

**PUBLIC CERTIFICATION SUMMARY OF  
NEGERI SEMBILAN FOREST MANAGEMENT UNIT**

**Certificate No** : FMC 002  
**Date of Certification** : 29 December 2009  
**Date of Public Summary** : 11 January 2010

Certification Body:

SIRIM QAS International Sdn Bhd  
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## Definitions of Terms Used in the Summary

Term	Definition
Criterion (plural Criteria)	A means of judging whether or not a Principle (of forest stewardship) has been fulfilled.
Encroachment	The act or action of using forest land contrary to the provisions provided for in forestry laws and regulations with regard to forest land uses.
Exotic species	An introduced species not native or endemic to the area in question.
Forest Management Area	A forest management area refers to the clearly defined area which is under direct management of the company undertaking forest management assessment for the purpose of timber certification.
FMU	Forest Management Unit – a clearly defined forest area, managed to a set of explicit objectives and according to a long-term management plan.
HCVFs	<p>High Conservation Value Forests are those that possess one or more of the following attributes:</p> <ul style="list-style-type: none"> <li>• forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.</li> <li>• forest areas that are in or contain rare, threatened or endangered ecosystems</li> <li>• forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)</li> <li>• forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities)</li> </ul>
<i>MC&amp;I (2002)</i>	<i>Malaysian Criteria and Indicators for Forest Management Certification (2002)</i> is the standard used for auditing forest management practices at the forest management unit (FMU) level for the purpose of certification.
Indicator	A qualitative, quantitative or descriptive attribute that, when periodically measured or monitored, indicates the direction of change.
Verifier	Data or information that enhances the specificity or the ease of assessment of an indicator. Verifiers provide specific details that would indicate or reflect a desired condition of an indicator. They add meaning, precision and usually also site-specificity to an indicator. They may define the limits of a hypothetical zone from which recovery can still safely take place (performance threshold/target). On the other hand, they may also be defined as procedures needed to determine satisfaction of the conditions postulated in the indicator concerned (means of verification).
MTCS	Malaysian Timber Certification Scheme operated by the Malaysian Timber Certification Council.

Natural Forest	Forest areas where many of the principal characteristics and key elements of native ecosystem such as complexity, structure and diversity are present, as defined by FSC approved national and regional standards of forest management.
Non-Conformity Report (NCR)	Non compliance against the requirements of the <i>MC&amp;I</i> (2002)
Opportunity for Improvement (OFI)	A finding which gives cause for concern, but without sufficient objective audit evidence to support a non-conformity.
Principle	An essential rule or element; in FSC's case, of forest stewardship.
Stakeholders	Individuals and organizations with a legitimate interest in the goods and services provided by an FMU; and those with an interest in the environmental and social effects of an FMU's activities, products and services. They include: those individuals and organisations which exercise statutory environmental control over the FMU; local people; employees; investors and insurers; customers and consumers; environmental interest and consumer groups and the general public. (Source: FSC Principles and Criteria).

## 1. INTRODUCTION

SIRIM QAS International Sdn Bhd (SIRIM QAS International) is the largest and oldest certification, inspection and testing body in Malaysia. The certification services provided conform to standards and other accreditation requirements established at the national and international levels.

SIRIM QAS International has been providing auditing services for forest management certification since 2001 through its involvement as a registered certification body under the Malaysian Timber Certification Scheme (MTCS) operated by the Malaysian Timber Certification Council (MTCC).

With effect from 1 July 2008, under the new institutional arrangement of the MTCS, SIRIM QAS International is one of the few notified certification bodies with the MTCC allowed to process application, conduct audit and make decision to award the Certificate for Forest Management to an applicant whose forest management system and practices complies with the *Malaysian Criteria and Indicators for Forest Management Certification* [MC&I (2002)].

This public certification summary contains general information on the Negeri Sembilan Forest Management Unit (FMU), the audit process involved, the findings of the audit, non-conformity reports (NCRs) raised as well as the decision on certification of the FMU under the MTCS by the Certification Panel of SIRIM QAS International.

## 2. GENERAL SUMMARY

### 2.1 Name of FMU

Negeri Sembilan FMU

### 2.2 Contact Person and Address

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Negeri Sembilan State Forestry Department  
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NEGERI SEMBILAN

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### 2.3 General Background on the Negeri Sembilan State FMU

The Negeri Sembilan FMU is managed by the Negeri Sembilan State Forestry Department (NSSFD). The FMU comprises of 154,185 hectares (ha) of Permanent Reserved Forest (PRF) of the state's total land area of 664,591 ha. Another 378 ha is being proposed for gazettelement as PRF. A map of the FMU showing the significant features of the forest is attached in **Annex 1**.

The PRFs consist mainly of inland forest with another 215 ha of beach forest while the mangrove forest in the State is under Stateland. The FMU consists mainly of Hill and Upper Hill Dipterocarp forests with patches of lowland Dipterocarp mainly protected for research purposes. The administration of the FMU is divided into two forest districts namely the East Negeri Sembilan and West Negeri Sembilan Forest Districts.

The FMU as specified under the National Forestry Act 1984 had been divided into 11 classes of forest uses as shown below:

<b>Forest classification</b>	<b>Area (ha)*</b>
1. Production forest	105,277
2. Water catchment	51,020
3. Soil protection	0
4. Soil Reclamation	0
5. Flood control	0
6. Wildlife	9,036
7. Virgin Jungle Reserves	3,802
8. Recreational forest	3,250
9. Research forest	2,987
10. Educational forest	9,377
11. For federal government purposes	0

*Note:* \*Some of the forest classes are also found in other classes

#### 2.4 **Date First Certified**

29 December 2009

#### 2.5 **Location of the Certified FMU (Latitude and Longitude)**

The FMU is located at 2° 29' N to 3° 5' N and 101° 49' E to 102° 35' E

#### 2.6 **Forest and Management System**

The FMU is managed on a sustainable basis with the inland forest area under a Selective Management System following a 30-year rotation period. For the Ninth Malaysia Plan, the Annual Allowable Cut for the FMU had been set at 2,460 ha. A Forest Management Plan covering the period from 2006 to 2015 had been prepared and presented during the audit.

#### 2.7 **Annual Allowable Cut/ Annual Harvest Under the Forest Management Plan**

The annual allowable cut for the FMU is set at 2,460 ha. In 2008, a total of 756.96 ha were harvested from the PRF.

#### 2.8 **Environmental and Socioeconomic Context**

In 2008 the Negeri Sembilan State government obtained RM11, 114,874.58 in the form of royalty, premium and cess from the logging industry. Within the state of Negeri Sembilan, there are 100 wood based industries employing 1,540 workers.

There were 19 Orang Asli villages within the FMU and their customary rights were respected by the forest management. These communities were allowed to use forest produce for subsistence needs. Consultations were also conducted with these communities to resolve any conflicts. There were also rural villagers who were, however, still dependent on the forest for construction materials, food sources, medicinal plants and water sources.

### 3. THE CERTIFICATION AUDIT PROCESS

#### 3.1 Audit Dates:

Stage 1 : 19 – 21 May 2009 (3 man-days)  
(1 Auditor)

Stage 2 : 27 – 31 July 2009 (15 man-days)  
(3 Auditors)

#### 3.2 Audit Team

Stage 1 : Dr. Yap Son Kheong  
Mr. Khairul Najwan Ahmad Jahari (Trainee Auditor)

Stage 2 : Dr. Yap Son Kheong (Audit Team Leader)  
Mr Samsudin Musa (Auditor)  
Dr. Lim Hin Fui (Sociologist)  
Mr. Khairul Najwan Ahmad Jahari (Trainee Auditor)

Peer Reviewers:

- (i) Dato' Shahrudin Mohd Ismail (LESTARI, Universiti Kebangsaan Malaysia)
- (ii) Dr. Ismail Harun (Forest Research Institute Malaysia)

#### 3.3 Standards Used

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

#### 4.1 Audit Process

The scope of the audit is limited to the forest management system and practices of the natural forest within the Negeri Sembilan FMU. The audit involved the verification of documentations and field activities and consultations with the relevant stakeholders.

The stakeholder consultation was conducted in June 2009 for a period of one month. Comments by stakeholders and responses from the audit team are attached in **Annex 2**. The coverage of the audit on the FMU is depicted in the Stage 2 Audit Plan which is attached in **Annex 3**.

The audit was conducted against the requirements of the *MC&I (2002)*, the standard used for forest management certification under the MTCS, using the verifiers stipulated for Peninsular Malaysia.

Following the audit, a total of five (5) minor NCRs and nine (9) OFIs had been raised. The details of the NCRs and OFIs are attached in **Annex 4**. The NSSFD had submitted corrective action plans on the NCRs, through a letter dated 25 August 2009 which was accepted by the audit team leader.

A draft Stage 2 Audit Report was prepared by the audit team leader. The draft Audit Report was then sent to the Client for comment and then submitted to two (2) peer reviewers for independent reviewing. Both peer reviewers had commented on the draft Stage 2 Audit Report and the audit team had responded to the comments made.

A final audit report dated 6 November 2009 was tabled to the Certification Panel (CP) Meeting on 9 November 2009 for a certification decision. The CP however, has directed the audit team to gather more information on the issues raised by the Group A and requested the Group A to substantiate their comments with facts and figures. Meanwhile, the NSSFD has been requested to provide written responses on these issues.

The audit report dated 6 November 2009 was amended to include the additional information on the issues raised by the Group A and the comments by the Audit Team Leader on the responses of the NSSFD and was tabled to the CP on 23 December 2009 for a certification decision.

The CP had however, requested the Audit Team Leader to review the responses by the NSSFD on the specific issues and prepare a revised report for tabling in its next meeting. Subsequently, a revised Stage 2 audit report was prepared dated 24 December 2009 which was table to the CP on 29 December 2009 for certification decision.

4. **RESULTS, CONCLUSIONS AND RECOMMENDATIONS**

4.1 General findings of audit are as follows:

PRINCIPLE	STRENGTHS	WEAKNESSES
<p><b><u>Principle 1</u></b></p> <p>Compliance with laws and FSC Principles.</p>	<ul style="list-style-type: none"> <li>• The NSSFD has maintained record of all relevant national and local laws and regulations related to forest management in the State and these were available to all senior staff who had demonstrated understanding of these laws.</li> <li>• Records on violations of local and national laws and regulations as well as all prescribed payments were available.</li> <li>• Senior officers of the NSSFD were aware of all binding international agreements which Malaysia is a signatory. Copies of these agreements were made available at the headquarters of the NSSFD.</li> <li>• Encroached areas have been documented and conflicts were resolved through meetings.</li> <li>• The mission and vision statements in the Forest Management Plan (2006-2015) clearly commit the FMU to sustainable management which were also consistent with the FSC Principles &amp; Criteria.</li> <li>• Policies or statements of commitment to manage the forest resources have been communicated throughout the NSSFD.</li> </ul>	<ul style="list-style-type: none"> <li>• More signages need to be erected especially for the PRFs in Triang and Sungai Menyala, which are located very close to agricultural land.</li> </ul>



<p><b><u>Principle 2</u></b></p> <p>Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.</p>	<ul style="list-style-type: none"> <li>• The PRFs were gazetted under the National Forestry Act 1984 and their legal status was therefore protected.</li> <li>• The forest managers were willing to support all legally recognized mechanisms for resolving land claims with holders of duly recognized legal or customary tenure or use rights within the relevant national and regional legal frameworks.</li> <li>• There were established mechanisms in place for resolving disputes.</li> </ul>	<p>No weakness noted.</p>
<p><b><u>Principle 3</u></b></p> <p>The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.</p>	<ul style="list-style-type: none"> <li>• The FMU's management had validated that there was no indigenous customary or legal tenure in the FMU through consultations with the local indigenous communities and with relevant NGOs. Consultation during audit confirmed that there were no customary claims in the FMU.</li> <li>• Although there was no indigenous customary or legal tenure in the FMU, the FMU's management has established a Community Forestry Committee to look into how the FMU can benefit the local indigenous community of kampong Balat situated some 5 km away outside the FMU.</li> <li>• There were 19 Orang Asli villages within the FMU. These Orang Asli communities were allowed to use forest produces in the PRFs for their subsistence needs. Consultations were also conducted with these committees.</li> </ul>	<p>₹</p> <p>No weakness noted</p>

	<ul style="list-style-type: none"> <li>• The forest management practices respected the use rights of the communities in the PRFs.</li> <li>• Formal and informal consultations were held between the NSSFD and the local communities to resolve land use conflicts.</li> </ul>	
<p><b><u>Principle 4</u></b></p> <p>Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.</p>	<ul style="list-style-type: none"> <li>• Qualified Orang Asli employed in forest harvesting activities.</li> <li>• All staff of the NSSFD enjoyed the full benefits of medical care, Social Security Organisation (SOCSO) and Employee Provident Funds.</li> <li>• The NSSFD has a policy on safety and health of workers and their families. =</li> <li>• All forest workers were aware of the operational procedures in the work place. The contract workers had been briefed by the staff of the NSSFD on the related procedures when new blocks are opened for harvesting.</li> <li>• The NSSFD had formed a Safety and Health Committee. Logging contractors have been instructed by the State Forestry Department to maintain safety and health records of their employees.</li> <li>• There were guidelines for storage and handling of hazardous materials and the requirement of signage demarcating hazardous sites. Appropriate equipment and</li> </ul>	<ul style="list-style-type: none"> <li>• It was observed that there was no record being kept on the occurrence of accidents.</li> <li>• The report '<i>Penilaian Impak Sosial</i>' was not dated and the methods of data collection and sources of data were not mentioned.</li> </ul>

	<p>apparel were made available to the workers.</p> <ul style="list-style-type: none"> <li>• There were appropriate procedures to address grievances raised by the staff of the NSSFD.</li> <li>• The NSSFD has assessed the impacts of forest activities on local communities.</li> </ul>	
<p><b><u>Principle 5</u></b></p> <p>Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</p>	<ul style="list-style-type: none"> <li>• The NSSFD had reinvested resources in administration, research, human resources development, environmental and social costs.</li> <li>• The annual coupe for the FMU had been approved based on the recommendation of the National Forestry Council amounting to 2,460 ha a year.</li> <li>• Reduced Impact logging guidelines were available and being implemented in the active logging sites.</li> <li>• The NSSFD had imposed fines on the subcontractors for trees that were felled but not extracted.</li> <li>• Procedures had been established for the identification and demarcation of sensitive areas for the protection of soil and water resources. All areas above 1,000 meter have been protected from logging. Such areas had been demarcated on maps as protection forests.</li> <li>• The management of the FMU was guided by a FMP (2006 –2015).</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of some roads was not in full compliance of the RIL specifications. There was also one part of the feeder road that has a gradient of 18 degrees which exceeded the maximum allowable gradient for such road.</li> <li>• There was an incidence where trees were felled but not extracted due to heart rot.</li> </ul>

	<ul style="list-style-type: none"> <li>Records on the quantity of timber harvested were available and were being collected through shuttle returns sent periodically from all the districts to the State Department's head office in Seremban and subsequently to the Forestry Department Peninsular Malaysia Headquarters in Kuala Lumpur.</li> </ul>	
<p><b><u>Principle 6</u></b></p> <p>Forest management shall conserve biological diversity and its associated values, water resources, soils and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest</p>	<ul style="list-style-type: none"> <li>A Macro Environmental Impact Assessment (MEIA) of the FMU was completed in 2007 and made available during the audit.</li> <li>The FMP had identified sites of high biodiversity values and raised environmental issues in forest management.</li> <li>A listing of endemic and rare flora species had been included in the FMP.</li> <li>The FMU had followed the established procedures for protection of biological diversity especially rare, threatened and endangered species as stipulated by the Guidelines specified under the three volumes of Forest Manual 2003.</li> <li>The FMU had set aside 32 compartments covering an area of 8,934 ha in Kenaboi Forest Reserve for wildlife protection. A study had also been conducted together with University of Malaya on the biodiversity of the site.</li> <li>A series of flora inventory has been completed and published.</li> </ul>	<ul style="list-style-type: none"> <li>Mitigation measures that were prescribed in the EIA study were not in the revision of the FMP.</li> <li>Data collected through a series of flora inventory had yet to be recorded.</li> <li>The soil from some road constructions had been pushed to the side of the road and not compacted as required under RIL.</li> <li>There were sumps constructed that were not deep enough and several other areas were without sumps. In addition, cross drains need to be constructed at the steeper sections of the road.</li> </ul>

	<ul style="list-style-type: none"> <li>• The NSSFD has adhered to the three volumes of Forest Manual 2003, 'Guidelines for the Establishment and Maintenance of Virgin Jungle Reserves, 1987'.</li> <li>• The FMU has also imposed a cutting limit, with a lower regime for Non-Dipterocarps and required that the proportion of Dipterocarps and Non-Dipterocarp be maintained after harvesting.</li> <li>• Tree tagging operations were carried out and tagged trees had their identity and diameter recorded and their locations marked on maps.</li> <li>• A list of hyper endemic plants had been documented in the FMP together with that of endangered and threatened animals documented by the State Department of Wildlife and National Parks.</li> <li>• The NSSFD has close cooperation with other government agencies especially the Department of Wildlife and National Park Peninsular Malaysia (PERHILITAN), Department of Aboriginal Affairs Malaysia (JHEOA), Department of Occupational Safety and Health (DOSH) and Forest Research Institute Malaysia (FRIM) as well as local universities in implementing conservation and management activities.</li> <li>• Hunting and other collecting activities were strictly controlled within the FMU. Logging contractors were aware of the prohibitions on hunting within the PRFs.</li> <li>• Post-felling inventories to assess</li> </ul>	
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	<p>regeneration of residual trees 2 to 5 years after completion of harvesting were carried out. Where necessary, enrichment planting was implemented to supplement natural regeneration.</p> <ul style="list-style-type: none"> <li>• The system of limiting harvesting to a block of a limited size further assist in preventing fragmentation of the forest thus allowing animals to move to adjacent unlogged forest sequentially and able to return when logging has been completed. Connectivity among forest vegetation was achieved through proper planning of the harvesting sequence. The riparian buffers with undisturbed vegetation serve as corridors for fauna movement between unlogged forests.</li> <li>• The NSSFD has adopted the “Guidelines for Reduced Impact Logging in Peninsular Malaysia” and “Forest Road Specifications (Feeder Road and Skid Trails) for Peninsular Malaysia 1999” to reduce soil compaction and erosion during harvesting. The intensity of feeder roads and skid trails were found to be within the specified limit.</li> <li>• There were established guidelines for the establishment of river buffers specifying the width and marking of boundary lines.</li> <li>• The use of approved chemicals by forest workers had been controlled and followed accepted procedures.</li> <li>• There was a policy on recycling.</li> <li>• No exotic species were introduced in any silvicultural treatment. The guidelines for enrichment planting did not encourage the</li> </ul>	
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	planting of exotic species.	
<p><b><u>Principle 7</u></b></p> <p>A management plan – appropriate to the scale and intensity of the operations – shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated</p>	<ul style="list-style-type: none"> <li>• The FMP (2006-2015) had incorporated all the items listed from a) to i) in Criterion 7.1.</li> <li>• The FMP is revised once every 5 year.</li> <li>• New scientific and technical information pertinent to the management of the FMU was made available to the managers.</li> <li>• Training facilities had been established in the Mantin Nursery Complex. A systematic set of courses had been prepared for each year for all the staff.</li> <li>• Courses were organized for its professional and semi-professional staff as well as contractors.</li> <li>• A summary of the FMP (2006-2015) was included in the public summary which was available in the web page of the NSSFD.</li> </ul>	<ul style="list-style-type: none"> <li>• There was a need to incorporate new scientific information based on research results and findings in the FMP.</li> </ul>
<p><b><u>Principle 8</u></b></p> <p>Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts</p>	<ul style="list-style-type: none"> <li>• There were procedures to monitor ecological, environmental and economic impacts through the use of monitoring forms A (Infrastructure), B (Forest Harvesting), C (Environment and Protection) and D (Timber Output) as specified under the Director General's circulars have been prepared to monitor these elements in the FMU. A flow chart '<i>Carta Aliran Proses Permantauan dan Pengawasan Pengusahaan Hutan</i>' has</li> </ul>	<ul style="list-style-type: none"> <li>• The special form entitled '<i>Panduan Maklumat Impak Sosial Dalam Sektor Pembalakan: Kesan Terhadap Faktor Sosial</i>' used to monitor on social impacts were not signed by the relevant staff of the Forestry Department.</li> </ul>

	<p>been written on February 2005 together with the duties and responsibilities of the relevant personnel.</p> <ul style="list-style-type: none"> <li>• Growth plots had been established in the FMU and were enumerated on a regular basis by the Forestry Department HQ in Kuala Lumpur with the assistance of the NSSFD. The monitoring of water quality would be initiated in 2010 when logging operations is conducted through Monitoring Form C while monitoring after logging would be done through '<i>Laporan Isi Kandungan Hutan</i>' and Closing Reports.</li> <li>• All logs transported out of the licensed logging area in the FMU were checked at the Forest Checking Station (FCS) against the Tree Tagging and Timber Production Control Book kept by the forester of the State Forestry Department. Logs were only allowed to be transported out of the FMU when Removal Passes have been issued.</li> <li>• The Annual Report of the Negeri Sembilan State Forestry Department was available to the public on request. A summary of the report was also made available in the web page of the NSSFD.</li> </ul>	
<p><b><u>Principle 9</u></b></p> <p>Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a</p>	<ul style="list-style-type: none"> <li>• The NSSFD together with research institutions and government agencies had assessed sites and identified HCVF in the Setul and Sg. Menyala Forest Reserves. The FMP has also indicated other potential sites for HCVF.</li> <li>• Consultations with related government</li> </ul>	<p>No weakness noted</p>



precautionary approach	<p>agencies and universities had been conducted to identify conservation attributes, options and maintenance of HCVF in the FMU. .</p> <ul style="list-style-type: none"><li>• Measures to demarcate on maps, maintain and enhance the attributes of HCVF had been written in the FMP and their management prescriptions developed.</li><li>• A public summary of the FMP on measures to demarcate, maintain or enhance HCVF was posted on the web page of the NSSFD.</li><li>• Annual monitoring of the effectiveness of measures in the management of HCVF has been initiated.</li></ul>	
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#### 4.2 **Certification decision**

In general, the Negeri Sembilan FMU has complied with most the requirements of the *MC&I* (2002). As no Major Non-Conformity Report (NCR) was raised, the FMU was therefore recommended for certification, conditional upon submission of a corrective action plan by the NSSFD to SIRIM QAS International within a month from the last day of the audit.

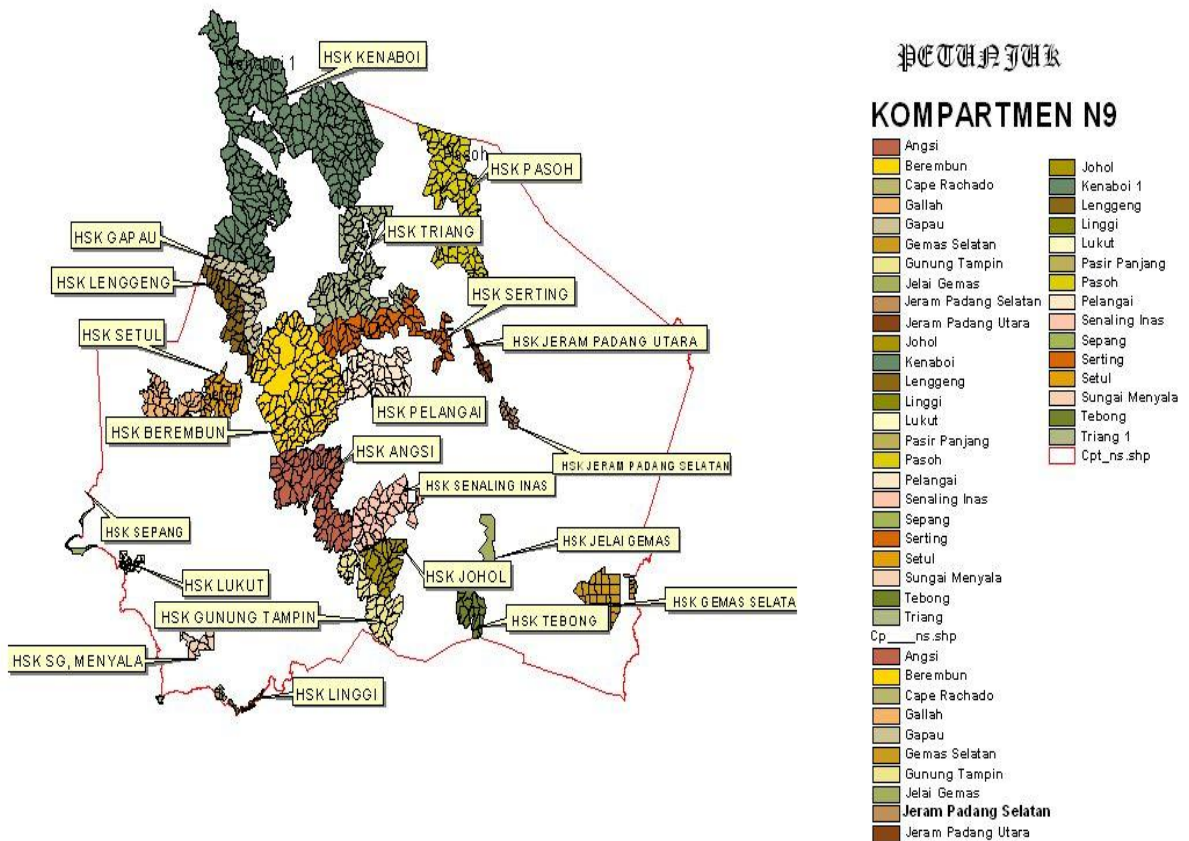
#### 4.3 **Recommendation for Certification**

The revised Stage 2 Audit Report was re-tabled to the Certification Panel which convened on 29 December 2009 for a certification decision. The Certification Panel was chaired by the Senior General Manager of the Management System Certification (MSC) Department, SIRIM QAS International Sdn Bhd and comprised the Heads of the various sections of the Management System Certification (MCS) Department.

The Panel had deliberated on the revised Stage 2 Audit report and concurred with the recommendations made by the audit team and peer reviewers and therefore decided to award the Certificate for Forest Management to the Negeri Sembilan State Forestry Department, which manages the Negeri Sembilan FMU.

**Map of Negeri Sembilan FMU**

*PELAN HUTAN SIMPAN NEGERI SEMBILAN*



Comments by Stakeholders and Responses from the Audit Team

No	Name	Date Received	Detail of Issue Raised	Comments by Audit Team Leader
1	Group A	20 November 2009	<p>1. Group A was concerned that areas of the Permanent Reserved Forest (PRF) of the FMU have been excised for conversion. A list of all areas excised in 2000-2004 was listed which totaled 9,408.97 ha. Of particular concern was the excision of more than 1,000 ha from the Setul Forest Reserve (FR) on 24 February 2004 and clear-felling activities on this FR and its impacts on the adjacent Gallah Recreational Forest.</p> <p>Related to this, a member of the Group A had visited Bukit Sepang (also known as Bukit Simpang or Bukit S'pang) in the vicinity of the Gallah FR and had documented heavy clearing on steep slope of the hill.</p>	<p><i>The Audit Team Leader accepted the explanation given by the Negeri Sembilan State Forestry Department (NSSFD) that the excision of the PRFs as listed by the GROUP Awas legally executed and is-within the power of State Government as provided for under Section 12 of the National Forestry Act 1984.</i></p> <p><i>This excision of the PRFs was deemed necessary by the State Government for better economic returns in agriculture, animal farming and military reserves; land ownership to government agencies, government led companies, the public; and for construction of infrastructures such as highways in the state.</i></p>

				<p><i>With respect to the clear felling activities in the Setul FR and its impact on the adjacent Gallah Recreation Forest, the NSSFD had not given any explanation on this matter. However, it was found out by the audit team during the on-site audit that the forest area which was once within the Setul FR had been excised for the construction of the LEKAS highway.</i></p>
			<p>2. Group A was concerned that areas of the PRF that have been excised have not been replaced. Group A had referred to a study by one of stakeholder which has found that in 2000 to 2004 about 9,000 ha of PRFs had been excised from the FMU and less than 200 ha were added as replacement.</p>	<p><i>The Audit Team Leader accepted the response from the NSSFD which explained that it is within the power of the State Government to excise PRF for development and that such action is beyond the control of the NSSFD. In addition, Section 12 of the National Forestry Acts requires the State authority to replace PRFs excised under certain conditions only whenever possible.</i></p> <p><i>The Audit Team Leader noted the concerns raised by Group A on the excision of the PRFs in the Negeri Sembilan</i></p>

				<p><i>State FMU. However, the excision represents a reduction of about 1.5% per annum. This was still relatively low and the excision was undertaken for acceptable reasons. The implication to the certification process is related to sustainability considering the reduction in the size of the PRF. This is being addressed by the NSSFD by periodically revising the AAC once every five years.</i></p> <p><i>The audit team noted the success made by the NSSFD in seeking the approval of the State Government Council Meeting to gazette 1,149 ha of Stateland in Jempol District as the Serting Forest Reserve and the continuing effort to gazette the mangrove forest in Port Dickson as PRF.</i></p> <p><i>The Audit Team also noted that while the Department could request for forested land to be gazetted as PRF, this would be difficult due to the limited such</i></p>
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				<i>forested land remaining in the state.</i>
			3. Social issues appeared to have risen in the FMU related to the native customary rights (NCR) of the local Orang Asli (Temuan) communities. In particular was the case involving Kg. Asli Sebir (near Gallah FR) had been highlighted in the national media but appeared to have not been resolved by the relevant authorities.	<i>The Audit Team Leader accepted the explanation given by the NSSFD regarding the issue on the NCR involving the Temuan communities in Kampung Asli Sebir. Based on the investigation findings, the audit team accepted that the issue was not in the PRF area but was on alienated land belonging to Pertanian Tani Jaya Sdn Bhd.</i>
			4. Group A was concerned with the implementation of the concept on High Conservation Value Forest (HCVF) which has been limited to two very small parts in the FMU. Group A was of the opinion that most of the remaining forests in the FMU was of HCV and should not be clear-felled. In fact this has been acknowledged by the State FD in its website that says ' <i>sebahagian besar Hutan Simpanan Kekal (HSK) di Negeri Sembilan secara automatik tergolong kepada HCVF</i> '. Group A felt that this was not reflected in practice where the State FD only recognized two categories of forest areas as HCVF. Group A was of the opinion that these two small areas did not fully reflect the range of values under the concept of HCVF.	<i>The Audit Team Leader noted the efforts made by the NSSFD in protecting HCVF as evident during the construction of the LEKAS Highway where the alignment of highway was shifted slightly on the request of the NSSFD to protect the HCVF (Vatica trees).</i>  <i>Contrary to the opinion of Group A, HCVF in the State FMU had not been clear-felled. In fact, the NSSFD has given greater attention to increase the area of</i>

				<p><i>HCVF in line with its commitment to manage such forest on a sustainable basis to fulfill the requirement of the MC&amp;I (2002).</i></p> <p><i>The audit team accepted the concern by the NSSFD that the establishment of HCVF shall be done in phases in line with the progress achieved on forest management in the state and with proper study to ensure such forests are well managed.</i></p> <p><i>The progress on the establishment of HCVF shall be verified during the surveillance audit.</i></p>
			<p>5. Group A was concerned with the entrance to the Gallah Recreational Forest which was 'stacked up with logs' as reported by the Group A in June 2008. The concern was due to the fact that the Gallah Recreational Forest is a popular destination by visitors (local and tourists). Group A wants the status of Gallah Recreational Forest be clarified.</p>	<p><i>The Stage 2 Audit on the Negeri Sembilan FMU was conducted on 27-31 July 2009. The incident of 'stacked up with logs' at the entrance of the Gallah Recreational Forest was observed by the Group A in June 2008 during the time when the construction of the LEKAS Highway was in progress. Now, the construction of the highway has been</i></p>



				<p><i>completed.</i></p> <p><i>With respect to the status of the Gallah Recreational Forest, it had been excised for the construction of the LEKAS Highway and had ceased to be a PRF.</i></p> <p><i>With the excision of the Gallah Recreational Forest, the State Government has planned to establish a recreation area of 1,000 acres, named as the 'Taman Wilayah Gallah' to replace the excised Gallah Recreational Forest for the public to use. This would indirectly increase the economic value of the forests.</i></p>
			<p>6. The public summary of the FMU does not have sufficient information in accordance with what is required under the MC&amp;I (2002) in particular with respect to indicators 7.1.1 and 7.4.1. While the FMP was made publicly available, there was insufficient information for members of the public to be able to be effectively part of the forest management and related process. Group A therefore requested that a more detailed summary be made available to the public.</p>	<p><i>The 'Negeri Sembilan State Forestry Department Annual Report 2008' available to the public upon request contains many of the information as required by the MC&amp;I (2002). A summary of the report was also made available in the Department's web page.</i></p>

				<p><i>The Audit Team Leader has acknowledged the public summary on the web page has not included all the important information as pointed out by Group A. However, a more comprehensive information on the FMU should be available on the web page in early 2010 as the NSSFD is now planning to design a new web page once the budget for it is approved. The progress on this matter shall be verified during the surveillance audit.</i></p>
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Stage 2 Audit Plan

<b>Day</b>	<b>Time</b>	<b>Programme</b>
Day 1, 27 July 2009 (Monday)	09.30am – 11.00 am	Opening Meeting at State Forestry Department office, Seremban <ul style="list-style-type: none"> <li>• Briefing by Lead Auditor on objectives and procedures of the Stage II audit</li> <li>• Briefing by representative of the Negeri Sembilan State Forestry Department on its preparation for forest management certification.</li> <li>• Confirmation of audit plan</li> </ul>
	11.00 am-12.30 pm	Review of documentation and discussion on 'Issues of Concerns'
	2.00 pm- 5.00 pm	Consultation with stakeholders Night in Seremban
Day 2, 28 July 2009 (Tuesday)	8.00 am-5.00 pm	Site inspection of pre harvesting sites and post harvesting sites at Triang Forest Reserve (FR)  Inspection of harvesting site at Pasoh FR Compartment 47C.
	6.00 pm-7.30 pm	Discussion among auditors Night in Seremban
Day 3, 29 July 2009 (Wednesday)	8.00 am-5.00 pm	<u>Team A</u> Site visit to Growth Plot, VJR and HCVF in Sg. Menyala  <u>Team B</u> Meeting with local communities
	6.00 pm -7.30 pm	Discussion among auditors Night in Seremban
Day 4 30 July 2009 (Thursday)	8.00 am-5.00 pm	<u>Team A</u> Inspection of Enrichment Planting in Tebong FR Inspection of HCVF site Setul FR Inspection of nursery site and plantation area  <u>Team B</u> Meeting with local communities Night in Seremban
Day 5 31 July 2009 (Friday)	8.00 am-9.00 am	Meeting with Stakeholder
	9.00 am-12.30 pm	Preparation of closing meeting
	3.00 pm-5.00 pm	Closing Meeting

## The details of the NCRs and Planned Corrective Actions and OFIs

NCR No.	Principle	Indicator		Status of NCR	Summary of Non Compliance	Planned Corrective Action Taken by FMU
NCR 1	5 - Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.	5.3.1	Availability and implementation of guidelines for reduced impact logging to minimize damage to residual stand.	Minor	Road construction was not in full compliance to the RIL specifications. The soil that was pushed to the side of the road was not compacted. There was one part of the feeder road that has a gradient of 18 degrees which has exceeded the maximum allowable gradient for such road.	<p>The NSSFD would monitor closely on road construction to be undertaken in the remaining harvesting blocks to ensure it complies with the required specifications. All future road construction would have a gradient of less than 18 degrees. The Forest Engineering Unit would seek the recommendation and approval of the State Director of Forestry if there is a need to construct a road that deviate from the specifications.</p> <p><b><i>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</i></b></p>
NCR 2	5 – Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social	5.3.2	Application of log extraction operations that minimize product wastage, degrade and foregone revenue opportunities	Minor	In the logging operation within Compartment 47C of the Pasoh Forest Reserve, there were trees felled but the logs were not taken out as they were found to be with heart rot (hollow).	<p>The NSSFD has assured that the two logs would be taken out from the Forest Reserve and the situation be monitored such that similar incident would not occur.</p> <p><b><i>The planned corrective</i></b></p>

	benefits.					<b>actions were accepted by the audit team and verification will be done during the surveillance audit.</b>
NCR 3	6 – Forest management shall conserve biological diversity and its associated values, water resources, soli and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.	6.5.1	Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations.	Minor	It was observed within Compartment 47C of the Pasoh Forest Reserve that there were skid trails with heavy blading.	The NSSFD had held a discussion with the contractor and decided to compound the contractor for not following the road specifications. The NSSFD would closely monitor on road constructions to be undertaken in other harvesting blocks to ensure that similar mistakes would not occur.  <b>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</b>
NCR 4	6 - Forest management shall conserve biological diversity and its associated values, water resources, soli and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.	6.5.3	Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements	Minor	There were sumps constructed that were not deep enough and in several other areas sumps were needed but not constructed. Cross drains were not constructed in steep areas.	The NSSFD would closely monitor on road constructions to be undertaken in other harvesting blocks to ensure that road specifications would be strictly adhered to.  <b>The planned corrective actions were accepted by the audit team and verification will be done</b>

						<b>during the surveillance audit.</b>
NCR 5	8 - Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts	8.3.1	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.	Minor	Errors were observed in the recording of the log number and name of the log specie in Removal Passes issued at the Forest Checking Station.	<p>The NSSFD would organize a training programme for the forest officers in charge of the Forest Checking Station on the work procedures related to the issuance of Removal Pass to prevent future mistakes and these forest officers would be requested to report to the Forest Ranger, who should then report such cases to the higher authority for follow-up actions.</p> <p><b><i>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</i></b></p>

**Details on Opportunities for Improvement**

<b>Indicator</b>	<b>OFI No.</b>	<b>Status</b>	<b>Summary of OFI</b>
1.5.2	1	-	The NSSFD has maintained a clear boundary marking of all forest reserves inspected with boundary trees marked with red paint. Actions have also been taken through consultations with the local communities on illegal settlements. These actions could be enhanced through more signage to indicate the boundary of the PRFs, especially for forest reserves situated close to agricultural land as in the Triang and Sg. Menyala Forest Reserves.
6.5.1	2	-	During an inspection to an active logging site in Compartment 47C of the Pasoh Forest Reserve, the auditors had found that the construction of roads was not in full compliance of the RIL specifications. The earth that was pushed to the side of the road was not compacted using an excavator. There was also one part of the feeder road that has a gradient of 18 degrees which exceeds the maximum allowable gradient for such road.
9.1.1	3	-	The management and monitoring guidelines for HCVF have been prepared for the Sg. Menyala and Vatica plot. A research plot in the Pasoh Forest Reserve should be included as a HCVF site owing to its long history of national and international research activities.
9.3.1	4	-	Boundaries of HCVFs were clearly demarcated on the ground and in maps. This could be further improved for the Vatica plot with fencing as the site was exposed to major infrastructure development and lies next to the main road.
7.2.2	5	-	Further efforts should be taken to incorporate new scientific information based on research results and findings. These include growth and mortality rates as well as stocking and composition of second growth forests as discussed during the visit of the senior officers of the NSSFD to the Sg. Menyala Forest Reserve.
8.2.1	6	-	The auditors have found there were some discrepancies in the location of marked trees in the tree location map in quadrants 5 and 6 during the inspection to the growth plot in Compartment 12A of Sg. Menyala Forest Reserve. Therefore, the tree mapping should be rechecked and corrected.
4.2.4	7	-	The existing form contains records on attendance and remarks. Only when a worker is absent from work, the reason was recorded in the remark section. The present documentation system could be improved by maintaining a monthly record on occurrence of accidents.

4.4.1	8	-	<p>A social impact assessment entitled <i>Penilaian Impak Sosial (Social Impact Assessment) Kawasan Pengusahhasilan Sebahagian Kompartment 19 Hutan Simpan Senaling Inas Kepada Sama Prima Sdn Bhd Seluas 32 Hektar</i> was prepared. This report should be dated, the methods of data collection and sources of data be outlined. The dependence on the forest by the local Orang Asli and Malay communities should be defined.</p>
8.1.2	9	-	<p>A special form entitled <i>Panduan Maklumat Impak Sosial Dalam Sektor Pembalakan: Kesan Terhadap Faktor Sosial</i> has been used to monitor the social impacts. The form contains information on economic, infrastructure and other social impacts.</p> <p>The form may be improved by adding any potential impacts on the water sources used by the local communities. The presence of burial ground (if any) be determined and the use of non-timber forest produce should also be recorded. The form should be signed by the relevant staff of the State Forestry Department and the date recorded.</p>