

Certified by:



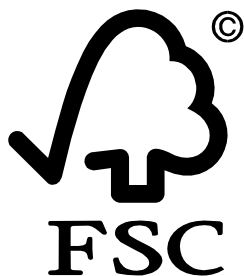
SmartWood Headquarters
65 Millet St. Suite 201
Richmond, VT 05477 USA
Tel: 802-434-5491
Fax: 802-434-3116

www.smartwood.org

Persona de contacto: Jon Jickling
jjickling@smartwood.org

Certification Assessment
performed by:

SmartWood Regional Office
Central America and The Caribbean
8a. Avenida 15-62, Zona 10,
Ciudad de Guatemala, Guatemala
Tel: (502) 2383-5757
Fax: (502) 2383-5788
Contact Person: Adolfo Lemus
Email: alemus@smartwood.org



ACREDITADO
FSC-ACC-004

© 1996 Forest Stewardship Council A.C.

FM-02 Sept 2004



SmartWood

Practical conservation through certified forestry

Forest Management
Re-certification Assessment
Report for:

**BRINKMAN Y ASOCIADOS
REFORESTADORES DE
CENTRO AMÉRICA, S.A.
(BARCA S.A.)**

In
Puntarenas, Costa Rica

Assessment Date: April 18th-22nd, 2006
Draft Report: June 8th, 2006
Report Finalized: June 22th, 2006
Assessment Team: William Arreaga,
Hugo Álvarez

Certificate issue date: June 21st, 2001
Certificate code: SW-FM/COC-152

Operation Contact: Ricardo Luján M.Sc.
Address: Apartado 80, Parrita (6300),
Puntarenas, Costa Rica.

TABLE OF CONTENTS

INTRODUCTION.....	4
1. SCOPE OF THE CERTIFICATE.....	5
1.1. SCOPE OF THE CERTIFICATE.....	5
1.2. EXCLUSION OF AREAS FROM THE SCOPE OF CERTIFICATE.....	6
2. ASSESSMENT PROCESS.....	7
2.1. CERTIFICATION STANDARD USED.....	7
2.2. ASSESSMENT TEAM AND QUALIFICATIONS.....	7
2.3. ASSESSMENT SCHEDULE.....	7
2.4. EVALUATION STRATEGY.....	8
2.5. STAKEHOLDER CONSULTATION PROCESS.....	9
3. ASSESSMENT FINDINGS AND OBSERVATIONS.....	11
3.1. STAKEHOLDER COMMENTS RECEIVED.....	11
3.2. MAIN STRENGTHS AND WEAKNESSES.....	14
3.3. IDENTIFIED NON-COMPLIANCES AND CORRECTIVE ACTIONS.....	19
3.4. FOLLOW-UP ACTIONS BY CLIENT TO MEET CERTIFICATION.....	20
3.5. OBSERVATIONS.....	20
3.6. RE-CERTIFICATION RECOMMENDATION.....	20
4. CLIENT SPECIFIC BACKGROUND INFORMATION.....	22
4.1. OWNERSHIP AND LAND TENURE DESCRIPTION.....	22
4.2. LEGISLATIVE AND GOVERNMENT REGULATORY CONTEXT.....	24
4.3. ENVIRONMENTAL CONTEXT.....	25
4.4. SOCIOECONOMIC CONTEXT.....	26
APPENDIX I: FSC Reporting Form: Detailed FMO information.....	27
APPENDIX II: Public Summary of the management plan.....	30
APPENDIX III: Certification Standard conformance checklist (Confidential).....	33
APPENDIX IV: Chain of Custody Standard Conformance Checklist (confidential).....	72
APPENDIX V: Group Certification Conformance:.....	74
APPENDIX VI: List of all visited sites (confidential):.....	78
APPENDIX VII: Detailed list of stakeholders consulted (confidential):.....	79
ANEXO VIII: FMO Maps.....	81
APPENNDIX IX: Documentation Reviewed.....	84
ANEXO X. CLIENT INFORMATION.....	85

ACRONYMS

ACOSA	Conservation area of Osa
B&A	Brinkman and Associates Reforestation, Ltd.
BARCA	Brinkman y Asociados Reforestadores de Centro America S.A.
HCVF	High Conservation Value Forest
BIRD	Brinkman Internacional Reforestacion y Desarrollo S.A.
AAC	Annual Allowable Cut
CAR	Corrective Action Request
CCSS	Costa Rican Social Security
CITES	Convention on International Trade of Endangered Species
CNCF	National Commission of Forest Certification
COC	Chain of Custody
FONAFIFO	National Fund for Forest Support
FSC	Forest Stewardship Council
IDA	Agricultural Development Institute
INS	National Insurance Institute
MAG	Ministry of Agriculture
MINAE	Ministry of Environment and Energy
OBS	Observation
ITTO	International Tropical Timber Organization
ILO	International Labor Organization
FMO	Forest Management Operation
P&C	Principles & Criteria of the FSC
PSP	Permanent Sampling Plot
PSA	Payment for Environmental Services
PWC	PWC Trust Consultants S.A.
SETENA	National Technical Department
SW	SmartWood Program of the Rainforest Alliance
TV	Terra Vitallis Foundation
FMU	Forest Management Unit

INTRODUCTION

This report presents the findings of an independent certification assessment conducted by a team of specialists representing the SmartWood program of the Rainforest Alliance. The purpose of the assessment was to evaluate the ecological, economic and social sustainability of **Brinkman y Asociados Reforestadores de Centro América, S.A. (BARCA)** in the fincas located in Parrita, Aguirre, Golfito and Osa at the Province of Puntarenas, Costa Rica; as defined by the Forest Stewardship Council (FSC).

This report contains four main sections of information and findings and several appendixes. The whole report plus appendixes I and II will become public information about the forest management operation that may be distributed by SmartWood or the FSC to interested parties. The remainder of the appendixes are confidential, to be reviewed only by authorized SmartWood and FSC staff and reviewers bound by confidential agreements.

The purpose of the SmartWood program is to recognize conscientious land stewardship through independent evaluation and certification of forestry practices. Forestry operations that attain SmartWood certification may use the SmartWood and FSC labels for public marketing and advertising.

1. SCOPE OF THE CERTIFICATE

1.1. Scope of the certificate

Brinkman y Asociados Reforestadores de Centro América Sociedad Anónima (BARCA) is a Costa Rican company whose headquarter is located in Parrita, province of Puntarenas; a subsidiary of the Canadian company *Brinkman and Associates Reforestation, Ltd.* (B&A). BARCA is legally registered in the Civil Registry as Anonymous Society under the permit number 3-101-162768, issued on January 31st, 1995.

Since the beginning, on 1994, BARCA has offered technical assistance regarding forest plantation management to third parties' companies located in the Costa Rican Pacific Ocean; this is the case of the company Maderas Von Moos S.A. and of Mr. Kevin Yardley's companies. Simultaneously, BARCA has managed plantations in fincas co-owned with Brinkman Internacional Reforestación y Desarrollo S.A. (BIRD). The company's forest management implemented in the fincas was evaluated by SW on 2000, obtaining the following year a FSC certificate as a Resource Manager (SW-FM/COC-152).

Eventually a finca property of BARCA was included in the certificate (in the central Pacific) and others, located in the Central and the South Pacific, where BARCA co-owns with PWC Trust Consultants S.A. (PWC) and the Terra-Vitallis Foundation (TV). This foundation from the Netherlands hired BARCA to administrate and to regent Teak plantations, including the establishment, maintenance, management and harvesting activities until the final harvest on the 20th year. Under this scheme the players acquire different responsibilities, on one hand TV gets interested parties to invest in the Teak plantations management, offering significant benefits at the short and long term. On the other hand, BARCA, as a resource manager, takes care of any activity considered valid to achieve those benefits. Here is where PWC takes action, administrating the fund created from the investors' resources, and administrating the fund trust, which is the land itself, same that at the beginning of the relationship with the clients constitutes the guarantee that BARCA will comply with what is offered. In that way, at the end of the relationship (20 years), the land will again be registered to BARCA, as the exclusive owner.

For certification purposes, since 2001 BARCA and the group member organizations (Kevin Yardley and Maderas von Moos) signed internal legal agreements, where it is established that BARCA will continue to offer technical advice and it will represent them before SmartWood (SW) as Resource Manager of the group certificate. These contracts were signed at different time and include the commitment to renew them every five years.

Given the previous certification background, it can be summarized that the scope BARCA's certificate as a Resource Manager from the present day, will cover three big groups¹, each one of them with a different number of fincas registered under its name and whose total extension adds up to 2,120.81 ha, from which 1,995.38 ha constitute the candidate area to be included in the certificate. From that total, about 20% is distributed in the certificated forest area property of Kevin Yardley (eight individual properties) and of Maderas Von Moos S.A. (four individual properties) and the remainder is distributed among BIRD, PWC and BARCA (62 individual properties).

¹ BARCA S.A. is not included as a group member; details are given in section 1.2.

The scope of BARCA's certificate, in terms of number of companies and fincas, number of registry of the companies and the area of the assessed fincas, is described in Table 1, and the details of the individual properties of each group are in Table 2 (section 4.1 of this report).

Table 1. Scope of BARCA's certificate as a Resource Manager.

FMU and certification subcode	Owner / Companies	No. of Legal Registry	Location	No. of fincas	Certificated area (ha)
BARCA/BIRD/PWC (SW-FM/COC-152-A)	<u>BARCA S.A.</u> <u>BIRD 96 S.A.</u> <u>BIRD 98 S.A.</u> BIRD S.A. PWC Trust Consultants S.A.	3-101-162768 3-101-178516 3-101-178515 3-101-157903 3-101-261988	<u>South and Central Pacific:</u> Cantones Parrita, Aguirre, Golfito and Osa, Puntarenas, Costa Rica.	62	1,622.48
KEVIN YARDLEY (SW-FM/COC-152-B)	El Cangrejo y Pelicano S.A. Palos Tropicales S.A. Reforestadora Palo Bonito S.A. Maderas Duras Tropicales Diamante S.A. Maderas Tropicales Diamante Internacional. S.A. Bosque de Estrellas S.A.	3-101-189222 3-101-189187 3-101-153334 3-101-190769 3-101-189174 3-101-250254	<u>Central Pacific:</u> Cantón Parrita, Puntarenas, Costa Rica.	8	202.25
MADERAS von MOOS (SW-FM/COC-152-C)	Maderas von Moos S.A.	3-101-220711	<u>Central Pacific:</u> Cantón Parrita, Puntarenas, Costa Rica.	4	170.65
TOTALS				74	1,995.38

SOURCE: BARCA S.A., 2006 and www.registracional.gob.cr

For the implementation of management practices in the new planted areas, BARCA has a regional office attending all forest projects located at Palmar Sur, Puerto Escondido and Golfito, toward the Pacific South of the country. The company, in this location, has all the needed facilities for expansion of forest projects (nursery area, storage area, and offices) and with the technical staff in charge of several tasks (topography, plantations establishment, soils, geographic information system, forest engineer, and administrative and financial staff). In appendix II and III of the current report, there is more detailed information of the Forest Management Operation (FMO) and of the areas covered by the certificate.

1.2. Exclusion of areas from the scope of certificate

BARCA also implements the forest reGENCY in finca Salamá, in the Canton of Osa, Puntarenas. The current forest activity in that finca is the harvest of trees' remnants, or sprouts of Melina (*Gmelina arborea*), which was not managed by its previous owner. BARCA decided not to include this property within the group certification because it is uncertain whether it will be sold or will be used to develop more plantation projects, probably under the present scheme of the Terra Vitallis Foundation. BARCA does not make certification claims in signs or public documents related to this property.

In another matter, Finca Capital (54.89 ha, located in Parrita, Puntarenas), property of BARCA S.A. will be excluded from the scope of the certificate. The company expressed the reason of the exclusion obeys to the initial segregation from the original (also called Capital, with an extension of 64.50 ha, which will not be excluded from the certificate) and it is mostly covered with native forest, being this the reason why it will be sold at the short term.

2. ASSESSMENT PROCESS

2.1. Certification Standard Used

The certification assessment of BARCA S.A. was conducted by the assessment team using the SmartWood certification standards, modified and adapted to the Costa Rican conditions, just as it is described in the Forest Management Assessment Interim Standard for Costa Rica (April 2003). To assess the principle 10 (Plantations) the team used the SmartWood Generic Standards for Forest Plantation Management (version 2000).

The criteria and interim standards are the official SmartWood certification procedures for Costa Rica and they are based on SmartWood Generic Standards (version 2000), which have been accredited by the FSC. The interim standards either achieve or exceed the requirements of the SmartWood Generic Standards. The operations achieving or exceeding these standards will be issued the SmartWood certification status.

To obtain a copy of the standard used in the assessment, Adolfo Lemus, Regional Manager of the SmartWood Office for Central America and the Caribbean, could be contacted (alemus@smartwood.org).

2.2. Assessment team and qualifications

Hugo Álvarez: Costa Rican, Forest Engineer with over 16 years of experience in resource management projects. He has seven years of experience in training, evaluation and annual audit processes for SmartWood at Latin American level. Currently, he is the SmartWood representative for Costa Rica. During the present assessment he assessed the social and economic aspects of forest management.

William Arreaga: Guatemalan; Alumni of the Agronomic Department of the Universidad de San Carlos of Guatemala and has a Master of Science from CATIE. He has experience in the management of natural forests and plantations, as well as the assessment of tracking procedures of certified wood in industrial companies. Currently, he is a forest specialist in certification of forest management and chain of custody at the SmartWood regional office for Central America and the Caribbean. In the case of the re-assessment process of BARCA, he led the team and assessed the environmental and technical aspects of forest management.

2.3. Assessment schedule

Date	General Location* (main sites)	Main activities
March 16th, 2006		<ul style="list-style-type: none">• Public notification to stakeholder begins (email and fax).• Initial team organization.
March 18th, 2006	Central office of FMO in Parrita, Central Pacific, Puntarenas.	<ul style="list-style-type: none">• Trip to Parrita, Puntarenas at the Central Pacific.• Opening meeting with BARCA's Forest Manager.• Planning of field trips and transportation.• Preliminary review of general documentation.
April 19th, 2006	Sub regional office of the FMO in Palmar Sur and	<ul style="list-style-type: none">• Trip to Palmar Sur, Puntarenas in the South Pacific.

	individual fincas (plantations, natural forest, roads, drainage areas)	<ul style="list-style-type: none"> • Interviews with technical, field and administrative staff. • Interviews with local stakeholders. • Forest project field assessment of Puerto Cortés, Palmar Norte and Palmar Sur. • Technical documentation review.
April 20th, 2006	Individual fincas in Puerto Escondido, peninsula of Osa and Conte, Golfito (plantations, natural forest, roads, drainage area and soil conservation)	<ul style="list-style-type: none"> • Trip to projects in Puerto Escondido and in Golfito (Conte). • Interviews with field staff and foremen. • Interviews with local stakeholders in the peninsula of Osa. • Interview with member of the indigenous group of <i>Gnöbe Bugle (guaymi)</i> in Conte. • Forest project field assessment in Puerto Escondido and Conte. • General documentation review. • Trip to FMO central office in Parrita, Puntarenas.
April 21st, 2006	FMO central office in Parrita and individual fincas (plantations, natural forest and roads)	<ul style="list-style-type: none"> • Interviews with administrative and technical staff of the FMO and two members of the certified group (Kevin Yardley and Maderas Von Moos). • Field assessment of forest projects and mills of two members of the certified group (Kevin Yardley and Maderas Von Moos). • Final review of documentation. • Closing meeting with BARCA S.A. staff to present preliminary assessment conclusions.
April 22nd, 2006		Writing of the report begins, and public consultation with external stakeholders continues.
June 9th, 2006		Draft report to BARCA S.A. for initial review and comments/reviews.
June 22nd, 2006		Comments back from BARCA S.A.
June 22nd, 2006		Final report presented to the SW certification committee.
<p>Total number of person-days used for the assessment: 10 = number of assessor participating 02 times total number of days spent for the audit (including pre-assessment activities) 05. * Detail on sites visited provided in Appendix VI.</p>		

2.4. Evaluation strategy

The assessment for the re-certification of BARCA as a Resource Manager began with a meeting to define the general agenda, including the consultation process with stakeholders and field trip. The application of the company to include new fincas (eight) in the certificate scope was considered within the agenda. The fincas are located in the Costa Rican South Pacific region.

Regarding the field part of the assessment, the team decided to visit the two regions where BARCA has established projects, Central and South Pacific. By this measure, the visit of the 75% of the total group members was ensured.

The certificate group members visited were the following:

1. BARCA-BIRD-PWC (SW-FM/COC-152-A) in the Central and South Pacific.
2. Kevin Yardley (SW-FM/COC-152-B) in the Central Pacific.

3. Maderas Von Moos (SW-FM/COC-152-C) in the Central Pacific.

Within each group member some individual fincas were randomly selected to be visited (sampling intensity between 35% and 75%), considering the clustered characteristic these present in the field. In the particular case of Kevin Yardley, fincas Beto, Tobias and Gerardo were visited; for Maderas Von Moos the fincas Pilomio and Lomas, and in the case of BARCA-BIRD-PWC the fincas 31 to 35 and from 37 to 38 in Palmar; 42, 43 and 44a and 44b in the peninsula of Osa; and from 60 to 62 in Golfito.

Another sampling factor considered to choose the fincas to visit was the management practices, either just done or being executed, such as pesticide application, manual weed removal, pruning and thinning, implemented mitigation measures, drainage works and soil conservation, mangrove trees boundaries, establishment of sampling plots, among others.

These management activities, as well as the mandatory (sanitary, survival, sprout management, weed control, residue management, pruning and thinning impacts) were considered by the assessment team in the visited areas. Some times it was necessary to split the area between the team members, in order to cover more area, given the long time consumed in transportation.

In the Central Pacific, as well as in the South Pacific region, the company offices were visited in order to collect information from documents (printed or digital) and from interviews with technical and administrative staff. Also, the inputs from field workers on most of the visited fincas, or the foremen, were considered.

The inputs from officers of public institutions, such as the Ministry of Environment and Energy (Ministerio de Ambiente y Energía, MINAE), Costa Rican Social Security (Caja Costarricense de Seguridad Social, CCSS), National Insurance Institute (Instituto Nacional de Seguros, INS), Municipalities and Ministry of Labor, were also collected, either via meetings or telephone interviews, in the places where offices with jurisdiction on the BARCA project were available.

A summary of the main visited sites by the assessment team is presented in the following chart:

List of management aspects reviewed by assessment team:

Type of site	Sites visited	Type of site	Sites visited
Administrative Office	2	Bridges/stream crossing	10
Local community	3	Developing forests	8
Road construction	6	Natural regeneration	6
Property boundaries	15	Special site (mangroves)	1
Chemical weed control	9	River zone	3
Mechanical weed control	7	Property limits	6
Planned Harvest site	5	Developing forests	6
Sanitary cut	4	Soil drainage	12
Finalized extraction	3	Soil scarification	4
Artificial water streams (drainage system)	16		

2.5. Stakeholder consultation process

The purpose of the stakeholder consultation strategy for this assessment was threefold:

- 1) To ensure that the public is aware of and informed about the assessment process and its objectives;
- 2) To assist the field assessment team in identifying potential issues; and,
- 3) To provide diverse opportunities for the public to discuss and act upon the findings of the assessment.

This process is not just stakeholder notification, but wherever possible, detailed and meaningful stakeholder interaction. The process of stakeholder interaction does not stop after the field visits, or for that matter, after even a certification is made. SmartWood welcomes, at any time, comments on certified operations and such comments often provide a basis for field assessment.

In the case of BARCA, prior to the actual assessment process, a public consultation stakeholder document was developed and distributed by email, FAX and posted on the SmartWood webpage. Through input from FMO staff and from the members of the assessment team, an initial list of stakeholders was developed, and public announcements were distributed to them. This list also provided a basis for the assessment team to select people for interviews (in person, or by telephone, or through email). The list of notified and/or interviewed stakeholders is available on Appendix VII of the present report.

Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)	Stakeholders informed (#)	Stakeholders consulted or providing input (#)
Environmental NGOs	2	2
Forest authorities	4	4
Labor authorities	1	1
Local civil authorities	2	2
Forest professionals	5	5
Local people	6	2
Others (National Museum – Dept. of Anthropology)	1	1

3. ASSESSMENT FINDINGS AND OBSERVATIONS

3.1. Stakeholder comments received

The stakeholder consultation activities were organized to give participants the opportunity to provide comments according to general categories of interest, based upon the assessment criteria. The table below summarizes the issues identified by the assessment team with a brief discussion of each, based upon specific interview and/or public meeting comments.

FSC Principle	Stakeholder comment	SmartWood response
<p>P1: FSC Commitment and Legal Compliance</p>	<p>a. MINAE, Ministry of Labor, municipal majors and social security representatives commented that BARCA has not broken any law, either environmental or labor related, and that it pays the corresponding taxes.</p> <p>b. The representative of the National Museum indicated that BARCA informed the presence of pre-colonial indigenous spheres in one of the fincas at Palmar and allowed the National Museum to take them for their custody.</p>	<p>a. The assessment team sought the tax payment receipts, social security rolls and a handbook of Environment and Labor National Laws.</p> <p>b. BARCA demonstrated knowledge of Law No. 6703 about the Protection of National Archeological Patrimony.</p>
<p>P2: Tenure & Use & Rights & Responsibilities</p>	<p>a. The interviewed stakeholders said that BARCA has not caused any conflict while establishing the new fincas located at the South Pacific. Besides, the company respects the tenure and forest use of the group properties.</p>	<p>a. None.</p>
<p>P3: Indigenous People's Rights</p>	<p>a. The BARCA forest plantations management does not affect either territory or rights of Indigenous people present in the South Pacific. The Indigenous community of Conte Burica is completely isolated from the Creole people's area of influence; there are about 4 hours walking (about 30 km) between the two areas.</p>	<p>a. The assessment team had contact with one of the members of the <i>Gnöbe Bugle</i> community and no negative inputs were mentioned regarding the company affecting their territory or costumes. The same way, the inputs from company workers, who are members of the indigenous communities in Puerto Escondido, did not reflect any non-conformances with the company.</p>
<p>P4: Community Relations & Worker's Rights</p>	<p>a. There is the "Social Fund" to pay for social works in communities at the vicinity of the project and to help the workers with their economic needs.</p>	<p>a. Interviews with Stakeholders expressed the importance of the social fund.</p>

FSC Principle	Stakeholder comment	SmartWood response
	<p>b. Discussion groups are organized to discuss "Quality Control" among workers and "Leadership among foremen and crew managers. There is an adult education program that provides motivation and materials to interested workers. Also, the field workers confirmed to have taken courses on forest fires, sickness management and forest certification.</p> <p>c. BARCA supports the communities to get infrastructure works before the municipality of Osa; and in the case of the communities of Golfito, the company collaborates with the school board of the community of Escuadra.</p> <p>d. After 60 years of banana plantations and the failure of the Melina project of the company "<i>Stone Forestal</i>" in the South Pacific, BARCA is on his way to create a new forest culture with social impact in the popular mind.</p> <p>e. It is necessary to promote closeness with MINAE (especially in the Conservation Area of Osa-ACOSA) where more technical information about the South Pacific project should be given.</p> <p>f. The officer of the National Institute of Insurance (Instituto Nacional de Seguros, INS) of Parrita knows the company since four years. BARCA is rated as Class A client because it pays before the time is over the worker labor insurance policies. No adjustments to the rolls are made because the company pays above the minimum salary and there are not claims from the workers. He commented that in case of some employees getting fired, BARCA requests to INS the "re-opening" of the insurance</p>	<p>b. The general documentation on the course offered by the MINAE (voluntary wildfire-fighters) was reviewed, this course benefited the workers. It is remarkable that within the staff who approved the course there was a woman.</p> <p>c. The assessment team obtained the version of a member of the school board in the community of Escuadra in Golfito, who assured that the company has collaborated with the community since the establishment of the plantations.</p> <p>d. None</p> <p>e. The assessment team evaluated the observation from MINAE, and agreed to request to the FMO to include ACOSA/MINAE within the stakeholder consultation strategy (See CAR 01-06).</p> <p>f. Some of the workers interviewed by the assessment team confirmed that the company in no case is behind schedule in the payment of the social security, and so benefits them and their families, since the coverage is active during and after the labor period.</p>

FSC Principle	Stakeholder comment	SmartWood response
	coverage so the workers can still be attended, even if BARCA no longer has any responsibility upon these workers.	
P5: Benefits from the Forest	a. The general manager and the owner of the Kevin Yardley group were interviewed, and both indicated that BARCA is technically capable of managing the plantations, benefiting the forest and the members of the group certificate.	a. Based on interviews with technical field staff, the assessment team agrees the company is looking for the best opportunities to negotiate the forest sub products extracted from any of the certified group plantations.
P6: Environmental Impact	<p>a. It is necessary to know the type of impact of the Teak plantations on the wild life throughout time.</p> <p>b. There is a good relationship with the company. There are not environmental complains against it; moreover, the company leaves native trees standing within the plantations.</p> <p>c. The use of chemicals in the establishment of new plantations is required by the Ministry of Agriculture, at least in the case of the plantations of Conte in Golfito.</p>	<p>a. Given that the FMO has not defined indicators to establish the Teak plantation impact on wildlife; SW will request BARCA to take this component into consideration in the annual environment assessments (See CAR 03-06).</p> <p>b. In the field visit, standing trees of Ceiba (<i>Ceiba</i> spp) next to the recently established plantation in the area of Conte (Golfito) were observed.</p> <p>c. The FMO explained that the request of the Ministry consisted in using some unknown chemical products to the technicians and forbidden by international agreements for being considered highly dangerous.</p>
P7: Management Plan	a. BARCA is a good forest regent; it has wide experience and technical capacity.	a. Field evidence shows that the FMO has developed requested forest projects with high technical quality, and in some cases they exceed to what is written on the plantations' management plans.
P8: Monitoring & Assessment	a. BARCA plans the thinning and measures the permanent sampling plots.	a. The field visit demonstrated that the company has installed PSP in all old plantations and this year will install them in the younger ones.
P9: Maintenance of High Conservation Value Forest	None.	None.
P10: Plantations	None.	None.

3.2. Main strengths and weaknesses

Principle	Strengths	Weaknesses
<p>P1: FSC Commitment and Legal Compliance</p>	<ul style="list-style-type: none"> • In general, BARCA complies with Costa Rican laws (forest, environmental, and labor laws), and demands to the group members to strictly adhere to the laws. • The company has not infringed international agreements whose Costa Rica is signatory of (CITES, RAMSAR, ILO, others). Medium and high level members of the company know the contents of these agreements. • The company has proved the payment of territory taxes and rent. 	<p>None.</p>
<p>P2: Tenure & Use & Rights & Responsibilities</p>	<ul style="list-style-type: none"> • The land ownership is clear and secure, and the FMO has full authority over the forest management in third-party owned fincas, members of the group certificate. • In practice, the company meets with the responsibilities of the fincas tenure. • The land acquisition and tenure has not been conflictive and it is recognized by the people of the neighboring communities and the local authorities. 	<p>None.</p>
<p>P3: Indigenous Peoples' Rights</p>	<ul style="list-style-type: none"> • In some cases, for the tree planting task, BARCA has temporarily hired indigenous of nearby communities. • The FMO's forest activities and the finca acquisition for the establishment of plantations does not affect negatively the people of indigenous nearby communities. 	<p>None.</p>
<p>P4: Community Relations & Workers' Rights</p>	<ul style="list-style-type: none"> • The company prioritizes the employment opportunity for the local people, and it sets salaries according to the national minimum and the regional average. • There are not conflicts with the neighboring communities. 	<ul style="list-style-type: none"> • BARCA should have some type of mechanism to relocate the archeological resources before the establishment of the plantations (OBS 01-06). • BARCA shall incorporate the participation of MINAE/ACOSA within its stakeholder consultation

Principle	Strengths	Weaknesses
	<ul style="list-style-type: none"> • The company does not limit the freedom of its workers regarding labor organization. • The workers have safety equipment available, according to what the management plan says. • The company has a public consultation system to determine the social and environmental impacts of the operations. • The company gives support to the communities of Osa in the negotiation with the municipality for the construction of bridges and the conduct of some rivers that represent flood threat. • The company agrees to protect the archeological pre-Hispanic resources existing within its properties. • The company has a Social Fund to support the education and public health of its workers. • The company has implemented an Occupational Health Program aimed to identify labor safety needs within the workers (equipment, first aid kits and training). This program applies to all the members of the certified group. 	<p>plan. (CAR 01-06).</p>
<p>P5: Benefits from the Forest</p>	<ul style="list-style-type: none"> • According to the Management plan and silvicultural practices applied up to this moment, the company seeks to improve the shape and dimensions for every tree. • In the case of fincas BIRD S.A. and the BARCA – Terra Vitallis Trust fund, the cash flow for the plantation maintenance are supported via foreign investors and directly related to the growth projections. • Company keeps the service and the existing natural resource value within the fincas. 	<ul style="list-style-type: none"> • In the case of Kevin Yardley and Von Moos projects, there is not a cash flow demonstrating the economic and financial project viability (CAR 02-06).

Principle	Strengths	Weaknesses
	<ul style="list-style-type: none"> The silvicultural prescriptions needed to fulfill the lumber production goals are based on the literature and the establishment of a plantation growth monitoring system. 	
<p>P6: Environmental Impact I</p>	<ul style="list-style-type: none"> In the fincas of BARCA the integrity of the natural ecosystems is respected, so the harvesting of flora and fauna is prohibited. The management operations do not affect natural watercourses running through the fincas. The maps used by the company clearly identify the protected areas and the roads so the impacts to the natural ecosystems are avoided. In order to minimize the impact on the soil resource, the company uses dragging methods such as oxen or tractors. The slopes of the surface in these places are less than 30%. The species management allows a balance between wood production and conservation of the environment. This will be achieved at the short and medium term, since silvicultural measures are applied, which are expected to improve the forest production, at the same time the company protects natural forests and recovers deforested areas. The project has set the goal of minimum use of pesticides for pests and diseases control. In general, the plantations replaced pasture areas for cattle raising, and now along with natural forests contribute to improve local environmental conditions. 	<ul style="list-style-type: none"> BARCA has not completed its impact assessment, including aspects on wildlife as well as the environmental impact caused by the creation of drain channels in the fincas of Palmar Norte and Peninsule de Osa. (CAR 03-06).
<p>P7: Management Plan</p>	<ul style="list-style-type: none"> The company has prepared reforestation plans for the members of the certified group plantations. When the establishment of new plantations 	<p>None.</p>

Principle	Strengths	Weaknesses
	<p>is required, the company prepares the respective plans.</p> <ul style="list-style-type: none"> • Operative plans are annually prepared for each region of the project influence, so the specific tasks can be implemented. Besides, the technical information updates are documented in annexed reports to the operative and management plan. • In general, the planning documents are prepared according to the Costa Rican FSC interim Standards and they are available to the field staff. • Silvicultural prescriptions are based on technical data obtained from the field and related documentation. • There is a detailed map of the fincas, prepared using Geographic Information System, which shows the land use, the roads and the protected forested areas. • The company technical staff guides the activities through instructions or formal training. • There is technical and field staff capable and with experience for the execution of several tasks. • The company has a public summary of all its forest management activities. 	
<p>P8: Monitoring & Assessment</p>	<ul style="list-style-type: none"> • The company proposes a monitoring system, within the management plan, based on exotic and native plantation growth, and the establishment and annual measurement of permanent plots. • The social and environmental impacts are also annually measured, and the results are in technical reports for their use in future plannings. • The company has experience in the registry of forest production. 	<p>None.</p>

Principle	Strengths	Weaknesses
	<p>This registry is in the central offices of Parrita.</p> <ul style="list-style-type: none"> The results from the monitoring are presented in company publications. 	
P9: Maintenance of High Conservation Value Forest	<ul style="list-style-type: none"> The company has a percentage of natural and secondary forests dedicated to resource protection. In the fincas there are riparian forests, protecting the creeks that run across. 	<ul style="list-style-type: none"> The company does not have a mechanism to determine the presence of High Conservation Values within the fincas included in the scope of the certificate (CAR 04-06).
P10: Plantations	<ul style="list-style-type: none"> The company has clearly defined the objectives for managing the plantations. Compared to the previous land use, BARCA plantations promote the restoration of the forest coverage, and protect the natural forest remnants. The main exotic species, Teak, was selected according to the site conditions, the biophysics demand of the species, and the wood production goals of the company. BARCA used national certified seed for the seedling production under the "pellets" system. The proposed management and harvesting system for the Teak plantations prevents the soil erosion and promotes the protection of natural water streams of ecological importance to the region. Since the beginning, the company has not cut down primary, primary degraded and secondary mature forests for the establishment of Teak plantations. 	None.
Chain custody of	<ul style="list-style-type: none"> The company has implemented an efficient control system for the harvested wood up to the forest gate. 	None.
Group Certification Requirements	<ul style="list-style-type: none"> BARCA has signed plantation management agreements with the following projects: BIRD S.A., Kevin Yardley and Von Moos, since 	BARCA should instruct all certified group members regarding the new FSC chain of custody regulations (FSC-40-004) (OBS 02-06).

Principle	Strengths	Weaknesses
	<p>2001. These agreements will be renewed in June 2006 for the first two projects, and in 2007 for the Von Moos case.</p> <ul style="list-style-type: none"> • BARCA has demonstrated technical and administrative capacity to manage the projects as the main compromise within the FSC group certification. • The general policies of membership, monitoring and forest management are implemented in all fincas. 	

3.3. Identified non-compliances and corrective actions

A non-compliance is a discrepancy or gap identified during the assessment between some aspect of the FMO's management system and one or more of the requirements of the forest stewardship standard. Depending on the severity of the non-compliance, the assessment team differentiates between major and minor non compliances.

- **Major non-compliance** results where there is a fundamental failure to achieve the objective of the relevant FSC criterion. A number of minor non-compliances against one requirement may be considered to have a cumulative effect, and therefore be considered a major noncompliance.
- **Minor non-compliance** is a temporary, unusual or non-systematic non-compliance, for which the effects are limited.

Major non compliances must be corrected **before** the certificate can be issued. While minor non-compliances do not prohibit issuing the certificate, they must be addressed within the given timeframe to maintain the certificate.

Each non-compliance is addressed by the audit team by issuing a corrective action request (CAR) CARs are requirements that candidate operations must agree to, and which must be addressed, within the given timeframe of a maximum of one year period.

LIST OF CORRECTIVE ACTIONS

CAR No.: 01-06	Reference Standard No.: 4.4.2., 4.4.3.	Major: <input type="checkbox"/>	Minor: <input checked="" type="checkbox"/>
Non-compliance: Stakeholder consultation process does not include the participation of MINAE/ACOSA.			
Corrective Action Request: BARCA shall incorporate the participation of officials from the Ministry of Environment and Energy /Conservation Area of Osa (MINAE/ACOSA) within the stakeholder consultation plan.			
Timeline for compliance: First annual audit.			
CAR No.: 02-06	Reference Standard No.: 5.1.2.	Major: <input type="checkbox"/>	Minor: <input checked="" type="checkbox"/>
Non-compliance: Von Moos and Kevin Yardley projects do not have recent cash flow charts to determine the economic viability of the projects.			

Corrective Action Request: BARCA, along with the members of the certificate group, Kevin Yardley and Maderas von Moos, shall prepare the corresponding cash flow charts to define the level of economic sufficiency of these companies to sustain the plantation management at the long term.
Timeline for compliance: First annual audit.

CAR No.: 03-06	Reference Standard No.: 6.1.1	Major: <input type="checkbox"/>	Minor: <input checked="" type="checkbox"/>
Non-compliance: The company has not considered the assessment of the impacts on wild fauna and the one caused due to the construction of the drainage system.			
Corrective Action Request: BARCA shall complete the environmental impact assessment, considering the wildlife component and its relationship with plantations. Also, the company shall assess the environmental impacts caused due to the opening of drainage channels in the BARCA/PWC Teak plantations.			
Timeline for compliance: First annual audit.			

CAR No.: 04-06	Reference Standard No.: 9.1.1	Major: <input checked="" type="checkbox"/>	Minor: <input type="checkbox"/>
Non-compliance: The company does not have a mechanism to determine the presence of High Conservation Values within the fincas included in the scope of the certificate.			
Corrective Action Request: BARCA shall conduct an assessment to determine the presence of High Conservation Values in all its forest projects (the process must include public stakeholder consultations). In case such attributes exist, the company must establish the goals and specific practices to implement for its maintenance and afterward monitoring.			
Timeline for compliance: Six months (December 31 st , 2006).			

3.4. Follow-up actions by client to meet certification

There were no follow up actions needed for the certification of BARCA S.A.

3.5. Observations

Observations are voluntary actions suggested by the assessment team, but are not mandated or required, so they do not have a timeline for compliance. However, the SW auditors will recognize the company efforts to meet them. The observations are given to support the company towards an adequate forest management.

Observation	Reference Standard #
OBS 01-06: BARCA should prepare a mechanism that assures that the cultural resources relocation (pre-Hispanic spheres) located nearby the areas to reforest, is done according to the National Museum recommendations and it is done before the establishment of the plantations.	4.1.2.
OBS 02-06: BARCA should socialize with the members of the certified group the current Interim Standards for the forest management certification in Costa Rica (version 2.1), as well as the new FSC regulations on chain of custody (FSC-40-004).	CG 7

3.6. Re-certification Recommendation

Based on a thorough field review, analysis and compilation of findings by the SmartWood assessment team, **Brinkman y Asociados Reforestadores de Centro América, S.A.**

(BARCA S.A.) has demonstrated that their described system of management had been consistently implemented over the whole forest areas covered by the scope of the assessment. SmartWood concludes that the FMO's management system, if implemented as described, is capable of ensuring that all the requirements of the certification standards are met across the scope of the certificate.

The assessment team concludes that it is viable to grant **BARCA S.A.** a FSC/SmartWood Forest Management and Chain of Custody (FM/COC) Certification under the figure of Resource Manager, including within the scope of the certificate the following members:

- a. BARCA/BIRD/PWC: SW-FM/COC-152-A
- b. Kevin Yardley: SW-FM/COC-152-B
- c. Maderas von Moos: SW-FM/COC-152-C

In order to maintain certification, the FMO will be audited annually on-site and required to remain in compliance with the FSC principles and criteria as further defined by regional guidelines developed by SmartWood or the FSC. The FMO will also be required to fulfil the corrective actions as described below. Experts from SmartWood will review continued forest management performance and compliance with the corrective action requests described in this report, annually during scheduled and random audits.

4. CLIENT SPECIFIC BACKGROUND INFORMATION

4.1. Ownership and land tenure description

BARCA forest projects include two types of land tenure. In one hand, the fincas are kept shared with BIRD S.A. and PWC where the company exercises the ownership through the management and the harvesting in general. On the other hand, there are fincas that belong to third parties with whom have signed legal agreements for the representation in the management and advice in the subjects related to plantations and natural resource conservation; in this case they are the fincas property of Mr. Kevin Yardley and the fincas property of Maderas Von Moos S.A. The legal details of the fincas property of the certified group members are illustrated in Chart 2.

Cuadro 2. Ownership and land tenure of the fincas included within the scope of the certificate of BARCA as a Resource Manager.

Finca	Owner	No. Legal Inscription	Total Area (ha)
BARCA-BIRD-PWC (SW-FM/COC-152-A)			
Legal Representative: BARCA and BIRD: Mr. Ricardo Luján Ferrer PWC: Mr. Oscar Piedra Cordero			
Monte fresco	BIRD S.A./BARCA S.A.	6-20955-000	60.50
Las Lomitas	BIRD96 S.A. /BARCA S.A.	6-30777-000	45.38
		6-30773-000	
		6-30775-000	
Los Saltos	BIRD98 S.A. /BARCA S.A.	6-032622-000	53.27
Los Saltos	BARCA S.A.	6-125035-000	171.96
1a	PWC/BARCA	6-117284-000	14.02
1b	PWC/BARCA	6-117298-000	4.64
1c	PWC/BARCA	6-117299-000	4.79
1d	PWC/BARCA	6-117300-000	4.60
1e	PWC/BARCA	6-117301-000	4.65
2a	PWC/BARCA	6-117248-000	5.21
2b	PWC/BARCA	6-117342-000	8.02
2d	PWC/BARCA	6-117296-000	4.58
2e	PWC/BARCA	6-129827-000	7.33
2f	PWC/BARCA	6-117290-000	4.72
2g	PWC/BARCA	6-117289-000	4.71
2h	PWC/BARCA	6-117291-000	1.35
3a	PWC/BARCA	6-117280-000	4.60
3b	PWC/BARCA	6-117279-000	4.57
3c	PWC/BARCA	6-117278-000	5.00
3d	PWC/BARCA	6-126011-000	7.00
4a	PWC/BARCA	6-117287-000	12.93
4b	PWC/BARCA	6-117286-000	9.08
5	PWC/BARCA	6-117256-000	8.19
5a	PWC/BARCA	6-117257-000	14.02
5b	PWC/BARCA	6-117302-000	4.50
5c	PWC/BARCA	6-117303-000	4.51
5d	PWC/BARCA	6-117304-000	4.51
5e	PWC/BARCA	6-117305-000	4.68

6a	PWC/BARCA	6-117312-000	16.05
7a	PWC/BARCA	6-131923-000	10.15
7b	PWC/BARCA	6-117268-000	2.94
7c	PWC/BARCA	6-117269-000	4.58
20	PWC/BARCA	6-040036-000	41.78
21	PWC/BARCA	6-040044-000	51.18
22	PWC/BARCA	6-132949-000	30.00
25	PWC/BARCA	6-013941-000	64.50
30	PWC/BARCA	6-137533-000	29.27
31	PWC/BARCA	6-052110-000	27.85
32	PWC/BARCA	6-091025-000	95.50
33	PWC/BARCA	6-076126-000	69.81
34	PWC/BARCA	6-141482-000	112.00
35	PWC/BARCA	6-141203-000	113.8
37	PWC/BARCA	6-141523-000	15.70
38	PWC/BARCA	6-047657-000	41.92
40	PWC/BARCA	6-137118-000	23.91
42	PWC/BARCA	6-137205-000	42.82
43	PWC/BARCA	6-137265-000	70.72
44	PWC/BARCA	6-070001-000	10.48
45	PWC/BARCA	6-138954-000	15.98
46	PWC/BARCA	6-039356-000	19.65
47	PWC/BARCA	6-069374-000	11.16
48	PWC/BARCA	6-069375-000	12.93
49	PWC/BARCA	6-069382-000	16.89
50a	PWC/BARCA	6-058558-000	61.30
50b	PWC/BARCA	6-069394-000	10.88
51	PWC/BARCA	6-082653-000	101.59
54	PWC/BARCA	6-069403-000	10.30
60a	PWC/BARCA	6-028155-000	36.73
60b	PWC/BARCA	6-028163-000	3.15
61	PWC/BARCA	6-056237-000	22.01
62a	PWC/BARCA	6-134416-000	20.49
62b	PWC/BARCA	6-028271-000	5.83
Subtotal			1707.17
FINCAS KEVIN YARDLEY (SW-FM/COC-152-B)			
-Legal representative, Mr. Ronald Godínez Mora-			
Beto	El Cangrejo y Pelicano S.A.	1-271899-000	32.71
Juan Antonio	Palos Tropicales. S.A.	6-54905-000 6-54904-000	13.28
Elidío	Reforestadora Palo Bonito S.A.	6-54906-000 6-3807-000 6-54907-000	52.45
Tobías	Maderas Duras Tropicales Diamante. S.A.	6-64280	38.09
Gerardo	Maderas Duras Tropicales Diamante. S.A.	6-31410	26.10
Papayal	Maderas Tropicales Diamante Internacional S.A.	54908	1.59
Miguel Araya	Maderas Tropicales Diamante Internacional S.A.	103488	1.75
Bosques de Estrella	Bosques de Estrella S.A.	6-11684 6-51955	37.29

Subtotal			203.26
FINCAS Von MOOS (SW-FM/COC-152-C)			
-Legal Representative, Mrs. Esther Valverde Mora-			
La Loma	Maderas von Moos S.A.	523560-98	79.97
Pilomio aserradero	Maderas von Moos S.A.	6019017-000	15.00
Punto Pio	Maderas von Moos S.A.	6018634-000	1.00
Las Vegas	Maderas von Moos S.A.	6025554-000	74.68
		6024880-000	
		6010535-000	
Subtotal			170.65
GENERAL TOTAL (Ha)			2081.08

4.2. Legislative and government regulatory context

In Costa Rica, forest productive and conservation activities are mainly regulated by the Forest Law No. 7575 (April 1996), its Regulation and reforms. As complements, there are some laws in the environmental aspect, such as the Biodiversity Law (No.7788, April 1998), the Environmental Organic Law (No. 7554, September, 1995), Wildlife Conservation Law (No. 7317, December, 1992), Water Law No. 276 (1942) and other executive specific decrees such as No. 25700-MINAE that establishes the total prohibition of 18 endangered forest wood species and No. 25167 – MINAE (June 1996) that establishes the moratorium for the tree known as almond (*Dipteryx panamensis*). In the social order, the forest projects are also regulated mainly by the Labor Code (year 1943) and related laws that regulate the country labor aspects.

At national level, the forest harvesting projects, as well as the environment use and recovery related activities are regulated by the Ministry of Environment and Energy (Ministerio del Ambiente y Energía, MINAE); this Ministry has two main offices known as The National Technical Division (Secretaría Técnica Nacional, SETENA) that takes care of analyzing the environmental impact studies of civil works, and the National Fund for Forest Support (Fondo Nacional de Financiamiento Forestal, FONAFIFO) that promotes the forest reforestation and protection through economic incentives within a program known as Payment for Environmental Services (PES).

Particularly, forest plantation and forest management projects of the private sector in Costa Rica have been established with the land owners' own resources; or by national or foreign investors' funds; or with PES funding as well. In the latest case, the projects must fulfill the procedures and regulations of the MINAE-FONAFIFO, which requests the preparation of a reforestation plan, the follow up of a Forest Regent or Resource Manager² and the commitment to keep the project for a period of time ranging from five years (natural forest) to fifteen years (plantations).

Through other legal figures, the properties managing forest projects may enjoy other additional benefits such as willingly submit to the "Government Forest Regime", which tries to protect the fincas from land and forest resources usurpers. In other case, self-funded plantation projects have the right to stop paying the territory taxes to the municipalities.

² **Forest Resource Manager** is a Forest Science professional that represent the Project before the Costa Rican government. The figure of the Forest Resource Manager is defined by the Forest Law No.7575 of April 1996, and it is inspected through the Forest Court of the Agronomic Engineers Association of Costa Rica.

In the case of wood harvesting and extraction, the MINAE requests the preparation of a Forest Management plan in the case of native forests, whereas in the case of plantation harvesting requests a "Certificate of Origin" describing the wood origin. In both cases, the participation of a Forest Resource Manager is required for the MINAE to make the harvesting legal and to give the official guides for wood transportation through the national roads.

In other aspect, considering the forest certification subject, in November 1998 was published for the first time the Executive Decree No. 27388 containing the Forest Certification National Standards for Costa Rica. These standards were prepared by the National Commission of Forest Certification (CNCF); which was constituted according to the Forest Law and currently, for several reasons, have not been approved or acknowledged by the authorities of the Forest Stewardship Council (FSC). In that situation, as alternative measure to be able to assess forest projects in Costa Rica, the SmartWood program of Rainforest Alliance prepared the "Interim Standard for Costa Rica (Version 2003)", acknowledged by the FSC. The standard, in Criteria 1.1 y 1.3 presents a list of the national legislation and of the main international agreements that must be met as a minimum by forest projects.

4.3. Environmental Context

In last five years, BARCA has expanded its forest management area for Teak plantation, distributing its fincas in a wide zone, going from the Costa Rican Central Pacific to the South Pacific. Currently, the Project has fincas located in the Cantones of Parrita, Aguirre, Osa and Golfito of the province of Puntarenas, in mainly flat sites, running parallel to the Pacific coast shore. This zone, throughout the region, presents similar biophysical characteristics.

The fincas present flat and undulated topographic characteristics, in ocean nearby elevation, where slopes ranging from 0% to 30% predominates, and in small cases up to 50% in the fincas close to the mount series of the coast line. The region presents high rainy frequency, going from 3500 mm in the Central Pacific and growing toward the South up to 4500 mm in the Peninsula of Osa and the Conte zone, close to the Costa Rica-Panamá boundary. The annual precipitation distribution sets a dry period of five to six months from December to April, where there is a rain average of 100 mm per month. The annual average temperature is 24°C and the relationship between potential evapotranspiration and precipitation is from 0.5% to 0.25%, what indicates the existence of a large water excess evacuated as runoff.

According to the Life Zone classification of L.R. Holdridge (1987) and according to the previous bioclimate characteristics, the fincas are located in three life zones classified as "Very humid forest Premountain transition to basal (Bmh-PV)" in the sierra and base of mountain; Tropical humid forest (Bh-T) and very humid tropical forest (Bmh-T) in the zones with elevations less than 100 meters above the sea level.

Due to the land use tendencies to change for pastures and the establishment of extensive crops growing in the zone, such as melon, pineapple, rice and oil palm (and banana up to 1984) and due to the importance of the zone for biodiversity protection and the natural resource conservation, the Ministry of Environment and Energy has legally created biological corridors and protected areas; the following are examples of these: The Biological corridor Paso la Danta on the forests of the Coast Line, The National Park Manuel Antonio in Quepos, the National Park Marino Ballena on the coast line and the sea, the mangrove reserve Sierpe-Térraba on the flowing into the sea of both rivers, the Forest Reserve of Golfo Dulce and the National parks of Corcovado and Esquinas in the Peninsula of Osa.

Regarding the subject of resource conservation and protection, stands out the forest management policy of BARCA, establishing its wood plantations on deforested lands and at the same time incorporates the absolute protection of primary and secondary forests present in the managed fincas. This policy largely contributes with national forest and biodiversity conservation for the zone.

4.4. Socioeconomic Context

The economic development on the Central and South Pacific of the country has been characterized by the dominance of mono crop growing such as bananas, which were established more than 50 years ago by the transnational Standard Fruit Company. After the withdrawal of that company in 1984, the local people experienced an economic collapse for over a decade due to the absence of new production alternatives.

Particularly in the South region of the country, in the 80's a small portion of the people was beneficiated with land distribution projects for small farmers, promoted by the Agricultural Development Institute (Instituto de Desarrollo Agrario, IDA), which allowed to diversify the agricultural production on the zone. Also, in the 90's the company Stone Forestal established itself in the zone and promoted the plantation of Melina trees (*Gmelina arborea*) in order to produce pulp for the paper industry. This company planted around 14,000 ha under the scheme of land rent from small farmers and others dedicated to cattle raising and rice production. The Stone Forestal withdraw from the zone after 2000, leaving the forest producers without alternatives for their plantations' follow up and harvesting.

Currently, around the fincas of BARCA most of the economically active people is dedicated to offer their labor force to the agricultural and forest plantations; meanwhile in the plots established by the IDA, livelihood activities continue with small cattle production areas and annual crops such as corn, rice and beans.

Regarding basic services, the cities with the most population neighboring the BARCA fincas such as Parrita, Quepos, Palmar Norte, Cortés City, Neily City and Golfito, provide the people with education centers, from elementary school to University education, power service, running water (through rural aqueducts), communications via public telephones administrated or cellular phones, and all services offered by the state, such as the Ministry of Health (CCSS), Ministry of Labor, Ministry of Energy and Mines, Ministry of Public Safety, Ministry of Public Education, and representative of the national banking network.

APPENDIX I : FSC Reporting Form: Detailed FMO information

Scope of certificate

Type of certificate:	Grupal		
SLIMF status:	no SLIMF		
Number of group members (if applicable):	03		
Number total of Forest Management Units FMUs (if applicable, list each below):	03		
Divisio of the FMUs within the scope:	Superficie total de bosque de UMF		
Number of FMU			
< 100 ha			
100 – 1000 ha	02		373.95 ha
1000 – 10 000 ha	01		1,707.17 ha
> 10 000 ha			
SLIMF UMF	N/A		
List of each FMU included in the certificate:			
FMU	FMU Owner	Area (ha)	Forest Type
BARCA/BIRD/PWC	BARCA/BIRD/PWC	1707.17	Plantation & natural forest for protection
Kevin Yardley	Kevin Yardley	203.26	Plantation & natural forest for protection
Maderas Von Moos	Maderas Von Moos S.A.	170.65	Plantation & natural forest for protection
Product categories included in the scope (note: use FSC product category classification system):			
Type of product:	Description		
Logs	Milling wood and subproducts.		
Other:			

FMO INFO	
Location of certified forests ³	<p>Kevin Yardley: Lat. N: 09° 36´51", Long. W: 84° 18´15"</p> <p>Maderas von Moos: Lat. N: 09° 33´30", Long. W: 84° 24´49"</p> <p>BIRD S.A: Lat. N: 09° 34´41", Long. W: 84° 23´10"</p> <p>PWC-TV Central Pacificl: Lat. N: 09° 31´55", Long. W: 84° 12´50"</p> <p>PWC-TV South Pacific: Puerto Escondido, Peninsula of Osa: Lat. N: 08° 40´12", Long. W: 84° 29´22"</p>
Forest zone	Tropical
Management tenure:	Private, managed by the owner Private, managed by delegation agreements
Number of FMO employees:	223 including permanent and temporary staff hired by the FMO or by the group members; among them 7 are foreigners

³ Se incluyen únicamente coordenadas, una para cada uno de los miembros del grupo

	and 13 women.
Number of forest workers (including contractors) working in forest within the scope of the certificate:	233 workers.

Species and annual allowable cut

Botanical Name	Common trade name	Finca	Annual allowable cut (%)	Actual harvest in last year 2005 (m ³)	Projected harvest for next year (2006) m ³ (standing)
Comercial Thinning.					
<i>Tectona grandis</i>	<i>Teca</i>	Monte fresco	30	895	
		Lomitas	25	830	
		Los Saltos	25		750
		Beto	20		390
		PWC (TV/BARCA)	25	418	2,400
		PWC (TV/BARCA)	17		1,050
		Total		2,143	4,590
Total annual estimated log production:				4,000 m ³	
Total annual estimates production of NTFP: (list all NTFP by product type)				N/A	

Forest area classification

Total certified area	1,995.38 ha
Total forest area in scope of certificate	1,969.02 ha
Forest area that is:	
Privately managed	1,969.92 ha
State managed	
Community managed	
Area of production forests (areas where timber may be harvested)	1,449.42 ha
Area without any harvesting or management activities (strict reserves); correspond to natural forests in general.	519.16 ha
Area without timber harvesting and manager only for production on non-timber forest products or services	N/A
Area classified as plantations ⁴	1,449.42 ha

Area or share of the total production forest area regenerated naturally	
Area or share of the total production forest area regenerated by planting or seeding	100 %
Area or share of the total production forest are regenerated by other or mixed methods (describe)	

⁴ According to FSC definition "plantations" in this context should be understood as forest areas lacking most of the principal characteristics and key elements of native ecosystems as defined by FSC-approved national and regional standards of the of forest stewardship, which result from the human activities of either planting, sowing or intensive silvicultural treatments.

Conservation values present in the forest (High Conservation Value Forest or HCVF) and respective areas

HCVF Attributes	Description: Location on FMU	Area (ha)
A forest contains globally, regionally or nationally significant: concentrations of biodiversity values (e.g. endemism, endangered species, refugia)	N/A.	
A forest contains globally, regionally or nationally significant: large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance	<p>Most of the natural forests present in the fincas are small forest remnants distributed within the plantation, creating a mosaic of small forest isolated, or surrounding bodies of water.</p> <p>For the specific case of natural forest in Puerto Escondido, these forests are more compact in their distribution even though they are forests that were highly intervened in previous years.</p>	<p>There is a total of 519.6 ha of natural forest, from where 124.2 ha are located in the Peninsula of Osa (Puerto Escondido), nearby the Corcovado National Park.</p>
They are in, or contain rare, threatened or endangered ecosystems	N/A.	
They provide basic services of nature in critical or unique situations (e.g. watershed protection, erosion control);	N/A.	
They are fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).	N/A.	

APPENDIX II: Public Summary of the management plan

<p><i>Main objectives of the forest management are:</i> <i>Main priority:</i> Get income from harvesting and selling wood <i>Secondary priority:</i> Biodiversity and increase of natural values <i>Other priorities:</i> Employment generation for local communities; To keep the forest resources on the long run</p>															
<p><i>Forest composition:</i> Most of the forest area that BARCA manages are Teak (<i>Tectona grandis</i>) plantations, but there are also native species such as Amarillón (<i>Terminalia amazonia</i>), Surá (<i>Terminalia oblonga</i>), Roble marfil (<i>Terminalia ivorensis</i>), Pilon (<i>Hieronyma oblonga</i>), Cocobolo (<i>Dalbergia retusa</i>), Cristóbal (<i>Platymiscium pinnatum</i>), Ron ron (<i>Astronium graveolens</i>) and Pochote (<i>Bombacopsis quinatum</i>). The age of the Teak plantations ranges between 2 and 17 years, whereas the native plantations are much younger. These and other native species are also found in natural forests, which complement the management project of the company.</p>															
<p><i>Description of Silvicultural system(s) used:</i> Commercial thinning:</p> <table border="1"> <thead> <tr> <th style="text-align: center;">Silvicultural System</th> <th style="text-align: center;">% of forest under this management</th> </tr> </thead> <tbody> <tr> <td colspan="2"><i>Even aged management</i></td> </tr> <tr> <td>Clearfelling (clearcut size range)</td> <td></td> </tr> <tr> <td>Shelterwood</td> <td></td> </tr> <tr> <td colspan="2"><i>Uneven aged management</i></td> </tr> <tr> <td>Individual tree selection</td> <td style="text-align: center;">16 %</td> </tr> <tr> <td>Group selection (group harvested of less than 1 ha in size)</td> <td></td> </tr> </tbody> </table>		Silvicultural System	% of forest under this management	<i>Even aged management</i>		Clearfelling (clearcut size range)		Shelterwood		<i>Uneven aged management</i>		Individual tree selection	16 %	Group selection (group harvested of less than 1 ha in size)	
Silvicultural System	% of forest under this management														
<i>Even aged management</i>															
Clearfelling (clearcut size range)															
Shelterwood															
<i>Uneven aged management</i>															
Individual tree selection	16 %														
Group selection (group harvested of less than 1 ha in size)															
<p><i>Other types of management (explain):</i></p>															
<p>NOTE: Individual tree selection will be done in 16% of the total certified area.</p>															
<p><i>Harvest methods and equipment used:</i> Chain saws are use for cutting of the trees. For the dragging several methods are used depending on the soil conditions and the access to the cutting sites. During the dragging performed on the BIRD fincas in 2005, a combination of several methods was used: manual traction, mechanical (tractor) and animal (oxen). Finally, the tractor transports the logs to the storage yards.</p>															
<p><i>Estimate of maximum sustainable yield for main commercial species:</i> In the Teak case the maximum yield is projected to be, in average, 15 m³/ha/year. At the end of a 20 years shift it is expected an average density of 150 to 180 trees per hectare of approximately 40 cm dap, projecting a maximum yield of 180 m³/ha. Including the thinning yield, a total accumulated volume at the end of the turn of about 300 m³/ha.</p>															
<p><i>Explanation of the assumptions (e.g. silvicultural) upon which estimates are based and reference to the source of data (e.g. inventory data, permanent sample plots, yield tables) upon which estimates are based upon.</i> The company has developed a series of technical documents based on self experimentation (growth monitoring through Permanent Sampling Plots-PSP) that cover several subjects, and are useful, going from the selection of the area for plantation, the</p>															

seed to use, the silvicultural scheme in general (maintenance, pruning, thinning and final felling) and monitoring of the plantation growth (natives and exotic as Teak). This information and the document support complementary are enough to justify the necessary estimations.

Forest management organizations structure and management responsibilities from senior management to operational level (how is management organized, who controls and takes decisions etc.)

BARCA is known within the certified group as the Forest Resource Manager; in other words, it is in charge of establishing, maintenance and execution of the plantation management and harvesting, either in own lands or in third party lands (BIRD y PWC). In this case, the group members have signed management delegation agreements.

Regarding the other members of the certification group (Kevin Yardley and Madera von Moos), they are who implement and take the forest management decisions, but always under the supervision of BARCA. In that way, these members have their own field staff, administrator, forest staff and foremen.

At internal level, BARCA has two established regions, one in the Central Pacific with offices in Parrita, Puntarenas, and the other in the South Pacific, with offices in Palmar Sur, Puntarenas.

The organization structure of BARCA for the management of fincas is made up of the following components: Human Resources, Forest Management and Operations Management. Management decisions are taken at this level, and executed through the several departments that make them up, such as: Occupational Health, Nurseries and establishment, soil department, pest control department, and harvesting.

In this way, the cooperation from all the departments covers all the certified group members.

Structure of forest management units (division of forest area into manageable units, etc.)

The certified group is made up of three big groups (members): BARCA-BIRD-PWC, Kevin Yardley, and Maderas von Moos.

Within each area of every member there are independent forest management units, but making up a cluster of small fincas. Some of these are identified with names and other through correlative numbering, according to the section.

In this way, the total of the individual units under BARCA management goes up to 74, distributed as follows: BARCA-BIRD-PWC with 62 fincas, Kevin Yardley with 8 and Maderas von Moos with 4.

Monitoring procedures (including yield of all forest products harvested, growth rates, regeneration, and forest condition, composition/changes in flora and fauna, environmental and social impact of forest management, cost, productivity and efficiency of forest management)

Annually, the company implements a joint monitoring system on the environmental and socioeconomic subjects. For this the company uses the criteria of a specialized external audit, who besides giving out results proposes recommendations to BARCA.

On the other hand, BARCA, through the forest technician in charge, establishes plots to monitor the plantations growth in areas with at least one year of being established; and it is also in charge to make the annual measurement to the PSP already established in other projects, it measures native species, as well as Teak.

Environmental protection measures, e.g. buffer zones for streams, riparian areas, etc., protection measures for Rare Threatened and Endangered Species and habitat.

Protection measures to existing resources in the fincas are implemented as part of an annual activity plan. Most of the implemented activities have as a goal the impact prevention, but there are also reaction mechanisms to face any unexpected event such

as floods that could affect the natural stream course.

The condition established for natural forests is strict protection, and in that way the company implements certain preventive actions (prohibition to hunt, for instance), or for protection in general. Water streams in all fincas have surrounding natural forest zones, functioning in some cases as biological corridors for wildlife.