



QUALIFOR PROGRAMME

Associated Documents

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Forest Management Certification Report

Public Summary Information

Project Number:	6326 ZA / SAC 412 F
Client:	Mondi Forests
Country:	South Africa and Swaziland
Scope:	The Management of 399 068 hectares of plantation forests in the provinces of Mpumalanga and KwaZulu-Natal in South Africa, and in Swaziland.
Assessment date:	10-18 September 2002
Certificate Number:	SGS-FM/CoC-0084
Date of Issue:	November 1997
Duration:	5 years
Forest type:	Exotic species plantation
Forest composition:	Mixed coniferous dominant
Species composition:	Exotic commercial soft- and hardwood (<i>Pinus</i> , <i>Eucalyptus</i> and <i>Acacia</i>)
Land Tenure:	Private and leased areas
Biome type:	Temperate Zone, Grassland and Savanna Biomes of Southern Africa.
Annual production/Annual Allowable Cut:	3 346 715 m ³ /annum
Forest products:	Pulpwood, Sawtimber and Mining Timber.
Contact Name:	Chris Burchmore
Address:	Mondi Forests, P. O Box 39, Pietermaritzburg, 3200.
Tel:	033-8974071
Fax/email:	033-3946313/ chris_burchmore@mondi.co.za

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SECTION I - PUBLIC SUMMARY REPORT

1. INTRODUCTION AND SCOPE

This report presents the results of an assessment of Mondi Forests' management operations in Mpumalanga and KwaZulu-Natal, South Africa and in Swaziland carried out by SGS QUALIFOR during the period 10-18 September 2002.

This report is a draft document subject to approval by SGS QUALIFOR Head Office in South Africa, until initialled as approved on the front page. This document may be subject to revisions prior to approval.

The purpose of the assessment was to evaluate the operations against the requirements of the QUALIFOR Programme, the SGS Group's forest certification programme accredited by Forest Stewardship Council.

The Assessment covered all forest management operations in the following forest areas, as documented in Table 1 below.

Table 1: Mondi Forest Management areas included in the scope of this re-assessment.

Management Unit/Value Chain	Operational Area WPU (Working Plan Units)	Plantable Area (ha)	Open Area (ha)	Title Deed Area (ha)	Ave. Annual Production (m ³)
Solidwood VC	White River/Hazyview, Sjonasjona, Barberton, Piggs Peak (Swaziland)	62 432	36 437	99 039	934 211
Kraft VC	Mkondo, Northern Natal, Coastal/Umfolozi, Ntonjaneni..	129 256	63 435	192 833	1 475 594
Paper VC	Greytown, Drakensberg, Richmond.	68 119	39 077	107 196	936 910
	Total	259 807	138 949	399 068	3 346 715

In terms of land tenure, most of the land is owned by Mondi Forests, but there are also a substantial number of leased areas. The production units are all exotic commercial plantations, which produce primarily hardwood (*Eucalyptus* and *Acacia*) and softwood (*Pinus*).

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2. COMPANY BACKGROUND

Mondi Forests is one of the largest plantation companies in South Africa with an annual production of more than four million tons of timber, accounting for almost one third of the total timber production in South Africa.

There have been some changes in the original scope of the certificate. These changes are as follows: The plantations in the Northern Province (Tzaneen and Louis Trichardt area) have been excluded because these areas no longer form part of the core business, and are in the process of being sold. In January 2001, Mondi entered into an agreement for the sale of a portion of its forestry business and the majority of its sawmilling business in Mpumalanga to a venture by Global Environmental Fund and Mondi. This joint venture is known as Global Forest Products, and is currently certified independently of Mondi.

In October 2001, Mondi successfully completed the acquisition of the SAFCOL KwaZulu-Natal package and formed a joint venture with Government and the community to form the forest management unit called SiyaQhubeka. SiyaQhubeka is also certified independently of Mondi Forests.

North East Cape Forests, initiated in 1990, was a project to develop 45 000 ha of plantation forest land in a joint venture with Anglo American Corporation, De Beers Consolidated Mines, and, subsequently, the Industrial Development Corporation of South Africa Limited. This Forest Management Unit was the last of the Mondi areas to achieve certification, also, as an independent certificate.

As indicated in Table 1 above, approximately 35% of the total land area is left unplanted. These unplanted areas have become the conservation zones and contain representative vegetation types of the respective areas. These zones also include catchment areas and habitats of threatened and endangered species, and further serve as connecting corridors between areas. Given that plantation forestry has removed the need to exploit the natural forests, the pockets of indigenous forests within the plantation areas are increasing in size because of protection from fire and exploitation.

Mondi took over from Rennies as the sponsor of South Africa's foremost non-government wetlands project in April 2001, and has committed to fund the project with R5.5 million over five years. The Mondi Wetland project is actively assessing the condition of wetlands in SA, rehabilitating those that are degraded, and providing training in wetland conservation.

Multiple Resource Utilisation forms an integral part of Mondi's environmental protection initiatives and includes activities such as hunting, honey production, mushroom harvesting, trout fishing and hiking, to mention a few of many activities.

In terms of the pursuit for sustainable plantation forestry, Mondi Forests have advanced commendably in the field of Tree Improvement Research (TIR). This is based on research and development in the field of soil science, genetics, biotechnology and clonal forestry. Mondi has a plant tissue culture laboratory as well as seedling nurseries and clonal nurseries placed within the plantation areas.

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Mondi Forests (as specified in the scope of this assessment) employs in excess of 16 000 people, including own staff and contractors. Over the past certification period, Mondi Forests has advanced tremendously in the field of social responsibility. This has probably been the biggest field of improvement. Indeed, Mondi Forests has adopted a “triple bottom line” approach to ensure that its products have been produced in a manner that is economically, environmentally and sociologically sustainable.

Mondi’s vision statement is “To be recognised as the world leader in sustainable plantation forestry”.

3. FOREST MANAGEMENT SYSTEM

3.1. Bio-physical setting

The Mondi Plantations within the scope of this assessment are concentrated in two of the provinces of South Africa, namely Mpumalanga and KwaZulu-Natal, and a small portion outside of South Africa, in Swaziland.

These areas are all situated in the high rainfall, eastern seaboard of Southern Africa, where the rainfall ranges from 700mm to 1500mm per annum. All of that areas fall into the summer rainfall regions, with approximately 80% of the rain falling between October and March.

Mpumalanga: This is the Solid Wood Value Chain. The land holdings fall into the Lowveld ecological zone. The **Lowveld** Zone runs along the eastern border of South Africa from approximately the 600m contour to the Mozambique border. Rainfall is low (500-600mm p.a.). The subtropical faunal elements in this region make it unique among the South African bioregions. The gradient in the area is gentle and the rivers are slow-flowing, which results in in-stream sand and silt deposition. The rivers that fall within this region include the lower parts of the Pongola, Sabie, Sand, Olifants and Letaba Rivers. The predominant catchments within which the Mondi areas fall are the Inkomati, the Usuthu and the Pongola River Catchments.

Swaziland: In Swaziland, the Mondi area comprises 34 124 ha, of which about two thirds is planted, predominantly to gum. The property lies on both the Komati and Lomati water shed on the eastern side of the Makonjwa Range, which is a spur of the Drakensberg system. The area falls into two ecological zones, namely the **Lowveld** (valley bottoms of the east), as described above, and the **Great Escarpment Mountains**. The Great Escarpment Mountains ecoregion is characterised by mountains with high relief at an altitudinal range of 625 – 1900masl. The vegetation is predominantly North Eastern Mountain grassland and patches of afro-montane forest. River sources are sponge areas with associated vleis and diverse plant communities. Streams are turbulent, fast-flowing and cold and cliff waterfalls are common. The annual rainfall varies from 1000mm in the East to 2500mm on the higher ridges in the West. The mean average temperature for Piggs Peak is 17.6 degrees C. During winter, frosts occur in the hollows of the higherlying areas and on rare occasions there is a small amount of snowfall on the Bulemba Mountains. Hail is common. The eastern and central part of the estate lies mainly on granite, which weathers

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to give deep reddish-brown clay and clay loam soils. On the western part, the metamorphic and sedimentary moodies and fig tree series are intruded by the Jamestown Complex, yielding shallower, more sandy and shale soils.

KwaZulu-Natal: The bulk of the Mondi area falls into this province. The Mondi areas fall within one of the following three ecoregions: The **Great Escarpment Mountains** as described above. These are the Drakensberg areas. The **Eastern Uplands**, which consists of the belt from Vryheid, through Pietermaritzberg, excluding the coastal zones . The **Natal Coastal Plain** ecoregion includes the Zululand coastal belt in the Richards Bay and St Lucia areas. The Mondi areas are therefore dispersed in KwaZulu-Natal at altitudinal variations of sea level to over 2300masl.

In all three of the areas described above, if one looks at them as a unit, then the vegetation generally varies from a savanna biome in the north-eastern section, to a grassland biome towards the interior and south western section. The savanna biome can vary from shrubveld to bushveld, depending on rainfall. Lack of rain, coupled with fires and grazing generally tends towards grassland habitat. The grassland biome is the mainstay of dairy, beef and wool production in South Africa, as well as the cornerstone of the maize crop, so this biome is currently heavily impacted upon through human development. The grassland biome is considered to have an extremely high biodiversity, second only to the Fynbos Biome. Rare plants are often found in the grasslands, especially in the Escarpment area. These rare species are often endangered, comprising mainly endemic geophytes or dicotyledonous herbaceous plants. Very few grasses are rare or endangered. Conservation of Savanna is good, in principle, mainly due to the presence of the Kruger National Park and other National parks within the Biome. This high area conserved in South Africa, however, belies the fact that half of savanna vegetation types are inadequately conserved, in having less than 5% of their area in reserves. The contribution that a large land-owner, such as Mondi Forests, can make in pledging 30% of their area to conservation, is therefore valuable.

3.2. History of use

The story of forestry in South Africa really begins with the landing of Van Riebeeck in 1652). Very little is known about this early sporadic exploitation of the natural forests, but from 1652 onwards there were two definable periods: The first period lasted for more than 200 years and ended in the 1880's when the indigenous forests were first placed under sound scientific management. With van Riebeeck's arrival, the settlers found a land poorly endowed with natural forests, which were virtually confined to a strip along the south-eastern coast extending into the eastern Transvaal. Exploitation of the small patches of forests in the cape began almost immediately. The timber was used for boat construction, building dwellings, forts and as firewood. The destruction of the accessible forests increased with growing demand from spreading settlements, the dockyards of the British Navy, building wagons during the Great Trek (1836), sleepers and poles for railways and telegraph lines (1870). The story of this period is essentially one of ruthless exploitation and despoliation of the forests of the southern Cape and the Transkei, which progressed from haphazard annihilation to systematic destruction by the mid 1880's.

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The second period was the era of plantation forestry. Exotics were planted as a fast-growing alternative wood supply, which would ease the exploitation of indigenous forests. This started with the establishment of the small Worcester plantation (mainly *Eucalyptus globulus*) in 1876 by J. Storr-Lister of the Indian Forest Service. He also established the Tokai and Kluitjieskraal plantations in 1884 and planted amongst other species *Pinus radiata*, which has become one of the major plantation species of the winter rainfall areas of the Cape. Afforestation with *Acacia mearnsii* by farmers in Natal from which the extensive tanning industry developed, dates from the same period. In 1888, a milestone in the history of forestry was the passing of the first forest legislation, the Cape Forest Act No.28, which made demarcated forests inalienable and conferred much needed powers on forestry officials.

In 1892-94, the Worcester plantations were profitably sold to De Beers. The financial success of this plantation gave an enormous stimulus to afforestation by the government and by private enterprise.

With the expansion of the diamond and gold industries, the demand for all types of timber increased, leading to the establishment of extensive plantations (especially of *Eucalyptus grandis* and *E.saligna* to produce mine props) in the eastern and northern Transvaal. At this stage, it was generally accepted that the effect of exotic trees on water supplies would be beneficial and similar to those attributed to natural forests.

During and after the First World War (1914-1919) there was a world wide timber shortage, obviously affecting South Africa too. In order to alleviate the problem, portion of the Tokai plantation was clearfelled and sold. As was the case with the Worcester plantation, the profit yielded from this aroused great interest and demonstrated that exotic conifers could be cultivated to maturity successfully, and were, indeed, marketable. This was the final stimulus that the private sector needed and in addition to increased afforestation, dozens of private sawmills mushroomed up all over the country. Heavy war-time taxes on income further induced private companies to undertake afforestation, while after the war unemployed white labourers were housed in government settlements and employed to extend government plantations. During this period, private farmers were already beginning to complain about reduced run-off from afforested areas. The passage of time, and the maturation of exotic forests, led to an escalation of complaints in the form of letters to the forestry department and media coverage of reports and grievances. In 1932 the Department of Forestry decided that the banks of streams should not be afforested for 66 feet on either side. This did little to abate the campaign against forestry, and in the 1935 Empire Forestry Conference hosted by South Africa, research into the matter was a key recommendation. As a result, the Jonkershoek Research Station near Stellenbosch was established the same year. In 1936, the Cathedral Peak Research Station was conceptualised, but development was suspended for the duration of the Second World War (1939-1945). Prior to the war, relatively speaking, there was still very little private forestry in South Africa, but during the war period, a shortage of timber once again developed and predictably, prices boomed. Considerably greater timber supplies were however available, than during the First World War.

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In the post-war period, the South African sawmilling industry developed rapidly, and locally grown timber was firmly established on the market, expanding collaterally with the development of industry and mining. Here, private interests provided most of the capital and the demand for pulpwood and mining timber induced large companies to purchase extensive land for the establishment of short rotation plantations of pine and Eucalypts. Between 1950 and 1960, the efforts to enforce restrictions on afforestation were more sporadic, but since 1960, complaints from individual farmer's organisations, town councils and conservation bodies increased again, and intensified during the droughts of the mid-1960's.

Two committees were appointed in 1966 to investigate afforestation and water supplies. The findings and recommendations of these committees were applied in an amendment of the relevant Forestry Act and signalled the formal inception of the Afforestation Permit System (APS) in 1972. Thus, a third period in the history of South African forestry may be identified as the *Post-1972 or Permit System Era*. Since plantation life spans vary from about 7-35 years depending on lumber requirements, many of the unacceptable practices seen today are the product of the pre-1972 era. The APS persevered for almost three decades.

The 1990's marked the fourth phase in the history of South African Forestry. This is inexorably linked to the transition of South Africa to democracy in 1994, and, with the new government, the implementation of the Forestry Principles of Agenda 21 of the Earth Summit in Rio de Janeiro in June 1992. Currently, in terms of the National Water Act of 1998, commercial forestry is regarded as a Stream Flow Reduction Activity (SFRA), or water use, and consequently needs to be licensed. Forestry companies therefore need to register their plantation areas as a water user, and pay a levy, dependent on the catchment and area of trees. All new afforestation must go through the application for a SFRA license. In this way, forestry is regulated by the government.

3.3. Planning process

Mondi Forest's planning for sustainable harvesting revolves around the concept of normalization {or regulation}. This refers to the management of a forestry resource in such a way that it can reach a similar production target into perpetuity. Depending on what criteria is being used for regulation, this production target could be the same area of harvest every year, the same volume of timber every year, or a volume of similar aged trees every year.

Mondi generally normalizes it's resource to produce a similar volume each year, whilst keeping felling ages within limits set by wood quality and the regime being applied (a "recipe" of planted stems/ha, thinnings, prunings, and final felling age which is determined by the product with regards to physical dimensions and quality). This calls for a complex interplay between different products, the conversion of land between species or genus, changes in age classes over time, varying site productivity and product demands.

To achieve this Mondi uses a computer based simulation tool to simulate felling, thinning, planting, coppicing and conversions over long periods of

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time {generally 30 years}. By using the resource database, growth and yield models, enumerations (see guidelines below), and a set of conditions it can closely simulate reality. Many scenarios can be run and ultimately the one that best fits Mondi's business objectives whilst also maintaining the resource's sustainability will be applied.

Table 3.3: Enumeration guidelines.

Working Circle	When to enumerate (minimum)	Type of Enumeration	Method of enumeration	Intensity	Min No. of plots	Min No of height pairs
Pulp & Mining Timber	At least one year before harvesting	Inventory	Row or Circle - Circle is the preferred method. (8.9m radius)	5%	3	30
Saw timber	Before thinning & at least one year before harvesting	Thinning control	Row or Circle - whichever is appropriate (12.6m radius)	5%	N/a	30
		Inventory		5%	3	30

Based on the above, management planning is carried out at three main levels: Strategic (long term: rotation or harvest cycle length), tactical (medium term: a rolling 3 - 5 year working plan for each WPU) and annual planning which is covered in the Annual plan of Operations (APO).

Operational harvesting plans are drawn up per compartment.

3.4. Harvest and regeneration

Harvesting operations are covered by the ***Guidelines for Forest Engineering Practices in South Africa***. Forest Engineering Working Group of South Africa (FESA), May 1999. In addition, Mondi Forests have also drawn up their own "Mondi Harvesting Self Assessment Programme". This is an internal Code of Practice, meant to ensure that harvesting and transport of timber takes place according to acceptable standards and at competitive costs. Harvesting accounts for 60% of the total direct production costs. Harvesting methods vary according to the terrain, local conditions and the environmental requirements.

In pine compartments, established for pulp production, felling, debranching and crosscutting is mainly motor-manual (chainsaw) at stump. Infield stacking and loading is done either by hand or mechanically. Timber is forwarded to a depot predominantly by tractor and trailer units. In steep and sensitive areas, extraction is done by means of timber chutes or cable yarding.

Eucalyptus pulp and mining timber is cut to length and debarked infield. This operation is either motor-manual, as described above, or the whole operation is done mechanically using a single grip harvester.

The pine sawlog operations produce veneer and sawlogs as the main products, with pulp as a by-product. Presently, motor-manual felling and

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debranching is carried out infield, tree lengths are extracted to roadside or landing and crosscut with chainsaws. Extraction is carried out primarily by wheeled skidding, and by cable yarding in steep and sensitive areas.

Wattle harvesting is carried out manually by chainsaw. Bark stripping is carried out manually, as is the stacking and loading of the timber.

Mondi Forests has a technical department focusing on forest engineering activities, including harvesting, transport and forest roads. Timber transportation is a costly element in the stump to mill value chain. To maximise the system, Mondi Forests strives to match the rig, the loading and offloading equipment to the product, as well as the terrain and distance over which the timber needs to be transported. Given the number of processing plants and the size and distribution of the forests, Mondi has different systems in operation.

Most of the harvesting and transport is outsourced.

In terms of regeneration, Mondi supplies all of the seed and plant stock from its nurseries and therefore has total control over genetic quality of the stock produced. The Mondi seedling nurseries (producing pine, eucalypt and wattle seedlings) and clonal nurseries (producing eucalyptus cuttings) are placed within the plantation areas and have a production capacity of up to 19 million plants per annum.

3.5. Silviculture

The forests supply a number of different products from a number of different species. As described above, seedlings and plant material for regeneration are grown and sourced from Mondi's own nurseries. Seedlings from approved nurseries are also sourced from time to time.

Site-species matching is carried out according to soil and terrain type, as well as projected market requirements. The silvicultural systems are described in the "Silvicultural Self Assessment Manual" for both pine and Eucalyptus.

Pests and disease have in the past not been a great threat to Mondi Forests. Sirex is becoming a significant problem. This is primarily because the plantations are exotic trees, which were brought to South Africa without the natural pests that exist in the country of origin. Most of the pests damaging the plantations are indigenous insects – particularly the caterpillars of various species of moth – that have adapted to the introduced trees. The FSC have a very clear policy about pesticides, and Mondi Forests have done well in meeting the requirements of pesticide use as well as in their efforts to reduce pesticide use through correct calibration and timing of the application of pesticides. Mondi Forests has also demonstrated an integrated approach to weed control in that methods used include biological control and manual control as well as chemical control.

Fire is a major threat to commercial forestry. Inherent in good silvicultural practice is the physical management of fire risks and the implementation of fire controls supported by well-trained and well-equipped fire-fighting teams. Mondi makes use of modern fire-fighting techniques, which include the use of helicopters and fixed wing aircraft with water and foam bombing equipment. Each plantation also has a ground fire-fighting team.

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Silvicultural operations are carried out predominantly by contractors. Indeed, the recent focus of Mondi has been to outsource all of their operations.

3.6. Monitoring processes

Mondi is exceptionally strong with the monitoring process. The main fields of monitoring are as follows:

Growth and yield monitoring: This is described in section 3.3. Monitoring the health of the compartments in terms of pests and disease is also carried out with enumerations.

Operational Monitoring: All harvesting and silvicultural operations are monitored through pre and post operational checklists. These checklists are very comprehensive and are completed by either the forester in charge or the contractor. Contractor's performance is also monitored and linked to payment. Equipment is also monitored through daily inspections and checklists.

Audits: First party audits or self-assessments are carried out on an ongoing basis. Second party audits are carried out annually by a multidisciplinary team. Mondi is particularly strong in terms of the quality and rigour of their second party assessments. Selected staff members from all regions have been trained as assessors and lead assessors and the assessments are very professionally carried out. When non-conformances are identified, internal *SHEARs* are raised and entered into the central log, where their progress and closure is traced. In the event of a major non-conformance, the General manager is notified. Third party audits are carried out annually for Forest Certification and for NOSA grading.

Environmental monitoring/Long-term data collection: Mondi is involved in a variety of monitoring initiatives as follows:

- **Water Quality Biomonitoring:** This is carried out on a catchment basis together with other landowners. This biomonitoring of stream condition makes use of the South African Scoring System, Version 5 (SASS5). This monitoring initiative by the forestry industry represents the most intensive SASS5 biomonitoring that has been carried out in the country. In this aspect, the forestry industry is leading the field.
- **Water Yield Monitoring:** Mondi originally embarked on this using the "Scott" curves and the ACRU model in catchments where DWAF (Department of Water Affairs and Forestry) weirs were established and generating data. The National Water Act (Act 36 of 1998), however, requires the progressive development of a National Water Resource Strategy (NWRS), which will provide the framework within which water will be managed at regional or catchment level. Currently, the catchment areas are still being mapped in terms of "allowable" Stream Flow Reduction (SFR), and categories are being defined for the industry and for Mondi SFR. Since forestry is a declared SFR Activity, the land use needs to be licensed in terms of the area covered by exotic trees as well as dams with a capacity of >50 000m³. In April 2001, Mondi sent almost 2000 registration forms

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to DWAF. There have been numerous problems surrounding this licensing, so the progress in this field will be monitored. In addition, through the University of Natal, Mondi are monitoring the effects of forestry on the coastal aquifer and the effect of clearing plantation areas. This is taking place at Canefields and at Nyalazi SiyaQubeka with the use of the old SAFCOL boreholes.

- **Fauna and Flora:** Mondi regularly monitors key Red Data (Rare, threatened or endangered) species and Natural Heritage Sites. Over 100 red data species have been documented to occur on Mondi land and in the Natural Heritage Sites. Species lists are kept on the Estate level and trained game guards or security patrols report on species sightings. In addition, the involvement of interest groups such as bird clubs, dendrological societies and lepidopterist societies is encouraged and supported by Mondi.

4. SOCIO-ECONOMIC AND ENVIRONMENTAL CONTEXT

4.1. Social aspects

The Mondi Group is a substantial player in the global paper, board and hardwood industries and its land-holdings and operations in South African and Swaziland are extensive and socially varied. With over 400 000 ha of forest under its direct ownership or lease, only a sample of sites were visited during the current re-assessment. The areas visited were: White River and Hazyview; Satico; Piggs Peak; Piet Retief; KwaMbonambi; Greytown; Richmond.

By way of overview the operations of Mondi are characterised at a social level by Forestry operations surrounded by a mix of other private farmers and communities under the control of traditional authorities (Chiefs).

The forestry estates are utilised by the local communities for various resources. Mondi encourage this multiple resource utilisation, but at the same time monitor and control such activities. These activities include the gathering of thatching grass, hunting, fishing, and particularly the grazing of cattle. The last issue, namely cattle grazing, is by far the most prevalent MRU activity that takes on Mondi land. At White River, Hazyview, Satico, Kwambonambi, Greytown and Richmond this activity is well regulated and grazing committees/registers have been established and are in a process of improvement. The Piet Retief and Piggs Peak areas still have a large number of undocumented and unregulated grazing on their FMU's, but plans are underway and meetings are being held with local tribal authorities to bring the situation under control.

Contractorisation has led to a radical decline in the number of permanent own employees on Mondi land. Surveys among contractors revealed that there was no apparent discrepancy between industry wages paid by Mondi contractors and those paid by contractors in other areas. Incentive schemes are in place among certain contractors where an employees ability to meet a specific target results in a bonus being paid. The average daily wage across all the forest operations sampled was ZAR31.50. Infant mortality rates were not ascertainable in a survey of this nature due to the fact that contractor employees resided in disparate locations off site.

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Adult literacy levels in the forestry sector and in Mondi in particular are basic. Most employees have completed Grade 7 or Grade 8. Foremen, first aiders, operators of specific machinery are generally educated to grade 12, with additional certificated coursework.

The White River and Hazyview areas; Satico; Piggs Peak; Piet Retief; KwaMbonambi; and Greytown areas are dominated by forestry; the Richmond area has a more diverse agricultural agro-economy. In all of the above areas, Mondi, through its contractors is a significant employer. It is not the largest employer except at Piggs Peak in Swaziland.

4.2. Environmental aspects

Arguably, the three greatest environmental challenges facing Mondi Forests are the following:

1. **Weed Control within the conservation zones:** With about 30% of the land holding unplanted, Mondi has vast open areas, which need management. This management revolves primarily around weed control and the implementation of judicious burning programmes. Many of the newly created open areas were historically planted commercial land, which has been withdrawn from production. Given the disturbance in these areas, coupled with the climatic conditions, that are so conducive to weed invasion, the corrective management revolves primarily around weed control. In the same light, Mondi also needs to demonstrate a reduction in chemical use over time, so managing the problem has, of necessity, taken some innovative turns. Weed control operations are also very costly, and consume much of the conservation budgets in the different areas. Correct timing and follow-up of operations is the key to the success of the programme. Mondi has co-operated with “Working for Water” in this respect, to a mutually beneficial outcome. Progress in weed control will be closely monitored in this second certification period.

2. **Corrective planning:** The legacy of poor land-use planning in the past is still evident in many of the areas. This evidence is visible in some areas where commercial trees are still infringing on the water resource, and blanket steep and marginal areas. Tremendous progress has, however, been made in this field. This is primarily attributed to the site mapping of the land (soil and terrain data), which has promoted the exclusion of marginal and wet sites. This is coupled with the active role that Mondi have played in the development of the new wetland delineation technique, which is a holistic approach to identifying and protecting wetland areas. Mondi have been a driving force in developing and implementing this procedure. In addition, the planning of the re-planting has focussed strongly on the creation of a “mosaic” of unplanted natural habitats which form connecting corridors or ‘ecotope webs”.

3. **Social upliftment and wise utilisation of conservation zones:** With corrective planning and the creation of larger conservation zones, there has been an increase in the “available” land for local communities. This has manifested in the utilisation of wetlands for vegetable gardening, the utilisation of grasslands for the grazing of

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livestock, and the utilisation of indigenous fauna and flora for food, building materials and medicinal use. Mondi has dealt with these issues in a very sensitive manner in allowing controlled resource use, while at the same time trying to meet the environmental conservation needs. There have been numerous conflicts and difficult situations in the past certification period, and there are likely to be challenges in the future, but Mondi has made great progress in this field through improved communication and greater compromise.

A further challenge in open area management has been the establishment of an environmental conservation database. This was initiated with the development of a Land Cover Class mapping procedure (which has been adopted and implemented by most of the forestry industry) in which all open areas are categorised, mapped and entered into a database. Over 80% of the open areas have been captured in this database, and the rest of the areas have been scheduled for completion. The objective is to quantify the resource in order to manage it.

Mondi Forests have been very proactive in the Natural Heritage Site Programme. Sites that contain special plant communities, good examples of aquatic habitats, sensitive catchment areas, habitats of threatened or endangered species and outstanding natural features, are submitted for registration. Mondi is the custodian of numerous Natural Heritage Sites in South Africa. Some of these sites provide refuges for rare species such as the Wattled Crane, Palmnut Vulture, Hilton Daisies, Oribi and Gaboon Adders.

4.3. Regulations

National legislation governs many of the activities in plantation forestry in South Africa. Some of the applicable Acts are as follows:

- National Forests Act (No. 84 of 1998)
- National Water Act (No. 36 of 1998)
- National Veld and Forest Fire Act (No. 101 of 1998)
- National Environmental Management Act (No. 107 of 1998)
- National Heritage Resources Act (No. 25 of 1999)
- Environment Conservation Act (No. 73 of 1989)
- Conservation of Agricultural Resources Act
- Occupational Health and Safety Act (No. 85 of 1993)
- Basic Conditions of Employment Act (1997)
- Labour Relations Act (1996)
- Employment Equity Act (1998)
- Skills Development Levies Act (No. 9 of 1999)
- Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993)
- Unemployment Insurance Act (1966)

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- Restitution of Land Rights Act (No. 22 of 1994)
- Land Reform Act (1996)
- Extension of Security of Tenure Act (1997)
- Prevention of Illegal Eviction from and Unlawful occupation of Land Act (No19 of 1998)
- National Roads Act (No 54 of 1971)

South Africa is a signatory to the Convention on Biological Diversity, the Convention on the International Trade in Endangered Species (CITES) and the International Labour Organisation (ILO). These international agreements, where relevant, are addressed in existing South African legislation.

The QUALIFOR Main Assessment checklist (AD-63 i6 2002) was made available to the company prior to the assessment, as was the draft document on chemical pesticides (April 2001 version).

Local standards have also been introduced by the forestry industry. These are discussed below.

5. LOCAL STANDARDS AND KEY LEGISLATION

In the absence of a South African FSC standard, the SGS Group's forest management certification QUALIFOR main assessment checklist (AD-63 i6 2002) was used as the (interim) required performance standards. The following documents were referred to as part of the local standards for the assessment:

- Relevant National Legislation, i.e. environmental, labour, health and safety and land rights legislation (some of which are listed in 4.3 above).
- Guidelines for Environmental Conservation Management in Commercial Forests in South Africa (Forest Industry Environmental Committee, 1995).
- Guidelines for Forest Engineering Practices in South Africa. Forest Engineering Working Group of South Africa (FESA), May 1999.
- Wetland/Riparian Habitats: A Practical Field Procedure for Identification and Delineation. June 2001, Version 3.0. Land use and Wetland/Riparian Habitat Working Group.
- Responsible Use Guide. AVCASA Crop protection and Animal Health Association, October 2001.

6. THE ASSESSMENT

6.1. Schedule

This was the second certification period, with the original certificate expiring on 27 November 2002. This re-assessment was carried out during the

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period 10-18 September 2002. A detailed itinerary is shown in Appendix I of the full report.

6.2. Team

The team that carried out the re-assessment was a Lead Assessor and two local specialists. A brief description of the team follows below

- Lead Assessor and Team Leader: Has: **A**: a Bachelor of Science with Honours Degree in Ecology and Ecophysiology and HDE, **B**: 12 years experience in Commercial Forestry in South Africa, **C**: attended international training courses in FSC certification, and the UK Qualifor Programme Course, and **D**: has over 2 years experience with FSC auditing.
- Social Specialist: A. Has a Bachelor of Social Science degree in Economic History and Sociology B. 9 years experience as a social assessor in economic development in Southern Africa, four years in forestry in South Africa. C. Lead social consultant in the development of South African Principles, Criteria, Indicators and Standards for Sustainable Forest Management.
- Local Specialist: A. Has a Master of Science in Biology. Attended international training courses in FSC certification. B. 5 years as an environmental consultant specializing in conservation and environmental management in forestry. C. Contracted as an internal FSC auditor for a large forestry cooperative for 4 years.

Curricula vitae are provided in Appendix III of the full report.

6.3. Peer Reviewers

Two independent specialists have been selected to review this report.

Peer Reviewer 1 has a National Diploma in Nature Conservation, a B-degree in Social Science and a Masters in Environmental Development. Key field of expertise are: sustainable forest management, rural development and natural resource management, socio-economic assessments, business planning, project management and EIA's. Project experience includes previous peer reviews for SGS, plus 17 environmental / social / financial related studies as consultant or project manager.

Peer Reviewer 2 has a Master of Science Degree in Forestry. He has nine years of research experience in land classification and evaluation and in forest soil science. He currently works in academia as the HOD for the Department of Forestry.

6.4. Process

The Main Assessment was conducted in the steps outlined below.

Preparation

The August 2002, Issue 6 version of AD-63 generic forest management checklist was used for the assessment.

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Stakeholder notification

A wide range of stakeholders were contacted to inform them of the planned assessment and ask for their views on relevant forest management issues. These included environmental interest groups, local government agencies and forestry authorities, forest user groups, and workers' unions. Over 500 such stakeholders were contacted 6 weeks prior to the assessment.

Opening meeting

An opening meeting was held at the Karula Hotel in White River on 10 September 2002. The scope of the assessment was explained and schedules were determined (see Appendix II of full report for attendance sheets).

Document review

A review of the main forest management documentation was conducted to evaluate the adequacy of coverage of the QUALIFOR Programme requirements. This involved examination of policies, management plans, systems, procedures, instructions and controls.

Field assessments

Field assessments aimed to determine how closely activities in the field complied with documented management systems and QUALIFOR Programme requirements. Interviews with staff, operators and contractors were conducted to determine their familiarity with and their application of policies, procedures and practices that are relevant to their activities. A carefully selected sample of sites were visited to evaluate whether practices met the required performance levels.

Stakeholder interviews

Meetings and telephone interviews were held with stakeholders as determined by the responses to notification letters. These aimed to clarify any issues raised and the company's responses to them.

Summing up and closing meeting

At the conclusion of the field assessment, findings were presented to company management at a closing meeting. Any areas of non-conformance with the QUALIFOR Programme were raised as one of two types of Corrective Action Request (CAR), or as an Observation:

- **Major CARs** - which must be addressed and re-assessed before certification can proceed
- **Minor CARs** - which do not preclude certification, but must be addressed within an agreed time frame, and will be checked at the first surveillance visit
- **Observation:** An issue, which has the potential to become a non-conformance if not addressed, or a non-conformance of smaller magnitude, which does not warrant a minor CAR.

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6.5. Sampling

Mondi has three value chains (VC's), namely the Kraft Value Chain, the Paper Value Chain and the Solidwood Value Chain. Samples of all three VC's were visited, and different areas were also covered geographically. Both ongoing and completed operations were visited as well as other sites as listed in the "Field Sites" below.

Table 6.5: The following forest areas were visited during the assessment:

Value Chain	Area	Working Unit	Plan	Field sites
Solidwood	White River	Hazyview		Hazyview Office; U34 harvesting Burger (L); U34 Grave site; Burger Riparian Zones, Village on Waterhoutboom, Guest house area at Matumi (Mpunzi House), Mac Mac River. PMD Forestry Contractors employee village. PMD chemical store.
		White River		WR Estates/Beneke Fire; A&B/Beneke boundary riparian zone, WR office.
	Barberton	Satico		Satico Office, Amos land claim site on Shannon; Mhlambanyati River Working for Water clearing and excisions; Chemical Store; Aurora Employees Village
	Peak	Peak (Swaziland)		Peak office; Establishment at A416, B611, B530; Rockland's Mill; Star workshop, A4 village
Kraft	Mkondo	Derby/Tower		Mkondo Office in Piet Retief; A67/68 wetland delineation; Anysspruit Graves; C86 Dam wall & ESA; A77 slash burning;
		BMV		75 Vroeggeveld East establishment; 95 Vroeggeveld East drip irrigation from Mondi Kraft Paper Mill.
	Umfolozi (Coastal)	Kwambonambi		Kwambonambi Office; RA46 and RA41 harvesting; RB06 Establishment; RA119 Delineation; Mposa River Water Hyacinth clearing; Amangwe Indigenous Forest Natural Heritage Site, Fire tower
		Nseleni		Venter's Quarry, Vegetable gardening in riparian zones and riparian zone weed control.
Paper	Greytown	Kranskop		Salem Chemical Store, workshop and village; Salem Quarry old and new site; B12 wattle re-establishment; Voights/Salem boundary fire break; Salem graves; Salem Dam; A35 Southerland harvesting
		Ahrens		Baviaanskrantz Harvesting ops
		Seven Oaks		Seven Oaks office; Harvesting A18; Eldorado: roads bordering A19, Firebreak on Sappi boundary; Harries lease: main road, plantations residue burning B48b, grasslands; Mistle: general silviculture.
	Richmond	Greenhill		Richmond Office; Greenhill D7/D8 Wattle harvesting; Mellgem A02 harvesting, Mellgem A06 crossing and Basket Willow wetland; Walsh; D7, D8 Harvesting ops FTH trust.

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Value Chain	Area	Working Plan Unit	Field sites
		Baynesfield Trust	K21 roads and firebreaks; Blue Swallow nesting site at Maybole; K38 Harvesting.

7. ASSESSMENT RESULTS

The main issues are discussed below.

7.1. Findings related to the general QUALIFOR Programme

PRINCIPLE 1 Compliance with law and FSC Principles

- ***Respect for national and local laws and administrative requirements***

Throughout the sample of operations visited, there was clear compliance with national and provincial laws and administrative requirements. In some cases there was minor breach of contract law in that contractors were undertaking activities while contracts were not yet signed by Mondi.

The new Environmental Scoping Assessments (ESA) carried out also make provision for compliance to legal requirements of respective legislation.

Observation 6 was raised (see Table 8.2.2) to ensure that in the future, the weed species are categorised according to Regulation 15 of the Conservation of Agricultural Resources Act, and treated accordingly.

- ***Payment of legally prescribed fees, royalties, taxes and other charges***

There is clear evidence that taxes and levies in the form of Unemployment insurance, Workman's Compensation, Skills Development Levy, Value Added Tax, Company income Tax have been paid. Contractors were also found to be in compliance.

- ***Respect for provisions of international agreements***

There is no indication that Mondi is in contravention of any international agreement.

- ***Conflicts between laws and regulations, and the FSC P&C***

This is not applicable as there is no conflict between local laws and FSC P & C.

- ***Protection of forests from illegal activities***

In all sites visited, security companies were contracted to secure the plantations and natural forest patches from illegal activities. Timber theft, cattle grazing in regenerating compartment, poaching are systematically managed or prosecuted. Reports from the security companies were perused and found to be thorough on the whole.

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- **Demonstration of a long-term commitment to the FSC P&C**

The company has a demonstrable long-term commitment to the FSC P & C and this is demonstrated in management plans, framed statements of commitment displayed in public places, management statements and budgets. The market to which solid wood, paper and Kraft products are sold is also steadfastly committed to the FSC.

The only problem encountered in this area, was the tendency to neglect the leased farms in terms of soil and vegetation mapping as well as road network improvement. **Major CAR 1** was raised in this respect. (See Table 8.2.2). This major CAR replaced Minor CAR 61 of 2001. This CAR was closed on the provision of an action plan to address the issues on the leased farms, and replaced with a minor CAR in order to continue monitoring the implementation of the action plan.

PRINCIPLE 2 Tenure and use rights and responsibilities

- **Demonstration of land tenure and forest use rights**

Mondi has a mix of owned land and leased land on which its forestry operations are undertaken. The tenure on own land is secured by freehold tenure registered with the registrar of Deeds. The leased farms are all protected either by a standing timber lease or a more permanent land lease. These documents are on the whole up to date and legally binding. **Observation 1** (see Table 8.2.2) was raised to ensure that the certification body is kept informed of the status of leased farms in order to guard against and monitor short term leases of stands of mature trees. It was found that, despite the fact that the “standing timber purchases” were not included in the scope of the certificate, this timber was being sold as certified. **Major CAR 2** was raised in this respect (see Table 8.2.2).

- **Local communities’ legal or customary tenure or use rights**

Local communities do not have legal rights of tenure or use in the Republic of South Africa, but provision has been made for co-operative Multiple Resource Utilisation at all the FMU’s visited during the assessment. The picture in Swaziland is greyer in terms of local communities use rights, and the company has taken a strategic decision to allow free usage of the area as long as there is no deleterious effect on the plantation operations.

- **Disputes over tenure claims and use rights**

Mondi has inherited some substantial problems in this regard from previous landowners from whom it bought farms in the past. In the Piet Retief area for example, there are 78 informal villages on Mondi land. These villages could densify over time and attract a growing population. **Minor CAR 5** was raised in this respect (see Table 8.2.2). Mondi is definitely playing an active part in dealing with these informal villages but is objectively constrained by legal issues and dependencies on other organs of the state. No overt conflict has arisen from these occupations.

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PRINCIPLE 3 Indigenous peoples' rights

- ***Indigenous peoples' control of forest management***

This is not applicable in a freehold tenure context.

- ***Maintenance of indigenous peoples' resources or tenure rights***

Not applicable except in Swaziland where extensive co-operative arrangements have been made with neighbouring communities.

- ***Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples***

In general these sites are well protected and accessible to stakeholders who require admission. Stakeholder consultation with regard to the identification of these sites needs improvement. **Minor CAR 3** was raised in this respect (see Table 8.2.2). In addition, **Observation 4** was raised in connection with lack of maintenance schedules (see Table 8.2.2).

- ***Compensation of indigenous peoples for the application of their traditional knowledge***

Not applicable.

PRINCIPLE 4 Community relations and workers rights

- ***Employment, training, and other services for local communities***

The forestry contractors interviewed, as a rule, employed the majority of staff from their operational areas. This was found to be less so where specific operations were found to have a very high staff turnover such as at Satico. In terms of Mondi own staff, every employee has a personal training record and of the 800 company employees, 724 underwent some form of training in the last year. Each contractor interviewed also had a training programme for own employees ranging from operational training in aspects harvesting and silviculture, health and safety training, to HIV/Aids and primary health care training. In terms of social and other services to local communities there is an extensive list of activities conducted by each value chain.

Three observations, namely **Observation 8, 9 and 10** were raised in connection with concerns surrounding employment equity, contracts and electrical reticulation at a village (see Table 8.2.2).

- ***Compliance with health and safety regulations***

This is an area where Mondi and its harvesting, silviculture, security, and fire personnel and contractors were exemplary. The Health and Safety policy and procedures followed the letter of the law and in many cases exceeded it. Mondi has been commended for this aspect.

Observation 11 was raised with regard to supplying contractors with a list of 1st Aid box requirements, so that a minimum standard can be met (see Table 8.2.2).

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A few smaller issues noted were raised as internal SHEARs for Mondi to deal with themselves (see Chapter 8). The issues pertaining to this criterion are as follows:

- A “beware of the crocodile” sign should be considered at Venter’s Quarry on Nseleni, to ward off potential swimmers.
- No injury incident book in FTH Trust First Aid Box.
- No contract between Mondi and DM at Hazyview.

- ***Workers’ rights to organise and negotiate with employers***

Workers and shop stewards were interviewed and there appeared to be no prevention or any form of intimidation preventing workers from joining unions. At Hazyview shop stewards said they were free to recruit and organise in the workplace. Interestingly the level of unionisation among contractors is markedly lower than employees of some of the larger corporates who have retained staff.

- ***Social impact evaluations and consultation***

It is conceivable that the whole process of social impact evaluation within the South African forestry industry needs to be more structured. Mondi however, has a policy and practice of consultation with neighbouring communities. This was verified both by the perusal of minutes and interviews with the Mondi Social Development Facilitators. There was no evidence of structured relations with neighbouring farmers, as it appears that this communication takes place on an ad hoc or as needed basis.

Observation 15 (see Table 8.2.2) was raised due to the fact that the Hilton Daisy site in the Greytown Area is burned annually, although the burning plan stipulates a biennial burn. This site is near a community who burn it for grazing. There need to be documented efforts to resolve this issue.

- ***Resolution of grievances and settlement of compensation claims***

The plantation resource in South Africa is so vulnerable to arson that very few plantation owners take the matter of resolving grievances lightly. The structured communication with neighbouring communities assists in identifying grievances before they emerge as disputes. Also Mondi’s decision to appoint Social Development Facilitators on a permanent basis means there is a strong resource to deal with grievances. However a number of complaints were received from neighbouring farmers that Mondi could do more to communicate with them with regard to fire prevention and fire management. These letters were received from the Paulpietersburg area.

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PRINCIPLE 5 Benefits from the forest

- ***Economic viability taking full environmental, social, and operational costs into account***

The company is economically viable, and there is detailed and justified budgeting for all aspects of the operation, including environmental and social requirements.

- ***Optimal use and local processing of forest products***

The corporate nature of the Mondi operation means that the harvested resource is predestined for processing at a specific processing unit such as Mondi Kraft in Richards Bay or Mondi Paper in Merebank. There is very little localised processing of products. The Piggs Peak sawmills (Swaziland) and the Ramanas mill in the Hazyview area are processing plants which are on site where the product can be said to be locally processed, as well as the Zululand region where product is supplied to Mondi Kraft.

- ***Waste minimisation and avoidance of damage to forest resources***

Waste minimisation and damage reduction is encouraged through policies checklists and auditing. At the harvesting operation, waste is minimised through controlling stump height, and optimising the log length. It is preferred that slash not be burnt, therefore the operations must aim to minimise the amount of slash produced at the harvesting site. Firewood collecting is also a means of minimising wastage. Controlled felling direction and judicious harvesting planning (including matching equipment to terrain and identifying sensitive sites) aim to avoid damage to forest resources such as adjacent trees, biotic communities, and the water and soil.

Non-organic waste is minimised through re-cycling drives such as returning tyres, batteries and chemical containers to suppliers, and providing bins for the separation of waste for recycling.

- ***Forest management and the local economy***

The White River and Hazyview areas; Satico; Piggs Peak; Piet Retief; KwaMbonambi; and Greytown areas are dominated by forestry; the Richmond area has a more diverse agricultural agro-economy. In all of the above areas, Mondi, through its contractors is a significant employer, and is the largest single employer except at Piggs Peak in Swaziland. Mondi has an empowerment programme that has positive impacts on job and wealth creation in communities that were previously marginalized. The Khulanathi Woodlot scheme is one such project that offers opportunities for disadvantaged individuals or community land-rights holders to grow commercial plantation trees with advice and assistance from Mondi, who supplies finance, management, technical expertise and a guaranteed market. In most areas, Mondi is a significant landowner but it is a player alongside of its major forestry competitors, and other smaller private farmers.

Firewood harvesting is allowed in all areas, and, indeed, encouraged. Local communities also have access to numerous non-timber forest

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products such as thatching grass, honey collection, and sustainable medicinal plant harvesting to mention a few. Recreation offers some superb hiking trails, holiday accommodation units, trout fishing, bird watching and even access to the forest roads for rally events.

Observation 13 was raised (see Table 8.2.2) due to the fact that the M.R. U. reports at Greytown and Richmond do not include resources used by local communities.

- **Maintenance of the value of forest services and resources**

There is a range of forest services and resources. “Multiple Resource Utilisation” (MRU) forms an integral part of Mondi’s environmental protection initiative, and is defined as the wise use of natural resources available on Mondi’s landholdings, other than planted trees. These include hunting, fishing, and numerous other activities as described above.

- **Harvest levels**

The rate of harvest of forest products does not exceed levels that can be permanently sustained. This is ensured through enumerations and the incorporation of this data into growth projections and plans. See Chapter 3, section 3.3.

PRINCIPLE 6 Environmental impact

- **Environmental impacts assessment**

There have been CARs raised in the past certification period (see Minor CAR 71) with regard to the initiation and implementation of meaningful environmental impact assessments, appropriate to the scale and intensity of the operation as well as the uniqueness of the resource. This has primarily revolved around the construction of roads and river crossings. In the past five years, Mondi has evolved with the concept of carrying out such assessments prior to the commencement of site disturbing operations. Workshops were held (Sabie, Piet Retief, Zululand and Natal) to provide a better understanding of the EIA process. An Environmental Screening Assessment (ESA) was drawn up to distinguish between “listed” and “non-listed” activities. The completion of ESA’s was checked in the Mkondo Area for site disturbing operations such as dam renovations and crossings and found to be adequately completed in the Tower WPU. The consideration of alternatives was particularly good. In the Kranskop WPU, 17 ESA’s have been carried out and are listed in a register. Such ESA’s included new refuse pits, realignment of timber extraction routes, construction of oil traps, road upgrades and pit toilets. An ESA was also carried out in order to reach a decision about whether or not to close the Salem Village (rondavels), and for the closure of the Salem (existing NPA) quarry, and the siting of the new quarry.

Detailed stream crossing assessments were carried out in the Seven Oaks area in order to plan the upgrading and modification of stream crossing.

The impact of on-site processing has received attention at Piggs Peak sawmills, where extensive problems were encountered due to the

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location of the sawmill in a wetland and the inappropriate disposal of waste, but currently, plans are in place to mitigate the impact. The progress at this sawmill is monitored by environmental staff. The Ramanas sawmill has not yet been checked by SGS assessors, but this will be scheduled for the future surveillances.

The impacts of forest operations such as harvesting and silviculture are checked and mitigated through the pre- and post-operational checklists that are in place and implemented.

- **Protection of rare, threatened and endangered species (RT&E)**

See Chapter 3, section 3.6. Mondi are aware of the RT&E species that occur on their land holdings, and work closely with acknowledged experts and conservation organisations in the monitoring and protection of such species.

Mondi has supported several projects which are involved in the protection of rare species such as the Crane foundation, the Oribi working group and the Blue Swallow project. Given vast areas that they occupy and the fact that their land holdings are often situated in highly threatened habitats; there could be more work done at estate level in cooperation with conservation authorities, identifying and protecting less prominent threatened species. Not all areas had adequate species registers (including RT&E species) at the estate level, particularly for plants. Minor CAR 7 was raised in this respect (see Table 8.2.2).

- **Maintenance of ecological functions and values**

Mondi has sponsored the “Mondi wetland project”. This project has done substantial work country wide to restore wetlands and train landowners in techniques of wetland delineation and restoration. At estate level in general and on leased farms in particular their progress in clearing alien vegetation from wetlands and riparian zones has been slow and poorly planned. They have however recently began a much closer working relationship with “Working for Water”, a National project aimed at clearing alien vegetation from wetlands and watercourses. In addition, they have trials running to measure the effect of the clearing of stream buffer zones on the water table. Their mapping of open areas (ECDB) has been slow but on completion should greatly facilitate planning of open area management. **Minor CAR 8** was raised (see Table 8.2.2) due to the lack of long-term planning for weed control and burning in some areas as well as the absence of ECDB mapping in some areas. (e.g. No records available for the past history of Cuba Vlei on Salem with regard to burning).

An internal SHEAR was raised about the silvicultural appropriateness of exposed planting pits where mulching material is readily available at Gilboa. This was previously raised as Observation 10 in 2001, but was transferred to an internal SHEAR (see Table 8.2.1).

- **Protection of representative samples of existing ecosystems**

See Chapter 4, section 4.2. Two examples were observed of sensitive grasslands being burned annually. The reason cited for this were, that

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they were next to communities and therefore represented a fire risk. This highlighted the importance of developing good relationships with neighbouring communities.

- **Written guidelines shall be prepared and implemented to: minimise forest damage during harvesting, road construction and all other mechanical disturbances; and protect water resource.**

Mondi Forests has very good written guidelines for all of their activities, such as the *Harvesting Self Assessment*, and the *Eucalyptus Silviculture Self-Assessment* to mention two. In addition there are also the National best practice guidelines, which have been described in Chapter 5. On site, such protection is achieved through the pre- and post-operational checklists, as well as through auditing the operations. Soil maps are available and sensitive sites are identified, and the wetland delineation technique is applied to identify and create buffers around water resources. Despite this, there were incidences of the stacking of timber in SMZ's (e.g. Greenhill Wattle operation D7/D8). **Observation 5** (see Table 8.2.2) was raised in this respect.

Burning of plantation residues: Mondi has a detailed system of site classification which is used to determine which on compartments residues can be burned (based on soil sensitivity). However, all wattle sites are burned regardless of the sensitivity of the site. The burning of brush piles lined up and down the slope was also carried on some sites. **Observation 14** (see Table 8.2.2) was raised in this respect. There is a burn permit system in order to regulate which sites are burned and to control the conditions under which burning takes place. Burned compartments observed were adequately cool.

Good work was observed with the rehabilitation of skid trails after harvesting operations at Baynesfield.

Minor CAR 6 was raised (see Table 8.2.2) due to the fact that there were numerous oil spills, and adequate emergency procedures were not implemented following accidental spills.

Road Maintenance Planning: In some of the WPU's (e.g. Kranskop), it was found that only the main roads, based on harvesting needs were scheduled for maintenance. There was also no long-term plan in place and crossings were not identified or scheduled for maintenance. **Minor CAR 9** was raised (see Table 8.2.2) due to the lack of long-term planning for road maintenance and improvement (including quarries, stream crossings and depots).

Observation 3 (see Table 8.2.2) was raised due to the fact that most borrow pits are lacking in operational management plans and not all quarries are mapped.

A number of other smaller issues that were very site specific, were raised as SHEARs, to be followed up internally by Mondi. The SHEARs that pertain to this criterion are as follows:

- The river crossing approaches at the Matumi Guest House (Hazyview) are eroding badly, causing sedimentation of the river.

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- Lack of details in the operational harvesting plans at RA46 and RA41 on Kwambonambi: SMZ's were not indicated with management prescriptions to protect them, no felling direction, no landings indicated, no indication of flow of transport, no soil data. This was an isolated incident in the harvesting planning.
- Lack of incorporation of soil/terrain data on some of the Operational harvest plans (different formats are used in different areas). See Obs 18 of 2001.
- There was damage to a riparian zone by a fire truck parking on the stream bank to fill up the tank (Kwambonambi).
- The grading of the depot under the telephone line at Greenhill D7/D8 (Richmond) is not acceptable, since this area should have been identified as an SMZ and excluded as part of the depot.
- The firebreaks on Eldorado need attention in terms of rutting and erosion e.g. firebreak near A19 used by fruit harvesting tractors and evidence of other eroding breaks. This firebreak problem was an isolated incident.
- **Chemical pest management**

The Mondi Agrochemical Code of Practice details all of the chemicals that are used throughout the areas. Each chemical has been screened against the FSC requirements, and there is a colour-coded indication of its status.

Each area visited was able to show graphical evidence of the monitoring of chemical use. Graphs for Mkondo, Greytown, Satico, Richmond, and Umfolozi were looked at. The most common means of capturing pesticide use was to plot litres used against the month of the year. The whole area is combined and different types of pesticide are combined. This is meaningless and the data simple shows an increase in pesticide use in the summer months. The Kwambonambi WPU of Umfolozi Area, probably had the best data, in that graphs were presented for the different herbicides, and the usage recorded since 1997. **Although a CAR was not raised, this is an area of weakness, which Mondi must concentrate on.** To be meaningful, usage needs to be expressed per chemical/a.i., per time, per catchment/drainage basin.

Observation 7 (see Table 8.2.2) was raised to ensure that chemical registers reflect which chemicals are used for sugar cane and which for forestry, since numerous sugar cane chemicals are prohibited in terms of FSC requirements (e.g. Salem chemical store with ametryn/triazine used for cane, but not acceptable.).

An internal SHEAR was raised due to the fact that over 100 litres of Beef-up was not accounted for in the chemical register of the store at Satico. This issue will be dealt with internally by Mondi.

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- ***Use and disposal of chemicals, containers, liquid and solid non-organic wastes***

Chemical policy well developed. In general, all chemical stores that were visited were very well managed with bunding, running water, emergency procedures displayed, up-to date registers and available MSDS's. The chemical store men had all been trained and indicated a good knowledge of their job. The chemical store at the Greytown office and the Salem chemical store were particularly good.

The effort to recycle at the Salem workshop (Kranskop WPU) was commendable. A shed was set aside to house the recycling and bins for tins, paper, plastic, glass, fluorescent tubes and scrap metal were available. There was also an area demarcated for organic waste. Old oil is also collected at the workshop for recycling. Bins were also available for separating waste at the Salem Village Rondavels.

An internal SHEAR was raised due to the unfenced refuse pit at Swaziland. This will be followed by Mondi.

It is also required that oil storage areas be bunded and well managed, and that there are oil separators at the washing bays and workshop areas where there is oil runoff. This was found to be good at the Salem Workshop, where, even the oil filters were kept in special drains. There was, however, a bit of oil contamination in the soil at the outlets from the workshop. This was brought to the attention of the manager.

- ***Use of biological control agents and genetically modified organisms (GMO's)***

GMO's are not used by Mondi Forests.

In South Africa, the initiative and drive for the use of biological control agents for weed management has primarily been through the "Working for Water" (WfW) programme, who are in close co-operation with the PPRI (Plant Protection Research Institute). Provincial strategies are developed and there are working groups, and regular meetings in which Mondi Forests participates. In Mpumalanga, the Sabie River Co-ordinating Committee initiated the first mass-rearing project for the biological control agents of *Lantana* and Bugweed. Mondi Forests are part of this committee and the experimental release of the insects, takes place on suitable sites (Mondi, KLF and GFP land). This release and the monitoring is controlled by the Programme Manager, who is employed by WfW.

- ***The use of exotic species***

The adverse ecological impacts of exotic species in South Africa are primarily loss of biodiversity, increased water use and seed pollution (invasion into other areas). These impacts are well understood by Mondi Forests, and means of mitigating the impacts include setting aside conservation areas (about 30% of the land holdings), delineating wetlands and providing buffer zones between the wetlands and commercial forest areas as well as active weed control plans and stakeholder consultation in terms of involvement in the local communities.

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- **Forest conversion to plantations or non-forest land uses**

There has been no such conversion.

PRINCIPLE 7 Management plan

- **Management plan requirements**

Aspects of the Management Plan are described in Chapter 3. Operational planning is generally steered by strategic and tactical plans. From these plans the APO (annual plan of operations) is drawn up.

Open Area Management (OAM) plans are generally drawn up at the Estate level. For example, the Kranskop WPU of the Paper Value Chain, has five Estates (Duwel, Elandskop, Southerland, Salem and Elandsvlei). Kranskop therefore has five OAM plans which cover the area. These OAM plans include the ECDB mapping, the identification of "Transitional Plantation" (proposed for excision) areas, Areas of Special Interest (ASI's), grazing areas and carrying capacity and the weed control and burning plans.

Not all areas had adequate species registers (including RT&E species) at the estate level, particularly for plants. **Minor CAR 7** was raised in this respect (see Table 8.2.2).

Minor CAR 8 was raised (see Table 8.2.2) due to the lack of long-term planning for weed control and burning in some areas as well as the absence of ECDB mapping in some areas.

An internal SHEAR was raised for Mondi to make sure that all contractors and staff are aware of Mondi Policy. The planting distance from graves, for example, was not known by contractors at Piet Retief.

- **Management plan revision**

The management plans are living documents and are continually updated and revised as new or more information is generated.

- **Training and supervision of forest workers**

It was found that forest workers were appropriately educated and trained in the tasks they were assigned to. Skilled workers (such as chainsaw operators and first aid administrators) held the appropriate skills certificates.

See also Principle 4.

- **Public availability of the management plan elements**

A publicly available summary, dated October 2001 was available. The previous summary was dated 1999, so it would appear that Mondi Forests is revising regularly and keeping up to date. The publicly available summary is a colour brochure with photographs and an easy to read and understand overview of all activities pertaining to their management of the commercial forests and of the conservation initiatives. This is really well done.

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Mondi also has a newsletter “Talking Trees” which is available to the public, and published on a monthly basis.

PRINCIPLE 8 Monitoring and assessment

- ***Frequency, intensity and consistency of monitoring***

See Chapter 3, Section 3.6.

Mondi has a documented monitoring plan which details the monitoring that is completed by external people, and the monitoring completed internally. This plan also documents the frequency of monitoring and how this monitoring takes place. The monitoring completed by external people is as follows: Water Yield/Use, Water Quality, Grasslands, Wetlands, Indigenous forests and biodiversity.

The monitoring carried out internally by Mondi staff is as follows: Natural Heritage Sites, EIA’s and rehabilitation, MRU and Social investment, Waste disposal and recycling, Open Area Management, Transitional plantation areas, Alien plant control, Erosion and loss of soil, ASI’s and SMZ’s, Audits and FSC CARs.

The above is besides the monitoring of long term forest dynamics and health through the PSP (Permanent Sample Plot) Programme, which effectively models the forest growth. PSP’s are stratified by broad productivity classes (from good to poor sites), and more recently by detailed environmental variables such as MAP, MAT, altitude and physiographic region. Currently Mondi have about 300 PSP’s and at the beginning of each year the programme is reviewed and updated to ensure that clearfelled PSP’s are replaced so that data from consecutive rotations can be collected.

Observation 12 (see Table 8.2.2) was raised to ensure that in future, the protocol used for the monitoring of game for the purposes of commercial hunting is documented.

- ***Research and data collection for monitoring***

See above.

Not all areas had adequate species registers (including RT&E species) at the estate level, particularly for plants. Minor CAR 7 was raised in this respect (see Table 8.2.2).

- ***Chain of custody***

It is important to note that an FM/CoC certificate can only cover chain of custody for forest products from the forest to the first point of sale, handling (eg unloading and storage) or processing. Any on-site processing (eg sawmill, charcoal production, portable sawmill) or purchase and harvesting of standing timber by a third party (eg sawmill, harvesting contractor, timber merchant) must be covered by a separate chain of custody certificate if the products are to be sold as certified.

In the previous certification period, Minor CAR 72 (see table 8.2.2) was raised due to the fact that there was no procedure or work instruction for identifying products leaving the forest. The origin and destination of certified products was not available at the landings/stacking areas. In

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the interim, Mondi did draw up such a procedure to cover this requirement and close-out the Minor CAR. At the re-assessment, however, it was found that there were incidences of timber harvested from uncertified areas is being sold as FSC certified. This was specifically the timber that was harvested from “standing timber” purchase areas. **Major CAR 2** was raised in this respect (see Table 8.2.2).

Mondi Forests appealed against this CAR on the grounds that clause 2.1.1 did not cover “standing timber” agreements and that the uncertified timber sold as certified would not make a difference in the rolling average of the %-based CoC claim of Merebank, and the SAICCOR Sappi client, who did not require certified timber. This CAR was upheld on the basis of the inadequacy in the company’s CoC procedure that allowed this to happen. The clause number was changed to 8.3.1. The detail of this SGS response to the appeal is documented in Appendix III.

This CAR was closed on the provision of an updated Chain of Custody (CoC) procedure, revision No 2. This procedure describes the process of all timber that leaves the forest. It covers the physical evidence that the certified product originates from a particular source; how the data capture and communication system works which runs parallel with and links to physical evidence. The procedure is a performance standard required by FSC to which Mondi Forests subscribe. The systems used ensure the complete and accurate recording of timber sales and ensure control of timber supplies. The systems also provide for invoicing and payment of contractors. The procedure ensures that all FSC accredited timber is identified as such and any non-accredited timber is also identified as such with specific reference to procured timber.

In the case of timber supply to Merebank, Mondi Kraft and Silvacel, the supplier code and order number which accompanies the timber will have the details of the forest of origin and whether the supplier/vendor is supplying FSC accredited timber or not.

In the case of the identification of procured non-FSC accredited timber at landing/depot/siding, the timber is identified at the weighbridge as outside suppliers, this information is transferred onto the delivery note that is generated at the weighbridge. All non-certified timber is segregated and stacked in a zone that is marked non-certified timber. All non-certified timber is kept until such time that a complete consignment of rail trucks can be filled. All non-certified timber has a unique supplier code which identifies the timber as non-certified.

Observation 2 (see Table 8.2.2) was raised due to the fact that documented approval of the FSC logo was not available.

- ***Incorporation of monitoring results into the management plan***
Records of monitoring activities are kept, and results are analysed and documented. Monitoring and research reports make recommendations on how management prescriptions should be changed.

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- **Publicly available summary of monitoring**

Although some of the monitoring results are publicly available through media such as newsletters, journals and the occasional television broadcasting such as the recent broadcast on 50/50, there is no summary of the results, which have specifically been drawn up and is available for the public. Examples here are the water quality biomonitoring – the results of which are currently being withheld from the National River Health Data Base, and all of the monitoring in connection with RT&E (red data) species, grasslands, natural heritage sites, indigenous forests etc. The public is not aware of the changing status of these resources.

Observation 17 (see Table 8.2.2) was raised in this respect.

PRINCIPLE 9 High Conservation Value Forests

- **Assessment to determine high conservation value attributes**

The assessment team raised **Minor CAR 4** (see Table 8.2.2) due to the fact that High Conservation Value Forests (HCVFs) have not yet been determined according to prescribed attributes. This was based on an interview with the consultant responsible for monitoring indigenous forests and the fact that there had been no HCVF evaluations, based on the FSC requirements.

Mondi forests appealed against this CAR on the basis that all of their HCVF's have been proclaimed as Natural Heritage Sites. The appeal details from Mondi Forests are as follows:

Appeal details:

All natural forests have been identified through the Environmental Conservation Database. These forests form part of the open area management plans. This means that any management activities are planned for and carried out to enhance and maintain the environmental integrity of these forests. All natural forests on Mondi land are of significance and are conserved according to Mondi's Environmental policy. Therefore there are currently no natural forests on Mondi land that are under threat.

In accordance with the Mondi policy, natural forests that have high conservation value have been proclaimed as Natural Heritage sites (copies are available). To register any area as a Natural Heritage site the following criteria's are considered:

- *A short motivation is provided covering each of the following criteria:*
 - *Stands of special plant communities*
 - *Habitats of threatened species*
 - *Sensitive catchment area*
 - *Good examples of aquatic habitats*
 - *Outstanding natural features*
- *What veld type does the site occur in?*
- *A description of the flora, fauna, fish, amphibians, reptiles and birds of the site indicating rare, threatened, endangered, endemic and locally vulnerable species*

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- *What plant communities are present including a short description of each*
- *Any historical, cultural, archaeological and palaeontological features.*

Considering that Mondi Forests has 2,716 ha's of natural forests and five Natural Heritage with forests of high conservation value amounting to 1,587 ha's (58%), we do not agree with the objective evidence stated that "No high conservation value forests evaluations".

Whilst the evaluation has not followed the FSC attributes to the book, Mondi is of the opinion that the evaluations adequately cover the principles and standards upheld by FSC. It is therefore Mondi's request that this be reduced to an observation.

This appeal was supported by the Programme Manager and replaced by an Observation (see Observation 16). The justification of the withdrawal of Minor CAR 4 is appended to the report (See Appendix III).

- **Consultation process**
N/A See above
- **Measures to maintain and enhance high conservation value attributes**
N/A See above
- **Monitoring to assess effectiveness**
N/A See above

PRINCIPLE 10 Plantation

- **Statement of objectives in the management plan**
Objectives are clearly described in the Mission and Vision statements for Mondi as well as in the different policies for the different aspects of the operational and environmental activities.
- **Plantation design and layout**
Through design and layout of plantations, Mondi strive to promote the protection, restoration and conservation of natural areas. This is done through the creation of physical and dispersal corridors, the protection of streamside zones, and the promotion of re-designing compartments after clear felling.

There has been excellent work carried out through **Land Use Planning (LUP)** for some of the areas. This is particularly evident in the Coastal/Umfolozi area, where areas have been completely re-planned professionally and these plans implemented. The benefits of such integrated and holistic thinking and planning is clearly evident in the better condition of the roads (crest roads, valley bottom cut-offs etc) and the better condition of the compartments and open areas, which were created according to the soils, topography and climatic conditions

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in order to optimise the resource. This is clearly the direction in which forestry planning must move.

Vegetation and open area mapping is carried out through the ECDB (Environmental Conservation Data Base) mapping process, which has almost been completed in all of the Mondi areas. This mapping also takes into account the degree of weed infestation of the open areas, which is then related to the weed control planning.

The national best practice guidelines such as the Environmental Conservation Guidelines and the Wetland Delineation guidelines, also serve to steer the decision making to achieve good practice.

Minor CAR 8 was raised (see Table 8.2.2) due to the lack of long-term planning for weed control and burning in some areas as well as the absence of ECDB mapping in some areas.

- ***Diversity in composition***

Mondi is a fully integrated forest products business. The forests supply a number of different products from a number of different species. These include the supply of pine pulpwood, eucalyptus pulpwood, eucalyptus mining timber, as well as softwood and eucalyptus sawlogs. Wattle is also grown for both its bark and timber. When conditions and markets allow, and in order to optimise the land, sugar cane is also grown.

- ***Species selection***

Mondi Forests has a Tree Improvement Research (TIR) Department, which is responsible for the co-ordination of the PSP's mentioned in Principle 8, as well as the communication and linkage with CAMCORE (Central American and Mexican Coniferous Resource Co-operative), the TPCP (Tree Pathology Co-operative Programme), the FMBC (Forest Molecular Biology Co-operation), local and international universities, research institutes and IUFRO (International Union of Forest Research Organisations).

Most of Mondi's holdings have been soil mapped and site-species matching is routinely part of the pre-planting assessment.

- ***Restoration of natural forest***

All natural forests are protected and conserved by Mondi Forests. A specialist has been contracted to monitor the indigenous forests (see principle 9). The use of soil data and wetland delineation techniques also assist in the determination of wetlands. Mondi is very active in the wetland rehabilitation programme. Indeed, Mondi is the major sponsor of the Mondi Wetlands Project (MWP).

The restoration of the Amangwe Indigenous forest in the Zululand coastal area (Kwambonambi) is commendable conservation work. The gum trees between the two forests were removed to create a corridor linking the two forest patches. The weed control in this forest has been very good.

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- **Impacts on soil and water**

There is information on all of the soil types in the plantation areas, that indicate their susceptibility to degradation from forest operations. Some of the areas that have not been soil mapped (especially the leased areas, have been placed on a schedule for such mapping). Soil degradation is minimised through judicious harvesting planning and matching equipment to terrain. Where soils have been degraded from previous activities, there are plans in place to restore them. This is particularly evident in the current efforts to monitor firebreaks and rehabilitate eroded areas which have been degraded from past hoeing and mechanical clearing.

The major water bodies within the forest area have been identified and mapped, and through the water quality biomonitoring, all of the activities that might degrade water bodies have been identified, and efforts made to mitigate this.

- **Pests and diseases**

Forest pests and diseases have been identified and documented. Mondi is very strong on research and support of research institutes. Monitoring and control of pests and disease is appropriate.

There is also a documented fire protection system. Fire surveillance is very good and there is a clear assignment of responsibilities with chain of events and chain of commands clearly displayed and distributed. All employees and contractors, who are required to perform fire control activities, have received adequate training. There are also regular audits of fire readiness.

Mondi is a member of all of the local fire-fighting associations (FFA) in the different regions, and subscribes to the aerial support services available for the industry.

- **Monitoring of impacts, species testing and tenure rights**

Mondi is well aware of the on and off-site impacts of their forest operations, and have numerous programmes and plans in place to monitor and mitigate such impacts, as discussed previously.

There are no prior local rights of ownership, but Mondi do allow use of and access to their land by local communities. See Principle 2 description.

- **Plantations established in areas converted from natural forests after November 1994**

N/A. There have been no plantations established in such areas.

7.2. Issues raised by Stakeholders

Approximately 500 stakeholders were contacted, of which there were about 40 responses. Most of these responses were neutral, some positive and some negative, and some just issues of concern. The responses that

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constituted issues to follow-up or be aware of are documented in the Table 7.2 below.

Table 7.2: Summary of stakeholder issues and the SGS assessor's response to the issues.

Issue Raised	Response
<p>Stakeholder A: A local school headmaster in White River requested that the school be better informed prior to harvesting activities around the school, since it affects both the aesthetics and activities around the school. Further, the fact that Mondi facilitated the acquisition of some land for the school was a positive comment and the involvement of Mondi in the support of school activities was complimented.</p>	<p>The White River WPU manager agreed to keep the school informed of all harvesting and other activities.</p>
<p>Stakeholder B: This person had purchased farms from Mondi in the Zululand area, but Mondi retained the right to the standing crop as part of the purchase agreement. This stakeholder was complaining that Mondi were not managing the conservation areas on these farms, which were becoming overgrown with weeds (specifically Chromolaena).</p>	<p>Major CAR 2 was raised due to the fact that Mondi was harvesting and selling this timber as certified timber, which was not in their right to do, since these areas are excluded from the scope of the certificate. The issue of the management of the conservation areas on this specific farm, is dependent upon the agreement between Mondi Forests and the new landowner. SGS assessors cannot intervene in the sale agreement that was drawn up between the two parties, especially since this specific farm is out of the scope of the certificate. This issue needs to be resolved between the two concerned parties.</p>
<p>Stakeholder C: Two Mondi neighbours in the Paulpietersburg area believe Mondi could do more to prevent fires by burning slash and burning wetlands grass stock annually.</p>	<p>Mondi has taken a considered policy decision not burn wetlands annually or to burn slash unless it constitutes a fire risk. Mondi is to be commended in their decision in both cases, which is ecologically sound. Mondi does have adequate fire protection measures in place. This issue can be resolved by better communication with the neighbours in terms of justification of decisions and accommodating needs.</p>
<p>Stakeholder D: A Mondi neighbour in Paulpietersburg feels Mondi is causing extensive damage to a shared road to which he is contributing a disproportionate amount of funds for rehabilitation.</p>	<p>A direct meeting should be held with this stakeholder and the local Mondi Manager in order to resolve this issue. Minor CAR 9 was raised due to the fact that Mondi's long-term road maintenance planning was inadequate.</p>
<p>Stakeholder E: Complained that there were rumours that Mondi were planning to settle many non-employed people (mostly retrenched) on their Woolstone property, and</p>	<p>This letter was received after the commencement of the assessment, and was therefore not dealt with as part of the assessment. It is, however, recommended</p>

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Issue Raised	Response
that this would constitute a security risk, devaluation of property as well as a negative environmental impact. The issue was that the neighbours to the Woolstone property were not consulted with or informed of this potential development.	that Mondi managers in the Greytown area consult with neighbours and clarify the issue, that is, state whether there is truth in this rumour or not. This issue will be followed up at the next surveillance
Stakeholder F: from the faculty of Forestry and Wood Science commented that on behalf of the faculty, they were unanimous in the statement that Mondi Forests conducts the business of managing their forests very well.	
Stakeholder G: A local school principal commented positively about the contribution that Mondi Forests had made to the school in terms of the provision of paper and electricity as well as the services of a nurse and social worker. He also mentioned the weed clearing of the conservation areas and the cleaning of the local rivers as a strength.	
Stakeholder H: Commented that delineation pegs are seen in most of the riparian areas, and when re-establishing compartments, Mondi keep outside the delineated area (Greytown –Salem area).	Mondi Forests are applying the wetland delineation technique in all of their areas, and staff have been trained well.
Stakeholder I: A stakeholder in the Kranskop area requested that 1) Mondi take into account the general maintenance of the roads to their neighbouring communities when they so their annual budgets. 2) Neighbours should be informed of conservation and conservation sites. 3) The neighbouring communities may find Mondi's waste useful to them for example aluminium cans, fertilizer bags, food for pigs etc it was suggested that Mondi should establish a procedure whereby neighbouring communities can have access to such waste.	These issues have been brought to the attention of Mondi Forests, and the company has undertaken to follow up on these issues through their social development facilitator, specifically with the Silverstream Community.
Stakeholder J: A sawmill operator in the Richmond area has a dispute with Mondi over the supply of logs. They feel that they have there was a verbal supply agreement in place although there is not written agreement. Mondi feel that they are not obliged to supply logs to the sawmill.	A meeting should be held with this stakeholder and future supply agreements should all be formalized with signed contracts.
Stakeholder K: A private landowner listed the following observations. 1. Poor planning of fire towers.	New fire towers have been erected in

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Issue Raised	Response
<p>2. Use of “cheap” rather than good contractors. .</p> <p>3. Lack of foresters resulting in ineffective fire control and conservation management.</p> <p>4. Poor road maintenance.</p> <p>5. Lack of protection and clearing of waterways.</p> <p>6. Poor decision-making in respect to the establishment of plantations the Babanango area. About 17 years ago land was purchased in the Babanango area and converted to forestry. Much of this good cattle grazing land and proved to be poor forestry land. Subsequently and recently this land has been taken out of forestry and/or sold to private growers again. The entire process has resulted in the “death of Babanango”.</p>	<p>positions decided upon by local growers and Mondi.</p> <p>The Local area manager, Peter Forester, insists that they select contractors stringently on performance.</p> <p>Mondi has done studies to determine the optimum plantation area per forester. This has been established at 8500 hectares. The plantations in the area are well within these recommendations.</p> <p>Minor CAR 9 was raised to address the lack of long term plans to improve and maintain roads. They are required to identify, prioritise and fix problem areas. Mondi acknowledges that inadequate resources were allocated to road maintenance in the past in the Melmoth area, but that with a new system of “in house plant hire” machinery costs have come down. This situation is, according to the area manager, improving rapidly.</p> <p>Minor CAR 8 has been raised address the lack of open area management planning. Mondi has engaged in active partnerships with Working for water to better utilize available resources. The effectiveness of this strategy will be assessed on subsequent audits.</p> <p>It is felt that the establishment of the Mondi plantations in the Babanango area, around 17 years ago, was not accompanied by adequate feasibility studies, environmental or social impact assessments. Current legislation is more stringent in it requirements for the issuing of water licenses and changing of land use and this should assist in preventing social and environmental impacts of this nature. Mondi’s technical staff should also insist on more thorough site evaluations before acquiring land for forestry purposes. Mondi is in the process of selling their Northern Babanango area. Much of the rest of the area will be rationalized in the</p>

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Issue Raised	Response
7. Local Mondi foresters have got a good relationship with fellow farmers.	future.
<p>Stakeholder L: A senior official of Melmoth town council had the following comments to make:</p> <ol style="list-style-type: none"> 1. Poor road conditions cause fire-fighting problems. 2. Protection of waterways was improving but needed further improvement. 3. There was little or no biodiversity in plantations. 4. Big forestry companies displacing private growers is resulting in job losses. Mondi has a terrible history of social responsibility. Little or no evidence of social involvement and does not benefit the community sufficiently in proportion to it's size. 5. Contiguous size of plantations lead to a high fire risk situation. This effects the insurance risk of private growers. 6. Large companies sterilize small communities. Mondi is profit driven to the detriment of rural towns. Lack of job creation. No leadership role 7. Very poor communication with local stakeholders. No communication from Mondi to the Town Council in years. 	<p>In a telephone conversation with this stakeholder he confirmed what he had put in writing.</p> <p>Discussed above</p> <p>Discussed above</p> <p>Criterion 10.3 states that “diversity in the composition of plantations if preferred, so as to enhance economic ecological and social stability. “ Companies are urged to diversify where practical. It is however often the case in industrial plantations that market requirements are the overriding factor in species choice.</p> <p>The stakeholder did not present evidence back up these observations and this issue would have to be probed more thoroughly on a surveillance audit.</p> <p>Mondi responded by saying that Mondi's resources and preparation for fire protection were more than adequate. This issue is to be investigated on the next surveillance audit.</p> <p>Such general remarks are difficult to refute or support.</p> <p>Criterion 4.4.12 in the Qualifor checklist requires that there be adequate communication with stakeholders. The issue was discussed with the Area Manager, and with the technical at Mondi and it was suggested that they communicate more frequently with stakeholders in the Melmoth area and attempt to build better relations. This will investigated more thoroughly on the next surveillance audit.</p>

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Issue Raised	Response
STAKEHOLDER M: A private landowner from Babanango complained about disposing of sawdust and sawmill waste at an improper site.	The sawmill in question does not belong to Mondi.
STAKHOLDER N: Plantations around Paulpietersburg: A resident from Paulpietersburg noticed that Bugweed was taking over the small streams, between the plantations and along the roads. He has noticed it getting worse every season. He claims that it has gotten worse since contractors have taken over silviculture operations on the plantations	The plantation manager forwarded an open area management plan. CAR 8 was raised to address the planning. Adherence to the plans will have to be checked on surveillance audits.

7.3. Issues raised by Peer Reviewers

This report was reviewed by two independent peer reviewers. The following points were raised.

Issue Raised	Response
<p>Peer Reviewer 1 had the following comments:</p> <p>I believe that the Team has come to the appropriate conclusion based on the evidence presented. However, I would like to highlight the following issues which are of concern and should be taken into consideration particularly when planning the proposed surveillance:</p> <ul style="list-style-type: none"> The large number of resident families still living on Mondi properties – this constitutes a potential tenure problem which should not be ignored. While it could potentially be amicably addressed, it could equally constitute a significant problem that would be in breach of Principle 2 (Tenure and use). Importantly it could cause real negative social impacts to the households involved. I therefore reinforce the statement in Appendix 3, stating that it needs to form part of the surveillance. I would further recommend that progress be re-assessed sooner than the proposed 12 month surveillance interval. The second issue arises from a series of Minor CARs rather than a single issue. These relate to the issue of management and monitoring of high conservation value forests and open areas (Principles 6, 7 and 8). I raise the following Minor CARs in relevance: 	<p>Resident families living on Mondi properties: Despite the appeal by Mondi, this was upheld as a Minor CAR, specifically because it could become a problem and needs to be monitored. Given this need for monitoring, it will be recommended that a suitably experienced social specialist be included on the assessment team for the first surveillance visit, which will take place in early September 2003.</p> <p>In terms of the second issue, Natural Heritage site management only constitutes one aspect of the open area management. During this re-assessment, a great deal of emphasis was placed on the provision for long term planning, especially in the case of alien weed control and appropriate burning programmes for the open areas. In the case of the utilisation of resources, the control and monitoring was checked. For example, in the case of cattle grazing, it was required that carrying capacity of the land be known, special areas allocated and cattle registers be kept, in addition to the monitoring of grasslands, which is carried out by a specialist. Where “gaps” in management were encountered, minor CARs were raised.</p> <p>The issue of high conservation value forests (HCVF’s) was contentious, hence the appeal by Mondi. Indeed, the assessment team did</p>

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<ul style="list-style-type: none"> ○ Minor 10: neglect of leased farms ○ Minor 4: High conservation value forests ○ Minor 7: Species registers ○ Minor 8: Long term open area management plans <p>While recognising the efforts and success of Mondi in identifying and proclaiming natural heritage sites, this alone cannot constitute appropriate management (see appeal notes under Minor CAR 4). Management must include monitoring and evaluation of functioning of forests and open areas, particularly in areas where multiple resource use is being undertaken, to ensure the sustainability of these ecosystems. For example, identification of rare and threatened species, long term open area management planning, and alien vegetation control area would all constitute important aspects of this. In addition, the fact that the issue of neglect of leased farms has again been raised (although downgraded to a Minor CAR) is of concern. It is therefore proposed that follow-up surveillance of these issues be considered sooner than the proposed 12 month interval.</p>	<p>not consider that Mondi had adequately assessed their forests for the attributes of HCVF's and that their monitoring was not in line with the requirements of Principle 9. The fact that the Qualifor Programme Manager downgraded this CAR 4 to an Observation (Obs 16), does not mean that it has become a non-issue. Subsequent to this downgrade, the lead assessor recommended to the Qualifor Programme Director that a meeting be set up with the management of Mondi Forests to deal with the issue and clarify the checklist requirements. This will be scheduled prior to the first surveillance, which will take place in early September this year (2003).</p> <p>In the case of the leased farms, should such neglect be encountered again, the issue will be raised directly as a Major CAR, with the potential for certificate suspension. The current Qualifor CAR procedure does not allow for recurrent Majors of the same issue. This has been made very clear to Mondi.</p>
<p>Peer Reviewer 2 responded as follows:</p> <p>The assessment report is sufficient to provide a holistic perspective on the MONDI forestry operations. From the details it is clear that MONDI must be regarded as a world leader in the sustainable management of commercial monoculture plantations. Specifically the company's approach to health and safety issues, wetland delineation and management, the bio-monitoring of ecosystem processes, as well as land-use planning, must be commended.</p> <p>Two issues that will require future attention are as follows:</p> <ol style="list-style-type: none"> 1. Mention was made of a network of PSP's that are located on MONDI land. A number of variables focussing on tree growth are monitored at regular intervals. However, no site factors (specifically soil factors) are included as part of this program. The value of long term data regarding ecosystem processes must be appreciated to detect whether forest sites are degraded or not. One would expect that a company with the profile of MONDI would engage in some research and monitoring regarding their impacts on the soil environment. 2. It was mentioned that detailed soil maps are available for most of MONDI land. From these, sensitive sites are identified in terms of susceptibility to erosion, compaction and fire 	<p>Issue 1: The assessment team did not specifically check the layout and monitoring of the PSP's in detail. It was only established that Mondi was making use of PSP's. This is a valid point and the inclusion of site factors, and research and monitoring with regard to impacts on the soil environment will be followed up on at the first surveillance scheduled for September 2003.</p> <p>Issue 2: The assessment team placed a great deal of emphasis on checking how Mondi were using the site data and particularly the soil sensitivity data (such as wetness, erosion and compaction hazards) in operations such as harvesting, slash management and re-establishment. Since the data was supplied by recognised pedologists, the question of how the qualitative evaluation of sites was carried out, was not raised. The fact that these</p>

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<p>damage. However, no mention is made of how this qualitative evaluation of sites is done. The very basic systems that are commonly known in the industry need refinement, and companies such as MONDI can in future initiate research and development in this regard.</p>	<p>methods need refinement, must be addressed at an industry level, and guided by research institutes.</p>
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8. STRENGTHS AND WEAKNESSES

8.1. Strengths

During the course of the assessment, numerous strengths were noted. These are listed below:

- The fact the FSC requirements have become operationalised and are no longer seen as separate requirements, which need to be met.
- The publicly available summary of the Mondi management plan is a colour brochure with photographs and an easy to read and understand overview of all activities pertaining to the management of the commercial forests and of the conservation initiatives. This is really well done.
- The value adding in South Africa and Swaziland as a result of the various processing plants owned by Mondi.
- The quality and thoroughness of the second party assessments and the follow up of non-conformances through the SHEAR system. This has reduced non-conformances vastly in the past year.
- The Natural Heritage Site Programme and the monitoring and management of such sites.
- The social responsibility of the company, networked through the appointment of Social Development facilitators throughout the division. The comprehensive social responsibility programmes in the Piet Retief Area stand worthy of mention.
- The Peer Education Programme throughout the division is excellent.
- The attention to Health and Safety throughout the company.
- The 5-Star NOSA grading achieved at Kwambonambi (Umfolozzi/Coastal Area).
- The comprehensive lists of pesticides generated, accounting for all pesticides used by Mondi (including sugar cane), and the thorough screening of the pesticides against FSC requirements. The pesticide trend analysis at Kwambonambi was the best seen of all the WPU's.
- The land-use plans that have been drawn up and implemented in some of the areas.
- Mondi's involvement in the National Wetland Programme through both sponsorship as well as setting an example in the rehabilitation of wetlands in many of the areas.

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- The improvement in cattle management strategies throughout, given the sensitive nature of the issue (environmental and social).
- In comparison to previous years (1st certification period), the improvement in harvesting planning and execution is significant.

8.2. Weaknesses

At the third surveillance visit of 18-17 July 2001, four major CARs were raised. Action plans to address the non-conformances were provided within the given two week deadline from the date of the surveillance. On the basis of these action plans, the major CARs were replaced with Minor CARs, with a scheduled Clearance of Findings (CoF) Assessment in order to verify the implementation of the proposed actions. This assessment took place 11-12 February 2002. Table 1 below provides a summary of the outcome of the CoF assessment as well as a status report on the outstanding CARs and observations, which were addressed at the re-assessment.

TABLE 8.2.1: Outstanding Corrective Action Requests checked/ closed out.....

CAR No.	Major/ Minor	Checklist clause	Findings	Status*
53	Minor	6.6.3	<p>Programme to record chemical use overtime and regularly analysing trends not fully implemented.</p> <p>Progress at 3rd Surveillance visit: Such records were checked in the Ntonjaneni Area, where it was found that RK Silvics and Clive Ngcobo (Contractors) submit a monthly chemical usage report. Volumes are recorded but locality is not consistently recorded. This CAR was not adequately assessed to allow for closure. CAR 53 will therefore be carried over to the re-assessment.</p> <p>Close-out Details: All areas inspected (Hazyview, Satico, Swaziland, Mkondo, Coastal, Greytown) had records of chemical use, and were analysing trends by means of graphs. Kwambonambo was particularly good, having records dating back to 1997. This CAR is closed.</p>	Closed
61	Minor	7.1.1	<p>Evidence of neglect in management planning for leased farms and outlying areas.</p> <p><u>Objective Evidence:</u> 1) Ququmeni (Kataza WPU of Ntonjaneni Area): weed control is not implemented, planting of marginal sites (K19a and K19b) which will be difficult to harvest, lack of attention to erosion dongas, roads in very steep areas. Annual burning of large boundary grassland. 2) Umvoti WPU (Greytown Area: own and leased land): No formal road maintenance plan, poor slash management, no formal burning or weed control plans. No conservation management plan.</p> <p>Close-out Details: Most of the leased areas inspected in Hazyview and White River as well as Richmond, were characterised by the absence of open area management plans and degraded riparian zones in terms of weed infestation – no clearing operations for the past 4 years in some areas. This CAR could not be closed and was therefore raised to Major CAR 1.</p>	Raised to Major CAR 1

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CAR No.	Major/Minor	Checklist clause	Findings	Status*
62	Minor	10.6.1; 10.6.2; 10.6.3	<p>Lack of use of soil data in operational planning.</p> <p><u>Objective Evidence:</u> 1) No soil data in harvesting plans in Swaziland (Comp A432a and A5/15: both of these compartments had soils with a wetness hazard). 2) Soil data was not used for the planting plan of A5/15, resulting in failure to indicate dry watercourses surrounded by soils with a wetness hazard of W2 (Swaziland). 3) Soils were not taken into consideration in the siting of the new road No.226 at D3 in the floodplain of the Gladdespruit at Sjonasjona. 4) Babanango Area does not have soil maps, nor does Umvoti WPU (Greytown). 5) Soil compaction data is not used in choice of machinery for harvesting.</p> <p>Close-out Details: This CAR is closed on the basis of the schedule provided by Mondi to have the rest of their areas soil mapped by 2007.</p>	Closed
63	Minor	10.2.4.1; 5.5.2; 6.5.3	<p>Wetland delineation procedures are not implemented.</p> <p><u>Objective Evidence:</u> Compartment E15 (Umvoti) was re-established to wattle right up to the banks of a stream. This was planted in 2001, and no delineation was applied, as it should have, according to Mondi Policy. At the February 2002 CoF assessment, it was found that existing buffer zones were not adequate in some instances at the New Hanover WPU-Seele. The old office depot (Seele) is in a floodplain and needs to be delineated. Compartment F63 (Seele) may be infringing on the riparian zone - pine trees of 6-8 months old!</p> <p>Close-out Details: Staff and contractors have attended the wetland and riparian delineation course and the procedure has been distributed and is available. Examples of the application of wetland delineation were seen at Swaziland (A416, B611 and B530), Tower WPU (A67/68), and at Kwambonambi (Ra119). Interviews with staff indicated good knowledge of the procedure. The process of delineation has also been formalised as part of the harvesting plan. This CAR is closed.</p>	Closed
64	Minor	6.6.1	<p>Use of a prohibited chemical.</p> <p><u>Objective Evidence:</u> Gramoxone is used in Swaziland, Ntjonaneni and Greytown Area. Gramoxone is in storage at Sjonasjona (although not in use, since Preglone is being used).</p> <p>Close-out Details: The Agricultural Chemical Code of practice has been revised and distributed. The Forestry Industry is applying for an exemption for the use of Paraquat. All chemicals in use on the FMU's have been screened against FSC requirements. Besides Paraquat, there was not evidence on non-compliance. This CAR is closed.</p>	Closed
65	Minor	10.6.3; 1.1.6	<p>Erosion is evident on firebreaks.</p> <p><u>Objective Evidence:</u> 1) Tracers hoed in the boundary grasslands of Ququmeni (Ntjonaneni, Kataza) are eroding. This is especially evident in the steep areas. 2) Erosion in the firebreak between Mercrowe and A.J. Hill and between Mercrowe and M.B. Hill (Umvoti WPU). 3) Erosion in the firebreak at Giants Castle with no action plan to rectify it (Rockmount Boundary).</p> <p>Close-out Details: Fire breaks were systematically being checked and schedules for rehabilitation were available. In certain areas the hoeing of fire</p>	Closed

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CAR No.	Major/Minor	Checklist clause	Findings	Status*
			breaks has stopped. There was also evidence of rehabilitation of eroded fore breaks.	
66	Minor	6.4.2	<p>Inadequate control over cattle.</p> <p><u>Objective Evidence:</u> 1) Number of cattle and carrying capacity for Umvoti WPU is unknown, and cattle are the main threat to the Hilton Daisy and the mist belt grasslands (V. Schutte, pers com.). 2) Cattle problem in Ntonjaneni Area (Kataza WPU) and Paulpietersberg. Carrying capacity and total number of cattle unknown. Erosion and donga formation in these areas could be related to overgrazing. 3) Impact of cattle on the water resource was evident in Kataza. 4) Lack of branding of cattle, which is also a legal requirement. 4) Uncontrolled grazing at Giant's Castle: Estate Manager and forester unaware of carrying capacity of grasslands.</p> <p>Close-out Details: The carrying capacity of the cattle grazing areas has been determined, and Social Development Facilitators have been trained in communal grazing management. Grazing agreements are also being drawn up for all cattle grazing.</p>	Closed
68	Minor	10.5.1.1; 6.4.2; 6.3.1	<p>Conservation Management Plans are not fully implemented at all Estates. This replaces Major CAR 58.</p> <p><u>Objective Evidence:</u> No Conservation Management Plans available for Umvoti W.P.U. or for Giant's Castle. No ASI register for Paulpietersberg. At the February 2002 CoF assessment, it was found that, with the exception of listing the Oribi and the Wattled Crane (red data species), there are no other species lists (e.g. lists of mammals, birds, flora etc) available for the New Hanover WPU.</p> <p>Close-out Details: There was evidence of much progress with regard to the collation of Open Area Management plans, but there were still numerous gaps with regard to ECDB mapping and weed control plans (some areas not scheduled at all, for example there was not CMP or OAM plan for White River). For this reason, this Minor CAR has been carried over for continuous monitoring as Minor CAR 8.</p>	Carried over as Minor CAR 8
69	Minor	6.5.1.10 -13, 4.2.2	<p>Harvesting operations are not adequately controlled in terms of potential environmental damage as well as health and safety. This CAR replaces Major CAR 59.</p> <p>Close-out Details: Contractors and own staff (representatives of the different regions) attended harvesting workshops (Bonamanzi Workshop 31 Jan- 1 Feb 2002). These workshops included health and safety issues and harvesting manuals were issued. Field inspections (11-12 Feb 2002) of C11, Linwood C03 and B20 (Hillerman, New Hanover) harvesting operations confirmed adequate control of potential environmental damage during harvesting. In addition, a soil sensitivity pilot project has been undertaken. This CAR is closed.</p> <p>Indeed, the harvesting compartments and the OHP's inspected at the re-assessment were particularly good.</p>	Closed

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CAR No.	Major/Minor	Checklist clause	Findings	Status*
70	Minor	7.2.3; 10.6.3; 6.3.2; 6.5.1.14	<p>The potential for soil degradation due to slash burning has not adequately been considered. Data recorded per compartment is incomplete; therefore parameters to achieve cool burns may not be consistently implemented. This replaces Major CAR 67.</p> <p>Close-out Details: This CAR is closed on the basis of the use of the new slash burning permits, which ensure that soil data is included and that there is adequate justification for the burn. Soil experts were consulted and a Technical note was produced including policy guidelines for slash burning, including parameters for cool burns. In addition, a decision model has been drawn up (still in draft form) to assist with the decision making of whether to burn or not. This takes into account soil depth, erosion hazard, organic carbon, and slope.</p>	Closed
71	Minor	6.1	<p>Environmental Impact Assessments are not adequately conducted for site disturbing operations. This replaces Major CAR 60.</p> <p><u>Progress at February 2002 assessment:</u> An Environmental Scoping Assessment Report form is currently used (this is planned to be updated) This was checked for the Willomere airstrip, the C11 crossing and the Yorkville section crossing at Giant's Castle. There were still a few omissions in the river crossing EIA's such as lack of justification of culvert size as well as the nature and source of the gravel. It was decided to continue monitoring this CAR. There was also little mention of the construction phase. Mondi must ensure that EIA's are conducted for upgrades of existing crossings, not only new crossings.</p> <p>Close-out Details: Workshops were held (Sabie, Piet Retief, Zululand and Natal) to provide a better understanding of the EIA process. An Environmental Screening Assessment (ESA) was drawn up to distinguish between "listed" and "non-listed" activities. The completion of ESA's was checked in the Mkondo Area for site disturbing operations such as dam renovations and crossings and found to be adequately completed in the Tower WPU. The consideration of alternatives was particularly good. This CAR is closed.</p>	Closed
72	Minor	8.3.1; 8.3.2	<p>There is no procedure/work instruction for identifying products leaving the forest. Origin and destination of certified products is not available at landing/stacking areas.</p> <p><u>Objective Evidence:</u> No work instruction available. No identification of logs at New Hanover old office depot, and no certificate number on delivery notes or any of the documentation accompanying the logs.</p> <p>Close-out Details: Such a work instruction has been drawn up, and was checked.</p>	Closed
OBSERVATIONS				
3	Observation	6.2.6, 6.2.7	<p>Insufficient evidence that hunting levels (i.e. off-take) does not exceed sustainable levels in the Komati region.</p> <p>Close out details: In most of the areas visited hunting is no longer allowed (e.g. Umvoti WPU, forest guards interviewed). Mondi has a new hunting policy, which requires an assessment of populations in the hunting areas. Permits for hunting are received from KZN Wildlife, with an allowable off-take of 10%.</p>	Closed

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CAR No.	Major/Minor	Checklist clause	Findings	Status*
			Applications to hunt are only processed if there is evidence that the applicant belongs to an accredited hunting association. Game counts are carried out on set routes. This was checked at the Kranskop W.P.U, where trained rangers (Roswin Security) accompany and control the hunting. In addition, stakeholders are informed telephonically before any hunting. This observation is closed.	
10	Observation	6.3.2	<p>Review silvicultural appropriateness of exposed planting pits where mulching material is readily available, e.g. at Gilboa.</p> <p>Close-out details: Mondi have employed a BSc student to research this issue on Gilboa as part of an Honours Project with University of Natal. Given that this issue is so site-specific and that Mondi have a good and working SHEAR system, this observation is transferred to an internal SHEAR to follow up with once research results are made available. (Internal SHEAR number 12).</p>	Closed: Transferred to internal SHEAR
11	Observation	6.6.2	<p>Agro-chemical COP does not contain chemicals used in sugarcane operations, e.g. Diuron and Sulcotrione.</p> <p>Progress at 3rd Surveillance: The areas left planted to sugar cane constitute less than 1500 ha. The Mt Edgecombe Sugar Association (to which Mondi belong) have their own Code of Practice which deals with chemicals applied to sugar cane. It is sufficient to refer to this Code of Practice, but Mondi must still provide evidence that the chemicals used in the sugar cane operations are acceptable according to the FSC standards. This Code of Practice was not available at the time of the assessment of 2001, therefore this observation was left open.</p> <p>Close-out Details: The sugar cane operations are effectively excluded from the certified FMU, therefore it is not required that the chemicals used for sugar cane are compliant to FSC prescriptions, but Observation 7 was raised to ensure that the chemical registers reflect which pesticides are used for sugar and which for forestry. This observation is therefore closed.</p>	Closed
13	Observation	6.5.1	<p>Lack of provision for the improvement of crossings in the road maintenance plans.</p> <p>Close-out Details: At Mistley in the Seven Oaks WPU detailed stream crossing assessments were completed by a student for 275 crossings. This observation has been encapsulated as part of the new Minor CAR 9, which was raised against road maintenance. This Observation is therefore closed.</p>	Closed
14	Observation	7.3.3	<p>Inadequate communication between harvesting and silvicultural operations in terms of information transfer between operations (e.g. grave site marked in harvesting plan not communicated to silvicultural forester to record on the planting plan in Swaziland). Outsourcing may exacerbate the breach in communication. Mondi must ensure that such communication is maintained.</p> <p>Close-out Details: A "Steering Committee" has been formed for each Value Chain. This committee act as the link between the Technical Committee and the foresters on the ground. This does much to bridge the gap between the harvesting and silviculture and ensure better communication. This observation is closed due to the good communication observed during the assessment and the fact that the contractors are routinely included as "part of the team". Interviews with contractors also reflected this.</p>	Closed

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CAR No.	Major/Minor	Checklist clause	Findings	Status*
15	Observation	1.1.5	<p>Check requirements for licence/permit for construction of crossings in terms of impeding or diverting flow of water or altering bed, banks or course of watercourse (National Water Act, Chapter 4, Section 21. An example is the Golden Reef bridge construction at Babanango.</p> <p>Close-out Details: Legal compliance is taken into account in the new Environmental Scoping Assessment (ESA) forms, which are completed prior to any site disturbing operations. The relevant authorities are contacted. This observation is closed.</p>	Closed
16	Observation	6.1	<p>Ensure that wetland delineation is applied to the siting of new roads. E.g. road constructed at Golden Reef along the river appears to be very close to the stream in some places.</p> <p>Close-out Details: This is taken into account in the new Environmental Scoping Assessment (ESA) forms, which are completed prior to any site disturbing operations. This observation is closed</p>	Closed
17	Observation	1.1.4	<p>No provision for checking the compliance of chemicals or slash-burning requirements in the second party assessment checklists.</p> <p>Close-out Details: Such provision has been made.</p>	Closed
18	Observation	1.1.4	<p>No provision for the incorporation of soil/terrain data on some of the pre-harvest assessment forms (different forms are in use in different areas).</p> <p>Close-out Details: This observation is closed, and the issue has been transferred to an internal SHEAR for Mondi to follow up internally.</p>	Closed
19	Observation	6.6	<p>Fusilade (listed chemical at Ntjonjaneni Area) needs to be checked against the prohibited chemicals list. Agricultural chemicals code of practice is not used for assessment of chemicals. No provision in the second party assessment for checking the use of potentially prohibited chemicals.</p> <p>Close-out Details: Fusilade is in compliance with FSC restrictions and is listed in the latest Mondi Agrochemical Code of Practice. The provision to check this in the second party assessments will be followed up internally.</p>	Closed
20	Observation	1.1.6	<p>Confirm whether authorisation is necessary for the construction of new forestry roads according to Section 21 of the Conservation Act of 1989 (Government Notice R1182).</p> <p>Close-out Details: Legal compliance is taken into account in the new Environmental Scoping Assessment (ESA) forms, which are completed prior to any site disturbing operations. The relevant authorities are contacted. This observation is closed.</p>	Closed

Two Major CARs and 7 Minor Corrective Action Requests (CARs), as described in Table 8.2.2 below, were raised. In the following table the requirement number refers to the indicator used in the QUALIFOR Programme to test each criterion from either the FSC P&C. Observations that were noted are also captured in the table below.

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TABLE 8.2.2: New Corrective Action Requests raised

CAR No.	Major/Minor	Checklist clause	Findings	Close-out date
1	Major	1.6	<p>There is a lack of commitment in adhering to the FSC principles and criteria in terms of the leased farms. Upgraded from Minor CAR 61.</p> <p>Objective Evidence: There is evidence of neglect of the leased farms in Richmond, Hazyview and White River areas such as absence of ECDB and soil maps, absence of open area management plans, very high degree of weed infestation, no weed control plan for White River and Mellgem (Richmond). The termination of lease agreements (e.g. Stentor in Satico, Versailles in hazyview) without informing the certification body.</p> <p>Close-out Details: An action plan was received from Mondi Forests, which documented the following: The first step was to determine the status quo of all of the leased farms in terms of where they are and the terms of the lease. The second step is to determine the management requirements of these leases and put target dates in place as to when the required management will be completed. The type of management listed was as follows: the completion of soil surveys, open area management plans (OAMP), tactical road planning and fire break assessment. A complete example with set target dates was provided for the Paper Value Chain. This CAR is closed, and replaced with Minor CAR 10 in order to continue monitoring the implementation of the action plan for the leased areas.</p>	Closed. Replaced with Minor CAR 10
2	Major	8.3.1; 2.1.1	<p>Timber harvested from uncertified areas is being sold as FSC certified.</p> <p>Objective Evidence: Timber harvested from “standing timber” purchase areas such as Walsh, False Bay, Misty Ridge and Meyer, is being sold as certified.</p> <p>Appeal: Mondi Forests appealed against this CAR on the grounds that clause 2.1.1 did not cover “standing timber” agreements and that the uncertified timber sold as certified would not make a difference in the rolling average of the %-based CoC claim of Merebank, and the SAICCOR Sappi client, who did not require certified timber. This CAR was upheld on the basis of the inadequacy in the company’s CoC procedure that allowed this to happen. The clause number was changed to 8.3.1. The detail of this SGS response to the appeal is documented in Appendix III.</p> <p>Close-out Details: This CAR was closed on the provision of an updated Chain of Custody (CoC) procedure, revision No 2.</p>	Closed
3	Minor	3.3.1; 3.3.2	<p>Inadequate interaction with stakeholders in terms of the identification of sites and the development of management prescriptions for sites of special cultural, historical, ecological, economic or religious significance.</p> <p>Objective Evidence: 1) No evidence of such interaction (Hazyview, White River, Piet Retief, Greytown – Salem graves), 2) personal communication with staff members – S. McPhial, A. Curling, P. Pienaar), 3) No management prescriptions or maintenance schedules for Tower/BMV WPU ASI’s.</p>	1 st Surveillance
4	Minor	9.1.1	<p>High Conservation Value Forests (HCVFs) have not yet been determined according to prescribed attributes.</p> <p>Objective Evidence: 1) No HCVF evaluations, 2) Interview with Rick van Wyk revealed that the indigenous forest monitoring that he had undertaken did not specifically include the assessment of the attributes of HCVFs for such categorisation, 3) Satico Forest monitoring report – no reference to attributes of HCVFs.</p>	Withdrawn

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			<p>Appeal and Withdrawal of CAR: Mondi Forests appealed against this CAR on the basis that all of their HCVF's have been proclaimed as Natural Heritage Sites. This appeal was supported by the Programme Manager and replaced by an Observation (see Observation 16). The justification of this is appended to the report (See Appendix III).</p>	
5	Minor	2.3	<p>A large number of resident families are still living on Mondi properties. This constitutes a tenure problem of substantial magnitude.</p> <p>Objective Evidence: Extensive informal villages and “kraals” on Mondi WPU's at Piet Retief Area, Paulpietersburg Area, Louwsberg, Greytown Area and Babanango.</p> <p>Appeal: Mondi Forests appealed against this CAR on the grounds that “<i>the issue of informal villages has not been raised before by the FSC, although villages have been in existence for a large number of years.</i>” Mondi also stated that they had initiated efforts to address the villages, but that the problem was complex and that some of the residents had acquired rights in terms of ESTA. This CAR was upheld. The details of the SGS response are documented in Appendix III.</p>	1 st Surveillance
6	Minor	6.5.3	<p>Adequate emergency procedures were not implemented following accidental oil spills.</p> <p>Objective Evidence: Numerous oil spills at Hazyview area office car park, Boscombe car park, Uplands depot, Salem workshop outlet areas.</p>	1 st Surveillance
7	Minor	6.2.1; 8.2.3; 7.1.7	<p>Species registers are non-existent or incomplete in several areas at Estate level, particularly for plants. Rare, threatened and endangered (RT&E) species are not identified and monitored at Estate level.</p> <p>Objective Evidence: No species lists or identification of RT&E species for Hazyview, Seven Oaks or Boscombe.</p>	1 st Surveillance
8	Minor	6.3.3; 10.2.2; 7.1.13	<p>Long-term open area management planning, particularly with regard to alien vegetation control is not sufficient. This CAR was carried over from Minor CAR 68.</p> <p>Objective Evidence: 1) No long-term plans available for weed control for Hazyview, White River and Satico. 2) ECDB mapping is still not complete for all areas. 3) Long-term burning plans and burning records for open areas are not available for all areas e.g. Kranskop WPU.</p>	1 st Surveillance
9	Minor	6.5.1	<p>Insufficient long-term planning for road maintenance and improvement (including quarries, stream crossings and depots).</p> <p>Objective Evidence: 1) No long-term plans available for Greenhill WPU, white River, Hazyview, Satico, Piet Retief, Baynesfield. 2) Numerous problem areas were identified, which were not included on road plans.</p>	1 st Surveillance
10	Minor	1.6	<p>There is a lack of commitment in adhering to the FSC principles and criteria in terms of the leased farms. This CAR replaces Major CAR 1, which was closed.</p> <p>Objective Evidence: There is evidence of neglect of the leased farms in Richmond, Hazyview and White River areas such as absence of ECDB and soil maps, absence of open area management plans, very high degree of weed infestation, no weed control plan for White River and Mellgem (Richmond). The termination of lease agreements (e.g. Stentor in Satico, Versailles in Hazyview) without informing the certification body.</p>	1 st Surveillance
OBSERVATIONS				

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1	Observation	2.1	Mondi Forests must ensure that the Certification Body (CB) has an updated list of all farms (own and leased) that are included in the certificate. The CB must be informed of termination of lease agreements and the reasons why.	1 st Surveillance
2	Observation	8.3	Documented approval of the FSC logo was not available.	1 st Surveillance
3	Observation	6.5	Most borrow pits (quarries) are lacking in operational management plans, and not all quarries are mapped (e.g. G040 on Satico).	1 st Surveillance
4	Observation	3.3	Most Areas of Special Interest have not been scheduled for maintenance, therefore the potential for neglect is high.	1 st Surveillance
5	Observation	6.5	There were incidences of the stacking of timber in SMZ's (e.g. Greenhill D7/D8 and Mellgem A02, and in the fire breaks at Baynesfield).	1 st Surveillance
6	Observation	1.1	Weed species should be categorised according to Regulation 15 of the Conservation of Agricultural Resources Act and treated accordingly.	1 st Surveillance
7	Observation	6.6	Chemical registers should reflect which chemicals are used for sugar cane and which for forestry, since numerous sugar cane chemicals are prohibited in terms of FSC requirements (e.g. Salem chemical store with "Impi"). Replaces Obs 11 of 2001.	1 st Surveillance
8	Observation	4.1.2	Employment equity targets of 1 Indian male and 1 African female by 2005 can be perceived as not proactive enough in a senior management context.	1 st Surveillance
9	Observation	4.1.3	Contracts between Mondi and contractors are predominantly of a 12 month duration. This causes a high turnover of forestry employees and widespread job insecurity.	1 st Surveillance
10	Observation	4.1.10	Standard of electricity reticulation at Hlambeit Village needs improvement.	1 st Surveillance
11	Observation	4.2.6	Mondi needs to supply all contractors with a list of 1 st Aid box requirements so that a minimum standard over and above the OSH Act can be met.	1 st Surveillance
12	Observation	8.1	The protocol for monitoring of game for the purposes of commercial hunting (e.g. Greytown Area) must be documented (scientific and repeatable) and trends analysed.	1 st Surveillance
13	Observation	5.4.2	Multiple resource utilisation reports at Greytown and Richmond do not include resources used by local communities.	1 st Surveillance
14	Observation	6.5.1	The burning of brush piles up and down the slope needs to be investigated for a better alternative which will obviate the need for burning and reduce the risk of erosion.	1 st Surveillance
15	Observation	4.4.5	The Hilton Daisy site in the Greytown Area is burned annually, although the burning plan stipulates a biennial burn. This site is near a community who burn	1 st Surveillance

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	vation		it for grazing. There need to be documented efforts to resolve this issue.	nce
16	Observation	9.1.1	<p>High Conservation Value Forests (HCVFs) have not yet been determined according to prescribed attributes.</p> <p>Objective Evidence: 1) No HCVF evaluations, 2) Interview with Rick van Wyk revealed that the indigenous forest monitoring that he had undertaken did not specifically include the assessment of the attributes of HCVFs for such categorisation, 3) Satico Forest monitoring report – no reference to attributes of HCVFs.</p> <p>This Observation replaces Minor CAR 4</p>	1 st Surveillance
17	Observation	8.5	There is no publicly available summary of monitoring results.	1 st Surveillance

The following points raised are issues of concern that are very site specific and need to be addressed internally by Mondi Forests. These issues will be dealt with through Mondi's internal SHEAR system, which has proved to be very effective in dealing with and closing out non-conformances. These problems will be checked in future surveillances, and especially when the sites are re-visited.

1. The river crossing approaches at the Matumi Guest House (Hazyview) are eroding badly, causing sedimentation of the river.
2. Mondi must ensure that all contractors and staff are aware of Mondi Policy. M&C Contractors at Piet Retief, for example, did not know the planting distance from graves.
3. Lack of details in the operational harvesting plans at RA46 and RA41 on Kwambonambi: SMZ's were not indicated with management prescriptions to protect them, no felling direction, no sequence of operation, no landings indicated, no indication of flow of transport, no soil data. This was an isolated incident in the harvesting planning.
4. There was damage to a riparian zone by a fire truck parking on the stream bank to fill up the tank (Kwambonambi).
5. A "beware of the crocodile" sign should be considered at Venter's Quarry on Nseleni, to ward off potential swimmers.
6. The grading of the depot under the telephone line at Greenhill D7/D8 (Richmond) is not acceptable, since this area should have been identified as an SMZ and excluded as part of the depot.
7. Over 100 litres of Beef-up was not accounted for in the chemical register of the store at Satico.
8. Unfenced refuse pits at Swaziland

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9. No injury incident book in FTH Trust First Aid Box.

10. No contract between Mondi and DM at Hazyview.

11. The firebreaks on Eldorado need attention in terms of rutting and erosion e.g. firebreak near A19 used by fruit harvesting tractors and evidence of other eroding breaks. This firebreak problem was an isolated incident.

12. Review silvicultural appropriateness of exposed planting pits where mulching material is readily available at Gilboa (See Obs 10 of 2001)

13. No provision for the incorporation of soil/terrain data on some of the pre-harvest assessment forms (different forms are used in different areas). See Obs 18 of 2001.

9. CLOSE-OUT DETAILS FOR MAJOR CARs

The close-out details for Major CAR 1 and Major CAR 2 are documented in Table 8.2.2 above.

10. CERTIFICATION RECOMMENDATION

Two Major Corrective Action Requests were raised at the re-assessment. These Major CARs were closed-out prior to the expiry date of the certificate. For this reason, the assessment team recommends the re-certification of Mondi Forests in South Africa and Swaziland.

In terms of the outstanding Minor Corrective Action Requests, Mondi Forests is required to take the agreed actions before the first surveillance visit of 2003. Such actions will be agreed upon through the submission of appropriate action plans by Mondi prior to the surveillance assessment.

The first surveillance visit should be scheduled for September 2003, that is, a year after the re-assessment.