

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

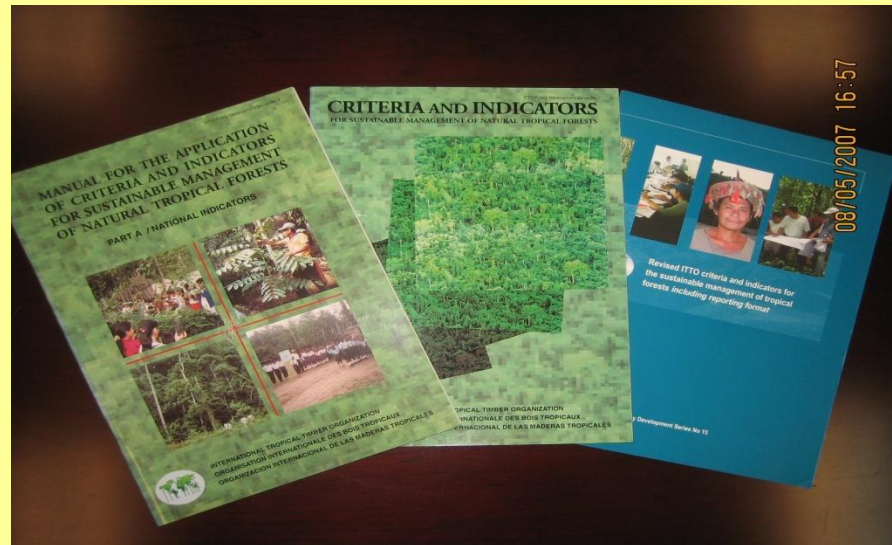
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INTRODUCTION

- **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 1st 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

- **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

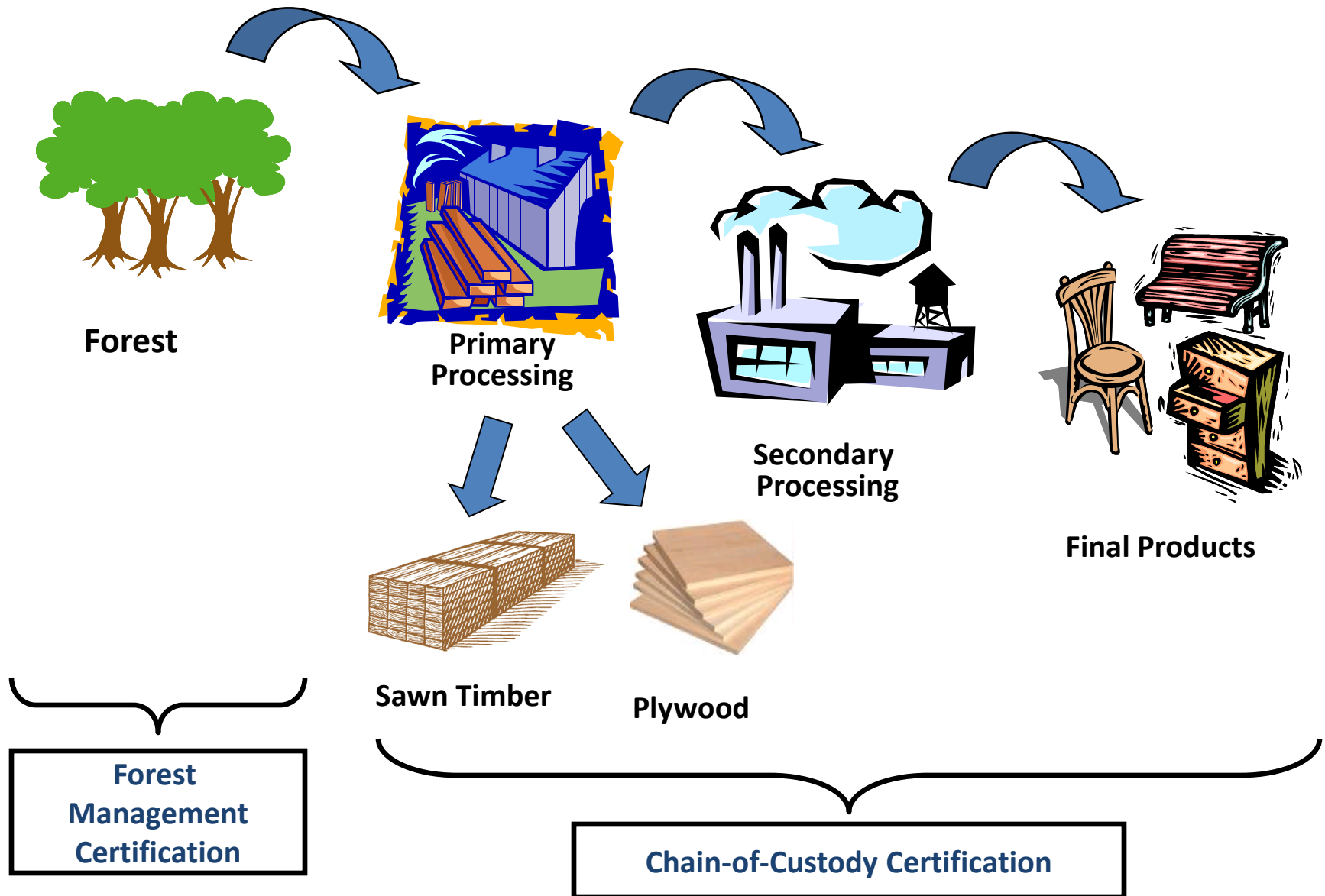
Forest Management Certification

- 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



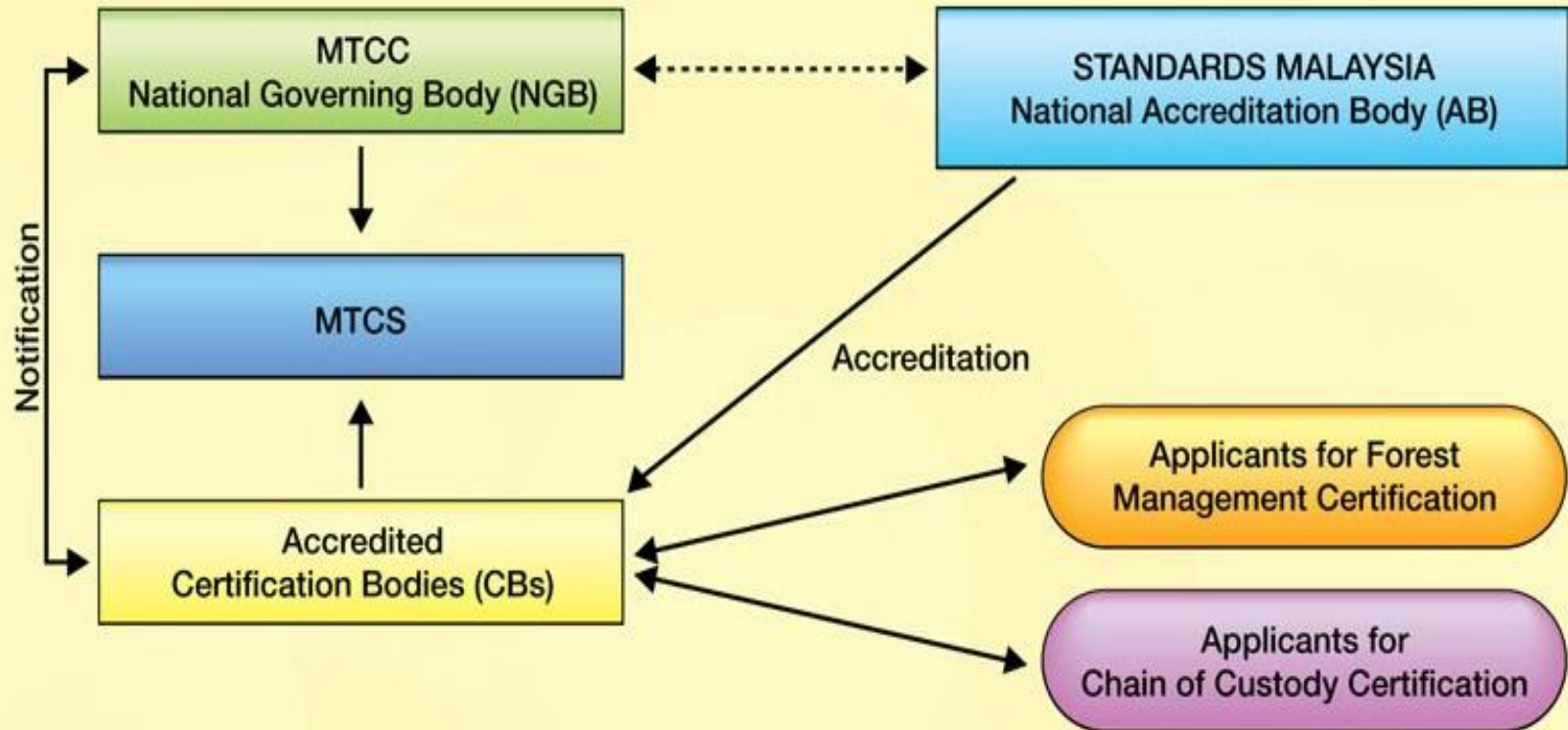
MALAYSIAN TIMBER CERTIFICATION COUNCIL (MTCC)

- ❖ 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

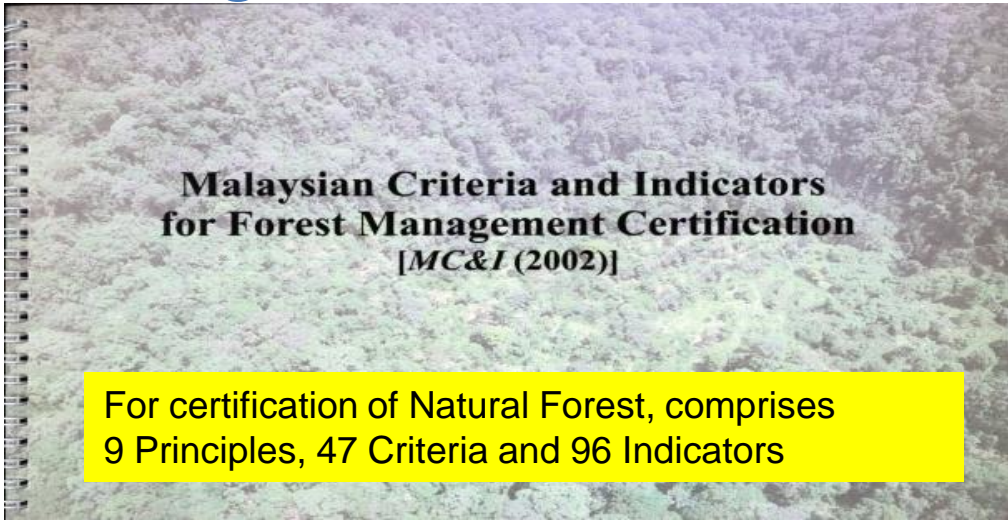


ROLE OF COMPONENTS

- 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 has 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

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 collage of three photographs: a forest of tall trees, a forest of shorter trees, and a field of young plants. A yellow text box is overlaid on the top right of the cover.

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

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

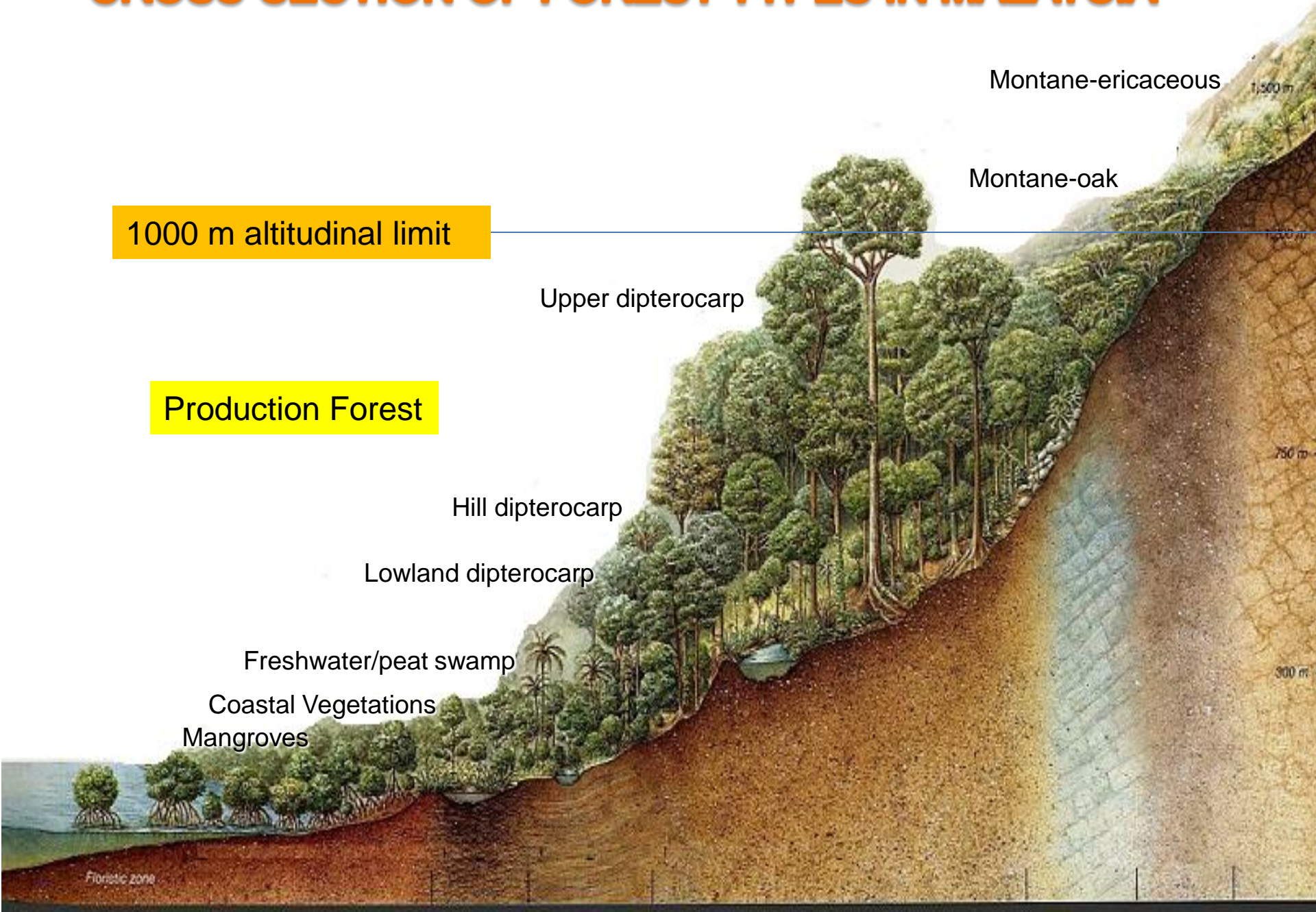
Standards for Forest Management Certification

- 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 upper two-thirds of the image are filled with a thick canopy of green trees. The lower third shows the water of a lagoon or estuary, which reflects the green foliage above. The text is overlaid on the lower half of the image.

MANGROVE FOREST

on muddy shores, lagoons and estuaries of tidal rivers



Peat Swamp Forest



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)



UPPER DIPTEROCARP FORESTS

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

A photograph of a dense forest floor covered in thick moss and fallen leaves. Sunlight filters through the canopy, creating bright patches on the mossy ground and tree trunks. The scene is lush and green, with many thin tree trunks and branches visible.

MONTANE FORESTS
(with altitudinal limit above 1200 m)



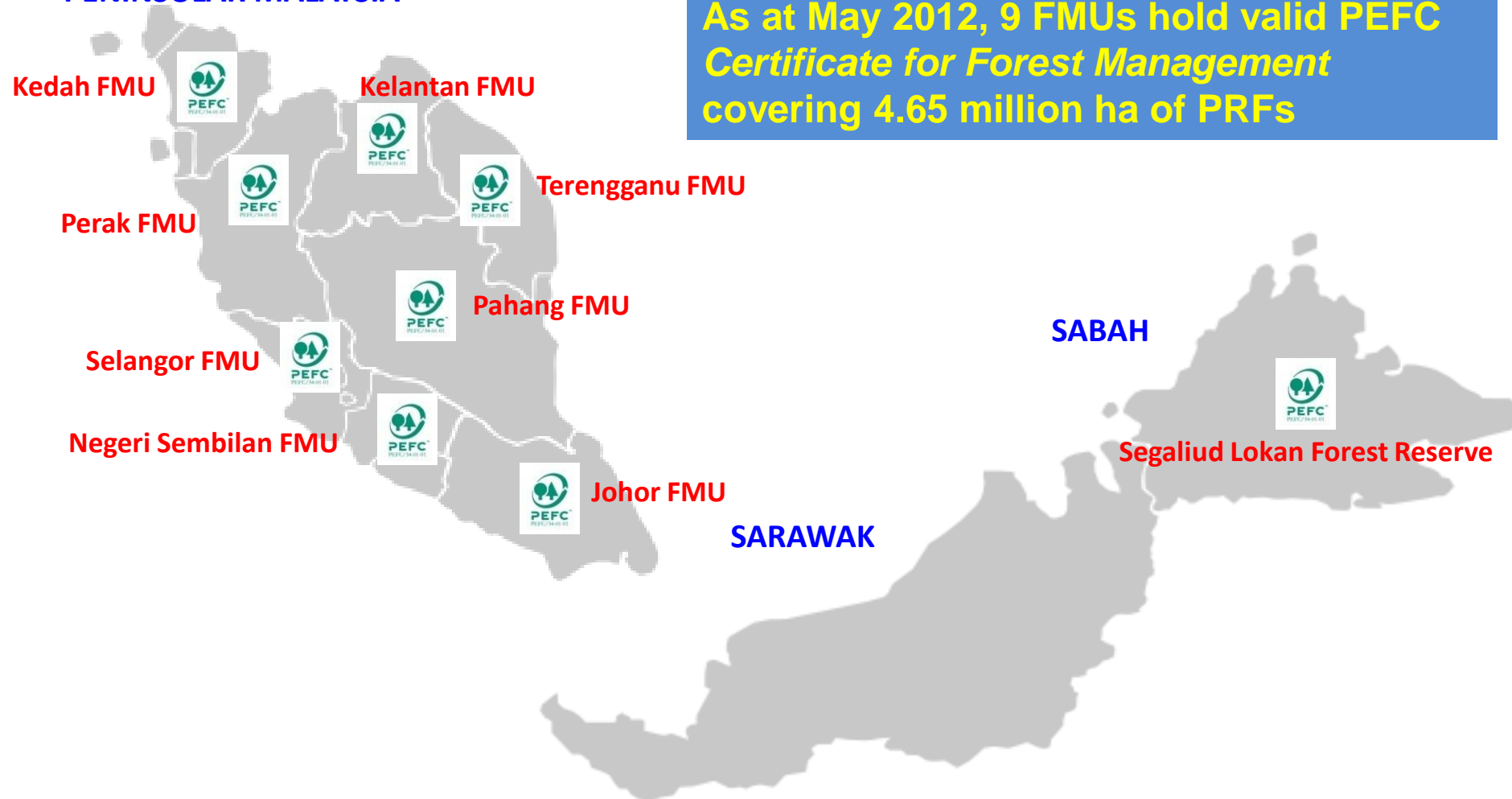
Upper Montane Forest

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)



SIRIM QAS INTERNATIONAL SDN. BHD
 (Co. No. 410334 - x)
 1, Persiaran Dato' Menteri
 Seksyen 2, Peti Surat 7035
 42911 Shah Alam
 Selangor Darul Ehsan
 MALAYSIA
 Tel: 03-55446400
 Fax: 03-55109439
<http://www.sirim-qas.com.my>
<http://www.malaysiancertified.com.my>

Issue Date : 9 June 2010

Validity period : 9 June 2010 – 8 June 2013

Certification No. : FMC 003



Khalidah Mustafa
 Managing Director
 SIRIM QAS International Sdn Bhd



Ir. Hj. Yahaya Ahmad
 Chairman
 SIRIM QAS International Sdn Bhd

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, 10th Floor Bangunan Malaysian Rn, Lorong Dungan, Damansara Heights, 50460 Kuala Lumpur
 t+603 2095 9200 f+603 2093 8202 www.sgs.com

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

Page 1 of 1








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

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	-
Total Area Certified:		4,646,068	242,906 (5.2%)

Management of Peat Swamp Forest (PSF) in Certified FMUs

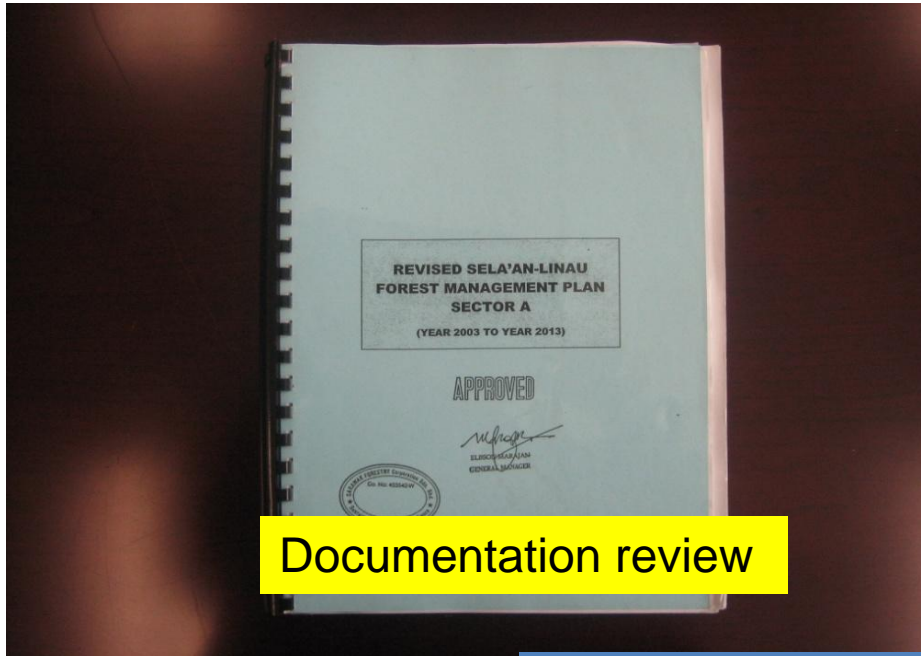
- ❖ The bulk of certified FMUs comprises inland forests (92.6%) with the remaining 5.2% and 2.2% comprise PSF and mangrove forests respectively
- ❖ 242,906 ha of PSF found in four certified FMUs, with the largest extent (140,830 ha or 58%) located in Pahang FMU
- ❖ Commercial logging of PSF carried out 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 m³ 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

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 m³ exported to 27 countries:**

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

Main products exported

sawn timber

mouldings

plywood

laminated finger-jointed timber

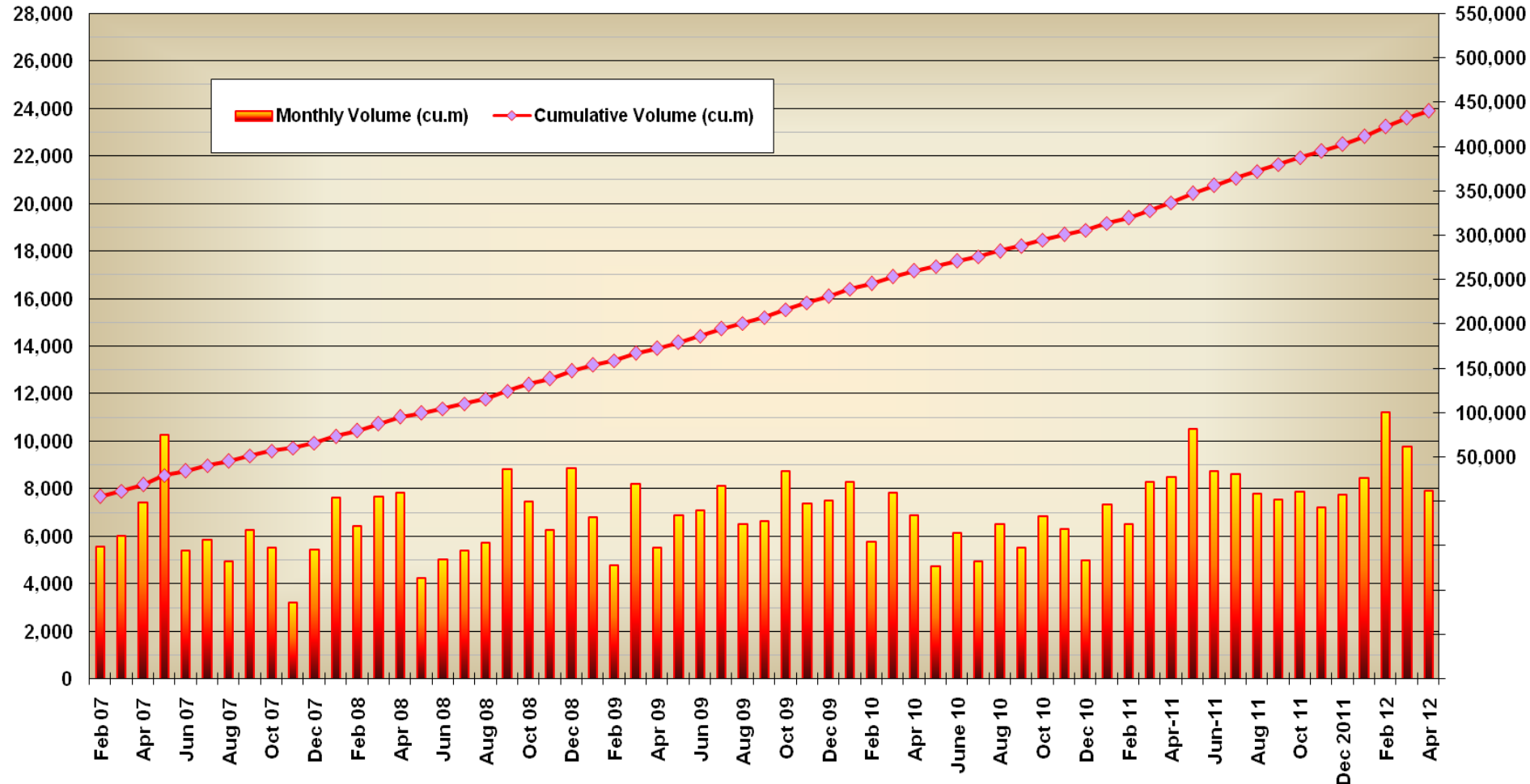




Export of Certified Timber Products under MTCS January 2006 – April 2012

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

RECOGNITION OF MTCS

❖ 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