



FOREST MANAGEMENT CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project Nr:	MY 2261		
Client:	Terengganu Forestry Department		
Web Page:	www.tgforestry.terengganu.gov.my		
Address:	Jabatan Perhutanan Negeri Terengganu Tingkat 8, Wisma Negeri 20200 Kuala Terengganu Terengganu		
Country:	Malaysia		
Certificate Nr.	SGS-MTCS/FM-0103	Certificate Type:	Malaysia Timber Certification Scheme
Date of Issue	1 April 2010	Date of expiry:	31 March 2013
Forest Zone:	Tropical		
Total Certified Area	521,582 ha		
Scope:	The audit is carried out against the Malaysian Criteria and Indicators for Forest Management Certification (MC&I 2002) standard.		
Company Contact Person:	Tn Hj Norakhirudin Mahmud - State Forestry Director Mohd Radhi Chu Abdullah – Penolong Pengarah Silvikultur dan Perlindungan Hutan		
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Evaluation Dates	Stage 1: 19 – 21 August 2009 Stage 2: 1 – 6 November 2009		

PUBLIC SUMMARY

1. INTRODUCTION

SGS (Malaysia) Sdn Bhd was engaged by the Terengganu Forestry Department to carry out an assessment on the Terengganu 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 24 – 26 August 2009, while the Stage 2 (main assessment) audit was conducted from 1 – 6 November 2009.

2. SUMMARY INFORMATION

2.1 Background on Terengganu FMU

The Terengganu Forest Management Unit (FMU) is managed by the Terengganu Forestry Department (TFD).

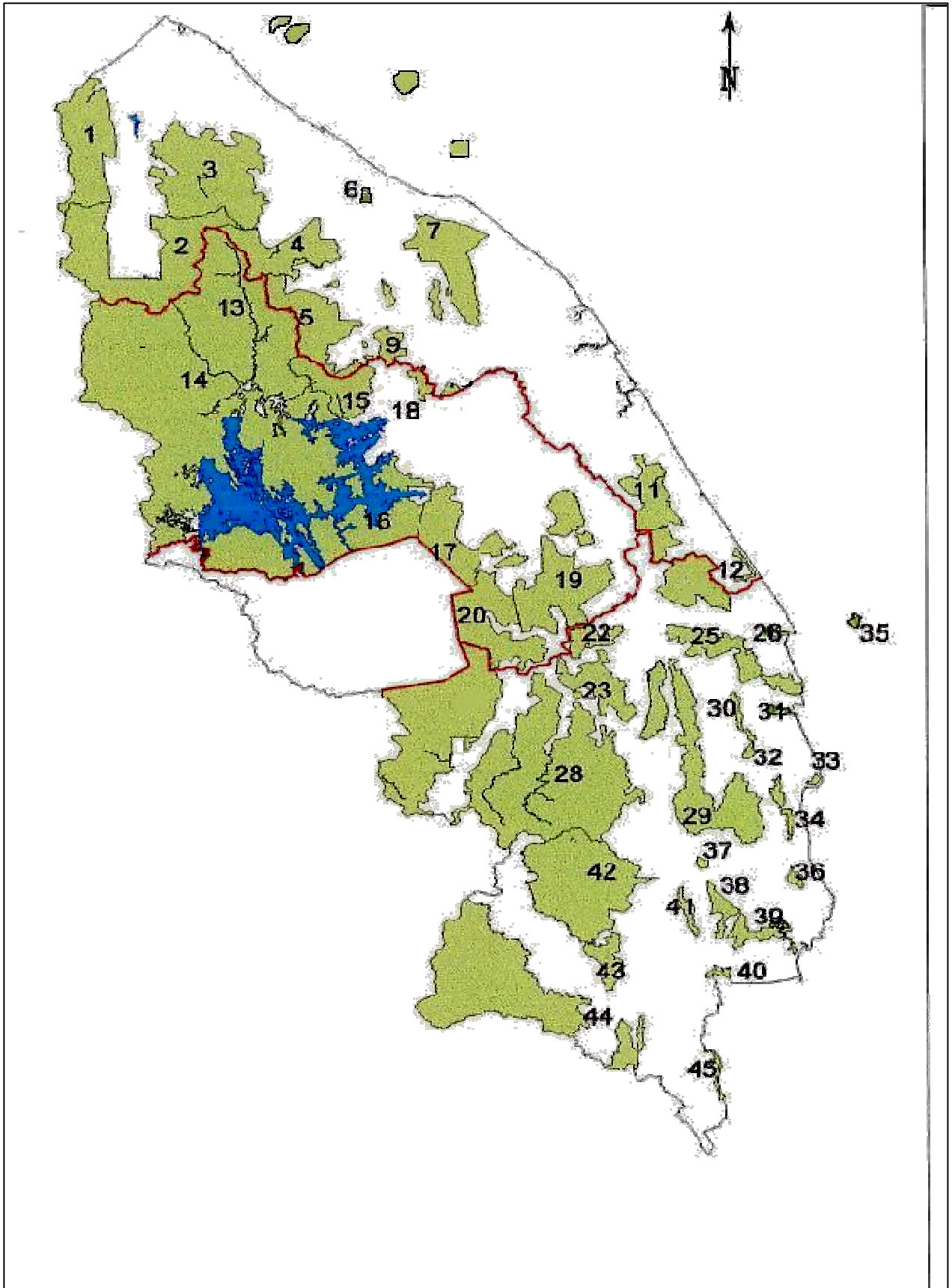
At the end of 2008, there were a total of 544,118 ha of Permanent Reserved Forests (PRF) which represented approximately 42 % of the total land area of Terengganu. In terms of forest types, the PRFs in the Terengganu FMU comprise of 525,206 ha of dry inland forest, 13,757 ha of peat swamp forest and 1,295 ha of mangrove forest.

The PRF also includes within its range, 3,860 ha of Plantation Forests in HS Merchang. Other forests include 77,507 ha of natural forests which have been classified as conservation area and gazetted as Taman Negara and 33,000 ha of Stateland forests occurring within Terengganu state.

The Permanent Reserve Forest (PRF) area is spread within 42 Forest Reserves. It should be noted that Stateland Forests (SLF) are a land bank within the State that can be designated for conversion to other land uses including gazettement as PRF. Section 7 of the National Forestry Act 1984 empowers the State Authority, upon recommendation by the Director of the Forestry Department, to gazette additional forests located within SLF into PRF.

The four core functions are also further classified according to eleven functional classes as provided by Section 10 of the National Forest Act, 1984. It should be noted that only areas classified as Production Forests can be harvested, while the other forest categories are for protection and conservation purposes.

Forest Classification	
	Area (ha)
Production forests	366,441
Protection forests	147,300
Amenity forests	4,796
Research & Education forests	25,607



Map 1 Map showing forestry resources within Terengganu FMU showing location of each FR

2.2 Forest Management System

Traditionally, the Production Forests of the PRF in Terengganu 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 Terengganu 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 Cut (AAC) for Production Forests of the Terengganu FMU for 2001 - 2005 was 8,530 ha. The AAC for 2006 – 2010 was reduced to 5,300 ha. Currently, forest operations are carried out based on the ten year Forest Management Plan (FMP) for the period 2006 – 2015 and the macro EIA 2009.

3. STAGE 2 AUDIT PROCESS

3.1 Audit Dates

Stage 1: 24 – 26 August 2009
(2 Auditors)

Stage 2: 1 – 6 November 2009
(3 Auditors and 1 Social Specialist)

3.2 Audit Team

Stage 1: Salahudin Yaacob (Audit Team Leader)
Abdullah Din (Auditor)

Stage 2: Salahuddin Yaacob (Audit Team Leader)
Abdul Haye Semail (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 was limited to the forest management practices within the 521,582 ha of PRF of the Terengganu FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification MC&I (2002)* standards with special reference to the Verifiers of Peninsular Malaysia. Included in the scope are the 129,135 ha of FSC certified forests of the Dungun Timber Complex which is under the management of Kumpulan Pengurusan Kayu Kayan Terengganu Sdn Bhd (KPKKT).

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

Forest Area Excluded	
	Area (ha)
Stateland forests	33,000
Taman Negara	77,507
Plantation forests	3,860
Hydro Electric Dam area	18,676

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.

Four audit team members, including a social expert, were involved in the audit and spent six 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 visit were visited.

Due to the size of the FMU and the need to sample operations in all three forest districts, the audit team was divided into groups so that more forest management areas and sampling of operational activities could be covered over the six field days. The areas visited on each day are provided below.

Date	Activity / Location	Notes
1 November 2009	Opening meeting Document review	Opening meeting Introduction Scheduling
2 Nov 2009	Terengganu Utara District <u>Team A</u> Compt 97, HS Gunung Tebu Compt 61, HS Pelagat <u>Team B</u> Compt 9, HS Hulu Setiu Compt 10, HS Hulu Setiu <u>Team C</u> HS Pelong Bukit Kesing Kg Sg Sayap – Orang Asli	Harvesting – active license Post F Post harvest Tree tagging Local community issue Indigenous people
3 Nov 2009	Terengganu Selatan <u>Team A</u> Compt 29, HS Bkt Terendak Compt 2, HS Rambai Daun	Active license area Post harvesting operation

	<p>Compt 30, HS Bkt Terendak BPH Bukit Terendak</p> <p><u>Team B</u> Compt 38, HS Jengai Compt 3 & 12, HS Besul</p> <p><u>Team C</u> Kg Pasir Raja Kg Sg Pergama Kg Air Putih</p>	<p>Tree tagging CoC system</p> <p>Harvesting operation Post felling</p> <p>Local community – KPKKT Orang Asli community Local community</p>
4 Nov 2009	<p>Hulu Terengganu</p> <p><u>Team A</u> Compt 45, HS Jerangau Compt 46, HS Jerangau Compt 47, HS Jerangau Compt 90, HS Jerangau Compt 91, HS Jerangau Compt 89, HS Jerangau</p> <p><u>Team B</u> Kg Sg Berua Hutan Lipur Sekayu Compt 31, HS Jerangau Kg Minda, Kg Tepus and Kg Talong</p>	<p>Ongoing harvesting Harvest recently completed Harvest completed Ongoing harvesting operation Ongoing harvesting Harvesting just started</p> <p>Orang Asli Recreation forest HCVF area Local community</p>
5 Nov 2009	<p>Hulu Terengganu</p> <p><u>Team A</u> Land clearing in HS Tembat for 2nd dam project</p> <p><u>Team B</u> Interviews with JHEOA, DOE, Wildlife Dept and DID</p>	<p>Implementation of CoC system to distinguish logs originating from conversion area.</p> <p>Interview with government agencies.</p>
6 November 2009	<p>Audit team discussion / review Closing meeting</p>	<p>Audit team internal discussion Presentation of audit findings</p>

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.

PRINCIPLE 1: COMPLIANCE WITH LAW AND FSC PRINCIPLES	
Strengths	
Weaknesses	
Compliance	Satisfactory compliance to the standard.

PRINCIPLE 2: TENURE AND USE RIGHTS AND RESPONSIBILITIES	
Strengths	
Weaknesses	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 (refer to 3.1.3 and 4.4.1). Lack of written records that shows proactive consultations with communities and relevant agencies (Observation).
Compliance	Satisfactory compliance to the standard.

PRINCIPLE 3: INDIGENOUS PEOPLES' RIGHTS	
Strengths	
Weaknesses	<p>The FMP and EIA report also contain brief descriptions on the socio-economic situation of the FMU as well as impact assessment of the forest management operation. Location of Orang Asli settlements are identified and mapped. Some special sites have been identified and mapped. However, there was no clear procedures in place to guide the identification and evidently there was no consultation with stakeholders particularly the community and Orang Asli in the process (Minor CAR-001).</p> <p>There is no evidence of commercial utilisation of traditional forest-related knowledge and practices of the Orang Asli by the Terengganu FMU. However, 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 (Minor CAR-002).</p>
Compliance	<p>Inadequate consultation with indigenous people in identifying special sites within the FMU.</p> <p>Inadequate documentation on mechanism for commercial utilization of traditional knowledge.</p>

PRINCIPLE 4: COMMUNITY RELATIONS AND WORKERS RIGHTS	
Strengths	
Weaknesses	<p>A Safety & Health Committee of forest workers chaired by State Forestry Director was established where minutes of the 1st Safety & Health Committee meeting conducted is available. However the meeting was not conducted every quarter as required by OSHA (1994) (Minor CAR-003).</p> <p>However there was no proper compilation of health and safety record of forest records at the FMU as required by the OSHA for submission to DOSH (Observation).</p>
Compliance	Safety and health committee meeting (of State FD) was not carried out as required by OSHA, 1994.

PRINCIPLE 5: BENEFITS FROM THE FOREST	
Strengths	
Weaknesses	In general, there was an inadequate application of log extraction operations that did not minimize product wastage that results in reduced revenue (Minor CAR-04).
Compliance	Lack of provision/mechanism for utilisation of harvesting residue as part of effort to maximise utilisation and minimize waste.

PRINCIPLE 6: ENVIRONMENTAL IMPACT	
Strengths	
Weaknesses	<p>The requirement of the 'Road Specification' was not consistently implemented throughout the FMU, where in some areas drainage requirement is inadequate to effectively control erosion (Minor CAR-005).</p> <p>Chemicals are evidently used in the nursery. In total there are three nurseries throughout Terengganu FMU (Lata Tembakah, Pasir Akar and Kg Raja). Visit to Lata Tembakah nursery shows that chemical storage and handling does not meet minimum requirement and the workers are not fully aware of the requirement (Minor CAR-06).</p> <p>In many logging camps the audit team observed that the waste oil was placed in a proper storage (drums) and placed at a designated location far from streams and water ways. However, this is not implemented through out the FMU where in some logging camps, waste oil were not properly collected and disposed off (see Minor CAR-007).</p> <p>The audit team observed inconsistent implementation of waste management procedures where containers, plastic bottles and oil waste are not collected and disposed appropriately (Minor CAR-007).</p>
Compliance	<p>Inconsistent implementation of 'Road Specification Guidelines' to minimize and control erosion.</p> <p>Chemical storage and handling does not follow standard requirement and the workers were inadequately trained.</p> <p>Inadequate implementation of waste management observed, whereby liquid, containers and solid non organic waste was not properly collected and disposed in an environmental friendly manner</p>

PRINCIPLE 7: MANAGEMENT PLAN	
Strengths	
Weaknesses	
Compliance	Satisfactory compliance to the standard.

PRINCIPLE 8: MONITORING AND EVALUATION	
Strengths	
Weaknesses	Summary of FMP is available on the web but does not include summary of monitoring elements of monitoring forms A to D, forest yield, growth rates, composition change of flora, social impacts, and cost productivity of forest management (Minor CAR-008).
Compliance	Summary of monitoring reports/records not made publicly available.

PRINCIPLE 9: MAINTAINANCE OF HIGH CONSERVATION VALUE FORESTS	
Strengths	
Weaknesses	<p>The assessment/evaluation of HCVF carried out so far is still not adequate as it does not encompass the whole FMU and does not include consultation with stakeholders (Minor CAR-009).</p> <p>The HCVF areas are identified and mapped but has yet to be incorporated into the summary of the FMP that is currently publicly available through the web (see Minor CAR-008).</p>
Compliance	Assessment / evaluation of HCVFs are not adequate as it does not encompass the whole FMU and does not include consultation with experts and relevant stakeholders.

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 Terengganu. Responses by the audit team on each issue are based on the information gathered during the audit.

Nr	Detail		
	Complaint:	Date Recorded	6 Nov 2009
01	Auditor General's report 2008: Oil spillage and waste disposal at Petang Island Resort, Tasik Kenyir		
	Objective evidence obtained:		
	It was observed during the AG audit that sewage is being directly discharged into the lake.		
	Response:	Date Closed	
	The project is carried out by KETENGAH within Kenyir Lake which has been gazetted as Water Catchment area. Terengganu FD has contacted KETENGAH to take action.		
02	Complaint:	Date Recorded	6 Nov 2009
	2 nd Hydroelectric dam. De-gazettement of the area must be done prior to the start of the project.		
	Objective evidence obtained:		
	Terengganu government has approved the 2 nd dam project which will cover 57,230 ha area including 6,230 ha of inundated area and 51,100 water catchment area. A total of 18,676 ha are within HS Tembat and HS Puah, Hulu Terengganu. The lake and the project site were proposed to be gazetted in October 2007 while a TOL license was supposed to be issued in November 2007. As at the time of the AG audit, gazettement has yet to be made and EIA is being prepared. The AG audit team made observation that clear felling has started in 2005 and 2006 thus conclude that the water quality on Sg Tembat and Sg Puah will deteriorate and subsequently provide negative impact to Kenyir lake ecotourism.		
	:	Date Closed	6 Nov 2009
	A total of 9,287 ha has been logged prior to 2009 to avoid loss of revenue (as what happened in Kenyir lake project) when the area was inundated. The decision was made by the State Exco that the area to be subjected to clear felling covers 18,676 ha. The areas are licensed in stages basis where the licensee and the contractors have to observe certain conditions during harvesting.		
	The whole areas to be clear felled now are excluded from the scope of certification against MC&I 2002 standard. The harvesting operation in the area is not subjected to the standard and the timbers generated are not certified. The Terengganu FD has clearly distinguished the licenses issued with 'P'.		
03	Complaint	Date Recorded	6 Nov 2009
	Impact of logging and opening of forest area on fauna		
	Objective evidence obtained:		
	AG audit team review of a report 'Perancangan dan tindakan bagi mengatasi masalah gangguan hidupan liar di dalam Negeri Terengganu' prepared by Wildlife Dept has listed that logging and opening up of forest area as one of the main factor in restricting movement of wildlife particularly tiger and elephant. In 2005, there was a total of 19 public complaints received pertaining to tiger in Terengganu.		
	Close-out information:	Date Closed	

	Detail		
	There was no clear felling within PRF areas apart from those that have been identified for inundation in 2 nd dam project in Terengganu. Only selective harvesting operation is carried out within PRF where only matured trees above the diameter cutting limit are felled. The areas are not clear felled which means that temporary disturbance within the 1 year license period may occur to the wildlife. After felling, the area will naturally regenerate, given time, to its original stand. The PRF areas along the main range are connected to larger forested areas such as Taman Negara and PRF areas in other states, which form a contiguous forest large enough to support varieties of wildlife especially the large mammals.		
04	Complaint	Date Recorded	6 Nov 2009
	AG's audit team recommends that Environmental Quality Act, 1987, need to be revisited so that EIA need to be carried out for project involving areas less than 500 ha.		
	Objective evidence obtained:		
	KPKKT as the largest concession holder in Terengganu with 129,135 ha for 25 year. Between 2006 – 2008, KPKKT has harvested 4,437 ha through issuance of 15 licenses. Since each license area is less than 500 ha, no EIA is required.		
	Close-out information:	Date Closed	
	No EIA is required since each area licensed is less than 500 ha. Terengganu FD has prepared a macro EIA for Terengganu FMU and KPKKT has prepared an EIA document covering the whole concession area. Both EIAs are now being used as part of planning for timber harvest and other forestry operations in the state.		
05	Complaint	Date Recorded	6 Nov 2009
	The agreement for the KPKKT 25 year concession between Terengganu Govt and PMINT has expired and no new agreement has been signed.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
	Golden Pharos and PMINT has explained that 'Deed of Novation' for the concession is still valid with the agreement signed on 16 November 1995.		
06	Complaint	Date Recorded	6 Nov 2009
	Enforcement is not diligently carried out. Monitoring of licensed areas was not done thoroughly.		
	Objective evidence obtained:		
	AG's audit team observed that patrolling team in Terengganu Utara is not done diligently where report was not prepared and submitted as planned.		
	Close-out information:	Date Closed	
	An enforcement unit is established with one senior officer is in charge. The unit is assisted by District level officers in carrying out their duties. The implementation of the enforcement activities and record is subjected to audits under ISO9001 system. At license level, monthly report is prepared covering aspects of production, infrastructure, environment and social.		
07	Complaint	Date Recorded	6 Nov 2009
	Lost wilderness: NST, 26 May 2009		
	Question on why logging licenses issued to 12,620 ha additional area apart from the 6,130 ha to be inundated by the dam.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	

Detail	
	The decision to issue license for clear felling covering the whole area was made based on the previous experience the Department had with the original Kenyir Dam where the area finally inundated by the dam was much larger than what was originally predicted. After inundation, the Department faced difficulties in extracting the timber out from the inundated area. So to avoid repeat of the scenario, for the 2 nd dam project, the Department has used the next contour line as guidance in making decision on areas to be subjected to clear felling.

6. SUMMARY OF CORRECTIVE ACTION REQUESTS (CARS)

Outstanding Minor Corrective Action Requests do not preclude certification. Terengganu Forestry Department is required to take the agreed actions before November 2010. These will be verified by 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, these CARs will be 'closed out'; otherwise, Minor CARs will be raised to Major CARs.

CAR #	Indicator	CAR Detail					
Minor 001	3.3.1	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Inadequate consultation with indigenous people in identifying special sites within the FMU					
		Objective Evidence:					
		The FMP and EIA report contained brief descriptions on the socio-economic situation of the FMU as well as impact assessment of the forest management operation. Location of Orang Asli settlements are identified and mapped. Some special sites have been identified and mapped. However, there was no clear procedure in place to guide the identification and evidently there was no consultation with stakeholders, particularly the community and Orang Asli to facilitate the process.					
		Close-out evidence:					
Minor 002	3.4.1	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Inadequate documentation on mechanism for commercial utilization of traditional knowledge.					
		Objective Evidence:					
		There is no evidence of commercial utilisation of traditional forest-related knowledge and practices of the Orang Asli by the Terengganu FMU. At the time of audit, there are no mechanisms in place (documented) describing procedures for compensation of commercial utilisation of traditional knowledge of the Orang Asli, should there be any attempt to utilise their knowledge in the future					
		Close-out evidence:					
Minor 003	4.2.2	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					

CAR #	Indicator	CAR Detail					
		Safety and health committee meeting (of State FD) was not carried out as required by OSHA, 1994.					
		Objective Evidence:					
		The Forestry Department maintains the Safety & Health policy entitled "Dasar Keselamatan dan Kesihatan Pekerjaan" (dated 01/06/2009) and guidelines on Occupational Safety and Health in Logging Operation – DOSH (2004) that include guidelines for handling and storage of hazardous chemical. A Safety & Health Committee of forest workers chaired by the State Forestry Director was established where minutes of the 1 st Safety & Health Committee meeting conducted is available. However the meeting was not conducted every quarter as required by OSHA (1994).					
		Close-out evidence:					
Minor 004	5.3.2	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Lack of provision/mechanism for utilisation of harvesting residue as part of effort to maximise utilisation and minimizing waste.					
		Objective Evidence:					
		Visit to a number of areas where harvesting was on going or has been completed showed significant log residue left inside the forest and not taken out. These could be in the form of short logs which have been cut prior to haulage of logs to the log yard or minimally damaged logs that were not taken.					
		In general, there was an inadequate application of log extraction operations that did not minimize product wastage, resulting in reduced revenue. At the time of the audit, there was inadequate provision/mechanism for allowing utilization of harvesting residue as part of efforts to maximize utilization and minimize waste.					
		Close-out evidence:					
Minor 005	6.5.3	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Inconsistent implementation of 'Road Specification Guidelines' to minimize and control erosion.					
		Objective Evidence:					
		In a number of licensed areas visited during the main assessment, it was observed that improvements in the implementation of erosion control during road construction is required, in some areas, drainage requirements (side and cross drains) were inadequately constructed to effectively control erosion.					
		Close-out evidence:					
Minor 006	6.6.2	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Chemical storage and handling does not follow standard requirement and the workers were inadequately trained.					
		Objective Evidence:					

CAR #	Indicator	CAR Detail				
		Chemicals are used in the nursery. A visit to Lata Tembakah nursery showed that chemical storage and handling does not meet the minimum requirement and that workers are not fully aware of the requirement.				
		Close-out evidence:				
Minor 007	6.7.2	Date Recorded	6 Nov 2009	Due Date	1 st surv visit	Date Closed
		Non-Conformance:				
		Inadequate implementation of waste management observed, whereby liquid, containers and solid non organic waste was not properly collected and disposed in an environmental friendly manner.				
		Objective Evidence:				
		Observed in some logging camps, the presence of containers, plastic bottles, tyres etc were left uncollected on site. Also evident were waste oil was not properly collected resulting in spills onto the soil.				
		Close-out evidence:				
Minor 008	8.5.1	Date Recorded	25/08/09	Due Date	1 st surv visit	Date Closed
		Non-Conformance:				
		Summary of monitoring reports/records not made publicly available.				
		Objective Evidence:				
		Terengganu FD has placed public summary of its management on the website however it currently does not include monitoring and HCVF components.				
		Close-out evidence:				
Minor 009	9.1.1 & 9.2.1	Date Recorded	25/08/09	Due Date	1 st surv visit	Date Closed
		Non-Conformance:				
		Assessment / evaluation of HCVFs are not adequate as it does not encompass the whole FMU and does not include consultation with experts and relevant stakeholders.				
		Objective Evidence:				
		Terengganu FD has made an effort to identify and demarcate at least five locations within the FMU as HCVF area. However, the assessment so far does not encompass the whole FMU and does not involve experts and relevant stakeholders, with no documented protocol set up for monitoring of the HCVFs.				
		Close-out evidence:				

7. CERTIFICATION DECISION

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

- i. There are no outstanding Major Corrective Action Requests
- ii. The outstanding Minor Corrective Action Requests do not preclude certification, but Terengganu FD is required to take the agreed actions before November 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.
- iii. 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;
- iv. 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