



## FOREST MANAGEMENT CERTIFICATION REPORT

### SECTION A: PUBLIC SUMMARY

<b>Project Nr:</b>	<b>MY02275</b>		
<b>Client:</b>	<b>Selangor Forestry Department</b>		
<b>Web Page:</b>	<a href="http://www.selangor.gov.my/sel_forestry/">www.selangor.gov.my/sel_forestry/</a>		
<b>Address:</b>	Jabatan Perhutanan Negeri Selangor Tingkat 3, Podium Utara, Bangunan Sultan Salahudin Abdul Aziz Shah 40660 Shah Alam, Selangor		
<b>Country:</b>	Malaysia		
<b>Certificate Nr.</b>	SGS-MTCS/FM-0105	<b>Certificate Type:</b>	Malaysia Timber Certification Scheme
<b>Date of Issue</b>	1 September 2010	<b>Date of expiry:</b>	31 August 2013
<b>Forest Zone:</b>	Tropical		
<b>Total Certified Area</b>	230,187 ha		
<b>Scope:</b>	The audit is carried out against the Malaysian Criteria and Indicators for Forest Management Certification (MC&I 2002) standard.		
<b>Company Contact Person:</b>	Tuan Borhanudin bin Hj Arshad - State Forestry Director En Samsu Anuar Nawi – Assistant Director		
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<b>Evaluation Dates</b>	Stage 2 14 – 17 & 21 December 2009		

## PUBLIC SUMMARY

### 1. INTRODUCTION

SGS (Malaysia) Sdn Bhd was engaged by the Selangor Forestry Department to carry out an assessment on the Selangor FMU against the *MC&I* 2002 standard. As part of meeting the requirement for new institutional arrangement under the Malaysian Timber Certification Scheme (MTCS), the audit was divided into two stages: Stage 1 and Stage 2.

A Stage 1 audit, which primarily comprises of document review and sampling of implementation, was conducted from 13 – 16 September 2009, while the Stage 2 (main assessment) audit was conducted from 14 – 17 and 21 December 2009.

### 2. SUMMARY INFORMATION

#### 2.1 Background on Selangor FMU

The Selangor Forest Management Unit (FMU) has been issued with the MTCC *Certificate for Forest Management* since 2002 following adequate compliance to the Malaysian Criteria, Indicators, Activities and Standards of Performance (*MC&I*) for Forest Management Certification or in short *MC&I* (2001). Since certification, the FMU has been subjected to periodic monitoring through surveillance visits to ensure continued compliance to the standard. Selangor FMU MTCC Forest Management certificate has expired in October 2008.

In line with the MTCC phased approach on forest certification, a new forest management standard - *Malaysian Criteria and Indicators for Forest Management Certification (MC&I 2002)* has been developed and used for certification in 2006.

As at the end of December 2008, there are a total of 241,568.3 ha of Permanent Reserve Forest (PRF) which forms 30.5% of the total state area. The PRF area could be further divided into 142,021 ha (58.8%) dry inland forest, 81,458.5 (33.7%) peat swamp forests and the remaining 18,088.8 ha (7.5%) are mangrove forests.

Although the majority of the PRF is dry inland forests, there are peat swamps forests which are of national importance in Northern Selangor in its role of carbon storage and ground water hydrology adjacent to areas critical for rice production. Mangroves forests which are of national importance also; especially for fisheries production, are located almost entirely along the coastal areas and the Klang Islands (P.Tengah, P.Ketam, and P.Lumut).

The figures for the dry inland forest within the Permanent Reserve Forest (PRF) tabulated above, includes 11,381ha of forest plantation which is planted mainly with *Acacia mangium*. A total of 9,543 ha of the plantation area have been leased to the Perbadanan Kemajuan Pertanian Selangor (PKPS) [Selangor Agricultural Development Corporation] for harvesting and re-planting and the remaining 1,838 ha continues to be under the management by the Selangor FD.

About 104,000 ha of the PRF in Selangor have been gazetted as 'Heritage Park' (Taman Negeri) under the new State Park Corporation Enactment, 2004 (Enakmen Perbadanan Taman Negeri 2004). The areas involved are located on or close to the Main Range. With the gazette of the "Heritage Park", it brought about a huge percentage of production forest being made unavailable for harvesting resulting in many licenses that were earlier issued being either suspended or revoked.

The forest resources in Selangor FMU are as illustrated in Map 1 below. Breakdown of the PRF area in accordance with Section 10 of the National Forestry Act is as follows:

**Table 1: Selangor PRF Categories According To the National Forestry Act.**

Categories	Area (ha)	%
Timber production forest	72,545.97	30.02
Soil protection forest	27,916.89	11.55
Water catchment	46,238.65	19.14
Forest for wildlife sanctuary	20,835.74	8.62
Virgin jungle reserve	2,415.79	0.88
Amenity forest	14,600.83	6.04
Education forest	1,434	0.59
Research forest	8,642.55	3.57
Federal Purposes	817.00	0.33
State Parks	45,135.98	18.68
Total	241,568.38	100

Based on the fact that Selangor is the most developed state in Malaysia, most of its available land has been developed. The remaining forest areas are mainly located in sensitive areas which are important for water supply and ecosystem conservation. The forest is also becoming an important place of recreation and urban forestry purposes for city dwellers.

Administratively, the FMU has been divided into three districts: Hulu Selangor, Central Selangor and Pantai Kelang. Each District is managed by a District Forest Officer (DFO) assisted by an Assistant District Forest Officer (ADFO) and the Forest Rangers. The DFOs has to report to the State Forestry Director.

In year 2006, a total of 37,729 m<sup>3</sup> of logs have been produced from harvest of PRF in Selangor. While most of its peat swamp forest in HS Raja Musa and HS Sungai Karang are classified as production forest, however yield from this type of forest in Selangor is very limited due to its poor stocking. Only some portions of the dry inland forest (e.g. HS Bkt Lagong and HS Serendah) remain productive and no harvesting of mangroves is currently being carried out.

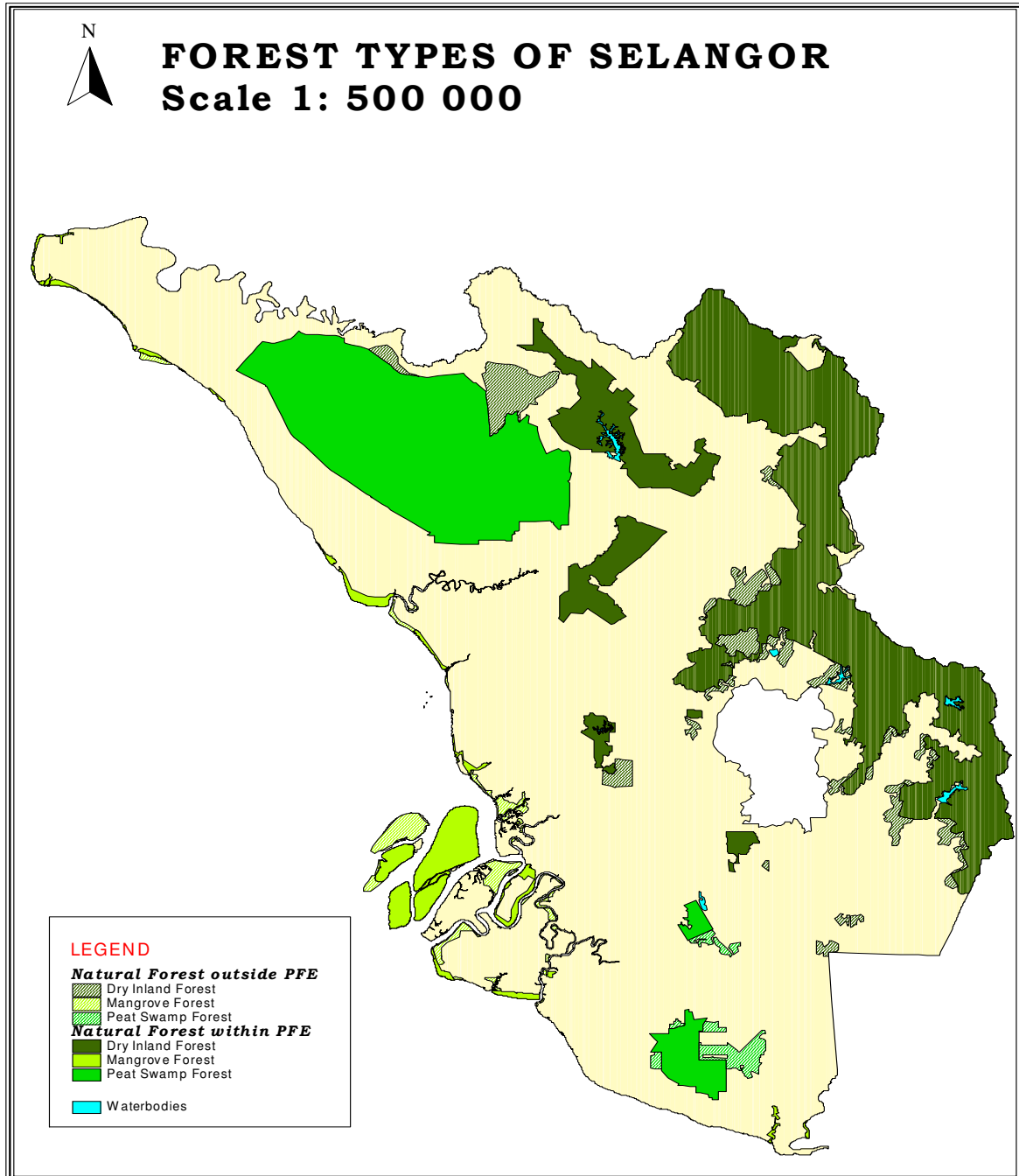
Administratively, the FMU has been divided into three forest districts; Pantai Kelang, Selangor Tengah and Hulu Selangor. In total, there are nine Forest Ranger's offices located throughout the Selangor FMU.

The forest areas under each district are as follows:

**Table 2: Districts of Selangor FMU**

Forest District	Total District Area ( ha)	Permanent Reserved Forest		
		Production	Protection	Total
Pantai Klang	76,140.66	34,063.69	42,076.97	76,140.66
Selangor Tengah	54,924.32	937.62	53,986.69	54,924.31
Hulu Selangor	110,503.30	37,544.66	72,958.67	110,503.33
TOTAL PRF	241,568.28	72,545.97	169,022.33	241,568.28

Map 1: Forest resources in Selangor FMU



## 2.2 Forest Management System

Traditionally, the Production Forests of the PRF in Selangor FMU were managed under two management systems; namely the Malayan Uniform System (MUS) and the Selective Management System (SMS). Under the MUS, the cutting cycle is set at 55 years, while under the SMS the forest is managed based on a 30 year cutting cycle. Currently all forests in the Selangor FMU are managed under the SMS, with a pre-felling forest inventory conducted to determine the optimum diameter cutting limit for a specific license area.

## 2.3 Annual Allowable Cut (Annual Harvest)

The Annual Allowable Cuts (AACs) for the various FMUs in Peninsular Malaysia are based on area control and are determined and approved by the National Forestry Council (NFC). The AAC for the Selangor FMU under the 9<sup>th</sup> Malaysia Plan (2006 – 2010) is set at 1,970 ha. However, due to latest development, where the area of the productive forest have been significantly reduced, the mid term review has recalculated the AAC for the dry inland forest to 228 ha while those for peat swamp and mangrove are 430 ha and 55 ha, respectively, prescribing the AAC for Selangor FMU for the period 2008 – 2010 at 713 ha.

## 3. STAGE 2 AUDIT PROCESS

### 3.1 Audit Dates

Stage 1: 13 – 16 September 2009

Stage 2: 14 –17 and 21 December 2009

### 3.2 Audit Team

Stage 1: Salahuddin Yaacob (Audit Team Leader)  
Abdullah Din (Auditor)  
Lawrence Ng (Auditor)

Stage 2: Salahuddin Yaacob (Audit Team Leader)  
Abdul Haye Semail (Auditor)  
Abdullah Din (Auditor)  
Lawrence Ng (Auditor)  
Dr Savinder Kaur (Social Specialist)

Peer Reviewers:

Dr Shamsudin Ismail  
Dato' Dr Salleh Mohd Noor

### 3.3 Audit Scope

The scope of assessment is limited to the forest management practices within the 241,568 ha of PRF of the Selangor FMU against the requirements of the *MC&I (2002)* with special reference to the Verifiers of Peninsular Malaysia.

For the purpose of *MC&I (2002)* audit, only the Permanent Forest Reserve (PRF) within the Selangor FMU is considered and assessed. Although still under the jurisdiction of the Selangor FMU Manager, operations within the following forest types are excluded:

The Scope of the audit under MTCS Stage 1 and Stage 2 are limited to PRF areas only which excludes Stateland Forests, Alienated Land Forests, Wildlife Reserves and Plantation Forests (11,381 ha).

- 
- Forest Management Operation within 230,956 ha of natural tropical PRF area in Selangor State FMU against *MC&I (2002)* requirement
  - Exclude 9,509 ha timber plantation in HS Rantau Panjang and HS Bukit Tarek
  - Exclude 200 ha of PRF in HS Sg Jeloh & 884 ha in HS Bkt Belata converted to TLC
  - Exclude 903 ha area designated for quarry operation

The five-member assessment team consisted of a Lead auditor and two auditors including a technical specialist (social) with experience on social aspects.

### 3.4 Audit Assessment Approach and Plan

The adequacy of most documents pertaining to the FMU management, policies, management plans, systems, procedures instructions, controls and records were evaluated during the Stage 1 audit. As such, document review during the Stage 2 audit focused on progress that has been made in addressing non compliances or gaps observed during Stage 1. The audit team also reviewed documents pertaining to the current activities both at headquarters as well as at the district office level.

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

Five audit team members, including a social expert, were involved in the audit and spent five days on site visiting active areas within the whole FMU. The 10 year forest management plan and the Macro EIA that formed the central planning document were reviewed together with other documents and records. Records of harvest, environmental, wildlife and social issues monitoring were also examined and used in making decisions on areas to be visited or sampled. A focus on active areas where harvesting and silviculture works were on-going and local communities in and around the FMU site provided the majority of sites visited.

The areas visited on each day are provided below.

Date	Activities	Notes
Day 1 14/12/09	Opening Meeting Selangor FMU Head Office Introduction Of Audit team Briefing on Stage 2 Audit Briefing By Selangor FD focusing on Issues highlighted in Stage 1 Field Scheduling Document Review focusing on Statistical information of the FMU Management system / administration Forest management plans and its associated documentation Compliance to legal requirement Environmental and social impact assessment Monitoring reports and records Identification of local communities and HCVF areas Internal audit and management review	
Day 2 15/12/09	Field visit to: Compt 14,15 & 16 HS Kanching Kanching Recreational Forest (TSSB) Compt 5A, HS Bukit Lagong Compt 17,18 & 5 HS Lagong Compt 70,90 & 100 HS Raja Musa	Post F inventory Post felling activities Forest rehabilitation
Day 3 16/12/0	Field Visits to : Sg. Tua recreation forest HS Sungai Jeloh Meeting with DOSH & JHEOA Tourism Selangor Sdn Bhd (TSSB) HS Ayer Hitam Compt 18, HS Bukit Gading	Closing report
Day 4 17/12/09	Field Visits to Forest District Pantai Klang focusing on where operation is going to verify compliances to RMH, erosion control, environmental conservation. Interviews and discussion with stakeholders such as local communities and agencies. Orang Asli settlement Mahmeri Pulau Carey. Orang Asli settlement Busut Baru & P. Kempas Compt 54 & 55, HS Kuala Langat Selatan HS Banjar Utara /TK Banjar Selatan	Stakeholder interviews       Encroached area
Day 5 21/12/09	Final Documentation Check and Auditors' Review	JPNS Shah Alam
	Closing Meeting.	JPNS Shah Alam

#### 4. EVALUATION RESULTS

Tabulated below are findings made on the evaluation of compliance against each Indicator of the MC&I (2002). It is important to reiterate that the findings are based on the Verifiers of the Indicator, guided by the Means of Assessing Compliance.

Each of the main principles is summarized for strengths, weaknesses and compliance to the standard. Strengths are in addition to what is required from the standard and weaknesses are referenced against Corrective Action Requests (CARs). Non compliance to the requirement of the indicator is raised as a CAR under the respective sections.

Overall the intent is to correlate between the requirements of the standard and the performance of the certified operation to satisfy the conditions.

##### 4.1

<b>PRINCIPLE 1: COMPLIANCE WITH LAW AND FSC PRINCIPLES</b>
<b><i>Criterion 1.1 Respect for national and local laws and administrative requirements</i></b>
<p>Relevant forestry legislations in Peninsular Malaysia have been compiled under a special publication series (in three volumes) produced by the Jabatan Perhutanan Semenanjung Malaysia (FDPM).</p> <p>The three volumes documents were available for inspection and review at the Selangor Forestry Department at the time of audit. The Department also has made effort to compile a list of <i>MC&amp;I</i> documents comprising books, research papers, documents and other related materials pertinent to <i>MC&amp;I (2002)</i>. This has facilitated document review by the auditors. Through such compilation, the Department can monitor any changes to the laws and relevant latest developments.</p> <p>Discussion with the Senior Officers and District Forest Officers in Selangor FMU during the audit demonstrates that their knowledge and requirement under relevant legislations pertain to forest management in the State. The Department also cooperate with other authorities in enforcing the laws</p> <p>The Department maintain proper records of forestry offences in line with the procedures laid out in the National Forestry Act. A file is maintained compiling the chronology of each case. Records of fines and compounds made by offenders, as decided by the Director or the court were also maintained. In Selangor, there are a number of cases of land encroachment where the State Government is in the process of resolving them. The audit team has visited areas in HS Raja Musa which have been encroached by the community and is now being rehabilitated by the authority.</p>
<b><i>Criterion 1.2 Payment of legally prescribed fees, royalties, taxes and other charges</i></b>
<p>Selangor FD as the manager of the FMU regulates and implements the forestry rules. The Department do not have to pay any fees but instead, collect the following fees:</p> <ul style="list-style-type: none"> <li>▪ Premium – based on area (hectare) and volume of logs produced</li> <li>▪ Royalty – based on species and volume</li> <li>▪ Cess – based on volume</li> <li>▪ Deposit for license – based on area and type of license</li> <li>▪ Payment for license boundary preparation – based on area</li> <li>▪ Sub license – based on number of workers per license</li> <li>▪ Machinery – based on the type and quantity of the machinery used.</li> <li>▪ Fines</li> <li>▪ Royalty on non timber forest products harvested</li> </ul> <p>At the time of audit, relevant forms for collection are in order. Records of payment are maintained by District Forest office and submitted to Headquarters on monthly basis.</p> <p>Records of daily collection and summarised on monthly basis are compiled through 'Buku Tunai</p>

Cerakinan Harian Dan Bulanan'. Payment records are kept legibly and up to date in specific categorised files folders.

***Criterion 1.3 Respect for provisions of international agreements***

The forestry department has compiled all the relevant international agreements under a document 'International Forest-Related Processes and Agreements' dated 2005.

- Rio Declaration on Environment and Development
- The United Nations Framework Convention on Climate Change (UNFCCC)
- The Kyoto Protocol
- Convention on Biological Diversity (CBD)
- Cartagena Protocol on Biodiversity
- The RAMSAR Convention on Wetlands
- Convention on International Trade in Endangered Species of Fauna and Flora (CITES)
- United Nations Convention to Combat Desertification (UNCCD)
- International Tropical Timber Agreement (ITTA)
- IPF Proposals for Action

Copies of ILO documents are also available in a separate file.

***Criterion 1.4 Conflicts between laws and regulations, and the FSC P&C***

A meeting was convened (Laporan Mesyuarat Khas reported on June 15, 2009 ) to discuss the possible conflicts between the existing laws and regulation with FSC P&C. Issues of possible conflicts were identified and a decision was made that national law should prevail.

Some examples of possible conflict areas, which may need to be evaluated include:

- Conversion of PRF areas to tree plantation or non forested land
- Requirement for EIA (under the Environmental Act) only mandatory if areas involved more than 500 ha

Senior management of the Forestry Department are also willing to participate in any process to resolve possible conflicts. There is adequate documentation on conflict resolution with local communities (see 1.5.2 and 2.3.2 for more related information)

***Criterion 1.5 Protection of forests from illegal activities***

PRF is a restricted area where entry into the forests are only allowed through permits issued by the Forestry Department. No felling of trees, collection of forest produce etc are allowed without permission from the authority. Hunting is strictly prohibited.

Records of encroachment and illegal activities are in place. National Forestry Act provides legal provision for establishment and protection of PRF. Areas of PRF which have been encroached are identified and monitored. During Stage 2 evaluation audit; 2 FR areas (HS Kuala Langat Selatan (Sg Kelambu) and HS Raja Musa) that has encroachment issues were visited to gauge the control measures taken by the Selangor FMU manager.

There is ample documentation on efforts by the Selangor FD to control encroachment, illegal harvesting, hunting, settlement and other unauthorised activities within the PRF in Selangor. The documents clearly outline systematic procedures and resolution of encroachment from the forest ranger right up to the State Forestry Department. Documentation on the issues is available.

***Criterion 1.6 Demonstration of a long-term commitment to the FSC P&C***

The National Forestry Policy encompassing good forest management is publically available and shows a commitment towards sustainable forest management. This policy was produced at the National Forestry Council in 1992 and signed by the Deputy Prime Minister, being the Chairman of the Council.

In addition, the policy statement making a commitment to implement the *MC&I (2002)* in managing forest resources is aimed at sustainable development and is also available for public review.

The Selangor FD's forestry policies are published in both their Annual Report and official website (<http://forestry.Selangor.gov.my>). These policies are articulated in the form of a Mission & Vision statement, and the Department's main Objectives and Roles. The mission statement, for example, declares a commitment to long-term sustainable management of forest resources to optimize its contributions for the socio-economic development of the country.

By virtue of the fact that the FMU is being assessed to the *MC&I (2002)* that is based on the FSC P&C implies that the management is committed to adhere to the requirements of FSC P&C.

## **PRINCIPLE 2: TENURE AND USE RIGHTS AND RESPONSIBILITIES**

### ***Criterion 2.1 Demonstration of land tenure and forest use rights***

PRF is gazetted under the law and State Government has a clear right over the land and the resources

Tenure ship of the land demonstrated through gazettment of the area as PRF. Selangor FD maintain list of the PRF, no. warta (gazettment number), date of gazettment and size of area. The list that contain all Forest Reserves (FR) gazetted is available in soft and hard copies which renders long term tenure and use rights to the land and forest resources being defined, documented and legally established.

The FD also maintain list of areas being considered to be gazetted as PRF. It comprises 10 areas with total hectarage of 6,001 ha. Additionally, 14 existing FRs will be classified as State Parks.

Land claims are a non-issue in the PRFs as the PRFs are gazetted under the law and State Government has clear rights over the land and the resources.

### ***Criterion 2.2 Local communities' legal or customary tenure or use rights***

There was no issue of PRF land claims by local communities in Selangor. Under the law, the State government owns the forest land gazetted as PRF. The indigenous community do not own the forest but has legal rights enshrined in the Aborigines Peoples Act, 1954, where the communities are free to access the forest and collect minor forest products for own consumption.

Local communities of non-indigenous origin have no legal tenure rights. The Orang Asli have no legal tenure rights to the PRF but maintain use rights to forest resources as enshrined in the constitution (Protection of Wildlife Act 1972 (Act 76, Section 52); National Forestry Act 1984 (Section 15); Section 6(2) (iv) of the Aboriginal Peoples Act (1954, revised 197) and (National Parks Act (Act 226) 1980).

For non-indigenous local communities, there is a mechanism which allows for the removal of NTFP through the payment of royalties/cess to the Forestry Department through the District Forest Ranger's Offices. There are also examples of provisions for use rights within forest reserves for agricultural activities conducted in Selangor (which has since been reviewed).

### ***Criterion 2.3 Disputes over tenure claims and use rights***

The following official/established mechanisms are available to resolve disputes over the tenure and use rights at the state or the district levels, where officials from the Forestry Department are invited to participate in the various committees set up to discuss these issues:

- a) Jawatankuasa Kemajuan dan Keselamatan Kampong (JKKK) [Village Security and

- Development Committee]
- b) Pejabat Penghulu Mukim via *ketua kampong* [Sub-District Office]
  - c) Jawatankuasa Tindakan Daerah [District Action Committee]
  - d) Jawatankuasa Tindakan Negeri [State Action Committee]
  - e) Majlis Tindakan Negeri [State Action Council]
  - f) Majlis Mesyuarat Kerajaan Negeri (MMK) [State Executive Council]
  - g) Badan Bertindak Orang Asli (BBOA)

The recently formed action committee “Badan Bertindak Orang Asli” (BBOA) set up by the State Government is the direct avenue which allows the indigenous people to bring forth any disputes for deliberations and settlement with the State Government. The BBOA consists of 16 members made up of all the State Representative Assembly (ADUN’s), Director of Land Office, Selangor FMU Manager, Center of Orang Asli Concerns, Selangor Bar Committee, and Director of JHEOA.

As for other communities, the various established councils and committees from a) to f) serves as the regular state channels for settlements of disputes.

Overall, there are no known disputes over tenureship of the PRF in Selangor FMU, either anecdotal or documented evidence. However, there is an ongoing issue pertaining to the use permits of approximately 1000 acres of land in the Kuala Langat Selatan Forest Reserve being used for vegetable farming. Please refer to 1.5.2 for more details.

There is a general consensus amongst the local communities interviewed during the audit process (i.e. Kg. Orang Asli Sg. Bumbun and the Persatuan Pekebun-Pekebun Sayur [Selangor Coast Vegetable Farmers’ Association] Kawasan Pantai Selangor ) that forest rangers are an important link between the local communities and the Forestry Department as they come in casual contact from time to time and exchange information pertaining to the PRFs.

It was observed that there was inconsistent proactive implementation and documentation of this dispute resolution process (JKKK etc) across the FMU as there is a lack of active consultations initiated by the FD.

### **PRINCIPLE 3: INDIGENOUS PEOPLES’ RIGHTS**

#### ***Criterion 3.1 Indigenous peoples’ control of forest management***

In general, Orang Asli areas or settlements in Selangor are located on the fringes of the PRF, not within the PRF itself. While Malaysia does not curtail the usufructuary rights of the Orang Asli in accessing the forests and national parks, the laws do not provide them with the rights to manage forests which are part of their traditional territories. Therefore, management of land within the PRF is not applicable in the context of Peninsular Malaysia.

The general mechanism in-place for resolving grievances is similar to that in **2.3.2**. Documents which demonstrate the implementation of the grievance/conflict resolution mechanisms were observed during the audit.

#### ***Criterion 3.2 Maintenance of indigenous peoples’ resources or tenure rights***

The status of customary rights of indigenous peoples within the State of Selangor is adequately described in the Environmental Impact Assessment report prepared by the Forestry Department.

Even though the Orang Asli does not have the rights to manage the forests in accordance with national laws, their rights to harvest non-timber forest products for subsistence purposes are upheld by the Selangor Forestry Department. Harvesting of NTFP for commercial purposes is subject to approval from the Selangor Forestry Department and payment of royalty/cess for the NTFP collected.

The nature of rights and protection mechanism are summarized as follows:

<b>Nature of rights</b>	<b>Protection mechanism</b>
Granting of Rizab Orang Asli	JHEOA
Granting of dusun saka land titles	JHEOA, State Of Selangor.
Subsistence through collection of petai, duku and rotan.	District Forest Office, JHEOA
Any issues affecting livelihood	JHEOA, State Of Selangor
<p>In a recent positive development of maintenance of indigenous peoples' resources or tenure rights; the Selangor State authority has created "Badan Bertindak Tanah Orang Asli Negeri Selangor" (BBTOAS) as a State legislative mechanism to deal almost exclusively on Orang Asli issues. The Selangor FMU Manager sits on this Committee.</p>	
<p><b>Criterion 3.3 Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples</b></p>	
<p>Location of Orang Asli settlements are also identified and mapped. There is documented evidence that the Selangor Forestry Department has taken the necessary steps to identify and mapped the locations of important cultural, ecological, economic or religious sites to the Orang Asli by corresponding and collaborating with the Department of Orang Asli Affairs (JHEOA).</p> <p>Even though there is evidence of correspondence with JHEOA to request information of special sites for the Orang Asli, the audit team observed that there are no procedures available at either the state or district levels for the assessment and identification of such sites (Refer to 9.1.1 and 4.4.1), which is demonstrated through the sole reliance on JHEOA to provide such information.</p>	
<p><b>Criterion 3.4 Compensation of indigenous peoples for the application of their traditional knowledge</b></p>	
<p>There was no application of traditional knowledge in managing Selangor FMU. In letter dated 4<sup>th</sup> August 2009 with reference; Ruj. Kami: Bil (2) dlm. PHN.SEL.01/110. Point (e) in this FD letter requests for "Senarai Penerbitan buku/penerbitan lain berkaitan masyarakat orang asli (sertakan jika ada salinannya)" to Jabatan Hal Ehwal Orang Asli (JHEOA).</p> <p>The reply that came back from JHEOA dated 21 August 2009 Ruj. Kami BE 1 001 (28) says "Tiada Stok" i.e. no publication was made by or on behalf of indigenous people in Selangor.</p> <p>Investigation by the Selangor FD also did not found any traditional knowledge being applied, compensation demanded, or compensation given pertaining to forest management.</p> <p>There is no evidence of commercial utilisation of traditional forest-related knowledge and practices of Orang Asli by the Selangor FMU. However, currently, there are no mechanisms in place for compensation of commercial utilisation of traditional knowledge of the Orang Asli, should there be any attempt to utilise their knowledge in the future (<b>Minor CAR-001</b>).</p>	
<p><b>PRINCIPLE 4: COMMUNITY RELATIONS AND WORKERS RIGHTS</b></p>	
<p><b>Criterion 4.1 Employment, training, and other services for local communities</b></p>	
<p>As forest managers, the Selangor Forestry Department in general does not provide infrastructure, facilities or social programmes to the local communities as this was provided by the State government. The Department does provide contributions, as and when the need arises or when a request is submitted to the Department.</p> <p>There are adequate records of social programmes and training organised for FD staff and forest workers and local community. Documentation observed are mostly concerning the department's involvement in the National Service Programme and forest rehabilitation programmes organized with various government, non-government organizations, schoolchildren and local communities.</p> <p>As reported by Selangor FD, there are 30 sawmills, 4 plywood/veneer mills and 23 wood working mills in Selangor employing about 7,107 people including 186 people in logging industry.</p> <p>Those who are in the logging industry are mainly the Forestry Dept staff since there are no</p>	

harvesting is on going at the time of audit. About 100 people are engaged by the Selangor Tourism for managing the recreational forests. 100% of the people employed in these two categories are local, including Orang Asli, while the majority of those in the wood industries are foreign labourers.

***Criterion 4.2 Compliance with health and safety regulations***

Copies of the relevant laws and regulations on health and safety are available at the Selangor Forestry Department Headquarters. Briefings on health and safety of forest operation were given to the workers prior to the commencement of forestry operation.

Cooperation with Department of Safety and Health (DOSH) on health and safety aspects of forest workers is evident. The Forestry Department also has documented the Safety & Health policy, but the statement is not adequately dated.

Safety and health committee meeting is formed. But the meeting was not conducted as required by OSHA, 1994. **(Observation-01)**. There was documented evidence of only one meeting on 20 August 2009 for the entire year 2009. The OSHA (1994) requirement is for meetings to be conducted on a quarterly basis, i.e. at least 4 times per year

Health and safety records of forest workers not available across the FMU but as it is now this may not be applicable in the state of Selangor because of inactive logging operations. In general it was observed that there was inadequate record keeping of all cases of accident, dangerous occurrence and occupational diseases. Also, there was no evidence of yearly accident records submitted to DOSH in line with OSHA (1994) **(Minor CAR-02)**. Records were not kept for 5 years

Visit to a number of locations during the Stage 2 audit shows inadequate signages on health and safety within the existing forestry operation area. **(Observation-02)**.

***Criterion 4.3 Workers' rights to organise and negotiate with employers***

The Forest Department employees are allowed to be members of a union of their own choice such as CUEPACS, the union responsible for collective bargaining. With regard to workers employed by the Contractors operating within the PRF, The Forestry Department posed no restriction on workers to organise themselves for negotiation with employers.

The discussion with forestry workers showed it was evident that workers are free to negotiate with the employers on their terms and condition of the contract on an individual manner, but not in a collective or organized manner. It is entirely up to the employer to accept or reject the demand made by the workers and the workers have the right to leave whenever the conditions do not meet their demand.

Discussion with forest workers during the field visits showed that workers are able to discuss and resolve their grievances with the supervisors. Departmental Joint Council meeting is held quarterly.

***Criterion 4.4 Social impact evaluations and consultation***

There is an attempt to utilise the standard social impact assessment forms prepared by the Jabatan Perhutanan Semenanjung Malaysia. However there was no macro Social Impact Assessment has been conducted covering the whole FMU **(Minor CAR-03)**.

There are records of meetings, social impact evaluations and/or consultations with communities that are directly affected by the forest harvesting operations, held before the commencement of these operations are available, although its application is inconsistent across the FMU.

It was observed that there is a lack of active consultations initiated by the Forestry Department and there was a lack of written records of proactive consultation with communities and relevant agencies.

**Criterion 4.5 Resolution of grievances and settlement of compensation claims**

The standard mechanism for resolving disputes caused by forest operations, if any, is through the processes described under Criteria 2.3. Legal channels will be taken if disputes cannot be resolved with these processes.

Monthly meetings of Jawatankuasa Tindakan/ Pembangunan Daerah chaired by the District Officer with the compulsory presence of Assistant District Forest Officer and local elected state representative. Example of issue was the permission granted for logs transportation during night time.

There were no records of arbitration as none took place in Selangor. Standard mechanism for resolving dispute is normally done through the JKKK system as described under Indicator 2.3.2. Legal means will be the only option if the matters could not be resolved within such a forum.

**PRINCIPLE 5: BENEFITS FROM THE FOREST****Criterion 5.1 Economic viability taking full environmental, social, and operational costs into account**

Environmental, social, and operational costs are all considered and taken into account in 5-year Development Plan Budget and Rancangan Malaysia Ke-9 – Jabatan Perhutanan Negeri Selangor. Allocations are made in the budget for forestry programmes and silvicultural activities. The Forestry Department also provides seedlings for enrichment and open space planting after harvest. Mechanisms are in place within Forestry Department to monitor and ensure that contractors comply with these requirements.

Included into the budget are allocations for conducting post felling inventory and carrying out silviculture treatment after harvest. To facilitate the enrichment planting, Selangor Forestry Department also managed and operates a nursery located in Sg Buloh, targeting mainly for urban forestry providing seedlings for planting by various agencies.

Selangor Forestry Department also carried out replanting in degraded mangrove areas and those areas that have been encroached.

The management of this urban recreational forest falls under the newly established Jabatan Unit Taman Negeri (forestry development in tandem with urbanization) manned by Pegawai Unit Taman Negeri who is based at the recreational forest full time.

Facilities provided are rapids rafting, camping sites and gateway to the Main Range. Heavy urban usage especially during the weekends up to 1,600 people visitation per day. There are seven full officers on duty at entry gates P1, P2, and P3. With such heavy recreational usage; there is no assessment on impacts of forest recreational activities on ecological integrity of the forest carrying capacity (**Observation -04**).

**Criterion 5.2 Optimal use and local processing of forest products**

Forest management practices within the Selangor FMU emphasize on harvesting of commercial timber use for downstream processing and production of sawn timber and charcoal (in the case of mangrove logs). Non-Timber products include rattan, bamboo, honey, oils from trees, roofing materials as well as fishery products.

Processing facilities include high quality charcoal factories, and traditional home based non-timber products cottage industries providing local employment.

**Criterion 5.3 Waste minimisation and avoidance of damage to forest resources**

The guidelines available for minimising damage to the residual stand during harvesting as well as minimising impacts to the environment are contained in the following documents:

- Forestry Manual, Peninsular Malaysia, 1953 (revised 1995)
- Forest Road Specification (Feeder Road and Skid Trails) for Peninsular Malaysia, 1999
- Guidelines for Reduced Impact Logging (RIL) in Peninsular Malaysia, 2003

At the time of audit, there was no harvesting activities is ongoing to allow evaluation on the implementation of the abovementioned guidelines.

Selangor FD emphasized on urban forestry and forest recreation not focusing on timber production. As a matter of fact in the entire Selangor FMU there is only one timber license issued but has not started work at all since the past 2 months. Currently there is no harvesting within PRF in Selangor. Hence, the issue of strategy to maximize utilization and minimizing waste in is not prominent in the Selangor FMU.

#### ***Criterion 5.4 Forest management and the local economy***

The Selective Management System (SMS) being implemented does not focus on a single or group of species, but harvesting of all species above the allowable cutting limits. This is based on the fact that the different species cater for different product and different export market destinations.

The logs produced are processed locally either in Selangor or other states in Peninsular Malaysia. Export of raw logs is banned from Peninsular Malaysia as part of effort to encourage downstream processing value-added industry.

#### ***Criterion 5.5 Maintenance of the value of forest services and resources***

Procedures for identifying and demarcate sensitive areas for the protection of soil and water are in place. PRF areas are classified into 12 classes. More than 50% of the Selangor FMU is under conservation status. The sensitive areas were well demarcated on the map and on the ground and protected during harvesting. At the time of audit, there were no active harvesting licenses in Selangor, as such; it was not possible to evaluate the implementation of the guidelines.

#### ***Criterion 5.6 Harvest levels***

According to the selective management system (SMS), the sustainability of forest management operation is based on the following three elements:

- Annual Allowable Cut (AAC)  
Annual Coupe = Net Harvestable Production Area divided by the Cutting Cycle Length (ha/yr)  
Annual coupe for the Johor FMU for the period of 2006 – 2010 was set at 2.250 ha.
- Annual volume removed be less than or equal to Mean Commercial Annual Increment (m<sup>3</sup>/ha/yr) for regulated forests is set at 61 m<sup>3</sup>/ha
- Availability of at least 32 residual trees above 30 cm dbh per hectare after harvest

Based on the review of management plan taking into consideration that 69 % of the PRF is set aside for conservation purpose including for water catchment (46,238 ha), the AAC for Selangor FMU has been revised to only 713 ha (dryland and peat swamp forest) from the earlier coupe of 1,970 ha. AAC for mangrove forest is set at 500 ha (for 15 year rotation) or 300 ha (25 year rotation).

Currently, however, there was no harvesting within PRF in Selangor, either in dry land, peat swamp or mangrove. In 2008, 5 licenses have been issued in PRF, involving a total of 1015.05 ha of forest. However, at the time of audit, there was only one active license in Compt. 18 Hutan Simpan Bukit Belata, but the license is yet to start operation.

**PRINCIPLE 6: ENVIRONMENTAL IMPACT*****Criterion 6.1 Environmental impacts evaluation***

Under the Environmental Quality Act, 1974, environmental impact assessment is only required to be conducted if forestry activity is conducted in a forest having size larger than 500 ha. To date, licensed areas issued for harvesting within the PRF have always been below 500 ha.

To date, no Environmental Impact Assessment (EIA) has been conducted for Selangor FMU (Minor CAR-04). Selangor Forestry Dept is in the process of carrying out a macro EIA at FMU level. The Department is at the final stage of obtaining approval on the budget for the EIA project. The FMP mid term review contain a brief section on EIA.

In Selangor, due to sensitivity of the resource within the State, the Department, on case-by-case basis, has requested a micro level EIA (at license level) be carried out. One such report has been produced for harvest in Compt 5, HS Lagong. The same requirement now is applicable to at least at one more license (Compt 4 and part of Compt 19, HS Bukit Lagong). According to the conditions stipulated in the license, no harvesting permit will be issued until approval for the EIA is given by the Department of Environment.

Rare, threatened and endangered (RTE) species found in Selangor are identified in a number of documents. Guidelines for protecting such species are described. There are evidences of collaboration with relevant agencies in the protection and conservation of the species. Forestry Department carried out patrolling to prevent illegal encroachment and access to PRF. As described earlier, 69 % of the whole FMU is categorised as Heritage Park, which is protected and all resources within such areas are conserved.

***Criterion 6.2 Protection of rare, threatened and endangered species***

Species of fauna and flora could be found in mangrove forest in Selangor is listed in the FMP. Thirty-two (32) tree species listed as protected in Selangor state and the harvesting license issued contain the list. List of protected fauna is available under Akta Perlindungan Hidupan Liar No. 76, 1972.

As described in many sections of this report, about 70 % of the total FMU is set aside for conservation purposes under various categories of the National Forestry Act, 1984.

Selangor Forestry Dept collaborates with various agencies in implementing conservation and management activities. There are also evidences that the Department engaged with NGOs in creating awareness as well as implementing specific conservation programmes involving public.

However, as pointed in the earlier sections, there was an inadequate communication between agencies on small scale forestry operation / projects (**Observation – 05**). Interviews with other government agencies made during the audit shows poor two way communication with Forestry Dept.

Hunting is not allowed within the PRF areas. Observed that RTE species posters are posted at the logging camp. There was no evidence of hunting activities observed during the stage 2 visits to any of the areas. Forest workers were informed of the 'no hunting' policy and some contractors instituted fines if the workers involved in such activities. Subsistence hunting by Orang Asli is allowed and not prohibited.

Observed during the audit that there was insufficient signages and public notification along PRF boundary to prevent illegal entrance and hunting (**Observation- 06**)

***Criterion 6.3 Maintenance of ecological functions and values***

Pre-Felling and Post-Felling inventories carried out accordingly. In 2008, four post F inventories were done involving 603.00 ha. The areas scheduled for Post-F in 2008 were harvested / licensed in 2004.

Apart from legal provisions for the establishment of protected areas (e.g. Wildlife Act, National Park Act, etc), the main conservation guidelines available include:

- Establishment of VJRs (ecosystem-level and genetic diversity);
- Marking of mother trees (species-level for selected species);
- Marking of protected species (keystone and food for animals);
- Establishing cutting limits for tree species (species-level for selected species).

Under the SMS only matured trees above the diameter cutting are selected and marked for felling based on the tree marking guidelines. This form of selective cutting in the harvesting of PRF will ensure the maintenance of a contiguous vegetative feature of the forest. Most of the forest reserves in the Selangor FMU comprise of large contiguous forested area that by itself supports viable population of variety of species including large mammals. The Heritage Park, which is located in the forest along the main range form a large contiguous natural forest that could support viable population of wildlife, particularly the threatened large mammals such as elephant, Sumatran rhinoceros, tiger etc.

In the licensed areas, buffer zones are created along streams and rivers, which also function as wildlife corridor within the harvested area. During harvest, about 10 % - 15 % disturbances occurred leaving most of the areas in its natural state. Species may temporarily disturb but will return to the same area when the activities completed.

#### ***Criterion 6.4 Protection of representative samples of existing ecosystems***

About 70% of the whole FMU is now classified under various categories of conservation and protection forest including 91,144 ha of gazetted 'Heritage Park'.

Representative sample of the undisturbed natural forest could be found in the VJR areas and other protection forest such as water catchment forests etc. The location of each site is shown on the FMU and District level map and the area is demarcated on the ground. Areas above 1,000 m a.s.l. and steep slope which were set aside for protection also contain sample of the undisturbed forest.

Based on the National Forestry Act 1984, the VJR areas are protected and no one is allowed to enter unless permitted by the Forestry Department. Only periodic inventories are being carried out to evaluate forest succession and diversity of selected species in the protected areas especially in the VJR.

No harvesting licenses will be issued for areas that have been set aside as protection forest.

#### ***Criterion 6.5 Protection against damage to soils, residual forest and water resources during operations***

The key mitigation measures relating to soil erosion control and compaction are as follows:

- Prescription for feeder roads (density per ha, width, gradient, cambering, side and cross drains);
- Prescription for skid trails (density per ha, width, gradient, water bars);
- Prescription for log landing areas (density).

Similarly, requirement for setting aside areas as buffer zones as provided for in the Forestry Manual are relevant.

At the timer of audit, there was no harvesting operation was ongoing, as such, evaluation on the effectiveness of the implementation of the procedures are not possible.

**Criterion 6.6 Chemical pest management**

While it is known that natural forest management uses very limited chemicals, however, chemicals are still being used in the nursery where seedlings are prepared for enrichment planting.

The Department also maintains records of briefing conducted for its staffs related to handling of chemical and pesticide. This topic also has been included under one of the subject Safety and Health worker for both courses "Kursus Sijil Perhutanan Renjer Hutan dan Pengawas Hutan". Only approved chemicals are used in the nursery.

**Criterion 6.7 Use and disposal of chemicals, containers, liquid and solid non-organic wastes**

The policy entitled "Dasar Kitar Semula Jabatan Perhutanan Selangor" is available. Containers, including liquid and solid non-organic wastes, were collected and disposed off-site.

**Criterion 6.8 Use of biological control agents and genetically modified organisms**

No evidence of use of GMO and biological control agents within Selangor FMU.

**Criterion 6.9 The use of exotic species**

*Acacia mangium* are planted in areas designated for industrial plantation within Selangor FMU as part of the Compensatory Forestry Programme initiated by HQ Forestry Department (JPSM) level. Provenance trials carried out by JPSM are continually monitored by JPSM.

The planting of *Acacia mangium* and other exotic tree species has been carried out in a control manner and confined to designated areas for conversion to commercial tree plantation. In other areas of the PRF, no planting of exotic tree species has occurred or permitted. Replanting in PRF areas is using local native species.

**Criterion 6.10 Forest conversion to plantations or non-forest land uses**

As described under Indicator 6.9.1, the forest plantations were established under a CFPP project in 1980s which has its own objectives. At the time of audit, there are a total of 11,381 ha of forest plantation in Selangor FMU of which 9,924 ha has been leased to PKPS under a 60-year lease agreement from 2001. The area which was originally planted with *Acacia mangium*, *Pinus caribaea* and rubber is now being felled and to be planted with *sentang*, teak and rubber. The balance of 1,696 ha is under direct management of Selangor FD, which were planted with *sentang*, mahogany, rubber, *Acacia mangium*.

Executive Committee meeting (MMK) has made decision for conversion of the following areas to rubber plantation (TLC):

- 200 ha – HS Jeloh
- 884 ha – HS Bukit Belata

Also, a total of 7.6 ha in HS Kanching are being cleared for a highway construction. The land is under process for de-gazettement but the area is being replaced with an alienated land.

These new areas converted to plantation forms 0.4 % of the whole FMU. Decision for conversion was made in 2006. No SEIA and cost benefit analysis was conducted.

MTCC has convened a stakeholder meeting held on 16 Sept 2009 to discuss the issue and came up with decision that such area be excluded from the scope of this certification.

On the other hand, some areas that were recently de-gazetted from PRF are now being planned to be re-gazetted into FR. Examples is:

- 323 ha of forest in Kota Damansara

Director General of Forestry has issued a directive to all State FDs to distinguish all license issued for conversion of PRF with 'P' so that the logs produced does not contaminate with MTCC CoC materials. The directive is effective beginning 1 Jan 2010.

## **PRINCIPLE 7: MANAGEMENT PLAN**

### ***Criterion 7.1 Management plan requirements***

Management Plans of Selangor FMU consists of the following:

- Rancangan Pengurusan Hutan Negeri Selangor 2001 – 2010
- Sustainable Forest Management Plan for North and South Kuala Langat Forest Reserve (Selangor) 2006 -2010: Phase 1 – Developing Management Objective and Strategies (March 2008)
- Integrated Management Plan for the North Selangor Peat Swamp Forest (2001 – 2010)
- Rancangan Pengurusan Hutan Paya Laut Negeri Selangor (2006 - 2015)
- Deraf Rancangan Pengurusan Hutan PKPS Ladang Hutan

Whereby management objectives are well described in each of these documents.

### ***Criterion 7.2 Management plan revision***

The 10-Year Forest Management Plan has been reviewed in 2008. The reviews identify areas of strengths and weaknesses in the formulation and implementation of the FMP as well as opportunities for the Department to focus on the remaining years of the plan period.

A new FMP will be produced to cover period of 2011 – 2021. The Department is planning for the process.

### ***Criterion 7.3 Training and supervision of forest workers***

Two main facilities available nation wide for forestry training are:

- Unit Latihan Perhutanan (ULP) Kepong, Kuala Lumpur
- Pusat Latihan Perhutanan (PLP), Kuala Berang, Terengganu

The trainings were also conducted on various sites within the Selangor FMU, especially at the nursery centre in Sg Buloh.

Trainings are consistently being carried out according to the ISO standard system. Training records are adequately maintained. Selangor Forestry Department has the necessary facilities and resources for conducting training.

There are evidences that the Selangor FD staff have been adequately trained to carry out their respective roles and duties pertaining to the FMP. Evaluation on the contractor's workers is not possible since there was no harvesting operation on going at the time of audit.

### ***Criterion 7.4 Public availability of the management plan elements***

Summary of FMP available on the web but does not include sufficient details including monitoring elements (**Minor CAR – 05**) (see also findings under 8.4.1)

## **PRINCIPLE 8: MONITORING AND EVALUATION**

### ***Criterion 8.1 Frequency, intensity and consistency of monitoring***

Assessment showed that monitoring forms used included forms A (Infrastructure), B (Forest Harvesting), C (Environment and Protection) and D (Timber Output) in the monthly report for areas being harvested. Records showed that reports on the social and economic impacts of forest harvesting activities were prepared by the forest rangers in the districts. A special questionnaire was also prepared to meet the need for social impact assessment.

Assessment on compliance to this Indicator is limited to the adequacy in the implementation of Form A, B, C and D during monitoring of forest harvesting operation. While the physical, environmental and productivity of the harvesting operation is reflected in Form A, B, C and D, there were also evidence of conduct and monitoring of the social impacts of forest harvesting and forestry operations through Social Survey Form. There were no areas being actively harvested during the audit.

### ***Criterion 8.2 Research and data collection for monitoring***

Yield of forest products produced are monitored through each licenses issued. Total volume of logs produced from harvesting in PRF areas in Selangor. Growth plots are established within Selangor FMU for the purpose of monitoring tree growth. These plots are identified on the map and on the ground. At present, there are nine growth plots in Selangor FMU.

The FD has continuously carried out post Felling inventories on areas that have been harvested. In 2008, post F inventory has been conducted on four areas; two in peat swamp and 2 in dry land forests. Results obtained were compared with the pre-felling inventory. However, there was no analysis done to allow detection of any changes on the floristic composition of the forest area as a result of the harvesting.

The reports given in the Pre F and Post F analysis documents and site observations on ground on the observed changes in composition of flora. Inputs from the Jabatan Perhilitan will show the changes of fauna. Environmental impacts will be detailed in the upcoming approved budget EIA operations on the Selangor FMU (**see Minor CAR 04**). Social impact is done on the micro scale for each forest harvesting licence issued in the past and also can be seen in current yet to be operated License US/HS/14/2007 HS Bukit Belata and also at past License at HS Bukit Lagong.

### ***Criterion 8.3 Chain of custody***

Important document as far as chain of custody is concern is the Removal Pass (RP) issued by Forest Checking Station for every truckload of the logs transported out from each licensed area. The RP contain list (log number) of the individual log loaded onto the truck with details such as measurement and volume of each log. The document, which is an important instrument for recording harvest from each license as well as a tool for royalty collection, provide evident of traceability of each log to the licensed area.

Selangor FD has yet to implement the instruction given by Director General's on the system to distinguish licensed issued to areas being converted and clear identification on Removal Passes to identify the logs as non certified (**Minor CAR-06**).

### ***Criterion 8.4 Incorporation of monitoring results into the management plan***

Results of monitoring have not been incorporated into the FMP. The new FMP is in the process of being formulated which should include results of monitoring.

***Criterion 8.5 Publicly available summary of monitoring***

Summary of monitoring records not publicly available (see **Minor CAR-05**). Annual Report for year 2008 is under preparation which has yet to document the summaries of monitoring elements of Indicators 7.4.1, 8.5.1, and 9.3.2.

**PRINCIPLE 9: HIGH CONSERVATION VALUE FORESTS**

***Criterion 9.1 Evaluation to determine high conservation value attributes***

There are a total of 169,022 ha of protection forest (70% of the total FMU) in Selangor FMU. This comprises the 10 forest categories as described under the National Forestry Act. All of the areas are potential HCVFs which will not be harvested.

The mid term review of the FMP provides description on the protocol for HCVF assessment, management guidelines, consultation with stakeholders and dispute resolution process. The protocol provides setting and guidance on how to handle HCVF issues. However, at the time of Stage 1 audit, there was no assessment of HCVF has been carried out in Selangor FMU.

The FD however has identified at least one HCVF area in Selangor FMU (Compt 5, HS Semangkok) as the HCVF. The area is of high value due to the presence of *Shorea paltyclados* (meranti bukit) in the area. A management report on the area is available.

Since the onset of Stage 2, only 3 HCVFs has been identified and only HCVF # 1 has gone through the assessment of HCVF in accordance with relevant national and regional legal and regulatory frameworks.

However, the whole Selangor FMU HCVF assessment done to date is insufficient as it does not identify the areas according to the HCVF classification and does not include consultation with experts and relevant stakeholders (**Minor CAR-007**).

No formal HCVF assessment has been made for Selangor State. In its absence, what is available is the designation of functional classes for each forest reserve according to classification under Section 10 of the National Forestry Act, 1984. Aside from production forests, protection forests and watershed catchments have been identified, mapped and formally gazetted. However, there are no records of consultation with experts or stakeholders in the identification of HCVs or the designation of functional forest reserve classes for the whole FMU.

While there is adequate documentation on areas of cultural/ecological/economic/religious significance, there is no evidence of identification of areas fundamental to meeting basic needs of local communities.

***Criterion 9.2 Consultation process***

Efforts to identify HCVF's areas are made. However, the evaluation of HCVFs is still not adequate as it does not encompass the whole FMU and does not include consultation with stakeholders

HCVF #1 has been demarcated in HS Semangko within an HCVF Plot for easy identification and location. Any forest operations within the FR in Hulu Selangor district will need the scrutiny of the DFO before any forest operations can be carried out. When HCVF #2 and HCVF # 3 are fully demarcated; they will be protected by the respective DFOs.

***Criterion 9.3 Measures to maintain and enhance high conservation value attributes***

The findings made from the HCVF evaluation to date have yet to be incorporated into the FMP. The review of the FMP done in 2008 provides some description and recommendation on the HCVF.

Yet to be incorporated into the public summary of the management plan (please see **Minor CAR-05**).

***Criterion 9.4 Monitoring to assess effectiveness***

Monitoring protocol for HCVF is proposed in the midterm review. To date, only one HCVF area has been identified and established and plan for monitoring (in terms of growth (diameter and height), soil condition, terrain, tree menstruation, etc) is proposed.

HCVF Compartment 5 HS Semangko Meranti Bukit was evaluated on 17 November 2008 by the Silviculture Officer En. Zainal Abidin Atan from the Forest Protection Unit. The report given was that all the work carried out was in accordance with the management prescription. Management prescription of tree menstruation, diameter measurement, density and growing condition of the species were recorded. Photos were taken to show the work that has been carried. However, procedures for monitoring of the HCVF was not documented (**Minor CAR-008**).

## 5. STAKEHOLDER COMMENTS AND ISSUES RAISED

The following are records of comments or issues either raised by stakeholders or made by the media pertaining to forest management in Pahang. Response by the audit team on each issues is based on the information gathered during the audit.

Nr	Comment	Response
<b>Main Evaluation</b>		
1	<p>Clarification with regards to MTCC decision on interim guidelines, letter send to SGS Malaysia dated 24 November 2009</p> <p>Interpretation of the P 6.10 arising from the consultation interim guidelines on 16 September 2009. "The FMU is required to provide the necessary information and statistics on the extent of the established forest plantations, as well as the future plan for the conversion of PRFs to forest plantations and/or non-forest land uses. Such information and statistics provided by the FMU shall be included in the audit report".</p> <p>WWF : Please find an article in media (29 June 2009, The STAR) concerning a rubber plantation in Sungai</p> <p>Jelok Forest Reserve. Has the area been excluded from the Selangor FMU (Natural Forest Management) Audit?</p>	<p><b>SGS:</b> Decision made by MTCS on 13 October 2009.</p> <p>(i)The scope of certification against the requirements of the MC&amp;I(2002) is confined to only the natural forests located in the permanent reserved forests (PRFs) of the FMU and will exclude all forest plantations, including those planted with "Timber Latex Clone (TLC)" rubber tree within the FMU. The FMU will not be assessed for compliance with Criterion 6.10 (a) with regard to the extent of the forest plantations established within the FMU.</p> <p>However, the FMU is required to provide the necessary information and statistics on the extent of the established forest plantations, as well as the future plan for the conversion of PRFs to forest plantations and/or non-forest land uses. Such information and statistics provided by the FMU shall be included in the audit report.</p> <p>(ii) However, the FMU will be assessed for compliance with Criterion 6.10 (b) which requires that the conversion does not occur on high conservation value forest areas, and Criterion 6.10 (c) that the conversion will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.</p> <p>(iii) Timber arising from the conversion of PRFs to forest plantations and non-forest land uses shall not be considered as certified timber under the MTCS.</p> <p>(iv) Regardless of the extent, forest plantations in the FMU shall be audited against the requirements of the MC&amp;I(Forest Plantations) and a separate Certificate for Forest Plantation Management issued upon compliance with the plantation standard, based on an application from the FMU management.</p>
<b>Surveillance 1</b>		

Nr	Comment	Response
<b>Main Evaluation</b>		
2	Sg Jeloh TLC project	<p>The companies involved are named Kinta Istimewa planting Timber Latex Clone (TLC) at 80 ha. and Aliran Angsana planting 122 ha of TLC. Location Hutan Simpan Jerloh Compartment 122.</p> <p>Lesen issued was ST/HS/12/2008/Balak.</p> <p>Current issues :</p> <ol style="list-style-type: none"> <li>1. Siltation on the Jerloh River running through the said forest plantation.</li> <li>2. Infestation of 20 monkeys that destroy the young shoots of TLC.</li> </ol> <p>Observed that buffer zone of natural forest trees at 20 meters on both sides of Jerloh River is still intact.</p>
3	Sg Kelambu / HS Kuala Langat encroachment by vegetable farmers	<p>Stage 2 Audit evaluation findings:</p> <p>Cabutan daripada Majlis Mesyuarat kerajaan Negeri Selangor Ke 13/2009 yang telah di adakan pada 22 April 2009 yang telah disahkan oleh Majlis mesyuarat Kerajaan negeri Selangor ke 14/2009 pada 30/4/2009</p> <p>4.25: Kertas Exco MTES No 8/11/2009: cadangan operasi membanteras penerokaan haram/pendudukan tanpa kebenaran dan status permit penggunaan di Hutan Simpan Kuala Langat Selatan; daripada JPNS (39) dlm.PHN.Sel(s) 01/5/53 KLT5 1PK Sel@ 505Jld 142(11).</p>
4	Health and safety aspects of forest workers	No harvesting is on going at the time of audit. As such, evaluations on the H&S of forest workers are not possible.
5	Conversion of mangrove forest for aquaculture projects	<p>Conversion of mangrove forest located at Hutan Simpan Banjar Selatan</p> <p>Approval given in Year 2001 by the State government. The conversion process is currently on going. The FD currently conducts monitoring to ensure that the project follows the conditions attached. No further conversion will be allowed.</p>
6	Displacement of wildlife resulting in conflicts with urban environment	FD engaged with other agencies to monitor the situation.

Nr	Comment	Response
<b>Main Evaluation</b>		
7	Forest plantation project under PKPS	<p>Approval was given and agreement signed in Year 2001 between Selangor FMU manager and Director of PKPS. Agreement was granted to increase wood supply to the furniture industry and release pressure to timber harvesting on Forest Reserves. Hectarage agreed was only 10,000 ha only restricted to HS Bukit Tarek.</p> <p>State Government of Selangor on 22 Feb 2001 made agreement with Perbadanan Kemajuan Pertanian Selangor 2 pieces of lands HS Rantau Panjang 5, 000 ha and Hutan Simpan Bukit tarek 5,000 ha. by Section 7(1) of national forestry Act 1984(ACT313) and as adopted by the State under its Enakmen(Pemakaian) Akta Perhutanan Negara 1985 (Pindaan 1993)</p> <p>The FD Director by virtue of power conferred to him by the State in pursuant to Section 4 of the ACT decides to embark on a reforestation plan for the said areas.</p> <p>Agreement specifies species Sentang, Jati, LTC. Agreement period 60 years.</p>

## 6. SUMMARY OF CORRECTIVE ACTION REQUESTS (CARS)

Key issues that need to be addressed in preparation for Surveillance audit are summarised as follows: Table 1 lists the non-conformances and Table 2 lists the observations. Both non-conformances and observations need to be addressed by the time of the surveillance audit.

### RECORD OF CORRECTIVE ACTION REQUESTS (CARS)

<b>Organisation:</b>	Selangor Forestry Department	<b>Project Nr:</b>	MY02275
<b>Assessment:</b>	Stage 2 Audit	<b>Date:</b>	14 – 17 & 21 Dec 2009
<b>Lead Assessor:</b>	Salahudin Yaacob	<b>Auditor:</b>	Abdul Haya Semail Lawrence Ng Abdullah Din Savinder Kaur

CAR #	Indicator	CAR Detail					
001	3.4.2	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b>	dd MM yyyy
<b>Non-Conformance:</b>							
Inadequate documentation on mechanism for commercial utilisation of traditional knowledge.							
<b>Objective Evidence:</b>							

CAR #	Indicator	CAR Detail					
		Currently there was no description on mechanism / procedure for compensation to indigenous community if their traditional knowledge and practices are used for commercial purposes.					
		<b>Close-out evidence:</b>					
002	4.2.4	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b>	dd MM yyyy
		<b>Non-Conformance:</b>					
		Inadequate record keeping of all cases of accident, dangerous occurrence and occupational diseases.					
		<b>Objective Evidence:</b>					
		No evidence of yearly accident records submitted to DOSH in line with OSHA (1994). Records not kept for 5 years. Minutes of the safety & health committee meeting not carried out every quarterly as required by OSHA.					
		<b>Close-out evidence:</b>					
003	4.4.1	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b>	dd MM yyyy
		<b>Non-Conformance:</b>					
		No FMU wide social impact evaluation has been carried out to allow the results to be incorporated into of the planning documents.					
		<b>Objective Evidence:</b>					
		Descriptions on some social aspects are provided in the 10-year FMP but no identification of impacts and mitigation measures description.					
		<b>Close-out evidence:</b>					
004	6.1.1 & 6.1.2	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b>	dd MM yyyy
		<b>Non-Conformance:</b>					
		No macro EIA at FMU level has been conducted.					
		<b>Objective Evidence:</b>					
		No EIA has been conducted though budget for the activity has been approved. EIA should also focused on impact of forest recreational activities.					
		<b>Close-out evidence:</b>					
005	7.4.1	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b>	dd MM yyyy
		<b>Non-Conformance:</b>					
		Summary of FMP available on the web but does not include sufficient details including monitoring elements <b>Stage 2 (Minor CAR – 05)</b> .					
		<b>Objective Evidence:</b>					

CAR #	Indicator	CAR Detail				
		<b>Close-out evidence:</b>				
006	8.3.1	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b> dd MM yyyy
		<b>Non-Conformance:</b>				
		Selangor FD has yet to implement the instruction given by DG on the system to distinguish licensed issued to areas being converted and clear identification on Removal Passes to identify the logs as non certified.				
		<b>Objective Evidence:</b>				
		<b>Close-out evidence:</b>				
007	9.1.1	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b> dd MM yyyy
		<b>Non-Conformance:</b>				
		The HCF assessment done to date is insufficient as it does not identify the areas according to the HCVF classification and does not include consultation with experts and relevant stakeholders.				
		<b>Objective Evidence:</b>				
		<b>Close-out evidence:</b>				
008	9.4.1	<b>Date Recorded&gt;</b>	21 Dec 09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed&gt;</b> dd MM yyyy
		<b>Non-Conformance:</b>				
		Procedures for monitoring of HCVF not documented.				
		<b>Objective Evidence:</b>				
		<b>Close-out evidence:</b>				

## 7. CERTIFICATION DECISION

SGS considers that Selangor Forest Department's forest management of Selangor FMU forests can be certified as:

- There are no outstanding Major Corrective Action Requests
- The outstanding Minor Corrective Action Requests do not preclude certification, but Selangor FD is required to take the agreed actions before December 2010. These will be verified by SGS Malaysia at the first surveillance to be carried out about before 12 months from the date of the issuance of the certificate. If satisfactory actions have been taken, the CARs will be 'closed out'; otherwise, Minor CARs will be raised to Major CARs.

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- The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation;
  - The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

**End of Public Summary**