

Framework for evaluating Category B evidence

Assessment of the *SmartStep Program*

July 2007

Source Documents

FSC Principles and Criteria for Forest Stewardship FSC-STD-01-001, April 2004

SmartStep A stepwise Approach toward FSC Forest Management Certification: Program Description, June 2007

SmartWood Chain-of-Custody Standard for General Applications, June 2006

SmartWood Generic Standard for Verification of Legal Origin, Version 1.0, (DRAFT) January 2007

Rainforest Alliance, SmartWood, FM-01 Forest Evaluation Handbook January 2005, Version 4.0 Section 5, Assessor Role and Qualifications

Rainforest Alliance, SmartWood, FM-25 SmartStep Procedures, November 2005, Version 2.0

1. Supply chain management (chain of custody)

In the case of programmes and initiatives verifying the legality of the forest source, findings will be based on available systems documentation.

Criteria	Findings	
<p>1.1 Is the supply chain clearly described and complete from point of supply back to the forest source(s)?</p>	<p>Please note that SmartStep applies only to Forest Management Enterprises (FMEs), and thus additional information will be required about the supply chain beyond the forest gate.</p> <p>Appendix 1: <i>Entry level requirements for SmartStep Forest Enterprises</i> requires that 'COC systems shall be in place and functioning (and verified) within 1 year of enrollment' and 'If there are to be any claims regarding the forest products, then separate generic COC certification is required'. The entry level requirements would not be sufficient to guarantee compliance with Criterion 1.1.</p> <p>* As noted in 1. Introduction, 'Where gaps between FSC requirements and forest practices exist, the candidate FME will develop a multi-year Action Plan for attaining FSC certification through SmartStep...'</p> <p>The FSC P & C Principle #8: Monitoring and Assessment states:</p> <p>8.3 <i>Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process</i></p>	<p>No*</p>

Criteria	Findings	
	<p><i>known as the "chain of custody."</i></p> <p>Organisations that have achieved <i>FSC P & C 8.3</i> will meet Criterion 1.1 for the first stage in the supply chain, the forest source, but additional information will be required about the rest of the supply chain.</p> <p>If a request for full supply chain tracking is made, SmartWood would conduct necessary COC audits/assessment within the defined scope of the supply chain involved, according to the SmartWood COC Standard for Generic Applications.</p>	
<p>1.2 Has an adequate mechanism for preventing uncontrolled mixing or substitution been described for each stage in the supply chain?</p>	<p>Please note that SmartStep applies only to FMEs, and thus additional information will be required by the UK Government about the supply chain once the timber leaves the forest source.</p> <p>The minimum entry level requirements would not be sufficient to guarantee compliance with Criterion 1.2.</p> <p>*Organisations that have achieved <i>FSC P & C 8.3</i> (as noted above) as part of their SmartStep Action Plan will meet Criterion 1.2 for the first stage in the supply chain, the forest source, but additional information will be required about the rest of the supply chain.</p> <p>Organisations that comply with The SmartWood Chain-of-Custody Standard for General Applications will meet Criterion 1.2:</p> <p><i>2.1 Company shall verify the validity of the supplier's certificate or claim.</i></p> <p><i>2.2 Company shall verify that material purchased and received is consistent with the claim category specified.</i></p> <p><i>2.3 Company shall store material for each claim category as separate, secure units.</i></p> <p><i>2.4 Company shall use a distinguishing mark to identify material for each claim category.</i></p>	<p>No*</p>
<p>1.3 Has information been provided on how the mechanisms in 1.2 are checked/verified and is the approach used adequate to confirm the mechanisms described are in place and functional?</p>	<p>For organisations claiming compliance with <i>FSC P & C 8.3</i> under the SmartStep programme, the Program Description identifies the following requirements:</p> <p><i>3.0 SmartStep program requirements</i> states that as a minimum requirement, organisations must '<i>Agree to undergo SmartStep audits at least once a year to verify ongoing implementation of the SmartStep Action Plan</i>'.</p> <p><i>4.2 Audit design</i> states that '<i>One or more auditors are assigned by SmartWood to audit the candidate enterprise's forest management with respect to the FSC P&C.</i></p>	<p>Yes</p>

Criteria	Findings	
	<p><i>SmartStep audits are conducted by lead auditors experienced in FSC certification assessments. Audit teams will include one or more additional assessors with knowledge and experience in the forestry practices, ecology, and social issues of the region’.</i></p> <p><i>4.5 Gap Analysis requires that ‘The team will audit the candidate’s office and forest management units to evaluate compliance with the FSC P&C and SmartStep minimum requirements. Field duration varies depending on the size and complexity of the operation but typically ranges from three to five days.’</i></p> <p>The FM-25 SmartStep Procedures identifies requirements for team composition, pre-audit planning, fieldwork, initial team meeting, meeting the client, field inspections and stakeholder consultations.</p> <p>The FM-01 Forest Evaluation Handbook identifies qualification requirements for assessors, including appropriate education, experience and skills.</p> <p>For organisations claiming compliance with the Chain-of-Custody Standard for General Applications the requirements outlined in FM-01 Forest Evaluation Handbook also apply.</p>	
<p>1.4 Is the evidence provided or available adequate to confirm the information provided is accurate?</p>	<p>For organisations claiming compliance with <i>FSC P & C 8.3</i> under the SmartStep programme, the Program Description identifies the following requirements:</p> <p><i>4.5 Gap analysis states that ‘This report will identify gaps with respect to the FSC certification standard and establish whether the SmartStep minimum performance criteria have been met.’</i></p> <p><i>4.8.3 Public Summary states that ‘A public summary will summarize the FME’s SmartStep plan and annual audit results. Each annually updated public summary will be posted on the SmartWood website, and will also be available by contacting SmartWood.’</i></p> <p>Please note that in order to determine whether FSC P&C 8.3 has been met, UK Government buyers will likely need to refer to the full report, rather than the public summary.</p> <p><i>2.0 Benefits of Involvement in SmartStep</i> indicates that <i>‘SmartStep will provide a “SmartStep’ verification statement” for public dissemination, plus letters of support and other private business-to-business communications written by SmartWood on a case-by-case basis that provide proof of SmartStep forest product companies’ commitments as they transition to full FSC certification...’</i> In some cases,</p>	<p>Yes</p>

Criteria	Findings	
	<p>these may be able to confirm compliance with Criteria 1.1, 1.2 and 1.3 but will need to be assessed on a case-by-case basis. As noted above, SmartStep applies only to FMEs, and thus additional information will be required about the supply chain beyond the forest gate.</p> <p>For organisations claiming compliance with the Chain-of-Custody Standard for General Applications the requirements outlined in FM-01 Forest Evaluation Handbook also apply.</p>	

2. Forest management requirements

Criteria	Findings	
2.1 Is the information provided on the location of the forest source adequate?	The physical coordinates of the forest within the scope, and explanation of that scope, are required in the Gap Analysis reports. The reports are explicit about which FMUs are within the SmartStep enrolled forest and which are excluded.	Yes
2.2 Has information on compliance been provided for each criterion in the relevant checklist?	<p>3.0 <i>SmartStep Program Requirements</i> states 'As a basis for acceptance into the SmartStep Program, forest enterprises must demonstrate that they are meeting minimum legal, social and environmental requirements, as described in Appendix 1.'</p> <p>These minimum requirements have been used as the basis for the Checklist 2b assessment.</p> <p>Criterion L2 is not met through the minimum requirements, therefore enrolment in the SmartStep Program does not guarantee compliance with the Checklist 2b legality requirements.</p> <p>* However, it is possible that an enrolled company will meet or exceed the Checklist 2b requirements. Please refer to evidence described in Criterion 2.4 to determine whether the company complies.</p>	No*
2.3 Has information been provided on how compliance is checked/verified and is the approach used adequate to confirm the criteria are being met?	<p>For SmartStep enrolled companies, the Program Description identifies the following requirements:</p> <p>3.0 <i>SmartStep program requirements</i> states that as a minimum requirement, organisations must 'Agree to undergo SmartStep audits at least once a year to verify ongoing implementation of the SmartStep Action Plan'.</p> <p>4.2 <i>Audit design</i> states that 'One or more auditors are assigned by SmartWood to audit the candidate enterprise's forest management with respect to the FSC P&C. SmartStep</p>	Yes

Criteria	Findings	
	<p><i>audits are conducted by lead auditors experienced in FSC certification assessments. Audit teams will include one or more additional assessors with knowledge and experience in the forestry practices, ecology, and social issues of the region</i>.</p> <p>4.5 <i>Gap Analysis</i> requires that <i>'The team will audit the candidate's office and forest management units to evaluate compliance with the FSC P&C and SmartStep minimum requirements. Field duration varies depending on the size and complexity of the operation but typically ranges from three to five days.'</i></p> <p>The FM-25 SmartStep Procedures identifies requirements for team composition, pre-audit planning, fieldwork, initial team meeting, meeting the client, field inspections and stakeholder consultations.</p> <p>The FM-01 Forest Evaluation Handbook identifies qualification requirements for assessors, including appropriate education, experience and skills.</p>	
2.4 Is evidence supplied or available to support the information provided and is it adequate?	<p>The Program Description identifies the following requirements:</p> <p>4.5 <i>Gap analysis</i> states that <i>'This report will identify gaps with respect to the FSC certification standard and establish whether the SmartStep minimum performance criteria have been met.'</i></p> <p>4.8.3 <i>Public Summary</i> states that <i>'A public summary will summarize the FME's SmartStep plan and annual audit results. Each annually updated public summary will be posted on the SmartWood website, and will also be available by contacting SmartWood.'</i></p> <p>In addition to demonstrating enrolment in the SmartStep Program, companies must demonstrate compliance with Criterion L2. Information in the public summary details on the website will include confirmation (where applicable) that the FME has complied with FSC 1.1, 2.2, 4.2, and 4.3. Any that are not acknowledged would therefore still have non-conformities to certain elements of L2.</p>	Yes

Category B Checklist 2b: Forest source information for legality

Criteria	Does the verification standard comply?	
L1 The forest owner/manager holds	Appendix 1: <i>Entry level requirements for SmartStep Forest Enterprises</i> requires <i>'Clear evidence that the enterprise has</i>	Yes

<p>legal use rights to the forest</p>	<p><i>a legal right to harvest in the FMU, as per SmartWood VLO standards, principles 1 to 3':</i></p> <p>SmartWood VLO Standards</p> <p>Principle 1:Legal Right to Harvest</p> <p><i>The legal status of the forest management unit shall be clearly defined and boundaries delineated. The company shall prove that it has validly obtained the legal right to operate and to harvest timber from within the defined forest management unit.</i></p>	
<p>L2 There is compliance by both the forest management organisation and any contractors with local and national laws including those relevant to:</p> <ul style="list-style-type: none"> • Forest management • Environment • Labour and welfare • Health & safety • Other parties' tenure and use rights 	<p><i>Appendix 1: Entry level requirements for SmartStep Forest Operations requires no 'persistent or systematic non-compliance with laws by the enterprise.'</i></p> <p>Forest management, environment, labour and welfare, H&S and other parties' tenure and use rights are not addressed.</p> <p>The entry level requirements would not be sufficient to guarantee compliance.</p> <p>However, these are addressed within the FSC P&C:</p> <p><i>1.1 Forest management shall respect all national and local laws and administrative requirements.</i></p> <p><i>2.2 Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies. [Please note that only legal use/tenure rights need to be addressed to meet the CPET criterion]</i></p> <p><i>4.2 Forest management should meet or exceed all applicable laws and/ or regulations covering health and safety of employees and their families.</i></p> <p><i>4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guarantees as outlined in Conventions 87 and 98 of the International Labour Organisation (ILO).</i></p> <p>*Only enterprises that are found to be complying with FSC P&C 1.1, 2.2 (see note above), 4.2 and 4.3 will meet Criterion L2. As noted in 2.4, information in the public summary details on the website will include confirmation (where applicable) that the FME has complied with FSC 1.1, 2.2, 4.2, and 4.3. Any that are not acknowledged would therefore still have non-</p>	<p>No*</p>

	conformities to certain elements of L2	
L3 All relevant royalties and taxes are paid	<p>SmartWood VLO Standards</p> <p>Principle 3: Payment of Fees and Taxes Required to Maintain Rights:</p> <p><i>The company regularly fulfills all obligatory tax; fee and/or royalty payments associated with maintaining the legal right to harvest and permitted harvesting volumes.</i></p>	Yes
L4 There is compliance with the requirements of CITES.	<p><i>Appendix 1: Entry level requirements for SmartStep Forest Operations requires 'Compliance with the applicable provisions and requirements of CITES – the Convention on International Trade in Endangered Species of Wild Fauna and Flora'.</i></p>	Yes