

Date of Public Summary: 30 December 2011

**PUBLIC SUMMARY OF SECOND SURVEILLANCE AUDIT OF
NEGERI SEMBILAN STATE FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate No : FMC 002
Date of Certification : 29 December 2009
Date of Surveillance Audit : 13-15 July 2011**

Certification Body:

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1. INTRODUCTION

The second surveillance audit on the Negeri Sembilan State Forest Management Unit (hereafter referred to as 'the Negeri Sembilan FMU') was conducted from 13 to 15 July 2011.

This was an audit to assess the continued overall compliance of the Negeri Sembilan State Forest Department (NSSFD)'s forest management system and practices in the Permanent Reserved Forest (PRF) within the Negeri Sembilan FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)]*, the standard used for forest management certification under the Malaysian Timber Certification Scheme (MTCS), using the verifiers stipulated for Peninsular Malaysia. Additionally, the audit of the FMU took into account the two new instructions issued on 16 February 2011 under the MTCS, i.e. (i) Interpretation of Criterion 6.10 of the MC&I(2002) and (ii) Interpretation of the term "Free and Informed Consent" in the *MC&I(2002)*.

The Negeri Sembilan FMU, which is managed by the NSSFD comprised of 155,531 hectares (ha) of PRF of the state's total land area of 664,591 ha. The size of the FMU had remained the same since the last surveillance audit. The map of the FMU is attached in **Annex 1**.

A total of 2,023.5 ha of the PRF in the South Gemas FR which was alienated in 2005 had been planted originally with *Acacia mangium* as part of the forestry department plantation programme. Four compartments were, however, still retained as the original South Gemas FR. The rest of the area was converted for a commercial venture on cattle ranching under the State Government's Beef Valley Project. Since then, there were no new forest plantations being established in the FMU.

The PRF consisted mainly of inland forest with a small area of 215 ha of Beach Forest while the mangrove forest in the State was under Stateland. The inland PRF consisted mainly of Hill and Upper Hill Dipterocarp Forests with patches of Lowland Dipterocarp which were protected mainly for research purposes.

A Forest Management Plan (FMP) covering the period from 2006 to 2015 had been written and presented during the audit. The Negeri Sembilan FMU continues to be managed on a sustainable basis with the inland forest area under a Selective Management System on a 30-year rotation period. Under the Tenth Malaysia Plan, the Annual Allowable Cut (AAC) for the FMU had been set at 2,251 ha. A mid-term review process had been initiated by the NSSFD for the FMP.

2. GENERAL SUMMARY

2.1 Name of FMU

Negeri Sembilan State FMU

2.2 Contact Person and Address

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2.3 **Dates of Surveillance Audit:**

13 – 15 July 2011 (6 man-days)

2.4 **Audit Team**

Dr. Yap Son Kheong (Audit Team Leader)
Mr. Khairul Najwan Ahmad Jahari (Auditor)

2.5 **Standards Used**

Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] using the verifiers stipulated for Peninsular Malaysia.

2.6 **Stakeholder Consultation**

A stakeholder consultation through invitation to comment on the management of the Negeri Sembilan FMU was conducted in June 2011 for a period of one month. Comments by stakeholders and responses from the audit team are attached in **Annex 2**.

3. **SUMMARY OF SURVEILLANCE AUDIT FINDINGS**

Based on the surveillance audit conducted, it was found that the NSSFD has generally continued to comply with most of the requirements of the *MC&I (2002)*. However, this surveillance audit had resulted in the issuance of three (3) new minor NCRs and four (4) OFIs.

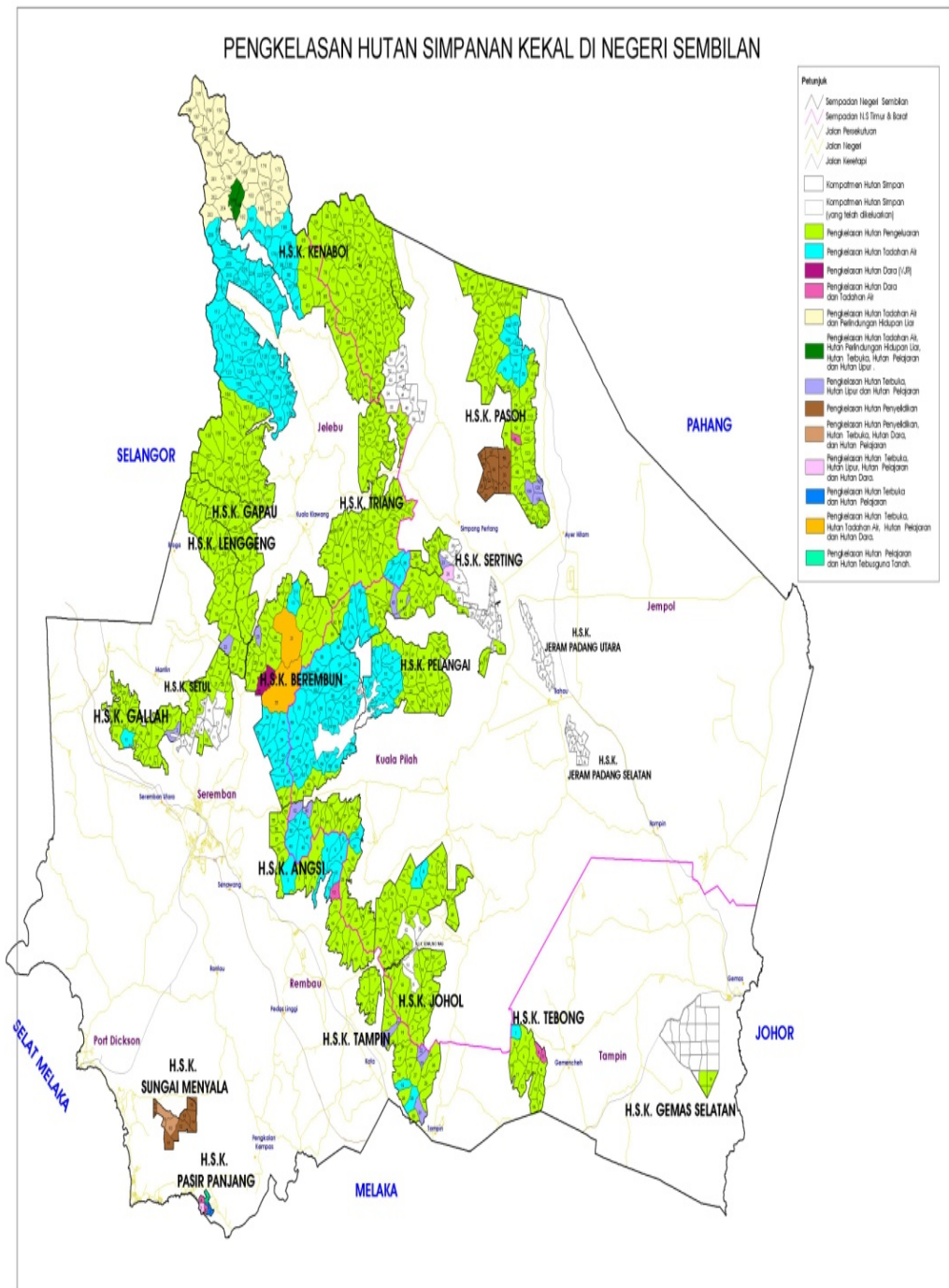
The two (2) NCRs and two (2) OFIs raised during the previous surveillance audit have been closed out during this second surveillance audit as the NSSFD had taken adequate corrective actions to address them. Details of the status of NCRs and OFIs that were raised during the previous surveillance audit as well as new ones raised in the current surveillance audit are attached in **Annex 3**.

The NSSFD had submitted corrective action plans on the NCRs and OFIs raised on 30 November 2011 which had been accepted by the audit team leader. These proposed corrective actions by the NSSFD to address the minor NCRs and OFIs shall be verified by the audit team during the next surveillance audit.

With regard to the implementation of the two new instructions, there has been no new conversion of natural forest to forest plantations and non-forest land uses since the last surveillance audit. The NSSFD continues to undertake both formal and informal consultations with the Orang Asli community on matters affecting their customary, legal or user rights as a result of the forest management operations.

As no Major NCR had been raised, the audit team had therefore recommended that the *Certificate for Forest Management* awarded to NSSFD be maintained.

MAP OF NEGERI SEMBILAN FMU



Comments by Stakeholders and Responses by the Audit Team

No	Name	Date Received	Detail of Issue Raised	Comments by Audit Team Leader
1.	Memo by Greenpeace Netherlands (NCIV) & (ICCO) FOE Netherlands, WWF Netherlands	17 June 2011	<p>Apart from the uncertainties in the available information concerning all MTCC/MTCS certificates, the information on Negeri Sembilan gives rise to questions about the changes in the size of the forest area. In any case the certified area decreased substantially between 2003 and 2010: from 167,801 to maximum 154,185 ha. That is a decrease of 13,616 ha, or 8.1 % of the PRF in six years. Most recently, between the end of 2007 and the beginning of 2010 the certified forest area decreased by almost 6,000 ha, or a 3.7% decrease. In the SMK appeal procedure MTCC states that it only concerned 54.6 ha, or 0.03 %. Herewith, MTCC provides deceptive information.</p> <p>This applies even more for maps published by MTCC if compared to Sar Vision findings that are based on satellite imaging. The enclosed MTCC map shows that the entire area is MTCS certified forest area: it is considered entirely as <i>permanent reserved forest</i>. That is deceptive because in this way plantations are also presented as being part of the certified area.</p> <p>Besides, here too reality paints a whole different picture. The second map (the one made by Sar Vision based on satellite</p>	<p>In auditing, the CB will have to obtain the information related to the extent of the PRF in the FMU from the FMU Manager who is the holder of such information. For example, the area of the PRF for NS FMU amounting to 155,531 ha is based on the 2009 Annual report of the NS State Forestry Department which is a public document. Similarly, MTCC as the National Governing Body (NGB) of the MTCS in turn would have to depend on the CB as well as the State Forestry Department on information related to forest conversion. It is therefore felt that it is not appropriate to accuse MTCC of providing deceptive information.</p> <p>Forest plantations have been excluded from certification under the MTCS and will be assessed under the <i>MC&I</i> (Forest Plantations).</p> <p>With regard to the map, the problem observed was due to land use classification i.e. how the land is being utilised (e.g. as forest reserve, forest plantation, wildlife reserve,</p>

			<p>images) shows the situation in 2007 and 2010. The brown-colored area was no longer forest in 2007. The red area was deforested between 2007 and 2010. That leads to an actual forest surface of 144,117 ha in 2007 and of 139,503 ha in 2010, whereas MTCC published 160,151 and 154,185 respectively. In the appeal procedure MTCC mentions a surface of 157,085. Here too MTCC makes the forest area appear substantially larger than it is, in this particular case over 10 percent larger.</p>	<p>agriculture, etc.). As the forest plantations were established within the PRF, they would be shown in the same colour as the rest of the PRF comprising of natural forest on the map.</p> <p>However, with reference to the South Gemas FR, it should have been excluded as the area had been degazetted for the government cattle project leaving behind only Compartments 31, 32, 33 and 35. The last compartment (compartment 35) was used as a research plot by FRIM. These compartments (Compartments 31, 32 and 33) which were designated for establishment of plantation in the 1980s had been logged intensively leaving poor stands with few standing trees. Inspection was conducted during the present surveillance and the conditions of the sites were still very poor.</p> <p>Areas reported previously as proposed new forest reserve had been confirmed with the gazettement of 1,149 ha of Stateland forest as PRF in the Seriting Forest Reserve (FR) since the last surveillance. In addition, another 1,527 ha had been proposed to be gazetted as PRF through the Negeri Sembilan State Executive Committee Meeting or 'Majlis Mesyuarat Kerajaan Negeri'.</p>
2.	Newspaper Report - Utusan Malaysia	26 June 2011	<p>There is a certain party circumventing the law to carry out illegal logging in the forest reserves of Tampin and Jelebu.</p> <p>Disclosing this today, Menteri Besar Datuk Seri Mohammad Hasan said, that party deployed the orang asli to carry out the illegal logging activities. He said the party was aware the orang asli were protected by the constitution as such, enforcement would be</p>	<p>There were areas of the Negeri Sembilan FMU that had been encroached by the local communities. These encroached areas had been identified and documented and conflict resolution has been on-going as the current record was on a police report # 1002180/11 dated 13 May 2001 on illegal settlement in Hutan Lipur Batu Maloi by Orang Asli. The forest managers had taken actions to protect the FMU area from illegal harvesting, settlements and other unauthorised activities as evident by the police</p>

		<p>complicated.</p> <p>Out of the blues, Mohamad noted, the nature-loving orang asli who led a simple life, were suddenly in possession of chain saws and tractors. "They were definitely being influenced and sponsored by outsiders. The situation is getting serious, especially in Batu Maloi, Johor where five hills were badly affected. Slowly but surely, this party will be caught and we have directed the Department of Aboriginal Affairs to work with the state forestry department and the police to look into the matter," he said after a state exco meeting here today.</p> <p>Mohamad said the Orang Asli had set up temporary houses on the hills they had cut, risking the lives of their families.</p>	<p>report.</p>
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Status of the NCRs and OFIs Issued during the First Surveillance Audit

NCRs:

Indicator	NCR No.	Summary of Non Compliance	Corrective action taken	Status
6.5.2	Minor 1	The construction of skid trails had not adhered to that drawn on the harvesting plans. There was no application made by the logging contractor for changes in the alignment of skid trails and as such no approvals were given by the District forest office.	During the inspections on the logging sites in Compartment 48 of the Pasoh FR and Compartment 81 of the Triang FR, it was observed that the construction of skid trails had followed that as drawn in the harvesting plans. The audit team had also noted that the logging contractor had made an application to the District Forest Office on the changes to be made on the alignment of skid trails in these two compartments and had obtained approval for doing so by the District Forest Office. These were all in accordance to the specifications as detailed in the reduced impact logging procedure.	This minor NCR was closed out.
6.5.4	Minor 2	There was wood debris in the buffer zone near log landing no. 4. A tree was also felled into the buffer zone causing some damage to the buffer zone	During the inspection on the on-going logging site in Compartment 48 of the Pasoh FR, under logging license PP/NT/03/2010 and Compartment 81 of the Triang FR, it was observed that the buffer zones were protected except for a site where woody debris were left inside the buffer zone during construction of a bridge across a river. The NSSFD had taken action by issuing stop work order to the contractor. The contractor had taken immediate action by replanting and restoring the damaged buffer area. The contractors' activities were monitored by the foresters.	This minor NCR was closed out.

OFIs:

Indicator	OFI No.	Summary of OFI		
6.2.3	1	<p>There was a need for cooperation between the NSFD and PERHILITAN to be further enhanced to ensure better control and to reduce the incidences of encroachment.</p> <p>It was also found that there was misinterpretation of management system and harvesting impacts on fauna and that the hunting permits issued by PERHILITAN had not specified the prohibition of hunting in the PRFs.</p>	<p>It was reported that the NSSFD with the assistance of PERHILITAN had conducted training on the prohibition of poaching for logging contractors.</p>	<p>This OFI was closed out.</p>
6.3.1	2	<p>Current post felling assessments have not included an analysis of stocking and species composition before and after felling to ascertain the maintenance of ecological functions and values. However, some analysis had been undertaken by the NSSFD to compare pre-felling and post felling inventory stocking. Such analysis should be further improved. In addition, a procedure should be in place to undertake systematic analysis of pre-felling and post felling inventory data to provide holistic and accurate picture of the maintenance of ecosystem integrity based on the requirements of SMS.</p>	<p>During this surveillance audit, the comparison between Pre F and Post F data on Compartment 7 of the Triang FR presented to the audit team had not arrived at a conclusion on the impact of harvesting on the species composition and tree sizes. This issue had been raised as OFI 2 during the previous surveillance audit and the action taken by the NSSFD had not been able to address the OFI</p>	<p>This OFI was upgraded to minor NCR</p>

Issuance of New NCRs and OFIs During this Surveillance Audit

NCRs:

Indicator	NCR No.	Status	Summary of Non Compliance
6.3.1	1	Minor	The comparison between Pre-F and Post-F data on Compartment 7 of the Triang Forest Reserve presented during this surveillance audit had not arrived at a conclusion on the impact of harvesting on the species composition and tree sizes.
8.3.1	2	Minor	During the inspection at the Pasoh Mobile Checking Station, it was found that the logs had been labeled correctly in accordance to the Tree Tagging and Timber Production Record Book. The information in the RPs, however, could not be verified against that recorded in the Tree Tagging and Timber Production Control Book. This was caused by the absence of tree tagging numbers on RPs No L514068 dated 12.7.2011 and No. L514051 dated 11.7.2011 under license of NT/01/03/2010. This had resulted in the inability of tracing the logs coming out of the harvesting site thus breaking the Chain of Custody (CoC) process.
9.3.2	3	Minor	Inventories of flora and biological diversity within Sungai Menyala HCVF site had been conducted in 2009 and 2010. However, a summary of these findings had not been presented in the publicly available summary.

OFIs:

Indicator	OFI No.	Status	Summary of OFI
1.5.2	1	-	More signage could be erected along the boundary of forest reserves especially along sites bordering with alienated lands as seen in Sungai Menyala Forest Reserve and Gunong Angsi Forest Reserve.
6.3.2	2	-	The enrichment planting trial in the Tebong Forest Reserve could be elevated into a permanent plot for monitoring of indigenous forest species planting in logged over forest. Data collected would support the enrichment planting programme.
6.10.2	3		The alienation of forest reserves was documented in the compilation of gazettes notices. This process could be enhanced by providing an up to date summary of the areas alienated and a map on the remaining forest reserves in the publicly available summary.
8.5.1	4		Analysis of the growth plots and comparison of pre F and post F tree numbers had been completed. This could be included in the public summary made available to interested stakeholders.

