



**"HRVATSKE ŠUME" -
GROUP SCHEME FOR FSC FOREST
CERTIFICATION
(HŠ-GS)**

**Manual for group scheme
of the FSC forest certification**

**Version 2b
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1. Introduction

Forest certification is a procedure in which an independent certification body determines the compliance of the management procedures of a particular forest manager with the international standards. In the case of the FSC system, those standards are based on the FSC principles and criteria that require forest management that equally respects the economic, social and environmental aspects. Forest manager who satisfies those criteria gets the right to put the label on his products (FSC tick-tree), wherefrom the client will get positive information on the wood material regarding its sustainable managed forest origin.

The aim of this manual is to describe the way of implementation of the FSC certification in the company "Hrvatske šume" d.o.o. All the procedures described in this manual have to be in compliance with the FSC Generic standard and with the Standard for group certification (both published by Soil Association – Woodmark). After being accepted by the certification body - Woodmark, this manual will become binding for all the group members.

This manual describes everything needed for the FSC group system certification functioning, its composition and way of work, the procedures of joining and leaving the group, as well as the monitoring system. This document has been registered under the number HŠ-GS 001 and as such it will be referred to in other documents. This manual have to describe all the relations and procedures tied to the group certification implementation and it is divided into several chapters:

Group description- general information on the members of HŠ-GS, their interrelations, working bodies

The procedures of group functioning – all the procedures tied to the reception, acceptance audits, responsibilities of the group members

Certification process – obligation to respect the standard, responsibilities of the members, responsibility to maintain the standard

Central administration – procedures of central administration management

Training and informing – all rules and policies regarding training and informing

Monitoring– control of the certification implementation, monitoring

Consultation and complaints – mechanisms and procedures for the resolving of internal and external complaints

Chain of custody – respecting of the chain of custody rules, use of the FSC logo and COC number

2. Group description

2.1. Group description

The full title of this group is "Hrvatske šume" - group scheme for FSC forest certification. The short title is HŠ-GS and it will be used in most cases. The purpose of the group forest certification is to, apart from the individual, enable the right of the certificate use to a larger number of

participants (members) and with lower costs (particularly fixed), after they had met the criteria. Such a system is convenient mainly for small forest owners or, as it is the case here, for larger organisations with a number of regional forest administrations. In such a case, one of the members (or the central administration) takes on himself the role of the group manager who will ensure that all the group members equally adhere to the standard, while the independent certification body controls the group manager and a random sample of the members. This group (HŠ-GS) consists of the lower organisational units of the company "Hrvatske šume" d.o.o. – Forest administrations (uprava šuma) that are joining this group for the purpose of a joint certification.

2.2. Description of the company

Pursuant to the Decision of the Commercial court in Zagreb on the April 8th 2002, the earlier public enterprise was transformed into a limited liability company. The basic information of the company:

Company/name: **HRVATSKE ŠUME limited company**
Short company name: **H Š d.o.o.**
Founding capital: **1 171 670 000,00 kunas**
Address: **Zagreb, Ljudevita Farkaša Vukotinovića 2**
MBS: **080251008**

The limited liability company is the legal successor of "Hrvatske šume", public enterprise for forest and forest land management in the Republic of Croatia, p.o. Zagreb, founded pursuant to the Amending Forestry act (Official gazette 41/90), that started working on the January 1st 1991, and that was the legal successor of a number of forest management holdings.

"Hrvatske šume" d.o.o. is registered pursuant to the Croatian Government's Declaration on limited structure of the company from March 26th 2002 and are in the full ownership of the State.

The fields of work of "Hrvatske šume" are, besides the forest and forest land management, the following activities:

- reforestation;
- afforestation;
- exploitation of forests, forest land and plantations;
- exploitation of non-wood products (berries, medicinal herbs, humus, moss etc.);
- extracting of sand, stone and pebble;
- transport of wood products;
- use of forest welfare functions;
- construction and use of forest roads;
- construction and use of other facilities tied to forest management;
- game breeding and protection.

Pursuant to the Decision of the Commercial court, and on the basis of the Declaration on the limited structure of the company HRVATSKE ŠUME d.o.o. brought by the founders, the company's bodies are:

Assembly
Supervisory board
Management board

The company's Assembly is the highest body, and it consists of one member of the company as the only founder.

The Supervisory board has 7 members: Doris Srnec, chairman, Vicko Njavro, vice chairman, Mijo Prgomet, Ivan Martinić, Željka Šikić, Neven Voća, Dalibor Georgievski, members

The company's Board consists of three members, who are appointed following the decision made by the Assembly, on the proposal of the Ministry of Agriculture. The current board members are Ivan Pavelić, president, Marija Vekić and Ivan Ištok, members.

2.3. Internal organisation of the company

Under the Book of rules on the internal organisation of "Hrvatske šume", (24th March 1995.) the company consists of three organisational levels: Headquarters, Forest administration (uprava šuma), Forest office (šumarija) and Work units. According to the newest situation, the number of the organisational units is the following:

Headquarters	1
Forest administration	16
Forest office	169
Work units	16

Further, the activities on the level of the Headquarters are divided into 14 Departments, while in Forest administrations this division is foreseen for 9 Departments authorized for particular areas. The functional and hierarchical scheme is depicted in the following picture.



Any significant change in the structure of the organisation should be discussed with the certification body, as well as its impact on the group system.

It must be mentioned that all the lower organisational units are in their functioning and decision making hierarchically subjected to the higher ones, which facilitates the application of such a system.

For the need of the group certification, the basic unit (member) for the certification is the Forest administration (uprava šuma), and this group is consisting of 16 members. The responsible person for each member is the Head of the Forest administration. Although the Forest administration is the lowest certification unit, the obligation of respecting and complying with the FSC standard is on all the lower organisational units (Forest offices and Work units) and in the end on every employee in the company. In this way, an orderly carrying out of the assumed obligations in accordance with the clear orientation of the senior management towards a responsible forest management, stemming from FSC principles and criteria is ensured.

In the following chart the territorial pattern of all the organisational units can be seen.



The total area managed by "Hrvatske šume" amounts to 1 991 537 ha, wherefrom 80 % is stocked, and the rest belongs to different categories of unstocked forest land. The total growing stock amounts to 278, 3 million m³, and the annual increment is 8,1 mil. m³, with the annual cut of 4,8 mil. m³. The actual cut in the year 2001 amounted to 3,41 mil m³.

2.4. Group manager

Each group certification scheme has a group manager who can be an individual, organisation, association or another legal body. The group members are joining the scheme in order to certificate the forest managed by them, as a part of the scheme, while the group manager takes over the obligation of abiding to the standard. In the case where the group manager is at the same time an organisation that performs the forest management work on behalf of several forest owners, we can refer to him as to the resources manager. The scheme management is even simpler then, because all the decisions on the standard respecting application can be made directly.

In this certification scheme, group manager will be called main coordinator and according to the contract (DIR-01-03-1167 from 3 February 2003) these duties have been contracted to the subsidiary company Hrvatske šume consult. Hrvatske šume consult is a daughter company, fully owned by Hrvatske šume, financially independent from the mother company. An Assembly supervises Hrvatske šume consult with one member (President of the Executive Board of Hrvatske šume). This provision will separate group management from the company that is certificate holder, which was one of the issues of the previous system, raised by certification body.

2.5. The members of the group HŠ-GS

The members of the group HŠ-GS are the Forest administrations HŠ d.o.o. They are listed as it was in 2002:

FOREST ADMINISTRATION

Vinkovci
Osijek
Našice
Požega
Bjelovar
Koprivnica
Zagreb
Sisak
Karlovac
Ogulin
Delnice
Senj
Gospić
Buzet
Split
Nova Gradiška

More detailed data on the group members are kept in a special register (the document is marked as HŠ-GS 002). The proceedings tied to the group membership procedures are described in Chapter 3.

2.6. Working bodies of HŠ-GS

Several working bodies are distinguished within HŠ-GS with different functions in the scheme. Those are:

Main coordinator
Regional coordinators
Group members

Main coordinator

For the purpose of the coordination of forest certification activities, the main coordinator of the certificatory work has been set. The main coordinator acts as a group manager of the group system management. His most important duty is to maintain the high level of FSC standard and to ensure that the group members do the same.

His tasks are as follows:

- Coordination of all activities linked with forest certification
- Keeping contacts with the certification body
- Organisation and guiding of regional coordinators for forest certification
- Organisation and carrying out of the training
- Coordination of HŠ activities related to the drafting of national standards
- Informing the senior management on the issue of forest certification
- Coordination of proceedings under the conditions and recommendations given in the terms of reference
- Conditions and recommendations description
- Control and issuing of the technical documents to the members
- Coordination of the promotional activities
- Managing the central administration of the group system and production of whole documentation
- Managing of the members' register
- Coordination of the control (monitoring) of the certificate directions implementation
- Convening the meetings on the topic of forest certification
- Communications to external stakeholders on the issue of the forest certification

The duties of the main coordinator are contracted to subsidiary company Hrvatske šume consult.

The conditions that the main coordinator must fulfil are:

- University degree (in forestry)
- Active knowledge of the English language
- In-depth knowledge of the forest certification process
- Good communication skills

It must be ensured that the mentioned person is capable of performing the tasks of the main coordinator ideally in his full working hours. Since the contribution of the main coordinator is of utmost importance for the successful functioning of the group, he must be given a proper training and educational courses. The importance of the training is big, since this person is going to be committed to further train the group members.

In case that the person doing the job of the main coordinator is unable to perform his work any longer, it is his obligation to hand over his duties to his successor within one week before the stand down. He is also obligated to inform the certification body of the new situation.

Regional coordinators

In order to ensure a uniform carrying out of the certification on the whole area managed by "Hrvatske šume", a working group with one member from each Forest administration was established. Those persons will be called regional coordinators. Thereby a territorial representation is achieved, which will facilitate the implementation of the whole process. Their duties are as follows:

- To ensure the implementation of forest certification on the level of forest administration
- To distribute locally documents and information on forest certification
- To participate in monitoring teams during members' inspection
- To ensure the logistics during monitoring and chain of custody visits to a Forest administration
- To take care of procedures needed under the given terms and recommendations in the certificatory framework
- To participate in the activities related to forest certification on the level of the company
- To inform the main coordinator about the certification development in his area
- To keep a local documentation for the group member

Regional coordinator is appointed and acquitted of by the director's decision. The Heads of Forest administrations are to provide the means and support for their unhindered work.

The conditions that a regional coordinator must fulfil are:

University degree (in forestry)

Knowledge of the forest certification process

Finished training course organised by the group manager (inland or abroad)

Good communication skills

Any personal change in regional coordinators must be reported to a certification body in advance.

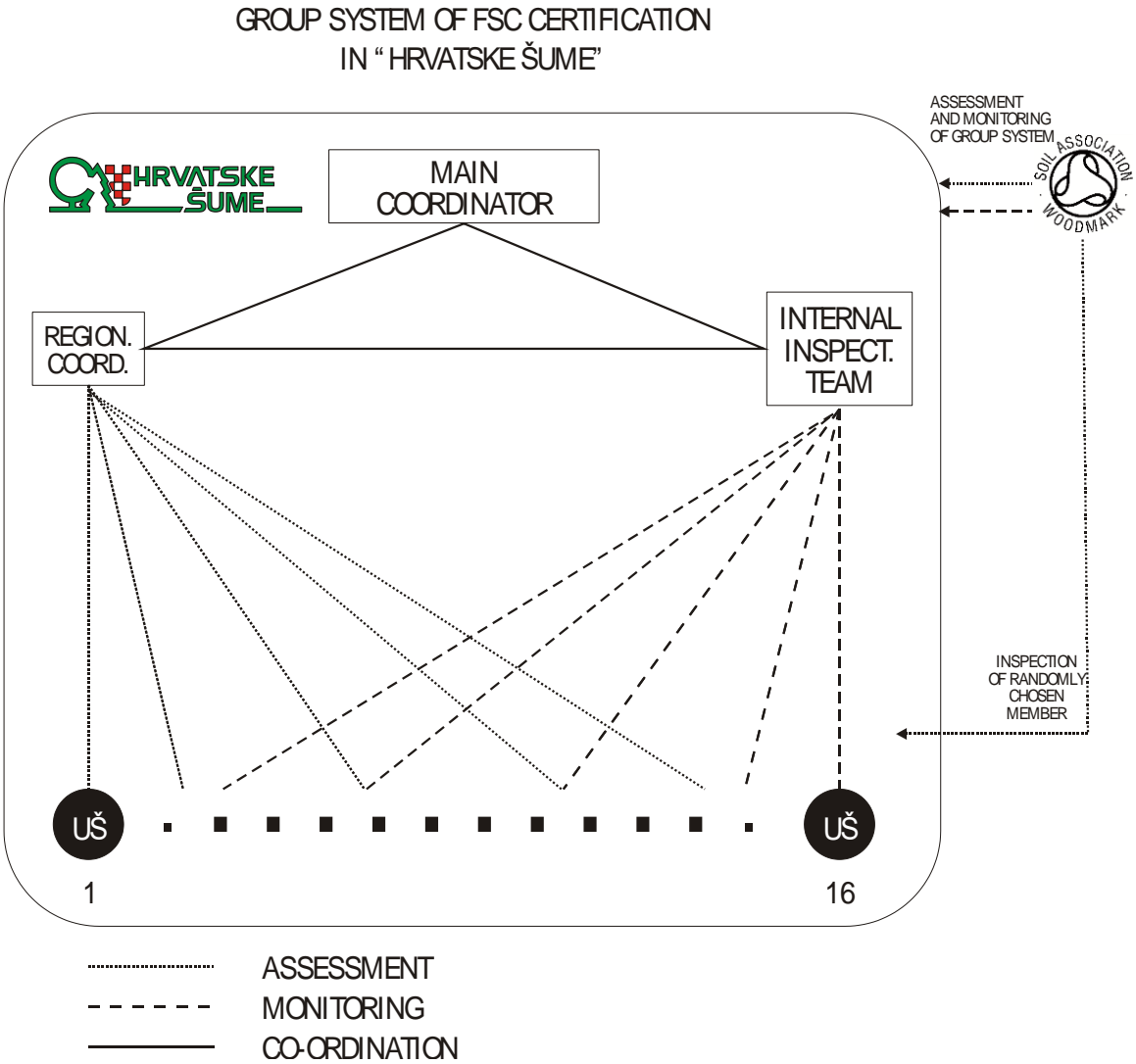
Members of HŠ-GS

The members of HŠ-GS must finally ensure that the directions of the standard are abided by in the everyday forest management praxis.

That means:

- To ensure that the forest management is done in line with the requirements of HŠ-GS and the FSC principles and criteria
- To ensure that all the forest management activities are performed by a qualified and trained staff, as it is defined in the systematisation of work places of "Hrvatske šume"
- To keep and update all the documentation referring to forest management
- To implement all the corrective activities in line with the arranged timetable and to proceed in accordance with the instructions of the group manager
- To maintain contacts with the local stakeholders and to solve constructively all conflicts that may occur
- It must allow the acceptance audit, as well as annual monitoring visits together with the obligation of providing data and organisation of these visits

2.7. The scheme of group functioning



In the scheme one can see the demarcation between the group members (Forest administrations) and the working and controlling bodies. The relations among them are marked with different line types. The main assessment and monitoring is done by the team, coordinated (and mostly lead) by the main coordinator. Additionally, main coordinator has a right to inspect any of the member directly, possibly unannounced. The coordination lines exist among all bodies. In addition, the regional coordinators have in their field of work also other activities listed earlier. The function of the certification body consists of the assessment and monitoring of the group system and of the randomly chosen member, which will be dealt with in more detail in the next chapter.

2.8. The table of responsibility in HŠ-GS

FUNCTION	PERSON RESPONSIBLE
MEETING THE STANDARD	
General responsibility for the certificate on the HŠ-GS level	Head of Executive Board
General responsibility for the certificate on the member level	Head of Forest administration
Maintaining the standard on the HŠ-GS level	Main coordinator
Maintaining the standard on the member level	Regional coordinator
Management in line with the FSC standard	Heads of the departments Heads of Forest administrations Heads of departments Heads of Forest offices
GROUP ADMINISTRATION	
Keeping of various registers	Main coordinator
Accepting of members	Main coordinator
Procedure for exclusion	Complaints committee
Re-joining	Complaints committee
Production and keeping of the system documentation	Main coordinator
Central archive	Main coordinator
Local archive of the member	Regional coordinator
TRAINING AND INFORMING	
Coordination of training on the HŠ-GS level	Main coordinator
Coordination of training on the member level	Regional coordinator
Central informing	Main coordinator
Local informing	Regional coordinator
Communication with the foreign certification body	Main coordinator
CONSULTATION OF STAKEHOLDERS	
Coordination on the HŠ-GS level	Main coordinator Person in charge for public relations
Coordination on the member level	Regional coordinator Heads of Forest administrations
Local communication	Heads of Forest administrations Heads of Forest offices Local foresters
ASSESSMENT AUDIT	
General coordination	Main coordinator
Formation of inspection teams	Main coordinator
Assessment of the member	Head of the inspection team Team members
Local organisation of monitoring	Regional coordinator
Production of the Report	Head of the inspection team

FUNCTION	PERSON RESPONSIBLE
CORRECTIVE ACTION	
Raising of corrective actions	Head of the survey team
	Main coordinator
	Foreign certifier
Responsibility for implementation of corr. actions	Head of the Forest administration
	Regional coordinator
Keeping of corr. actions register	Main coordinator
Closing of corrective actions	Main coordinator
	Foreign certifier
MONITORING OF CERTIFICATION IMPLEMENTATION	
Coordination of monitoring	Main coordinator
Monitoring plan	Main coordinator
	Regional coordinator
Implementation of monitoring	Inspection teams
	Main coordinator
	Certification body
CHAIN OF CUSTODY	
Meeting the rules of the chain of custody	Main coordinator
	Regional coordinator
Incorporation of the logo and COC into programmes	IT Department
	Production departments
	Commercial departments
COMPLAINTS	
Solving of members' complaints	Complaints committee
Solving of the HŠ-GS complaints	Accredited certifier
Solving of the stakeholders' complaints	Head of the Forest administration
	Regional coordinator
	Main coordinator
	Certification body y
SYSTEM ISSUES	
Coordination of system questions solving	Main coordinator
Establishing of work groups	Main coordinator
	Heads of departments

2.9. Certification body

In order for someone to acquire the right to the FSC certificate, he must be inspected and monitored by one of the companies authorised by the FSC Headquarters. In some individual certifications, the authorised company carries out all the activities related to the certification of particular forest areas. Pursuant to the request of the forest manager, it monitors the forest management, controls the keeping of the standards, issues and closes corrective actions. In the case of the group system, a part of the responsibility is being transferred on the group manager (see 2.4 and 2.6) who is then in charge for keeping the standard within the group scheme, that to the certification body represents the whole.

In that case, the obligations of the certification body are as follows:

- Inspection and monitoring of the group scheme functioning
- Issuing and closing of corrective actions to the group

- Monitoring of the random sample of group members
- Contact with the group manager
- Control of the assessments and annual monitoring implementation
- Ultimate interpretation of the directions of the standard
- Support with the solving of group level system problems
- Ultimate judgement in the solving of stakeholders' and group members' complaints

The group manager chooses certification body, signs a contract with it and contacts it on behalf of the group members. In case of corrective actions, certification body issues them to the group scheme, and in the case of finding other non-compliances within group scheme members it can issue corrective actions directly to any member, and group manager must ensure their implementation within the group.

"Hrvatske šume" signed a contract on the forest certification with the British company Soil Association Woodmark (reg. No. DIR-01-2001-3682). The contract defines the activities and the financial relations. Further, the company Soil Association Woodmark has authorized the firm EcoSylva Ltd. to carry out a part of activities that refer to the inspection and monitoring. The contract defines the conditions under which the group scheme certification will take place, as well as the timetable of the monitoring visits. In the first year two members should be monitored, and if HŠ-GS proves itself to be efficient, in the years 2-5 only one randomly chosen member would be monitored.

In case that the group manager is dissatisfied with the certification body, or in case of the force majeure or similar, he can terminate the contract with Soil Association Woodmark and choose another body. In that case, all the provisions of the group system remain the same and it is only the certification body that is being changed. Later in this paper Woodmark will be referred to as the certification body, and if the certifier changes, the terminology will be changed as well.

3. The procedures of group functioning

This chapter deals with all the conditions and rules under which HŠ-GS is functioning. There are procedures made that define the way one can join the group, what are the current obligations of the members, how one can leave the group (either by free will or by exclusion) and how one can rejoin the group.

3.1. Joining the group

The group HŠ-GS was designed primarily for the accession of the members that are organisational units of "Hrvatske šume" – in this case Forest administrations. Potential group members must state their long-term loyalty to the principles of the FSC standard and their will to remain with the group for the minimum term of five years. All the potential candidates receive the following documentation before the acceptance audit:

1. Principles and criteria of the FSC standard
2. Croatian translation of generic standard and control list
3. Standard for the group certification
4. Manual for the group system certification
5. Instructions for the use of the logo

From the received documentation the candidate can learn the information on the general conditions and requirements within HŠ-GS, on the conditions of joining and leaving the group, as well as of the procedures of consulting with the public and solving the complaints.

After getting to know the character and obligations that come with the membership, the candidate must do the following:

- Fill in the application form and a statement
- Accomplish acceptance audit

The application consists of filling in the application form which states all the general data on the candidate and the regional coordinator, and the signing of the statement that stands for a formal agreement between the group manager and the group member. This document is marked as HŠ-GS 006.

The candidate's statement contains:

- His understanding of his rights and obligations
- Expression of his will to join the group
- His commitment to meet the provisions of the FSC standard and rules of group functioning in the long term

By meeting all of these conditions the main coordinator signs the statement and in this way informs the candidate about his acceptance into HŠ-GS. The new member enters the members' register (HŠ-GS 002) and the certification body is informed about his entrance into the group.

The group is also open for new members outside from "Hrvatske šume" who must abide by the same rules valid for the present members. The request to join the group must be submitted in the written form, and the decision on it will be made by the senior management of Hrvatske šume with the consultation of the main coordinator.

3.2. Acceptance audit

The acceptance audit defines whether the candidate meets all the conditions to join the group. The main coordinator appoints the members of the inspection team who will conduct the acceptance audit in a specified timetable and produce a report. Upon the appointment of the inspection team, its coordinator will set the time of the visit and inform the candidate about it.

The members are appointed into the inspection team under the following criteria:

- Team members can be the main and the regional coordinators
- The team can have up to 2-6 members
- The team has its leader who has enough experience and knowledge on the forest certification
- Team members cannot be employees of the Forest administration that is being monitored

Due to the fact that the inspection team as well as the candidate come from the same company (with exception of main coordinator), the following things must be ensured:

- Team members must strictly keep to the standard
- The team must be fully neutral and professional since it comes up as the representative of HŠ-GS
- Potential acquaintances and friendships with the member who is being monitored mustn't influence his judgement
- He must be prepared to ask even some unpleasant questions, because he won't always be finding full compliance with the standard

The survey consists of three stages:

- Documentation inspection
- Field inspection
- Discussion

The documentation inspection stands for the insight into the candidates' documents in order to determine whether he has all the files required and whether their keeping is in line with the requirements of the FSC standard. Documentation inspection will look into all available documents relevant to the forest management activities. Team members must ensure that the confidentiality of the member is fully respected and therefore they cannot misuse the data collected. Every effort should be made to gather objective evidences that will support the claims of the member. In the field part, forest areas are being visited in agreement with the member, especially those recognized as interesting from the certification viewpoint. Finally, there is the discussion with the representatives of the candidates, which will summarize everything that had been monitored up to that point. In the survey, the control list must be worked through in which the candidate is questioned on each individual norm of the FSC standard, during which the notes are being taken. The members of the survey team must warn the candidate on the detected deviations from the standard, as well as on potential corrective actions that will be imposed on him. Preliminary compliance form must be given to a member one week after the visit. The final corrective actions list will be made upon the production of the report and of the compliance form.

The candidate's obligations are to supply the inspection team with all the required information and to make available all the relevant staff that is responsible for keeping to the particular provisions of the standard. The organisation of the visit is the duty of the local regional coordinator. The schedule and the date of the audit are agreed with the team leader or with the main coordinator, and the local regional coordinator must provide all the logistics necessary for the visit (availability of the relevant people, local transport, office space for meetings and refreshment etc.).

After the audit, the team produces a report. On the basis of the assessment, the inspection team gives recommendations and conditions the candidate must meet in order to become an equal group member. The inspection team determines the time limits for the conditions meeting, as well.

The survey report is produced by the team leader, who then submits it to the main coordinator. After the corrections, if any, the report is being finished. The survey team members sign it and 5

copies are made, two of which remain with the member, and three are sent to the group manager who submits them to the company authorised for certification. The archive must also contain the notes made during the assessment.

The report must contain the factual observations and the inspector must form a judgement whether all the FSC norms and criteria are met. For each FSC criterion the inspector will recommend a mark between 1 and 5, on the following bases:

1. Relation towards the criterion in its whole doesn't prove a good forest resources management. There are proofs of a bad management or a risk that problems will follow unless corrective actions undertaken;

2. The most important criterion norms met, but there are elements that must be improved in order to ensure long term good management;

3. Mark 3 is expected from a well managed company of the size, kind and complexity as the applicant. That level of achievement represents a good forest management.

4. Mark 4 represents especially high level of performance in reference to the criteria meeting. Mark 4 is given when the forestry company had to cross specific obstacles in order to achieve the specified level of performance or when it is especially successful in some criterion aspects, although not in all of them.

5. Mark 5 is given for an excellent achievement referring to a certain criterion. Mark 5 acknowledges outstanding merits in the criterion meeting due to an innovative management. This mark could be also assigned for technical, social or environmental management aspects.

Grade 1 in any of the criteria mostly represents a great non-compliance with the Standard and it requires the undertaking of corrective actions before the possibility of certificate granting. This is called "the precondition".

Grade 2 for any of the criteria usually represents certain level of non-compliance and it will result either in a recommended "condition" for the certification or in a "recommendation".

The next chapter will deal with the corrective actions description in more detail.

The grades for each of the FSC criteria will be summarized and the average grade will be calculated. In order to meet the requirements, the forest manager must have the average of at least 3 (the level that represents a good forest management) for each FSC principle. If the grade of any criterion is under the average of 3, the member cannot be accepted until he meets the specified preconditions.

Upon the production of the assessment report, the forest manager, as the responsible person, will be handed a compliance form containing the list of all the conditions and recommendations (sample of the form HŠ-GS 007) under which one must operate. By signing the form he confirms his understanding of the conditions and recommendations set, as well as his obligation to their keeping. If greater deviations from the standard are found with a potential member and a precondition has been issued to him, he won't be accepted into the HŠ-GS membership until he removes the reasons that have driven him to the precondition. This is being investigated through a separate inspection.

3.3. Corrective actions

One of the important components of the forest certification is a system of corrective actions. There are following corrective actions:

- precondition
- final condition

- condition
- recommendation

Precondition represents major non-compliance with the standard and the member cannot be accepted to the group until he corrects the reasons for raising that precondition.

Final condition is raised when it was found that inadequate action is taken on particular condition within the specified timeframe. The final condition represents the final step before starting the suspension procedure of the member. It usually repeats the condition but this time with shorter time frame and it instructs member to start immediate action and notify the main coordinator about the actions taken.

Conditions are corrective actions which forest manager has to implement within certain timeframe. The member will be checked during the monitoring visits whether he is meeting the requirements of the corrective action within the timeframe.

Recommendation represents minor non-compliance that members also have to act upon, but usually without given timeframe. The areas where the recommendation has been raised are going to be inspected more closely during the annual monitoring and if it is found that no action has been taken in that regards it could be upgraded to condition.

The control of corrective actions implementation is carried out according to annual monitoring plan (HŠ-GS 008), and procedures will be described in detail in a chapter 7.

3.4. Obligations of the group members

The main obligation of the group members is adherence to the FSC principles and criteria and to the valid standard. After acceptance audit and receiving the certificate new member has to, in order to keep the certificate and group membership, meet the requirements of the corrective actions within given timeframe.

All responsibilities regarding the certification are listed in the table of responsibilities (HŠ-GS 009).

The obligations of the members are also:

- enabling annual monitoring
- finding the ways for conflicts and dispute resolution
- acting upon the guidelines coming from the system procedures

After the member has taken all the necessary actions when it comes to corrective actions, he has to inform the group manager about it. The control of meeting the requirements coming from the certificate will be done by the inspection teams and the member has to ensure their undisturbed work. Additionally, the members have to adhere to this manual and all other group procedures.

Certification costs

Since all the members of HŠ-GS are organisational units of the company – uprave šuma, it is not envisaged to collect any fees from them. The HŠ Headquarters will cover all the costs associated with the forest certification. If HŠ-GS would include some other members outside of company in the future, the management of the company would have to decide on the price list for external members.

3.5. Leaving the group

The membership in HŠ-GS is voluntary and binding at the same time. The members have to be committed to a long-term forest management under FSC principles it is expected that procedures

for leaving the group will not have to be used. In case of any dispute, the preference should be given to a dialog to resolve any issues. However, there is a need to describe these procedures in this manual. This chapter will go in detail when it comes to leaving of group, which can be:

- leaving of group (voluntary)
- suspension of certificate
- expulsion from the group
- re-joining the group

Leaving of group

Since the forest certification is a long-term process, it is possible that the operating conditions for each group member could significantly change and because of that he could (would) not be the member of the group. Each group member has a right to leave the group because of following reasons:

- dissatisfaction with the group functioning
- force majeure (natural catastrophe, change of ownership etc)
- reorganisation

The group member has to inform the group manager at least 2 months before leaving. After the discussion that could result in the fact that there are no ways to overcome the problems, the group manager will reach the decision about the termination of membership and inform about it accredited certifier. The member who has left does not the right anymore to use FSC logo and COC number on his products.

Suspension of the certificate

In the situation when there is major non-compliance with the FSC standard, and HŠ-GS persistently does not take any actions, this member can be temporarily suspended. The decision on that is made by the Complaints committee. The member is informed about the suspension and termination of the right to use FSC logo and COC number, and accredited certifier is also informed. Suspension of the certificate can last for maximum of 6 months and within that time HŠ-GS member has to correct all those reasons that brought to the suspension. The decision about removal of the suspension is made again by the Complaints committee after visiting and inspecting the suspended member.

Expulsion from the group

One of the features of group certification is interdependency of the group members. If the accredited certifier establishes that individual group member is severely violating FSC standard provisions, entire group is losing certificate. In order to ensure the integrity HŠ-GS, there is a procedure developed for non-voluntary expulsion from the group. The reasons for that can be:

- not allowing the assessment and annual monitoring either to the group manager or the accredited certifier
- failure to comply with the conditions within the given timeframe
- misuse of FSC protected logo

The members of the monitoring team will warn the main coordinator about those violations. There will be some time given to the group member to correct the reasons for those violations. However, if he fails to correct them before given deadline the procedure for his expulsion will be started.

To considerate potential expulsion there will be special committee formed which will try to resolve the dispute, and if that is not possible they will propose to the director general the expulsion of that particular member. After reaching the decision, the member will be informed that he does not belong to the group anymore together with the notification about losing the

right of FSC logo and COC number use. The member has 15 days to appeal to the Complaints committee in written form. The committee has to solve the appeal in 15 days. In the case of negative decision, the member to become expelled will be given one week to prepare for the return of all FSC trademarked materials.

About the expulsion of the group member group manager will inform the accredited certifier and the rest of the members.

Members' obligations when leaving the group

Regardless of the reasons for cessation of membership in HŠ-GS, there are certain procedures that every group member has to follow.

In all of the cases of leaving the group, HŠ-GS member has to inform his buyers that he is no longer in the position to deliver certified products and about sending this letter he has to inform the main coordinator. The member has to identify all buyers with annual contracts and has to send them a letter about possible leaving FSC scheme within one week after the committee has reached the decision (still within the appeal period). The letter should state that the departure procedure is on the way and indication should be given about the deadline after which no FSC timber supply will be possible. This should give the buyers enough time to adjust their production of certified goods and to find alternative supply routes. If the decision of the committee is negative one, the member has to inform all his contract buyers about exact deadline.

After the deadline, no certificate claims will be possible and the member will have to collect all copies of the FSC certificate that are displayed in any of his premises. After the final decision, at the end of one-week time, the main co-ordinator will visit the member to remove all certificates and to check if the software has been re-adjusted to accommodate non-certified invoicing. After the final deadline, the former member will have no right to make any certificate claims on the timber sold (both contract sales and auctions). Any timber that is invoiced after the deadline cannot be claimed as FSC certified (regardless of production or the delivery date). The main coordinator can make a check in the future to see if any use of FSC logo or COC number was made after termination of membership in HŠ-GS.

The member who ceased to be FSC certified does not have obligation to inform the buyers who have bought timber through auctions in the past (because they may change and thus they not represent regular buyers). However, the main coordinator will identify the largest auctions buyers nationwide and inform them about the cessation of the membership of particular producer.

Re-joining the group

Former members who have left or were expelled from HŠ-GS can under certain procedure re-apply for the group membership. Former members have to prove that they manage their forests according to FSC definition of good forest management. All the reasons that brought to the leaving of the group have to be reconsidered and decision has to be made on each case individually. In the case of voluntary leaving of the group, the reasons for leaving again have to be considered and the member can be accepted to the group after acceptance audit. The audit has to establish if there are any significant changes in the forest management in the period when member was outside of the group. In the case of expelled member more detailed acceptance audit should also be carried out with particular emphasis given to the reasons for expulsion.

In any case of leaving the group, the main coordinator will produce the document about the cessation of the membership that has to be signed by the member representative.

4. Certification process

4.1. Obligation to adhere to the standards

Obligation to adhere to the standards comes from the determination to manage forests in an environmentally responsible, socially useful and economically sustainable way and from the

requirements coming from the certification process. Each group member has to adhere all applicable international and national laws, contracts and agreements which support responsible forest resource management, and also to FSC Principles and Criteria.

All group members have to adhere to the mentioned standards and to act according to the rules of internal group system. In that respect each group member and a group as a whole have two-fold obligations. Furthermore, certification process requires that all the conditions coming from corrective actions have to be met. During the assessment the inspector will, based on the submitted facts and his own professional judgment, make the evaluation of each individual norm and give the marks from 1 to 5 for each of them. These marks will be the basis for Woodmark to make a decision for issuing the certificate.

4.2. Valid standards

In the process of certification within HŠ-GS following standards are valid:

1. FSC Principles & Criteria (Croatian translation, date of the file 28 December 2000.)
2. Woodmark Generic standard and checklist (Croatian translation, date of the file 21 December 2001)
3. Woodmark group certification standard (Croatian translation, date of the file 2 October 2001)

Since the Croatian national standard for forest certification is under preparation, after its endorsement by FSC it will be applied as a valid standard. Until this will happen, Woodmark Generic standard will be used.

The latest versions of the documents will be published on "Hrvatske šume" web pages in the section for forest certification. All these documents will be included in the package that is given to each member.

4.3. Solving the system issues

Since the all group members belong to the same company it is logical to expect that they use same or very similar procedures and practices as a result of this unity. It is understandable that some non-compliances are likely to be found in all group members either as a result of legislation or internal regulations prescribing those procedures. In that case the group and the main coordinator have to identify those problems and start the procedure for it's solving. After these issues have been solved and new procedures are established then its implementation becomes obligatory for all group members.

Specialised task groups can be organised to tackle specific issues from their field. At this moment there is a task group for adjusting management plans with the requirements of the standard. Task group is comprised out of seven people from forest inventory departments (heads of departments) and they have to deal with in more detail the implications of certification requirements with the current practices and legislation regarding the production of management plans. The product of task groups will be to produce guidelines to deal with specific issues and these guidelines will become obligatory for all members.

4.4. The rights of HŠ-GS member

After fulfilling all the necessary conditions, the group member has a right to label the products listed in a certificate with FSC tick tree logo and to use unique COC number. The use of logo and COC number is regulated clearly in the Guideline for logo use and it must comply with the general FSC guidelines for logo use either on-product or off-product. Incorrect use of logo is considered to be a serious breaching of rules and if some of the members are found to misuse it, the procedure will be started to correct this.

4.5. Adherence to sustainable management principles

Principle of sustainable forest management is ensured through implementation of prescriptions of the General management plan and management plans for each individual management unit, which have been produced according to the basic principles of forestry profession, and these are sustainability, conservation and improvement of forest and forest ecosystems. Management plans have to comply with the Forest act and other respective legislation dealing with forestry and its relationship with the society. With additional sustainability components coming from environmental and social aspects it should form a general complex of sustainable forest management. Their balance with the economic aspects is of key importance for correct interpretation of the spirit of certificate.

4.6. Meeting the requirements coming from corrective actions

The members have act upon conditions and recommendations raised in the specified time frame. They have to demonstrate that they have put in place the changes in their systems and operational practice according to the text from CARs. By signing compliance form the members has committed him to meeting the conditions and the results will be checked during monitoring visits. This requirement is one of the main methods in ensuring that forest management of FSC certified organisation is improving towards better management practices.

4.7. Obligation for providing data

Each group member is obliged to provide inspector with complete and true data about the forests, forest management and relations with social and economic stakeholders that have some interest in forest management. This obligation is valid from the very first actions related to forest certification and also later on during the monitoring phase. All information collected by the inspectors will be treated with due respect from the confidentiality point of view.

5. Central administration

5.1. Keeping of central administration

The central administration is kept at the main coordinator. The main coordinator is responsible for its correct keeping. Central administration includes:

- keeping the register of members
- central group archive (individual reports, foreign correspondence etc.)
- rules for joining, leaving and expulsion from the group
- register of corrective actions and its implementation
- keeping track of the latest versions of standards and other documents
- administration of the web pages dedicated to forest certification
- register of members monitoring

Rules for keeping documentation in HŠ-GS

It is necessary for successful functioning of group system to ensure clean keeping of documentation about all events in the system. Archiving and documentation system must ensure instant view in the system either for internal purposes or for inspection of the accredited certifier. Correct keeping of documentation can prevent possible misunderstandings, which may come as a result of piling of documents during the time. Central documentation includes:

- system documents (contracts, manual, guidelines, procedures)

- registers of members and documents
- register of corrective actions
- register of monitoring
- register of complaints (internal and external)
- register of training
- correspondence
- archive

General remarks

All system documents must be kept in the register of valid documents. Each document must have its unique number, version and date. The footer of the document must have the following:

document name

HŠ-GS xxx, version x.x. date

All system documents must be kept in the register of valid documents. That register looks approximately like this:

THE LIST VALID DOCUMENTS IN THE GROUP SCHEME

number	name	version	date	remark
general documents				
HŠ-GSC 001	Group certification manual	1.0	30. 4. 2002.	has to be checked with Woodmark

This goes for system documents only, while the ongoing correspondence does not receive unique number but they use existing system for documents registration.

Changing of documents

In the beginning of the work frequent changes of the documents are expected, so there is a need for having the procedures for changing the documents.

Every time the document is changed, it must get a new version and date. After that the document can be distributed to all HŠ-GS members, and all old versions have to be disposed in archive, both centrally and locally. By issuing the new version the old ceases to be valid. All corrections in system documents can be done only by main coordinator. On the other hand the members have the right to propose changes and additions to the documents, but the corrections can be done only centrally.

Archiving the documents

Central archive of documents is kept by the main coordinator. Documents are kept in paper and electronic format. Documents have to be kept in folders, which have clear mark on the ridge about its contents. The folders can be marked also by different colour in order to be distinguished more easily. For each group member there is file, which contains:

- application data
- assessments reports
- list of corrective actions
- production data

Together with hard copies, there is electronic archive of the documents kept on the computer. Part of the documents of public nature can be put on the web pages. It is possible also to put non-public part of the documents, but only with restricted access.

Public documents are following:

- standards
- assessment reports
- register of members
- public consultation procedures

In the agreement with regional coordinators, the list of additional documents for publishing will be made as a part of consultative process.

IT support of HS-GS scheme

There is a web-based system under development that will replace the existing system over the time. This system would be made available to the members of the main coordinator at first, while efforts will be given to allow read-only access to all regional coordinators. This system will look into replacement of paper based documentation and to allow all registers to be kept in electronic form. However some documents will have to be kept in a hard copy format.

These are:

- monitoring reports (2 copies for the archive, one for the scheme member)
- field records
- signed compliance forms

This system is still under development, so when it becomes fully operational, this manual will completely updated.

Archive keeping

All system documents and correspondence are kept in the archive. There is a special part of archive designated for non-valid documents, old letters and other documents. All documents must be kept for at least five years, and old correspondence and less important documents can be physically separated from the main archive. This provision is also valid for the local archives kept at the group members.

6. Training and informing

6.1. Training

Forest certification is considerably new concept in Croatian forestry. In that respect, the continuous training programme is envisaged regarding the new knowledge about forest certification. This training should include all regional coordinators and all other departments whose contribution is needed in certain phases of the process (forest inventory, ecology, health and safety, commercial department etc). These training should be organised by the main coordinator.

Tasks of the main coordinator when it comes to training are:

- production and implementation of the training plan
- keeping records about the completed training
- finding appropriate certification training outside of HŠ-GS (in the country and abroad)
- organisation of his own training
- authorisation of reports done by other reg. coordinators
- leading the training in following subjects:
 - General information about certification
 - Inspection
 - Monitoring and corrective actions

Group system
COC
Public consultation
Specific issues

Tasks of the regional coordinators when it comes to training are:

- leading the training on the level of group member
- production of reports about training
- leading the training in following subjects:
 - General information about certification
 - Group system and monitoring
 - COC
 - Public consultation
 - Specific issues

Training plan (HŠ-GS 015) is made by the main coordinator and it indicates the groups of people to be included in training, which level of information should be provided and keeping track of the training done so far. Track of training is kept in the report of training (HŠ-GS 017) where there is summarised information about the nature of training course. Detailed report about the training is made according to standard form (HŠ-GS 016), which contains all data about training. Training report done by regional coordinator must be verified by the main coordinator.

6.2. Informing

One of the main tasks of the group manager is to provide all the necessary information to the members. Generally speaking, we recognise two types of information that can be given to members:

- general information about forestry issues regarding adjusting management practices to the requirements of the standard
- information about requirements and functioning of HŠ-GS

Under general information we recognise:

- requirements of FSC standard and accredited certifier
- instructions about solving systematic issues
- information about development of national standards

Information regarding scheme functioning is:

- changes in HŠ-GS functioning
- monitoring plan
- information about implementation of corrective actions
- changes in group management
- information about complaint resolution
-

Considering the fact that all regional coordinators are not accessible over email, the basic system of written communication will be by classic post. In the case of urgent matters, email will be sent on general uprava email address. Additionally, all relevant information will be published on web pages of "Hrvatske šume".

Additionally, we can identify following ways of communication:

- meetings (held when needed, at least 4 times a year, all the meetings should be minuted)
- training (training is provided for regional coordinators and other departments according to the training plan)

- letters (to HŠ-GS members and within forest offices, aimed mainly for distribution of information about certification)
- results of specialised work groups (they are delivered to central administration for checking and then they are sent to stakeholders, if we they are management guidelines then they are distributed to respective departments for further procedure.
- web pages
- mailing lists
- brochures and other promotion documents
- informal methods of communication

7. Monitoring

Continuous monitoring is an important component in the certification process. The monitoring includes annual control of fulfilling the requirements from corrective actions raised during assessment and also the general checking of the forest certification implementation. It is important to note that the forest certification is an ongoing process not the once-off action. When after assessments certain non-compliances have been found and corrective actions raised there is a need to build the system, which has to check the activities coming from the corrective actions.

The monitoring procedures can be divided into following categories:

- unannounced visits
- regular monitoring

The main coordinator can perform unannounced visits at any time, at any member without prior notice. The purpose of the unannounced visit is to make a spot check on randomly chosen member without preparation. Findings from such visit can also result in corrective action raised.

Regular monitoring is carried out according annual monitoring plan produced by main coordinator. Annual monitoring plan (schedule) (HŠ-GS 008) determines when the individual member will be visited to determine the progress of the certification process.

Monitoring system should ensure that:

- each member is visited at least once a year
- if some major non-compliance or some other violation of the standard is found that member can be visited more than once a year
- HŠ-GS members have to be informed about the annual monitoring plan at the beginning of the year and individually about the visit to them at least one week before the date of visit
- the members to be visited must be rotated in such way that no more than one and a half years should pass between visits, also ensuring that the season of visit is changed so that as many operations are covered
- site visit in two subsequent monitoring visits should include different forest offices so that ideally majority of sites are included, avoiding repetitions
- the member to be visited should provide inspectors' team with a choice of active operations and team leader will make a decision which location to visit

One visit per year should be enough to cover operational activities and to check whether the progress has been made.

The visit will include one half of day of office work and one half of day field visit.

During monitoring visit there will not be necessary to pass through complete checklist and to check every norm from the standard. The particular attention will be given to:

- acting upon corrective actions raised and their timely implementation

- checking the implementation of conditions raised to the group
- weaknesses identified during main assessment
- implementation of agreed internal guidelines
- local COC practical implementation

Also, particular attention will be given to the main points of the group non-compliance such as:

- process of public consultation
- environmental protection systems and practices
- health and safety procedures and implementation
- nature conservation criteria

The field visit will pay particular attention to:

- local knowledge and commitment to FSC certification
- operational implementation of the standard
- health and safety in the field
- environmental procedures in forestry operations.

7.1. Composition of the inspectors team

Inspector's team for monitoring visit consists of 1-2 members, one of them being the team leader. Since the group management of the scheme is contracted to a different company, the team will always be composed from the employees of Hrvatske šume consult. Any member of the company can act as team leader and has right to prepare and sign reports. Corrective actions are always decided after discussion within the company.

Team leader responsibilities are:

- taking over the list of corrective actions given to HŠ-GS member that is going to be visited
- coordination with regional coordinator about the organisation of visit
- coordination with other team members about their tasks
- production of report about monitoring visit
- closing-out of corrective actions

Team member responsibilities are:

- participation in inspection
- help to the team leader in compiling the notes and report

After the inspection visit monitoring report is completed (HŠ-GS 011) which includes:

- name of the member
- date and duration of inspection
- team composition
- description of continued and new corrective actions
- justification for all corrective actions
- results of inspection
- agreed future actions
- field notes (original only)

The field notes taken during the visit should always accompany the original report.

The report should be made within two months after the visit but provisional compliance form has to be presented to a group member on the day of the visit. Final compliance form should be produced within two weeks after the visit and the date of the compliance form is the reference dates from which the timeframes are calculated. The report is copied then, one goes to a member and one to individual inspectors, and three are left in central administration. The report

is made in Croatian, and for each report summary in English will be made and it will be sent to certification body.

7.2. Tasks of the main coordinator

Main coordinator coordinates the monitoring. It is his responsibility to ensure that corrective actions are implemented, which is crucial to success of process. His tasks when it comes to monitoring are following:

- production and implementation of annual monitoring plan
- maintenance of the main CAR register
- personal visits to HŠ-GS members
- coordination of monitoring carried
- leading the inspection team

7.3. Tasks of the regional coordinators

Each regional coordinator has to take into the consideration the raised corrective actions and start the procedure for their implementation. In that respect he/she is directed to the uprava manager as a responsible person, which has to ensure that all department heads are acquainted with their responsibility when it comes to meeting the conditions, having the given deadlines in mind. Regional coordinator has to encourage responsible persons in starting the procedures for correction and to get informed about its course. From time to time he has to inform the main coordinator about the progress and when he thinks that certain condition has been met. Regional coordinator has to have insight in local forest management and to be informed about all the issues arising from it.

7.4. Monitoring by Woodmark

Soil Association Woodmark as an accredited certifier is authorised to carry out the annual monitoring over group system functioning in order to check the abilities of internal assessment system, monitoring of members and chain of custody. Additionally, Woodmark carries out the inspection of randomly chosen member and compares internal assessment with its own to establish potential inconsistencies and errors. If such errors are found, corrective action is raised against the whole group, which has to ensure their implementation, by the forces of their internal system.

7.5. Corrective actions procedures

Corrective actions are described in chapter 3.3 Corrective actions, and here we give exact procedures when it comes to them.

When the non-compliance is found during the inspection, leader of the inspector's team makes a list of corrective actions coming from the assessment. The list of corrective actions is integral part of the report, and they have to be filled in a special compliance form (HŠ-GS 007). This list contains all corrective actions together with the deadlines for them. That form is then given to the responsible person (head of uprava) for signature. By signing it, he confirms the understanding of the raised corrective actions and makes the obligation for meeting its requirements.

Corrective actions can be raised by the main coordinator and they can be raised during the inspection, monitoring and even during accidental visit if it is found that certain member or local forester doesn't act according to the FSC standards.

When corrective actions are raised by certification body and are raised against the group containing non-compliance that can be found with all group members, the main coordinator will

raise corrective action against each member individually with the same timeframe for meeting its requirements.

The monitoring system is looking at the timely acting upon corrective actions. If the corrective action has a timeframe of one year and longer it will be checked during next monitoring visit. If for some CARs there is a shorter deadline, the main coordinator has to follow-up on these under different procedure. Based on CAR register, the main coordinator will have to make monthly plan of corrective action expiring in the following month and contact the regional coordinator to check the status of them. On the other hand, if regional coordinator is confident that conditions have been met he can contact the main coordinator beforehand.

Within the agreed actions it should be stated what is going to happen with respective corrective action. It can result in:

- taking note that some actions are taken (corrective action is continued)
- no measures have been taken to larger extent (corrective action is raised to a final status)
- all the necessary actions have been taken (corrective action is proposed for closing-out)

Corrective action is continued when certain number of actions is taken, but requirements from the corrective action have not been fully met. Forest manager has shown intentions to remove non-compliances and he is advised to continue with his efforts.

If it is found that HŠ-GS member has not carried out necessary actions, inspector's team decides on strengthening of the corrective action. That can be done by:

- changing the status of the corrective action
- corrective action is raised to a final condition
- proposal for suspension/expulsion

Changing status of corrective action can be:

- raising recommendation to a condition
- raising condition to final condition

If the condition is raised to final condition, shorter time is given and if no action is taken the procedures for suspension are activated.

In the case of proposal for suspension/expulsion that proposal is given to the main coordinator to start the procedure. He is calling the meeting of the Complaints committee, which has to make a decision about it in cooperation with member.

In the case when actions taken are so satisfactory that it could be said that the conditions have been met, the closeout procedure for the corrective action is started. That is done with aid of form Proposal for closing-out of corrective actions (HŠ-GS 018) where reasons for closeout must be explained. The decision on that is made by the main coordinator who has to inform the HŠ-GS member about it. Since HŠ-GS has inherited all CARs raised by Woodmark to individual members before group scheme, if the member has demonstrated meeting the requirement, the main coordinator has a right to close even those CARs.

8. Consultations and complaints

Very important component in the certification process is the respect for participatory principle in the forest management. This can be defined as enabling the all stakeholders and local community to have insight in planning and actual operations in the field, to have impact on them, process of building of appropriate mechanisms and procedures for lodging of complaints. Considering its group character HŠ-GS have to make provisions for possible of complaints on its

individual members and provide procedure to group members to complain on the scheme functioning.

8.1. Public consultation

Public consultation is important FSC requirement for good forest management. Since this idea is rather new one, there is no long-term experience in that field in Croatian forest management. There are many ways to carry out public consultation. They include formal and informal mechanisms

- regular meetings
- consultative committees
- open days
- mailing lists
- dedicated phone line for providing information
- advertising in local media and bulletin boards
- informal meetings and discussions

There are many specific requirements concerning public informing and consultation under FSC system:

- developed mechanisms for stakeholders' and local community consultation
- public accessibility of management plan summary
- public accessibility of monitoring information
- public accessibility of certification information

There are different levels of responsibilities regarding consultation.

Responsibilities of the main coordinator

The main coordinator is responsible for higher level of consultation on national or regional level and for coordination of activities in developing procedures and policies regarding public consultation. These responsibilities include:

- identification and initial contact with main stakeholders on national level and with more important ones on regional level
- monitoring of implementation of agreed policies and procedures
- organisation of public informing on the group level
- maintenance of HŠ-GS web pages
- cooperation with regional coordinators on developing and implementation of consultation mechanisms

Responsibilities of the regional coordinators

The regional coordinators are responsible for lower level of consultation on regional and local level and for implementation of agreed procedures and policies. Their responsibilities are:

- identification and initial contact with regional stakeholders and local community representatives
- monitoring of implementation of agreed policies and procedures on the level of group member
- coordination of local foresters in implementation of the consultative process

Responsibilities of local foresters

Generally speaking, local foresters are responsible for implementation of public consultation on local level in compliance with agreed procedures, daily contact with local community and their informing.

Exact scope and procedures for local foresters and for coordinators will be defined in a separate document.

8.2. Complaints

Important element of the standard is the existence of mechanisms for complaints resolution. That mechanism should provide:

- existence of clear information whom to lodge complaint
- clear procedure of complaints resolution
- that every complaint is documented
- that the resolution of complaints should be done in constructive way

The complaint could be about:

- forest management
- planning process in forestry
- non-adherence to FSC standard
- violation of COC rules
- all other problems associated with the forest manager

To simplify the matters, complaints mechanisms will be divided in two main groups:

- external complaints about HŠ-GS member and its management
- internal complaints of HŠ-GS member about functioning of group

8.3. External complaints

External complaints are submitted by external stakeholders when they think that they restricted in their rights, they have suffered material damage or are generally not satisfied with the forest management. Complaint can be submitted orally or in written form and the person who has taken the complaint must make a note about it. There is a clear line of responsibilities to ensure that the complaints are treated in a proper manner and that those who are submitting it have knowledge about it. If the person who is submitting complaint is not satisfied with the way his complaint is treated must be directed to complain to a higher level. The person who wishes to complain, can do it also directly to a higher level if he considers that it would be more effective or he suspects in conflict of interest. That line is following:

- local forester
- regional coordinator
- complaints committee on HŠ-GS level
- accredited certifier

Local forester should be available to all stakeholders and local community for all possible complaints. He has to respond to each of them, and if the issue is of such nature that it beyond his powers, he directs that person to regional coordinator.

Regional coordinator must take these complaints and keep records about it. All complaints are kept in special folder and it is listed in register of complaints (external) (HŠ-GS 013). This register must be available for monitoring purposes.

Second level for complaints resolution is the one on HŠ-GS level where there is Complaints committee responsible for further procedure. This committee is nominated by the main coordinator who is also the member of it. This committee also keeps the register of it. That register should be made available to a foreign certifier. The committee holds its meetings when needed and takes the notes of it. Keeping minutes and complaint register is the responsibility of the main coordinator.

8.4. Internal complaints

Internal complaints are those coming from HŠ-GS members about the group functioning. These can be:

- complaints on directed procedures
- complaints on corrective actions and assessments
- complaints on group functioning

Regional coordinator is responsible for submitting such complaints when he during his regular activities in the certification process sees certain situation with which he is not satisfied and believes that he is restricted in certain rights. Those complaints are submitted to Complaints committee, which is keeping a register of those (Complaints register – members HŠ-GS 012). Committee is keeping track of complaints and starts procedure for its constructive solution. Keeping of that register is responsibility of the main coordinator. The member who has submitted complaint should be informed about the destiny of his complaint. If however, HŠ-GS member is still not satisfied with response he may complain to the certification body. It is important to note that if the person who submits complaint is the member of Complaints committee, he cannot take part in committee activities when this complaint is on agenda.

9. Chain of custody

Under the chain of custody we include all procedures of labelling of certified products with FSC tick tree logo and COC number in order to be different from other non-certified. Emphasis is given here on correct and responsible labelling of the product and product documentation. The objective is that certified products should differ from others and that as we move along the chain of custody the origin of the product can be established without doubt and thus prevent possible misuses of FSC logo and COC number. The group system must ensure that all the members obey COC rules, because all the products within the group will be sold under one single COC number, which is the responsibility of the whole group.

COC number and FSC logo is going to be used for labelling products and the product documentation. According to the valid internal act on marking the assortments, the origin of the assortments can be easily established and by comparing the data with those from the delivery note and invoice, the correct use of logo and COC number can be checked.

According to the internal guidelines the member can claim its products to be FSC certified or not, so regardless of the fact that the whole area is FSC certified some of the products do not have to be claimed as certified. The reasons for not claiming the product as certified could be:

- small local timber sale (logs or firewood)
- the buyer does not require it specifically
- the buyer has not signed the agreement about the participation in certification costs

In any of the cases the following considerations should be respected:

- FSC certified and non-certified products should be physically separated
- certified timber must be clearly and correctly identifiable on invoices
- the statistics of the timber sold as certified should be kept

9.1. Certificate holder

The holder of the certificate is the company "Hrvatske šume" namely HŠ-GS group in its entirety. All individual certificates issued before to individual upravas will cease to be valid, and all the members of HŠ-GS will start to use one single COC number. Interdependency of HŠ-GS members can be demonstrated by the fact that if on single member loses the certificate, the whole group will lose that right too. After new COC number is issued, all group members will be notified about it, together with the instruction on how to stop using old one and start using new one. There is a possibility that although HŠ-GS will have one single COC, individual members can have its own sub code in order to differ the timber coming from different HŠ-GS members.

9.2. The use of FSC logo and COC number

The use of FSC logo is regulated by the separate logo guidelines, which forms the part of the system documentation. This guideline must be in compliance with FSC guidelines and its correctness will be checked with Woodmark inspector. Potential revisions of that document will be done and then distributed to all members, with the remark that previous version is not valid anymore. The use of logo and COC number will be closely monitored during later visits.

9.3. Informing Woodmark about the timber sales quantities

It is obligation of the group to inform Woodmark about the quantities of the timber sold under the certificate. It is essential that these data is given in order that by the potential cases of misuse the disproportion in quantities can be established.

On the group level, records should be kept about the quantities of timber sold as certified, as opposed to those sold as non-certified. Certification body will be informed about it on the annual basis.

9.4. Implementation of logo in software

Central administration of the group system must maintain contact with "Hrvatske šume" IT department so that logo and COC number can be implements in existing software packages for printing delivery notes and invoices according to the logo guidelines. All potential changes and misunderstandings should be sorted out with the programmers from IT department. The new unique COC number for HŠ-GS will replace the old numbers (for those members who had it before).