



FOREST MANAGEMENT CERTIFICATION REPORT

SECTION A: PUBLIC SUMMARY

Project Nr:	MY 2261		
Client:	Pahang Forestry Department		
Web Page:	www.pahangforestry.gov.my		
Address:	Pengarah Perhutanan Negeri Jabatan Perhutanan Negeri Pahang Tingkat 5, Kompleks Tun Razak, Bandar Indera Mahkota 25990 Kuantan		
Country:	Malaysia		
Certificate Nr.	SGS-MTCS/FM-0104	Certificate Type:	Malaysia Timber Certification Scheme
Date of Issue	5 July 2010	Date of expiry:	4 July 2013
Forest Zone:	Tropical		
Total Certified Area	1,562,496 ha		
Scope:	The audit is carried out against the Malaysian Criteria and Indicators for Forest Management Certification (MC&I 2002) standard.		
Company Contact Person:	Dato' Hj Paiz Kamaruzzaman – State Forestry Director		
Tel:	09-573 2911		
Fax	09-573 3355		
Email:	tpjno@pahang.gov.my		
Evaluation Dates	Stage 1: 2 – 4 September 2009 Stage 2: 9 – 19 November 2009		

PUBLIC SUMMARY

1. INTRODUCTION

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

A Stage 1 audit, which primarily comprises of document review and sampling of implementation, was conducted from 2 – 4 September 2009, while the Stage 2 (main assessment) audit was conducted from 9 – 12 and 16 – 19 November 2009.

2. SUMMARY INFORMATION

2.1 Background on Pahang FMU

The Pahang Forest Management Unit (FMU) is managed by the Pahang Forestry Department (PFD).

The Pahang FMU has been issued with the MTCC *Certificate for Forest Management* following adequate compliance against the *Malaysian Criteria and Indicators for Forest Management Certification* [MC&I (2002)] with a certificate valid up to 2013.

At the time of assessment there were a total of 1,562,496 ha of Permanent Reserved Forest (PRF) which represents approximately 43 % of the total land area of Pahang state. In addition, there are 399,740 ha of natural forests, classified as conservation areas and gazetted as Taman Negara and Wildlife Reserves, as well as 105,963 ha of Stateland forests within Pahang state. Excluded from the audit were forests outside of PRF areas, including 24,043 ha of plantation forest in HS Kemasul, as well as, 14,032.79 ha of PRF approved for the establishment of tree plantations.

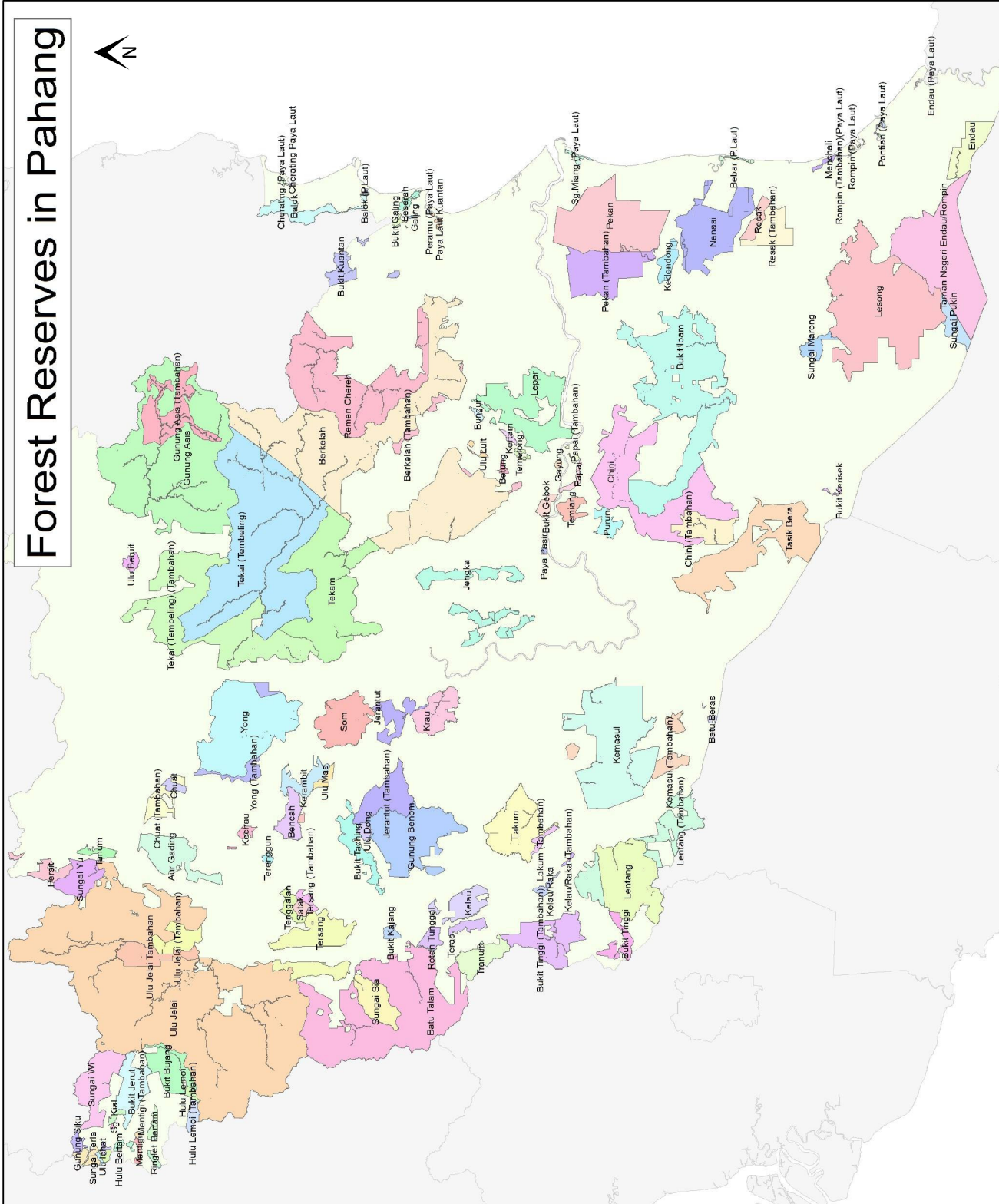
The PRF has been classified according to eleven functional classes as provided by Section 10 of the National Forest Act, 1984. It should be noted that only areas classified as Production Forests can be harvested, while the other forest categories are for protection and conservation purposes.

Forest Classification	
	Area (ha)
Production forests	971,866
Soil conservation	190,282
Soil reclamation	2,354
Water catchment	258,707
Wildlife	31,154
Virgin jungle reserves	3,592
Recreation	31,283
Research forests	1,704
Education forests	822
State parks	70,636
Federal use	93

In 2008, a total of 101 licenses were issued for harvesting in Pahang FMU (PRF areas only) covering a total area of 11,189.14 ha, which is within the AAC. A total of 760,898.40 m³ of logs were harvested in 2008, excluding those harvested from Stateland forests. The timber revenue collected in 2008 by the Pahang FMU is as follows:

Timber Revenue in 2008	
	RM
Premium	62.55 million
Royalties	12.34 million
Cess	11.44 million
Others	3.26 million

Forest Reserves in Pahang



Legend

Forest Reserves	HSK
Lentang	
Lentang (Tambahhan)	
Lepar	
Aur Gading	
Balok	
Balok (P.Laut)	
Batu Beras	
Batu Gangan (Tambahhan)	
Batu Talam	
Beber (P.Laut)	
Benchah (Tambahhan)	
Berkelah	
Berkelah (Tambahhan)	
Beramb	
Berasah	
Belung	
Bukit Bulang	
Bukit Galing	
Bukit Gebok	
Bukit Iban	
Bukit Kajang	
Bukit Kersek	
Bukit Kuantan	
Bukit Jerut	
Bukit Toaching	
Bukit Tinggi	
Bukit Tinggi (Tambahhan)	
Bungur	
Cherating (Paya Laut)	
Cherating Paya Laut	
Chini	
Chini (Tambahhan)	
Chuat	
Chuat (Tambahhan)	
Endau (Paya Laut)	
Galing	
Gayung	
Gunung Aais	
Gunung Aais (Tambahhan)	
Gunung Siku	
Hulu Beramb	
Hulu Lemoi	
Hulu Lemoi (Tambahhan)	
Jengka	
Jerantut	
Jerantut (Tambahhan)	
Kedondong	
Kelau	
KelauRaka (Tambahhan)	
KelauRaka	
Kemasul	
Kemasul (Tambahhan)	
Kemasul Tinggi	
Kemasul Tinggi (Tambahhan)	
Kerambit	
Kerambit (Tambahhan)	
Kerem	
Krau	
Lakum	
Lakum (Tambahhan)	
Lentang	
Lentang (Tambahhan)	
Lepar	
Lesong	
Menchall	
Meniti	
Nenas	
Papai (Tambahhan)	
Paya Laut	
Paya Laut Kuantan	
Paya Pasir	
Pekan	
Pekan (Tambahhan)	
Peramu (Paya Laut)	
Pusit	
Pontian (Paya Laut)	
Pontian (Tambahhan) (Paya Laut)	
Purim	
Resak	
Resak Chereh	
Ringlet	
Rompin (Paya Laut)	
Rompin (Tambahhan) (Paya Laut)	
Rolan Tunggal	
Sabak	
Sg. Kai	
Sg. Kai (Tambahhan)	
Cherating (Paya Laut)	
Cherating Paya Laut	
Sg. Miang (Paya Laut)	
Som	
Sungai Maong	
Sungai Pakin	
Sungai Sela	
Sungai Torla	
Sungai Wl	
Sungai Yu	
Taman Negeri Endau/Rompin	
Tanum	
Tasik Bera	
Tekai (Tambahhan)	
Tekai (Tambahhan) (Tambahhan)	
Tekam	
Tekam (Tambahhan)	
Tekam	
Tenggalan	
Teras	
Terentang	
Terentang (Tambahhan)	
Tranum	
Ulu Beaufort	
Ulu Dong	
Ulu Ichat	
Ulu Jelai	
Ulu Jelai (Tambahhan)	
Ulu Luit	
Ulu Mas	
Yong	
Yong (Tambahhan)	

2.2 Forest Management System

Traditionally, the Production Forests of the PRF in Pahang 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 Pahang FMU are managed under the SMS, with a pre-felling forest inventory conducted to determine the optimum diameter cutting limit for a specific license area.

2.3 Annual Allowable Cut (Annual Harvest)

The Annual Allowable Cuts (AACs) for the various FMUs in Peninsular Malaysia are determined and approved by the National Forestry Council. The AAC for the Pahang FMU under the 9th Malaysia Plan (2006 – 2010) is set at 10,313 ha (excluding 1,302 ha of AAC from plantation forests).

This figure is higher than the 8,330 ha originally proposed for the 9th MP (by the FDPM) and almost similar to that for the 8th MP (of 10,670 ha). This proposed AAC of 10,313 ha should provide about 701,318 m³ of timber for the industry in the state. There is also an additional AAC of 1,302 ha from peat swamp forests and poor dry inland forests to make for the total AAC of 11,615 ha.

It should be noted that the average total volume utilised by the timber industry in Pahang over the 8th MP (2001 – 2005) was about 2,000,000 m³ per year. Hence, for supply sufficiency to the industry, timber supplies from Stateland forests and from outside the Pahang FMU has to be taken into consideration to sustain the current timber industry in Pahang.

3. STAGE 2 AUDIT PROCESS

3.1 Audit Dates

Stage 1: 2 – 4 September 2009

Stage 2: 9 –12 and 16 –19 November 2009
(3 Auditors and 1 Social Specialist)

3.2 Audit Team

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

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

Peer Reviewers:

Dr Shamsudin Ismail
Dato' Dr Salleh Mohd Noor

3.3 Audit Scope

The scope of assessment was limited to the forest management practices within the 1,562,496 ha of PRF of the Pahang FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification MC&I* (2002) standards with special reference to the Verifiers of Peninsular Malaysia. The purpose is to evaluate the implementation, including effectiveness of the

implementation of the client's forest management system by site inspection of all forest districts within the Pahang FMU.

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

Forest Area Excluded	
	Area (ha)
Stateland forests	105,963
Taman Negara and Wildlife Reserves	399,740
Timber Plantation forests	24,043
Areas Allocated for Plantations	14,032

3.4 Audit Assessment Approach and Plan

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

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

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

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

Date	Activity / Location	Notes
9 November 2009	Opening meeting Document review	Opening meeting Introduction Scheduling
10 Nov 2009	Team A Compt 16A, HS Balok TPP – Sg Ular Compt 11, HS Balok Team B Compt 319, HS Berkelah Compt 378, HS Berkelah Team C Meeting with relevant agencies	VJR Harvesting area Post-felling inventory
11 Nov 2009	Team A	

	Compt 100, HS Lesong Compt 104A, HS Lesong Team B Kg Orang Asli Runchang, Kedaik & Simpai	Active logging area Post harvest Orang Asli community
12 Nov 2009	Team A Compt 1, HS Purun Compt 94, HS Chini Orang Asli area Team B Compt 4, HS Purun Compt 5, HS Purun Compt 126, HS Kemasul Team C Tasik Bera Ramsar site	Ongoing harvesting Harvest recently completed Social issue Harvesting Harvesting Post felling inventory Orang Asli communities
16 Nov 2009	Team A Compt 81, HS Tekai Tembeling JT07/09 & JT02/09 Team B Compt 143, HS Tekai Tembeling Orang Asli settlements in Jerantut	Harvesting areas Post harvest Indigenous communities
17 Nov 2009	Team A Compt 472, HS Ulu Jelai Pos Lanai Team B Compt 21, HS Sg Yu HS Satak	
18 Nov 2009	Team A Compt 90 HS Tersang Compt 2, HS Kelau Lentang Nursery Team B Compt 50, HS G Benom	Harvesting Post harvest Nursery activities Post felling inventory
20 November 2009	Audit team discussion / review Closing meeting	Audit team internal discussion Presentation of audit findings

4. EVALUATION RESULTS

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

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

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

PRINCIPLE 1: COMPLIANCE WITH LAW AND FSC PRINCIPLES	
Strengths	Pahang FD maintains proper records of forestry offences that include a chronology of each case with resolutions and payments. In addition, all prescribed fees and

	<p>royalties are accounted for with records of daily collections are summarised on a monthly basis and compiled through the 'Buku tunai cerakinan harian dan bulanan'.</p> <p>There is ample documentation on efforts by the Pahang FD to control encroachment, illegal harvesting, hunting, illegal settlements and other unauthorised activities, such as illegal gold mining in Bukit Ibam and the encroachment of local communities into the RAMSAR forest area of Tasek Bera. The documents clearly outline systematic procedures and resolutions of encroachment as provided from the forest ranger level up to the State Forestry Department.</p>
Weaknesses	
Compliance	Satisfactory compliance to the standard.

PRINCIPLE 2: TENURE AND USE RIGHTS AND RESPONSIBILITIES	
Strengths	<p>The PRF is gazetted under the law and the State Government has clear rights over the land and the resources. Tenureship of the land is demonstrated through gazettelement of the area as PRF. Pahang FD maintains a list of the PRFs with no. warta (gazettelement number), date of gazettelement and size of area.</p> <p>The Forestry Department also maintains a list of areas being considered to be gazetted as PRF. It comprises 36 areas with a total hecтарage of 100,310.25 ha.</p> <p>An up to date map for the whole State Of Pahang with locations of all Kampung Orang Asli and Permanent Reserve Forest (PRF) entitled "PETA KAWASAN PERKAMPUNGAN ORANG ASLI DI NEGERI PAHANG 2009 "have been produced.</p>
Weaknesses	
Compliance	Satisfactory compliance to the standard.

PRINCIPLE 3: INDIGENOUS PEOPLES' RIGHTS	
Strengths	<p>Even though the Orang Asli does not have the rights to manage the forests in accordance with national laws, their rights to harvest non-timber forest products for subsistence purposes are upheld by the Pahang Forestry Department. The Department, through its District Forest Offices, grants small-scale timber concessions to Orang Asli. Documents showcase evidence of logging concessions to Orang Asli of Pahang:</p>
Weaknesses	<p>There is no evidence of commercial utilisation of traditional forest-related knowledge and practices of the Orang Asli by the Pahang FMU. However, there are no mechanisms in place for compensation of commercial utilisation of traditional knowledge of the Orang Asli, should there be any attempt to utilise their knowledge in the future (Minor CAR-001).</p>
Compliance	Inadequate documentation on mechanism for commercial utilization of traditional knowledge.

PRINCIPLE 4: COMMUNITY RELATIONS AND WORKERS RIGHTS	
Strengths	<p>Members of local communities are given the opportunity to work in logging camps. The Pahang Forestry Department plays a role (through forest rangers) in disseminating such information to villages when new licences are issued.</p> <p>The Forest Department employees are allowed to be members of a union of their own</p>

	choice such as CUEPACS, the union responsible for collective bargaining. With regard to workers employed by contractors operating within the PRF, the Forestry Department posed no restriction on workers to organise themselves for negotiation with employers.
Weaknesses	<p>There is a health and safety committee at the Pahang State Forestry Department level, chaired by the State Forestry Director, and it includes representatives from all the districts and units. However it was found that the committee meetings are not conducted every quarter as required by the law. (Minor CAR-02).</p> <p>The audit team observed inadequate record-keeping of all cases of accidents, dangerous occurrences and occupational diseases that occur related to work by the Pahang FD and various contractors. There was no record of form JKKP 8 at the Pahang FMU and no evidence of records up to a period of 12 months submitted to the Director-General of DOSH by 31 January 2009. (Minor CAR-003).</p>
Compliance	<p>Safety and health committee meeting (of State FD) was not carried out as required by OSHA, 1994.</p> <p>Accidents at the workplace are not reported to DOSH as stipulated by OSHA (1994).</p>

PRINCIPLE 5: BENEFITS FROM THE FOREST

Strengths	<p>Included in the budget are allocations for conducting post felling inventories and carrying out silvicultural treatments after harvest. Prior to closure of a license, the contractor has to ensure that open areas within the harvest area (e.g. skid trails, log landings and road shoulders) are replanted with commercial timber trees. The Forestry Department also carried out replanting in degraded areas. For example, Pahang FD has conducted replanting of coastal areas with casuarina trees.</p> <p>Even though the main focus of forest management is aimed at the production of high quality tropical timbers, the ultimate objective of all programmes is ensuring sustainable management of the resource, and that includes non timber products as well as environmental services.</p> <p>As described in the earlier sections of this report, about 40 % of the total PRF is set aside for protection and conservation purposes. Recreation forests (31,283 ha) together with the State Park (70,636 ha) are set aside for community benefits. A combined 448,989 ha are set aside for soil conservation and water catchment purposes. There are also VJRs (3,592 ha) and wildlife research areas (31,154 ha) that are important for conservation of biodiversity, research and educational purposes.</p> <p>To encourage and protect local processing, the government has placed a ban of export of logs from Peninsular Malaysia. As such, all logs produced from Pahang FMU are processed in Peninsular Malaysia.</p>
Weaknesses	In general, there was an inadequate application of log extraction operations that did not minimize product wastage that results in reduced revenue (Minor CAR-04) .
Compliance	Lack of provision/mechanism for utilisation of harvesting residue as part of effort to maximise utilisation and minimize waste.

PRINCIPLE 6: ENVIRONMENTAL IMPACT

Strengths	As described in many sections of this report, about 40 % of the total FMU is set aside for conservation purposes under various categories of the National Forestry Act, 1984. Representative samples of the undisturbed natural forest can be found in VJR areas and other protection forests, such as water catchment, recreation forests etc.
------------------	---

	<p>The planting of <i>Acacia mangium</i> and other exotic tree species has been carried out in a controlled manner and confined to Hutan Simpan Kemasul that has been designated for conversion to a commercial tree plantation. In other areas of the PRF, no planting of exotic tree species has occurred or been permitted. Replanting in PRF areas uses local native species.</p>
Weaknesses	<p>Pahang Forestry Department made the decision to allow felling of a protected species, tualang (<i>Koompassia malaccensis</i>). The decision was made without adequate scientific justification and without sufficient guidelines to ensure conservation and continuous survival of the species (Minor CAR-005). The audit team observed that tualang trees larger than 120 cm dbh were felled in one licensed area.</p> <p>As part of the procedure, prior to closing of a harvest license, the contractor involved in the harvesting needs to ensure that replanting is conducted on skid trails and other open areas, particularly log landings and road shoulders. In some of the areas visited during the Stage 2 audit (e.g. HS Lesong, HS Kelau, HS Purun and HS Satak); it was observed that replanting is inadequately done (Minor CAR-06).</p> <p>At the time of the Stage 2 audit, there was uncertainty on the areas and location to be allocated for the tree plantation and eligible to be excluded from the current certification exercise. There was no clear document to show exact locations and areas where the conversion is allowed to take place (Major CAR-07).</p> <p>The areas allocated for timber plantation consists of about 0.9 % of the total PRF. To date, only 116 ha have been cleared with the remaining 800 ha in HS Lesong in the process of licensing. Maps showing the location of areas under each approval area are available. A 'Benefit Cost Analysis of proposed Acacia Mangium Plantation in Rompin, Pahang – Nov 2009' has been prepared tabulating the structure and plan for the project.</p> <p>With the availability of this information, Major CAR-007 is closed.</p>
Compliance	<p>Insufficient guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna.</p> <p>Inadequate implementation of management guidelines to supplement natural regeneration.</p> <p>Conversion of forest area to plantations, consistent with the provisions of relevant national and regional legal frameworks and policies, should provide substantial, additional, secure and long term benefits from the natural forest.</p>

PRINCIPLE 7: MANAGEMENT PLAN

Strengths	<p>Pahang Forestry Department maintains management plans for the FMU based on the ten-year Pahang State Forest Management Plan 2006 – 2015. The document covers a plan for the management of dryland forest and excludes those in the mangrove, peat swamp and plantation forests that have separate management plans.</p> <p>The Pahang FD also prepared an annual harvesting plan (Rancangan Kerja Tahunan 2009) that tabulates harvesting and forest development works for the year. It also contains a summary of harvest operations of the previous year. The FMU annual plan is a compilation of the district annual plans.</p> <p>At license level, a comprehensive pre-harvest plan (Rancangan Mengusahakan Hutan (RMH)) was prepared. The RMH is a pre-harvest plan prepared for each area licensed for harvest. The document contains details of the area to be harvested with maps showing the location of the area, road access etc. A list of each tree tagged to be harvested and those to be protected are also attached. Details of the licensee, the contractor, machinery to be employed etc are also included in the RMH.</p> <p>The summary of the FMP (in the form of an Executive Summary) is now available for public viewing at the FMU official website (www.forestry.pahang.gov.my). The</p>
------------------	--

	summary contains adequate information on the current status of the FMU, its administration and future plans in managing the resource.
Weaknesses	The Pahang FD has not implemented the system for verification to ensure that the contractor employs trained workers to operate in each license area (Minor CAR-08).
Compliance	Forest workers should be trained as to their respective roles in the implementation of the forest management plan.

PRINCIPLE 8: MONITORING AND EVALUATION	
Strengths	Growth plots are established within the Pahang FMU for the purpose of monitoring tree growth. These plots are identified on the map and on the ground. At present, there are 18 growth plots in the Pahang FMU. Yearly data of growth rates, regeneration and forest conditions are collected.
Weaknesses	<p>At the time of the Stage 2 audit, Pahang Forestry Department had yet to start implementation of such a system. The logs produced from clear felling activities are not yet clearly differentiated from those that are generated from selective harvesting so that the MTCC Chain-of-Custody system is not contaminated (Major CAR-09).</p> <p>In December 2009, Pahang Forestry Director has issued a letter to all District Forest Officers in Pahang, with immediate effect, that all PRF areas licensed for development purposes (including timber plantation), the license numbering must be include 'P' code to distinguish is from the existing system (Major CAR-09 is closed).</p> <p>Pahang FD has conducted various monitoring and analyses of forest harvesting operations and a summary of the FMP is available on the web but it does not include a summary of monitoring elements, including monitoring forms A to D, forest yield, growth rates, composition change of flora, social impacts, and the cost productivity of forest management (Minor CAR-010).</p>
Compliance	<p>Forest managers should provide relevant documents for identifying all forest products leaving the area to be certified so that their origin could be easily determined.</p> <p>A summary of the results of monitoring indicators should be made available to the public.</p>

PRINCIPLE 9: MAINTAINANCE OF HIGH CONSERVATION VALUE FORESTS	
Strengths	
Weaknesses	Macro level HCV areas are identified in the 10 year FMP. However at the micro level, the assessment does not identify areas of social importance and does not include consultation with experts and relevant stakeholders (Minor CAR-011).
Compliance	Assessment / evaluation of HCVs are not adequate as it does not identify the areas of social importance and does not include consultation with experts and relevant stakeholders.

5. STAKEHOLDER COMMENTS AND ISSUES RAISED

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

Nr	Detail		
	Complaint:	Date Recorded	
01	Wildlife Conservation Society (WCS)		9 Nov 2009
	<p>1. It would be useful to include in the introductory notes, a set of bullet points on biodiversity observed (e.g. footprints of wild pigs, footprints of muntjac etc) in the Monitoring Form C of the Ongoing and Closing Reports. Therefore, it is less likely not to accidentally under value the biodiversity found in the site.</p> <p>2. To improve observations on wildlife, a course in simple wildlife identification coupled with an identity kit of common wildlife could be given to both the logger as well as the management staff.</p> <p>3. Monitor potential biological indicators at various compartments. Among the species that can be used as indicators are frugivorous and insectivorous birds and bats, plus various species of primates, hornbills, ungulates etc.</p> <p>4. Value-adding to show that wildlife is protected could be 'steps in which the management/contractor' takes to reduce hunting and poaching. Among the more common activities would be the control of access routes, reporting the presence of trespassing and hunting signs, removal of snares etc.</p>		
	Objective evidence obtained:		
	Response:	Date Closed	
	The suggestions made by WCS are all useful which should be incorporated into the revision of the standard as well as into the structure of training for auditors.		
02	Complaint:	Date Recorded	9 Nov 2009
	<p>Malaysia Nature Society (MNS) (MNS Position Statement on the Kelau Dam and the Pahang-Selangor Raw Water Transfer Project). The Malaysian Nature Society, therefore, advocates that the Ministry of Finance should immediately cancel this project.</p> <p>MNS further recommends that:</p> <ul style="list-style-type: none"> • A Comprehensive Water Demand Management System be put in place • Reduce Non-Revenue Water (NRW) • Implement Water Demand Management • Seek Alternative Water Sources where appropriate • Introduce Policies to Stabilize the Population of Selangor <p>The need for this project is no longer viable, comparing current conditions with those when the Project was first proposed in 2000. Legal and policy mechanisms have changed, with the establishment of the National Physical Plan, its corresponding planning frameworks, as well as the establishment of various water related agencies that are supposed to manage, implement, regulate, maintain and treat water resources in the country. The EIA that was approved eight years ago in 2001 must be critically reviewed in light of the current situation.</p>		
	Objective evidence obtained:		
	Close-out information:	Date Closed	9 Nov 2009

Detail			
<p>It is not within the scope of the certification body to take part in the decision making process of development projects. MTCC has sent out a notification whereby FMU managers need to develop and implement a system to differentiate logs originating from sustainably managed areas from those that are not.</p> <p>The FMU manager also must make a firm decision on the extent of areas allowed for conversion. Please see Major CAR-07 and Major CAR-09.</p>			
03	Complaint	Date Recorded	9 Nov 2009
	The EIA report prepared for the FMU management is just for formality, not taken seriously.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
The recommendations made by the EIA need to be incorporated into the revision of the FMP to take place in 2010.			
04	Complaint	Date Recorded	9 Nov 2009
	Pahang FD is lacking in personnel for carrying out effective enforcement.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
The Enforcement Division at the FMU HQ is assisted by personnel from the District in carrying out its enforcement activities. Cooperation from other agencies is also sought when required.			
05	Complaint	Date Recorded	9 Nov 2009
	Lack of buffer zone for Tasik Chini.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
The Forestry Department is only responsible for the management of PRF. The oil palm estates near Tasik Chini belong to corporations or smallholders and the stateland forest is under the land office. The FD tries to ensure that harvesting within its PRF near Tasik Chini does not contribute to further degradation of the lake and its water quality.			
06	Complaint	Date Recorded	9 Nov 2009
	Lack of transparency in management planning document.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
Management documents are available at the District as well as FMU headquarters.			
07	Complaint	Date Recorded	9 Nov 2009
	Inadequate consultation with stakeholders prior to issuance of harvesting licenses.		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
Discussions were held with relevant local communities prior to issuance of harvesting licenses. Other parties such as the district office and local leaders are also consulted.			

Detail			
08	Complaint	Date Recorded	9 Nov 2009
	HCVF – inadequate consultation with stakeholders		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
Please see minor CAR-011.			
09	Complaint	Date Recorded	9 Nov 2009
	Lack of continuity of international conservation projects		
	Objective evidence obtained:		
	Close-out information:	Date Closed	
Please refer to explanation under Indicator 6.2.3			

6. SUMMARY OF CORRECTIVE ACTION REQUESTS (CARS)

The assessment resulted in the issuance of 2 major and 9 minor Corrective Action Requests (CARs). The 2 major CARs were subsequently closed with submission of documents to show compliance to the standard requirement. The issues highlighted as minor CARs must be adequately addressed by the Pahang Forestry Department and the adequacy of the action taken will be verified during the surveillance visit to be carried out within 12 months after the main assessment.

CAR #	Indicator	CAR Detail					
Minor 001	3.4.2	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		No clear compensation mechanism for commercial utilisation of traditional knowledge of indigenous people.					
		Objective Evidence:					
		Currently there is no description for a mechanism / procedure for compensation to indigenous communities if their traditional knowledge and practices are used for commercial purposes.					
Close-out evidence:							
Minor 002	4.2.3	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					

CAR #	Indicator	CAR Detail					
		Safety and health committee meeting (of State FD) is not conducted as required by OSHA, 1994.					
		Objective Evidence:					
		Minutes of the safety & health committee meeting not carried out every quarter as required by OSHA.					
		Close-out evidence:					
Minor 003	4.2.4	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Up-to-date safety records of forest workers not readily available.					
		Objective Evidence:					
		No evidence of yearly accident records submitted to DOSH in line with OSHA (1994). Records are not kept for 5 years.					
		Close-out evidence:					
Minor 004	5.3.2	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Lack of provision/mechanism for utilisation of harvesting residue as part of effort to maximise utilisation and minimizing waste.					
		Objective Evidence:					
		Inadequate application of log extraction operations that do not minimise product wastage and forego revenues.					
		Close-out evidence:					
Minor 005	6.2.1	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Inadequate justification for decision to allow harvesting of Tualang (<i>Koompasia excelsa</i>), one of the 32 species to be protected.					
		Objective Evidence:					
		Tualang is now allowed to be harvested from Pahang PRF areas. The decision was made based on commercial consideration without any justification without clear management guidelines to ensure protection and conservation of the species.					
		Close-out evidence:					
Minor 006	6.3.1	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Inconsistent implementation of enrichment planting along skid trails and open areas					
		Objective Evidence:					

CAR #	Indicator	CAR Detail					
		Observations made in HS Lesong, HS Kelau, HS Purun and HS Satak where planting along skid trails were not completed even though the license has either been closed or is being 'closed'.					
		Close-out evidence:					
Minor 007	6.10.1	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	11 Dec 2009
		Non-Conformance:					
		Pahang FMU does not maintain clear information on areas, and its location within the PRF, that will be converted to forest plantation.					
		Objective Evidence:					
		The state Exco has made a number of decisions for conversion of PRF areas to tree plantations. The information available however is sketchy and the location of the areas involved is not exactly known. A management plan and cost benefit analysis has not yet been documented for all the areas proposed for these projects.					
		Close-out evidence:					
		MMK 35/2007 held on 28 Nov 2007 has made a decision to allocate a total of 17,004.39 ha to Mentiga Corp/Asiaprima Group/ GEMFF for tree plantation projects. The areas identified include 14,032.79 ha of PRF areas and 2,971.6 ha of stateland area. These areas are identified at the district level and tabulated in the approved schedule. To implement the decision, the following follow-up decisions for issuance of clear felling within PRF were made:					
		The areas allocated for timber plantation consists of about 0.9 % of the total PRF. To date, only 116 ha have been cleared with the remaining 800 ha in HS Lesong being in the process of licensing. Maps showing the location of areas under each approval are available.					
		A 'Benefit Cost Analysis of proposed Acacia Mangium Plantation in Rompin, Pahang – Nov 2009' has been prepared tabulating the structure and plan for the project.					
Minor 008	7.3.2	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		No evidence that forestry workers (at contractor level) have been adequately and consistently trained.					
		Objective Evidence:					
		The Pahang FD has not verified that Contractors employed trained workers to work in each licensed area. There was no evidence (certificate etc) to demonstrate that the workers, especially the supervisor (kepala), tree feller, and skidder driver, have undergone the necessary training relevant in forest management and forest operations.					
		Close-out evidence:					
Minor 009	8.3.1	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	11 Dec 2009
		Non-Conformance:					
		Lack of implementation of a system to distinguish licensed issued to PRF areas being converted and clear identification on Removal Passes to distinguish the logs as non-certified.					
		Objective Evidence:					

CAR #	Indicator	CAR Detail					
		Pahang Forestry Dept has yet to implement a decision made by a working group to clearly distinguish logs produced by forest conversion activities from those that are harvested through selective harvesting.					
		Close-out evidence:					
		The Pahang Forestry Director has issued a letter to all District Forest Officers in Pahang (dated 4 December 2009), with immediate effect, that all PRF areas licensed for development purposes (including timber plantations), the license numbering must include a 'P' code to distinguish it from the existing system.					
Minor 010	8.5.1	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		Summary of monitoring records not publicly available.					
		Objective Evidence:					
		There was no summary report or record on monitoring activities and therefore not made publicly available. Annual Report for year 2008 is being documented, not yet printed.					
		Close-out evidence:					
Minor 011	9.1.1	Date Recorded	19 Nov 2009	Due Date	1 st surv visit	Date Closed	
		Non-Conformance:					
		HCV assessment carried out does not adequately include stakeholder consultation and does not identify areas of social importance.					
		Objective Evidence:					
		Macro level HCV areas were identified in the FMP. However, at the micro level, the assessment does not identify areas of social importance and does not include consultation with experts and relevant stakeholders.					
		Close-out evidence:					

7. CERTIFICATION DECISION

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

- i. There are no outstanding Major Corrective Action Requests
- ii. The outstanding Minor Corrective Action Requests do not preclude certification, but Pahang FD is required to take the agreed actions before November 2010. These will be verified by SGS Malaysia at the first surveillance to be carried out about before 12 months from the date of the issuance of the certificate. If satisfactory actions have been taken, the CARs will be 'closed out'; otherwise, Minor CARs will be raised to Major CARs.
- iii. The management system, if implemented as described, is capable of ensuring that all of the requirements of the applicable standard(s) are met over the whole forest area covered by the scope of the evaluation;
- iv. The certificate holder has demonstrated, subject to the specified corrective actions, that the described system of management is being implemented consistently over the whole forest area covered by the scope of the certificate.

End of Public Summary