



18 August 2010

Update to stakeholders:

Stakeholder concerns regarding Plywoodmill Botrosa, Ecuador

Background

On 8 March, 2010, allegations of illegal activity against a company that was claimed to hold an FSC forest management (FM) certificate in Ecuador were brought to the attention of FSC through the German FSC National Office.

It had been alleged that the company Botrosa - a part of the Durini Group and a co-owner of the FSC certified FMU 'Rio Pitzara' - was involved with two deaths. As well there were concerns related to land use rights in non certified areas.

Since learning of the allegations, FSC requested Accreditation Services International – ASI, the FSC organization in charge of controlling certification bodies, to verify the details of the situation and investigate the issue.

Actions

A short notice witness assessment of GFA Consulting Group GmbH was undertaken in Ecuador from the 5 to 8 May 2010 following concerns raised through various stakeholder organizations about alleged illegal activities by a GFA issued FSC forest management certificate namely Río Pitzara Forest Management Unit (GFA-FM/COC-001267).

Findings

ASI clarified that the allegations were not related to an FSC certified operation and that the company allegedly involved, Botrosa, is not an FSC certificate holder. However, Botrosa is a partial owner in a company that owns the legal entity called Rio Pitzara Forest Management Unit, a forest plantation that belongs partly to the Plywoodmill Endesa and the Plywoodmill Botrosa, and holds the FSC certificate code GFA-FM/COC-001267. The date of the last surveillance audit of the Rio Pitzara Forest Management Unit was 23 – 24 November 2009; a public summary of which is available online at www.info.fsc.org.

Due to the fact that the incident occurred in areas which are not under the scope of FSC certification, ASI focused its investigation on how GFA assessed the company's compliance with FSC's policy on Partial Certification of Large Ownerships (FSC-POL-20-002 2000). This policy requires that companies demonstrate commitment to the FSC Principles and Criteria in the areas that are not certified.



Summary

1. From stakeholder consultation and interviews with the Ecuadorian Authorities including those involved in a police investigation (Police and Ombudsman (Defender of the People)), no objective evidence, link or a court case against the Certificate Holder (CH) was found by GFA.

Result: ASI found that GFA has adequately evaluated the objective evidence gathered during this assessment against FSC applicable requirements in relation to this issue.

2. GFA conducted an ad hoc evaluation of the legal status of the site called “El Pambilar”, (a non-certified FMU, also managed by Endesa-Botrosa) and conducted a site visit to verify the conservation status of the area.

Although there are 2 contradicting court results, the GFA legal advisor concluded that the CH has a valid land use right to operate in the area under specific protection measures. The audit team verified that no harvesting activities were conducted by the CH in the area.

Result: ASI found that GFA has adequately evaluated the objective evidence gathered during this assessment against FSC applicable requirements in relation to this issue.

3. GFA found objective evidence of an open court case on one of the subcontractors of SETRAFOR (a company of the Durini Group). Although this is not directly linked to Botrosa, GFA raised a Major CAR against the company due to the low control of compliance of its subcontractors.

Result: ASI agrees that GFA findings are appropriate to address the nonconformity detected.

4. GFA did not appropriately evaluate the CH's a long-term commitment to adhere to the FSC Principles and Criteria in other FMUs as required in FSC P&C criterion 1.6 and following FSC-POL-20-002 (2000).

Result: GFA raised Minor CARs (see CAR 2010-02 and CAR 2010-03 in the GFA audit report), on issues related to partial certification to the certificate holder as a result of the audit. ASI states that these GFA findings are appropriate.

5. ASI raised 2 Major, 2 Minor CARs and 1 observation against GFA. These are outlined in the Final Report.



Further information

GFA's Final Report was submitted to ASI on July 14th and is available on the www.info.fsc.org website (direct link:

<http://info.fsc.org/servlet/servlet.FileDownload?retURL=%2Fapex%2FPublicCertificateDetails%3Fid%3Da0240000005sSNYAA2&file=00P400000056gOMEAY>).

ASI's Final Report is available on the ASI website at www.accreditation-services.com (direct link: http://www.accreditation-services.com/uploads/media/ASI-REP-54-GFA-2010-ENDESA_BOTROSA_-ECUADOR.pdf).

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