

**PUBLIC CERTIFICATION SUMMARY OF
PERAK STATE FOREST MANAGEMENT UNIT**

Certificate No	: FMC 004
Date of Certification	: 7 July 2010
Date of Public Summary	: 21 July 2010

Certification Body:

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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"> • 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. • forest areas that are in or contain rare, threatened or endangered ecosystems • forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control) • 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)
<i>MC&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&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 Perak State Forest Management Unit (Perak State 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

Perak State FMU

2.2 Contact Person and Address

Mr. Salim bin Aman
Assistant Director of Forestry (Management and Planning)
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Bandar Meru Jaya,
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2.3 General Background on the Perak State FMU

The Perak State FMU is managed by the Perak State Forestry Department (PSFD). The FMU comprises of 991,436 hectares (ha) of Permanent Reserved Forest (PRF) of the state's total land area of 2,102,122 ha. The inland PRF consists mainly of Hill and Upper Hill *Dipterocarp* Forests with patches of Lowland *Dipterocarp* forests. The FMU has a large mangrove forest reserves covering an area of 41,617 ha.

The administration of the Perak State FMU is divided into five forest districts namely the Hulu Perak, Larut Matang, Kuala Kangsar, Kinta-Manjung and Perak Selatan. A map of the Perak State FMU showing the major locations of the PRFs is attached in **Annex I**.

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

Forest Classification	Area (ha)*
Soil Protection	161,027
Soil Reclamation	3,216
Flood Control	0
Water Catchment	159,866
Wildlife	7,413
Virgin Jungle Reserves (VJR)	6,984
Recreational forest	312
Educational forest	14,746
Research forest	6,129
For federal government purposes	362
State Park	117,500

**Note: There are overlaps in the areas for the protection forests*

2.4 **Date First Certified**

7 July 2010

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

The FMU is located between 3° 40' 30" N to 5° 53' 30" N and 100° 12' 30" E to 101° 54'00".

2.6 **Forest and Management System**

The FMU is managed on a sustainable basis with the inland forest area under a Selective Management System (SMS) on a 30-year rotation period. 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**

Under the Forest Management Plan (2006-2015), the annual allowable cut for the FMU is set at 7,770 ha. For the period of from 2006 to 2009, the area of the PRF that was harvested amounted to only 22,287 ha.

2.8 **Environmental and Socioeconomic Context**

In terms of socio-economic contribution, forestry has been an important economic sector within the State of Perak. It supports a total workforce of 5,101 mainly in the logging and sawmilling industries. For the period from January - September 2009, the total amount of income in the form of royalty, premium and cess collected from the forest-related industry amounted to RM126.6 million. For the same period, RM 10.5 million had been spent by the PSFD mainly on the management of the forest resources, building of infrastructures, eco-tourism and forest development activities.

3. THE CERTIFICATION AUDIT PROCESS

3.1 Audit Dates:

Stage 1 : 24 – 27 August 2009 (4 man-days)
(1 Auditor)
Stage 2 : 26 October - 2 November 2009 (24 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 (Trainee Audit Team Leader)
Dr. Lim Hin Fui (Sociologist)
Mr. Khairul Najwan Ahmad Jahari (Trainee Auditor)

Peer Reviewers:

- (i) Prof. Mohd Basri Hamzah [Institute of Tropical Forestry and Forest Products (INTROP), Universiti Putra Malaysia]
- (ii) Dr. Alias Mohd Sood (Universiti Putra Malaysia)

3.3 Standards Used

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

3.4 Audit Process

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

The stakeholder consultation was conducted in September 2009 for a period of one month. A list of stakeholders consulted through invitation is attached in **Annex 2**. Comments by stakeholders and responses from the audit team are attached in **Annex 3**. The coverage of the audit on the FMU is depicted in the Stage 2 Audit Plan which is attached in **Annex 4**.

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 two (2) major NCRs, four (4) minor NCRs and seven (7) OFIs had been raised during the Closing Meeting on 31 October 2009. An additional one (1) minor NCR and one (1) OFI were raised during the verification audit conducted on 28-31 December 2009. The details of the NCRs and OFIs are attached in **Annex 5**. The PSFD had submitted corrective action plans to address the NCRs and OFIs through two letters dated 1 December 2009 and 27 January 2010 which were 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 (see **Annex 6**).

A final audit report dated 1 July 2010 was tabled to the Certification Panel (CP) Meeting on 7 July 2010 for a certification decision.

4. **RESULTS, CONCLUSIONS AND RECOMMENDATIONS**

4.1 General findings of audit are as follows:

PRINCIPLE	STRENGTHS	WEAKNESSES
<p><u>Principle 1</u></p> <p>Compliance with laws and FSC Principles.</p>	<ul style="list-style-type: none"> • <i>The PSFD had maintained records of all the relevant national and local laws and regulations and policies related to forest management. Copies of all these laws, policies and regulations stipulated in the MC&I (2002), fundamental for the FMU management were made available in the head office of the State Forestry Department in Ipoh and were accessible to all staff</i> • <i>Forest officers at the ranks of District Forest Officers and above had demonstrated an understanding of the national and local laws and regulatory framework related to the management of the State FMU.</i> • <i>Record of violations on local and national laws was made available in the State Forestry Department office. Record to indicate the incidences of violations and appropriate actions taken to address them had been documented.</i> • <i>All applicable and legally prescribed fees, royalties, taxes, and other charges were listed and made available at the office of the State Forestry Department.</i> • <i>All fees paid by logging contractors had been properly documented and receipts had been issued.</i> • <i>The forest managers had been aware of all the</i> 	<ul style="list-style-type: none"> • <i>Cases of poaching within the FMU had been highlighted in the mass media and reported to the auditors during the stakeholders' consultation. PSFD had conducted more frequent patrolling and control of access roads. There was a need to enhance cooperation and joint operations between the PSFD with the State Parks and Wildlife Department (PERHILITAN) to reduce poaching in the FMU.</i>

	<p><i>binding international agreements and copies of these documents were available in the State Forestry Department Office.</i></p> <ul style="list-style-type: none"> • <i>Legal protection of the FMU is provided by the National Forestry Act 1984. Copies of gazette records for the establishment of the PRFs were made available during the audit.</i> • <i>Policies and statements of commitment to manage forest resources on a sustainable basis were clearly stated in the National Forestry Policy 1984 that has been adopted by the PSFD and had been well communicated throughout the department and to contractors.</i> 	
<p><u>Principle 2</u> 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"> • <i>Under the Federal Constitution, land is under the jurisdiction of the State, which had gazetted the area of PRFs under the National Forestry Act 1984 and protected within this legal status.</i> • <i>The legal use of the concession holders in the PRFs were spelt out in the concession agreement and forest harvesting license, entry permits, road permits and use permits issued by the PSFD</i> • <i>There were no documented legal or customary rights of the local communities in the FMU.</i> • <i>The forest managers were willing to collaborate with holders of duly recognized legal or customary tenure or use rights within the national legal frameworks.</i> • <i>Mechanisms to resolve disputes over the tenure and use rights were in place at various levels.</i> 	<ul style="list-style-type: none"> • <i>None noted.</i>

<p><u>Principle 3</u></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"> • <i>The customary rights of the Orang Asli within the PRFs had been respected in forest management planning and implementation even though these rights have not been formally recognised.</i> • <i>Forest harvesting operations had been confined in the PRFs and not within the indigenous people's lands.</i> • <i>There were appropriate procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to the Orang Asli.</i> • <i>There were established mechanisms in place to resolve disputes over tenure claims and rights, such as through consultations, arbitration, and Civil Courts. There were also on-going joint meetings between the PSFD and JHEOA to address such issues.</i> 	<ul style="list-style-type: none"> • <i>None noted.</i>
<p><u>Principle 4</u></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"> • <i>Wherever possible qualified people in the surrounding communities will be provided with employment opportunities.</i> • <i>The PSFD had established its management policy on safety and health of its employees. A policy on health and safety of workers and their families was available as evident in the "Dasar Keselamatan dan Kesihatan Pekerjaan Jabatan Perhutanan Negeri Perak Darul Ridzuan" which had been on display in the state, district and</i> 	<ul style="list-style-type: none"> • <i>There was a lack of training for workers employed by the contractors. Generally, this category of workers was trained on the job.</i> • <i>The safety and operational equipment for spraying chemical was observed to be inadequate. A worker was not able to properly demonstrate the use of chemical and deal with an emergency situation.</i>

	<p>ranger offices.</p> <ul style="list-style-type: none"> • <i>The logging contractors have been instructed by the PSFD to maintain safety and health record on their employees.</i> • <i>The staff of the PSFD as well as workers of the logging contractors had been fully aware on the policy on health and safety.</i> • <i>There were guidelines for storage and handling of hazardous materials and the requirement of signage demarcating hazardous sites.</i> • <i>Collective bargaining was undertaken by the employees of the PSFD through the union of government employees, CUEPAS and the 'Persatuan Pegawai-Pegawai Hutan Melayu Malaysia Barat'. The employees of the contractors do not have union but their welfare was protected under the Employment Act 1955.</i> • <i>Appropriate procedures to address grievances of the staff of the State Forestry Department were available</i> • <i>Documentation of the consultations held between the forest managers with local communities was presented. The EIA conducted on the management and operation of the FMU had investigated the potential impacts on the local communities.</i> • <i>The findings of social impact assessment had been incorporated in the management of the FMU. The officers of the PSFD had also</i> 	<ul style="list-style-type: none"> • <i>It was observed that there was no monthly record being kept on the occurrence of accidents. The present documentation system could be improved by maintaining a monthly record on occurrences of accidents.</i>
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	<p><i>through ad-hoc, informal conversation with members of the local community incorporated their views and requests in forest planning and management.</i></p> <ul style="list-style-type: none"> • <i>There were provisions within the national legal frameworks to prevent loss or damage affecting the local people's legal or customary rights, property, resources or their livelihood.</i> • <i>There were appropriate mechanisms to resolve grievances involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods, caused by forest operations.</i> 	
<p><u>Principle 5</u></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"> • <i>Record of investment and reinvestment made in forest management was available in the PSFD's 5-year Forest Development Budget, Annual Operating Budget and Development Budget. The PSFD had reinvested resources into forest management including administration, research, human resources development, environmental management and social contributions.</i> • <i>The FMP (2006-2015) for the FMU had been implemented. Forest areas had been set aside as protection and production forests. The system ensures sufficient healthy commercial residuals are retained for the next crop. Analysis of post-felling inventories undertaken indicates that sufficient residuals trees were available.</i> • <i>Silvicultural treatments to enhance productivity</i> 	<ul style="list-style-type: none"> • <i>During the inspection of the active logging sites at Pondok Tanjung FR, Taiping Forest District the residual stands had very large canopy openings and impoverished of healthy commercial trees. It indicated that logging intensities had been relatively high and management prescriptions could have been unsuitable.</i> • <i>The construction of skid trails had not strictly followed the harvesting plan. The auditors had also found that the construction of some access roads in the Bintang Hijau FR and in compartment 107 of the Temenggor FR had not followed the harvesting plans. Although applications for changes on the constructions of road had been made by the logging contractors to the respective District Forest Offices, they</i>

	<p><i>had been carried out in poorly stocked sites through enrichment planting.</i></p> <ul style="list-style-type: none"> • <i>Reduced Impact logging guidelines were available and being implemented in the active logging site</i> • <i>Pre-felling inventory on the forest resources has been conducted to assess the vegetation and growing stock to ensure that harvesting has been carried out in a manner that ensures sustained yield and species composition is maintained.</i> • <i>Record of licences issued for the removal of forest products was available and up-to-date</i> • <i>The “Guidelines of Reduced Impact Logging in Peninsular Malaysia 2003” was available in all the district forest offices and forest managers were aware of the requirements of the guidelines</i> • <i>Harvesting plans were available and approved by the PSFD. The plans contained records of trees to be removed and maps of harvesting sites, markings of roads, skid trails and log landing sites.</i> • <i>The National Forest Policy clearly states that resources have to be fully utilized and wastage should be minimized. The practice is to only tag trees for felling which are above a prescribed cutting limit. In addition, restriction allowing only the removal of a net volume of 61 m³/ha from regulated forest and 85 m³/ha from virgin forest has been imposed. The implementation of such regulations prevents over removal of trees and reduces wastage as only tagged trees are allowed to be removed.</i> 	<p><i>had not been given any approval.</i></p>
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	<ul style="list-style-type: none"> • <i>Procedures had been established for the identification and demarcation of sensitive areas for the protection of soil and water resources. All areas above the elevation of 1,000 meter have been protected from logging. Such areas had been demarcated on maps as protection forests. A map indicating areas above and below 1,000 m in elevation but with slopes greater than 40 degrees where logging is prohibited was available. Water catchment sites were also marked in the map.</i> • <i>A large area of more than 159,866 ha of the PRF within the FMU had been protected as water catchment forest. Riparian buffers within the production forests had also been protected.</i> • <i>The management of the FMU is guided by the FMP (2006 –2015). The Plan contains all the necessary elements to promote and enhance the value of forest services and resources.</i> 	
<p><u>Principle 6</u></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"> • <i>A Macro EIA Report for the FMU dated March 2007 was available. The report has described the potential environmental and socio-economic impacts of forest operations including the mitigation measures to alleviate these impacts.</i> • <i>Assessment of environmental impacts on endangered, rare and threatened (ERT) species was included in the Macro EIA report. Forest management practices had adhered to the SMS system where only tagged trees based on prescribed cutting limit were allowed to be removed. Mitigation measures were in place to ensure that ERTs were being protected.</i> 	<ul style="list-style-type: none"> • <i>Stakeholders had highlighted that there was a significant drop in the population of hornbills in the Temenggor FR and they were concerned that this may be linked to logging activities. Additional efforts would have to be undertaken by the PSFD to address this issue. Protection of nesting trees especially those with hollow trunks would be identified during tree tagging and protected for fauna.</i> • <i>During the inspection on two of the active logging sites, there was inadequate protection of soil from compaction by</i>

	<ul style="list-style-type: none"> • <i>The FMP has incorporated measures on harvesting according to specifications of RIL. The establishment of VJRs and protection of sites which were environmentally sensitive have also been included in the FMP.</i> • <i>The PSFD had established a total of 40 Virgin Jungle Reserves (VJRs) covering an area of 6,100 ha located in the various forest districts.</i> • <i>The PSFD has close cooperation with other government agencies especially the Department of Wildlife and National Park Peninsular Malaysia (PERHILITAN), JHEOA, Department of Environment (DOE) and Forest Research Institute Malaysia (FRIM) as well as the local universities.</i> • <i>Hunting and other collecting activities were strictly controlled within the FMU.</i> • <i>Post-felling inventories to assess regeneration of residual trees at 2 to 5 years after completion of harvesting were carried out. Where necessary enrichment planting would be implemented to supplement natural regeneration.</i> • <i>Management procedures were in place and being implemented to conserve species diversity.</i> • <i>Harvesting has been selectively carried out through the removal of about 15 large trees per ha as specified under the volume control, thus leaving sufficient residual trees in the FMU. The system of limiting harvesting to a block of a limited size further assisted in preventing fragmentation of the forest thus allowing animals to move to adjacent unlogged forest</i> 	<p><i>harvesting machinery and erosion during harvesting operations and excessive earthworks due to heavy blading during road construction and maintenance.</i></p> <ul style="list-style-type: none"> • <i>Riparian buffers had been encroached with trees within the buffer being removed, skid trails had been constructed into the buffers and fallen wood debris also found in the area. Three untagged trees had been felled in the buffer zone. The untagged trees that had been felled were removed without being detected.</i> • <i>Some fuel containers had not been stored properly. Fuel storage tanks should have been properly contained in the logging camps as well as in the field</i>
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	<p><i>sequentially and able to return when logging has been completed.</i></p> <ul style="list-style-type: none"> • <i>A large part of the FMU amounting to 404,623 ha of the PRF had been set aside as protection forests. This accounts for about 41% of the total PRFs of the FMU.</i> • <i>VJRs had been established to ensure that representative areas of existing forest ecosystems would be protected in their natural states for the conservation of part of the ecosystem. These sites had been protected from logging and being monitored annually.</i> • <i>Forest harvesting had been conducted based on the approved harvesting plans. Inspections of all active logging sites had indicated that proper harvesting plans had been prepared. Tagged trees to be harvested, locations of skid trails, roads and log landings had been clearly marked. Intensities of logging roads and skid trails had been found to be within the allowable limits of 40m/ha and 300m/ha respectively.</i> • <i>The intensity of feeder roads and skid trails were found to be within the specified limits of 40m/ha and 300m/ha respectively in the active logging sites.</i> • <i>Road intensities were found to be within the permissible limit. Harvesting plans presented had included the detailed information on road alignments and location of log landings. Inspection of roads showed that sumps, side ditches and cross drains had been constructed to improve drainage and reduce soil erosion.</i> • <i>There were established guidelines for the establishment of river buffers specifying the</i> 	
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	<p><i>width and marking of the boundary trees. Riparian buffers had been clearly marked on harvesting plans and demarcated on the ground with yellow paints.</i></p> <ul style="list-style-type: none"> • <i>Chemicals were not being extensively used in forest operation except for paints and fuel. Only Class III chemicals had been used. The auditors had inspected the storage facilities for the chemicals such as pesticides and herbicides at the Air Ganda nursery in Hulu Perak Forest district and had found that these chemicals had been properly stored in a contained store room and appropriately labeled.</i> • <i>Fuel containers had been properly stored and disposed as scheduled waste.</i> • <i>There was no application of biological control agents in the FMU.</i> • <i>Exotic species had not being introduced in any silvicultural treatments. Guidelines for enrichment planting have not encouraged the planting of exotic species.</i> • <i>There were no recent conversions of forest lands into plantations.</i> 	
<p><u>Principle 7</u></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,</p>	<ul style="list-style-type: none"> • <i>The FMP (2006-2015) had incorporated all the items listed from a) to i) in Criterion 7.1.</i> • <i>The need for revision has been specified in the FMP itself. The revision would incorporate changes in policy and socio-economic as well as environmental conditions and recalculated AAC based on the current status of the growing stock. All data obtained from monitoring and</i> 	<ul style="list-style-type: none"> • <i>None noted</i>

<p>shall be clearly stated</p>	<p><i>research activities within the FMU would be incorporated in the revision of the FMP.</i></p> <ul style="list-style-type: none"> • <i>Records of pertinent new scientific and technical information from scientific expeditions were maintained. Incorporation of this new scientific information based on research results and findings would be made through mechanisms established within the PSFD.</i> • <i>Consultations held with the forest managers had indicated that new scientific and technical information pertinent to the management of the FMU was made available to them.</i> • <i>The PSFD has its own training facility in Sungai Siput. All staff training was conducted in this training facility.</i> • <i>A summary of the major elements of the FMP (2006-2015) was included in the public summary which was made available in the web page of the PSFD at http://www.perakforestry.gov.my/ and bulletin board of the PSFD in Ipoh for public information.</i> 	
<p><u>Principle 8</u></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"> • <i>There were procedures to monitor ecological, environmental and economic impacts through the use of monitoring forms.</i> • <i>Results from the analysis of the growth and yield plots within the FMU have been compiled. Data from pre-felling, post felling and VJR inventory was made available.</i> • <i>Results from scientific expedition and research</i> 	<ul style="list-style-type: none"> • <i>A special form entitled “Panduan Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan Sebelum, Semasa dan Selepas Pembalakan: Kesan Terhadap Faktor Sosial” has been used to monitor the social impacts. The form contains information on environment, flora and fauna diversity, economic, infrastructure, health, social stability, settlement, land use, traditional customs, cultural and</i>

	<p><i>data were also available. Social impact study was conducted as part of the EIA.</i></p> <ul style="list-style-type: none"> • <i>Water quality was being monitored monthly (using Form C) during the logging activity based on visual interpretation. Analysis of water quality before, during and after logging should be conducted to assess impact of the water quality.</i> • <i>All logs transported out of the PRFs in the FMU will be issued with a delivery order produced by the logging contractor where the tree number, species, log production number, log length, diameter, and net volume are documented.</i> • <i>The Annual Report of the PSFD would be made available to the public on request. A summary of the report was also made available in the web page of the PSFD.</i> 	<p><i>religious practices, and conflict. The form needs to be further improved by adding another column on the potential impacts on the water sources used by local communities. The presence of burial ground (if any) should be determined and the use of non-timber forest produce be recorded.</i></p>
<p><u>Principle 9</u></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 precautionary approach</p>	<ul style="list-style-type: none"> • <i>The PSFD had together with research institutions and government agencies conducted an assessment of sites with HCVF attributes. A total of 7 potential HCVF sites had been identified in the FMU</i> • <i>Consultations regarding HCVFs were held with stakeholders such as the JHEOA, PERHILITAN and local communities. NGOs and experts from the research institutions and universities had participated in scientific expeditions held to the Bintang Hijau and Belum FRs.</i> • <i>The FMP has included the need for the establishment of sites with HCVF. Potential HCVF sites had been identified based on</i> 	<ul style="list-style-type: none"> • <i>The attributes of HCVF in all sites a systematic monitoring and consultations with the relevant stakeholders would be further enhance.</i>

	<p><i>consultations held with the relevant stakeholders as well as during forest inventories.</i></p> <ul style="list-style-type: none"><i>• Measures to demarcate on maps, maintain and enhance the HCVF attributes had been written in the FMP and management prescriptions for them had been developed. Management guidelines were available for the HCVF sites identified.</i><i>• Public summary of the FMP which had been posted on the Perak State Governments web page has also provided measures to maintain or enhance the HCVF attributes.</i><i>• Monitoring of the effectiveness of measures in the management of HCVF has been initiated. Procedures for monitoring the effectiveness of measures in the management of HCVFs were in the process of being developed. A consultant has been selected to develop the procedures.</i><i>• To further enhance the attributes of HCVF in all sites a systematic monitoring and consultations with the relevant stakeholders would be required.</i>	
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4.2 **Certification decision**

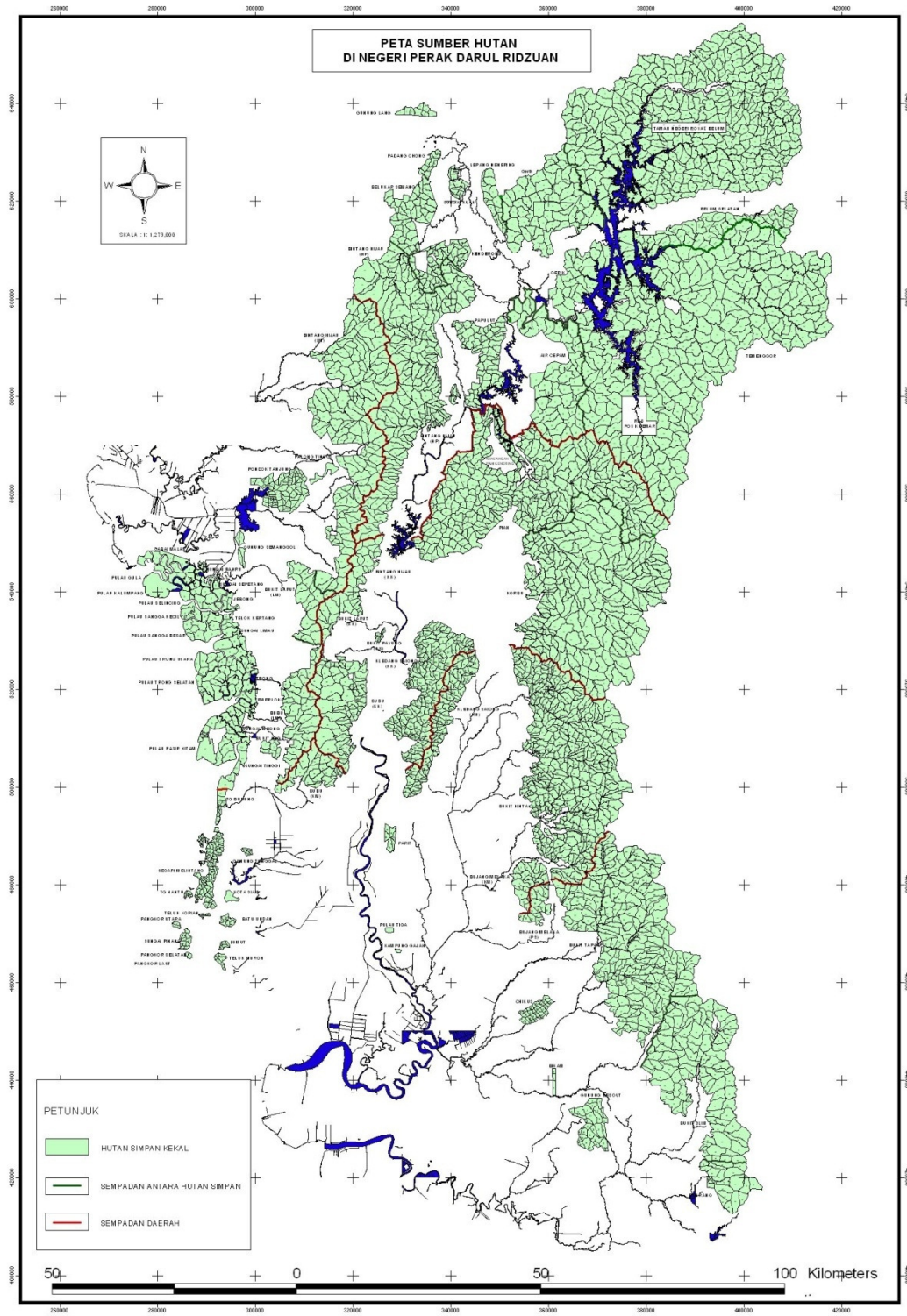
In general, the Perak State FMU has complied with most the requirements of the *MC&I* (2002). As the Major Non-Conformity Report (NCR) was closed, the FMU was therefore recommended for certification.

4.3 **Recommendation for Certification**

The final Stage 2 Audit Report was tabled to the Certification Panel which convened on 7 July 2010 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 final 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 Perak State Forestry Department, which manages the Perak State FMU.

Map of Perak State FMU



List of Stakeholders Consulted

No	Name Of Contact Person	Organisation	Address and Contact Numbers	Category of Organisation
1	Director	Perak/Kedah Aborigines Affairs Department	Federal Government Building Level 3, Block A, Jalan Panglima Bukit Gantang Wahab 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05 254 0009 Fax : 05 255 9402	Government
2	Director	State Department of Environment Perak	Levels 7 & 9, Bangunan Seri Kinta Jalan Sultan Idris Shah 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05 254 2744 Fax : 05 255 8595	Government
3	Director	State Department of Labour Perak	No. 2A3, 2A4, 2C1, Level 2 Blok A, Bangunan Gunasama Persekutuan Ipoh (Greentown) 30430 Ipoh PERAK DARUL RIDZUAN Tel : 05-2545271 Fax : 05 2545 221	Government
4	Director	State Department of Wildlife and National Parks Perak	Level 3, Wisma Persekutuan, Jalan Dato' Seri Ahmad Said, Greentown 30450 Ipoh PERAK DARUL RIDZUAN Tel : 05-2436643 Fax : 05-2436635	Government
5	Director	State Department of Occupational Safety and Health Perak (Ministry of Human Resources)	Level 3, Bangunan Seri Kinta Jalan Sultan Idris Shah 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05-254 9711 Fax : 05-255 5219	Government
6	Perak Menteri Besar	Office of Menteri Besar Perak Darul Ridzuan	Level 2, Bangunan Perak Darul Ridzuan Jln Panglima Bukit Gantang Wahab 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05-2549384 Fax : 05-2545324	Government
7	Secretary of Perak Government	Secretary of Perak State Government	Office of State Secretary Perak State Government Jln Panglima Bukit Gantang Wahab 30000 Ipoh PERAK DARUL RIDZUAN Tel : 5225000/5100/5101/5102 Fax :	Government
8	Director	State Economic Planning Unit	Level 1, Bangunan Perak Darul Ridzuan Jln Panglima Bukit Gantang Wahab	Government

			30000 Ipoh PERAK DARUL RIDZUAN Tel : 05-2531957 Fax : 05-2418173	
9	Director	State Department of Irrigation and Drainage Perak	Levels 4 & 5, Bangunan Perak Darul Ridzuan Jln Panglima Bukit Gantang Wahab 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05-2559510 Fax : 05-2540290	Government
10	Director	State Department of Town and Country Planning	Levels 3 & 7, Bangunan Perak Darul Ridzuan, Jln Panglima Bukit Gantang Wahab 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05-5225708 Fax : 05-2553022	Government
11	Director	State Office of Land and Mines	Bangunan Perak Darul Ridzuan, Jln Panglima Bukit Gantang Wahab 30000 Ipoh PERAK DARUL RIDZUAN Tel : 05-2555251 Fax : 05-2557102	Government
12	District Officer	Hulu Perak District and Land Office	Jalan Sultan Yusuff 33000 Gerik PERAK DARUL RIDZUAN Tel : 05-7911963 Fax : 05-7921049	Government
13	District Officer	Kerian District and Land Office	34200 Parit Buntar PERAK DARUL RIDZUAN Tel : 05-7161963 Fax : 05-7161227	Government
14	District Officer	Larut, Matang and Selama District and Land Office	34000 Taiping PERAK DARUL RIDZUAN Tel : 05-8081963 Fax : 05-8079929	Government
15	District Officer	Kuala Kangsar District and Land Office	33000 Kuala Kangsar PERAK DARUL RIDZUAN Tel : 05-7761055 Fax : 05-7764441	Government
16	District Officer	Kinta District and Land Office	31000 Batu Gajah PERAK DARUL RIDZUAN Tel : 05-3661963 Fax : 05-3665770	Government
17	District Officer	Kampar District and Land Office	31900 Kampar PERAK DARUL RIDZUAN Tel : 05-4651963 Fax : 05-4664307	Government
18	District Officer	Perak Tengah District and Land Office	Kompleks Pentadbiran Daerah Seri Iskandar 32610 Bandar Baru Seri Iskandar PERAK DARUL RIDZUAN	Government

			Tel : 05-3712095/2096 Fax : 05-3712080	
19	District Officer	Manjung District and Land Office	Kompleks Pentadbiran Daerah Manjung 32040 Seri Manjung PERAK DARUL RIDZUAN Tel : 05-6886269 Fax : 05-6882106	Government
20	District Officer	Batang Padang District and Land Office	35000 Tapah PERAK DARUL RIDZUAN Tel : 05-4011402 Fax : 05-4013588	Government
21	Director	State Department of Survey and Mapping Perak	Jalan Dato' Seri Ahmad Said Greentown 30450 Ipoh PERAK DARUL RIDZUAN Tel : 05-2417181 Fax : 05-2417151	Government
22	Head of Penghulu	Penghulu Pulau Pangkor Area	Pejabat Penghulu Mukim Lumut 32300 Pangkor PERAK DARUL RIDZUAN	Government
23	Head of Penghulu	Penghulu Mukim Sayong	Pejabat Penghulu Mukim Sayong Persiaran Bendahara 2 33000 Kuala Kangsar PERAK DARUL RIDZUAN	Government
24	Head of Penghulu	Penghulu Mukim Matang	Pejabat Penghulu, Mukim Matang 34750 Taiping PERAK DARUL RIDZUAN	Government
25	General Manager	Perbadanan Taman Negeri Perak	Level 1, Kompleks Pejabat Kerajaan Negeri Daerah Hulu Perak 33300 Gerik PERAK DARUL RIDZUAN	Government
26	Chairman	Association of Charcoal Manufacturers (Persatuan Pengusaha Kayu Arang)	Paya Laut Taiping, Peti Surat 157 34000 Taiping PERAK DARUL RIDZUAN	Private Association
27	Dr. Colin Nicholas	Center for Orang Asli Concerns (COAC)	P.O. Box 3052 47590 Subang Jaya Selangor Tel : 03 5632 8050	NGO
28	Tan Sri Dr Salleh Mohd Nor - President	Malaysian Nature Society (MNS)	JKR 641 Jalan Kelantan Bukit Persekutuan 50480 Kuala Lumpur Tel : 03 - 2287 9422 Fax : 03 - 2287 8773	NGO
29	Executive Director	WWF-Malaysia (Peninsular Malaysia Office-HQ)	49, Jalan SS23/15 Taman SEA 47400 Petaling Jaya Selangor	NGO

			Malaysia Tel : 03 7803 3772 Fax : 03 7803 5157	
30	Dato' Dr. Abd Latif Mohmod Director General	Forest Research Institute Malaysia (FRIM)	52109 Kepong, Selangor Tel : 03-62797000 Fax : 03 62731314	Research Agency
31	Prof Madya Dr. Awang Noor Abd Ghani - Dean	Universiti Putra Malaysia (UPM)	Forestry Faculty Universiti Putra Malaysia 43400, UPM Serdang, Selangor Darul Ehsan Tel : 03-89467171 Fax : 03-89432514	Academic Institution
32	En. Majid Suhut	Persatuan Orang Asli Semenanjung Malaysia	No. 24, Jalan Pahang 53100 Gombak Selangor Tel : 013 3786 838	NGO
33	President	Sahabat Alam Malaysia	21, Lintang Delima 15 11700 Pulau Pinang Tel : 04 6596 930 Fax : 04 659 6931	NGO

Comments by Stakeholders and Responses from the Audit Team

No	Name	Date Received	Detail of Issue Raised	Comments by Audit Team Leader
1.	Stakeholder 1	27 October 2009	<p>1) Large tracts of PRFs such as Pondok Tanjong and Bintang Hijau (along Jalan Sumpitan) have been converted into pasturelands. In Pondok Tanjong, the area cleared years ago has not been used for grazing yet another large area has recently been cleared for goat-farming. Has cost benefit studies been carried out to vet the viability of these projects? Has an EIA been carried out on these activities at Pondok Tanjong FR, since it is arguably HCVF as a water catchment/irrigation source? Rampant encroachment by locals into the FRs to plant fruit trees such as durians. This is widespread in the FRs of Perak, to the extent that sometimes you find Forest Dept signs in the middle of a durian orchard. Observed in Pondok Tanjong, Bintang Hijau, Bubu, Bukit Larut. More monitoring of forests and enforcement needed.</p> <p>2) From far, landslides are seen on slopes which appear to be more than 40°. It appears that soil protection works are not implemented.</p> <p>3) The >500 ha requirement in EQA</p>	<p><i>These areas that had been cleared had been alienated thus were not part of the PRFs and therefore are not under the scope of this audit.</i></p> <p><i>Enforcement had been conducted at more frequent intervals by the PSFD to control encroachment.</i></p> <p><i>The information was too general for verification. Slopes above 40° were generally protected from logging. However, landslides did occur in undisturbed areas as well although their frequency was much lower than disturbed sites. Issues related with soil disturbance in forest operations especially along roads had been inspected in this audit and non-compliances were detected. A major NCR has been raised to address the issue.</i></p> <p><i>A Macro-EIA had been conducted for the FMU</i></p>

			<p>should be taken in good faith. Multiple licenses issued in contiguous area should be subjected to EIA.</p> <p>4) We questioned the management prescription for the endemic/endangered species. Species like <i>Johannesteijsmannia perakiansis</i> in Keledang Sayong and <i>Shorea lumutensis</i> in Segari Melintang (excised and converted), the 10 protected spp. of hornbills in Perak etc. should be given due management prescription. What measures, if any, are in place to prevent the cutting down of trees with hollows and cavities which are often nesting sites for, in particular threatened hornbills, and also other wildlife such as small mammals? These trees, when discovered to be hollow and thus less saleable after felling, are often left to rot away in the log ponds. Observed in Temengor FR.</p> <p>5) The 5m river/stream buffer is measured by its horizontal or slope distance? Are these buffer zone practised in Virgin Jungle Reserved along Lenggong - Grik?</p>	<p><i>although this was not required by law.</i></p> <p><i>The FMU was aware of the importance of these endemic species. The sites having <i>Johannesteijsmannia perakiansis</i> in the Keledang Sayong FR and <i>Shorea lumutensis</i> in the Segari Melintang and Sungai Pinang FRs have been identified as HCVF areas and were protected. The Perak State FMU was required to protect 32 species of fruit tree which are food sources of animals. It was also important to note that the Perak State FMU has specified a limited volume of timber that can be extracted from the forest.</i></p> <p><i>Logging operators normally would not remove trees with hollow logs as it was not economical as they have to pay royalty for the timber. They would try their best to ensure that only sound trees were cut as it was to their own interest. The PSFD would also not tag hollow trees for felling. However, there were some cases where part of the tree was found to be hollow after felling the trees. This aspect has been highlighted in the audit and an Opportunity for Improvement has been raised to enhance protection of hollow trees.</i></p> <p><i>Riparian buffers were measured by its horizontal distance. In areas to be harvested, riparian buffers were demarcated on the harvesting plan as well as on the ground. All field audits would make it a point to inspect the buffers to ensure that they were marked and protected. There was no logging in Virgin Jungle Reserves. There was no need to demarcate the riparian buffer in VJRs as the whole VJR was demarcated for protection.</i></p>
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			<p>6) We have never been invited by Forest Department for any consultation.</p> <p>7) Are these activities (hunting, fishing and collecting activities) regulated & control? Any license issue for collection of gaharu? What are the measures taken against illegal harvesting of these NTFP?</p> <p>8) There is a significant decrease in hornbill population in Temengor. We strongly believed that hornbill roosting trees, fruiting and nesting trees are disturbed. Are these trees marked for protection? If so, any data available? Is there any assessment being done on these hornbills roosting ground in Sg Sara, Belum - Temengor? Are the Meranti Bukit (Shorea Praticados) trees being protected for hornbill nesting?</p>	<p><i>This may not be entirely accurate. NGOs including MNS have been invited in expeditions and seminars conducted by the PSFD to discuss on conservation issues. This was highlighted by the PSFD during the recent audit. However, it would be useful if more direct discussions were held between the FMU and NGOs. Such collaboration may be initiated by either party. This was highlighted during the closing meeting with the PSFD.</i></p> <p><i>No Licenses had been issued for collecting Gaharu to ensure better control of the product. The PSFD shall apprehend anybody caught harvesting Non Timber Forest Produces (NTFPs) illegally.</i></p> <p><i>This sudden significant decrease of hornbills needs to be further studied and validated. Auditors cannot draw conclusions without clear evidence and thus cannot penalize the Perak State FMU. The forestry operations in Temenggor have been occurring for sometime and there was no significant increase in clear felling to explain this issue. Fruit trees are currently being protected and Meranti Bukit tree that is below the cutting regime will not be felled. There was no specific harvesting regime for Meranti Bukit. In any case, research was on-going in the development of management prescriptions for unique forests such as the Meranti Bukit forests in Perak.</i></p> <p><i>Current management prescriptions can be further improved to include protection of roosting trees if experts were able to address this issue in consultation with the PSFD.</i></p>
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			<p>9) Are post harvesting assessment conducted ON THE GROUND to determine the state of health of the supposedly marked mother trees and protection trees? Any data to verify? How about crop trees? What is the sampling rate of SIRIM?</p> <p>10) We suggest one mile corridor on both side of East - West Highway along Grik -Pulau Banting, being maintain as buffer zones for wildlife. Some of these areas are elephant crossing points.</p> <p>11) Heavy siltation at river mouth of Sungai Sara suggests bad erosion at upstream. Google map shows extensive opening of canopy (needs ground truthing to confirm). We suspect heavy logging activities are carried out in the upstream of Sungai Sara. Are skid trails specification and density follow 'Spesifikasi Jalan Hutan'? What is the extent of blading in skid trails? Are fruiting/roosting/nesting trees marked and protected? Is buffer zone respected? Is 40° no go slope respected? There is a necessity to make assessment on this area.</p>	<p><i>The condition of the residual stand and the capacity of the stand to recover within the cutting cycle as prescribed under the SMS is a serious silvicultural issue. In this regard, auditors would inspect to ensure that only tagged trees were felled, mother trees marked and protected and that harvesting does not exceed the allowable limit. Post-harvest inventories were being conducted and this was verified in the field by the auditors. The auditors would look at post-felling inventory records and select areas to be inspected in the field. Trees would be re-enumerated in selected sample plots and they would be checked against records in terms of species and measurements.</i></p> <p><i>As the land on both sides of the highway belong to another agency and also not gazetted as Permanent Reserved Forest, this suggestion needs to be discussed further on its merits and implications with the PSFD and other related agencies.</i></p> <p><i>All aspects of logging and road construction were clearly stated in the 'Guidelines for Reduced Impact Logging 2003' as well as 'Road Specifications 1999'.</i></p> <p><i>Logging operations in Sungai Sara have been inspected and there was no extensive opening of canopy being detected which could be due to that the vegetation cover had been re-established in the areas opened for logging. Therefore, it was difficult to ascertain the extent of the logging impacts.</i></p> <p><i>As indicated above, impacts of logging operation on soil disturbance have been highlighted as a serious issue and that an NCR</i></p>
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			<p>12) Heavy siltation observed in Sg Sara, which is the roosting area of hornbill. We strongly suspect heavy logging activities are carried out upstream. Are the skip trails in logging area follow the specification of one meter in vertical wall? There is a necessity to make assessment of these areas.</p> <p>13) Are the density, construction of road, buffer zones, for forest road lay-out and construction, silt trap well implemented?</p> <p>14) We suspects that the implementation of guidelines on the conservation of buffer strips along streams and rivers are not being followed.</p> <p>15) We are very concern on the planting of Rubberwood (Latex Timber Clone) in the PRF. Such projects will lead to permanent and long term human presence in PRF and this will create more conflicts with wildlife. We suggested that the FMU manager put a moratorium on the introduction of LTC in Perak State FMU.</p> <p>16) We insist that the summary must be made available to the public. It can be at the website of Forest Department or in the newspaper.</p>	<p><i>has been raised in another site where such conditions had not been followed.</i></p> <p><i>Assessments of roads and inspection on skid trails were made during field audits. An NCR has been raised in another site where the construction of the skid trails has not adhered to the harvesting plan.</i></p> <p><i>These were inspected in the field and the densities of roads and skid trails were found to be within the allowable limits..</i></p> <p><i>These were inspected during audits and a major NCR was raised.</i></p> <p><i>This matter was still being addressed by MTCC in consultation with the relevant stakeholders. An interim measure has been provided by MTCC to the certification bodies (CBs). The CB is bound by the guidance provided in the letter from MTCC dated 6 October 2009 stating the scope of certification against the requirements of the MC&I (2002) shall confine to only the natural forest located in the PRFs of the FMU and will exclude all forest plantations, including those planted with TLC.</i></p> <p><i>The PSFD has indicated that they were making efforts to include the summary on its website.</i></p>
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			<p>17) Forest managers should comply with the regulatory monitoring procedures in accordance with relevant national and regional guidelines of the Forestry Departments and other relevant agencies. Any example to show to the public that this is carried out? Any result or report that can make known to the public?</p> <p>18) It is the standard that 32 crop trees/ha, 4 mother trees/ha and protected species trees should be remain and not harmed in harvested forest. We believe this is not implemented as existing forest regeneration does not look healthy. In many cases, there are only barren open lands after the forest is harvested.</p>	<p><i>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). Monitoring forms A to D [A: Infrastruktur (Infrastructure), B: Pengusahaan Hutan (Forest Harvesting), C: Alam Sekitar (Environment) and D: Pengeluaran (Output)] as specified under the Director General's circulars have been prepared to monitor these elements in the FMU.</i></p> <p><i>Form B on Environment covers buffer zones, water passage, land slide, soil erosion, protected trees, forest stands after logging and the presence of wild animals.</i></p> <p><i>These are currently not required to be made known to the public. NGOs may consult the PSFD directly for further information.</i></p> <p><i>These were inspected during audit. Where there were non-compliances, NCRs were raised. Post-felling monitoring would be conducted to determine the condition of the forest area and if the results indicate low natural regeneration, enrichment planting is prescribed.</i></p> <p><i>Harvesting of PRFs has not resulted in open barren lands as they were conducted according to the SMS and RIL guidelines. Only clear felling activities have resulted in open barren lands and this usually took place in Stateland forest cleared for development. MNS needs to be specific where such areas are, to enable validation.</i></p>
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			<p>19) The research and data collection should be made available to social and environmental stakeholders.</p> <p>20) Log trailers often seen on the road after 5pm? Are they allow so? With the network of road today, it may need to address location of checking stations to avoid log trailers from escaping the stations undetected. This will help to mitigate illegal logging.</p> <p>21) A summary of the results of monitoring indicators, including those listed in Criterion 8.2, should be made available to the public.</p> <p>22) Temengor FR hosts a range of very unique and endemic anthropological, flora and fauna features. Besides being the nomadic grounds of the Jahai, it is also the where all 10 species of hornbills are found. It is a refuge for endangered large mammals like tigers and elephants. Its water catchment capacity is essential for electricity generation and human consumption for urban population in downstream Sungai Perak. Spin offs such as ecotourism is poised to bring economical spread to rural communities. With all these attributes, We STRONGLY believes that Temengor FR should be classified as High Conservation Value (HCV) forest. Has any HCV assessment been done on Temengor FR? If there is, the report should be made public.</p> <p>23) Forest managers should provide the assessors with a list of relevant</p>	<p><i>This matter needs to be directed to the PSFD. The PSFD is required to present general information in the public summary.</i></p> <p><i>The PSFD Perak FMU has the authority to issue removal passes during office hours. The log trailers can move either during day or night time once removal passes have been issued.</i></p> <p><i>The summary was printed-out and displayed on the notice board of each district. Interested parties can refer it during office hours.</i></p> <p><i>The audit was bound by the standards of the MC&I (2002) which has a criterion solely for HCVFs that entail assessment and management of HCVFs. This was audited accordingly by the auditors. HCVF sites had been identified in the Temenggor FR containing Refflesia spp. and salt licks. Identification of such sites is a continuous process.</i></p> <p><i>All PRFs has high value and are thus being managed on the principles of sustainable forest management. This includes classification of forest for protection and production purposes. The management of production forest was being conducted according to the SMS prescriptions while logging was based on RIL practices. Improvements to management were an on-going process. Contributions to further improvements in forest management practices should be addressed directly to the PSFD</i></p> <p><i>Auditors had raised an OFI for this non-compliance.</i></p>
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			stakeholders who have been consulted regarding the HCvFs. We were not consulted.	
Stakeholder 2	27 October 2009	<p>1) ENTRY OF ILLEGAL HUNTERS Location :- Date : 18 August 2007 Description : A digital camera-trap was set up on 19 July 2007 at this salt lick to detect tigers and other species. After retrieving the camera-trap on 1st November, the following photos of five suspected hunters were discovered. A total of seven photos were taken of this event, showing 5 individuals, with one in possession of a rifle. Based on the times printed on the photos, these individuals were at the salt lick for approx. 5 minutes (11.19 – 11.24 am) before leaving the same way they entered. According to the Protection of Wildlife Act 1972, being in possession of a firearm within approx. 400 m of a salt lick is in violation of section 79(b), and is punishable by a fine/jail term.</p> <p>2) BIRD POACHERS Location :- Date : 07 June 2007 Description : 2 hunters along logging roads catching White-rumped Shamas (Murai Batu).</p> <p>3) HUNTING PLATFORM DISCOVERED Location :- Date : 02 June 2007 Description : A machan or hunting platform was discovered next to a salt lick between two small trees</p>	<p><i>Encroachment is an issue which has been raised with the PSFD. Efforts had been undertaken by the PSFD to cooperate with PERHILITAN in addressing this issue.</i></p> <p><i>Auditors have highlighted this issue with the PSFD. An OFI has been raised to ensure that the PSFD enhances their efforts to address this issue.</i></p> <p><i>The above comments apply.</i></p> <p><i>The above comments apply.</i></p>	

			<p>approximately 5 m above the ground. The two camera-traps were placed in September to determine whether tigers and other animals frequent this area. When we came to retrieve them in early November 2007, the camera-traps were found missing, with only the cable lock remaining still attached to the tree. The camera-traps were broken off, an act which is usually caused by either humans or elephants. As there were no components scattered on the ground to indicate it was caused by elephants, it was then suspected that this could have been the work of illegal hunters who did not want their activities to be recorded. The total cost of the stolen camera traps was RM4,000. This salt lick is located right next to a logging road.</p> <p>4) ROPE SNARES DISCOVERED Location : - Date : 03 June 2007 and 28 May 2008 respectively Snares found near the salt lick. Location : Rope snares found on ridge - Date : 4 September 2009 Rope snare found set on ridge, a few hundred metres away from logging road.</p> <p>5) OBSERVATIONS WITHIN LOGGING CAMPS - TEMENGGOR Location : - Date : 4 June 2009 White-rumped sharma and blue-winged leave bird trapped by a logger at the logging camp.</p>	<p><i>The above comments apply.</i></p>
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			<p>6) OBSERVATION NEAR LOGGING CAMPS – SUNGAI TENGGU Location : - Date : 4 June 2009 A mist net was set to capture white-rumped sharma, using a live bird as a decoy.</p> <p>7) LOGGING ON SLOPES Location : Tan Kang Hai concession (QT 395482 WMR 611105) Date : 14 September 2008 One part of the concession where logging was improperly conducted on slopes.</p> <p>8) LOGGING CLOSE TO SALT LICKS Location : - Date : 14 September 2008 Logging within 10 m of Sira Dinding.</p> <p>9) FOREST LOGGED UP TO SUNGAI SINGOR Location : - Date : 14 September 2008 Overhead view of forests logged up to Sungai Singor. Trees felled beside the river bank of Sungai Singor. Clear-felling beside Sungai Singor. Landslide into Sungai Singor (near Sungai Bedel) beside an old logging road - taken on 28 May 2009</p>	<p><i>The above comments apply.</i></p> <p><i>The above comments apply.</i></p> <p><i>The area is still part of the production forest as the slopes were below the threshold limit of 40°. The area has been revegetated making it difficult to assess the logging practice that was conducted in 2008.</i></p> <p><i>These sites were inspected in the field with the presence of the staff from the PSFD. There were several salt licks in the indicated site. It was found that logging was legitimate and had occurred at a safe distant away. Only one of the salt licks was found to be close to logging activities. The PSFD had been requested to take remedial action to monitor the logging to ensure that the salt licks were being conserved. Logging operators and foresters would have to be trained to identify salt licks in the field as</i></p>
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			<p>10) IMPROPER LOGGING OBSERVED NEAR SUNGAI SARA Location : Near Sungai Sara (QU401181 WMR601951) Date : 6 June 2009</p> <p>11) OBSERVATION NEAR SUNGAI TANING Location : Near Sg. Taning (QY388103 WMR579076) Date : 21 June 2009 Tree tagged for felling by Forestry Department at an elevation of 1,264m.</p> <p>12) OBSERVATION NEAR SUNGAI KELAWIK Location : North of Sg. Kelawik (QY385480 WMR585732) Date : 14 July 2009 Logging at an elevation of 1,200m.</p> <p>13) LOGGING ABOVE 1100m Location : QY385868 WMR588052 Date : 3 September 2009 Logging above 1100m</p>	<p><i>these sites may not be apparent to unskilled people.</i></p> <p><i>This area has been inspected by the audit team with the presence of the staff from the PSFD. It was found that most of the areas have already been re-vegetated and thus difficult to ascertain the severity of the disturbance. The FMU has however been requested to enhance monitoring to prevent encroachment into riparian buffers.</i></p> <p><i>Protection of riparian buffers is important and has always been inspected during field audits of active logging sites. The auditors have raised a Major NCR on this to the FMU for not protecting riparian buffers adequately.</i></p> <p><i>This area has been inspected by the audit team with the presence of the staff from the PSFD. It was found that most of the areas have already been regenerated and thus difficult to ascertain the severity of the disturbance.</i></p> <p><i>There were 3 areas above the elevation of 1,000m highlighted to have been logged. The auditors selected one for inspection. This area was not inspected.</i></p> <p><i>There were 3 areas above the elevation of 1,000m highlighted to have been logged. The auditors had selected randomly one of the</i></p>
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				<p><i>areas for inspection. This area was not inspected.</i></p> <p><i>This area was inspected by the auditors. It was found that part of the logging block was above the elevation of 1,130m and had been logged legitimately by the logging contractor. The PSFD had admitted that it was a mistake as the field staff had not been equipped with proper equipment to check on the elevation when undertaking field inventory and boundary demarcation</i></p> <p><i>An NCR has been raised for this non-compliance of the MC&I (2002). The PSFD had also been asked to check the other areas been highlighted that had not been inspected by the auditors owing to time constraint. The PSFD was further asked to check on the whole of Temenggor FR to determine if more areas above the elevation of 1,000m were logged. This aspect would be verified in the next surveillance audit.</i></p>
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**AUDIT PLAN
STAGE 2 AUDIT ON PERAK FMU
UNDER THE MALAYSIAN TIMBER CERTIFICATION SCHEME**

DAY	TIME	PROGRAM		
		AUDIT TEAM LEADER (AUDITOR 1)	AUDITOR (2)	AUDITOR (3)
Day 1 (26/10/09) Monday	10.00 a.m.-11.00 a.m.	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU at the State Forestry Department Office, Ipoh. Briefing session by Forest Manager of the FMU Q&A Session Confirmation of itinerary Documentation Review 		
	11.00 a.m. -12.30 p.m.	Meeting with the Perak Loggers Association and Logging Contractors		
	2.00 p.m. -3.00 p.m.	Meeting with the State Department of Wildlife and national Parks Meeting with the State Department of Environment		
	3.00 p.m.-4.00 p..m	Meeting with the Department of Orang Asli Affairs (JHEOA) for		
	5.30 pm -7.00 pm	Travel to Taiping		
	9.00 p.m. -10.00 p.m.	Discussion among auditors Night in Taiping		
Day 2 (27/10/09) Tuesday	7.30 a.m. – 5.00 p.m.	(Auditors 1 & 2) <ul style="list-style-type: none"> Inspection of logging activities in Pondok Tanjung FR <ul style="list-style-type: none"> Compt. 11,17 & 18(PPN.Pk 47/2009B (HSK/LM) Boundary with other landuse <ul style="list-style-type: none"> Kolam Bukit Merah 	(Auditor 3) <ul style="list-style-type: none"> Meeting with local communities-Kg Teras Mukim, Hulu Ijok 	
	5.00 p.m. – 7.00 p.m.	Travel to Kuala Kangsar		
	8.00 p.m. – 10.00 p.m.	Review of Day 2 Findings by Audit Team Leader		
Day 3 (28/10/09)	7.30 a.m. – 5.00 p.m.	(Auditors 1 & 2) <ul style="list-style-type: none"> Active harvesting sites- Bintang Hijau FR. 	(Auditor 3) <ul style="list-style-type: none"> Local communities- Kg Pecah Batu & 	

Wednesday		<ul style="list-style-type: none"> ➤ Compt S18 (PPN.Pk. 73/2009B (HSK/KK)) • Inspection on Removal Passes • Closing harvesting sites- Bubu FR. <ul style="list-style-type: none"> ➤ Compt 37 • Ulu Kenas Recreational Park 	Kg Gua
	8.00 p.m. – 10.00 p.m.	Review of Day 3 Findings by Audit Team Leader Night in Kuala Kangsar	
Day 4 (29/10/09) Thursday	7.30 a.m. – 5.00 p.m.	<p style="text-align: center;">(Auditors 1 & 2)</p> <ul style="list-style-type: none"> • Post harvesting sites-Kledang Sayong FR. <ul style="list-style-type: none"> ➤ Comp.128 • <i>HCVF sites</i> • <i>Vjr sites</i> • <i>Experimental Plots</i> 	<p style="text-align: center;">(Auditor 3)</p> <ul style="list-style-type: none"> • Local community – Ketiur village
	5.00 p.m. – 7.30 p.m. 8.00 p.m. - .9.00 p.m.	Travel to Gerik Review of Day 4 Findings by Audit Team Leader Night in Gerik	
Day 5 (30/10/09) Friday	7.00 a.m. - 5.00 p.m.	<p style="text-align: center;">(Auditors 1 & 2)</p> <ul style="list-style-type: none"> • Inspection of active harvesting sites- Temenggor FR; <ul style="list-style-type: none"> • Compt.107 <ul style="list-style-type: none"> ➤ PPN.Pk 67/2009B ➤ PPN.Pk 114/2008B • Meeting with logging contractors and staff • Verification on Sg Kelawik and Sg Taning 	<p style="text-align: center;">(Auditor 3)</p> <ul style="list-style-type: none"> • Meeting with Orang Asli community-Pos Chiong • <i>HCVF-</i>
	8.00 p.m. - 10.00 p.m.	Review of Day 5 Findings by Audit Team Leader Night in Gerik	
Day 6 (31/10/09) Saturday	7.30 a.m. - 12.00 p.m.	<ul style="list-style-type: none"> • Inspection of nursery and associated facilities • Nursery site-Sg Ganda <ul style="list-style-type: none"> ➤ Meeting with nursery staff ➤ Training facilities ➤ Staff facilities and chemical storage 	
	12.00 p.m. - 2.30 p.m.	<ul style="list-style-type: none"> • Site verification-Sg Singor • Meeting with WWF representative 	

	<p>2.30 p.m. - 4.00 p.m.</p> <p>4.00p. m. - 6.00 p.m.</p> <p>8.00 p.m. - 9.00 p.m.</p>	<ul style="list-style-type: none"> • Plantation Plot-Bintang Hijau FR. <ul style="list-style-type: none"> ➤ Compt. 34 <p>Travel to Ipoh</p> <p>Meeting among auditors</p> <p>Night in Ipoh</p>
<p>Day 7 (1/11/09) Sunday</p>	<p>7.30 a.m. - 5.00 p.m.</p> <p>8.30 p.m.-10.00 p.m.</p>	<ul style="list-style-type: none"> • Meeting with Orang Asli communities in Tapah-Pos Gedong • Phenology and Silviculture plot-Bukit Tapah FR <ul style="list-style-type: none"> ➤ Compt. 13 • Kuala Woh recreational park <p>Meeting among auditors</p> <p>Night in Ipoh</p>
<p>Day 8 (2/10/09) Monday</p>	<p>7.30 a.m. - 12.00 p.m.</p> <p>2.00 p.m. - 2.30 p.m.</p> <p>2.30 p.m. - 5.00 p.m.</p>	<ul style="list-style-type: none"> • Documentation review • Preparation of closing report • Closing Meeting

Note:

1. All related documents/records subjected to review will be made available at offices of the State Forestry Department and District Forestry Offices
2. The above programme is subjected to change, upon agreement by both the FMU and audit team whenever deem necessary.
3. Transportation for visits to all the sites and photocopying facilities to be provided by the Perak State Forestry Department

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	4 - Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.	4.1.1	Forest managers provide, where appropriate, support for training, retraining, local infrastructure, facilities and social programs commensurate with the scale and intensity of forest management operations	Minor	Forest workers employed by the logging contractors have not been sufficiently trained on proper harvesting techniques.	<ul style="list-style-type: none"> • <i>Courses on Reduce Impact Logging (RIL) will be conducted periodically for workers employed by the logging contractors starting in 2010.</i> • <i>PSFD will hold a discussion to cooperate with the Perak Timber Association to jointly organize training courses related to forest harvesting in Dec 2009.</i> • <i>The requirement at least one of the sub-contract workers should have undergone training on forest harvesting shall be included in the licence agreement.</i> <p><i>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</i></p>
NCR 2	4 - Forest management operations shall maintain	4.2.3	Appropriate safety and operational	Minor	Personal Safety Equipment (PSE) and operational	<ul style="list-style-type: none"> • <i>PSFD will organize additional training for its</i>

	or enhance the long-term social and economic well-being of forest workers and local communities.		equipment in good working condition, including operational procedures, should be made available to forest workers in the work place.		equipment for spraying chemical were not adequate.	<p>staff on the handling of spraying equipments in 2010.</p> <ul style="list-style-type: none"> • PSFD will provide adequate equipments and appropriate safety outfits for the workers performing spraying work in 2010. <p>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</p>
NCR 3	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.	5.1.2	Provisions and management are made to maintain, restore or enhance the productive capacity and ecological integrity of the PRFs for Peninsular Malaysia and forest management areas for Sabah and Sarawak to ensure its economic viability.	Minor	Harvesting operations has resulted in poor residual stand with large canopy openings. The residual stand will be of low productivity and not able to recover within the cutting cycle.	<p>The PSFD will prepare a guidance document on the determination of the maximum number of trees per hectare to be tagged for felling by June 2010.</p> <p>The planned corrective action was accepted by the audit team and verification will be done during the surveillance audit.</p>
NCR 4	5 - Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure	5.3.1	Availability and implementation of guidelines for reduced/low impact logging to minimize	Minor	The access roads and skid trails were constructed not according to the harvesting plan.	<ul style="list-style-type: none"> • The PSFD had taken an immediate action by issuing a stop work order (Form 2) to the logging contractor and had

	economic viability and a wide range of environmental and social benefits.		damage to residual stand.			<p><i>requested them to submit an application letter to the Department on the changes been made on the construction of the feeder road and skid trail (by Nov 2009).</i></p> <ul style="list-style-type: none"> • <i>For newly approved harvesting areas, the licence holder shall be required to first construct the feeder roads and skid trails before they are allowed to commence felling operations (January 2010).</i> • <i>PSFD will provide training on road construction to the licence holders and contractors (Jun 2010)</i> <p><i>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</i></p>
NCR 5	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	6.5.1	Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and	Major	In the construction of roads, there were excessive earthworks due to deep blading. Side walls were found to be steep resulting in landslips. Retaining walls at side of bridges were not able to retain the excessive soil	<ul style="list-style-type: none"> • <i>The PSFD had taken an immediate action to instruct the licence holder to repair the road.</i> • <i>PSFD will incorporate a new condition in the licence agreement</i>

	ecological functions and the integrity of the forest.		erosion during harvesting operations.		produced. The excess soil that was pushed to the side of roads was not compacted as specified under RIL.	<p><i>(Syarat Tambahan Lesen) that forbid the licence holder from constructing roads during rainy season (Jan 2010).</i></p> <ul style="list-style-type: none"> • <i>For newly approved harvesting areas, the licence holder shall be required to first construct the feeder roads and skid trails before they are allowed to commence felling operations (January 2010).</i> <p>The planned corrective actions were accepted by the audit team and verification audit was conducted on 28-31 December 2009. The audit team was satisfied with the corrective action taken and had closed-out this major NCR.</p>
NCR 6	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.	6.5.4	Availability and implementation of guidelines for conservation of buffer strips along streams and rivers.	Major	Riparian buffers were violated and trees within the riparian buffers removed. Skid trails were constructed into the buffers. Residues of fallen trees were found in the buffers. These felled trees were removed without being detected.	<ul style="list-style-type: none"> • <i>The PSFD had taken an immediate action by issuing a stop work order (Form 2) to the logging contractor.</i> • <i>PSFD had recommended the licence holder to be immediately compounded and pay compensation for the offence.</i>

						<ul style="list-style-type: none"> • The skid trail had been immediately planted with seedlings. • The PSFD had taken immediate action to maintain the boundary of the buffer zone. <p>The planned corrective actions were accepted by the audit team and verification audit was conducted on 28-31 December 2009. The audit team was satisfied with the corrective action taken and had closed-out this major NCR.</p>
NCR 7	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.	5.5.1	Availability and implementation of guidelines and/or procedures to identify and demarcate sensitive areas for the protection of soil and water, watercourses and wetlands.	Minor	It was found that trees located at 1,130 m elevation were tagged for felling and some had been harvested. Trees above the 1000m elevation are prohibited from felling and this encroachment above this elevation is a serious nonconformance with the Indicator.	<ul style="list-style-type: none"> • For areas yet to be licensed for harvesting, the PSFD had issued an immediate instruction to delay the issuance of license documents to be followed by re-marking and survey of the boundary of the licensed areas. • For licensed areas which were being harvested, the following actions will be taken: <ul style="list-style-type: none"> • Re-survey the licence area to determine its exact location against that indicated in the

						<p><i>approved plan (February 2010)</i></p> <ul style="list-style-type: none"> • <i>Rehabilitation of the open area with the planting of indigenous tree species (June 2010)</i> • <i>Setting up of a task force to re-demarcate and survey on licensed areas (January 2010)</i> • <i>Request for budget under the 10th Malaysian Plan to carry out demarcation of boundaries of Soil Protection Forest located above 1,000 m above sea level and adjacent to Production Forests (January 2010).</i> <p><i>The planned corrective actions were accepted by the audit team and verification will be done during the surveillance audit.</i></p>
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Details on Opportunities for Improvement

Indicator	OFI No.	Status	Summary of OFI
1.5.2	1	-	There is a need to enhance cooperation and joint operations between the PSFD with the State Parks and Wildlife Department (PERHILITAN) to reduce poaching in the FMU.
4.2.4	2	-	It was observed that there was no monthly record being kept on the occurrence of accidents. The existing form contains only records on attendance and remarks. Only if the worker is absent from work will the reason is recorded in the remark section. The present documentation system could be improved by maintaining a monthly record on occurrences of accidents.
4.4.1	3	-	The information gathered during the four social impact assessments conducted in 1 Orang Asli village and 3 Malay villages was inadequate. The completed forms on the social impact assessment for Kg. Orang Asli Lubuk Legong, Kg. Ulu Tawar/Padang Belon, Kg. Bendang Man and Kg. Batu 7, Jalan Kroh, Baling showed a lack of basic information (such as population, economic activities, dependence on non-timber forest produce and services). The methods of data collection and sources of data should be outlined in the reports. The dependence on the forest by the local Orang Asli and Malay communities had to be defined.
6.2.1	4	-	Additional efforts would have to be undertaken by the PSFD to address the concern by NGO on the decline in the population of hornbills. Protection of nesting trees especially those with hollow trunks would be identified during tree tagging and protected for fauna.
6.7.2	5	-	During the inspection of the active logging areas, generally it was found that fuel containers had been properly stored and disposed as scheduled waste. However, it was found that in the Temenggor FR, some fuel containers had not been stored properly. Fuel storage tanks should have been properly contained in the logging camps as well as in the field.
8.1.2	6	-	A special form entitled "Panduan Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan Sebelum, Semasa dan Selepas Pembalakan: Kesan Terhadap Faktor Sosial" has been used to monitor the social impacts. The form contains information on environment, flora and fauna diversity, economic, infrastructure, health, social stability, settlement, land use, traditional customs, cultural and religious practices, and conflict. The form needs to be further improved by adding another column on the potential impacts on the water sources used by local communities. The presence of burial ground (if any) should be determined and the use of non-timber forest produce be recorded.
9.4.1	7	-	To further enhance the attributes of HC VF in all sites, a systematic monitoring and consultations

			with the relevant stakeholders would be required.
6.3.3	8	-	<p>Sites identified as important for the forest fauna such as salt licks have to be demarcated during tree tagging phase with the guidance of relevant authorities and protected with a buffer belt of sufficient width following consultation with the Department of Wildlife and National Parks.</p> <p><i>(This OFI was raised during the verification audit)</i></p>

RESPONSES BY THE AUDIT TEAM ON COMMENTS OF PEER REVIEWER 1

Principle/Criterion/ Indicator/NCR	Comments	Response by Audit Team
1. Criterion 6.5.1	<p>The Reviewer is of the opinion that Major NCR 5 should be maintained for the following reasons:</p> <p>Excessive soil removal during road construction (Compartment 18, Bintang Hijau FR, Kuala Kangsar; Compartment 11, 17, 18, Pondok Tanjung FR, Larut Matang) is a serious non-compliance to existing guidelines (Guidelines to Reduced Impact Logging in Peninsular Malaysia, 2003; Forest Road Specifications [Feeder Road and Skid Trails] for Peninsular Malaysia, 1999) adopted by the PSFD.</p> <p>Displaced excessive soil load negates mitigating measures taken (clogging drains, culverts and silt traps), overflow into buffers, pollute drainage/river systems and remove/leached out disproportionate surface nutrients due to enhanced surface erosion. The combined impact, over a protracted period, may greatly reduce the capacity for ecosystem recovery, delaying succession process and restoration of stand climax stage. Extreme cases may delay the cutting cycle thus negatively impacting on production plan.</p> <p>The contractors were directed to undertake remedial measures by the department as soon as possible (refer NCR Report, Appendix 6.5.1., page 92). Work stoppage during onset of rainy season was included as provision in the additional license condition (<i>Syarat Tambahan Lesen</i>). This move is appropriate and timely but some flexibility should be in order in situation where the contractor may find himself trapped between the need to finish logging, in compliance with his contract period, and obey work stoppage due to the onset of rainy days, as part of the license condition. The department should study this possible constraint and innovate a fair and judicious solution.</p>	<i>No issue.</i>

<p>2. Criterion 6.5.4</p>	<p>The Reviewer is of the opinion that Major NCR6 should be maintained for the following reasons:</p> <p>Encroachment of riparian strips were reported by auditors despite clearly marked boundary trees and advance planning in compliance with RIL practice stipulated in existing guidelines (Guidelines to Reduced Impact Logging in Peninsular Malaysia, 2003; Forest Road Specifications [Feeder Road and Skid Trails] for Peninsular Malaysia, 1999). The auditors recorded (illegal) removal of unmarked trees, encroachment of skid trails (to skid out the felled timber) in several compartments (Compartment 11, 17, 18, Pondok Tanjung FR, Taiping; Compartment 37, Bubu FR), and inflow of extreme soil load transported by surface erosion from adjacent excessive roadwork (Compartment 18, Bintang FR, Kuala Kangsar; Compartment 37, Bubu FR). The buffer trees removed cannot be traced in the COC process. Encroachment of riparian strips is serious infringement of RIL guidelines.</p> <p>In the case reported by the auditors for the FMU, two violations were committed – the physical disturbance of the buffers and the illegal removal of unmarked buffer trees. The former, if in excess, will worsen the health and integrity of the drainage/river system, with repercussions on life quality (polluted water, skin infection) and economy (reduced fishing through impact on aquatic life, and difficult river navigation/ transportation due to swallowing) of river-dependant local communities downstream. Illegal felling of buffer trees with accruing timber that cannot be traced in the COC threatens one of the major premises of certification – i.e. to prevent illegal timber entering the accounting system. Both violations are strong reasons for issuing the Major NCR.</p> <p>The department has undertaken immediate action and remedial measures as reported in the NCR Appendix 6.5.4, page 95. The erring contractors were clamped with work stoppage and issued with compounds and compensations. Restorative plantings conducted on encroaching skid trails and buffer zones clearly labelled.</p> <p>The department claimed poor monitoring and enforcement due to understaffing which greatly reduce management effectiveness. The reviewer however takes note that despite being a three-man party,</p>	<p>No issue</p>
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	<p>an extreme understaffing, the auditing team generally is able to detect discrepancies and shortcomings in their rapid coverage of the vast state-wide FMU. Department staff doing monitoring, by comparison being not that overly constrained, should take a leaf from the auditors' survey strategy and innovate effective approach.</p>	
3. Criterion 4.1.1.	<p>The reviewer also take note that the report on training of PSFD employees included here may not be appropriate since Criterion 4.1 exclusively deal with '<i>communities within, or adjacent to, the forest management area</i>' which should refer to local communities. And again, the provision for training of forest workers should also be in the same context, i.e. workers from the local community and not workers in general. The Orang Asli workers interviewed by the auditors however were locals from Kg. Chiong in Temenggor FR (p. 83). In this context too, it is relevant for the auditor to verify the employment of workers from among the local communities in compliance with the requirement of Criterion 4.1. For example, in the department's corrective action plan (Section 3, page 84) no mention at all was made to ensure the employment of locals as licence condition.</p>	<p><i>The audit team agrees with the observations made by the peer reviewer that the findings on the training of the PSFD's employees should not be under Criterion 4.1 as this criterion deals with 'communities within or adjacent to, the forest management area'. The first para. of the findings on indicator 4.1.1 was therefore deleted and transferred to the findings under indicator 7.3.2.</i></p>
4. Criterion 4.2.3	<p>The Reviewer is of the opinion that Minor NCR2 should be maintained for the following reason:</p> <p>Non-compliance on safety was observed in Air Ganda nursery, in the handling and management of dangerous/hazardous chemicals (disregard for safety clothing, improper chemical handling procedure including handling of emergency situation and no shower facility for use in accidents).</p> <p>The auditors however recorded that the workers were aware of the policy on health and safety and that logging contractors were informed by the PSFD on the requirement to maintain proper records on their employees. The non-compliance observed at Air Ganda may thus suggest indiscipline/poor monitoring (safety clothing ignored), inadequate implementation of safety requirements (no emergency shower) or ineffective training (ignorance of safe chemical handling). Such shortcomings on management of safety should not be taken lightly and remedial actions must be taken immediately and seriously in addressing the Minor NCR. Workers'</p>	<p><i>No issue.</i></p>

	<p>health and safety should be an internalised attitude and discipline in its management and not for mere records.</p>	
<p>5. Criterion 5.1.2</p>	<p>The Reviewer is of the opinion that the issuance of Minor NCR3 be suspended pending further investigation for the following reason:</p> <p>The auditors issued Minor NCR3 on the observation of possible overlogging in Compartment 11, 17, 18, Pondok Tanjung FR, Taiping, where residual stands showed large canopy openings with low presence of healthy commercial trees. The reasons cited were possible flaw in management prescription (relatively high logging intensity, i.e. number of trees/ha removed) or premature logging in essentially former MUS-managed stands.</p> <p>In the corrective action in Appendix 5.1.2, page 88, the department mentioned the lack of maximum limit to the number of individuals that can be harvested [as long as they equal/exceed the cutting girth limit (CGL)]. The limit was however imposed on the stand volume instead, i.e. not exceeding 61m³/ha. In over mature stands (as with primary climax forests) this situation is possible where many individuals would have exceeded the CGL and harvesting would effect large canopy openings especially where trees removed were contiguous and in clusters. If the guidelines are silent on harvest pattern the good manager should ensure that large gap openings are avoided in the selection of marked trees within the 61m³/ha maximum. Imposing a maximum felling density as guideline, as suggested in the corrective action (page 88), may not be the answer since it is actually the distribution pattern of marked trees to be felled that is relevant to the width of gap opening. New guidelines should address on the right balance between economic cut and moderate opening with possible provision for not felling more than two contiguous dominants.</p> <p>The suggestion of possible premature felling, in former MUS stands (under 60-year rotation), as the cause of extreme canopy opening, may not be plausible. A mid-rotation ex-MUS stand will have few individuals exceeding the CGL nor make the economic cut to warrant harvesting. Such stands, when brought under SMS control (25 to 30-year rotation), would normally be allowed to mature further before felling is viable.</p>	<p><i>The creation of large canopy opening in the residual stand should be avoided as it will encourage pioneer species to dominate the residual stand. Large canopy openings are created when large trees close to each other are removed. The peer reviewer was correct in saying that observance to the cutting limit alone will not be able to address the issue as it is also influenced on the spatial distribution of trees.</i></p> <p><i>There is a need to avoid marking trees to be logged that are close to each other during the tagging operation. New guidelines should be developed for this. Currently, efforts are being initiated by the Forestry Department HQ to address this issue. In the mean time, the PSFD should avoid marking trees close to each other during the tagging operation based on field observation.</i></p> <p><i>On the argument by the peer reviewer that premature entry may not be plausible as the cause of extreme canopy opening, records were not available on the first cut to support this argument and as such there could be a possibility of early entry. Some large trees may not have been removed in the first cut due to the poor market then. Therefore, the audit team was of the view that the issuance of minor NCR3 was appropriate.</i></p>

<p>6. Criterion 5.3.1</p>	<p>The Reviewer is of the opinion that Minor NCR4 should be maintained for the following reason:</p> <p>Non-compliance in construction of skid trails (Compartment 18, Bintang Hijau FR, Kuala Kangsar; Compartment 11,17,18, Pondok Tanjung FR, Taiping) and access roads (Compartment 18, Bintang Hijau FR; Compartment 107, Temenggor FR) being not in accordance with that prescribed in harvesting plan (refer <i>Guidelines for Reduced Impact Logging in Peninsular Malaysia</i>, 2003).</p> <p>The auditors also mentioned that the contractors have applied for the alterations from the respective Forest Districts but did not receive any approval (page 60). The NCR Report from the relevant DFO however stated that the licensee did not make any such application (Appendix 5.3.1, page 90). In addition, the monitoring report did not mention the said violation.</p> <p>The auditors should clarify this contractor-department discrepancy with documentary evidence. The monitoring process, a departmental responsibility, should also be examined since it is disturbing to note that the report submitted appear misleading. Although work stoppage was directed on the contractor and fresh application submitted the relevant delivery system should be closely examined to ensure fairness. Logging contractors know their roading well and not prone to arbitrariness unless they face real constraints on the ground or could suggest better alternative routes that are more economic without sacrificing stand integrity. They are also businessmen for whom unnecessary delays will add on to operational costs.</p> <p>The reviewer also noted that the department will undertake courses on forest roads for licensees and contractors in June 2010 (page 90). It is not apparent whether this is undertaken as remedial measures to address the Minor NCR, or as planned departmental training programme. It should be made a license condition, if not already so, for contractors and relevant employees to have undergone such courses before being allowed to undertake road construction for harvesting.</p>	<p><i>The requirements for road construction are clearly specified in the “Guidelines for Reduced Impact Logging”. Consultations with contractors indicated that they had been made aware of the requirements.</i></p> <p><i>The minor NCR was awarded for the contractor- department discrepancy as indicated by the reviewer. Even if there was documentary evidence of an application by the contractor, it would still have been a non-compliance as approval from the PSFD has not been obtained.</i></p> <p><i>The courses conducted by the PSFD should be able to highlight this issue and ensure that contractors realize the importance of complying with the requirement of the guidelines. Making this a license condition would be desirable. However, it would still be acceptable if the PSFD had conducted training to address the issue.</i></p>
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<p>Criterion 5.5.1</p>	<p>The Reviewer is of the opinion that Minor NCR7 should be maintained for the following reason:</p> <p>Harvesting of trees was detected above the prohibited 1,000 m elevation contour although maps on protected areas, including this zone, were available from the department. Curiously however, the infringement was not stated in the auditors' findings under Criterion 5.5.1 in page 61 of the report, but included in the Non Compliance Reports in Annex 9, page 97. Infringements were reported in Compartment 145,146, Temenggor FR, at 1,130m elevation.</p> <p>If the infringement did occur, then the issuance of a Minor NCR is deserving. The auditors should however rectify this discrepancy in reporting since its exclusion in their findings appears to be an oversight. In its NCR Report (page 98) the department has taken remedial measures including measurement and marking of boundaries prior to issuance of fresh license, re-measurement of license boundaries for active areas, remedial plantings of encroached areas, the appointment of special task force to secure the boundaries, and application for RMK10 budget for boundary demarcation and marking to differentiate Soil Protection Forest areas exceeding the 1000 m elevation, adjacent to existing production forest. Clear boundary demarcation should prevent accidental incursions and encroachment into protected zones in the future.</p>	<p><i>This infringement was not observed during the Stage 2 audit. It was observed during the verification. As such, it was not reported in Annex 8 but in Annex 10 which is the verification audit report as minor NCR 7.</i></p>
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RESPONSES BY THE AUDIT TEAM ON COMMENTS OF PEER REVIEWER 2

Principle/Criterion/ Indicator/NCR	Comments	Response by Audit Team
1. Comprehensive-ness and quality of reporting	<p>The reporting has been done thoroughly and of good quality with only minor items missing such as 'table of contents' at early part of the report which is essential to ease reader browsing through the topics.</p> <p>It's good if the report at Annex 8 (Compliance with the requirements of MC&I (2002)) have sub-titles of results and recommendations besides criterion and findings only.</p>	<p><i>A 'Table of Content' page has been included in the report.</i></p> <p><i>This report on the audit findings is prepared using a specific format by SIRIM QAS International. The audit was done to determine the compliance of PSFD on the management of the State FMU against the requirements of the MC&I (2002). The auditors were not supposed to recommend actions to be taken by the PSFD to meet the requirements of the MC&I (2002).</i></p>
2. Has each certification requirement been properly addressed?	<p>I observed that most certification has been acceptably properly addressed.</p> <p>However, it seems that there is slight variation in perception on HCVF between PSFD, stakeholders and evaluators. This was grasped at the comment given by the evaluator to the suggestion by stakeholder MNS (para 22 page 21). Probably, HCVF is not fully well defined yet in Malaysia.</p>	<p><i>Forest management in production forest will also have to minimize impacts on wildlife. In this regard, PSFD should cooperate and consult the relevant authorities and experts in wildlife management to enhance their capacity in addressing issues concerning wildlife management in the FMU.</i></p>
3. Are the conclusions of the findings appropriate?	<p>Overall the conclusions are appropriate. However, there's a bit of confusion in the final conclusion (para 4 page 105) where the team have concluded that PSFD be considered for certification based on the facts that the 2 major NCRs have been adequately addressed and closed-out. In spite of this, in the recommendation (para 5, page 106), PSFD were given conditional certification upon corrective done on the new minor NCR issued.</p>	<p><i>This is a part of the verification audit, which is an Annex of this Stage 2 Audit Report on the Perak State FMU. The audit team had not recommended the PSFD be given conditional certification, but instead the certification shall be considered on the condition that the PSFD shall submit a corrective action plan to SIRIM</i></p>

		<i>QAS International within one month from the last date of the verification audit.</i>
4. Agreement/ Disagreement with the NCRs raised by the Audit Team	<p>The 2 major NCRs and 5 minor NCRs were quite reasonably issued. However, there are several criterions that can be considered for NCR.</p> <p>One of the missed NCR is criterion 9.4.1 regarding stakeholder Perak MNS who has raised concerned about them not being referred concerning HCVF and the team commented to include this as NCR (para 23 page 22). However, it was not seen in the NCR list, instead it was only listed as OFI 7. The team should suggest it to be in OFI earlier.</p>	<i>The comments by the Audit Team on this issue raised were amended to read as 'Auditors had raised an OFI for this non-compliance'.</i>
5. Are the recommendations by the audit team appropriate?	<p>Most recommendations are acceptably appropriate, however in several cases, the team should be aware of latest policy and technology available that could be recommended. Following are two examples:</p> <p>In the case of logging done above 1000m, PSFD suspected it due to slight error in determining 'Pusat Ikatan' (PI) during boundary survey. The team should recommend PSFD to use better resolution contour map such as IFSAR that have interval of 3-5m as compared to 20m contour interval currently used by PSFD. This will readily provide higher scale map of 1:5000 with better accuracy rather than simply 'blowing-up' 1:50000 scale to 1:5000.</p> <p>Identification of Endangered, Rare and Threatened (ERT) plant species were found to be not mapped by PSFD. Though this is not an easy task as it needs manpower and expert unless there's a reliable technology, the evaluator team does not make any recommendation to resolve this. The evaluator should recommend the use of Hyperspectral technology to resolve mapping of ERT plant species.</p> <p>In the case of criterion 5.1.2 where harvesting had produced large canopy opening, auditor team does not give any recommendation inspite issuing minor CAR3. In corrective response, PSFD plan to have the guideline ready by Jun 2010. The team should be aware</p>	<p><i>The role of the audit team is to verify the compliance of the PSFD to the requirements of the MC&I (2002). It shall refrain itself from making recommendations.</i></p> <p><i>Same as above responses.</i></p> <p><i>Same as above responses.</i></p>

	<p>that such guideline had been provided by FD Headquarters where cutting should only allow 4 trees per hectare with evenly distributed.</p> <p>However, for the case on OFI8 of criterion 6.3.3, I totally agree with the comment by the team, where they suggested the need to demarcate salt lick areas during tree tagging upon referring to Wildlife Department.</p>	
<p>6. Areas where additional information is required</p>	<p>One of the aspect not fully discussed in this auditing is silviculture treatment (such as enrichment planting and GCL) activities which does not seem to be available in this report. It's an activity that can indicate successfulness of sustainable forest management.</p> <p>However, I am not sure whether it's because it's not in the criterion or overlooked by the evaluator.</p>	<p><i>Post felling inventories were assessed in the field and silvicultural treatments were assessed in terms of whether they were being conducted according to the requirements based on reports prepared by the PSFD (Indicator 6.3.1). Field visits were not conducted to assess silvicultural treatments due to the lack of time. This may be conducted during the next surveillance audit.</i></p>

End of Public Summary