

Date of Public Summary: May 2012

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

Certificate No	: FMC 004
Date of Certification	: 7 July 2010
Date of Surveillance Audit	: 21-24 November 2011

Certification Body:

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1. INTRODUCTION

A second surveillance audit for forest management certification on the Perak State Forest Management Unit (hereafter referred to as 'the Perak State FMU') was conducted from 21-24 November 2011. This audit was conducted to verify the Perak State FMU's continued compliance with the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)]*.

The Perak State Forest Department (PSFD) is responsible for the management of the natural forest in the Permanent Reserved Forest (PRF) within the Perak State FMU covering 991,433 ha or about 47.2% of the State's total land area of 2.1 million ha. The administration of the FMU is divided into five forest districts namely the South Perak, Kinta/Manjung, Kuala Kangsar, Larut-Matang and Hulu Perak Forest Districts. A map of the FMU showing the significant features of the forest is attached in **Annex 1**.

The PSFD was still committed to the management of the natural forest in the PRF within the State FMU on a sustainable basis. The inland forest is managed under a Selective Management System (SMS) on a 30-year rotation period. Under the Ninth Malaysia Plan (2006-2010), the Annual Allowable Cut (AAC) for the Perak State FMU had been set at 7,770 ha. A Forest Management Plan (FMP) covering the period from 2006 to 2015 had been completed and presented during the audit.

2. GENERAL SUMMARY

2.1 Name of FMU

Perak State FMU

2.2 Contact Person and Address

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Perak State Forestry Department
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2.3 Dates of Surveillance Audit:

21-24 November 2011 (12 man-days)

2.4 Audit Team

Dr. Yap Son Kheong (Audit Team Leader)
Dr. Lim Hin Fui (Auditor/ Sociologist)
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 was conducted in October 2011 for a period of one month before the field audit commenced. Comments by stakeholders and responses from the audit team are attached in **Annex 2**. During the field audit, on-site consultations were also held with the staff of the PSFD and the field workers of the contractor at the harvesting sites.

3. SUMMARY OF SURVEILLANCE AUDIT FINDINGS

Based on this surveillance audit, the audit team had found that there was still a firm commitment by PSFD to continue managing the FMU on a sustainable basis.

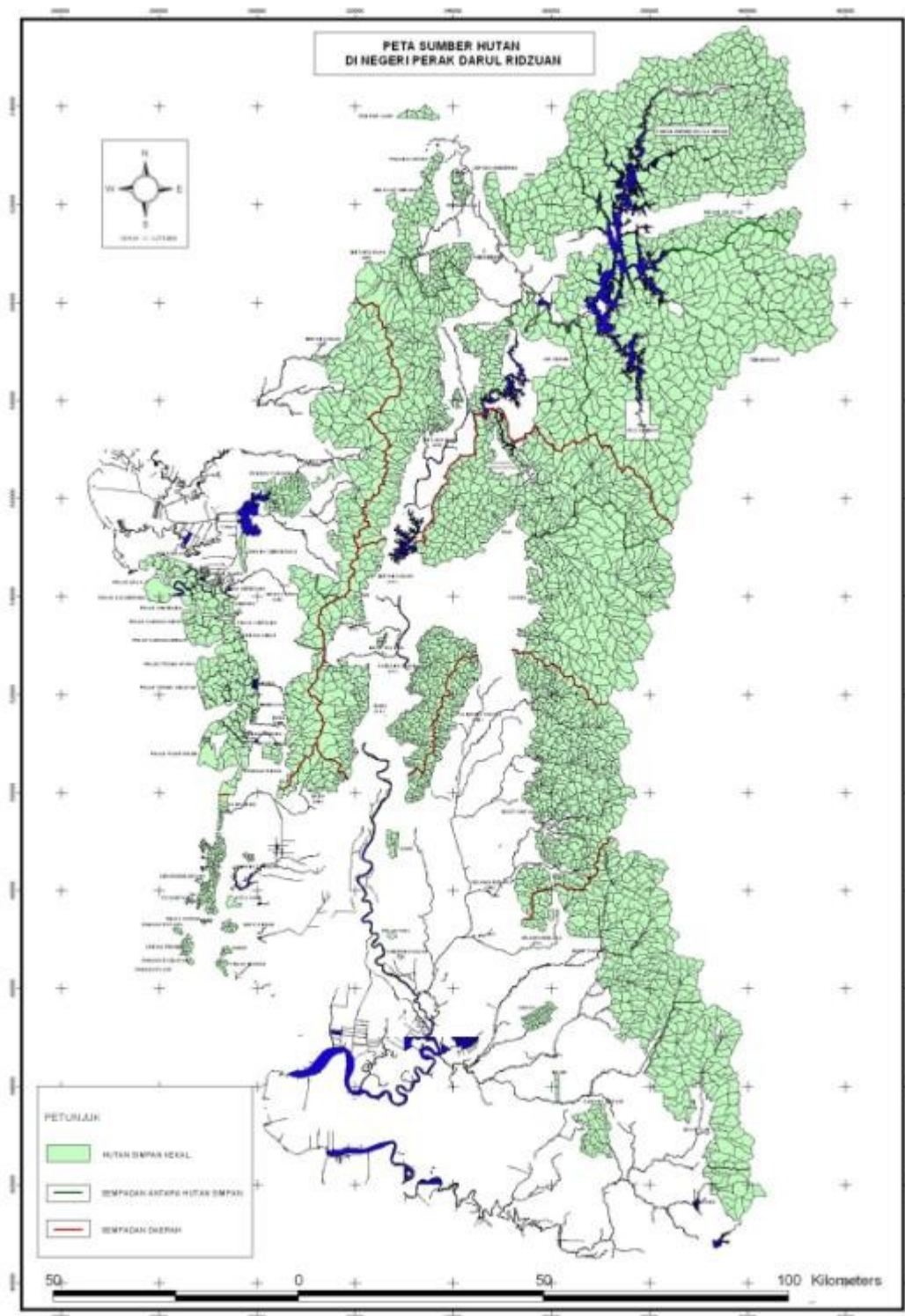
During this surveillance audit, the audit team had verified on the corrective actions taken by the PSFD to address the two (2) minor NCRs and four (4) OFIs raised during the previous first surveillance audit. The audit team found that the corrective actions taken by the PSFD had not been adequate to effectively address the two minor NCRs and had therefore upgraded all of them to major NCRs. However, all 4 OFIs had been satisfactorily addressed and therefore closed out.

The audit team had raised one new major NCR and eight (8) OFIs during this second surveillance audit in addition to upgrading the two minor NCRs from the previous first surveillance audit to major NCRs. The PSFD had submitted an immediate corrective action plan to address the three (3) major NCRs and OFIs which was received through a letter dated 2 December 2011.

A verification audit to check on the effectiveness of the corrective actions taken by the PSFD to address the three (3) major NCR was conducted on 28-29 October 2011. The auditor was satisfied with the corrective actions taken by the PSFD to address the two upgraded major NCRs and had therefore closed them out. However, the corrective actions taken by the PSFD to address the new major NCR were still on progress. A verification audit on the corrective action taken by the PSFD to address this major NCR would be conducted prior to the next surveillance audit.

The details on the status of the NCRs and OFIs raised during the previous first surveillance audit, and the new NCRs and OFIs raised during this second surveillance audit are attached in **Annex 3**.

A map of the Perak State FMU



Comments by Stakeholders and Responses by the Audit Team

No	Name, Organization, Address and Contact Numbers	Date Received	Detail of Issue Raised	Responses by Audit Team Leader
1.	The Star - Tuesday June 14, 2011 <i>'Orang asli in dire straits as Belum-Temenggor forests laid bare'</i>	June 14, 2011	<p>This article quoted a report entitled <i>'Collectors And Traders: A study of Orang Asli Involvement In Wildlife Trade In The Belum-Temenggor Complex'</i> by the Centre for Malaysian Indigenous Study in University of Malaya (UM) which states that a growing number of locals and armed foreigners are encroaching into the sprawling Belum-Temenggor forest in northern Perak to hunt for animals, fish and collect <i>geharu</i> (or incense wood). This is depriving the orang asli of food and livelihood.</p> <p>According to the report, rather than acknowledging their lifestyle of exploiting jungle produce was depleting the resources of the forest, the orang asli said that it was the outsiders who were causing the depletion, and that was a threat to them.</p> <p>The orang asli singled out these parties as responsible for exploiting the forest: foreigners (Thai and Cambodian poachers, often armed), soldiers (stationed in Belum forest), Malays from surrounding villages, government officers and illegal loggers.</p> <p>The orang asli told the researchers that there is now little left to hunt. They said the forest has been emptied over the past decades, due to logging, over-harvesting, poor enforcement and</p>	<p>Over the years, the Orang Asli communities in and those outside the <i>Rancangan Penempatan Semula</i> (RPS) Banun suffered from the depletion of <i>gaharu</i> and animal resources as outsiders (mainly Thai) had been harvesting <i>gaharu</i> and hunting in the region since the 1980s.</p> <p>Most Orang Asli hunted animals and collected forest produces for subsistence needs with a handful selling rattan, Rafflesia buds, <i>gaharu</i>, <i>tongkat ali</i>, honey and fish to non-Orang Asli traders. Wildlife trade by Orang Asli was insignificant.</p> <p>Orang Asli had claimed that harvesting activities over the years had resulted in the loss of homes for animals. Elephants and wild boars had damaged the fruit trees (banana, durian) and rubber trees in Orang Asli settlements since 2000s.</p> <p>Discussions held during the on-site audit with the Orang Asli community at Kg Chiong (Hulu Perak) indicated that the villagers did not complain on the impacts of the harvesting activities by the logging contractor, PIC Sdn Bhd.</p> <p>The PSFD had worked with the State Department of Wildlife and National Parks and with the assistance of the police had increased surveillance of the forest reserves in the area.</p>

			<p>the influx of visitors. They said logging roads allow outsiders to easily reach the forest to collect <i>gaharu</i>, and fish.</p> <p>The researchers said that to resolve the issue of wildlife trade, the underlying reasons that push the orang asli to hunt and sell forest product needs attention, that is, lack of marketable skills, isolation from urban areas and poverty.</p> <p>The researchers pointed out that the orang asli need employment opportunities as well as the rights to the land and its resources, and a say in development plan. They depend on forest resources and are sensitive to changes, so they have a say in what is happening.</p>	<p>The PSFD had also directed the contractors operating within the FMU to provide employment opportunities to the Orang Asli but it was reported that many of the orang Asli did not stay long on the jobs.</p> <p>There was a consultative process with the Orang Asli community prior to harvesting in the licenced areas so that they would be informed of the potential impacts on the community. This prior discussion had avoided infringement of their land.</p>
2.	<p>The Star – Wednesday September 21, 2011</p> <p><i>'Strong case for Lower Belum and Temengor conservation'</i></p>	<p>September 21, 2011</p>	<p>The article said that in 2003, Perak had set aside 117,500 ha of forest north of the East-West Highway as the Royal Belum State Park. However to the dismay of conservationists, the park excluded forests south of the highway, the Lower Belum and Temengor Forest Reserves, which both remain as “production forest reserve” destined for logging. Also left out is the 1,820 m width of state land on either side of the East-West Highway.</p> <p>According to the article, the Royal Belum is just over 4,343 sq km that make up Taman Negara and, on its own, is not sufficient for the survival of large mammals such as elephant, rhinoceros and tiger. It needs to be backed up by Lower Belum and Temengor. Without the adjoining forests, Royal Belum is all but an island of wilderness in a sea of logged and farmed areas.</p> <p>The article stressed that in the National Physical Plan, the whole Ulu Perak is marked as Rank 1 Environmentally Sensitive Area (ESA), a ranking</p>	<p>Logging concessions had been awarded to the contractors to harvest within the Temenggor Forest Reserve under the conditions of Reduced Impact Logging (RIL).</p> <p>The PSFD had stopped the construction of the access road from the highway to the development in the stateland in the Sungai Mendelum area.</p>

			that disallows development, agriculture or logging. It said that Temengor must not be seen only for its timber and land worth. This large tract of forest in Perak is a final stronghold for wildlife. Therefore, keeping Belum-Temengor intact seems to make sense.	
3.	The Star – Monday September 19, 2011 <i>'MB orders halt to Belum forest clearing pending probe'</i>	September 19, 2011	<p>The article said that the Perak Menteri Besar has ordered an immediate halt to forest clearing activities in the Belum-Temengor wildlife corridor, which has alarmed environmentalists.</p> <p>The clearing was on the Sungai Mendelum area, some 74 ha of State land within the critical wildlife corridor linking Royal Belum and the Temengor Forest Reserve that is also home to endangered wildlife like the Asian elephant and the Malayan tiger.</p> <p>The STAR had earlier reported that fresh forest clearing of an old logging road had begun in the area, to be followed soon by boundary marking and logging.</p> <p>The article commented on the mystery surrounding the purpose of the land clearing and its ownership with the Perak State Agriculture Development Corporation being named as owner in a letter from a logging company.</p> <p>Environmental and wildlife groups have welcomed the swift intervention by the Menteri Besar and insisted on a permanent stop to the activities, pointing out that further clearing of land would only escalate illegal hunting and worsen human-wildlife conflict.</p> <p>The WWF-Malaysia Chief Executive Director, Datuk Dr. Dionysius Sharma said that the logging road was only an hour away by foot from Sungai</p>	The land clearance in the Sungai Mendelum area was in state land which is outside the FMU. The PSFD had stopped the construction of the access road using the old logging road to the Sungai Mendelum area.

			<p>Ruok, a fish sanctuary and waterfall in the Royal-Belum forest. Dr. Sharma warned that land clearing activities within the Mendelum area will lead to increased sedimentation of Sungai Ruok and the Temengor Lake that would then affect eco-tourism and aquaculture activities.</p>	
4.	Stakeholder 1	October 19, 2011	<p>Hutan Simpan Temenggor di Perak telah dibalak kesan buruk kepada masyarakat orang asli di kampung RPS Kemar/Banun/Chiong. Perbincangan dgn masyarakat Orang Asli tidak diadakan sebelum pembalakan. Harap siasatan.</p> <p><u>Translation:</u> (The Temengor Forest Reserve has been logged and impacting badly on the villages of the orang asli communities in the Orang Asli Resettlement Programme in Kemar/Banun/Chiong. There was no consultation being held with the orang asli communities prior to the start of the logging operations. Please investigate)</p>	<p>It was found that forest harvestings had taken place only near to RPS Kemar and Chiong. RPS Banun has not been directly affected as there were no harvesting activities in the nearby area. However, PIC Sdn Bhd, the company who has been involved in the logging operations has consulted the communities in RPS Banun and made social contributions to the local community development.</p> <p>In addition, there were record to show that the FMU managers (officers of the PSFD) have held discussions with the Orang Asli community in RPS Kemar as evident in the minutes of the <i>Mesyuarat Aduan Awam/Bantahan Pembalakan RPS Kemar</i> dated 21 January and 6 Jun 2011. Thus, it was not entirely true that there was no consultation taking place between the PSFD and the Orang Asli communities in RPS Kemar, which was being affected by the logging operations.</p> <p>In the case of RPS Chiong, local consultations with the Orang Asli Temiar had taken place from time to time but involving only a handful of villagers. Hence, consultation was not an issue, but the consultations should involve the participation of more villagers.</p>

Status of the NCRs and OFIs Issued during the First Surveillance Audit

NCRs:

Indicator	NCR No.	Details of Non Compliance	Corrective Actions Taken	Status
1.5.2	Major SKY01	Two trees were felled and taken out from an adjacent compartment outside of Compartment 138 (Licence no. PPN.PK. 42/2010 B (HSK/HPK) in Temenggor Forest Reserve.	The PSFD had taken immediate action to issue a stop work order and compounded the logging contractor for the offence.	Closed out
8.3.1	Minor KN01	During the inspection of the records from Lawin Checking Station in Grik Forest District and Lasah Checking Station in Kuala Kangsar Forest District it was observed that 9 logs that were transported out as recorded in the Removal Passes (species, log diameters and lengths) were not documented as removed in the Tree Tagging Book; 1) Removal Pass no 856051 dated 3 November 2010 for License PPN.PK 1B/2010 B, HSK. HPK Hulu Perak (Lawin Checking Station) 5 logs 2) Removal pass no 851512 dated 11 October 2010 for License PPN.PK 96/2010 B, HSK/KK (Lasah Checking Station) 4 logs	There was no clear evidence to indicate that the PSFD has implemented effectively the planned corrective actions to address this NCR. In addition, there was also no evidence to indicate that monitoring has been conducted on these two Forest Checking Stations on their activities of issuing Removal Passes.	Upgraded to major NCR
8.5.1	Minor SKY01	Growth rates, regeneration and conditions of the forest; composition and observed changes in the flora and fauna and environmental and social impacts of harvesting had not been published in the annual report made available to the public.	No significant progress has been made since first surveillance audit. The public summary in the website has still not been updated.	Upgraded to major NCR

OFls:

Indicator	OFl No.	Summary of OFI	Corrective Actions Taken	Status
4.2.3	1	Records of appropriate maintenance of safety and operational equipment had not been documented in a system with the equipment and dates of maintenance recorded.	<p>During a visit to the workers' quarter of a logging contractor PIC Sdn Bhd, and the discussions held with the workers on 22 November 2011, the auditors had found out that the workers had been made aware of the policy and the relevant procedures on health and safety and action to be taken in case of accident. It was also found that records on safety and operational equipment had been properly documented.</p> <p>In addition, the workers had been briefed by the staff of the PSFD on safety measures before the start of any forest operations.</p>	Closed out
4.2.4	2	Records of accidents of forest workers have not included that of contractors' workers.	It was observed that PIC Sdn Bhd had kept a monthly record on the occurrence of accidents, health and safety of its 200 workers and documents related to insurance and the company's contribution to the Social Security Organization (SOCSO).	Closed out
8.2.1	3	During the inspection in Comp 138 HS Temenggor it was observed that the species recorded for a tree stump was different from that recorded in tagging book.	During the on-site inspection of tagged tress and tree stumps in another compartments, i.e. Compartment 88 of the Temenggor FR and Compartment 228 of the Bintang Hijau FR, it was found the specie recorded for the tree stumps was the same as that recorded in the Tree Tagging Book.	Closed out
9.3.2	4	The annual report for 2009 had been prepared for publication and will have to include measures to enhance HCVF in the public summary available in the web site.	Public summary which has been made available in the web site has included measures to enhance HCVF.	Closed out

Issuance of New NCRs and OFIs under the current 2nd Surveillance Audit

Indicator	NCR No.	Status	Summary of Non Compliance
8.3.1	KN01	Major	<p>This non-compliance was raised as a minor NCR KN01 during the first surveillance audit. During the inspection of the records from Lawin Checking Station in Grik Forest District and Lasah Checking Station in Kuala Kangsar Forest District it was observed that 9 logs that were transported out as recorded in the Removal Passes (species, log diameters and lengths) were not documented as removed in the Tree Tagging Book;</p> <ol style="list-style-type: none"> 1) Removal Pass no 856051 dated 3 November 2010 for License PPN.PK 1B/2010 B, HSK. HPK Hulu Perak (Lawin Checking Station) 5 logs 2) Removal pass no 851512 dated 11 October 2010 for License PPN.PK 96/2010 B, HSK/KK (Lasah Checking Station) 4 logs <p>There was no clear evidence to indicate that the PSFD has implemented effectively the planned corrective actions to address this NCR. In addition, there was also no evidence to indicate that monitoring has been conducted on these two Forest Checking Stations on their activities of issuing Removal Passes. Therefore this minor NCR was upgraded to major NCR.</p>
8.3.1	KN01	Major	<p>Documents for identifying all forest products leaving the certified forest area so that their origin could be easily determined were wrongly recorded in the Tree Tagging Book. During the inspection of the records at the Banding Mobile Checking Station in Grik, Hulu Perak Forest District and Sg Segu Checking Station in Larut Matang Forest District it was observed that a total 8 logs (5 in the Banding Mobile FCS and 3 in the Sg. Segu Checking Station) that had been transported out as recorded in the Removal Passes (species, log diameters and lengths) but not updated and wrongly recorded in the Tree Tagging Book.</p>
8.5.1	SKY01	Major	<p>This non compliance was raised as a minor NCR SKY 02 during the first surveillance audit conducted in 2010 and upgraded to a major NCR as the PSFD has not taken appropriate corrective action to address it. The public summary made available in the PSFD web page and in the 2009 Annual Report of the FMU had not included all the specified results of monitoring indicators such as the growth rates, regeneration and condition of the forest, composition and observed changes in the flora and fauna, environmental and social impacts of harvesting as well as costs, productivity and efficiency of forest management.</p>

Indicator	OFI No.	Summary of OFI
1.1.1	1	The FMU has maintained a record of all laws and regulations related to forest management. This list need to be updated as the Protection of Wildlife Act 1972 had been replaced with the Wildlife Conservation Act 2010.
3.3.2	2	Record on consultations with the Orang Asli community in Kg. Chiong on potential impacts of forest harvesting record was not maintained.
6.2.3	3	The cooperation between the forest managers (PSFD) and conservation organizations, public and regulatory authorities in implementing conservation and management activities in protected forest as in VJR Compartment 3 Lumut Forest Reserve could be enhanced.
6.6.1	4	The storage of chemical herbicide class III (G 41.0) and sprayers in the chemical store in Kaki Bukit Larut nursery was observed in good order with segregation of chemicals and equipment. However the workers' understanding and awareness on the correct usage on these chemicals could be improved.
6.7.2	5	In general, containers, liquid and solid non-organic wastes including fuel and oil had been disposed off in an environmentally appropriate and legal manner. However, inspection in the workers' quarter in Compartment 11 of the Temenggor FR has found that oil barrels and fuel containers had not been properly stored in a contained area and some diesel spillage were found in the generator area.
8.1.2	6	The form used to monitor social impact of logging could be improved by having details of cultural and economic importance. The completed forms would have to be signed by the staff conducting the survey.
9.3.1	7	The established buffer zone between the HCVF site for Balau Putih in the Segari Melintang Forest Reserve and the active harvesting compartments could be improved by marking clearly the boundary trees.
9.4.1	8	Annual monitoring of the HCVF attributes could be improved by making available an inventory on the number of trees and any management practices being implemented to enhance their conservation attributes.