Forest Management
2007 Annual audit
Report for:

Khammouane Provincial Forest Section
in
Khammouane Province Laos

Certificate code:  SW-FM/COC-001711
Auditors:  Christian Sloth
Audit Dates:  03-05 December 2007
Report Finalized:  21 July 2008
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1. INTRODUCTION

The purpose of this report is to document annual audit conformance of the Khammouane Provincial Forestry Sections, hereafter referred to as Forest Management Enterprise (FME). The report presents the findings of SmartWood auditors who have evaluated company systems and performance against FSC forest management standards and policies. Section 2 of this report provides the audit conclusions and any necessary follow-up actions by the company through corrective action requests.

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

It has been decided to convert the two certificates of Khammouane and Savannakhet into one single certificate under a group certification scheme. The requirements for Group Certification has been implemented by the DOF and the SUFORD project (see below for details). However, the procedures required that a report was produced for each of the certificates until such time that a new certification agreement has been issued under one unit. This unit will be the Department of Forestry in Vientiane, who will be the holder of the Group Certificate.

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

1.1. Acronyms and abbreviations

DAFO  District Agriculture and Forestry Office
DFMU  District Forest Management Unit (of DAFO)
DDF  Dry dipterocarp forest (Pa khok)
DOF  Department of Forestry
FCGP  Forest Certification Group Policy
FMA  Forest Management Area (within a District), located within a PFA
FME  Forest Management Enterprise
FMU  Forest Management Unit (FSC term)
FOMACOP Forest Management and Conservation Project
FSC  Forest Stewardship Council
GVFO  Group of Village Forest Organizations. These organizations constitutes a group of VFOs that manages the FMAs
GMCU  Group Management and Certification Unit
HCVF  High Conservation Value Forest
ILO  International Labor Organization
MDF  Mixed deciduous forest or high forest (Pa dong: forest with high trees)
NTFP  Non-timber forest product
PAFO  Provincial Agriculture and Forestry Office
PFA  Production Forest Area
PFS  Provincial Forestry Section (of PAFO)
Sub-FMA Part of an FMA that constitutes the area under VFO management (FMU)
SUFORD Sustainable Forestry and Rural Development Project
VFA  Village Forestry Association consisting of 1 to 4 villages. This is the old designation which has now been changed to VFO
2. AUDIT FINDINGS AND RESULTS

2.1. Audit conclusion

Based on Company’s conformance with FSC and SmartWood requirements, the audit team makes the following recommendation:

- Certification requirements met, certificate maintenance recommended
  Upon acceptance of CAR(s) issued below

- Certification requirements not met:
  Conformance with Major CAR(s) required

Additional comments:

Issues identified as controversial or hard to evaluate.

2.2. Changes in the forest management of the FME

The following is a description of the changes in the definitions of forest management units from the time when the village forestry (a pilot system) was replaced in 2003 by the official system referred to as participatory, sustainable forest management (PSFM) based on Prime Minister’s decree (Decree 59/PM) and Ministry regulations (Regulation 0204/MAF).

At the time of forest certification assessment in 2003-2004
- The FMUs were village based (village forestry system), although some villages had sub-villages.
- Each village had a Village Forestry Association (VFA)
- The FMU was referred to as Village Forest Management Areas (VFMA)
- VFMA in the certified pool were as follows:
  
  Khammouane Group at Dong Phousoi Production Forest Area (PFA) (scope of certificate = 10,006 ha)
  - Kokthong VFMA 3,776 ha
  - Thamlay VFMA 1,272 ha
  - Thahat VFMA 856 ha
  - Some VFMA 1,886 ha
  - Kengpe VFMA 2,216 ha

At the time awarding of the certification in late 2005 and first annual audit in 2006
- New Government regulations (Decree 59/PM and Regulation 0204/MAF) caused the evolution of village forestry from a pilot system to an official system referred to as participatory, sustainable forest management (PSFM)
A PFA is divided along district lines into “forest management areas” or FMA. An FMA is divided along the lines of a cluster of villages known as sub-FMA. Thus VFMA were replaced with sub-FMAs. VFA in each village became referred to as VFO (or village forestry organization), with VFO chairpersons formed as members of GVFO (or group of VFO) with a GVFO for each sub-FMA. Village forest management agreements were replaced with sub-FMA management agreements.

The resulting effects on the certified pool were as follows:
Khammouane Group at Dong Phousoi Production Forest Area (PFA) (scope of certificate = 14,399 ha from 10,006 ha after the 5 VFMAAs were combined as one sub-FMA plus the forests in 2 other villages)

a. Som-Xokbo Sub-FMA (cluster of villages includes the original certified pool of villages: Kokthong, Thamlay, Thahat, Some, and Kengpe plus another two villages named Xokbo and Thakho)

At the time of the second year audit in 2007
- New Government regulations to promote village development and poverty reduction caused the clustering of villages into Groups for Village Development (GVD) and the re-definition of a sub-FMA as that part of a PFA that falls within a GVD.
- Sub-FMA management plans were updated based on the changes in the clustering of villages in a sub-FMA. Also sub-FMA management agreements were updated.
- The resulting effects on the certified pool are as follows:

Khammouane Group at Dong Phousoi Production Forest Area (PFA) (scope of certificate remains the same in terms of villages but the forest area was updated to 12,452 ha from 14,399 ha based on more accurate and updated information, i.e. 2007 SPOT imagery).

The sub-FMA in Khammouane province that is included in the scope of certification is as follows:

- GVD 7 Sub-FMA (earlier named Som-Xokbo Sub-FMA): 12,452 ha of natural forest.

In addition to these changes in the naming and composition of village groups this audit assessed the possibility for the two separate certificates held by Khammouane and Savannakhet to be combined to one single group certificate under the management of the Department of Forestry in Vientiane. The details of the Groups certification management and the procedures developed by SUFORD and DOF are found in Appendix VII.

2.3. Stakeholder issues

The only stakeholder issues identified during this annual audit were comments from the local communities that they would like to receive more money for their work. At the moment villagers are paid on a daily rate for forest work such as inventories and road preparation at a rate of about 25,000 kip/day. In addition the Village receives 70,000 kip/qm of the wood sold as well as 25 % of the net revenue from the sale of wood. These numbers seems to be reasonable, but the distribution of income is naturally something that is an important issue which should be reviewed during the coming audits.
2.4. Conformance with applicable corrective action requests

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

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

**CAR 02/03 Condition 2**  
Reference to Standard: 1.5

**Nonconformance**  
Information regarding harvested trees outside of VFA (currently named VFO) management is not fed back to forest managers when they select trees for harvesting. This leads to cases where more than one-two trees are felled in a hectare in a short period – in conflict with management plan rules.

Further, the assessor observed some instances of land conversion for agriculture that appeared to be within village areas designated for conservation or timber production. However, the process of auditing of conversion would be very difficult as village land-use maps are not geo-referenced.

The level of conversion and harvesting is not known by local communities. As part of the Village Forest Management Contract, VFAs are responsible for monitoring levels of unplanned or illegal harvesting/conversion. However, monitoring activities appear inconsistent in some areas and not implemented in others.

**Corrective Action Request:**
Throughout the certification period, VFAs shall monitor and document the harvesting of trees for home use, planned and unplanned forest conversion and all other harvesting of live and dead trees in their forest areas. Monitoring information should be integrated into commercial forestry activities – planning and harvesting.

**Timeline for conformance:** 2 years from the date of certification

**Evidence to close CAR:**
The following actions has been taken by the FME:
- Village rules have been documented covering harvesting of trees for home use, forest conversion, NTFP collection, hunting, etc.
- As part of his/her duty, each village chief (concurrently
VFO Chairperson) assisted by the VFO Secretary keeps records of requests by villagers concerning customary uses of the forest. Records of requests are kept in the VFO logbook, e.g. requests for cutting trees for village use, conversion for paddy, etc.

- The village rules on harvesting trees for home use in annual coupes generally include a provision for incorporating the data in the harvesting quota, as well as controlling by DFMU. This practice is also written in the SFMA management plan.
- Participatory monitoring of PSFM activities, including tree harvesting by villagers, is included in the PSFM monitoring system. Forms have been designed for monitoring purposes and these have been discussed with VFOs during a number of trainings conducted by DFMU with VFOs.

The Provincial PSFM Groups hold quarterly meetings; progress reporting of forest management activities is generally included as an item in the agenda.

<table>
<thead>
<tr>
<th>CAR 05/03</th>
<th>Reference to Standard: 3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition 5</td>
<td>Nonconformance: Sacred forests are included in the participatory village land use mapping procedure (VFH Activity 2.1.3) and identified as a component of conservation forests. However, no sacred areas were mentioned in the maps and FMPs of the villages surveyed. In one case, the villagers mentioned that the sacred area was part of the village protected area, although it was not specifically identified and marked on the map. In another case, the sacred area was located within the boundaries of production forest, although the villagers mentioned they did not use it for timber production. Most villagers did not see the fact that the sacred area was not marked on the maps as a major problem since they know where it is and they protect it anyway. In one case, however, VFA leaders mentioned that they wanted to increase the area of their sacred forest as a legacy to their children, and hoped to have it marked on the map after this change.</td>
</tr>
</tbody>
</table>

Corrective Action Request:
By the end of Year 2, each certified VFA shall have identified the location and boundaries of all sacred areas or areas of special spiritual or cultural importance to the community, based on consultations with the village population, and shall have marked these locations and boundaries on the village land-use maps.

<table>
<thead>
<tr>
<th>Timeline for conformance:</th>
<th>2 years from the date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence to close CAR:</td>
<td>This has been done by villagers. Boundaries of sacred forests have been set many years ago as part of village history and are therefore well known to the villagers; hence, there is no need for any consultation as to their location. The sacred</td>
</tr>
</tbody>
</table>
forests are used for cremation or burial or other forms of spirit worship and are located close to the village. The location is included in A4 maps that are annexed to the SFMA management plan; separate A0 maps of each SFMA are also available in each DFMU showing the location of HCVF 1 to 6.

CAR Status: CLOSED
Follow-up Actions (if app.):

<table>
<thead>
<tr>
<th>CAR 15/03</th>
<th>Reference to Standard: 5.6</th>
</tr>
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</table>

**Condition 15**

<table>
<thead>
<tr>
<th>Nonconformance</th>
<th>Major</th>
<th>Minor X</th>
</tr>
</thead>
</table>

In order to ensure that individual tree species are harvested in a sustainable manner, no more than 20% of the total volume or number of trees can be harvested during one year. However, this rule is not justified or based upon inventory information (i.e. stocking levels of marketable trees of commercial and nearly commercial size classes). In fact, management plans and annual harvest plans do not present any inventory or regeneration data by individual species. Thus, it is unclear that the 20% rule, on its own, is sufficient to ensure long-term viability of commercial species. This issue may become increasingly important if VFAs continue to have difficulty selling more than one-two species.

**Corrective Action Request:**
By the end of Year 2, the GCMU (group manager) and VFAs (Now VFOs) must be able to justify (with data) how current annual allowable cut estimates and tree selection rules sufficiently protect individual commercial species from over-harvesting. (Criterion 5.6)

**Timeline for conformance:** 2 years from the date of certification

**Evidence to close CAR:**
Each SFMA management plan shows how annual allowable cuts are estimated based on the principle of not exceeding stand growth increments, including tree selection rules with several provisions for ensuring that individual species are not over-harvested, e.g. a rule states that over a 15-year cutting cycle the maximum to be harvested in any species shall not exceed 40% of the total volume of large trees (DBH>50cm) of that species; another rule prohibits cutting a tree if it constitutes less than 1% by volume of the timber stand.

The tree selection rules have been discussed in a number of training courses involving provincial and district staff and applied in annual timber harvest planning. The resulting tree cutting list and map of trees to be cut are provided to the VFO tree marking teams.

Annual harvesting plans show the actual application of such tree selection rules and the results. PFS proposes a harvesting quota each year based on the SFMA annual harvesting plans.

It should be noted that other tree selection rules also help to ensure that individual tree species are not harvested.
unsustainably – including the need for 10 seed trees within one hectare of the felled tree.

<table>
<thead>
<tr>
<th>CAR Status:</th>
<th>CLOSED</th>
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</thead>
<tbody>
<tr>
<td>Follow-up Actions (if app.):</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CAR 18/03</th>
<th>Nonconformance</th>
<th>Reference to Standard: 7.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition 18</td>
<td>Major</td>
<td>Minor X</td>
</tr>
</tbody>
</table>

**Corrective Action Request:**

By the end of Year 2, the Annual Village Forestry Operations Plan should provide specific information on tree species identified during inventories and the likely commercial tree species to be sold by VFAs. Further, these need to be included in the revised 10 year Village Forest Management Plan.

**Timeline for conformance:** 2 years from the date of certification

**Evidence to close CAR:** This has been included in the revised sub-FMA management plans and current sub-FMA annual operations plans (see sample sub-FMA annual operations plan in Exhibits. A copy of revised SFMA management plans (in Lao) is available in PFS, DFMU, and GVFO.

**CAR Status:** CLOSED

**Follow-up Actions (if app.):**

<table>
<thead>
<tr>
<th>CAR 22/03</th>
<th>Nonconformance</th>
<th>Reference to Standard: 8.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition 22</td>
<td>Major</td>
<td>Minor X</td>
</tr>
</tbody>
</table>
It appears that monitoring has not been implemented as stipulated in these documents. It is not clear to what extent adequate monitoring went on during FOMACOP, but since the end of that project, monitoring has been given relatively less emphasis than production and revenue generation, especially impact monitoring. This has been attributed to human resource constraints which mean that DAFOs have not been able to carry out post-harvest impact assessments, let alone suggest management responses to them and have not been able to assist or encourage VFAs to undertake the required monitoring.

There seems to be no reporting process for non-commercial wood extraction in MDF and DDF, nor any approved forest conversion to other use such as agriculture, house or road construction. Although budget line items in the annual plans of VFAs list monitoring and post-logging assessment, there was no data available to indicate that this is being undertaken.

Corrective Action Request:
By the end of Year 2, systematic monitoring and record keeping in line with existing procedures (VFH, FCGP, legislation) which links management levels from VFA, DAFO, PAFO and GMCU will have been re-instituted.

**Timeline for conformance:** 2 years from the date of certification

**Evidence to close CAR:**

- The PSFM monitoring system consolidates the monitoring procedures being practiced in all PFA PSFM operations. Components of the PSFM monitoring system have been implemented as part of SUFORD implementation, although the consolidated monitoring system has only been released recently.

- The regular reporting system provides for reporting of all kinds of forestry activities and events by DFMU to PFS to DOF.

- The Provincial PSFM Groups are operational in all provinces where PSFM is being implemented. The Groups conduct meetings every 2-3 months which include as an item in the agenda the progress of on-going PSFM activities and results of completed PSFM activities.

**CAR Status:** CLOSED

**Follow-up Actions (if app.):**

### Condition 25

<table>
<thead>
<tr>
<th>Nonconformance</th>
<th>Reference to Standard: 8.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major</td>
<td>Apart from the post-harvest inventory/evaluation (which is not being rigorously undertaken, if at all), there is no monitoring of biodiversity values. The VFH stipulates biodiversity monitoring and conservation (Activity 2.12.1) and that the utilisation of NTFPs should be controlled and monitored (Activity 2.11.2) but these do not appear to be practiced.</td>
</tr>
</tbody>
</table>
By the end of Year 2, the post-harvest assessment (VFH 2.10.1) will be undertaken by all VFAs.

<table>
<thead>
<tr>
<th>Timeline for conformance:</th>
<th>2 years from the date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence to close CAR:</td>
<td>No logging took place in the Khammouane certified area; hence, post-harvest assessment could not be done. However, post-harvest assessment for 2008 harvested areas will take place as provided for in the SUFORD Annual Work Plan for 2007-2008.</td>
</tr>
<tr>
<td>CAR Status:</td>
<td>CLOSED</td>
</tr>
<tr>
<td>Follow-up Actions (if app.):</td>
<td>Auditors should continue to monitor this on an annual basis and report on progress.</td>
</tr>
</tbody>
</table>

CAR 30/03
Condition 30

<table>
<thead>
<tr>
<th>Reference to Standard: 8.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonconformance</td>
</tr>
<tr>
<td>Major</td>
</tr>
<tr>
<td>Neither SFMG nor the GCMU are systematically collecting and summarising their monitoring data, even the little which is being collected. This is probably as a result of human resource constraints and a general lack of capacity.</td>
</tr>
</tbody>
</table>

Corrective Action Request:
By the end of Year 2, the GCMU will have instituted the annual publication of monitoring data by Sub-FMA. It may be appropriate to combine this monitoring data into a single summary document together with an explanation of the management plans. Alternatively a stand-alone document should be prepared and be available to the public.

<table>
<thead>
<tr>
<th>Timeline for conformance:</th>
<th>2 years from the date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence to close CAR:</td>
<td>PFS’ conducts monitoring of forest management at sub-FMA level primarily for the purposes of evaluating the following: (1) progress, (2) compliance with minimum PSFM performance standards or certification standards in the case of certified areas, and (3) socio-economic and environmental impacts of PSFM implementation. Monitoring to supply the public with raw monitoring data is only secondary. Thus in publishing or reporting monitoring data, PFS prefers to produce specific documents concerning progress or indicators of forest management work, or outcomes of impact analyses, rather than publishing a single document containing raw monitoring data. Regarding progress monitoring, instead of reporting a compilation of raw progress monitoring data, annual reports are produced by the districts about the progress of forest management in sub-FMAs, which are then compiled and used by PFS to produce annual reports of forest management in all sub-FMAs in the province. Regarding compliance monitoring, the monitoring data are available as indicators or evidences of compliance during certification audits in the case of certified sub-FMAs and...</td>
</tr>
</tbody>
</table>
during DOF/PFS internal assessment which will be done in the coming dry season in non-certified sub-FMAs. Examples include sub-FMA boundary data which are used and reported in sub-FMA maps, forest inventory data which are used and reported in sub-FMA management plans, timber harvesting and sales data which are compiled by sub-FMA and reported to stakeholders including the district, villages, and the certifier.

Regarding impact monitoring, baseline monitoring data is kept until they are used in impact monitoring, the results of which are published and publicly available, rather than publishing them as raw baseline monitoring data. For example concerning forest condition, permanent sample plots (PSP) have been established in 400 sites (plots) all over the PFA including the certified sub-FMAs. These PSP have been re-measured, the baseline and re-measurement data analyzed, and the results reported in a stand-alone document on forest growth and mortality. In addition baseline socio-economic data concerning villages in the sub-FMAs like population, ethnicity, religion, wealth ranking, poverty condition, and access to health, education, water supply, and other services are reported in village development plans and in sub-FMA management plans and also will be used by the government and donors in evaluating the socio-economic impacts of projects (e.g. SUFORD).

Different raw monitoring data are not being combined and reported in a single document on annual basis by PFS, because it is more appropriate to report them as stand-alone documents for specific purposes, which are available at the most appropriate time (the preferred alternative). Reports that have been prepared are publicly available and distributed to all stakeholders concerned; e.g. sub-FMA development plans are available at DOF, PFS, DFMU, and GVFO offices and their public summaries have been distributed to all VFOs for their own reference and for posting in village bulletin boards.

| CAR Status: | CLOSED |
| Follow-up Actions (if app.): | |

<table>
<thead>
<tr>
<th>CAR 34/03 Condition 34</th>
<th>Reference to Standard: 9.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonconformance</td>
<td></td>
</tr>
<tr>
<td>Major</td>
<td>Minor X</td>
</tr>
<tr>
<td>No HCVF assessment has been undertaken (refer P&amp;C 9.1) and the monitoring requirements are unknown at the current time. Measures to monitor biodiversity, NTFPs, hunting etc have been instigated (VFH Activities 2.11.2; 2.12.5) but are not currently undertaken effectively. Once adapted and implemented, these may contribute to effective implementation of the HCVF monitoring requirements, but additional elements at the landscape level will be required.</td>
<td></td>
</tr>
</tbody>
</table>
Corrective Action Request:
By the end of Year 2, a system for monitoring the maintenance of HCVF values is incorporated into the GCMU’s planning, monitoring and reporting procedures.

<table>
<thead>
<tr>
<th>Timeline for conformance:</th>
<th>2 years from the date of certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence to close CAR:</td>
<td>The PSFM monitoring system has been created as the standard for all provinces where PSFM is being applied in PFAs, including Khammouane. Indicators of HCVs are monitored by VFOs, e.g. hunting of wildlife (HCV1); forest conversion as indicator of any further fragmentation of landscape forests (HCV2) or endangered ecosystems (HCV3, lowland forests); decline or increase in (HCV5) NTFP collection.</td>
</tr>
<tr>
<td>CAR Status:</td>
<td>CLOSED</td>
</tr>
<tr>
<td>Follow-up Actions (if app.):</td>
<td></td>
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</tbody>
</table>

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

No new CARs were issued, but CAR 01/07 issued during the CAR verification Audit in August 2007 is still pending.

2.6. Audit observations

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

<table>
<thead>
<tr>
<th>OBS 01/07</th>
<th>Reference Standard &amp; Requirement:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illegal logging has been occurring to a limited extend.</td>
<td></td>
</tr>
<tr>
<td>Observation: It was the opinion of the auditor that the FME should increase it’s focus on dealing with this issue.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OBS 02/07</th>
<th>Reference Standard &amp; Requirement:</th>
</tr>
</thead>
<tbody>
<tr>
<td>So far the audits have not included observation of actual harvest activities. It was found that there is a need for SW auditors to observe harvest operations in the field.</td>
<td></td>
</tr>
<tr>
<td>Observation: Company should prepare for having the 2008 audit carried out at a time that will allow for the SW auditors to observe harvest operations.</td>
<td></td>
</tr>
</tbody>
</table>

3. AUDIT PROCESS

3.1. Auditors and qualifications:

Christian Sloth, Forester
Christian Sloth is regional Operations Coordinator of the SmartWood office in Jakarta, Indonesia. He has a Masters Degree in forest science and land use in developing countries as well as a
Masters Degree in agro-forestry and tropical forestry. Before joining SmartWood in 2006 Christian worked for two years in Vietnam for the United Nations Food and Agriculture Organization as a forestry specialist. He has also worked as a technical advisor for the Cambodian Development Resource Institute, undertaking research on forest valuation and management.

3.2. Audit schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Location /Main sites</th>
<th>Principal Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>03 Dec 07</td>
<td>Travel from Vientiane to Savannakhet</td>
<td></td>
</tr>
<tr>
<td>03 Dec 07</td>
<td>Thaphi Village</td>
<td>Village meeting with Thaphi Village of Savannakhet Province.</td>
</tr>
<tr>
<td>03 Dec 07</td>
<td>Nathamou Village</td>
<td>Village meeting with Nathamou Village of Savannakhet</td>
</tr>
<tr>
<td>03 Dec 07</td>
<td>Travel to Savannakhet</td>
<td>Meeting with Savannakhet Provincial Forestry Section</td>
</tr>
<tr>
<td>04 Dec 07</td>
<td>Travel to Khammounane</td>
<td>Meeting with Khammouane Provincial Forestry Section</td>
</tr>
<tr>
<td>04 Dec 07</td>
<td>Travel to Vientiane</td>
<td></td>
</tr>
<tr>
<td>05 Dec 07</td>
<td>Vientiane</td>
<td>Meeting with Department of Forestry representatives</td>
</tr>
</tbody>
</table>

Total number of person days used for the audit: 2.5
= number of auditors participating 1 times total number of days spent for the audit 2.5

3.3. Sampling methodology:

The main focus of the current audit was to visit VFO’s and talk to VFO members in Savannakhet as there have been no harvest activities in Khammouane. Also the 2008 harvest season (April May) has not yet started, so little field activities could be observed. The villages visited during the 2008 audit was selected to visit villages that has not yet been included in previous audits and to visit areas that are expected to start logging and selling wood as FSC certified in the coming dry season logging activities which normally falls in the months of April and May.

Also it was sought to visit and hold discussions of the provincial and District Forest Offices from both Savannakhet and Khammouane Provinces as well as the Districts in which the certified FMUs are found.

3.4. Stakeholder consultation process

<table>
<thead>
<tr>
<th>Stakeholder type (i.e. NGO, government, local inhabitant etc.)</th>
<th>Stakeholders notified (#)</th>
<th>Stakeholders consulted or providing input (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Communities</td>
<td>63</td>
<td>63</td>
</tr>
</tbody>
</table>

3.5. Changes to Certification Standards