

WORKSHOP ON ENHANCING SUSTAINABILITY OF FORESTRY  
PRACTICES ON PEATLANDS

**FOREST MANAGEMENT CERTIFICATION  
UNDER THE MTCS WITH SPECIAL  
REFERENCE TO PEAT SWAMP FOREST**

By  
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Malaysian Timber Certification Council

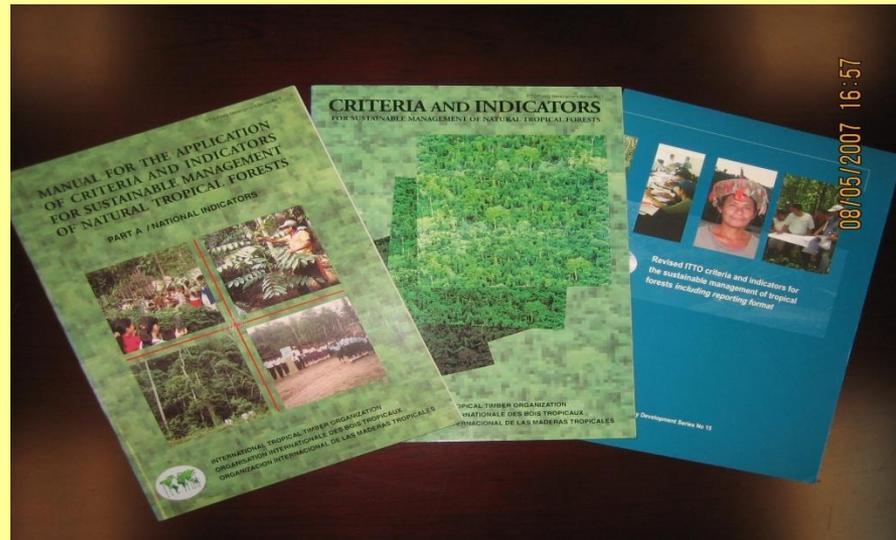
27-28 JUNE 2012  
BOGOR, INDONESIA

# INTRODUCTION

- **1980s & '90s witnessed growing concerns about tropical forest degradation & deforestation**
- **Calls by NGOs particularly in Europe for bans/boycotts of use of tropical timber**
- **Measures counter-productive:**
  - **conflict with WTO rules**
  - **remove economic value of forests**
  - **render forests vulnerable for conversion to other competing land uses**
- **Realised efforts should be made to promote & encourage sustainable forest management (SFM) as the way forward**

# INTRODUCTION

- Need for SFM taken up by a number of international initiatives
- ITTO – one of 1<sup>st</sup> inter-governmental organisations to address SFM & forest certification issues



# INTRODUCTION

- **United Nations Conference on Environment and Development (UNCED) in 1992 addressed need to balance development with care for environment**
- **Resulted in formulation & adoption of Agenda 21 and non legally-binding Forest Principles**
- **Forest Principle 8(d) - deals with need to establish internationally agreed norms, C&Is for sustainable management, utilization & development of all types of forests in the world**

# INTRODUCTION

- **C&Is for SFM launched such as:**
  - **ITTO C&Is for humid tropical forests**
  - **Helsinki Process for forests in Europe (boreal, temperate and Mediterranean-type)**
  - **Montreal Process for temperate & boreal forests outside Europe**
  - **Tarapoto Proposal for Amazon forest**
- **Merely adopting C&Is would not be adequate to ensure sustainability of forest resources**
- **SFM needs to be demonstrated on the ground with implementation of sound forest management practices**
- **Forest certification proposed as market-linked tool to promote & encourage effective implementation of SFM**

# Definition of SFM

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- **ITTO (1992)**

“the process of managing forest to achieve clearly specified objectives of management, with regard to the production of a **continuous flow of desired forest products and services, ..., without undue undesirable effects on the physical and social environment**”.

- **United Nations (2007)**

“a dynamic and evolving concept, [that] aims to maintain and enhance the **economic, social and environmental values** of all types of forests, for the benefit of present and future generations”.

**ENVIRONMENTALLY  
FRIENDLY**

**SFM**

**ECONOMICALLY  
VIABLE**

**SOCIALLY  
ACCEPTABLE**

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# TIMBER CERTIFICATION

A process which results in a written statement (a certificate) attesting the origin of wood raw material, and its status following validation by an independent third party

## Two Components of Timber Certification

- **Forest Management Certification (FMC)**
- **Chain-of-Custody Certification (CoC)**

# TIMBER CERTIFICATION

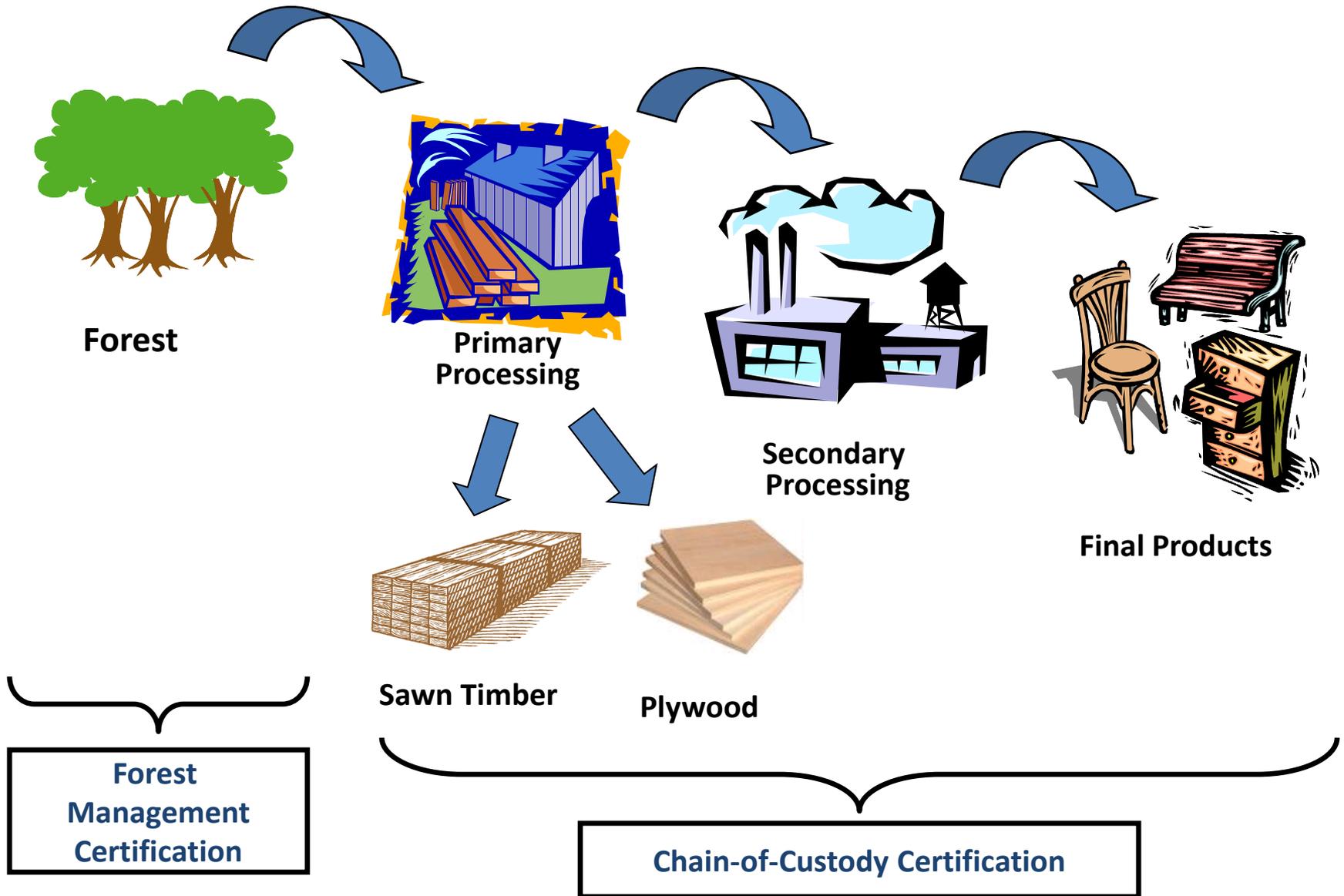
## Forest Management Certification

- A process of carrying out third party assessment of Forest Management Units (FMUs) in accordance with requirements of a prescribed standard, leading to an award of a certificate.

## Chain-of-Custody Certification

- Involves verification by independent third-party assessor that wood products (including logs) purchased are actually derived from forests which have been certified. It involves tracking of timber products from forest of origin through processing to retail point leading to an award of a certificate

# Timber Certification



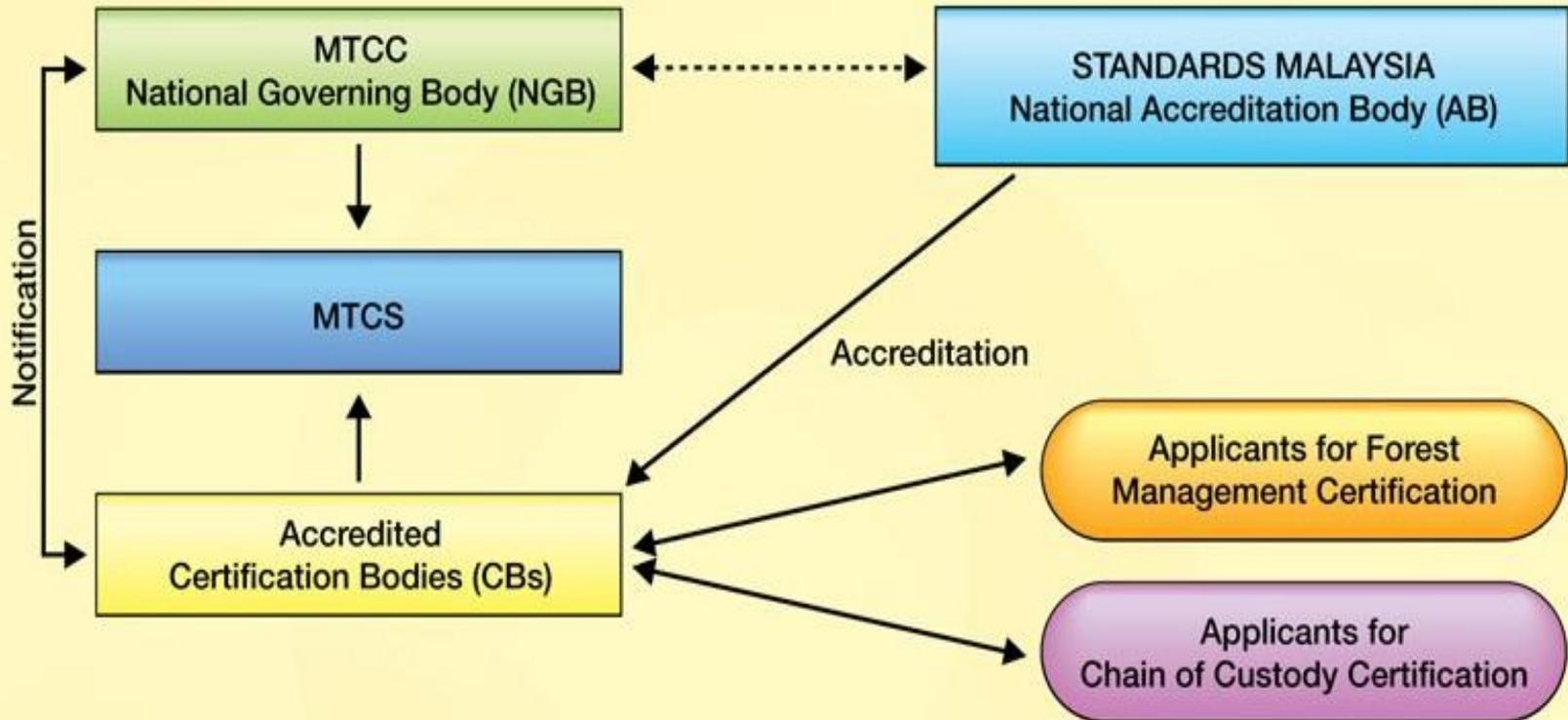
# MALAYSIAN TIMBER CERTIFICATION COUNCIL (MTCC)

- ❖ MTCC started operations in January 1999
- ❖ Incorporated under the Companies Act 1965 as a company limited by guarantee
- ❖ Created as an independent organisation to develop and operate a voluntary national timber certification scheme in Malaysia
- ❖ Governed by Board of Trustees (BOT) - representatives from timber industry, academic & research institutions, non-governmental organisations (NGOs) and government

# MALAYSIAN TIMBER CERTIFICATION SCHEME (MTCS)

Implementation of MTCS both country & market driven:

- **Country driven** - as it is in the interest & well-being of a nation to ensure that its rich forest resources are sustainably managed to meet needs of present & future generations
- **Market driven** - to take into consideration growing demand for certified timber products by more environmentally & socially sensitive markets as stipulated in their public & private sector timber procurement policies

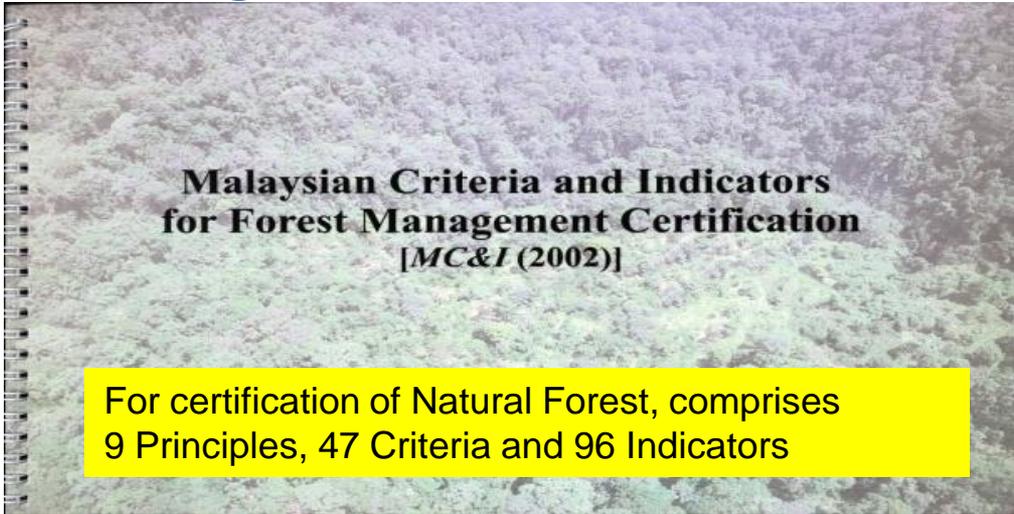


# ROLE OF COMPONENTS

- MTCC is the National Governing Body (NGB) in Malaysia – overall operator of the scheme
- Certification Bodies (CBs) receive and process applications for certification
- CBs conduct audits and make decisions to award MTCS *Certificate for Forest Management* or *Certificate for Chain of Custody (CoC)*
- CBs are required to be accredited to STANDARDS MALAYSIA, the national Accreditation Body (AB)
- Accredited CBs have to apply to MTCC to become PEFC-notified CBs to enable them to issue accredited certificates recognised by MTCC/PEFC

# Standards for Forest Management Certification

Scope of certification of MC&I(2002): natural forest within the Permanent Reserved Forests (PRFS) of the FMU

The image shows the cover of a spiral-bound book titled 'Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)]'. The cover features a background image of a dense forest. A yellow text box is overlaid on the bottom right of the cover.

## Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)]

For certification of Natural Forest, comprises 9 Principles, 47 Criteria and 96 Indicators

**Both standards deal with environmental, social and economic aspects of forest management**

A collage of three photographs showing different views of a forest plantation, with tall, straight trees and a dense canopy.

For certification of Forest Plantations, comprises 10 Principles, 55 Criteria and 107 Indicators

The image shows the cover of a book titled 'Malaysian Criteria And Indicators For Forest Management Certification (Forest Plantations) [MC&I(Forest Plantations)]'. The cover features a background image of a forest plantation with young trees and ferns in the foreground.

## Malaysian Criteria And Indicators For Forest Management Certification (Forest Plantations) [MC&I(Forest Plantations)]

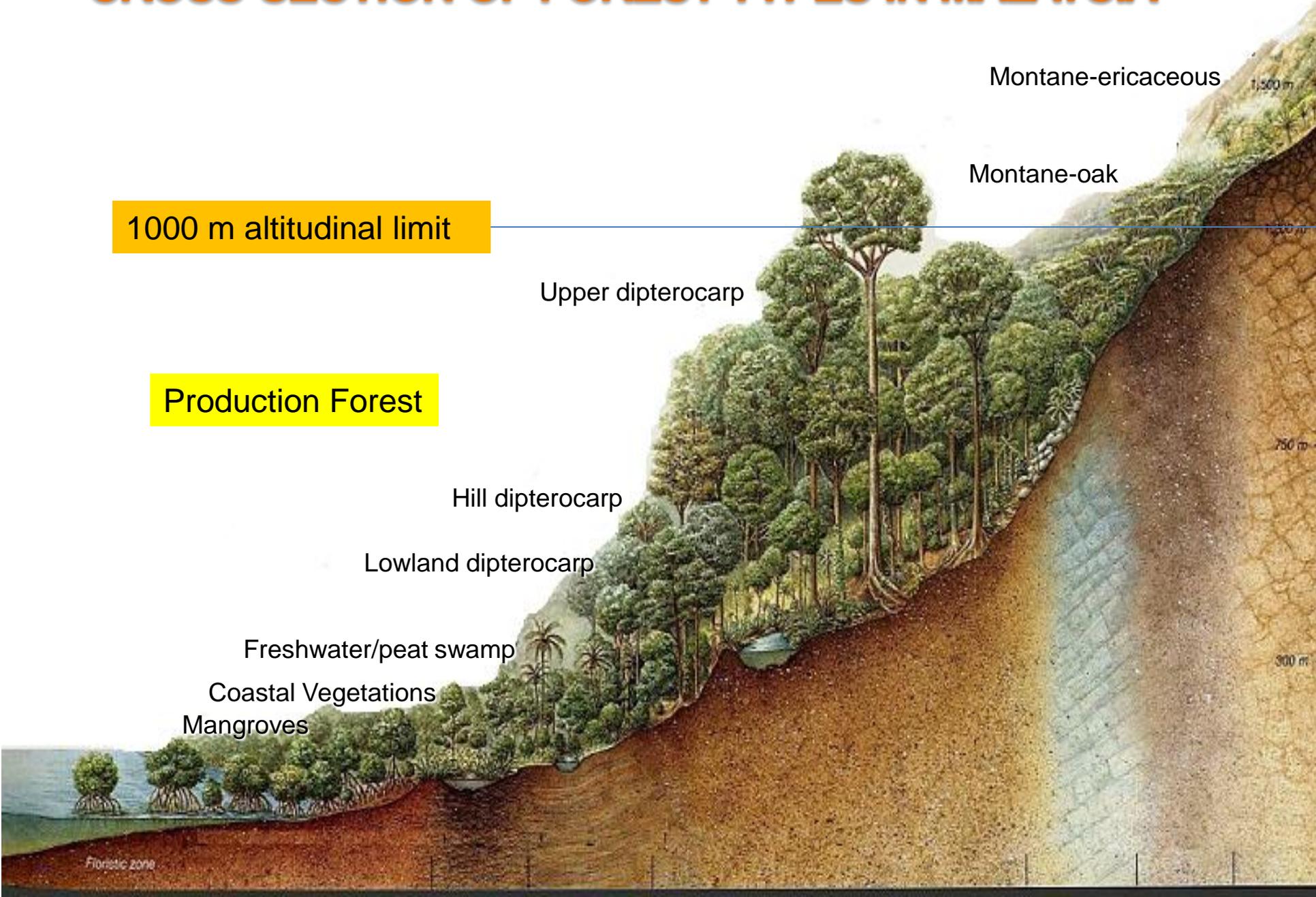
# Standards for Forest Management Certification

- Review of *MC&I(2002)* conducted in April 2009
  - Resulted in *MC&I(Natural Forest)* which was finalised in September 2011 and adopted by MTCC in December 2011
  - Application Date: 1 July 2012

For certification of Natural Forest, comprises 9 Principles, 47 Criteria and 97 Indicators



# CROSS-SECTION OF FOREST TYPES IN MALAYSIA



A photograph of a mangrove forest. The trees are dense and have vibrant green foliage. They are situated along a body of water, which is dark and reflects the green of the trees. The sky is not visible, appearing as a pale white area at the top right.

# MANGROVE FOREST

on muddy shores, lagoons and estuaries of tidal rivers



Peat Swamp Forest

A photograph of a lush, green forest. The trees are tall and slender, with a dense canopy of leaves. Sunlight filters through the leaves, creating a dappled light effect. The forest floor is covered in fallen leaves and low-lying vegetation.

# Lowland Dipterocarp Forest

( on plain, undulating land and foothills  
up to elevation of about 300m a.s.l)



**HILL DIPTEROCARP FORESTS**  
**(on the inland ranges with altitudinal limits**  
**between 300m up to 750m)**

A photograph of a dense forest of tall, thin trees with green foliage, likely Dipterocarpaceae, on a hillside. The trees are tall and slender, with a canopy of green leaves. The forest is dense and covers a hillside. The text is overlaid on the bottom left of the image.

# UPPER DIPTEROCARP FORESTS

(on hills with altitudinal limits between 750m to 1,200m)



**MONTANE FORESTS**  
**( with altitudinal limit above 1200 m )**



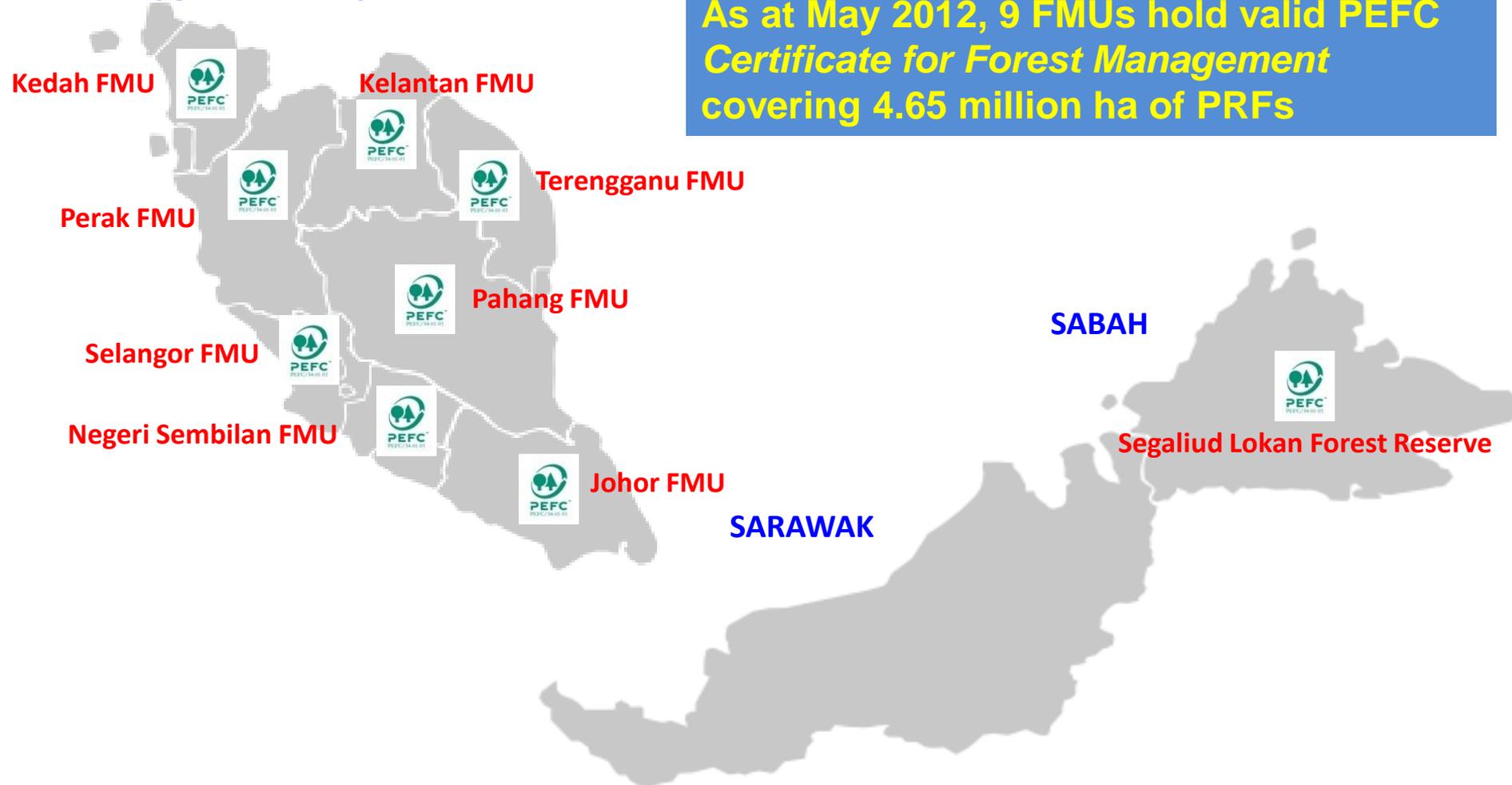
# Upper Montane Forest

Altitude limit of above 1,500 m

# PEFC-Certified Forest Management Units (FMUs) in Malaysia

## PENINSULAR MALAYSIA

As at May 2012, 9 FMUs hold valid PEFC Certificate for Forest Management covering 4.65 million ha of PRFs



# Sample of Certificate for Forest Management







## CERTIFICATE FOR FOREST MANAGEMENT (NATURAL FOREST)

SIRIM QAS International Sdn. Bhd. hereby certifies that

**KEDAH STATE FORESTRY DEPARTMENT  
ARAS 8, BANGUNAN SULTAN ABDUL HALIM  
JALAN SULTAN BADLISHAH  
05000 ALOR SETAR  
KEDAH DARUL AMAN  
MALAYSIA**

has implemented the requirements complying with

**Malaysian Criteria and Indicators for Forest Management Certification  
[MC&I(2002)]  
under the Malaysian Timber Certification Scheme (MTCS)**

Scope:

**Management of Natural Forest within the permanent reserved forests located in the  
Kedah Forest Management Unit (FMU) (307,046 hectares)**



Issue Date : 9 June 2010

Validity period : 9 June 2010 – 8 June 2013

Certification No. : FMC 003

Signature: 

**Khalidah Mustafa**  
Managing Director  
SIRIM QAS International Sdn Bhd

Signature: 

**Ir. H. J. Yahaya Ahmad**  
Chairman  
SIRIM QAS International Sdn Bhd

SIRIM QAS INTERNATIONAL SDN. BHD.  
(IC No. 410334 - x)  
1, Persiaran Dato' Menteri,  
Sekkyen 2, Peti Surat 7035  
42911 Shah Alam  
Selangor Darul Ehsan  
MALAYSIA  
Tel: 05-3-5548400  
Fax: 05-3-5510949  
<http://www.sirim-qas.com.my>  
<http://www.malaysiancertified.com.my>

This Certificate is granted subject to the terms and conditions as stated in the Certification Agreement. Version 1



Certificate SGS-MTCS/FM-0103

## Certificate for Forest Management (Natural Forest)

SGS (Malaysia) Sdn Bhd hereby certifies that

### Terengganu Forestry Department

Contact: State Forestry Director  
Tingkat 8, Wisma Negeri  
20200 Kuala Terengganu  
Terengganu, MALAYSIA  
Tel: +609 622 2444 Fax: +609 623 6552

has met the requirements specified in the

### Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)]

Under the Malaysian Timber Certification Scheme (MTCS)

**Scope:**  
Forest Management of 499,046 ha of Permanent Reserved Forests within  
Terengganu FMU

This certificate is valid from 1 April 2010 until 31 March 2013  
Issue 1. Certified since April 2010

Authorised by



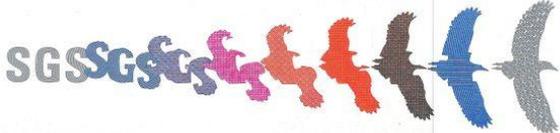
SGS Malaysia  
Unit 10-1, 10<sup>th</sup> Floor Bangunan Malaysian Ra, Lorong Dunsun, Damansara Heights, 50460 Kuala Lumpur  
t+603 2095 9000 f+603 2093 8202 [www.sgs.com](http://www.sgs.com)

This certificate is granted subject to the terms and conditions as stated in the Agreement.



MS ISO/IEC  
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FMC 05122009 CB 01

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## Area of PEFC-Certified FMUs (including extent of PSF)

No.	Name of FMU	Area Certified (ha)	Extent of Peat Swamp Forest (ha)
1	Segaliud Lokan, Sabah	57,247	-
2	Negeri Sembilan	154,185	-
3	Johor	397,392	5,429
4	Terengganu	521,582	13,757
5	Kedah	307,046	-
6	Pahang	1,562,496	140,830
7	Perak	991,436	-
8	Selangor	230,187	82,890
9	Kelantan	424,497	-
<b>Total Area Certified:</b>		<b>4,646,068</b>	<b>242,906 (5.2%)</b>

# Management of Peat Swamp Forest (PSF) in Certified FMUs

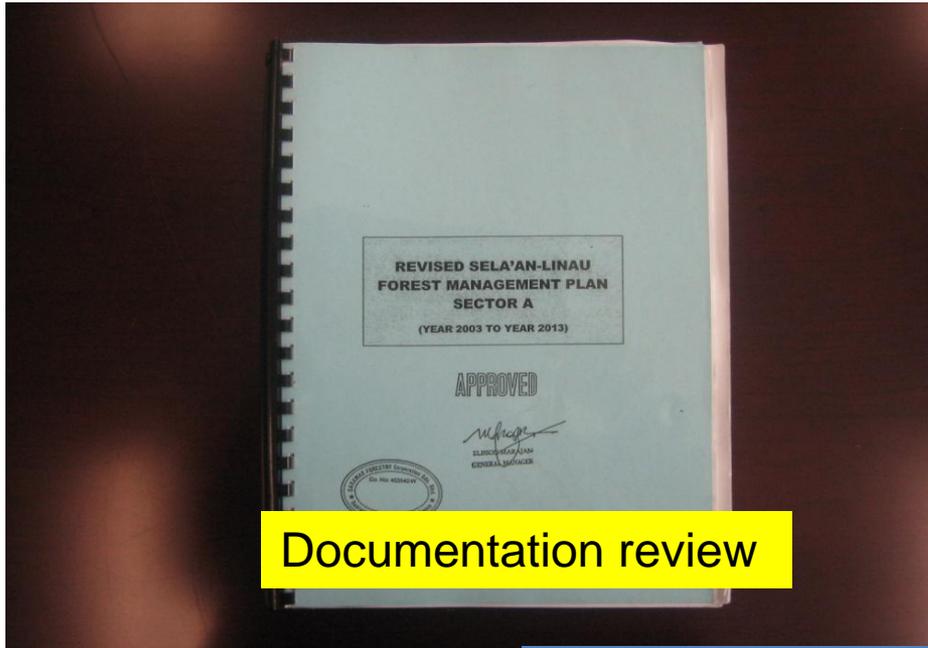
- ❖ The bulk of certified FMUs comprises inland forests (92.6%) with the remaining 5.2% and 2.2% comprise PSF and mangrove forests respectively
- ❖ 242,906 ha of PSF found in four certified FMUs, with the largest extent (140,830 ha or 58%) located in Pahang FMU
- ❖ Commercial logging of PSF carried out in two FMUs i.e. Pahang and Selangor FMUs
- ❖ Both these FMUs have integrated Forest Management Plan (FMP) for PSF prepared through collaboration with international donor agencies

# Management of Peat Swamp Forest (PSF) in Certified FMUs

- ❖ Overall, PSF is more extensive in Sarawak (0.95 million ha) than in Sabah (0.12 million ha) and Peninsular Malaysia (0.24 million ha)
- ❖ PSF is being managed under a modified Selective Management System (SMS)
- ❖ Prescription of minimum diameter cutting limits of 50 cm for ramin species (*Gonystylus bancanus*) and 55 cm for all other species, in the case of Peninsular Malaysia

# Management of Peat Swamp Forest in Certified FMUs

- ❖ Ramin species subjected to export quota of 10,000 m<sup>3</sup> for Peninsular Malaysia (listed in Appendix II of CITES)
- ❖ From certification view point, forest management planning and operations in PSF are required to comply with requirements covering social, economic and environmental aspects as stipulated in the MC&I (2002)
- ❖ The assessment for forest management certification of a FMU involves documentation review, stakeholder consultation and field verification



Documentation review



Field verification - mapping

10:04

# Forest Management Certification



Field verification – road construction



Stakeholder consultation

# Management of Peat Swamp Forest in Certified FMUs

- ❖ For example, Indicator 6.2.2 of the MC&I specifies the allocation of buffer strips of at least 5 m in width on either side of river/stream in PSF which are marked where the felling of trees is prohibited
- ❖ Annual surveillance audit conducted to ensure continued compliance to requirements of MC&I
- ❖ Forest management certification enhances forest management practices in PSF

# Standard for Chain of Custody Certification

## Chain of Custody of forest based products – requirements (PEFC ST 2002:2010)

Two mechanisms for tracing the origins of forest-based products:

- Physical separation method – requires separating certified and non-certified raw material during all phases of production/trading process to ensure that certified raw material is not mixed with non-certified raw material
- Percentage based method – allows mixing certified and non-certified raw material during production or trading process. Percentage of certified raw material must be known and communicated to the company's customers
- Alternatively, company can sell as certified proportion of its production which equals percentage of certified raw material used (volume credit)

# PEFC-Certified Timber Companies in Malaysia

- ❖ By end of April 2012, a total of 173 timber companies have been issued with PEFC Chain of Custody Certificate (accredited certificate) under MTCS
- ❖ 94 of these companies have signed PEFC Logo Usage Licence agreement

# Export Of certified Timber Products under MTCS

**By April 2012, total cumulative of 575,672 m<sup>3</sup> exported to 27 countries:**

- The Netherlands
- United Kingdom
- Belgium
- France
- Germany
- Australia
- Greece
- Denmark
- Poland
- Italy
- Norway
- Indonesia
- Mauritius
- South Africa
- South Korea
- USA
- Japan
- New Zealand
- Singapore
- Ireland
- Albania
- Philippines
- UAE
- Saudi Arabia
- Pakistan
- Jordan
- Bahrain



## **Main products exported**

**sawn timber**

**mouldings**

**plywood**

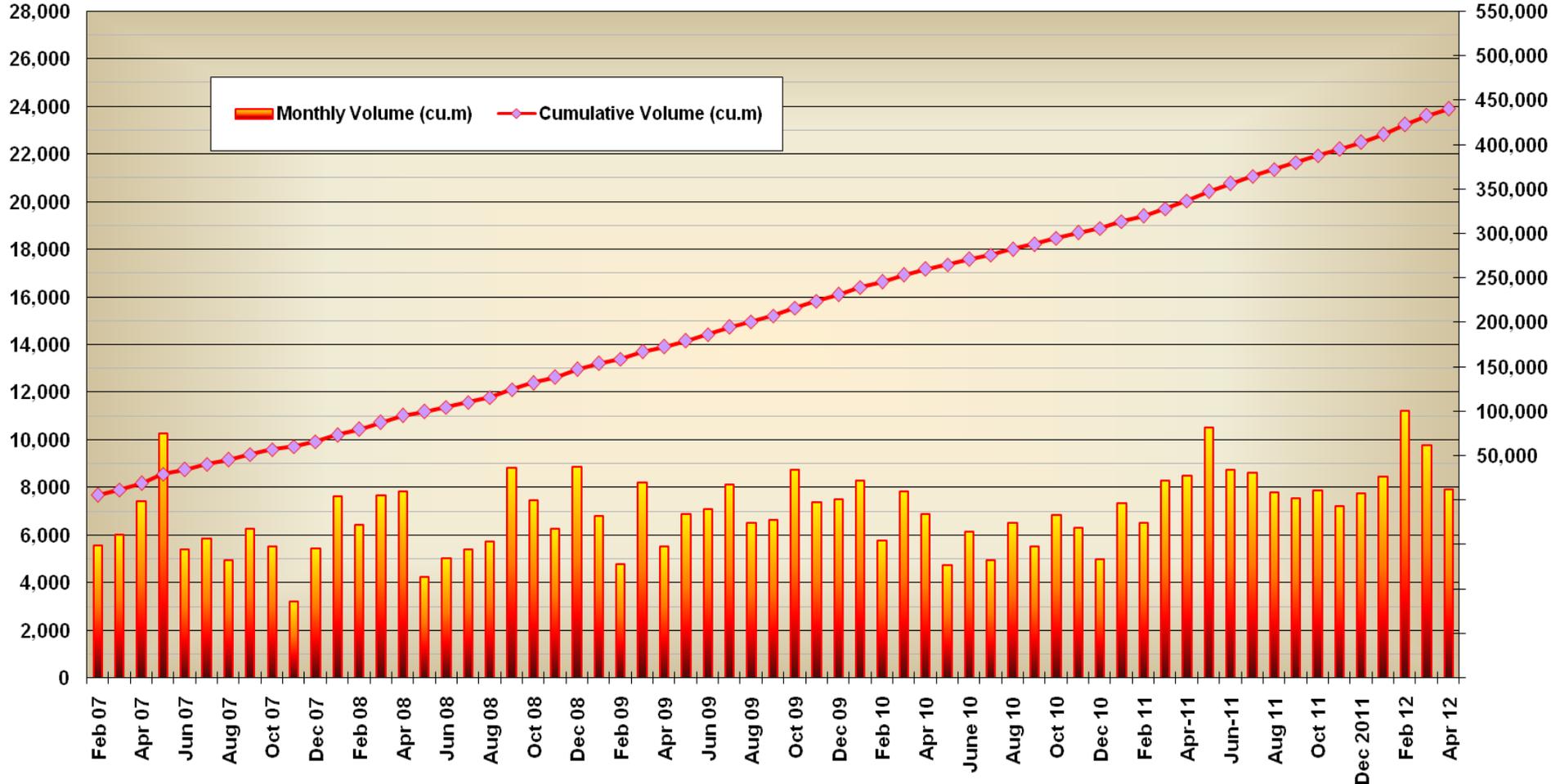
**laminated finger-jointed timber**



# Export of Certified Timber Products under MTCS January 2006 – April 2012

Monthly Export Volume (cu.m)

Cumulative Export Volume (cu.m)



Source: MTIB & MTCC

# PEFC ENDORSEMENT OF MTCS

- **Programme for the Endorsement of Forest Certification schemes (PEFC) is presently the largest forest certification organisation in the world**
- **MTCS was endorsed by PEFC on 1 May 2009 for a period of 5 years**
- **PEFC endorsement enables MTCS to be recognised internationally**
- **PEFC endorsement allows mutual recognition with 30 other PEFC endorsed schemes around the world**
- **MTCS-certified products are allowed to use the PEFC Logo**



# RECOGNITION OF MTCS

## PUBLIC PROCUREMENT POLICIES FOR TIMBER

As a PEFC – endorsed scheme, MTCS is accepted under the national timber procurement policies of **Denmark, United Kingdom, Germany, Finland, Belgium, Switzerland and France.**

In addition, a number of authorities and organisations, particularly in key markets for Malaysian timber products, have also accepted the MTCS :

### ❖ **New Zealand:**

- The Ministry of Agriculture and Forestry, New Zealand has listed the MTCS as one of the seven certification schemes under the category “full certification” in the New Zealand Timber and Wood Products Policy (TWPP)

### ❖ **Japan:**

- MTCS is listed as one of the certification schemes in Guideline for Verification on Legality and Sustainability of Wood and Wood Products by the Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan

## ❖ Germany:

- City of Hamburg in Germany has granted MTCS full acceptance in its procurement policy through the implementation of the MTCC-Hamburg Joint Project (December 2009)

## ❖ The Netherlands

- Keurhout
  - MTCS accepted under *Keurhout Protocol for Sustainable Forest Management* (KH-SFM)
- Government
  - The Dutch Ministry of Housing, Spatial Planning and Environment (VROM) accepted MTCS certificate as meeting the requirements for legality of timber

# RECOGNITION OF MTCS

## GREEN BUILDING SCHEMES

- As a PEFC – endorsed scheme, MTCS is recognised under several green building schemes such as in Australia, Italy, Singapore, The Netherlands, UK, Canada, USA, Japan and Abu Dhabi, UAE
- In addition, Green Building Index (GBI) in Malaysia recognises the MTCS under its Sustainable Timber criteria.

# CONCLUSION

- ❖ **MTCC's focus – promotes effective implementation of SFM nationally and increasing acceptance and recognition of MTCS internationally**
- ❖ **To date, some 4.65 million ha of PRF including 0.24 million ha of PSF certified (about 33% of total PRF in Malaysia) under MTCS**
- ❖ **MTCC looks forward to continue working with all stakeholder groups towards further improvement of the MTCS, including the scientific communities on the use of new scientific and technical information pertinent to the better management of PSF**



**mtcc**

**THANK YOU**