7 of these years in the Congo basin.
Local Specialist	Francis Nkoumbele has a Masters Degree in Anthropology, 16 years experience in forestry and management of natural resources regionally.

4.3 Stakeholder notification and interviews

A wide range of stakeholders were contacted 4 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant forest management issues, These included environmental interest groups, local government agencies and forestry authorities, forest user groups, and workers' unions. Responses received and comments from interviews are recorded under paragraph 10 of this Public Summary.

Meetings or telephone interviews were held with stakeholders as determined by the responses to notification letters and SGS discretion as to key stakeholders that should be interviewed. These aimed to:

- clarify any issues raised and the company's responses to them;
- obtain additional information where necessary; and
- obtain the views of key stakeholders that did not respond to the written invitation sent out before the evaluation.

Nr of Stakeholders contacted	Nr of Interviews with		
	NGOs	Government	Other
MAIN EVALUATION			
49	1	2	41
SURVEILLANCE 1			

Nr of Stakeholders contacted	Nr of Interviews with		
	NGOs	Government	Other
133	14	1	9 (worker's union) 109 (meeting at village Yalisika)
SURVEILLANCE 2			
SURVEILLANCE 3			
SURVEILLANCE 4			

Responses received and comments from interviews are recorded under paragraph 10 of this Public Summary.

5. THE EVALUATION

The Main Evaluation was conducted in the steps outlined below.

5.1 Opening meeting

An opening meeting was held at Maluku sawmill. The scope of the evaluation was explained and schedules were determined. Record was kept of all persons that attended this meeting.

5.2 Document review

A review of the main forest management documentation was conducted to evaluate the adequacy of coverage of the QUALIFOR Programme requirements. This involved examination of policies, management plans, systems, procedures, instructions and controls.

5.3 Sampling and Evaluation Approach

	Mandays	Sampling Methodology and Rationale
Main Evaluation	19	<p>A pre-evaluation audit was done in September 2009.</p> <p>For the main assessment, the audit team consisted of a social specialist, a local forestry specialist and an FSC lead auditor/forestry specialist. The audit covered the concession area in Bumba.</p> <p>The audit included a sample of past and present harvesting activities of the concession area, as well as the living areas of workers. Furthermore elaborate stakeholder consultation was conducted with local communities and with workers.</p> <p>The team was mostly divided between visits to confirm the status of social issues, those pertaining to legal issues and, lastly, forestry and conservation issues were audited simultaneously.</p>

	Mandays	Sampling Methodology and Rationale
Surveillance 1	19	<p>For the first surveillance, the audit team consisted of a local social specialist, a local forestry specialist, and two international forestry and certification specialists (FSC lead auditors) one of them acting as team leader. The audit covered the concession area in Bumba and the main office in Maluku.</p> <p>The audit included document review, interviews with responsible staff of SIFORCO and employees and a sample of past and present harvesting activities of the concession area, as well as the living areas of workers.</p> <p>Visit sawmill at Maluku. Traceability was checked in details along the full value chain from the forest to sawmill.</p> <p>Stakeholder consultation was conducted with national and local NGOs and local communities and with workers delegates:</p> <ul style="list-style-type: none"> Interviews with representatives from forestry authorities, international and national NGOs in Kinshasa Interview with local NGOs (société civile) in Bumba Interview with worker's delegates at office Engengele <p>Meeting with local community (village of Yalisika / local social specialist).</p>
Surveillance 2		
Surveillance 3		
Surveillance 4		

The following FMUs were included in the sample used for the evaluation.

Name of FMU or Group Member	Main Evaluation	Surveillance 01	Surveillance 02	Surveillance 03	Surveillance 04
K8 Aketi (N° Garantie d'approvisionnement 002/CCE/DAFECN/1989)	X	X	X		
K8 Bumba (N° Garantie d'approvisionnement 025/CAB/MIN/ECN-EF/04)	X	X	X		

The field sites visited during the evaluation were as follows:

Site Name	Description	Ongoing	Completed	Other
MAIN EVALUATION				
Maluku sawmill site	Worker accommodation Tracing of logs back to their origin Meeting with trade Union	X		X
Blocks GG 50; GG55	Felling operations Skidding operations Protection of water bodies First aid and safety equipment	X		
Blocks DD55, FF55 and GG55	Tracing of logs back to their stumps of origin.		X	
Yabia	Checked old conversion areas from forest to subsistence agriculture		X	
Kpengbe	Stakeholder consultation Clinic			X

Site Name	Description	Ongoing	Completed	Other
	Workers camp			
Yapembe	Stakeholder consultation			X
Main office site- Engengele	Visit to village: Economat, clinic, worker's camp			X
Bopa	Stakeholder consultation			X
SURVEILLANCE 1				
K8 Bumba, AAC2011 bloc DD70	Ongoing harvest operation (logging, skidding, landings). Work safety, control of marking of stumps, interviews with personnel (loggers, log measurer, foreman).	+		
K8 Bumba AAC2011, bloc DD65	Control of skidding lines, protection of protected zones (wetland and riverbanks)		+	
K8 Aketi AAC2010, bloc K80	Slash-and-burn activities of local villagers from Bethlehem			+
K8 Aketi, bridge at Tshimbi river	Logs stocked for construction of bridges and dikes (stock of durable hardwood species)			+
Boom at Yabia (main access to K8)	Interview with guards, evaluation of records of entry and exit of vehicles "Suivi de mouvement véhicule / Barrière Yabia"			+
Office Kpengbe	Evaluation of harvesting documentation and traceability. Interviews with responsible manager for harvesting operations and manager of traceability	+		
Office Engengele	Evaluation of documents and records, interviews with HR manager and Director. Meeting with worker's delegates.			+
Villages in K8 Bumba	Meeting at Yalisika (evaluation of event in early Mai 2011) Visit of medical centre (finalization works) at Yanzela Visit Yabia : second building of a school under construction Yamuha : new school			+
Camp at Engengele	Worker's camp, interviews with chief of camp and 2 other persons			+
Medical centre at Engengele	clinic, interviews with head nurse and team members			+
SURVEILLANCE 2				
SURVEILLANCE 3				

Site Name	Description	Ongoing	Completed	Other
SURVEILLANCE 4				

5.4 Field assessments

Field assessments aimed to determine how closely activities in the field complied with documented management systems and QUALIFOR Programme requirements. Interviews with staff, operators and contractors were conducted to determine their familiarity with and their application of policies, procedures and practices that are relevant to their activities. A carefully selected sample of sites was visited to evaluate whether practices met the required performance levels.

5.5 Summing up and closing meeting

At the conclusion of the field evaluation, findings were presented to company management at a closing meeting. Any areas of non-conformance with the QUALIFOR Programme were raised as one of two types of Corrective Action Request (CAR):

- Major CARs - which must be addressed and re-assessed before certification can proceed
- Minor CARs - which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit

A record was kept of persons that attended this meeting.

6. CERTIFICATION DECISION

SGS considers that SIFORCO's forest management of SIFORCO's forests, DRC can be certified as:

- i. There are no outstanding Major Corrective Action Requests
- ii. No issues were exceptionally difficult to assess, as the company was well prepared for the audit. However, issues in the Congo basin are always complex. This was considered during the time allocation for the audit and the number of stakeholders consulted during the audit.
- iii. The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation;
- iv. The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

7. MAINTENANCE OF CERTIFICATION

During the surveillance evaluation, it is assessed if there is continuing compliance with the requirements of the Qualifor Programme. Any areas of non-conformance with the QUALIFOR Programme are raised as a Corrective Action Request (CARs) and for controlled wood evaluations, these will always be categorised as "Major". CARs must be closed out before certification can proceed and CARs raised during a surveillance evaluation will lead to immediate suspension of the certificate.

The full record of CARs raised over the certification period is listed under section 8 below.

The table below provides a progressive summary of findings for each surveillance. A complete record of observations demonstrating compliance or non-compliance with each criterion of the Forest

Stewardship Standard is contained in a separate document that does not form part of the public summary.

SURVEILLANCE 1	
Issues that were hard to assess	<p>The audit took place with good cooperation from the auditee. There is very little risk of other logs entering the chain, as this concession does not purchase wood from the outside and only sells to its own mill in Maluku.</p> <p>There were no issues that were hard to assess. An emphasis has been put on the incident at the village of Yalisika (occurred in early May 2011) and the role of SIFORCO during and after the event has been evaluated (see chapter 10 and the findings on the requirements 6.3-6.8 of the standard).</p>
Number of CARs raised	0 Outstanding CARs were closed.
Recommendation	<p>The forest management of the forests of SIFORCO to remain certified as:</p> <ul style="list-style-type: none"> ▪ The management system is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation; and ▪ The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.
SURVEILLANCE 2	
Issues that were hard to assess	
Number of CARs raised	
Recommendation	
SURVEILLANCE 3	
Issues that were hard to assess	
Number of CARs raised	
Recommendation	
SURVEILLANCE 4	
Issues that were hard to assess	
Number of CARs raised	
Recommendation	

8. RECORD OF CORRECTIVE ACTION REQUESTS (CARS)

CAR #	Indicator	CAR Detail					
01	2.2	Date Recorded>	04.08.2010	Due Date>	1 st surveillance	Date Closed>	26.08.2010
		Non-Conformance:					
		Records are not available to confirm that all stakeholders have been invited to participate in consultation with at least two weeks prior notice of such consultation.					
		Objective Evidence:					
		Records of meetings confirming the participation of stakeholders are available. Evidence during the audit showed that formal meetings, arranged ahead of time, take place at least two weeks prior to notification. Most meetings are held impromptu on request from communities and such meetings are not formally recorded. However, records of invitation of stakeholders to formal meetings were not on record. as this is done verbally. Procedures do not make reference to this requirement – CAR 01 is raised.					
		Close-out evidence:					
		Received adapted procedures from SIFORCO, as well as an instruction of compliance to all staff, signed by the Managing Director of SIFORCO.					
		CAR is closed					
		Close-out evidence:					
		Date Recorded>		Due Date>		Date Closed>	dd mmm yy
		Non-Conformance:					
		Objective Evidence:					
		Close-out evidence:					

9. RECORD OF OBSERVATIONS

OBS #	Indicator	Observation Detail			
		Date Recorded>	dd MMM yy	Date Closed>	dd MMM yy
		Observation:			
		Follow-up evidence:			

10. RECORD OF STAKEHOLDER COMMENTS AND INTERVIEWS

Nr	Comment	Response
Main Evaluation		
1	<p>Siforco's K8 zone is composed of logging permits GA 002/89 and GA 025/04. The latter is located in Equateur Province .</p> <p>SEDAF SPRL's K10 zone is composed of permit GA 002/98, located in Equateur Province.</p> <p>On 3 July 2010 the Governor of Equateur Province banned the removal of "all wood cut in Equateur Province ," with immediate effect. Could you please indicate whether this measure invalidates SGS Legality of Production statement SGS-TLTV/LP-VLC-0005?</p>	<p>Consultation with the Central Government in Kinshasa revealed the Arrete issued by the Governor, was done so illegally.</p> <p>Notwithstanding this, no logs have been exported from the province without the consent of the Governor.</p> <p>SIFORCO no longer harvests in K10 and this FMU is also being removed from the scope of their certificate.</p> <p>SIFORCO is compliant with legal requirements.</p>
2	<p>In February 2010, Siforco had a serious problem with the local population in the territory de Bumba, which led to the arrest of 15 village persons. The communicated reasons were that the village people wanted to renegotiate parts of the cahier de charge, during which the discussions heated more and more up. Please have a close look on what happened, what is the status, and how did Siforco deal with the problem. Is the problem resolved in a satisfactory way now?</p>	<p>This incident refers to the village Yamuha. During the audit the "Chef de Secteur" was interviewed, with other community members. The situation has been resolved amicably and the community does not have complaints at the present time.</p>
3	<p>Local organization ASADHO (Association Africaine des Droits de l'Homme en RD Congo) published recently a report pointing out violations of the rights of the workers employed with Siforco. While we can't judge how well funded the accusations are and how worrying compared to the general situation in the DRC, we believe it is necessary to address the accusations in the evaluation and get Siforco improve the accusations that are well funded.</p>	<p>A written answer by the workers representatives was given to the NGO, denying those allegations.</p> <p>Furthermore, no documented evidence could be found that substantiates any of the allegations in the report. SIFORCO is compliant.</p>
4	<p>Siforco had problems with a local organization (Voix des Sans Voix). It seems that the problem has been addressed recently and an agreement is about to be found, but it would also be interesting if the current situation and the development are looked at, how the conflict resolution processes of Siforco worked and if the conflict could be really resolved in a satisfactory way for both sides.</p>	<p>Although a court case was initially started by SIFORCO, but after negotiations, the court case has been withdrawn by SIFORCO and during the last meeting a settlement has been reached. The final details still need to be resolved.</p>
5	<p>There is a general lack of commitment by companies to transition from Controlled Wood to full FSC certification.</p>	<p>SIFORCO has already made a commitment to move towards full FSC certification and the relevant documentation in this regard was viewed by the audit team during the audit.</p>
6	<p>Stakeholders of the FSC process have expressed serious concerns that the implementation of the Controlled Wood standard is undermining the credibility of FSC overall. The Controlled Wood policy and standard is not working, due to poor performance of CBs, such as in the evaluation of risk and in the transparency of the process.</p>	<p>SGS has closely followed all requirements related to its accreditation requirements for controlled wood certification, including, but not limited to, stakeholder consultation on a broad scale - prior to the main assessment and during the audit process. SIFORCO conducted stakeholder consultation, as specified in the controlled wood standard, including requirements related to HCVF and consultation with local communities. Minor CAR 01 was raised related to consultation with local communities, where SIFORCO was not compliant to the requirements of the standard.</p> <p>Furthermore audit time and samples taken during the audit by the SGS audit team was based on the risk of non compliance by SIFORCO. SGS is compliant with regard to the questions raised.</p>
7	<p>"K8" is not a term used by the DRC government to designate Siforco's forest management units. We assume you are referring to GA 002/89 and to GA 025/04 (timber supply guarantees, garanties 'approvisionnement) but the surface areas you</p>	<p>It is correct that K8 is not the official term for the concession, and although local people know this term better than the official concession title of GA 002/89 and GA 025/04, it is acknowledged that these two concession titles should have been added to the stakeholder consultation process. SGS takes note of the</p>

Nr	Comment	Response
	indicate (431,697 ha and 523,340 ha, administrative data and GIS data respectively) do not correspond with the official surface areas (523,340 ha administrative data and 596,922 ha GIS) published for these titles by the DRC government in February 2009. Greater accuracy would have been appropriate.	recommendation where future consultation letters are distributed. The surfaces in the stakeholder consultation letter are in fact correct, as the table distinguishes between production area and conservation area. The deficit is made up by community land.
8	In September 2006 SGS awarded Siforco a TLTV legality of production certificate for the totality of the wood it markets. It was clear at that point in time that Siforco was trading timber from third party suppliers (eg. Sicobois) who were not in legal compliance.	Even though this issue is not directed to the present situation in SIFORCO and its compliance to the FSC CW standard in this audit, SGS is responding once again to clarify the situation. At the time of issuing the TLTV certificate, SIFORCO was compliant with the requirements of the standard – also regarding SICOBOIS supplies. On 17.12.2007, SGS responded to the particular stakeholder in detail, explaining the situation regarding the history of the non conformance of SICOBOIS: SGS issued a major CAR to SIFORCO on 12.07.2007. After correcting the problem by SIFORCO, the CAR was closed on 21.08.2007.
9	Siforco should wait until it signs a concession contract with the DRC Government. The recent legal review deemed 65 logging titles 'convertible' (including all of Siforco's) but companies whose titles were approved need to comply with a number of legal requirements before contract signature.	The forest code (LOI no 011/2002 of 29 August 2002) explains the implementation requirements to legally obtain a concession. The following Acts explain how the concession contract and the cahier de charges are to be developed. Arrete Ministeriel No 028/CAB/MIN/ECN-T/27/JEB/08, dated 27.02.2008, and Arrete Ministeriel No 023/CAB/MIN/ECN-T/27/JEB/10, dated 07.06.2010 Once the above two acts have been completed (no time frame has been set by law to complete this), the concessionaire has 4 years to complete the management plan. SIFORCO's titles were deemed convertible by the Government, and declared as such in 2009. They have thus embarked on the process described above. Currently, SIFORCO can only harvest, with approved logging permits, which have been obtained on an ongoing basis and to which SIFORCO is compliant.
Surveillance 1		
10	<p>All interviewed stakeholders, including members of the groupement (= community) of Yalisika, testified their knowledge about the background and the sequence of the incident at Yalisika (see also statements no 11-14).</p> <p>Two interviewed persons (a representative of a national NGO and a representative of the local network of NGOs) were on site several days after the violations of the night from 1st to 2nd May 2011. During these visits there has been evidence of violence and interviewed villagers testified that several villagers were beaten, women were raped, property was destroyed and one man died after maltreatment. The observer could observe a burnt house and a fresh grave.</p> <p>A representative of a local Women's Rights Organization (interview during meeting with Société Civile at Bumba) interviewed the rape victims. 3 women stated that they were not raped but beaten by army forces. The testimonies of the three other victims were contradictory.</p> <p>All interviewed stakeholders confirmed the official mission, assigned by the minister (MECNT) and composed by representatives of the administration (2), national NGOs (GENADEP and National Initiative FSC) and 2 representatives of Société civile (=local NGO network, the coordinator SOPALI and FN CLAT). The commission deposited its report on</p>	<p>The different statements from the interviews and available documentation on the incident have been evaluated:</p> <ul style="list-style-type: none"> • Report from the coordinator of SOPALI, Bumba (07.05.2008) • Report from the socio-environmental facilitator of SIFORCO (07.05.2011) • Written testimony by the chief of the Yalisika community from 08.05.2011 • Investigation report about the allegation of rape in the sector Mangbakpale of the sanitary zone of Yambuku (21/5/2011) by a delegation of 3 physicians (the chief physician of sanitary zone YAMBUKU, a physician from the hospital of BUMBA and the chief physician of sanitary zone YAMONGILI / medical consultant of SIFORCO) • Mission report by the commanding police officer (Inspection provinciale de l'Equateur – District Police Mongala – Commandement), dated May 04, 2011 • Minutes of meeting between territorial authorities (administration, justice of the peace), two representatives of Société civile, SIFORCO and representatives of the Yalisika community from 21.06.2011 <p>The different statements corresponded in main parts about the sequence of the incident before the violations happened. However, the testimonies on the violations remained contradictory, especially concerning rape victims. A delegation of</p>

Nr	Comment	Response
	13.6.2011 at the Minister's office.	<p>physicians came to the same conclusion in their report (interviews with rape victims and the personnel of the local medical center).</p> <p>The report from the commission, assigned by the Minister of MECNT was not yet published during the audit.</p> <p>The evaluation showed no evidence that SIFORCO has not respected the legal framework of the DRC. Furthermore the main parties of the disputes have resumed negotiations and the resolution process. The community of Yalisika confirmed during meeting on 31.7.2011 with the social specialist that the dialogue with SIFORCO remains open (see summary of meeting no 14 below).</p>
11	Representatives of a national NGO doubted that SIFORCO has exhausted all possibilities for a non-violent conflict resolution. They stated furthermore that it is well known that a call on police or army forces always resulted in violence, arbitrary arrests and human rights violations in the context of DRC.	The evaluation of the sequence of the event showed that SIFORCO had denoted an act of violence against his workers to the relevant political-administrative authorities whereupon the community of Yalisika did not accepted offers from authorities to negotiate a compromise agreement. The mission of the combined police and military forces was then ordered by the authorities. The acts of violence committed by the security forces could not in any way be influenced by the company.
12	SIFORCO has paid the combined police and military forces and has even transported the forces units to Yalisika.	The allegation of any payment could not be confirmed by any other statement or report. SIFORCO has effectively supported the transport of the combined police and military forces with a truck as their own vehicle broke down on the way to Yalisika. Representatives of local NGO confirmed that such a support is common in the local context (remote areas with poor road infrastructure, inadequate car fleet of authorities). This could be interpreted by the local population that the forces were sent by the concessionaires. SIFORCO stated that the company will supply transport in the future only if an official request is made.
13	Several stakeholders agreed that the delay in implementing the Cahiers de charge (between SIFORCO and local communities (commitments to invest in social infrastructures (schools, medical centres, roads) is the main cause of the conflict at Yalisika.	<p>Interviews with 8 representatives of the Société civile at BUMBA and all available information about the commitments and their implementation showed that SIFORCO respects the role of independent observers in the process and has significantly improved the collaboration since 2009. Interviews with the Construction Manager at SIFORCO and field visits show that the company has undertaken a great effort to catch up existing delay in the schedule since last audit. SIFORCO has enlarged the construction division from 5 employees to about 60 since 2010.</p> <ul style="list-style-type: none"> • completion of medical centre at Bongolu-Yanzeka, Mombwasa and schools at Bongolu-Yanzeka, Yamuha, Mombwasa • during the audit, the following buildings were under construction: schools at Libute, Yabia, Bopa, Bobinga, Bolende, medical centre at Yanzela
14	<p>Meeting of the social specialist with the community of Yalisika from 30 July 2011 (109 persons were present):</p> <p>The villagers acknowledged that they were misguided by the Chief of the sector (territorial unit above a groupement = community) during a feast in the neighbouring village who stated that SIFORCO would never come back to Yalisika for the realization of the Cahier de charges. In spite of the tragic event, the Director of SIFORCO has visited the local community on the 29th June 2011 with the offer to re-establish the dialogue with the local community (minutes of meeting have been presented by the local chief of the community in the presence of attendees). Despite the pending lawsuit filed against the local authorities at the court of appeal at Mbandaka, the "Notables" declared during the meeting that the dialogue with SIFORCO remains open. They also mentioned that as a sign of conciliation between the two parties, the inhabitants of Yalisika had offered at the closure of the meeting with SIFORCO a "mboli" which means</p>	The testimony about the statement of the Chief of sector could not be cross-checked by other statements during audit. Nevertheless, interviewed stakeholders from local NGOs confirmed that the conflict at Yalisika has probably been exploited by local political actors and the existence of a growing dispute between authorities at Territory, Sector and Community level.

Nr	Comment	Response
	'present' and is an ancient practice which has been returned by SIFORCO two days after the meeting.	
15	A comment, made by two different stakeholders from local NGO did not concern directly the event at Yalisika but expressed their wish that SGS should become involved in the training and sensitization of the local population on certification.	SGS is acting as independent certification body, accredited for FSC certification and mandated for third party audits by certificate applicants or holders. Stakeholder consultation is a part of FSC Controlled Wood certification. But the training of stakeholders, as e.g. local population does not make part of its activity.
16	A stakeholder raised the question if the FSC Controlled Wood standard could also be applied for smaller forestry operations by local actors (coupes artisanaux) as these are harvesting timber without concession.	The standard is applicable for any forestry enterprise, irrespective of the size of its operations. However, the requirements remain the same for all enterprises and small operations need to be fully compliant (e.g. legal permits, consultation with local population).
	Surveillance 2	
	Surveillance 3	
	Surveillance 4	

11. RECORD OF COMPLAINTS

Nr	Detail		
	Complaint:	Date Recorded >	dd MMM yy
	No complaints		
	Objective evidence obtained:		
	Close-out information:	Date Closed >	dd MMM yy

End of Public Summary