

**Forest Management and Stump-to-Forest Gate Chain of Custody
Compliance Certification Evaluation Report for the:**

**Hecheng Bamboo Forest
Under the
Management of**

JIANGXI NANFANG LINCHANG CO., LTD

**Conducted under the auspices of the SCS Forest Conservation Program
SCS is a Forest Stewardship Council Accredited Certification Body**

**CERTIFICATE NUMBER
SCS-FM/COC-000118N**

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Submitted to:

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Organization of the Report

This report of the results of our compliance evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the pre-evaluation process, the management programs and policies applied to the forest, and the results of the pre-evaluation. Section A will be posted on the SCS website (www.scsertified.com). Section B contains more detailed results and information for the use of Jiangxi Nanfang Linchang Co. Ltd..

FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Jiangxi Nanfang Linchang Co. Ltd. to conduct a compliance certification evaluation of its bamboo forest. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In 9-13 March 2009, an interdisciplinary team of forestry, natural resource and social specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 4-day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team assessed conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted. As there were major non-compliances resulting in Major Corrective Action Requests (CARs) being raised, documentation verification was required to reassess the corrective actions taken to close these Major CARs.

As detailed below, three pre-conditions (also known as Major Corrective Action Requests) that were stipulated by the audit team upon completion of the field audit were to be addressed by Jiangxi Nanfang Linchang Co. Ltd. and cleared by SCS prior to finalization of this report. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site (www.scscertified.com).

Section A- Public Summary and Background Information	5
1.0 GENERAL INFORMATION	5
1.1 FSC Data Request	5
1.2 Management Context	6
1.2.1 Environmental Context	9
1.2.2 Socioeconomic Context	10
1.3 Forest Management Enterprise	10
1.3.1 Land Use	10
TABLE 1	11
Distribution of the harvesting units within the FMU	11
1.3.2 Land Outside Scope of Certification	16
1.4 Management Plan	16
1.4.1 Management Objectives	16
1.4.2 Forest Composition	16
1.4.3 Silvicultural Systems	17
1.4.4 Management Systems	17
1.4.5 Monitoring System	18
1.4.6 Estimate of Maximum Sustainable Yield	18
1.4.7 Estimated, Current and Projected Production	18
2.0 Guidelines/Standards Employed	18
3.0 THE FULL EVALUATION ASSESSMENT PROCESS	18
3.1 Assessment Dates	18
3.2 Assessment Team	19
3.3 Assessment Process	23
3.3.1 Itinerary	23
3.3.2 Evaluation of Management System	24
3.3.3 Selection of FMU's to Evaluate	24
3.3.4 Sites Visited	24
3.3.5 Stakeholder Consultation	24
3.3.6 Other Assessment Techniques (only include if necessary and not needed for single SLIMF)	27
3.4 Total Time Spent on pre-evaluation audit	27
3.5 Process of Determining Conformance	27
4.0 Results of the Evaluation	29
Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C	30
4.2 Preconditions	32
5.0 Certification Decision	33
5.1 Certification Recommendation	33
5.2 Initial Corrective Action Requests	34
6.0 Surveillance Evaluations	38
7.0 Summary of SCS Complaint and appeal Investigation Procedures	38
1.0 Detailed Evaluation of Conformance	Error! Bookmark not defined.
1.1 Controversial Issues	Error! Bookmark not defined.

SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

1.0 GENERAL INFORMATION

1.1 FSC Data Request

Applicant entity	Jiangxi Nanfang Linchang Co. Ltd
Contact person	Mr. Wang Biao
Address	Jiangxi Nanfang Linchang Co. Ltd Jianshe Dong Road, Hecheng Town, Zixi County, Jiangxi, CHINA
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Certificate Type	Single FMU
Number of FMU's	One
Number of FMUs in scope that are	
less than 100 ha in area	0
100 - 1000 ha in area	0
1000 - 10 000 ha in area	One 2793 ha FMU consisting of 205 stands of 1 to 44 ha each in size. Total ha = 2793
more than 10 000 ha in area	0
Location of certified forest area	
Latitude	27° 28' to 27° 55'
Longitude	116° 46' to 117° 17'
Forest zone	
Total forest area in scope of certificate which is included in FMUs that:	
are less than 100 ha in area	0
are between 100 ha and 1000 ha in area	0
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	0
Total forest area in scope of certificate which is:	
privately managed ¹	2,792.9 ha ,(2752.9 ha with forest cover)
state managed	0
community managed ²	0
Number of forest workers (including contractors) working in forest within scope of certificate	14 permanent staff and 80 contract workers
Area of forest protected from commercial harvesting of timber and managed primarily for conservation objectives	57.1 ha
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	0

¹ The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.

² A community managed forest management unit is one in which the management and use of the forest and tree resources is controlled by local communities.

Area of forest classified as 'high conservation value forest'	Preliminary survey indicated the absence of HCVF attributes
List of high conservation values present ³	None.
Total area of production forest (i.e. forest from which timber may be harvested)	2,753 ha with bamboo/tree cover
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	0
Area of production forest regenerated primarily by replanting ⁴	18 ha for broadleaf and coniferous forest trees
Area of production forest regenerated primarily by natural regeneration	2,103.9 ha of bamboo forest 55.4 ha coniferous/broadleaf forest
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	Bamboo <i>Phyllostachys pubescens</i> , tree species Chinese fir (<i>Cunninghamia lanceolata</i>) and Pine (<i>Pinus massoniana</i>)
Approximate annual allowable cut (AAC) of commercial timber	1,012,300 poles or 482 poles per ha with a retention of a minimum 2,000 poles per ha
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	1.012 million bamboo poles per year
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Bamboo poles and timbers.

1.2 Management Context

Jiangxi Nanfang Linchang Co., Ltd had been approved by the government in 2004 to contract from the local commutes to harvest and reforest an area of 2,752.9 ha in 3 main geographical regions within the county of Zixi near the town of Hecheng in the Province of Jiangxi. These sites are dominated by bamboo covering 2,103.9 ha (76.42%), which had established themselves over many decades. Its main activity is the harvesting of bamboo, all of the monopodial species of *Phyllostachys pubescens* with small amount of other bamboo species. Small areas of forest with Chinese fir (*Cunninghamia lanceolata*) and Pine (*Pinus massoniana*) are also found within the forest management unit (FMU). Harvesting of bamboo was initiated in 2006. The *Forest Management Plan 2008 to 2012* states that the bamboo forest and the coniferous tree species will be managed for optimum growth and production.

³ High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at www.ProForest.net

⁴ The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

Management is divided into 3 forest management regions, 8 villages and 205 harvesting sites for silvicultural works and harvesting purposes. A management programme for the 3 forest management regions is presented in the management plan. The plan also includes a programme for artificial regeneration of selected sites with forest tree species.

Harvesting of bamboo poles starts at age four but not exceeding seven years as this period is considered the optimum yield of the bamboo. Projected production of the bamboo is at 1,012,300 poles annually.

The principal regulations of greatest relevance to forest managers in the FMU are associated with the following statutes:

Pertinent Regulations at the National and Provincial Level:

- Forest Laws of the People's Republic of China (1984, revised in 1998)
- Desertification Prevention and Control Law of the People's Republic of China (2001)
- Water Law of the People's Republic of China (1998)
- Soil and Water Conservation Law of the People's Republic of China (1991)
- Law on Water Pollution Prevention and Control of the People's Republic of China (1984, revised in 1996)
- Land Management Law of the People's Republic of China (1999)
- Wildlife Conservation Law of the People's Republic of China (1988)
- Seed Law of the People's Republic of China (2000)
- Labor Law of People's Republic of China (1994)
- Worker's Union Law of the People's Republic of China (1992, revised in 2001)
- Property Right Law of the People's Republic of China (2007)
- Rural Land Contracting Law of the People's Republic of China (2003)
- Safe Production Law of the People's Republic of China (2002)
- Environment Impact Assessment Law of the People's Republic of China (2002)
- Environment and Natural Resources Protection Law of the People's Republic of China (2001)
- Animal Epidemic Prevention Law of the People's Republic of China (1997)
- Flood Control Law of the People's Republic of China (1997)
- Law on Imported and Exported Fauna and Flora Quarantine of the People's Republic of China (1991)
- Law on Hunting Gun and Bullet Management of the People's Republic of China (1993)
- Law on Promoting the Transfer of Science and Technological Achievements of the People's Republic of China (1996)

Regulations

- Regulations for the Implementation of the Forest Law of the People's Republic of China (1986, revised in 2000)
- Regulations on Nature Reserves of the People's Republic of China (1994)

- Regulations for the Implementation of Terrestrial Wildlife Conservation (1992)
- Regulations on Wild Flora Conservation of the People's Republic of China (1997)
- Regulations on Protecting New Plant Varieties of the People's Republic of China (1997)
- Regulations for the Implementation of the Soil and Water Conservation Law of the People's Republic of China (1993)
- Regulations on Converting Cropland to Forests of the People's Republic of China (2003)
- Regulations for the Implementation of the Land Management Law of the People's Republic of China (1999)
- Regulations on Forest Disease and Pest Control of the People's Republic of China (1989)
- Regulations on Forest Fire Prevention of the People's Republic of China (1988)
- Regulations on Seed Management of the People's Republic of China (1989)
- Regulations for the Implementation of the Law on the Imported and Exported Wild Fauna and Flora of the People's Republic of China (1996)
- Regulations on Flood Control of People's Republic of China (1998)

Administrative Regulations and Rules

- Measures for the Registration of Timber and Forest Land Tenure (2001)
- Measures for the Verification and Approval of the Occupation and Confiscation of Forest Land (2001)
- Measures for Dispute Settlement on Timber and Forest Land Tenure (1996)
- Measures for Nature Reserves of Forest and Wildlife Category (1985)
- Measures for the Natural Forest Protection Program (2006)
- Measures for Forest Harvest and Regeneration (1987)
- Measures for Forest Resources Files (1986)
- Interim Measures for Afforestation Quality Control (2003)
- Interim Regulations on Developing Annual Forest Harvest Quota (1985)
- Measures for Seed Quality (2007)
- Measures for Prompting the Use of Good Forest Breeds (1997)
- Measures for the Package and Label of Forest Seeds (2002)
- Measures for the Production and Management License of Forest Seeds (2002)
- Regulations on the Annual Verification System of Production and Management License of Forest Seeds (2003)
- Measures for the Quality Supervision of Tree Seedling of the State Forestry Administration of China (2002)
- Measures for Quarantine Approval of Introducing Exotic Species (1980)
- Measures for the Implementation of the Management and Supervision of the State-owned Forest Resources and Assets (Try out) (1996)
- Measures for the Implementation of the Regulations on Protecting New Plant Varieties of the People's Republic of China (1999)
- Regulations on the Quarantine, Approval and Supervision of Introducing Tree Seeds and Seedlings and other Propagating Materials (2003)

Note: All above-mentioned regulations or rules were released by State Forestry Administration or former Forestry Ministry.

Technical Codes and Guidelines

- List of Species and Countries Prohibited Trading Released by CITES Secretariat (2001)
- List of Wild Flora under Priority State Protection (First Group) (1999) (State Forestry Administration and Ministry of Agriculture)
- GB/T 18337.3-2001 Technical Codes for the Establishment of Public Benefits Forest (2001)
- Outlines for Developing and Implementing Forest Management Plan (2006) (State Forestry Administration)
- Guidelines for Sustainable Forest Management in China (2006) (State Forestry Administration)
- LY/T1646-2005 Codes for Forest Harvest Operations (2005)
- LY/T 1607-2003 Codes for the Design of Afforestation Operations (2003)
- LY/T 1706-2007 Technical Codes for Breeding Fast-growing and High-yielding Timber Forest (2007)
- GB/T 1690-2004 Technical Codes for Mountain (Sand) Closure (2004)
- LY/T 1690-2007 Technical Codes for the Improvement of Low-yielding Forest (2007)
- LY/T 1692-2007 Technical Codes for the Importance Evaluation of Genetically-modified Forest Plants and their Products (2007)

1.2.1 Environmental Context

The FMU is located within the Zixi County distributed within 3 regions and 8 villages of the county. It has a topographical variation from 100m to 800m with the highest site located on the south east of the county. The vegetation consisted originally mainly of subtropical broad leaf flora species. The area is now dominated by the monopodial bamboo species of *Phyllostachys pubescens* with a small amount of Gymnospermous and broadleaf tree species found within the same bamboo forest.

The FMU area consisted of 2,792.9 ha with 2,752.9 ha with forest cover. Of the latter 2,103.9 ha are covered by bamboo, 591.9 ha of broadleaf and coniferous forest and 57.1 ha protected forest. The non bamboo component is constituted by broadleaf, coniferous and mixed broadleaf coniferous forests.

The FMU has conducted an Environmental Impact Assessment of the bamboo forest to assess the biological resources, potential impacts and the social composition of the county. It has also elaborated on the mitigation measures required. The report indicates that the existing air and water qualities within the county to be good. Records obtained the area were within the national acceptable levels. Owing to the small size of each bamboo patch harvesting activities have not created serious environmental impacts.

The use of chemical pesticides is presently confined to pest control whenever the problem arises. The bamboo forest does not have weed problem. Fertilizer, mainly urea, is applied to promote bamboo growth through application into each bamboo stump thus avoiding leaching into the surrounding soil. All forms of hunting and poaching are prohibited within the forest on lease to the company.

There is a network of roads of around 77 km that is constructed and maintained by the company. These are essential for the transportation of the harvested bamboo poles to the collecting point.

1.2.2 Socioeconomic Context

The local communities have leased their land to the company for management and production of mainly bamboo poles. The lease is for 50 years and is monitored by the County Forestry Bureau. The landowners who are mainly farmers have through the years established themselves within and around the bamboo forests planting mainly agricultural crops. They are still permitted to conduct their traditional farming practices supplementing their incomes by being contractors of the company for bamboo poles harvesting and tending of the bamboo forest. From meetings with representatives of the communities they are generally happy with the present arrangement and have no specific grievances on the operation of the company.

1.3 Forest Management Enterprise

1.3.1 Land Use

The bamboo forest sites leased by the company are distributed in 3 main geographical regions of the county. The lease is through a rental system with annual payment per ha as specified in a contract supervised by the Forestry Agency. These are managed by 3 geographical units in 8 villages and divided into 205 harvesting units. The biggest region is in Ma Tou San with 4 villages, 112 harvesting units covering an area of 1,333.9 ha. The second region is Hecheng covering an area of 886 ha with 66 harvesting units in 2 villages. The smallest is Shi Jia with 2 villages, 27 harvesting units and only 533 ha. The distribution of the various units and area is shown in Table 1. The area of each unit varies from the smallest with 44.5 ha to only 1 ha in area. As mentioned above the bamboo forest dominates the area with smaller patches of coniferous and broadleaf forest types.

TABLE 1
Distribution of the harvesting units within the FMU

Geographical unit	Village	Area of each harvesting unit	Dominant Forest type
Hecheng	三江	22.3	Bamboo
Hecheng	三江	16.5	Bamboo
Hecheng	三江	19.1	Bamboo
Hecheng	三江	23.2	Bamboo
Hecheng	三江	19.4	Bamboo
Hecheng	三江	19.0	Bamboo
Hecheng	三江	19.2	Bamboo
Hecheng	三江	13.4	Bamboo
Hecheng	三江	19.2	Bamboo
Hecheng	三江	27.8	Coniferous
Hecheng	三江	5.8	Broadleaf
Hecheng	三江	8.8	Broadleaf
Hecheng	三江	2.4	Bamboo
Hecheng	三江	10.7	Coniferous
Hecheng	三江	18.0	Broadleaf
Hecheng	三江	19.5	Broadleaf
Hecheng	三江	13.8	Bamboo
Hecheng	三江	9.7	Coniferous
Hecheng	三江	18.9	Bamboo
Hecheng	三江	21.1	Bamboo
Hecheng	三江	24.8	Broadleaf
Hecheng	三江	23.6	Broadleaf
Hecheng	三江	14.7	Broadleaf
Hecheng	三江	0.5	Bamboo
Hecheng	云际	13.3	Bamboo
Hecheng	云际	11	Bamboo
Hecheng	云际	26	Bamboo
Hecheng	云际	6.1	Coniferous
Hecheng	云际	18.9	Bamboo
Hecheng	云际	9.3	Broadleaf
Hecheng	云际	10.6	Bamboo
Hecheng	云际	22.3	Bamboo
Hecheng	云际	5	Coniferous
Hecheng	云际	1	Broadleaf
Hecheng	云际	17.9	Bamboo
Hecheng	云际	14.2	Bamboo
Hecheng	云际	20.5	Bamboo

Hecheng	云际	3.7	Coniferous
Hecheng	云际	6	Bamboo
Hecheng	云际	7.1	Broadleaf
Hecheng	云际	15.5	Bamboo
Hecheng	云际	4.7	Broadleaf
Hecheng	云际	12.5	Bamboo
Hecheng	云际	6.2	Coniferous
Hecheng	云际	15	Bamboo
Hecheng	云际	21.4	Bamboo
Hecheng	云际	3.5	Coniferous
Hecheng	云际	1.9	Coniferous
Hecheng	云际	16.8	Bamboo
Hecheng	云际	6.5	Coniferous
Hecheng	云际	2.1	Coniferous
Hecheng	云际	4.5	Broadleaf
Hecheng	云际	16.4	Bamboo
Hecheng	云际	22	Bamboo
Hecheng	云际	1.3	Broadleaf
Hecheng	云际	6	Broadleaf
Hecheng	云际	22.4	Bamboo
Hecheng	云际	3	Bamboo
Hecheng	云际	1.3	Coniferous
Hecheng	云际	23	Bamboo
Hecheng	云际	26.2	Bamboo
Hecheng	云际	22.8	Bamboo
Hecheng	云际	17	Bamboo
Hecheng	云际	24.4	Bamboo
Hecheng	云际	2.7	Broadleaf
Hecheng	云际	2.6	Coniferous
Subtotal		886.0	
Shi Jia	际上	13.6	Bamboo
Shi Jia	际上	10.3	Bamboo
Shi Jia	际上	20	Bamboo
Shi Jia	际上	38.0	Bamboo
Shi Jia	际上	39.6	Bamboo
Shi Jia	际上	23.3	Bamboo
Shi Jia	际上	1.5	Broadleaf
Shi Jia	际上	34.7	Bamboo
Shi Jia	际上	25.9	Bamboo
Shi Jia	际上	20.3	Bamboo

Shi Jia	际上	25.8	Bamboo
Shi Jia	际上	29.2	Bamboo
Shi Jia	际上	17.3	Bamboo
Shi Jia	际上	1.8	Bamboo
Shi Jia	际上	27	Bamboo
Shi Jia	关刀山	11.8	Bamboo
Shi Jia	关刀山	17.5	Bamboo
Shi Jia	关刀山	19	Bamboo
Shi Jia	关刀山	28.3	Bamboo
Shi Jia	关刀山	3.7	Coniferous
Shi Jia	关刀山	11.7	Bamboo
Shi Jia	关刀山	27.2	Bamboo
Shi Jia	关刀山	24.6	Bamboo
Shi Jia	关刀山	24.5	Bamboo
Shi Jia	关刀山	14.5	Bamboo
Shi Jia	关刀山	13.6	Bamboo
Shi Jia	关刀山	8.3	Bamboo
Subtotal		533	
Matou san	里大源	21	Bamboo
Matou san	里大源	2.8	Coniferous
Matou san	里大源	26.5	Bamboo
Matou san	里大源	21.2	Bamboo
Matou san	里大源	18.9	Bamboo
Matou san	里大源	25.1	Bamboo
Matou san	里大源	3.9	Bamboo
Matou san	里大源	5.9	Coniferous
Matou san	里大源	5.8	Broadleaf
Matou san	里大源	17.6	Bamboo
Matou san	里大源	6.7	Coniferous
Matou san	里大源	23.8	Bamboo
Matou san	里大源	18	Bamboo
Matou san	里大源	21.2	Bamboo
Matou san	里大源	1	Coniferous
Matou san	里大源	10.4	Bamboo
Matou san	里大源	6.3	Broadleaf
Matou san	里大源	1	Bamboo
Matou san	里大源	1.5	Coniferous
Matou san	里大源	1.5	Broadleaf
Matou san	里大源	18	Bamboo
Matou san	里大源	17.7	Bamboo

Matou san	里大源	12.4	Bamboo
Matou san	里大源	13.5	Bamboo
Matou san	里大源	5.7	Coniferous
Matou san	里大源	2.8	Coniferous/Broadleaf Mix
Matou san	里大源	10.5	Coniferous
Matou san	里大源	7.4	Coniferous
Matou san	里大源	20.2	Bamboo
Matou san	里大源	10.4	Bamboo
Matou san	岳家岭	32.4	Bamboo
Matou san	岳家岭	16.8	Bamboo
Matou san	岳家岭	6.4	Broadleaf
Matou san	岳家岭	2.5	Coniferous
Matou san	岳家岭	4.2	Bamboo
Matou san	岳家岭	3.3	Bamboo
Matou san	岳家岭	4.5	Bamboo
Matou san	岳家岭	3.7	Coniferous
Matou san	岳家岭	3.0	Coniferous
Matou san	岳家岭	2.8	Bamboo
Matou san	岳家岭	4.9	Coniferous
Matou san	岳家岭	10.3	Bamboo
Matou san	岳家岭	17.5	Bamboo
Matou san	岳家岭	3.0	Bamboo
Matou san	岳家岭	1.9	Coniferous
Matou san	岳家岭	3.6	Broadleaf
Matou san	岳家岭	4.1	Bamboo
Matou san	岳家岭	13.2	Bamboo
Matou san	杨坊	23.6	Bamboo
Matou san	杨坊	24.5	Bamboo
Matou san	杨坊	32.5	Bamboo
Matou san	杨坊	36	Bamboo
Matou san	杨坊	16.3	Bamboo
Matou san	杨坊	23.6	Bamboo
Matou san	杨坊	25	Bamboo
Matou san	杨坊	22.8	Bamboo
Matou san	杨坊	23.9	Bamboo
Matou san	杨坊	30.5	Bamboo
Matou san	杨坊	4.8	Bamboo
Matou san	杨坊	13.1	Broadleaf
Matou san	杨坊	7.7	Bamboo
Matou san	杨坊	10	Broadleaf

Matou san	杨坊	12.3	Bamboo
Matou san	杨坊	10.6	Broadleaf
Matou san	杨坊	4.9	Bamboo
Matou san	杨坊	10.1	Broadleaf
Matou san	杨坊	12.6	Bamboo
Matou san	杨坊	6.2	Broadleaf
Matou san	杨坊	7.3	Bamboo
Matou san	杨坊	3.9	Bamboo
Matou san	杨坊	3.6	Broadleaf
Matou san	杨坊	6.4	Bamboo
Matou san	杨坊	1.6	Coniferous
Matou san	杨坊	6.3	Broadleaf
Matou san	斗垣	33.6	Broadleaf
Matou san	斗垣	1.8	Bamboo
Matou san	斗垣	37.5	Broadleaf
Matou san	斗垣	7.5	Bamboo
Matou san	斗垣	8.9	Coniferous
Matou san	斗垣	21.3	Bamboo
Matou san	斗垣	44.5	Bamboo
Matou san	斗垣	19.5	Bamboo
Matou san	斗垣	37.5	Broadleaf
Matou san	斗垣	4.1	Bamboo
Matou san	斗垣	1.4	Coniferous
Matou san	斗垣	12.1	Broadleaf
Matou san	斗垣	12.3	Bamboo
Matou san	斗垣	9.3	Broadleaf
Matou san	斗垣	2.6	Broadleaf
Matou san	斗垣	20.8	Bamboo
Matou san	斗垣	15.1	Broadleaf
Matou san	斗垣	12.6	Bamboo
Matou san	斗垣	4.7	Coniferous
Matou san	斗垣	7.7	Bamboo
Matou san	斗垣	8.6	Bamboo
Matou san	斗垣	1.1	Coniferous
Matou san	斗垣	5.7	Bamboo
Matou san	斗垣	3.8	Coniferous
Matou san	斗垣	5.4	Coniferous
Matou san	斗垣	11.6	Coniferous
Matou san	斗垣	4.7	Bamboo
Matou san	斗垣	11.3	Bamboo
Matou san	斗垣	8.6	Bamboo
Matou san	斗垣	3.0	Broadleaf

Matou san	斗垣	14.8	Broadleaf
Matou san	斗垣	5.5	Bamboo
Matou san	斗垣	5.7	Coniferous
Matou san	斗垣	2.4	Broadleaf
Matou san	斗垣	13.9	Coniferous
Matou san	斗垣	1.0	Bamboo
Matou san	斗垣	26.6	Broadleaf
Matou san	斗垣	8.5	Coniferous
Subtotal		1333.9	
Whole FMU	Grand total	2752.9	

1.3.2 Land Outside Scope of Certification

The FMU leased bamboo plots are all being placed under one management and are under the present forest certification preview. Owing to the scattered and sizes of these bamboo plots the FMU has worked with the County Forestry Agency on protected ecosystems outside the FMU. The FMU does not own other forest areas outside of the one seeking certification.

1.4 Management Plan

1.4.1 Management Objectives

The main objectives listed in the forest management plan are to:

- Increase productivity of the bamboo forest through proper management techniques
- Improve regeneration of selected tree species through planting
- Protect forest resources and ecological functions especially on sites with slopes above 35 degrees, along rivers and water catchment area.
- Enhance fire protection measures and pests and diseases control
- Ensure sufficient funding for all these activities

1.4.2 Forest Composition

The forest consisted mainly of bamboo covering an area of 76.42% of the total area with scattered trees among the bamboos. This bamboo forest is dominated by the monopodial bamboo species of *Phyllostachys pubescens*. Small patches of forest with Coniferous and broadleaf tree species are also present in the FMU. The first group consists mainly of Chinese fir (*Cunninghamia lanceolata*) and Pine (*Pinus massoniana*) which are of commercial importance. The first group consists mainly of Chinese fir (*Cunninghamia lanceolata*) and Pine (*Pinus massoniana*) while broadleaf species are *Choerospondias*

axillaris, Elaeocarpus deciplens, Elaeocarpus sylvestris, Mallotus philippinensis, Sapium sebiferum, Castanopsis carlesii, Castanopsis eyrie, Castanopsis fabri, Castanopsis fargesii, Castanopsis fordii, Castanopsis jucunda, Castanopsis nigrescens, Castanopsis sclerophylla, Castanopsis tibetana, Cyclobalanopsis glanuca, Cyclobalanopsis gracilis, Cyclobalanopsis jenseniana, Cyclobalanopsis nubium, Cyclobalanopsis stewardiana, Fagus longipetiolata and Lithocarpus cleistocarpus.

1.4.3 Silvicultural Systems

The forest area is presently managed to optimize production of the monopodial bamboo species of *Phyllostachys pubescens*. Eventually as indicated in the Forest Management Plan harvesting will also be carried out on the small amount of Chinese fir (*Cunninghamia lanceolata*) and Pine (*Pinus massoniana*) within the forest. Artificial regeneration by seedlings will also be implemented to supplement the available natural regenerated trees.

1.4.4 Management Systems

It was estimated in the *Forest Management Plan 2008 to 2012* that there are 4,546,500 poles of *Phyllostachys pubescens* and other bamboo species in the FMU. The bamboo species is harvested at the age of 4 years but not exceeding 7 years for optimum yield. Following harvesting natural regeneration is practiced with culling of the bamboo shoots produced to ensure optimum growth of the retained shoots. Annual harvest is projected at 1,012,300 poles or 482 poles per ha with a retention of a minimum 2,000 poles per ha as source of bamboo shoots for natural regeneration. With proper management system the bamboo forest is expected to produce 900 shoots per ha and 485 poles per ha in a year. This is projected that annually there will be 1,031,700 poles produced in the FMU.

The FMU has not embarked on harvesting of the tree species on a commercial scale. The management plan has also indicated that there is 2,912 m³ of hardwood consisting of young, middle and mature aged forests with only a small amount is at the mature stage.

1.4.5 Monitoring System

The monitoring system is developed in line with the National Forestry Act with an integrated and preventive approach. Growth data of each species is documented within the area. There are written guidelines on monitoring in *FSC-FM-038 Forest Monitoring & Evaluation Plan* and *FSC-FM-024 Chain of Custody Management*. These guidelines were written in preparation of the certification assessment and data from periodic monitoring were not presented. Growth data projected for bamboo and tree species were presented in the Forest Management Plan.

There is also a defined system of monitoring the transportation of bamboo poles from the harvesting sites to the mill. The bamboo poles are harvested from designated plots by the harvesting contractors and loaded onto trucks. A docket slip recording the number of bamboo poles, size of poles as well as their origin, receiving point of the bamboo, driver name, vehicle number, date and time of transporting the bamboo poles is issued for each load. These data are then summarized in a transport certificate issued by DASSO bamboo mill. The load of bamboo poles will only be accepted at the factory when the transport certificate is in order following verification.

1.4.6 Estimate of Maximum Sustainable Yield

The estimated productivity for the bamboo forest is at 1,012,300 poles annually. This was based on the area of bamboo forest and the estimated number of bamboo poles.

1.4.7 Estimated, Current and Projected Production

Based on the 5 year management plan the estimated production is at 1,012,300 poles annually. This figure may differ from the current figure as there was a severe snow storm in late 2007 resulting in serious damages to the bamboo forest. The FMU management is currently salvaging all broken bamboo poles to encourage greater production of bamboo shoots for the next generation.

2.0 GUIDELINES/STANDARDS EMPLOYED

The SCS Interim Standard for Forest Management Certification in China V 1.0.(January 22, 2009) was adopted for this full evaluation audit.

3.0 THE FULL EVALUATION ASSESSMENT PROCESS

3.1 Assessment Dates

Certification Audit: 9-13 March 2009

3.2 Assessment Team

Dr. S.K.Yap was the lead auditor with Mr. Shengfu Wu and Dr. Zhao Jie as auditors for the certification audit. The team was assisted by an observer Ms Tian Lili.

CVs of auditors

Dr. S.K.Yap, (sonkheong@hotmail.com):

Dr. Yap S. K. is currently an independent consultant on forestry, arboriculture and environment. He has a B.Sc. Hons. Second Class Upper (Botany) Ph. D. (Forest Biology) under the University of Aberdeen (Scotland) and University of Malaya Fellowship in Tropical Rain Forest Project. His working career started as a research officer in the Forest Research Institute Malaysia (FRIM) after his postgraduate research in the reproductive biology of forest trees. Prior leaving the institute he was the senior research officer and Program Leader for the Urban Forestry for the Enhancement of the Environment responsible for the development of research activities in urban forestry. Constantly on call for providing technical advise on tree planting and maintenance to governmental agencies, semi-governmental bodies and private developers. Working closely with local authorities, the Department of Housing and Local Government, Department of Town and Country Planning and City Hall Kuala Lumpur.

He left the government service and was in the corporate sector involving in landscape development projects of the nation before establishing a consultancy on forestry and environment. He is an independent auditor appointed by SIRIM QAS to conduct Forest Management Certification under the cooperation between SIRIM and Forest Stewardship Council (FSC) accredited certifier - Scientific Certification System (SCS) of USA and Malaysian Timber Certification Council. He had conducted 82 forest management and RSPO audits under SCS/SIRIM-FSC and Malaysian Timber Certification Council. He was the Lead Auditor for 58 of the above assessment exercises. He is also an EMS ISO 14001 and RSPO auditor with SIRIM. He was the forest/flora ecology consultant for EIA study for landfill, thermal incinerator, forest conversion to plantation and aluminium smelter projects in the country. In 2005 he conducted 7 workshops and another one in March 2009 on EIA for the Malaysian Nature Society, Forest Certification for the Department of Forestry and another on macro EIA for the Forestry Department of Perak in 2006.

He has international experience as a FAO consultant for seed technology for the Indian Council of Forestry 1993. He was also a member of the International Union of Forestry Research (IUFRO) Working Party on Seed Problems, Member of the Acid Precipitation Committee of Japan International Forestry Promotion Organization. 1993 to 1995 and Project Leader ASEAN-Australian Tree Improvement Project in 1986 to 1987. He was actively involved with the ASEAN-Canadian Forest Tree Seed Project from 1985 to 1995 as co-chairman of the working group.

Outside his official duties Dr. Yap was the Hon. Secretary of the Malaysian Nature Society (MNS) 1992 to August 1996 and Council Member of the MNS 1989 to August 2000. He was also a member of the Technical Committee on National Park (Johor) Corporation. 1993 to 1995 and Alternate Member of the Board of Directors of the National Park Corporation (Johor) 1993 to 1995. On environmental related issues he actively participated as an Alternate Member of the National Environmental Quality Council, Ministry of Science, Technology and Environment from 1994 till 1996. He was also a member of the ad hoc Committee on EIA Review, Department of Environment. He was the Expedition Leader for The MNS Belum Expedition 1993-1994. In 2004 he conducted three workshops on EIA Review for the Malaysian Environmental NGOs under the sponsorship of DANIDA.

Auditor

Dr. Zhao Jie

Dr. Zhao Jie has a Doctorate Degree in Forestry from the Beijing Forestry University and is currently an Associate Professor of Sustainable Forest Management of Plantation and Forest Product Market in Chinese Academy of Forestry, and has 14 years of experience in the field of forest management. He attended international training courses in FSC certification in Sweden, Chile and the UK and has over 5 years experience with FSC auditing in China.

Auditor

Mr. Shengfu Wu

Mr. Shengfu Wu completed Master Degree majoring in Forestry Economy from Beijing Forestry University in 1999 after his Bachelor Degree in Wood Science & Technology from Nanjing Forestry University in 1984. He has worked 24 years on forest products and forestry management with his initial career on research on forest products and quality management in the Institute and as an officer for the Department of Forest Industry of the Ministry of Forestry.

Shengfu has wide international experience and had held leadership position with the Raute Oyj China, and provide lectures for government, institutes, associations and university in different countries. He has also worked on both national and ISO standard team on wood based panel ISO/TC89 and timber ISO/TC218.

He is currently serving in the work program Towards Sustainable Management of Planted Forest of FAO and the Plantation Certification Scheme under the SFA thus familiar with the certification programs of FSC, PEFC and the China national scheme

He received full time training for 8 months under the Timber Research and Development Association (TRADA U.K.) sponsored by FAO in 1990; two weeks training on the timber processing technology in Nastola Finland in 1995; received one week ISO9001 training in LRAC –TRADA U.K. and earned the lead auditor certificate in 2004; received one week plus three side auditor training on the CE marking and become the lead auditor in 2004; received 4 side auditor training both in UK and USA on the FSC /CoC together with leader auditors in 2006&2007; received one week Forest Certificate training and one

week ISO14001 from the State Forestry Administration and earn the certificate in 2007; and received 2 side auditor training on the Forestry Management in 2008.

From 2003 to present he is the Director of Green Panel Consulting and Director of the market department of China National Forest Products Industry Association. He has also experiences in the administration and organization of scientific and technological studies in the forest industry market/project studies on different certification schemes on forest products industry from both home and abroad as well as management on the forest product industry on its technology, machinery, market etc. He is also in charge of short term missions, such as professional short term consultancies and studies.

He is the chief representative of Raute Oyj Beijing Office responsible for its administration on China business and projects implementations. He conducts study on the plywood technology in the China plywood industry comparing with the rest of the world. He also does market analysis for the Raute machinery possibilities on China plywood industry together with marketing and sales of Raute technology and machinery and well as the reconditioned machineries.

From 1992-1994 he is the officer in the Department of Forest Industry of the Ministry of Forestry responsible for the administration and management on the forest industry, project evaluation and improvement on the forest industry with Import & Export policy for projects implementations. During 1984-1992 he was the deputy director of China National Testing Center on Wood Based Panels, China Academy of Forestry responsible for administration on wood based panels testing, projects implementation, business development. He has developed the different testing methods on the wood based panels, the product standards on the level of Industrial, national as well as international consulting on the product, quality, industry etc.

Other experiences are 1999/5(2001/9) in the Sino-Finland Forestry Project Meetings and Study with Ministry of Agriculture and Forestry in Helsinki, visit the Forestry Research Institute, Forestry department of the University, harvesting machinery & technology companies, also visit the different forest in Finland. 2004/5 U.K. –Bath University to provide two presentations on the bamboo industry and product quality for the under graduate students and post graduate students. Exchange the views with the professors on the engineering product for the structure purpose. From 2006/1 Indonesian –Apkindo One week consulting works on forest management and products development and its marketing. Invited by the APKINDO Indonesia to provide a presentation in Jakarta for the forest industry representatives. Visits to the forestry, processing manufactures, meeting and discussion with the Ministry of Forestry, Industry Association and the manufactures to illustrate the problems, improvement of the management and processing technology and product quality and marketing. 2007/02 U.S.A Madison, WI Invited by the Forest Products Laboratory(FPL) of USDA Forest Service in One Gifford Pinchot Drive, Madison, WI to provide presentation on China Woodworking Industry and technical meetings with the FPL staffs on industrial and technical. 2007/04 Italy Venice Team leader to participate the ISO TC/89/S3 meeting, provide the presentation on the LVL and plywood development in China, provide two new ISO standard proposals on blockboard and fancy plywood. Study of comments on ISO/DIS 12466-1 “Plywood –

Bonding quality – Part 1 : Test methods", Study of comments on ISO/DIS 12466-2
"Plywood – Bonding quality – Part 2 : Requirements", Study of comments on ISO/DIS
18776 "Laminated veneer lumber (LVL) – Definitions and requirements (enquiry close
on 2007.03.12) ". 2007/10 Ukraine Lvov. As team leader to participate the ISO TC/218
meeting, provide the presentation on the Development of the Woodworking Industry in
China. Study of comments on ISO 3129: Wood –Sampling Methods and General
Requirements for Physical and Mechanical Tests. Resolution of the meeting for WG 6
Wooden products. 2008/01 Thailand, Chiang Mai. Team member to participate the FAO
activities on Towards Responsible Management of Planted Forest, A regional workshop
for the implementation of the Voluntary Guidelines for Responsible Management of
Planted Forests

3.3 Assessment Process

3.3.1 Itinerary

Date	Time	Activities
9 March 2009	7.30 am-11.30 pm	Flights from Malaysia and Beijing. Arrival at Lincheng town
Day 1 10 March 2009	9.00 –10.00 am 10.30-12.30pm 12.30 –2.00 pm 2.00 – 5.00 pm 6.00-7.00 pm	Opening meeting <ul style="list-style-type: none"> • Lead Auditor briefing on the objectives of the certification evaluation assessment • Briefing by the FMU on actions taken to attain FSC Certification specifications following the pre-certification assessment. • Review of documentation Meeting with the Representative from the County Government Administration Office, Forestry Agency and Environmental Protection Agency of Zixi County. Lunch Break Meeting with FMU staff, representative from the local community. Auditors meeting
Day 2 11 March 2009	8.30 – 12.00 pm 2.00- 4.00 pm 5.00 –6.00 pm	Inspection of bamboo harvesting in Mah Tou Sun of Region I Meeting with harvesting contractor Visit to a local community Visit to the protected forest of the Forestry Agency at Mah Tou San and its water catchment area Auditors meeting
Day 3 12 March 2009	8.30 am-12.00 pm 1.00 - 2.00 pm 2.00 – 4.00 pm 8.00 - 8.30 pm	Inspection of bamboo forest severely damaged by snow storm of 2007 in the Region II. Inspection of the dormant plots in Region I. Meeting with the officer in charge of the Zixi Forest Checking Station, Zixi County Forestry Bureau. Inspection of fertilizer store of the FMU
Day 4 13 March 2009	8.30 am – 12.00 pm 3.00 pm-6.00 pm	Preparation of closing report Closing meeting Travel to Nanchang
Day 5 14 March 2009	10.00 am	Flight from Nanchang

3.3.2 Evaluation of Management System

For this evaluation assessment all documentation were examined in the office of Jiangxi Nanfang Linchang office and then verified in the field.

3.3.3 Selection of FMU's to Evaluate

The forest management operation undergoing certification consists of a single Forest Management Unit but with harvesting areas spread over 3 geographical regions of the Zixi County. All three areas were selected to visit.

3.3.4 Sites Visited

The field inspection was conducted in the three geographical zones and subunits of the FMU. Protected Forest of the County Forestry Agency was also visited. Only one of the sites inspected was undergoing bamboo poles harvesting. The process was manually conducted by contractor using only modified axe for cutting the bamboo poles and sliding the poles down the slopes. There was no skid trails at the site as in timber harvesting except for the network of harvesting roads for transportation purpose.

3.3.5 Stakeholder Consultation

Pursuant to SCS protocols, consultations with key stakeholders were an integral component of the evaluation process. Consultation took place prior to and concurrent with the field evaluation. The following were distinct purposes to the consultations:

To solicit input from key stakeholders as to the applicability of the SCS interim draft standard, as modified to reflect forest management in China.

To solicit input from affected parties as to the strengths and weaknesses of Jiangxi Nanfang Linchang Ltd. management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

Principal stakeholder groups of relevance to this evaluation were identified based upon results from the scoping evaluation. The following types of groups and individuals were determined to be principal stakeholders:

- Jiangxi Nanfang Linchang employees in the field
- Contractors for harvesting
- Local communities
- Local and regionally-based environmental organizations and conservationists
- Local and regionally-based social interest organizations

The evaluation team contacted individuals and organizations within each of these stakeholder groups prior to the assessment by e mail. In total, 14 groups and individuals were approached but only the governmental agencies responded and they also attended the in-person interviews (see section 3.3.5.1 for a summary of their comments). Names of groups and individuals that commented and were willing to allow names be listed in the report, are listed below:

Name	Affiliation	Consultation
Mr. Wan Ming	Vice-President, Zixi	Interview and written reply
Mr. Hu Ding	Director General , Zixi	Interview and written reply
Mr. Zheng Yuanqing	Deputy Director	Interview and written reply
Mr. Li Chungcheng	Contractor for bamboo	Interview
Mr. Zhang On Cong	Employee of FMU	Interview
Mr. Yin Ruilin	Employee of FMU	Interview
Mr. Yin Wanli	Employee of FMU	Interview
Mr. Wu Yigao	Employee of FMU	Interview
Mr. Wang Zhen	Employee of FMU	Interview
Headmen of 11 villages	Representatives from local	Through questionnaires sent following the field inspection.

3.3.5.1 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable

3.3.5.2

Environmental groups

Comment/Concern	Response
<ul style="list-style-type: none"> There were no response from these groups 	None

Community Groups & Local Residents, Including Indigenous Peoples

Comment/Concern	Response
<ul style="list-style-type: none"> Generally had expressed satisfaction with the present arrangement of leasing out their land. Able to utilize the bamboo forest for their livelihood without being hindered by the FMU 	Duly noted

Governmental Organizations

Comment/Concern	Response
<ul style="list-style-type: none"> Governmental Administrative Office Zixi County Stated that the FMU has provided excellent opportunities to local people job opportunities in the bamboo industry. The company has also obeyed all regulations of the county and paid all dues specified under the county administration. 	Duly noted
<ul style="list-style-type: none"> Forestry Bureau Zixi County The Bureau responded that the FMU has operated in the area in compliance with the forestry regulations Forest Laws of the People's Republic of China in its management of the bamboo forest. Its harvesting regime is within the level determined by the Forest Bureau taking conservation measures for flora and fauna. It has good silvicultural practices on encouraging good growth of the bamboo species. 	From the documentation provided and the field inspections conducted during the assessment the FMU has complied with all regulatory authorities. It has worked closely with the Forestry Bureau in the documentation of protected flora and fauna.
<ul style="list-style-type: none"> Environmental Protection Bureau Zixi County The Bureau confirmed that the FMU has not in the management process result in pollution of the surrounding environment. 	As in the case of the Forestry Bureau the FMU has good working relationship with the Environmental Protection Bureau. The

Its operation has maintained proactive actions to protect the water resources and not permit any discharge of dangerous chemicals to the environment	government agency is proud of the good records of environmental conditions of the district indicating low impacts of the FMU on the environment.
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Employees and Contractors:

Comment/Concern	Response
<ul style="list-style-type: none"> Employees of the FMU The employees of the FMU had indicated some understanding of the specifications of FSC Principles and Criteria. There were no complaints on the conditions of employment.	They will have to be guided further on the requirements of FSC Principles and Criteria- CAR 2009.1

Comments on Draft Interim Standard

Comments	Response
<ul style="list-style-type: none"> None of the agencies or individual commented on the interim standard 	SCS will send another version of the standard out prior to the next assessment in China.

3.3.6 Other Assessment Techniques

Only field surveys of selected sites within the bamboo forest sites of the FMU were conducted while documentation assessment was done in the office at Hefeng, Zixi County.

This report was submitted to one Peer Reviewer for comments and assessment of the CARs raised during the audit.

3.4 Total Time Spent on pre-evaluation audit

A total of 14 person-days were spent on this evaluation audit. One day was for preparation and 10 days were spent in reviewing documents and site inspection with 3 days for report writing.

3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy, principle, then the criteria that make up that principle, then the indicators that make up each criteria. Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective judgment to assess each criterion and determine if it is in conformance. If the forest management operation is determined to be in non-conformance at the criterion level, then at least one of the indicators must be in major non-conformance.

Corrective action requests (CAR's) are issued for every instance of non-conformance. Major non-conformances trigger major CAR's and minor non-conformances trigger minor CAR's

Interpretations of Major CAR's (Preconditions), Minor CARs and Recommendations

Major CARs/Preconditions: Major non-conformances, either alone or in combination with non-conformances of other indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out prior to award of the certificate. If major CAR's arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CAR's. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

Minor CARs: These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

Recommendations: These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

4.0 RESULTS OF THE EVALUATION

Table 4.1 below, contains the auditor's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request (CAR) numbers related to each principle.

TABLE 4.1 NOTABLE STRENGTHS AND WEAKNESSES OF THE FOREST MANAGEMENT ENTERPRISE RELATIVE TO THE P&C

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/RECs
P1: FSC Commitment and Legal Compliance	<ul style="list-style-type: none"> ▪ The FMU management has complied with all local and national regulations ▪ Forest managers committed to FSC P&C 	<ul style="list-style-type: none"> ▪ The FMU has its boundary demarcated by roads and creeks that are accepted by the communities. No distinct boundary markers and signage. ▪ Understanding of FSC commitment is not fully acquired by the field staff as well as that of the contractors. 	<ul style="list-style-type: none"> ▪ Recommendation 2009.1 ▪ Minor CAR 2009.1
P2: Tenure & Use Rights & Responsibilities	<ul style="list-style-type: none"> ▪ Proper long term lease agreement on its tenure and use rights for the forest presented. ▪ Local communities able to work on their land within the FMU ▪ Procedure for dispute resolution available 	<ul style="list-style-type: none"> ▪ No records of disputes are maintained 	<ul style="list-style-type: none"> ▪ Minor CAR 2009.2
P3: Indigenous Peoples' Rights	<ul style="list-style-type: none"> ▪ No documented claims by indigenous communities ▪ Local communities are settled farmers involved in the planting of agricultural crops who have leased their land to the company. 	<ul style="list-style-type: none"> ▪ No clear identification of special sites with cultural, ecological, economic or religious significance with cooperation of indigenous people ▪ A small group of minority people not documented in the management plan ▪ Records of the consultative process with local people not documented 	<ul style="list-style-type: none"> ▪ Major 2009.1 ▪ Minor CAR 2009.3 ▪ Minor CAR 2009.4
P4: Community Relations & Workers' Rights	<ul style="list-style-type: none"> ▪ The FMU has provided full benefits to staff ▪ Opportunities for employment provided to local people 	<ul style="list-style-type: none"> ▪ Training on workers' safety, use of chemical and environment protection not adequate ▪ No records of the routine inspection of safety equipment ▪ There is no establishment of a union for labour negotiation 	<ul style="list-style-type: none"> ▪ Minor CAR 2009.5 ▪ Minor CAR 2009.6 ▪ Minor CAR 2009.7 ▪ Recommendation 2

P5: Benefits from the Forest	<ul style="list-style-type: none"> ▪ A budget for environmental protection has been written in the management plan ▪ There is an optimum use of harvested materials to minimize wastage ▪ In addition to bamboo harvest the management plan has also established silvicultural practices of tree species found within the FMU ▪ A sustainable production of bamboo poles based on data collected 	<ul style="list-style-type: none"> ▪ Owing to severe snow storm in December 2007 that damaged large area of bamboo forest, the management had to resort to salvage harvesting to encourage new regeneration. 	<ul style="list-style-type: none"> ▪
P6: Environmental Impact	<ul style="list-style-type: none"> ▪ An EIA report has been written on the FMU which has taken into consideration of the landscape. ▪ Use of chemicals is presently confined to pests and diseases control of bamboo ▪ Bamboo harvesting is presently manually done thus minimal impact on the forest ▪ Presence of buffer belts for rivers ▪ 	<ul style="list-style-type: none"> ▪ Riparian buffers not clearly demarcated in the field ▪ There are insufficient side drains along harvesting roads as specified in the EIA report ▪ A complete list of pesticides and chemicals used in the FMU not available 	<ul style="list-style-type: none"> ▪ Minor CAR 2009.8 ▪ Minor CAR 2009.9 ▪ Major CAR 2009.3 ▪ Recommendation 2009.3
P7: Management Plan	<ul style="list-style-type: none"> ▪ An approved Forest Management Plan had been prepared 	<ul style="list-style-type: none"> ▪ The social economic conditions and a profile of adjacent lands not incorporated in the FMP ▪ No appropriate indoctrination programme for new forest workers 	<ul style="list-style-type: none"> ▪ Minor CAR 2009.10 ▪ Recommendation 2009.4 ▪ Recommendation 2009.5
P8: Monitoring & Assessment	<ul style="list-style-type: none"> ▪ Good historical records of planting and silvicultural practices of the FMU ▪ Research backing provided ▪ COC maintained with appropriate documentation 	<ul style="list-style-type: none"> ▪ The public summary has not included results obtained from monitoring ▪ Information on key indicators particularly socio-economic profiles of the operation not available 	<ul style="list-style-type: none"> ▪ Minor CAR 2009.12
P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> ▪ The FMU consists of 205 small lots of 1 to 44 ha in area. Preliminary surveys were conducted to assess presence of HCVF attributes. 	<ul style="list-style-type: none"> ▪ A list of stakeholders consulted on HCVF was not made available. ▪ The Forest Management Plan has not included specific measures that ensure the maintenance or enhancement of HCVF attributes if they are present. 	<ul style="list-style-type: none"> ▪ Major 2009.2 ▪ Minor CAR 2009.11

4.2 Preconditions

Preconditions are major corrective action requests that are placed on a forest management operation after the initial evaluation and before the operation is certified. Certification cannot be awarded if open preconditions exist.

The following pre-condition was placed on Jiangxi Nanfang Linchang Co., Ltd during its initial evaluation.

Background/Justification: There is no clear identification of special sites with cultural, ecological, economic or religious significance with cooperation of indigenous people. Only preliminary surveys were conducted through questionnaires to the communities. Field workers shall also be trained in the appropriate procedures in identification and protection of these sites. There were no maps to identify and demarcate such sites	
MAJOR CAR 2009.1	A collaborative effort with local communities to identify sites with cultural, ecological, economic or religious significance to indigenous shall be conducted. The process shall also be documented and made available to the auditors.
Deadline	Prior to Award of Certification
Reference	Criterion 3.3
Status as of May 29, 2009	A survey was conducted with collaboration of the local communities and it identified burial sites in 4 sites within the FMU. These sites are being worshiped by the local communities. Three temples sites were also identified but these were not used regularly by local communities and in fact one of them had collapsed 20 years ago. Other religions are practised by some communities but they are outside the FMU. The FMU management has instructed its staff to respect all these sites and also consulted the communities to prevent forest fires during their prayer ritual. Social assessment through consultation indicated that the local communities requested designated sites for their livelihood which the FMU could provide through mutual cooperative arrangement. Surveys records and maps indicating the religious sites were presented to the auditors.
Comments from auditors	A survey through collaborative effort with the local communities had identified sites of cultural, economic and religious significances to the local people. The responses and action taken by the FMU to the request for designated sites shall be monitored during the surveillance. The Major CAR is closed.

Background/Justification: The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the high conservation values consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary. The Forest Management Plan has not included
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specific measures that ensure the maintenance or enhancement of HCVF attributes if they are present. The preliminary surveys on potential HCVF sites were conducted in November 2008, after the Forest Management Plan was written. Although the surveys indicated an absence of these attributes, the Forest Management Plan must still include specific measures that ensure the maintenance and/or enhancement of the conservation attributes if and when they are detected.	
MAJOR CAR 2009.2	The Forest Management Plan shall include specific measures that ensure the maintenance and/or enhancement of the high conservation attributes if and when they are detected. These measures shall also be included in the public summary of the Forest Management Plan.
Deadline	Prior to Award of Certification
Reference	Criterion 9.3
Status as of May 29, 2009	A revised Forest Management Plan is presented with an additional chapter on the attributes of HCVF and inventories to be conducted for continually assessing the presence of these attributes within the FMU. Through surveys and consultations with local communities it was determined that there were no such attributes within the FMU.
Comments from auditors	As the revision has included specific measures for assessing and maintenance of HCVF this CAR is closed.

Background/Justification: A complete and up-to-date list of all chemical pesticides used on the defined forest area had not been maintained and made available to the SCS auditors.	
Major CAR 2009.3	A complete up-to-date list of all chemical pesticides shall be provided to the auditors.
Deadline	Prior to Award of Certification
Reference	Indicator 6.6.2
Status as of May 29, 2009	In a statement dated May 25, 2009 the FMU declared that it only utilizes urea as fertilizer in the FMU. No other chemicals have been prescribed in the field and if required the chemicals selected will have to be in compliance with FSC specifications and national regulations.
Comments from auditors	As only chemical fertilizers are used in the FMU at the moment as declared by the management this CAR is closed. Monitoring would be conducted at the surveillance inspection to assess any chemical uses. This Major CAR is closed.

5.0 CERTIFICATION DECISION

5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program*

evaluation protocols, the evaluation team hereby recommends that the Jiangxi Nanfang be awarded FSC certification as a “Well-Managed Forest”.

5.2 Initial Corrective Action Requests

Background/Justification: A translated version of the FSC Principles and Criteria had been made available to the management staff and field personnel. The forest manager has demonstrated a general conversancy with the P&C. This policy has, however, not been transmitted and explained clearly at all levels of the FMU and contractor workers.	
CAR 2009.1	The forest manager shall ensure that all levels of staff of the FMU as well as workers of contractors understand the FSC Principles and Criteria.
Deadline	This has to be done by the 2010 annual surveillance assessment.
Reference	Indicator 1.6.2

Background/Justification: This criterion requires that records are kept of past disputes over tenure claims and use rights, to a level of detail sufficient to enable the SCS auditor(s) to ascertain the nature and magnitude of the disputes. Although it was reported that there were only minor disputes on land issues which had been resolved amiably and confirmed during stakeholders’ consultation there were no records of these disputes presented.	
CAR 2009.2	All disputes shall be documented and made available to auditors.
Deadline	All records must be made available by the 2010 annual surveillance assessment.
Reference	Indicator 2.3.1

Background/Justification: Forest manager has to determine if there are areas within the defined management unit to which indigenous peoples have customary or traditional rights to forest resources. If these sites are present they are to be demarcated on maps. A minority community consisting of SHE people has been recorded living within the FMU area. This group of people has not been clearly identified in the <i>Forest Management Plan 2008-2012</i> or their territory demarcated on maps.	
CAR 2009.3	The identified indigenous community shall be identified in the Forest Management Plan and demarcated on maps.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 3.1.1

Background/Justification: The results of effective consultations on the concerns and perspectives of potentially affected indigenous peoples and respective actions taken to resolve these concerns are documented. There are documented procedures on consultation with local communities but records of such effective consultations were not presented during the assessment.	
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CAR 2009.4	Results of consultation and actions taken to resolve any concerns raised by indigenous peoples shall be documented and made available to auditors.
Deadline	The records must be available by the 2010 annual surveillance assessment.
Reference	Indicator 3.2.3

Background/Justification: The FMU has to contribute to or directly develop training programs designed to enhance the capabilities and qualifications of local workers. Training for the various aspects of works related to the bamboo forest is specified in Chapter 9 of the Forest Management Plan. A documentation of the various trainings provided is listed in *FSC-FM-013 Staff Training Records*. The training for contractors and workers on safety, chemical use and environment protection was, however, not adequate.

CAR 2009.5	Training for workers and contractors in regard to safety, chemical use and environment protection shall be improved. Records of training and course materials shall be made available to auditors.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 4.1.2

Background/Justification: All equipment used has to be periodically inspected and tested for safety performance. Any equipment that is deemed unsafe or in inappropriate condition has to be replaced. There was no record on regular inspection of the safety equipment used by the workers.

CAR 2009.6	Regular inspections shall be conducted and records shall be maintained.
Deadline	Such records shall be made available by the 2010 annual surveillance assessment.
Reference	Indicator 4.2.4

Background/Justification: Although no labour union is formed by the staff members of the FMU or the workers of contractors, the management allows them to negotiate in accordance to Chinese Labour Law. All issues and grievances raised by workers and/or their organizations have to be investigated promptly and in a manner that demonstrates fairness and objectivity. Documentation of such investigation and resolution of grievances were not maintained.

CAR 2009.7	Documentation of the review process and records of outcome shall be made available to the auditors.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 4.3.2

Background/Justification: The need to establish protected areas has been addressed in the management plan and also the EIA report. This includes the protection of ecological values such as riparian buffers in the FMU. It was observed that riparian buffers were not demarcated on ground

CAR 2009.8	All riparian buffers within the FMU shall be demarcated on the ground.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 6.4.3

Background/Justification: Road construction and maintenance have to ensure that road surfaces are well drained, culverts are large enough to accommodate peak flow, and water bars are properly installed so that they operate as designed. Specific guidelines are written in the EIA report on proper road construction. Inspection in the field showed that culverts were used to divert water along slopes but there were insufficient side drains especially along the steeper slopes resulting gullies being formed on the harvesting road.

CAR 2009.9	More side drains shall be constructed along all harvesting roads located on steep slopes to reduce soil erosion.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 6.5.5

Background/Justification: Staff training records for both FMU staff and contract workers are maintained under *FSC-FM-013 Staff Training Records* as specified in the criterion. Samples of training records were examined during the assessment. Standard operating procedures for indoctrination of new forest workers including training regarding the management plan and their role therein were not available.

CAR 2009.10	Standard operating procedures for indoctrination of all newly recruited workers and related training shall be implemented.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 7.3.2

Background/Justification: The assessment for the presence of HCVPs shall include consultation with pertinent stakeholders and outside experts. The management of the FMU had consulted with the Forestry Agency on protected habitats, rare and threatened species as well as the local communities on cultural sites that could be present within the FMU. There is, however, an absence of consultation with other experts from the universities and NGOs

CAR 2009.11	Consultations with experts from NGOs, research institutions and universities on the attributes of HCVP shall be conducted.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 9.2.1

Background/Justification: Interested stakeholders are readily able to obtain a public summary of the results of periodic monitoring that addresses the indicators listed in Criterion 8.2.

CAR 2009.12	The results of periodic monitoring shall be summarized and incorporated into the public summary that is readily available to all
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	stakeholders.
Deadline	By the 2010 annual surveillance assessment.
Reference	Indicator 8.5.1

5.3 Recommendations

Background/Justification: Forest managers have to devote resources (manpower and money) to conduct surveillances of the defined forest area at a level such that unauthorized activities are promptly found and controlled	
REC 2009.1	Proper signage could be erected at the main entry points to discourage unauthorized activities and all such activities are to be documented.
Reference	Criterion 1.5 Indicator 1.5.2

Background/Justification: The FMU management is conscious of the impacts of the forest operation on local communities. The EIA report has included specific measures to consider the needs of the local communities through questionnaires and regular consultations.	
REC 2009.2	Management activities and policies could be modified as more information is obtained.
Reference	Criterion 4.4 Indicator 4.4.1

Background/Justification: Field surveys have been conducted by the field staff on known rare, threatened and endangered species based on standard operating procedure.	
REC 2009.3	Regular training could be implemented with the assistance of the Forestry Bureau to further enhance the field staff knowledge of rare, threatened and endangered species as well as their habitats.
Reference	Criterion 6.2 Indicator 6.2.3

Background/Justification: A <i>Forest Management Plan 2008 to 2012</i> was written for the FMU on February 2008 in accordance to National Forest Bureau requirement. The map for describing the forest resource base could be improved	
REC 2009.4	Improve the map for describing the forest resource.
Reference	Criterion 7.1 Indicator 7.1.1

Background/Justification: A summary of the forest management plan was pasted on the wall of the house within the FMU. The public summary is also made available in the web page: www.dasso.com.cn . The public summary is not easily accessible being embedded in the web page of the parent company.	
REC 2009.5	The summary on Jiangxi Nanfang Linchang should be more prominently displayed in the web page listing.
Reference	Criterion 7.4 Indicator 7.4.1

6.0 SURVEILLANCE EVALUATIONS

If certification is awarded, surveillance evaluations will take place at least annually to monitor the status of any open corrective action requests and review the continued conformance of Jiangxi Nanfang Linchang Ltd. Co. to the FSC Interim Standard for Forest Management Certification in China (January 22, 2009). Public summaries of surveillance evaluations will be posted separately on the SCS website (www.scsertified.com).

7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

The following is a summary of the SCS Complaint and Appeal Investigation Procedures, the full versions of the procedures are available from SCS upon request. The SCS Complaint and Appeal Investigation Procedures are designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

A **complaint** is a written expression of dissatisfaction, other than **appeal**, by any person or organization, to a certification body, relating to the activities of staff of the SCS Forest Conservation Program and/or representatives of a company or entity holding either a forest management (FM) or chain-of-custody (COC) certificate issued by SCS and duly endorsed by FSC, where a response is expected (ISO/IEC 17011:2004 (E)). The SCS Complaint Investigation Procedure functions as a first-stage mechanism for resolving complaints and avoiding the need to involve FSC.

An **“appeal”** is a request by a certificate holder or a certification applicant for formal reconsideration of any adverse decision made by the certification body related to its desired certification status. A certificate holder or applicant may formally lodge an appeal with SCS against any adverse certification decision taken by SCS, within thirty (30) days after notification of the decision.

The written Complaint or Appeal must:

- Identify and provide contact information for the complainant or appellant
- Clearly identify the basis of the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate an SCS or FSC requirement, being as specific as possible with respect to the applicable SCS or FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant or appellant, rectify the matter.

Written complaints and appeals should be submitted to:

Dr. Robert J. Hrubes
Senior Vice-President
Scientific Certification Systems
2200 Powell Street, Suite 725
Emeryville, California, USA94608
Email: rhrubes@scscertified.com

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint or appeal will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.