

# **ASI-ACCREDITATION SERVICES INTERNATIONAL GmbH**

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## **FSC Surveillance of SGS Qualifor in 2010**

**Forest Management Assessment (The New Forests Company (Uganda) Ltd  
SGS-FM/COC-006224,)**

**Date of the assessment: 09 - 12 February 2010**

*Public Summary*

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Kampala. Uganda**

**Background of the assessment**

The operation audited by SGS - Qualifor

<b>Name of operation</b>	The New Forests Company
<b>Type of certificate</b>	Forest Management
<b>Total area</b>	12607 ha
<b>Type of management</b>	Plantation forest management
<b>Name of contact person</b>	Tonderai Kachale
<b>Address</b>	P.O. Box 71435 Kasanga, Kampala
<b>Country</b>	Uganda
<b>URL</b>	www.newforestscompany.com
<b>E-mail address</b>	tonderai.kachale@newforestscompany.com

The certification history

<b>Brief description of the operation:</b>	The New Forests Company Ltd is a Ugandan registered company that is 97 percent owned by a UK company called NFC Uganda UK limited and the balance by two individuals and the East African Development Bank. Some 72% of the shares in the NFC Uganda UK Ltd are owned by a Holding Company called NFC Holdings Limited. The company is actively developing a portfolio of African forestry companies and has already other plantation operations in Tanzania and Mozambique with prospects for a further project in Rwanda.
<b>Pre-audit</b>	2-5 June 2008
<b>Main SGS Qualifor audit:</b>	9-13 March 2009
<b>Date of complimentary audit</b>	-
<b>Date of certificate issue</b>	25 May 2009
<b>Date of 1<sup>st</sup> SGS Qualifor surveillance</b>	9-12 February 2010

ASI Assessment Details

<b>Purpose of assessment</b>	FM SGS - ASI surveillance assessment, 2010
<b>ASI Assessors</b>	Frank Katto (ASI Lead Assessor) - FK
<b>ASI Local Expert (s)</b>	Buyinza Makadasi – BM and Patrick Byakagaba - PB
<b>Language</b>	English

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**ASI stakeholder consultation process**

The ASI stakeholder consultation process consists of 3 parts:

1. Announcement of the assessment on the FSC electronic for about one month prior to the assessment to solicit stakeholder comments and other comments and complaints previously sent by stakeholders to the certification body;
2. Specific messages to local stakeholders requesting input for the ASI field audit;
3. Individual contact, meetings and interviews with selected key-stakeholders prior to, during and/or after the ASI field audit.

ASI sent out a stakeholder consultation announcement to the FSC members, national initiative and certification bodies on the 26 January 2010. No comments were received prior to the audit. ASI also sent out on the 25 January 2010, specific messages to selected stakeholder.

The ASI local expert was provided in advance with a list of local stakeholders consulted by SGS Qualifor. It is felt that since this was an annual audit that the breadth and scope of the stakeholders consulted was adequate and provided sufficient depth of stakeholder interests for the NFC and the purposes of the annual surveillance audit.

Consultation with stakeholders was also done on the 9 – 12 January 2010 including local administrators, government representatives and non-governmental organisations (see the stakeholder comments attached. There were no complaints regarding the certification body's performance. There were no specific concerns regarding the conformity of the certificate holder - NFC with FSC's and the certification body's certification requirements except on the general concern that NFC should explore the possibilities of planting native tree species (see Table 1 below).

Table 1

<b>Main stakeholder comments</b>	<b>ASI response</b>
In preparation for this audit, ASI contacted stakeholders to receive specific written comments regarding the performance of SGS Qualifor or regarding the conformity of the NFC against FSC certification requirements.	
Need for NFC to do studies to determine indigenous species suitable for areas they are operating in.	ASI confirmed that the same issue had been raised by SGS Qualifor.

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**Nonconformities and observations**

<b>Major CAR(s)</b>	<b>Minor CAR(s)</b>	<b>Observations</b>
0	3	1

See nonconformity reports (attached) for details.

Note 1: the failure to successfully address MAJOR CARs within the given timeline may result in disciplinary measures, including the suspension of accreditation.

Note 2: Observations are related to an area of concern, a process, document, or activity that is currently conforming that may if not improved, result in a nonconforming system, product or service. Thus, observations which are not considered by the CB may lead to corrective action requests in the future.

**6 Conclusion and recommendation**

The SGS Qualifor audit team conducted a professional and systematic surveillance audit. NFC provided the audit team with all the necessary support to ensure the successful performance of this audit including, the provision of information on a wide range of activities and could demonstrate its continued compliance with the FSC certification requirements.

ASI audit team is satisfied that the CARs raised by SGS Qualifor during this audit address most of the nonconformity identified. The findings that the SGS Qualifor auditor presented during the closing meeting were valid, well presented and were accepted by NFC.

Based on the findings of this assessment, the ASI lead assessor recommends to FSC Accreditation Committee the continuation of the FSC forest management accreditation for SGS Qualifor, subject to the timely closing of the nonconformity identified during the audit and specified in the nonconformity reports (attached).

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Annex 1: Nonconformity reports (NCRs)

REF. No.	<b>NC.SGS.FSC.FM.UGA.2010.01</b>	Date	28 May 2010
Nonconformity detected by (name of auditor)		Frank Katto	
Through (e.g. office audit, document review)		FM surveillance assessment	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> <b>MINOR</b> <input type="checkbox"/> OBSERVATION	
<p>SGS Qualifor adapted standard (AD 33-UG-02.) for Uganda was approved on 11 April 2007. However this standard has not been updated to reflect the changes in the FSC system since 2007. for example the SGS Qualifor adapted standard for Uganda under criterion 6.6, indicator 6.6.2 states that:</p> <p>- prohibited pesticides are not used expect in areas where: a) a derogation of policy has been obtained from the FSC secretariat, b) a temporary exemption has been authorised in terms of FSC-IP 0001, by the SGS Qualifor program Director/Manager.</p> <p>The FSC-IP 001 is obsolete but this is still referred to as a valid document in the SGS Qualifor adapted standard (AD 33-UG-02.)</p>			
Normative Reference(s)	<b>FSC-STD-20.007 V3-0, 4.1.1 in conjunction with SGS Qualifor forest management standard -AD 33-UG-02 section 6.6.2</b>		
<p>Corrective Action Request:</p> <p>CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.</p>			
Timeline for implementation		next office audit	

REF. No.	<b>NC.SGS.FSC.FM.UGA.2010.02</b>	Date	28 May 2010
Nonconformity detected by (name of auditor)		<b>Frank Katto</b>	
Through (e.g. office audit, document review)		FM surveillance assessment	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> <b>MINOR</b> <input type="checkbox"/> OBSERVATION	
<p>The SGS audit team did not evaluate the ILO requirements in relation to employment of persons under 18 years old. At Namwasa site, one worker for a contractor in charge of slashing and chemical weed control, when asked indicated that he was 16 years of age.</p>			
Normative Reference(s)	<b>FSC-STD-20.007 V3-0, 6.1.1 in conjunction with SGS Qualifor forest management standard -AD 33-UG-02, section 4.1.10</b>		
<p>Corrective Action Request:</p> <p>CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to</p>			

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correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.	
Timeline for implementation	<b>next office audit</b>

REF. No.	<b>NC.SGS.FSC.FM.UGA.2010.03</b>	Date	28 May 2010
Nonconformity detected by (name of auditor)		Frank Katto	
Through (e.g. office audit, document review)		field audit and document review	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input checked="" type="checkbox"/> <b>MINOR</b> <input type="checkbox"/> OBSERVATION	
<p>During consultation with stakeholders in the village of Mpologoma - Namwasa, the SGS Qualifor audit team did not appropriately introduce itself in terms of who the team was, which resulted in the stakeholder withholding some information.</p> <p>The stakeholder repeatedly expressed that she did not know the difference between the SGS Qualifor audit team, The New Forests Company, and the National Forestry Authority and the SGS team could not properly identify itself.</p>			
Normative Reference(s)	<b>FSC-STD-20.006 V3-1, 1.4.1 - 1.4.2</b>		
<p>Corrective Action Request:</p> <p>CB shall implement appropriate measures to correct the nonconformity detected in this audit and described above within the given timeline. The measures shall be adequate to correct the current problems and to eliminating causes of nonconformities in order to avoid recurrence.</p>			
Timeline for implementation		next office audit	

REF. No.	<b>OBS.SGS.FSC.FM.UGA.2010.01</b>	Date	<b>28 Maay 2010</b>
Nonconformity detected by (name of auditor)		<b>Frank Katto</b>	
Through (e.g. office audit, document review)		FM surveillance assessment	
Nonconformity	Status	<input type="checkbox"/> MAJOR <input type="checkbox"/> MINOR <input checked="" type="checkbox"/> <b>OBSERVATION</b>	
<p>During the auditing process, there were a couple of phone interruptions whilst the auditee was being audited and it was clear that this inconvenienced the auditee. Appropriate use of mobile phones should be ensured.</p>			