



## FOREST MANAGEMENT CERTIFICATION REPORT

### SECTION A: PUBLIC SUMMARY

<b>Project Nr:</b>	<b>MY2118</b>		
<b>Client:</b>	<b>Johor State Forestry Department</b>		
<b>Certificate Nr.</b>	SGS-MTCS/FM-001	<b>Certificate Type:</b>	Forest Management
<b>Date of Issue</b>	1 April 2010	<b>Date of expiry:</b>	30 March 2013
<b>Total Certified Area</b>	441,251.06 ha		
<b>Scope:</b>	Forest Management of 441,251 ha of permanent reserve forest in Johor State for the production of timber.		
<b>Annual production:</b>	137,000 m3	<b>Annual Allowable Cut</b>	2,250 ha
<b>Forest products:</b>	Logs, rattan, bamboo etc		
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<b>Web Page:</b>	<a href="http://www.johorforestry.gov.my">www.johorforestry.gov.my</a>		
<b>Evaluation dates:</b>			
<b>Main Evaluation</b>	22 – 26 June 2009		
<b>Surveillance 1</b>	27 – 30 July 2010		
<b>Surveillance 2</b>			
<b>Surveillance 3</b>			

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## INTRODUCTION

The Johor Forest Management Unit managed by Johor Forestry Department has been issued a forest management certificate (SGS/MTCS/FM-001) under the Malaysian Timber Certification Scheme for meeting the requirements under the MC&I 2002 standard after a main assessment was conducted in June 2009. Following procedures, yearly surveillance audits will also be conducted for the purpose of recording progress and to evaluate continuous compliance to the standard requirements under the scheme.

A surveillance visit to the Johor FMU was conducted from 27 – 30 July 2010. This report provides the findings made during the exercise. To provide more clarity, this report is combined together with the main assessment report.

### 1. SCOPE OF CERTIFICATE

#### 1.1 The forest certification unit area

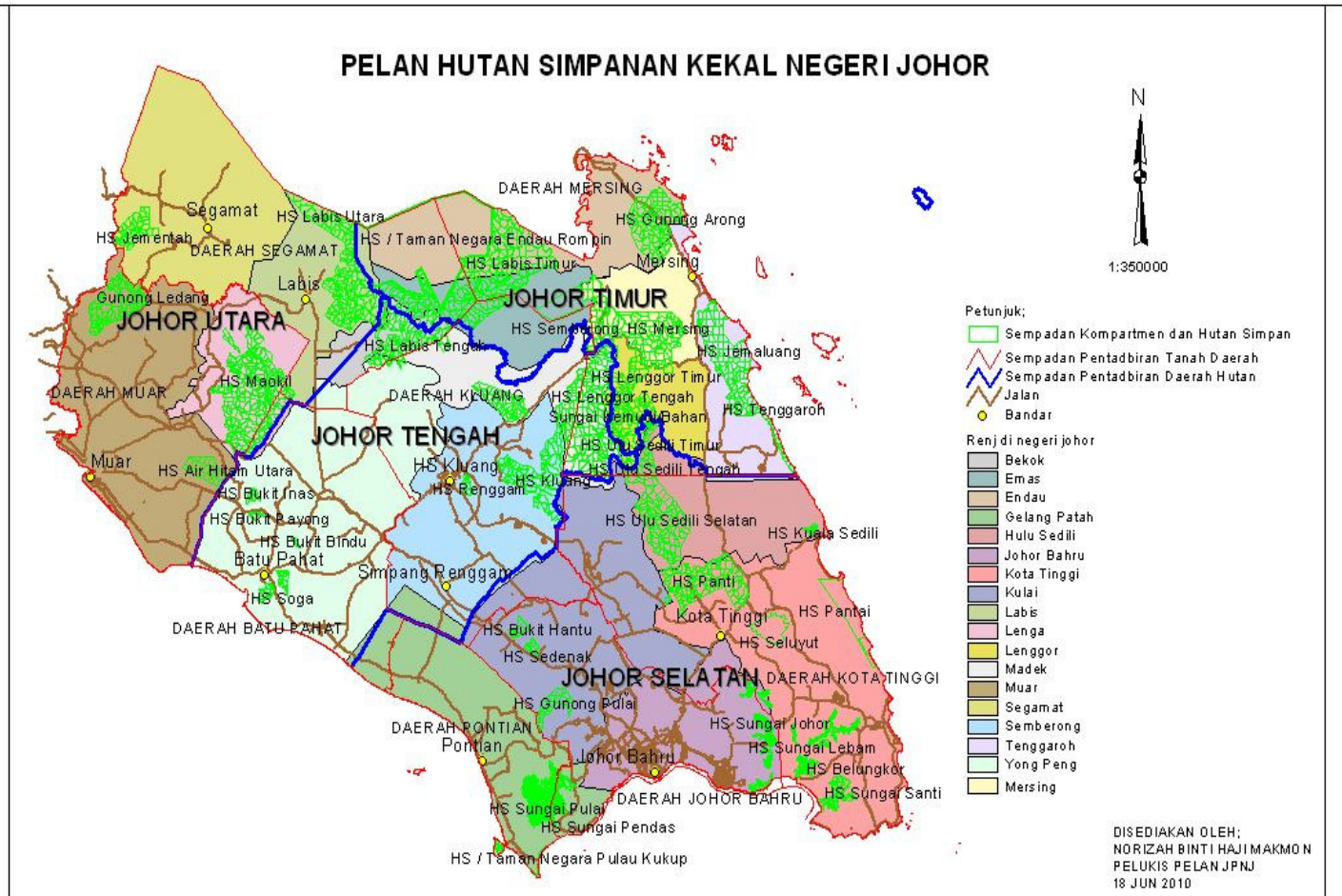
The status of forest areas within the state of Johor at the time of audit compared to the total land area are as tabulated below:

**Table 1: State of Johor Forest Resources.**

Type Of Land Use	Hectarage	Percentage
State Of Johor	1,898,629.00	100
Permanent Forest Reserve (PRF)	441,251.06	23.2
Stateland forest	67,656.0	3.6
State Park	59,999.30	3.2
Alienated forested lands	49,279.00	2.6

A detailed description of the Johor FMU management system and the contents of the FMU were described in the main assessment report. There was no change in the total forested areas within Johor FMU compared to those reported in the main assessment report. As illustrated above, within the Johor State, there are significant forested areas that are not categorised as Permanent Reserve Forest (PRF). For the purposes of certification against the *MC&I (2002)*, only the management and operation within PRF in the Johor FMU is considered and assessed. The extent of forest and location of each Forest Reserve in Johor is illustrated in Map 1 below.

Map 1: Forest Reserves within Johor FMU



## 1.2 Forest areas not included in the scope of certification

Operations within other types of forests (e.g. stateland, state park and alienated forested land) carried out by the Johor Forestry Department are not taken into consideration in this assessment. Logs produced from these sources that are not assessed eventually cannot enter the MTCS chain of custody system for forest products. Also excluded from the scope of the assessment are:

- 12,564 ha of plantation forest in HS Ulu Sedili and Ulu Sedili Tambahan, and
- 5,831 ha of forest earmarked for conversion to forest plantations in H.S. Sembrong Tambahan ,and Cadangan H.S.Labis

## 1.3 Annual Allowable Cut

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 Johor FMU under the 9<sup>th</sup> Malaysia Plan (2006 – 2010) is set at 2,250 ha.

Over the period of 2001 - 2005, the Johor Forestry Department had issued harvesting licenses covering a total area of 8,073.6 ha. The area harvested was still within the prescribed AAC of 2,705 ha per year over the said period. The AAC has been revised to 2,250 ha for the 9<sup>th</sup> Malaysian Plan covering the period of 2006 – 2010.

## 2. BACKGROUND OF THE FMU

### 2.1 The Resource

The Johor 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. Johor 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.

In 2008, as part of meeting the requirement for new institutional arrangement under the Malaysian Timber Certification Scheme (MTCS), SGS (Malaysia) Sdn Bhd was again engaged by the Johor Forestry Department to carry out an assessment of the Johor FMU against the *MC&I (2002)* standard. This report presents the findings and observations made during the assessment conducted on 22 – 26 June 2009.

The Johor FMU which is located at the southern most part of Peninsular Malaysia is the third largest state in the peninsula. There are a total of 35 Forest Reserves within the Johor FMU covering an area of 340,940.81 ha of Permanent Reserved Forests (PRF). In addition, a total of 100,310.25 ha have been proposed as PRF which is being managed in the same manner as the PRF.

As at the time of assessment, Johor Forestry Department is managing a total of 441,251 ha of forest in compliance to *MC&I (2002)* standard.

In terms of forest types, the PRFs in the Johor FMU comprise of 317,175.97 ha of dry inland forest, 4,289.36 ha of peat swamp forest and 219,475.48 ha of mangrove forest. The mangrove forests are located mainly in the south especially along Sg. Pulai and Sg. Johor in Southern Johor Forest District. Patches of peat swamp forests are found in Air Hitam Forest Reserve located in Northern Johor Forest District while the dry inland forests are distributed throughout all forest districts in the FMU.

Areas in the PRFs are further divided into 11 categories under the National Forest Act, 1984. In summary, about 48 % of the PRFs have been classified as production forest while the remaining 52 % falls into various categories of protection forests, including water catchment forest.

**Table 2: The extent of PRFs (gazetted and in the process of gazetted) in the Johor FMU according to forest functional classes under the National Forestry Act as at 31 March 2009**

No.	Functional Classification	Area (ha)
1	Production forest	221,045.30
2	Soil Protection	23,241.29
3	Soil Reclamation	-
4	Flood Control	4,289.36
5	Water catchment forest	81,982.61
6	Protection of Wildlife	1,800.00
7	Virgin Jungle Reserves	3,479.47
8	Recreation forest	1,178.79
9	Education forest	497.00
10	Research forest	3,431.00
11	Federal Purposes	0
12	State Park Forest	3,795.84
	<b>Total</b>	<b>441,251.06</b>

Traditionally, the production forests of the PRF in Johor 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 Johor FMU are managed under the SMS where a pre-felling forest inventory is conducted to determine the optimum diameter cutting limit for a specific license area.

## 2.2 Administration

As it is now, there are 505 posts within Johor Forestry Department. However, only 69 % are filled with the remaining 156 positions still vacant. The Department managed forestry operations both in PRF and non PRF (stateland forest and alienated land) lands in Johor State. Allocation and actual expenses used in managing the FMU in 2008 and 2009 under various categories are as tabulated in Table 3 below:

**Table 3: Management Allocation and Expenses for 2008 and 2009**

Allocation	2007		2008		2009	
	Allocation	Spent	Allocation	Spent	Allocation	Spent (up to 31 Mar)
Management	8,655,958	8,366,989	11,187,000	10,225,196	10,247,000	1,915,322
Development	4,950,010	4,197,589	5,192,010	4,466,462	4,950,010	29,567
Kumpulan Wang Pembangunan Hutan	4,950,010	4,197,589	3,352,074	1,276,556	In the process	-
Federal Allocation (for mangrove planting)	400,000	380,700	650,000	649,994	530,000	-
<b>TOTAL</b>	<b>18,955,978</b>	<b>17,142,867</b>	<b>20,381,084</b>			

Administratively, the FMU has been divided into four forest districts; Johor Selatan, Johor Tengah, Johor Utara and Johor Timur. The forest areas under each district are in Table 4 as follows:

**Table 4: Johor FMU Forest Districts**

Forest District	Total district area	Permanent Reserved Forest		
		Protection	Production	Total
Johor Utara	455,054.5	49,245.27	19,734.22	68,979.49
Johor Tengah	461,771.90	34,359.82	33,609.10	67,968.92
Johor Timur	326,966.34	20,666.96	101,014.56	121,681.52
Johor Selatan	654,836.26	5,997.09	76,313.85	82,310.94
<b>TOTAL</b>	<b>1,898,629.0</b>	<b>110,269.14</b>	<b>230,671.73</b>	<b>340,940.87</b>

### 3. PREPARATION FOR AUDITS

#### 3.1 Schedule

The Main Evaluation (Stage 2) was preceded by a pre-evaluation (Stage 1) by SGS QUALIFOR during April 2009 to examine the management systems and identify any gaps that might preclude certification. The information gathered during Stage 1 is used to plan the main evaluation. Key stakeholders were also identified to provide any information or concerns regarding the FMU management.

#### 3.2 Team

The table below shows the team that conducted the main evaluation and subsequent surveillance audits:

<b>STAGE 2</b>	
<b>Evaluation Team</b>	
<b>Lead Auditor</b>	Salahudin Yaacob has post graduate degree in Environment and Natural Resources management, currently head of Natural Resources Certification Services in SGS Malaysia. Trained as a botanist, the team leader has gathered more than 10 years of auditing experiencing especially in the forestry sector. As a lead auditor in forest management and chain of custody of forest products, he is well versed in certification process and management of certification scheme.
<b>Auditor</b>	Abdul Haya Semail is a forestry graduate with more than 15 years experience in forest industry particularly harvesting operation as well as wood industry. Haya has been involved in forest certification for more than 5 years and is a lead auditor in chain of custody covering both FSC and PEFC certification scheme. He was involved in MTCC forest management and chain of COC certification since 2005.
<b>Auditor</b>	Lawrence Ng graduated from forestry school in Canada and has gained about 20 years experience in forest industry at various levels particularly in logging, sawmilling and other downstream processing. As an auditor, he has undergone the necessary 40 hours lead auditor course under ISO and has participated in the MTCC forest management auditor training.
<b>Social Specialist</b>	Lim Hin Fui, PhD. Dr Lim is a sociologist by qualification and has been involved with social work for more than 30 years. He has conducted many anthropological studies on local communities, particularly Orang Asli in Peninsular Malaysia and other local groups in Sabah and Sarawak. Dr Lim is an experienced auditor particularly in forest certification programmes having involved in the certification for the last 7 years. He has completed ISO 14000 Lead Auditor Course as well as undergone MTCC Auditor training using <i>MC&amp;I (2002)</i> .

<b>Surveillance 01</b>	
<b>Evaluation Team</b>	
<b>Lead Auditor</b>	Salahudin Yaacob (see above)
<b>Auditor</b>	Abdul Haya (see above)
<b>Auditor</b>	Rick Gregory graduated from forestry school in the USA and has 20 years of experience in Malaysia working on forestry and environmental projects. He has

participated in numerous forest management and COC audits. As an auditor, he has undergone the necessary 40 hours lead auditor course under ISO and has participated in the MTCC forest management auditor training.

### 3.3 Stakeholder notification

A wide range of stakeholders were contacted four weeks before the planned main evaluation to inform them and ask for their views on relevant FMU management issues. The stakeholders included environmental and social interest groups, local government agencies and authorities as well as local village heads. The full list of stakeholders that were contacted is available from SGS.

## 4. THE MAIN EVALUATION

### 4.1 Opening meeting

Stage 2 Audit begins with and Opening Meeting that was held in the Johor Forestry Department Headquarters in Nusajaya, Johor Bharu on 22 June 2009.

### 4.2 Document review

The audit team carried out review of management documents and records of implementation at the beginning of the audit. This is to allow proper understanding of the current situation, capture record of harvest and production as well as to review current activities on going.

### 4.3 Field assessments

The areas visited on a daily basis are provided below.

MAIN EVALUATION		
Date	Activity / Location	Notes
21 June 2009	Audit team travel to Johor Bharu	
22 June 2009	Opening meeting Document review	Opening meeting Introduction Scheduling Documentation review
Pm	Visit to Compt 28 & 43 HS Pant Visit to Kg Temenin, Kota Tinggi	Harvest plan/Road construction Local community
23 June 2009	Team A Compt 87B HS Lengg Copt 78 HS Lengg Compt 86, HS Lengg BPH Jemaluang & nursery  Team B Compt 135/136 HS Tenggaroh Compt 94B HS Ulu Sedili Cadangan HS Sembrong (plantation)	Harvesting Post harvesting Post F CoC and chemical use  Harvesting HCVF Post harvest (clear felling) and plantation establishment

	Orang Asli Kg Punan	Timber latex plantation Indigenous people
24 June 2009	<p>Team A Compt 39 HS Lenggor Compt 26 HS Lenggor Discussion with an OA community representative</p> <p>Team B Compt 198 HS Lenggor Compt 28 HS Lenggor BPH Madek (Sementara)</p>	<p>Tree tagging Post Felling inventory Meeting in Muar – discussion on general issues pertaining to OA in Johor</p> <p>Harvesting operation Post harvest report Chain of custody</p>
25 June 2009	<p>Team A Compt 150, HS Maokil Compt 148, HS Maokil Orang Asli Kg Sentosa, Lenga</p> <p>Team B Compt 41 HS Labis Nursery</p>	<p>Post harvest operation Growth plot Indigenous people</p> <p>Post Felling inventory Nursery operation</p>
26 June 2009	Audit team discussion / review Closing meeting	Audit team internal discussion Presentation of audit findings

### SURVEILLANCE 1

Date	Activity / Location	Notes
27 July 2010	Opening meeting Document review	Opening meeting Introduction Scheduling Documentation review
28 July 2010	Compt 14B HS Pantl Compt 15, HS Pantl Compt 13, HS Pantl BPH Bt 21, Ulu Sedili Compt 135 & 136 HS Tenggaroh BPH Jemaluang Jemaluang Nursery	Tree tagging and road construction Harvesting operation Post harvest activities CoC system HCVF areas CoC system Nursery operation
29 July 2010	Compt 91, HS Ulu Sedili Compt 93, HS Ulu Sedili Compt 75, HS Lenggor Compt 148, HS Lenggor Compt 44, HS Lenggor	Post harvest activities Post Felling inventory Post felling activities Harvesting operation Post felling operation
30 July 2010	Audit team discussion / review Closing meeting	Audit team internal discussion Presentation of audit findings

#### 4.4 Summing up and closing meeting

At the conclusion of the field evaluation, findings were presented to the Johor FMU at a closing meeting held on 26 June 2009 at the Segamat District Forestry Office.

### 5. AUDIT 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. Non compliance to the requirement of the indicator is raised as a CAR under the respective sections.

#### 5.1 Findings related to each criteria of the MC&I (2002)

<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). The three volumes documents were available for inspection and review at the Johor 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</i> (2002).</p> <p>The senior management of the Johor Forestry Department are knowledgeable on the law and regulations relevant to forest management. The Department also cooperates with other authorities in enforcing these laws.</p> <p>The Department also maintains 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 courts, were also maintained.</p>
<b>SURVEILLANCE 1</b>
<p>There was no change in the legal requirement pertaining to forest management in Johor since the last audit. Johor FD continues to demonstrate compliance to the legal requirement in managing the resource.</p>
<b><i>Criterion 1.2 Payment of legally prescribed fees, royalties, taxes and other charges</i></b>
<p>Johor 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> </ul>

- Royalty on non timber forest products harvested

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.

**Example of fees collected in 2009-2010:**

Type	2007 (RM)	2008(RM)	2009 ( up to 31 Mar) (RM)
License and permits	226,052	282,981	80,123
Royalties	7,138,883	4,270,466	1,171,300
Premium	5,525,852	18,246,947	1,268,073
Fines	802,684	1,577,691	104,846
Other	2,746,760	550,619	150,178

Records of daily collection and summarised on monthly basis are compiled through 'Buku tunai cerakinan harian dan bulanan'.

**SURVEILLANCE 1**

Records of daily collection and summarised on monthly basis are compiled through 'Buku tunai cerakinan harian dan bulanan'. Records of revenue collected in 2009 and the first 5 month of 2010 are as tabulated below:

Type	2009 (RM)	2010 ( up to 31 May) (RM)
License and permits	145,679	27,840
Royalties	3,681,712	2,064,150
Premium	21,279,977	3,770,962

***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.

**SURVEILLANCE 1**

The list of international agreement and convention relevant to forest management did not change since the last visit. Johor FD continues to demonstrate compliance to the provisions of the international instrument. There are a number of RAMSAR sites in Johor FMU that are being managed by a specific agency/body.

***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.

**SURVEILLANCE 1**

No outstanding non compliance or new issues.

***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.

Nevertheless, some areas within Johor FMU have been subjected to encroachment and illegal activities. The Forestry Department continues to enforce the regulation and prosecute the offenders. Records of encroachment and illegal activities within the FMU are maintained. Areas of PRF which have been encroached are identified and monitored. A map ‘Peta Kawasan Pencerobohan Hutan Di Dalam Hutan Simpan Kekal Negeri Johor’ is also available.

**SURVEILLANCE 1**

At the FMU level, Johor FD maintained records of cases of illegal or offences occurred with regard to forests and forestry operation in Johor. As described in the main assessment report, a map is maintained to record the location where the offence was made.

During the visit to Compt 91 HS Ulu Sedili, the audit team found evidence of illegal felling of trees by the contractor outside the licensed area. It was noted that at least 5 trees located near the licensed boundary were felled and removed from the location. Further investigation by the audit team showed that the Johor FD was aware of the occurrence and conducted an investigation. A report has been prepared and the case is now under investigation by the relevant unit within the FD prior to possible legal action. **Observation 005** is raised on the matter described for inadequate control of the harvesting operation from illegal activities in the licensed area.

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

The National Forestry Policy that encompasses good forest management practices 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 Johor FD’s forestry policies are published in both their Annual Report and official website (<http://www.johorforestry.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 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)*, which is based on the FSC P & C, implies that the management is committed to adhere to the requirements of FSC P&C.

**SURVEILLANCE 1**

Johor FD continues to demonstrate commitment towards good and sustainable forest management. The Department subscribed to the National Forestry Policy and continue to plan for and implement responsible forestry operations.

**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 rights over the land and the resources. Tenureship of the land is demonstrated through gazettement of the area as PRF. Johor FD maintain list of the PRF, gazettement number, date of gazettement and the size of the gazetted area.

The Forestry Department also maintain list of areas being considered to be gazetted as PRF. It comprises 36 areas with total hectarage of 100,310.25 ha. These areas are currently managed in a similar manner as those gazetted PRF and are included in the certification scope.

The Forestry Department cooperates with other agencies and organisations in resolving any disputes or claims, if any. For example, discussion and consultation is on going with the Wildlife Department in resolving the overlapping gazettement of some Forest Reserves with wildlife or game reserves gazetted under the Wildlife Enactment.

<b>SURVEILLANCE 1</b>
As described in the main assessment report, the tenureship of the PRF area remains under the state government. The record of gazettment of each FR is available.
<b><i>Criterion 2.2 Local communities' legal or customary tenure or use rights</i></b>
<p>There was no issue of PRF land claims by local communities in Johor. Under the law, the State government owns the forest land gazetted as PRF. Indigenous communities do not own the forest but have legal rights enshrined in the Aborigines Peoples Act, 1954, where these communities are free to access the forest and collect minor forest products for their own consumption.</p> <p>An up to date map for the whole State Of Johor with locations of all Orang Asli villages in the vicinity of PRF land entitled "Peta Kawasan Perkampungan Orang Asli di Negeri Johor 2009" is available. The map serves as a guiding document for Johor FD in avoiding social conflicts prior to making decisions for operations in a particular forest area.</p> <p>As described earlier, there are no claims or disputes with regard to land tenureship within the PRF. Nevertheless, Johor Forestry Department will continue at all times to collaborate with relevant parties in ensuring that positive solutions result from any problems that may arise.</p>
<b>SURVEILLANCE 1</b>
There were no known claims on the PRF areas in Johor FMU. As a government department, Johor FD participates in inter departmental discussions pertaining to any community rights' issues.
<b><i>Criterion 2.3 Disputes over tenure claims and use rights</i></b>
<p>No record of claims or disputes on land tenure-ship or rights in Johor FMU.</p> <p>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 any issues through:</p> <ol style="list-style-type: none"> <li>a) Jawatankuasa Kemajuan dan Keselamatan Kampong (JKKK) [Village Security and Development Committee]</li> <li>b) Pejabat Penghulu Mukim via ketua kampong [Sub-District Office]</li> <li>c) Jawatankuasa Tindakan Daerah [District Action Committee]</li> <li>d) Jawatankuasa Tindakan Negeri [State Action Committee]</li> <li>e) Majlis Tindakan Negeri [State Action Council]</li> <li>f) Majlis Mesyuarat Kerajaan Negeri (MMK) [State Executive Council]</li> </ol> <p>At the time of the audit, Johor FMU has some areas that overlap with gazetted areas under the Wildlife Act. The Johor Forestry Department has taken steps to identify all such areas. To date, the following areas have been identified as having possible conflicts:</p> <ul style="list-style-type: none"> <li>▪ HS Lenggor – overlapped with Lenggor Wildlife Reserve</li> </ul>

- HS Labis – overlapped with Labis Wildlife Reserve and Johor State Park

Johor Forestry Department is actively collaborating with relevant agencies in resolving the issue. The wildlife reserves that were gazetted under the old law (under Jabatan Megastua – which ceased to exist) have yet to undergo a clear transfer of legal/responsibility to the present Wildlife Department (Perhilitan). Meetings with Wildlife Department to discuss the issue have been held. This issue has been brought up at the State Executive Council where an interdepartmental committee has been established to look into the matter. A map identifying the overlapped areas is available.

#### SURVEILLANCE 1

The Johor Forestry Department continues to collaborate with relevant agencies in resolving any conflicts. The Department has taken a proactive approach where the Department officer and the District Forest Office or Ranger maintains close rapport with communities. Prior to any issuance of licenses, the FD will conduct a social impact evaluation using a questionnaire by interviewing or consulting leaders of the community. Results of such evaluations will be taken into consideration in any decision making.

### PRINCIPLE 3: INDIGENOUS PEOPLES' RIGHTS

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

Documentation that provides description on the rights of indigenous people is available in the form of ILO Convention 169 on Indigenous and Tribal Peoples Convention 1989 and the Aboriginal Peoples Act 1954.

Outside the aboriginal area and aboriginal reserve, the customary rights of the aborigines within the PRF are not formally recognised but respected. It means that the land used for cultivation and trees planted by the aborigines within the PRF are not recognised by law. These customary rights are however respected in the sense that the aborigines may continue to utilize the resources for subsistence needs.

Johor FMU has made a special effort to examine the Orang Asli customary land rights in general. This matter is documented in the report entitled Macro Environmental Impact Assessment for Forest Management Unit (FMU) in Johor dated September 2008.

Indigenous people (Orang Asli) do not have control of the PRF areas. They have rights within their own area which is enshrined under the Aborigines Peoples Act.

There are no Orang Asli reserves within Johor PRF. There is however a number of Orang Asli Settlements within Johor State where the areas have been gazetted and allocated for Orang Asli settlement. The location of Orang Asli settlement is mapped under a 'Peta Kawasan Pengusaha Dalam Hutan Simpanan Kekal Negeri Johor Bagi Tempoh 1960 sehingga Mac 2009'.

The mechanisms to resolve disputes over the tenure and use rights could take place either at the state or the district levels through the following forum:

1. Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK) [Village Security and Development Committee]
2. Pejabat penghulu (Office of Penghulu Mukim or Sub-district)
3. Jawatankuasa Tindakan Daerah [District Action Committee]

<p>4. Jawatankuasa Tindakan Negeri [State Action Committee]  5. Majlis Tindakan Negeri [State Action Council]  6. Majlis Mesyuarat Kerajaan Negeri (MMK) [State Executive Council]</p>										
<b>SURVEILLANCE 1</b>										
<p>As described above, the customary rights of indigenous group is described in the Indigenous Peoples Act 1954. The indigenous group has the right to roam within the PRF. Licenses were given to those who wanted to collect minor forest produces.</p>										
<b><i>Criterion 3.2 Maintenance of indigenous peoples' resources or tenure rights</i></b>										
<p>The status of customary rights of indigenous peoples within the State of Johor is adequately described in the Environmental Impact Assessment report prepared by the Forestry Dept. The nature of rights and protection mechanism are summarized as follows:</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><b>Nature of rights</b></th> <th style="text-align: left;"><b>Protection mechanism</b></th> </tr> </thead> <tbody> <tr> <td>Granting of Rizab Orang Asli</td> <td>JHEOA</td> </tr> <tr> <td>Granting of dusun saka land titles</td> <td>JHEOA, State Of Johor.</td> </tr> <tr> <td>Subsistence through collection of petai, duku and rotan.</td> <td>District Forest Office, JHEOA</td> </tr> <tr> <td>Any issues affecting livelihood</td> <td>JHEOA, State Of Johor</td> </tr> </tbody> </table>	<b>Nature of rights</b>	<b>Protection mechanism</b>	Granting of Rizab Orang Asli	JHEOA	Granting of dusun saka land titles	JHEOA, State Of Johor.	Subsistence through collection of petai, duku and rotan.	District Forest Office, JHEOA	Any issues affecting livelihood	JHEOA, State Of Johor
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Subsistence through collection of petai, duku and rotan.	District Forest Office, JHEOA									
Any issues affecting livelihood	JHEOA, State Of Johor									
<b>SURVEILLANCE 1</b>										
<p>No outstanding non compliance or new issues.</p>										
<b><i>Criterion 3.3 Protection of sites of special cultural, ecological, economic or religious significance to indigenous peoples</i></b>										
<p>Location of Orang Asli settlements are identified and mapped. The EIA report also contained description on the socioeconomic situation of the FMU as well as impact assessment of the forest management operation. However, there was no procedure, documentation and identification of occurrence of special sites within or in the vicinity of the FMU (<b>Minor CAR-001</b>) as required by the standard. It should be noted that not all the Orang Asli settlements are located within the PRF.</p> <p>Mechanisms for conflicts resolution are available which has been outlined in Indicator 3.1.3. Minutes of Meeting dated 19 June 2009 showed that a meeting was held between Johor FD and Jabatan Hal Ehwal Orang Asli (JHEOA) Negeri Johor where issues related to Orang Asli and forest certification was discussed. The meeting agreed to set up a special committee comprising government agencies in Johor, namely Forestry Department, Jabatan Perhilitan, Jabatan Taman Negeri, Jabatan Alam Sekitar, JHEOA and non-government organization.</p>										
<b>SURVEILLANCE 1</b>										
<p>Identification of the occurrence of special sites within the FMU is done through interviews with local communities. Two areas have been identified as special sites based on their significance to the indigenous community:</p>										

- Compt 68 HS Pantl – Orang Asli orchard
  - Compt 69 & 75, HS Labis – Orang Asli orchard
- The locations have been mapped and the areas will be protected from harvesting or any other activities. A formal procedure is also in place. **(Minor CAR-001 is closed)**

***Criterion 3.4 Compensation of indigenous peoples for the application of their traditional knowledge***

Mechanisms for resolving dispute (if any) has always being carried through JKKK system as described under Criteria 2.3. To date there was no issues of compensation pending for resolution.

No documentation is available regarding usage of traditional forest-related knowledge of the Orang Asli. In Johor FMU there are no usage of traditional forest-related knowledge and practices of Orang Asli in forest management activities.

Minutes of meeting dated 19 June 2009 showed that Johor FD and Jabatan Hal Ehwal Orang Asli Negeri Johor agreed to cooperate on the documentation of traditional forest-related knowledge and practices of Orang Asli in Johor.

Mechanisms (meeting and dialogues) are available between Johor FD and JHEOA and the leaders of Orang Asli at the district level. Records showed a dialogue was held between the three parties on 22 January 2008. Another meeting was held between Johor FD and Jabatan Hal Ehwal Orang Asli Negeri Johor, as evidenced in the minutes of meeting dated 19 June 2009.

To date, there is no commercial utilisation of traditional forest-related knowledge and practices of the Orang Asli for forest management practices. There is also no known claim on commercial utilisation of traditional forest-related knowledge and practices of the Orang Asli in the forest management practices in the Johor FMU.

**SURVEILLANCE 1**

No outstanding non compliance or new issues. The Forestry Department has documented a standard mechanism in dealing with possible compensation.

**PRINCIPLE 4: COMMUNITY RELATIONS AND WORKERS RIGHTS**

***Criterion 4.1 Employment, training, and other services for local communities***

The State Government provides infrastructure, facilities & social programmes to local communities. In addition, Forestry Department is also involved in the social programmes initiated by the government. The Johor FD has provided evidence of involvement in the training and social programmes, especially on awareness-raising on forest products utilization and conservation:

There are evidences that qualified local communities are engaged in forest harvesting activities and other forestry operations. Members of the local Orang Asli communities were also given opportunity to work in logging camps as tree fellers and machine operators.

The Department however does provide contributions, as and when the need arises or when a

request is submitted to the Department. As far as meeting the Standard's requirement is concerned, there are no records of employment and training given to local community or indigenous people pertaining to forest operations (**Minor CAR-002**).

#### SURVEILLANCE 1

Since the last visit, Johor FD has conducted various training on the staff as well as local communities. The following were examples of training and engagement with Orang Asli group:

- Course on mangrove tree planting, Gelang Patah – 21 April 2010, given to the Orang Asli group within the area.
- Talk/Ceramah on preparation of seedlings with Orang Asli Community from Kluang District – 18 Sept 2009.
- Talk/Ceramah on planting of karas given to local communities in Kg.Semangar, Kota Tinggi -25 July 2010.

Records of training given to local communities and indigenous group are available (**Minor CAR-002 is closed**).

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

Copies of the relevant laws and regulations on health and safety are available at the Johor 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.

Johor FD has a health and safety management policy, i.e. dasar keselamatan dan kesihatan Jabatan Perhutanan Johor addressing health & safety of forest workers. The policy was framed in the offices of district forest office and rangers' offices.

Health and safety brochures in Malay language prepared by Department of Occupational Safety and Health were distributed to contractors and workers. Forestry Department has kept good maintenance records of its machines, equipment and vehicles. The contractor, on the other hands, maintained their own machinery service records.

Records of health and safety of forest workers is evidenced in "Maklumat/Rekod Kesihatan Dan Keselamatan Pekerja-Pekerja Hutan" dated 17 June 2009. The information includes health check-up records, records on health and safety briefing, records on training, records on ownership of personal protective equipment, records on accidents, records on first aids kits, records on health and safety signage, and plan/procedure on health and safety.

#### SURVEILLANCE 1

Johor FD maintains close rapport with DOSH and there are evidences that DOSH visits to forest camps. Updated records of accidents in forestry sector are maintained.

Visits made to the various compartments during the first surveillance showed that forest workers were using adequate PPEs, such as shoes, hard helmet and goggles (in the case of chainsaw operator). Safety signages were observed to erected/placed at locations such as diesel tank, workshop etc to remind of its hazardous conditions.

<b>Criterion 4.3 Workers' rights to organise and negotiate with employers</b>
<p>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.</p> <p>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.</p> <p>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.</p>
<b>SURVEILLANCE 1</b>
<p>Similar to the findings made during the main assessment, there was no prohibition for workers to form or join unions. The Forestry Dept staffs are members of the union.</p> <p>Contractor hired workers are on their own free will and subjected to the terms and conditions agreed between them. There was no restriction for them to join any union but so far none of them has joined or formed any union.</p>
<b>Criterion 4.4 Social impact evaluations and consultation</b>
<p>Socio-economic study was carried out as part of the Macro EIA for Johor FMU, which contain description on the social scenario and identified Orang Asli settlements within Johor State. The document also identifies potential impact of forestry operations on the communities.</p> <p>Discussion with Orang Asli village heads and community member in a number of Orang Asli kampungs during the audit confirmed that forestry department discussed issues related to forest harvesting of the nearby PRF area before forest operations.</p> <p>Macro and micro level assessment where issues relating to social elements must be identified and the potential impact and its mitigation need to be adequately documented at the FMU, district and the license level.</p> <p>The results of the above social impact assessment needs to be incorporated in the long and immediate term planning documents to ensure social sustainability. This is an omission on the part of the FMU managers (refer Principle 8).</p>
<b>SURVEILLANCE 1</b>
<p>As described, a social impact evaluation for Johor FMU has been conducted as part of the macro EIA. The report contains a description of the existing scenario and potential impact of the forestry operation to the Orang Asli and the local communities.</p> <p>At license level, a social impact evaluation was conducted prior, during and after harvesting operation. The evaluation focused on local or Orang Asli communities living nearby the area.</p>

Results of such study are used to plan the operation and to mitigate potential negative impacts. Observed compilation of the evaluation in Compt 15 HS Panti, Compt 91 HS Ulu Sedili, Compt 75 HS Lenggor and Compt 148 and Compt 44 HS Lenggor in Kluang District.

**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 Johor. 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.

**SURVEILLANCE 1**

There was no issue of grievances and claims for compensation involving forests.

**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 Johor.

Kumpulan Wang Pembangunan Hutan (KWPH) – annual budgeting from cess.

Estimated in 2009, a total of 137,250 m<sup>3</sup> of logs will be produced from PRF and 20,000 m<sup>3</sup> from SLF. As such, estimate of KWPH money to be collected in 2009 is estimated at RM1, 572,500.00.

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.

**SURVEILLANCE 1**

Allocation provided for the management and operation of forestry activities in Johor in 2009 and 2010 is as follows:

Allocation	2009 (RM)	2010 (RM)
Budget for Management	10,585,000	10,989,000
Budget for	5,852,510	4,500,000

development																				
<p>For comparison, revenue captured from the production is as follows:</p> <table border="1"> <thead> <tr> <th>Category of revenue</th> <th>2009 (RM)</th> <th>2010 (up to end of May) (RM)</th> </tr> </thead> <tbody> <tr> <td>Premium</td> <td>22,810,130</td> <td>3,770,962</td> </tr> <tr> <td>Royalty</td> <td>3,666,663</td> <td>2,415,759</td> </tr> <tr> <td>Cess</td> <td>815,751</td> <td>404,475</td> </tr> <tr> <td>Others</td> <td>1,602,705</td> <td>399,684</td> </tr> <tr> <td>Total</td> <td>28,895,249</td> <td>6,990,881</td> </tr> </tbody> </table>			Category of revenue	2009 (RM)	2010 (up to end of May) (RM)	Premium	22,810,130	3,770,962	Royalty	3,666,663	2,415,759	Cess	815,751	404,475	Others	1,602,705	399,684	Total	28,895,249	6,990,881
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<p><b>Criterion 5.2 Optimal use and local processing of forest products</b></p> <p>Forest management practices within the Johor FMU emphasize on harvesting of commercial timber to be use for downstream processing and production of sawn timber and charcoal (in the case of mangrove logs). Non Timber Forest Products (NTFP) are rattan, bamboo, honey, oils from trees, roofing materials as well as fishery products.</p> <p>Processing facilities include high quality charcoal factories, and traditional home based non timber products cottage industries providing local employment.</p>																				
<p style="text-align: center;"><b>SURVEILLANCE 1</b></p>																				
<p>There is a ban on log exports from Peninsular Malaysia. As such all logs produced from the operation in Johor FMU are processed locally.</p>																				
<p><b>Criterion 5.3 Waste minimisation and avoidance of damage to forest resources</b></p> <p>Observed in a number of areas that there is quite a significant log residues were left in the forest after harvest. Discussion with contractors shows that they are keen to extract residual logs from their area. Previously, Johor FD has issued a number of licenses allowing extraction of residual logs from harvested areas, however due to some unfavorable circumstances, it was discontinued.</p> <p>Procedures for minimizing product wastages are described in the instruments listed under 5.3.1. The Forestry Department also imposed fines on loggers for logs left uncollected after harvest.</p>																				
<p style="text-align: center;"><b>SURVEILLANCE 1</b></p>																				
<p>Selective harvesting using RIL is being practiced in Johor FMU. It was observed that damage to the forest stands has been minimised with proper implementation of the road guidelines and the RIL. In general, damage to the forest stand has been minimised to lower than 10 % overall.</p> <p>Documentation has been provided explaining the procedures (‘Syarat Kelulusan Sisa Pengeluaran’) for extracting residual logs that have been established by the Forestry Department. <b>(Observation 002 is closed)</b></p>																				

However, observations in several logging areas noted that significant residual log waste was left on the ground without adhering to established procedures to minimize waste and avoid damage to the forest. **(New Observation 006)**

**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 Johor or other states in Peninsular Malaysia. Export of raw logs is banned from Peninsular Malaysia as part of effort to encourage downstream processing and value-added industry.

**SURVEILLANCE 1**

No outstanding non compliance or new issues.

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

PRF areas are classified into 12 classes. More than 50% of the Johor FMU is under conservation status. The sensitive areas were well demarcated on the map and on the ground and protected during harvesting.

PRF areas in Johor were not only used for timber production purpose. Significant portions were set aside as protection especially for watershed, recreational as well as for education and research. For example, significant portion of the mangrove areas that could be found along the muddy beaches south of Johor are categorised as protection due to importance for shore protection, fisheries as well as recreational value. The forests above 1,000 m a.s.l were set aside as water catchment while several areas were set as VJR due to its biodiversity content.

Several areas were also set aside for research and education purposes where cooperation with various agencies such local authorities and universities were evidence in its operation and maintenance. Such actions enhanced the values of the forest including for recreation activities for local communities.

**SURVEILLANCE 1**

There was no change in the area set aside for conservation and protection purposes within Johor FMU. The different category of forest classes according to the NFA 1984 is as follows:

No.	Functional Classification	Area (ha)
1	Production forest	221,045.30
2	Soil Protection	23,241.29
3	Soil Reclamation	-
4	Flood Control	4,289.36
5	Water catchment forest	81,982.61
6	Protection of Wildlife	1,800.00

7	Virgin Jungle Reserves	3,479.47
8	Recreation forest	1,178.79
9	Education forest	497.00
10	Research forest	3,431.00
11	Federal Purposes	0
12	State Park Forest	3,795.84
	<b>Total</b>	<b>441,251.06</b>

**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 (m3/ha/yr) for regulated forests is set at 61 m3/ha
- Availability of at least 32 residual trees above 30 cm dbh per hectare after harvest

Current AAC for Johor FMU is 2,250 ha per year. Estimated production from virgin forest are at 85 m3/ha while those from second rotation area is 61 m3/ha.

The FMP make projection using flat figure of 85m3/ha, arriving at 191,250 m3 annually. In reality, most of the areas being harvested are 2<sup>nd</sup> rotation. Take that into consideration, annual projection should be at 137,250 m3 only. The estimate provides in the 10 year FMP, thus does not reflect through picture of the FMU. As such, the review of FMP needs to address estimate on sustainable harvest under each Coupe / year.

There were no records of harvest of NTFPs. Records of volume harvested from operations in mangrove and plantation forest is also not available (**Minor CAR 003**).

**SURVEILLANCE 1**

Records of harvest from mangrove and plantation forest are compiled through Shuttle I. Between 2002 – 2009, a total of 18,915.35 ha of Acacia plantation in Johor FMU have been harvested generating 942,422 m3 of logs (average about 50 m3/ha). For mangrove, three types of raw materials were produced; kayu arang, poles and firewood. Average production is as follows:

- Poles (3-10 cm diameter) – 353 pcs /ha
- Poles (10-20 cm diameter) – 7 pcs/ha
- Charcoal wood – 1.3 metric tonne/ha
- Firewood – 1.35 metric tonne/ha

Records on volume harvested from mangrove and forest plantations are available. (**Minor CAR-003 is closed**). The Department also maintains records of timber harvested from PRF and other forested areas.

#### **PRINCIPLE 6: ENVIRONMENTAL IMPACT**

##### ***Criterion 6.1 Environmental impacts evaluation***

Johor FD has carried out a macro environmental impact assessment for Johor FMU (dated Sept 2008). Potential impacts, mitigation measures and plan for monitoring are described based on the following activities:

- Pre-harvest activities
- Forest harvesting operation
- Post harvest operation

Chapter 8 of the Macro EIA also contain description of a detail of Environmental Management Plan that includes prescription for monitoring activities.

As described above, a macro EIA has been conducted for operation in Johor FMU. The document also contain list of RTE (Rare Threatened Endangered) species in Johor

The macro EIA was prepared after the 10 year FMP was completed. The measures described in the macro EIA will be incorporated into the review of the FMP which will take place in 2010.

#### **SURVEILLANCE 1**

At the time of surveillance visit, Johor FD was in the process of preparing the next FMP covering the period of 2011 – 2020. Issues highlighted in the EIA are being incorporated into the FMP.

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

Species of flora presence in Johor FMU are identified in the macro EIA report. Endemic plant species are also identified. Thirty-two (32) tree species listed as protected in Johor state and the harvesting license issued contain such list.

At the macro-level, a guideline for establishing VJRs is available (*Guidelines for the Establishment and Maintenance of Virgin Jungle Reserves*, 1987). In Johor FMU, there are a total of 17 Virgin Jungle Reserves (VJR) that has been established covering a total area of 3,479 ha.

In the state of Johor, there are other protected areas outside the PRF such as the Endau Rompin State Park and the Tanjung Piai State Park which have been established for conservation of species and ecosystem protection. There area also a number of Wildlife Reserves that have been set aside for the conservation of wildlife and biodiversity. The buffer

zone created in all licensed areas in the PRF also acts as a means of protection and conservation of existing ecosystem within the PRF.

Johor FMU always cooperated and engaged with other agencies in carrying out conservation programmes and conducting studies pertaining to wildlife conservation.

More recently, a committee has been established at state level to look into biodiversity conservation, chaired by the State Economic Planning Unit, as part of a coordinated effort in ensuring better natural resources planning across the state agencies. Also, the members to the committee consisted of conservation NGOs such as the Wildlife Conservation Society (WCS), WWF and other conservation and social NGOs.

Hunting without the necessary permits from authorities is prohibited from PRF areas in Peninsular Malaysia. Contractors were found to be aware of the hunting/fishing ban in PRF. Traditionally, forest workers will not hunt in the area where they are harvesting for fear of bad luck. Posters on the protected wild animals are available and were found on the notice-boards at the workers' camp.

**SURVEILLANCE 1**

The Johor Forestry Department continues to cooperate with conservation organizations and government agencies to assist in enforcement measures to curtail illegal wildlife trafficking from national parks and forest reserves. Together with the Wildlife Conservation Society, the FD participated in road blocks in April and May of 2010.

In addition, the FD assisted in patrol activities with WCS to monitor poaching intrusions into national park areas in January, April, June, May, and July of 2010, as well as, assist with camera trapping programs for tigers.

At the logging camps, posters on wildlife and sanctions for illegal hunting were observed being posted. Discussion with the logging supervisor (kepala) shows that the forestry company will not tolerate with those who breaks the law. Traditionally the loggers will not allow their workers to hunt and set trap while harvesting activities is ongoing. There was no evidence to suggest that forest workers carried out hunting or trapping activities.

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

Pre-Felling and Post-felling inventories were carried out accordingly. Plans for Post-F with silvicultural treatments for areas harvested every year are available.

In 2008, 14 Post-Felling inventories were done involving a total of 2,230.86 ha. However, as described earlier, not all have been completed. In general, it was found that the results of the Post-felling inventories are reliable apart from those in Compartment 26 HS Lenggong where there were errors in terms of tree counts and species identification (**Observation 003**). Guidelines required by Indicator 6.3.2 are available.

The sampling by the audit team in various compartments visited during Stage 2 found consistency in the implementation of the tree marking guidelines and enforcement of the cutting limits in the licensed areas visited.

In the licensed areas, buffer zones are created along streams and rivers, which also function as wildlife corridor within the harvested area. The practiced of reduced impact harvesting where damage to residual stands have been significant reduced is the key to good forest management. In general, only between 6 – 8 % of the total area are lost or damaged during harvesting to road and skid trail alignment as well as temporary log landings.

#### SURVEILLANCE 1

The surveillance team conducted check on the results of Post F inventory in the following areas:

- Compt 93A HS Ulu Sedili
- Compt 75, HS Lenggor

The auditor checks measurement of all trees above 30 cm in the at least 6 plots in each area and compare the results with the record captured during the inventory. It was found that the data captured in the inventories done were acceptable in regard to species identification and measurements (**Observation-03 is closed**).

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

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 levels maps and the areas are demarcated on the ground. Areas above 1,000 m a.s.l. and steep slope which were set aside for protection also contains sample of undisturbed forests.

Under the forestry law, 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 forests.

#### SURVEILLANCE 1

As described in the earlier sections of this report, about 50 % of the FMU is set aside for conservation and protection purposes where no harvesting activities will be carried out. Within the areas licensed for harvest, patches of areas are left intact. Buffer zones were demarcated and protected along the rivers and streams found within the productive areas. In areas visited during the surveillance where harvesting is on-going or already completed, the audit team observed that no felling of trees done within the buffer zone. Similarly, steep slopes were marked out from the productive areas.

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

Licensees and contractors are obliged to follow key forestry guidelines that will minimise the environmental impacts of logging. This is enforced through the licence agreements.

Overall it was observed that the planning and implementation of road and skid trail alignment follows the standard requirement. The density of feeder roads within the licensed areas does not exceed 40 m per hectare while the skid trails were in the region of 100 m/ha.

As described under 6.5.1, during the verification assessment, improvement was observed in all districts visited where feeder roads were observed with proper drainage structure and appropriate machineries were evidently used.

It is however observed that training needs to be given to the forest workers on proper construction of water bar (please see 6.5.3).

Since almost all harvesting licenses issued in Johor FMU now are on second rotation cycle,

<p>roads and skid trails were all aligned using old roads. This allows minimal earthwork and cutting. It was observed that skid trails were pre-determined and minimally bladed.</p> <p>The audit team visited several locations of buffer zones in the licensed areas. In most cases, the buffer zones were clearly demarcated on the map and similarly in the field and the areas were not violated.</p>
<b>SURVEILLANCE 1</b>
<p>Field observations in several compartments showed improvements in regard to water bar construction. They are more consistently constructed as measures to mitigate soil erosion after harvesting. (<b>Minor CAR-004 is closed</b>)</p> <p>Buffer zones were not consistently marked on the ground resulting in damage to forest stands by excavator intrusion and tree fall into these protected areas. In Compartment 91 of HS Ulu Sedili, there were no buffer zone markings in the interior areas of the forest, only along the roadside of rivers and streams. (<b>New Minor CAR-010</b>)</p>
<b><i>Criterion 6.6 Chemical pest management</i></b>
<p>While it is known that natural forest management uses very limited chemicals, however, the chemical are still being used in the nursery where seedlings are prepared for enrichment planting.</p> <p>The storage area is not in compliance to the procedures and no records of use. Evidently, the forest workers are not aware of the procedures on the use of approved chemicals in the FMU. There was no evidence to suggest that training on chemical handling has been given to the workers (see <b>Minor CAR 005</b>).</p>
<b>SURVEILLANCE 1</b>
<p>Training on chemical use has been conducted and interviews with workers show better knowledge on chemical use at the nursery. There are also proper facilities for storage and use of chemicals. (<b>Minor CAR-005 is closed</b>)</p> <p>Visit to the nursery in Jemaluang shows that proper storage for chemical is provided together with mixing and washing facilities. Proper records of chemical used are maintained.</p>
<b><i>Criterion 6.7 Use and disposal of chemicals, containers, liquid and solid non-organic wastes</i></b>
<p>Site visit of Sungai Pulai Mangrove Forests shows evidence of proper storage and disposal of plastic containers and mangrove seedlings plastic wrappings. No issue of engine oil wastes or diesel storage and handling as most of these supplies are only brought in when its utilisation are needed. Practically on site, there was no storage of such items.</p> <p>While there are procedures for waste management, observations in a former forest camp revealed that rubber tyres, plastic containers and bottles were left lying around and not collected and disposed off in an appropriate manner. (<b>Minor CAR 006</b>)</p>
<b>SURVEILLANCE 1</b>

Field observations at the logging camp found improved waste management practices and no evidence of non organic waste improperly disposed of. ( <b>Minor CAR-006 is closed</b> )
<b>Criterion 6.8 Use of biological control agents and genetically modified organisms</b>
No evidence of use of GMO and biological control agents within Johor FMU.
<b>SURVEILLANCE 1</b>
No outstanding non compliance or new issues.
<b>Criterion 6.9 The use of exotic species shall be properly controlled</b>
<p><i>Acacia mangium</i> are planted in areas designated for industrial plantation within Johor FMU as part of the Compensatory Forestry Programme initiated by Forestry Department Headquarters (JPSM) level. Provenance trials carried out by JPSM are continually monitored by JPSM.</p> <p><i>Acacia mangium</i> are only planted in the designated plantation area. The species now growing naturally in open areas but is not known to have encroached into forested areas.</p>
<b>SURVEILLANCE 1</b>
No outstanding non compliance or new issues.
<b>Criterion 6.10 Forest conversion to plantations or non-forest land uses</b>
<p>Within Johor FMU, there are an existing 2,500 ha of existing timber plantation located within HS Ulu Sedili. The area was planted mainly with <i>Acacia mangium</i> as part of the compensatory forest plantation project in 1980s. Through an agreement with the State Government, the area has been put under a private management where the trees are being harvested and replanting is currently on going.</p> <p>Recently, the State Exco has granted an approval for establishment of a 5,831.64 ha of new timber plantation establishment within the PRF in Johor FMU. The project is a joint venture between the government and the state agency. The State agency has further leased out the area to three companies for the replanting.</p> <p>The State Exco, however, made another decision dated 26<sup>th</sup> June 2009 to put the project on hold. To date, only a total of 405 ha per lease of the area have been replanted with timber latex clone (TLC) fast growing forest tree species.</p> <p>The extent of the area involved is only about 1.3 % of the total FMU. The areas involved are reported to be of a poor quality since it was under state land status before it was gazetted into PRF, where it has been repeatedly logged. However, there was no specific social, environmental and economic cost benefit analysis were conducted to justify for the forest conversion and tree plantation project in HS Sembrong Tambahan and Cadangan HS Labis (<b>Observation 004</b>).</p> <p>Both the existing tree plantation and the new plantation areas are now considered to be not within the scope of certification. The timber generated from operations within such an area cannot be considered and identified as MTCS certified.</p> <p>The conversion of forest area to non-forest land uses is provided for under Section 11 of the</p>

National Forestry Act 1984, which states that ‘State authority may excise land from the permanent reserved forest’ and in Section 12 of the same Act also states that ‘State authority to replace land excised from the PRF’ whenever possible.

#### SURVEILLANCE 1

There was no further conversion of PRF to non forested land uses in Johor FMU. The State has put a moratorium on conversion of natural forested land into other land uses (**Observation 004 is closed**). Justification for planting of rubber trees is provided in a document produced by the RRIM.

#### PRINCIPLE 7: MANAGEMENT PLAN

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

The 10 year FMP contain description of the resources at FMU level, manpower allocation, estimate budget etc. Annually, a ‘Rancangan Tahunan Hutan’ (RTH) is prepared at each district level containing among others areas to be harvested within the year.

At the license level, a ‘Rancangan Mengusahakan Hutan’ (RMH) which form the comprehensive harvest plan is prepared. RMH will contain detail of the license boundary, infrastructures to be developed as well as list of trees to be harvested and protected.

#### SURVEILLANCE 1

Johor FMU is in the process of compiling a new 10 year forest management plan covering the period of 2011 – 2020. Every year, annual plan is prepared at district and compiled at FMU level. The audit team reviewed the ‘Rancangan Tahunan’ for all districts for the year 2009 and 2010.

The audit team also reviewed the RMH (Comprehensive Harvest Plan) for the operations in the following areas:

- Compt 13, 14 and 15 HS Pantl
- Compt 91 & 93 HS Ulu Sedili
- Compt 44 & 75, HS Lenggor
- Compt 148 HS Lenggor

The planning for harvest were observed to be in order and followed the required guidelines in terms of road, skid trails, harvest limit etc. All harvest licenses issued were in second rotation areas which means that the harvest level is limited to not more than 61 m<sup>3</sup>/ha.

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

The current 10-Year Forest Management Plan is subjected to mid term review in year 2010. It was observed that that mid term review of Mangrove Forest Management Plan was lacking which should have taken place in year 2005 (**Minor CAR-007**).

#### SURVEILLANCE 1

Johor FD has appointed a consultant to carry out a revision of the mangrove forest management plan covering the period of 2010 – 2019. A preliminary visit by the consultant was conducted in June 2010 and the final report is scheduled to be completed by the end of 2010. The FD has started review of the 10 year FMP. (**Minor CAR-007 is closed**)

<b>Criterion 7.3 Training and supervision of forest workers</b>
<p>Training is consistently being carried out according to the ISO standard system. Training records are adequately maintained. Johor Forestry Department has the necessary facilities and resources for conducting training.</p> <p>There are evidences that the Forestry Department personnel have undergone the relevant training with training records available. As described under various indicators under Principle 4, the audit team observed evidence that the forest workers (tree fellers, skidder driver etc) were trained in reduced impact logging implementation, erosion control and preventing siltation to natural water ways etc.</p>
<b>SURVEILLANCE 1</b>
<p>During the surveillance 01 visit to active and closed out areas, the audit team observed inconsistent implementation of RIL guidelines particularly with regards to tree felling, erosion control during skidding and buffer zone protection.</p> <p>The root cause for this is inadequate training and supervision of forest workers (<b>New Observation 007</b>) where discussion with the workers on the ground shows little knowledge on the relevant requirement.</p>
<b>Criterion 7.4 Public availability of the management plan elements</b>
<p>The summary of the 10 year FMP has been placed on the website (<a href="http://www.johorforestry.gov.my/hutan_lipur.html">http://www.johorforestry.gov.my/hutan_lipur.html</a>). The summary includes description of the current status of the FMU, including environmental and social aspects. It also includes a section on the HCVF.</p>
<b>SURVEILLANCE 1</b>
<p>Johor FD continues to update the website to include latest development with regard to forest management in the state.</p>
<b>PRINCIPLE 8: MONITORING AND EVALUATION</b>
<b>Criterion 8.1 Frequency, intensity and consistency of monitoring</b>
<p>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.</p>
<b>SURVEILLANCE 1</b>
<p>As described in earlier sections, Johor FD has started using Borang E for compiling social elements and identifying potential impacts prior to harvest in a specific area. It was observed that the procedure is yet to be consistently implemented where in some areas the form is yet to be used and compiled. As this is a new inclusion and not part of the verifier documentation of the use of Borang E as part of monitoring on social issues. (<b>New Observation 008</b>)</p>
<b>Criterion 8.2 Research and data collection for monitoring</b>

<p>Growth plots are established within Johor FMU for the purpose of monitoring tree growth. These plots are identified on the map and on the ground. At present, there are 11 growth plots in Johor FMU. Yearly data of growth rates, regeneration and forest condition are collected</p>
<b>SURVEILLANCE 1</b>
<p>No outstanding non compliance or new issues. The growth plots continued to be monitored by a team for FDPM with assistance form the District Forest Office where the plot is located.</p> <p>As described in the earlier sections, the FD continues to conduct pre and post felling inventories where results are available. Johor FD has carry out analysis comparing the pre and post F inventory results. The audit team has verified post F results in Compt 93, HS Ulu Sedili, which was found to be acceptable:</p>
<b><i>Criterion 8.3 Chain of custody</i></b>
<p>The license number system used by Johor FMU does not denote whether the licensed area is within PRF or Stateland forest. For alienated land, the letters ‘LP’ is indicated on the license number (e.g. LPJS 4/2009). However, logs from PRF carry log tag with number where the number is listed on the RP issued for transportation of the log. Logs produced from stateland and alienated land does not carry log tag.</p> <p>Traceability of forest products is through Removal Pass (RP) and the log tag system. With the RP and log number, it is possible to trace the log to the stump.</p>
<b>SURVEILLANCE 1</b>
<p>The audit team conducted visit to the following Forest Checking Stations (FCS) to review log transportation process and issuance of Removal Passes (RP) to the truck transporting the log out from each licensed area:</p> <ul style="list-style-type: none"> <li>- BPH Bt 21, Ulu Sedili</li> <li>- BPH Jemaluang</li> </ul> <p>It was observed that proper procedures have been adhered to in section of logs and measurement of logs in the truck. Each RP issued contains the following details: license number, date, truck number and the driver’s name. Each log carries the FD log tag which is traceable and verifiable to the primary data in the log tagging book included in the RMH.</p>
<b><i>Criterion 8.4 Incorporation of monitoring results into the management plan</i></b>
<p>The current 10 year plan is up for revision in 2010. Currently, there are no formal mechanisms for incorporating monitoring results into the FMP however; the annual harvesting plan prepared at District Forest office level contains a summary of the previous year’s operations such as areas of licenses issued and volume of timber harvested. The current 10 year plan also contains summarised details of harvest, volume produced, wildlife and other elements of monitoring.</p>
<b>SURVEILLANCE 1</b>
<p>No outstanding non compliance or new issues. This will be checked in the next surveillance when the new FMP is completed.</p>
<b><i>Criterion 8.5 Publicly available summary of monitoring</i></b>

<p>While the results of monitoring on volume and area harvested is available, other data are not available. As such, the summary of monitoring records is currently not publicly available (<b>Minor CAR 008</b>).</p>
<b>SURVEILLANCE 1</b>
<p>Summary of monitoring records are now publicly available on the web (<a href="http://www.johorforestry.gov.my">www.johorforestry.gov.my</a>). (<b>Minor CAR-008 is closed</b>).</p>
<b>PRINCIPLE 9: HIGH CONSERVATION VALUE FORESTS</b>
<b><i>Criterion 9.1 Evaluation to determine high conservation value attributes</i></b>
<p>Patches of description of HCVF in Johor FMU is tabulated in the 10 year FMP and the Macro EIA report. Evaluation of HCVF was done internally as described under Chapter 5.5.4 of the 10- year FMP where HCVF areas have been classified into 4 categories according to the <i>MC&amp;I (2002)</i> definition.</p>
<b>SURVEILLANCE 1</b>
<p>Although information and maps on HCVFs are available, the process for stakeholder consultation remains on-going and is not completed. (<b>Minor CAR-009 remains outstanding</b>).</p>
<b><i>Criterion 9.2 Consultation process</i></b>
<p>For the individual HCVF areas identified, evidence of consultation with stakeholders is available in the form of minutes of meetings. However, the assessment does not cover the entire FMU and does not include sufficient consultation with experts (<b>Minor CAR-009</b>)</p> <p>As described in many sections of this report, about 28.03 % of the PRF in Johor is classified as protection forest under various categories. Such areas are protected for various functions such as water catchments, biodiversity conservation, and recreational values or for the purpose of its social contribution.</p>
<b>SURVEILLANCE 1</b>
<p>Although information and maps on HCVFs are available, the process for stakeholder consultation remains on-going and is not completed. (<b>Minor CAR-009 remains outstanding</b>).</p>
<b><i>Criterion 9.3 Measures to maintain and enhance high conservation value attributes</i></b>
<p>Each of the three HCVF areas are mapped and demarcated on the ground. The management plan which includes a map is available at the respective Forestry District Office.</p> <p>As described under 7.4.1, the three HCVF areas identified are mapped and its description is incorporated into the summary of the FMP that is currently publicly available through the web.</p>
<b>SURVEILLANCE 1</b>
<p>As described, about 50% of the whole FMU is set aside for conservation and protection status. Harvest in the production areas are on selective basis and using RIL techniques where only a few trees were felled per hectare. Damage to the forest stands are limited to below 10 %, leaving the forest to continue its ecological and biological functions after the harvest.</p>

**Criterion 9.4 Monitoring to assess effectiveness**

Yearly review and monitoring of the HCVF incorporated into the FMP has to be carried out. Monitoring has begun for resak batu at H.S.Gunung Arong Tambahan by FRIM.

Whereas, *Shorea peltata* and endemic Borneo kapur are monitored by the respective District Forest Offices.

The management plan is subjected for review in 2010. The Johor FD is taking action to ensure that the results of the HCVF assessment and its monitoring be incorporated into the revised management plan.

**SURVEILLANCE 1**

The Department conducted monitoring in the areas that have been identified as containing HCVs. These areas are also being monitored in terms of encroachment and reduction in quality.

**6. CERTIFICATION DECISION**

SGS considers that Johor State Forestry Department's forest management of PRF areas within Johor FMU 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 Johor FD is required to take the agreed actions before the next surveillance. These will be verified by SGS Malaysia at the first surveillance to be carried out about 6 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.

**7. MAINTENANCE OF CERTIFICATION**

During the surveillance evaluation, it is assessed if there is continuing compliance with the requirements of the Qualifor Programme. Any areas of non-conformance with the QUALIFOR Programme are raised as one of two types of Corrective Action Request (CAR):

01. **Major CARs** - which must be addressed and closed out urgently with an agreed short time frame since the organisation is already a QUALIFOR certified organisation. Failure to close out within the agreed time frame can lead to suspension of the certificate.

02. **Minor CARs** - which must be addressed within an agreed time frame, and will normally be checked at the next surveillance visit

The full record of CARs raised over the certification period is listed under section 8 below. The table below provides a progressive summary of findings for each surveillance conducted.

<b>MAIN EVALUATION</b>	
<b>Number of CARs raised</b>	Nine (9) Minor CARs were raised.
<b>SURVEILLANCE 1</b>	
<b>Number of CARs closed</b>	Eight (8) Outstanding CARs were closed.
<b>Nr of CARs remaining open</b>	One (1) Outstanding CARs from previous evaluations was not closed.
<b>New CARs raised</b>	One (1) New Minor CAR was raised.

**8. RECORD OF CORRECTIVE ACTION REQUESTS (CARS)**

CAR #	Indicator	CAR Detail					
001	3.3.1	<b>Date Recorded</b>	26/06/2009	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		<b>Non-Conformance:</b>					
		Lack of procedure for and identification and protection of special sites within or in the vicinity of the FMU.					
		<b>Objective Evidence:</b>					
		Some sites were identified as importance, however there was no clear procedures how the identification been done and how the sites going to be protected.					
		<b>Close-out evidence:</b>					
<p>Identification of occurrence of special sites within the FMU is done through interviews with local communities. Two areas have been identified as special sites based on its significance to the indigenous community:</p> <ul style="list-style-type: none"> <li>○ Compt 68 HS Panti – Orang Asli orchard</li> <li>○ Compt 69 &amp; 75, HS Labis – Orang Asli orchard</li> </ul> <p>The locations have been mapped and the areas will be protected from harvesting or any other activities. A formal procedure is in place.</p>							
002	4.1.1	<b>Date Recorded</b>	26/06/2009	<b>Due Date</b>	1 <sup>st</sup> Surveillance	<b>Date Closed</b>	30 Jul 10
		<b>Non-Conformance:</b>					
		Inadequate training given to local communities and indigenous peoples group.					
		<b>Objective Evidence:</b>					
		No records of employment and training given to local community or indigenous people pertaining forest management and operation					
		<b>Close-out evidence:</b>					
<p>Since the last visit, Johor FD has conducted various training on the staff as well as local communities. The following were examples of training and engagement with Orang Asli group:</p> <ul style="list-style-type: none"> <li>• Course on mangrove tree planting, Gelang Patah – 21 April 2010, given to the Orang Asli group within the area.</li> <li>• Talk/Ceramah on preparation of seedlings with Orang Asli Community from Kluang District – 18 Sept 2009.</li> <li>• Talk/Ceramah on planting of karas given to local communities in Kg.Semangar, Kota Tinggi -25 July 2010.</li> </ul> <p>Records of training given to local communities and indigenous group are available</p>							
003	5.6.2	<b>Date Recorded</b>	26/06/2009	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		<b>Non-Conformance:</b>					

CAR #	Indicator	CAR Detail					
		<p>Inadequate records of volume harvested from operations in mangrove and plantation forest.</p> <p><b>Objective Evidence:</b></p> <p>Johor FD continues to harvest mangroves and timber plantation, but records were not adequately compiled.</p> <p><b>Close-out evidence:</b></p> <p>Records of harvest from mangrove and plantation forest are compiled through Shuttle I. Between 2002 – 2009, a total of 18,915.35 ha of Acacia plantation in Johor FMU have been harvested generating 942,422 m<sup>3</sup> of logs (average about 50 m<sup>3</sup>/ha). For mangrove, three types of raw materials were produced; kayu arang, poles and firewood. Average production is as follows:</p> <ul style="list-style-type: none"> <li>○ Poles (3-10 cm diameter) – 353 pcs /ha</li> <li>○ Poles (10-20 cm diameter) – 7 pcs/ha</li> <li>○ Kayu arang – 1.3 metric tonne/ha</li> <li>○ Kayu api – 1.35 metric tonne/ha</li> </ul>					
004	6.5.3	<b>Date Recorded</b>	26/06/2009	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		<b>Non-Conformance:</b>					
		Inadequate implementation of soil erosion control where water bars were not adequately constructed on skid trails after harvest.					
		<b>Objective Evidence:</b>					
		Water bars as part of erosion control were constructed in some areas but not through out the FMU. The construction of water bars were observed to be not following correct procedures resulting it not being effective.					
		<b>Close-out evidence:</b>					
		Field observations in several compartments (Compt 13& 15, HS Panti; Compt 91 HS Ulu Sedili; Compt 148 HS Lenggor) showed marked improvements in regard to water bar construction where it is consistently constructed as measures to mitigate soil erosion after harvesting.					
005	6.6.2	<b>Date Recorded</b>	26/06/09	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		<b>Non-Conformance:</b>					
		Forest workers are not aware of the procedures on the use of approved chemicals in the FMU. No training record on chemical use.					
		<b>Objective Evidence:</b>					
		Chemicals are used in the nursery and the areas where timber plantation is being carried out. The workers were observed to be not following proper guidelines in applying the chemical.					
		<b>Close-out evidence:</b>					
		Johor FD has conducted training on chemical use on 25 Feb 2010 attended by 16 personnel with main responsibility in operating the nursery.					
006	6.7.2	<b>Date Recorded</b>	26/06/09	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		>					

CAR #	Indicator	CAR Detail					
		<p><b>Non-Conformance:</b></p> <p>Inadequate implementation of waste management procedures at the logging camps and workshop.</p> <p><b>Objective Evidence:</b></p> <p>Observed in the ex contractor's camp, rubber tyres, plastic containers and bottles were left lying around on the ex-camp site.</p> <p><b>Close-out evidence:</b></p> <p>Waste management at the camp site is under control. There is no evidence of non organic waste disposed of improperly.</p>					
007	7.2.1	<b>Date Recorded</b>	26/06/09	<b>Due Date&gt;</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		<p><b>Non-Conformance:</b></p> <p>No revision and mid term review of the mangrove and plantation management plan.</p> <p><b>Objective Evidence:</b></p> <p>The document for the revised mid term review of mangrove management and forest plantation management plan is not available</p> <p><b>Close-out evidence:</b></p> <p>Johor FD has appointed a consultant to carry out a revision of the mangrove forest management plan covering the period of 2010 – 2019. Preliminary visits by the consultant were conducted in June 2010 and the final report is scheduled to be completed by the end of 2010.</p> <p>The FD has started review of the 10 year FMP</p>					
008	8.5.1	<b>Date Recorded</b>	26/06/09	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	30 Jul 10
		<p><b>Non-Conformance:</b></p> <p>Summary of monitoring records not publicly available.</p> <p><b>Objective Evidence:</b></p> <p>There was no summary of monitoring records that is shown to be publicly available..</p> <p><b>Close-out evidence:</b></p> <p>Summary of monitoring records are now publicly available on the web (<a href="http://www.johorforestry.gov.my">www.johorforestry.gov.my</a>)</p>					
009	9.1.1 & 9.2.1	<b>Date Recorded</b>	26/06/09	<b>Due Date</b>	1 <sup>st</sup> surveillance	<b>Date Closed</b>	dd MM yyyy
		<p><b>Non-Conformance:</b></p> <p>Assessment of HCVF does not cover the whole FMU and does not include consultation with experts.</p> <p><b>Objective Evidence:</b></p>					

CAR #	Indicator	CAR Detail					
		<p>No documentary evidence of consultation with relevant experts. Not all District Forest Offices shows documentation of HCVF investigative operations and consultations with relevant experts.</p> <p><u>30 Jul 2010</u></p> <p>Information and maps on HCVF are available and process for stakeholder consultation is on going. However, the CAR remains outstanding. <b>CAR remains outstanding.</b></p> <p><b>Close-out evidence:</b></p>					
010	6.5.4	<b>Date Recorded</b>	07/30/10	<b>Due Date</b>	Next surveillance	<b>Date Closed</b>	dd MM yyyy
		<b>Non-Conformance:</b>					
		Buffer zones were not consistently marked on the ground resulting in damage to stand by excavator intrusion and tree fall into these protected areas.					
		<b>Objective Evidence:</b>					
		In Compartment 91 of HS Ulu Sedili, there were no buffer zone markings in the interior areas of the forest, only along the roadside of rivers and streams.					
		<b>Close-out evidence:</b>					

**9. RECORD OF OBSERVATIONS**

OBS #	Indicator	Observation Detail			
001	4.1.1	<b>Date Recorded</b>	26 June 09	<b>Date Closed</b>	30 July 2010
		<b>Observation:</b>			
		There were no records of employment and training given to local community or indigenous people pertaining to forest operations.			
		<b>Follow-up evidence:</b>			
		<p>Since the last visit, Johor FD has conducted various training on the staff as well as local communities. The following were examples of training and engagement with Orang Asli group:</p> <ul style="list-style-type: none"> <li>• Course on mangrove tree planting, Gelang Patah – 21 April 2010, given to the Orang Asli group within the area.</li> <li>• Talk/Ceramah on preparation of seedlings with Orang Asli Community from Kluang District – 18 Sept 2009.</li> <li>• Talk/Ceramah on planting of karas given to local communities in Kg.Semangar, Kota Tinggi -25 July 2010.</li> </ul> <p>Records of training given to local communities and indigenous group are available</p>			

OBS #	Indicator	Observation Detail			
		<b>Date Recorded</b>	26 June 09	<b>Date Closed</b>	30 July 2010
002	5.3.1	<b>Observation:</b>			
		Contractors are keen to extract residual logs from their area. A number of licenses have been or going to be issued allowing extraction of residual logs from harvested areas, however, standard procedure is still not in place.			
		<b>Follow-up evidence:</b>			
		Procedures ('Syarat Kelulusan Sisa Pengeluaran') for extracting residual logs have been established.			
003	6.3.1	<b>Date Recorded</b>	26 June 09	<b>Date Closed</b>	30 July 2010
		<b>Observation:</b>			
		Errors in results of the post felling inventories in Compartment 26 HS Lenggor in term of tree counts and species identification.			
		<b>Follow-up evidence:</b>			
Post felling inventories in Compartment 93 of HS Ulu Sedili were deemed to be satisfactory in regard to species identification and measurements.					
004	6.10.1	<b>Date Recorded</b>	26 June 09	<b>Date Closed</b>	30 July 2010
		<b>Observation:</b>			
		Inadequate social, environmental and economic cost benefit analysis on forest conversion project in HS Sembrong Tambahan and Cadangan HS Labis.			
		<b>Follow-up evidence:</b>			
There was no further conversion of PRF to non forested land uses in Johor FMU. The State has put a moratorium on conversion of natural forested land into other landuses ( <b>Observation 004 is closed</b> ). Justification for planting of rubber trees is provided in a document produced by the RRIM.					
005	1.5.2	<b>Date Recorded</b>	30 July 2010	<b>Date Closed</b>	dd MMM yy
		<b>Observation:</b>			
		Illegal felling of trees by the contractor outside licensed area in Compartment 91, HS Ulu Sedili. A report has been prepared and the case is now under investigation by the relevant unit within the FD prior to possible legal action.			
		<b>Follow-up evidence:</b>			
006	5.3.2	<b>Date Recorded</b>	30 July 2010	<b>Date Closed</b>	dd MMM yy
		<b>Observation:</b>			
		Observed significant residual log waste left on the ground.			
		<b>Follow-up evidence:</b>			
007	7.3.1	<b>Date Recorded</b>	30 July 2010	<b>Date Closed</b>	dd MMM yy
		<b>Observation:</b>			
		Inadequate training and supervision of forest workers resulted in improper and inconsistent implementation of RIL elements relevant to tree felling, skidding and buffer zone protection			

OBS #	Indicator	Observation Detail			
		<b>Follow-up evidence:</b>			
008	8.1.1	<b>Date Recorded</b>	30 July 2010	<b>Date Closed</b>	dd MMM yy
		<b>Observation:</b>			
		Inconsistent documentation of Borang E as part of monitoring of social issues.			
		<b>Follow-up evidence:</b>			

**10. RECORD OF STAKEHOLDER COMMENTS AND THE AUDIT TEAM RESPONSE**

Nr	Comment	Response
	<b>Main Evaluation</b>	
1	No prior notification sent to stakeholders especially civil societies nor was there any request for comments on the whole process prior to Stage 2 audit of Johor FMU.	<p>SGS has issued a letter to stakeholder to make announcement as well as to solicit comments from various interested parties one month prior to the field assessment. The letter is sent via email with an auto reply message. Efforts were made to contact the organisations that did not receive the email so that other actions can be taken to send the stakeholder package.</p> <p>A number of NGOs submitted complaints that they did not received the emails. SGS has promptly replied copying the previous email sent, again encouraging them to reply.</p> <p>A number of organisations contacted have replied with no comments, but a large majority of the stakeholder did not respond at all.</p> <p>The complainants later admitted receiving the stakeholder letter through the organisation's email address.</p>

Nr	Comment	Response
<b>Main Evaluation</b>		
2	<p>Several issues were raised pertaining to conversion of natural forest within PRF to tree plantation (particularly TLC). Important elements under the subject are:</p> <ul style="list-style-type: none"> <li>• Interpretation of criteria 6.10</li> <li>• Status of logs from the converted area</li> <li>• Status of selection of areas to be converted to TLC</li> <li>• Scale and time frame of the conversion</li> </ul>	<p>As part of effort to discuss and find solution / answers to the issues raised, MTCC has held a meeting with the stakeholder groups on 16 September 2009. The feedback received by MTCC indicated that more in-depth studies and consultations need to be conducted before any thresholds can be specified for Criterion 6.10 (a) with regard to conversion of PRFs to forest plantations and non-forest land uses. The overall feedback at the meeting was that the allowable threshold should be determined during the on-going review of the <i>MC&amp;I</i> (2002) which has started since April 2009.</p> <p>The meeting was of the view that as an interim measure while awaiting the outcome of the review of the <i>MC&amp;I</i> (2002), the interpretation of Criterion 6.10 would be that the scope of certification against the requirements of the <i>MC&amp;I</i>(2002) is confined only to the natural forests located in the PRFs of the FMU, and regardless of the extent, forest plantations in the FMU should be audited against the requirements of the <i>MC&amp;I</i>(Forest Plantations).</p> <p>Based on the feedback obtained during the meeting on 16 September 2009, MTCC has formulated the following guidelines to be followed by the CBs with regard to the interpretation of Criterion 6.10 when conducting audits of FMUs in Peninsular Malaysia:</p> <p>The scope of certification against the requirements of the <i>MC&amp;I</i>(2002) is confined to only the natural forests located in the PRFs of the FMU and will exclude all forest plantations, including those planted with TLC rubber trees within the FMU. The FMU will not be assessed for compliance with regard to the extent of the forest plantations established within the FMU in relation to Criterion 6.10 (a). However, the FMU is required to provide the necessary information and statistics with regard to the extent of the established forest plantations, as well as the future plan for 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>However, the FMU will be assessed for compliance in relation to Criterion 6.10 (b) which requires that the conversion <i>does not occur on high conservation value forest areas</i>; and Criterion 6.10 (c) that the conversion <i>will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit</i>.</p> <p style="text-align: right;">30 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>

Nr	Comment	Response
<b>Main Evaluation</b>		
3	Orang Asli leaders brought up the issue of 'tanah saka' within PRF where the location of such areas are not publicly known or demarcated.	Forestry Department proactively carry out consultation with local communities and orang asli living nearby areas to be logged prior to the issuance of license for harvest. Recently, the Department has introduced a new procedure where the District Forest Office must carry out a social impact survey prior, during and after forest harvesting. The study aimed at identifying possible occurrence of such sites and proposes measures to mitigate potential impact. If such 'tanah saka' in the form of fruit orchards or cemetery occurred, the area will be demarcated on the map and the ground and will be excluded from harvesting.

## 11. RECORD OF MEDIA REPORTS AND PUBLIC ISSUES

Nr	Detail		
	<b>Media report:</b>	<b>Date Recorded</b>	26 June 09
01	<p>Sin Chew Jit Poh – 18 June 2009</p> <p>Report of harvesting in forest reserves near Kahang, Johor and report that in September 2007, Johor State government has allocated forest reserves to 6 private companies (comprising of 25,000 acres of forest land) and to 3 GLCs (68,000 acres) for timber and rubber species cultivation.</p> <p><b>Objective evidence obtained:</b></p> <p>Sin Chew Jit Poh – 18 June 2009</p> <p><b>Close-out information:</b></p> <p>The decision for allocating the forest area for the conversion was made by the State Exco. In April 2009, the state Exco has ordered that the conversion to be halted until further decision is made.</p>		
02	<b>Complaint:</b>	<b>Date Recorded</b>	21/10/09
	Johor has only 18% left of Forest Cover ( Auditor's General 2008 Report)		
	<b>Objective evidence obtained:</b>		
	News Straits Times 21 <sup>st</sup> October 2009		
	<b>Close-out information:</b>	<b>Date Closed</b>	03/12/09

**Detail**

According to the News Straits Times newspaper report dated 21<sup>st</sup> October 2009 which published an article of the Auditor's General 2008 report claimed that the hectareage of Permanent Forest Reserve (PRF) left in The State Of Johor is at 18% of the total land mass. This percentage figure is far away from the targeted minimum of 30% of total land mass of any State in the Peninsular of Malaysia as dictated by the declaration of the National Forestry Council(NFC) in the year of 1992 for all timber producing States in the Peninsula to maintain minimum of 30% of total State as forest cover.

SGS Malaysia upon investigating and checks with both Forest Department Headquarters and Forest Department of Johor, the figure of 18% in the Auditor General 2008 Report is based on year 2006 statistics available for the State of Johor. From year 2007, 2008, and 2009 onwards, additional forest land has been identified for gazette and some have already been gazetted to bring the total PRF status forest in the State of Johor to be 23.2% ( 441,251.06 ha) of the Johor State as reported in the present 2009 SGS evaluation for MC&I(2002)/PEFC certification.

In addition, if the Auditor General were to report based on Year 2009 statistics; it will discover that it will have to include non PRFs' status forest land such as existing Stateland Forest of 67,656.0ha(3.6%), newly allocated State Park of 59,999.3ha(3.2%), and alienated forest land of 49,279.0ha(2.6%) bringing the total of forest cover in the entire State of Johor to be 32.6% which is above the recommended NFC declaration