

**PUBLIC SUMMARY
RECERTIFICATION AUDIT ON
KELANTAN FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate No : FMC 0005
Date of Recertification Audit : 20 - 24 October 2013**

Certification Body:

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1. INTRODUCTION

The recertification audit on the Kelantan Forest Management Unit (hereafter referred to as 'the Kelantan FMU') was conducted to assess the overall management system and practices of the FMU against the requirements of the new standard for forest management certification, the Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest) [MC&I (Natural Forest)]. The scope of this recertification audit was limited to the forest management system and practices of the natural forest within the Kelantan FMU.

This recertification audit was conducted by a four-member team from SIRIM QAS International Sdn Bhd (SIRIM QAS International) comprising Mr. Khairul Najwan Ahmad Jahari (Forester and as Audit Team Leader), Dr. Samsudin Musa (Forester), Prof. Mohd Basri Hamzah (Forester) and Dr. Zahid Emby (Sociologist). The audit team had included a trainee auditor, Mohd Razman Salim.

Based on the findings of the recertification audit, it was found that the Kelantan FMU had complied with the requirements of the MC&I (Natural Forest). This recertification audit had resulted in the issuance of five (5) minor Non Conformity Reports (NCRs) and four (4) Observations for Improvement (OFIs).

This public certification summary contains general information on the Kelantan FMU, the findings of the audit, NCRs raised as well as the decision on the recertification of the FMU.

2. GENERAL SUMMARY

2.1 Name of FMU

Kelantan FMU

2.2 Contact Person and Address

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2.3 Date of Recertification Audit

20 - 24 October 2013 (24 auditor days)

2.4 Audit Team

Mr. Khairul Najwan Ahmad Jahari (Audit Team Leader)
Dr. Samsudin Musa (Auditor)
Prof. Mohd Basri Hamzah (Auditor)
Dr. Zahid Emby (Auditor)
Mohd Razman Salim (Trainee Auditor)

2.5 Standards Used

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

2.6 Stakeholder Consultation

A one-month stakeholder consultation was conducted beginning on 01 September 2013 to solicit feedback from stakeholders on the compliance of the Kelantan FMU to the requirements of the *MC&I* (Natural Forest). The comments by the stakeholders and responses from the audit team are shown in **Attachment 1**.

3. GENERAL BACKGROUND ON THE KELANTAN FOREST MANAGEMENT UNIT

The Kelantan FMU was awarded the *Certificate for Forest Management* against the Malaysian Criteria and Indicators for Forest Management Certification (*MC&I*) (2002) following the Stage 2 audit that was conducted on 30 November - 7 December 2009 and 26 - 28 January 2010. The first surveillance audit was conducted on 20 - 23 June 2011, while the second surveillance audit was conducted on 20 - 23 May 2012. This recertification audit on the Kelantan FMU was conducted from 20 - 24 October 2013.

The Kelantan FMU is managed by Kelantan State Forestry Department (KSFD). The FMU is located between latitudes 4° 33' 00" N to 6° 14' 48" N and between the longitudes 101° 19' 59" E to 102° 39' 55" E. At the end of 2009, the Permanent Reserved Forest (PRF) within the Kelantan FMU totaled 623.849 hectares (ha). The PRF consists only of inland *Dipterocarp* forests.

As of January 2012, part of the total PRF amounting to 199,352 ha had been zoned as potential forest plantation areas for planting Timber Latex Clones (TLC) rubber trees. This area was no longer being part of the FMU and had been excluded from the scope of this recertification audit. Thus the PRFs that was being audited under this recertification cover an area of 424,497 hectares, the same size as was being audited during second surveillance audit.

The Forest Management Plan for Kelantan FMU 2006 - 2015 had been revised with a midterm review done in December 2011 incorporating growth plots data. The growth plot analysis was conducted by the Forestry Department (Headquarters) Peninsular Malaysia and the results would be used to assess the growth and recovery of the forest which includes the dynamics and species composition of the flora.

The KSFD has been committed to the management of the PRFs within the Kelantan FMU on a sustainable basis. The administration of the FMU had been divided into three forest districts namely the East (Machang), West (Tanah Merah) and South (Gua Musang) Forest Districts. The map of the Kelantan FMU is shown in **Attachment 2**.

4. SUMMARY OF RECERTIFICATION AUDIT FINDINGS

Based on the findings of this recertification audit, it was found that the KSFD had continued to manage the Kelantan FMU in compliance with most of the requirements of the *MC&I* (Natural Forest). This recertification audit had resulted in the issuance of five (5) minor Non Conformity Reports (NCRs) and four (4) Observations for Improvement (OFIs). The details on the NCRs and OFIs raised are shown in **Attachment 3**.

The audit team had also verified on the corrective actions taken by the KSFD to address the 2 NCRs and 5 OFIs raised during the previous surveillance and closed them out except for one minor NCR on indicator 7.2.2 which was being retained to allow for a review of the findings and recommendations on a research project on logging operations in the Sg Betis, Brok and Lojing Forest Reserves using the reduced impact logging techniques. The details on the verification on the corrective actions taken and the status of the NCRs raised during the previous surveillance audit are shown in **Attachment 4**.

On indigenous peoples' right, the KSFD had established various committees to maintain a continuous communication with the local communities to resolve any issues raised on matters affecting their customary, legal and use rights as a result of the forest management operations including logging activities. The Orang Asli villages located within the PRFs were still given 'residency right' for settlement in the PRF where they have long domiciled. In addition, the Orang Asli communities were still being

allowed by the KSFD to collect forest produces in the PRF for their subsistence needs. It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the FMU.

With regard to Criterion 6.10, there had been no new conversion of the PRF to forest plantations/non-forest land use. The Kelantan State Government has now stopped the openings of new sites for planting TLC rubber trees.

There was no major NCR raised during this recertification audit. The KSFD had submitted a corrective action plan on 26 November 2013 to address the minor NCRs raised which had been reviewed and accepted by the audit team. These proposed corrective actions by the KSFD to address the minor NCRs and OFIs shall be verified by the audit team during the next surveillance audit.

As no major NCR had been raised, the audit team had therefore recommended the Kelantan FMU be awarded the Certificate for Forest Management against the requirements of the *MC&I* (Natural Forest).

Comments by Stakeholders and Responses from Audit Team

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Stakeholder 1	<ol style="list-style-type: none"> 1. Logging conducted in the area of customary land without prior consent and discussion with local Orang Asli who disagreed with the operations. 2. Logging impacted domestic water source used in Kg Pondek and Kg Angkek. 3. Affected Villages: Kg. Angkek, Kg Sentep, Kg. Kelapa, Kg. Podek, Kg Beluru , Kg Sg Teraj 	<ol style="list-style-type: none"> 1. The letter which was forwarded on 28.7.13 [Ref. 2nd Column] to MTCC referred to Compt. 309 of the Perias PRF. The KSFD however had not received a copy of the same letter. A separate letter was sent to KSFD [referred to KSFD's in letter to HQ on 24 Nov 2013; See 2nd Column] but referred to Compt. 264. Both letters had referred to the same issue [logging impact on water source] but different compartment within the Perias PRF. 2. The water source for Kg Pondek and Kg Angkek, namely gravity water (<i>Tandak Air</i>) which was located within the licensed area had not been used since two years before the approval of the logging license. The villagers had been relying on gravity water drawn from an adjacent village. Therefore there was no issue that the logging activities in the licensed area polluting gravity water to the two villages. 3. The KSFD (Deputy State Director) had informed the auditor that the matter would be brought to the attention of the State Assembly or Dewan Undangan Negeri. 4. KSFD had issued a work stoppage order to the contractor on 22.9.2013, due to violation of license conditions. <p><u>Conclusion:</u> <i>Issue on the pollution of water supply (gravity water) caused by the logging operations to Kg Pondek and Kg Angkek was still questionable as the gravity water had not been used since two years before the approval of logging license. In addition, work stoppage has been issued by KSFD on 22.9.2013.</i></p>
2	Stakeholder 2	<ol style="list-style-type: none"> 1. Land clearing / land conversion to Oil Palm Plantation 2. River system impacted 	<ol style="list-style-type: none"> 1. The Sungai Relai Forest Reserve was converted to TLC rubber tree plantation in 2010. It was taken out from the PRF and is now no longer part of the Kelantan FMU. 2. The auditor had noted of the error in the caption of the photo used in the news report. The picture shown was

			<p>not taken at the Sg Relai, Machang District but at another site in Gua Musang District</p> <p><u>Conclusion:</u> <i>Since the Sg. Relai Forest Reserve has been converted to rubber plantation and taken out and is now no longer being part of the Kelantan FMU, it is not relevant in this certification audit.</i></p>
3	Stakeholder 3	<p>1. Uncontrolled opening up of forested land in Kelantan and Kedah state: About 10 000 Orang Asli in 123 villages, water catchment areas and 550ha of forest containing endangered rafflesia species were adversely affected.</p>	<p>1. The areas (Pos Blau and Pos Hendrop) were under Stateland. 2. Some lands were alienated for agricultural purposes.</p> <p><u>Conclusion:</u> <i>Since the areas were clearly Stateland, it is not relevant to the audit scope.</i></p>
4	Stakeholder 4	<p>1. Wildlife conflict with FELDA Plantation: A forest worker in FELDA Perasu Oil Palm Plantation, Gua Musang, Kelantan, was attacked by a panther and injured but survived. The FELDA settlers interviewed voiced the concern of dangerous wildlife encroaching into the plantation and endangering workers' life due to forest areas being logged or converted to oil palm. Such activities should not be allowed if located adjacent to oil palm plantation.</p>	<p>1. With reference to the KSFD map [<i>Pelan Kedudukan Hutan Simpan Kekal, Hutan Perlindungan, Kampung-Kampung dan Pos-Pos Orang Asli, Kawasan Tadahan Air yang diwarta, Tandak Air dan Jalan Perhubungan dibawah Pentadbiran Pejabat Hutan Jajahan Gua Musang, Kelantan</i>, (undated) – Plan for PRF, Protected Forests, Orang Asli Villages and Settlement Posts, Gravity Water Sources, Access Roads, Under the Administration of Gua Musang Forest District, Kelantan] the incidence occurred in FELDA Perasu, bordering the Gunong Rabong Forest Reserve. The PRF share common boundary with the Pahang State National Park, a totally protected area and wildlife sanctuary. Logging was conducted in Compartment 59, 60 and 61 of Gunong Rabong Forest Reserve approximately 10 km southwest of the incident area.</p> <p>2. Since the area was panther territory, it was conjectural to note whether the panthers' roaming area included the FELDA plantation and also the logging compartments which were about 10 km away. It was quite difficult to conclude that the isolated logging area could driven the panther to go the FELDA plantation area since the boundary of National Park</p>

			<p>with the logging area was quite near, away from human presence, would have been more probable.</p> <p><u>Conclusion:</u> <i>From the point of view of auditor, the panther attack was an isolated case and its alleged association with the latest logging area in the FMU is quite tenuous considering its remoteness from the area of incidence and the argument outlined in paragraph #2 above.</i></p>
5	Stakeholder 5	<ol style="list-style-type: none"> 1. Uncontrolled agriculture 2. Affected Village; Kg Seng Sang (~50 Temiar families) 	<ol style="list-style-type: none"> 1. The area reported in the news is located on a Stateland. <p><u>Conclusion:</u> <i>These issues were not related to the FMU and is considered not relevant to the scope of this certification audit.</i></p>
6	Stakeholder 6	<ol style="list-style-type: none"> 1. Severe land opening that impacted the local population. 	<ol style="list-style-type: none"> 1. The stakeholder's information was too general and sweeping covering a large area allegedly impacted by logging. The logging areas were located in a Stateland which was previously alienated for agriculture purposes. <p><u>Conclusion:</u> <i>The issue involved a Stateland area and therefore considered not relevant to the scope of this certification audit.</i></p>
7	Stakeholder 7	<ol style="list-style-type: none"> 1. Local community water resources affected by logging operation and uncontrolled land clearing 	<ol style="list-style-type: none"> 1. The issue was similar to the issue raised by stakeholder #3 dated 25.2.2013 2. The areas reported were located on a Stateland. <p><u>Conclusion:</u> <i>The issue involved a Stateland and therefore considered not relevant to the scope of this certification audit.</i></p>
8	Stakeholder 8	<ol style="list-style-type: none"> 1. Clearing of forest lands for agriculture purposes 2. Loss of non-timber forest products collected by the local community 3. Burial grounds affected by land clearing works 	<ol style="list-style-type: none"> 1. The status of reported area in the news is a Stateland. <p><u>Conclusion:</u> <i>The issue was not related to the FMU and therefore not considered relevant to the scope of this certification audit.</i></p>
9	Stakeholder 9	<ol style="list-style-type: none"> 1. Clearing of forest lands for agriculture purposes 2. Loss of non-timber forest products for the usage of 	<ol style="list-style-type: none"> 1. The status of the area reported in the news is a Stateland.

		indigenous people 3. Burial grounds affected by land clearing works Affected Villages: Kg. Kuala Tahu, Lojing, Pos Brooke.	<u>Conclusion:</u> <i>The issues were not related to the FMU and therefore not considered relevant to the scope of this certification audit.</i>
10	Stakeholder 10	1. Logging and clearing of forest lands for agriculture purposes. 2. Loss of non-timber forest products the indigenous people use. 3. Burial grounds affected by land clearing works.	1. Kg Sendrod is located on a Stateland. <u>Conclusion:</u> <i>These issues were not related to the FMU.</i>
11	Stakeholder 11	1. Development works encroaching on native customary lands. 2. Loss of non-timber forest products traditionally collected by the local community. 3. Burial grounds affected by land clearing works.	1. Investigation conducted showed that Kg Siga was under agricultural development. 2. The areas reported were located on a Stateland. (Refer KSFD letter to FDPM HQ in June 2013) <u>Conclusion:</u> <i>The issues were not related to the FMU and therefore considered not relevant to this certification audit.</i>
12	Stakeholder 12	1. Logging and land clearing works 2. Burial grounds affected by land clearing 3. Road is damaged by heavy machinery and lorries transporting logs 4. Loss of non-timber forest products the indigenous people use 5. Water sources affected (Sg Nenggiri, Sg Yai, Sg Panis, Sg Rejab, Sg Tol, Sg Hintir).	1. Investigation conducted by the KSFD had found that the harvesting operations in the license area had not affected the indigenous people. 2. The raised issues were located on a Stateland area. <u>Conclusion:</u> <i>The issues were not relevant to the Kelantan FMU and considered not relevant to this certification audit.</i>
13	Stakeholder 13	1. On-going logging works and land clearing works 2. Issues related to river water quality and encroachment in the <i>adat</i> land.	1. Work stoppage was issued by the KSFD soon after the complaint was made and license allowed to lapse in May 2013. 2. According to the letter (Awir Awe, 7.7.2013), logging activity was still ongoing (Compartment 256, Perias Forest Reserve) southwest to Kampong Peralong, despite letter of protest sent earlier to the department. Kampong Depak which is located northeast of Peralong was also impacted. The main river in the area is Sungei Nenggiri which separates Kampong Peralong from

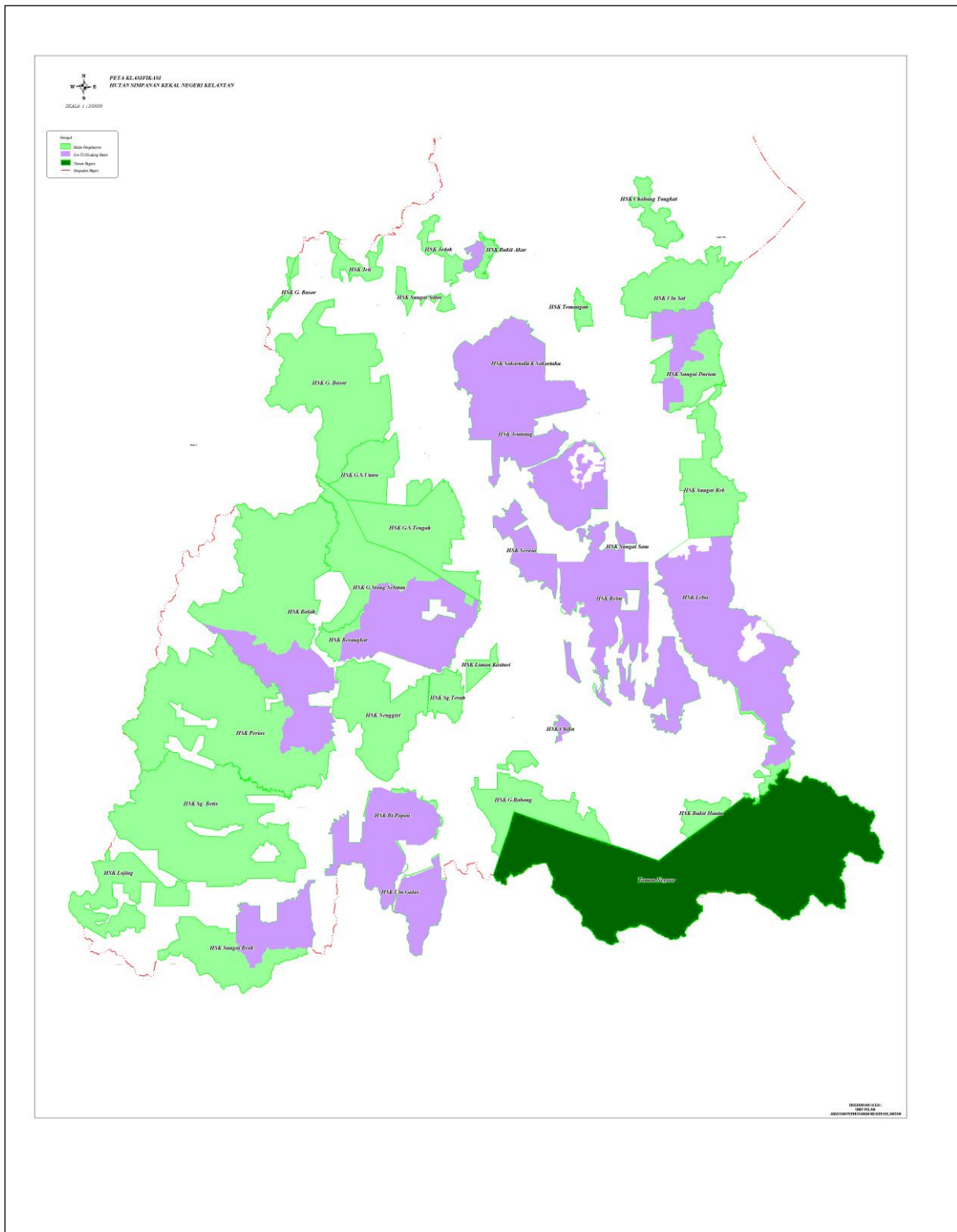
			<p>Kampung Depak. A small stream, unnamed in the map, flows from the western part of Sungei Nenggiri and runs adjacent to Peralong to join the main river on its western bank. It was also alleged that there was no prior consultation made with villagers to inform them about the logging operations.</p> <ol style="list-style-type: none"> 3. The letter (KSFD to FDPM, DG, 7.7.2013) also mentioned that KSFD has sent its staff together with JAKOA staff to Kampung Peralong on 12.1.2013 to do investigation in response to complaints made by the villagers on 25.10.2012. 4. Kampung Peralong was visited by the auditors and accompanied by officers from the KSFD on 9.9.2013 in response to issues stated in the letter. The villagers interviewed were Mr. Seli, Mr. Anuar and Mr. Akoi. 5. With reference to the map of the affected area [<i>Pelan Kedudukan Hutan Simpan Kekal, Hutan Perlindungan, Kampung-Kampung dan Pos-Pos Orang Asli, Kawasan Tadahan Air yang diwartu, Tandak Air dan Jalan Perhubungan dibawah Pentadbiran Pejabat Hutan Jajahan Gua Musang, Kelantan</i>, (undated)] the logging area (Compartment 256, Perias Forest Reserve) was sufficiently remote from the tributary adjacent to Kampung Peralong (about 2 km) and to the main Sungai Nenggiri (about 6 km) to impact on the respective river water. Kampung Depak is much further removed from the logging area (about 7 km upstream) and would most unlikely to have its water silted by the disturbance. 6. The unnamed stream which runs near Peralong was slightly murky due to recent heavy rain. There was no sign of siltation level indicated of high soil disturbances in the immediate catchment area. 7. The main economic activity of the villagers was rubber smallholdings located outside of the FMU. The few fruit trees grown surrounding the houses observed (rambutan, pulasan, dokong and also durian), were mainly for own consumption. It
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			<p>was clear that the community did not depend on the surrounding forests for hunting and gathering, for their main economic activity.</p> <p>8. Records seen from the KSFD showed that departmental staff had routinely conducted an SIA survey on 22 October 2006 prior to logging at Compartment 256 of the Perias Forest Reserve. The respondent as stated in the questionnaire was Along ak Uda from Kampong Hak in Kuala Yai. The SIA survey serves as the consultative mechanism with local stakeholders/their representative by the forestry department.</p> <p><u>Conclusion:</u> <i>The remoteness of Kg Depak, home of Awir bin Awe, from the logging activity (Compt. 256, Perias Forest Reserve, more than 8 km distance) make it unlikely to impact its nearest stream which did not show characteristic high siltation (Refer points #5,6). The villagers were also not to be economically affected by logging operation since their main income was derived from rubber small holdings (Refer point #7). Allegation that villagers were not consulted cannot be sustained since the SIA survey has been conducted on 22.10.2006 by the KSFD prior to logging of Compt. 256, Perias Forest Reserve (Refer point #8).</i></p>
14	Stakeholder 14	1. Land alienated for conversion to TLC	<p>1. The areas affected were Stateland and alienated land (10,000 acres) converted to agricultural uses.</p> <p><u>Conclusion:</u> <i>The issues were not related to the FMU and therefore considered not relevant to this certification audit.</i></p>
15	Stakeholder 15	1. River water contamination and air pollution due to dusty timber and access roads.	<p>1. Pos Hau is located far from the logging area (Compt.37, Sg Betis Forest Reserve) and unlikely to be impacted (separated river valley system, and relatively far upstream) as reported by stakeholders. In addition, it was noted that most of the signatories were from Pos Bihai which was also located far from the logged area and most unlikely to be affected by the harvesting operation,</p>

			<p>since Compt. 37 is located at the different river valley and distinctly higher elevation.</p> <p><u>Conclusion:</u> <i>Given the distance between the logging area and Pos Hau including Pos Bihai (Refer point #1 above) it was unlikely that the stakeholders would have been impacted as stated in their complaints.</i></p>
16	Stakeholder 16	<p>1. Urgent – Potable water needed for Orang Asli in Gua Musang 2. Serious water problem currently faced by Orang Asli</p> <p>Affected Villages: Resettlement Plan or 'Rancangan Penempatan Semula (RPS) Kuala Betis Kg Angkek and four other villages</p>	<p>1. The stakeholder's information was too general and sweeping covering a large area allegedly impacted by logging. However RPS Kuala Betis is located on Stateland previously alienated for agriculture development.</p> <p><u>Conclusion:</u> <i>These issues raised involved a Stateland. Therefore, it was considered not relevant to this certification audit.</i></p>
17	Stakeholder 17	<p>1. Logging activities destroyed native customary land in Pos Simpor, Gua Musang 2. Pollution to water sources (river water, Sg. Nenggiri and Sg. Perias) 3. Forest resources (games, non-timber forest harvests) reduced 4. Graveyards destroyed 5. Logging traffic endangered road users and created dust pollution 6. Villagers not consulted prior to logging</p> <p>Affected Villages: Orang Asli Temiar, Post Simpor Gua Musang</p>	<p>1. The location/coordinate given (N 05 ° 07' 54.3"; E 101° 27' 12.8") was outside of Kelantan FMU. The area was located in the state of Perak. 2. The letter (KSFD to FDPM, DG, 29.7.2013) also mentioned that forestry department has ordered their staff to do an investigation at the Pos Simpor on 14.8.2012 in response to the raised issues made by the villagers on 29.7.2012. 3. The investigation had revealed that the Sg Nenggiri and Sg Perias did not across Pos Simpor. Pos Simpor used a gravity water (Tandak water) as their main water source which was drawn from an adjacent village. The issue of logging activities has polluted the gravity water at the Pos Simpor, therefore does not arise. 4. The unpaved road connecting villages with other land use. The road was also being used for other activities such as transporting palm oil and sand to Gua Musang</p> <p><u>Conclusion:</u> <i>These issues were not related to Kelantan FMU. Therefore, it was beyond the scope of this certification audit.</i></p>

18	Stakeholder 18	<p>A recent example of mining inside forest reserves is the case of a Temiar village downstream of an open cast iron-ore mine inside a forest reserve in Gua Musang (part of the MTCS-certified Kelantan FMU).</p> <p>Most of State Forest Departments dismiss claims of Orang Asli rights to land within forest reserve, even if Orang Asli settlements are older than the forest reserve itself. In Kelantan for instance, the State Forestry Department had insisted that the Forestry <u>Act does not recognise Orang Asli territories within Forest Reserves</u> as stated by the witness from the Department, Mr Yusup Bin Abdul Rahaman (W19) during the Public Hearing. "Firstly, the Forestry Law does not mention or define traditional territories. Secondly, other than Orang Asli inhabited areas, the State Forest Department does not have any record showing Orang Asli settlements within forest reserves in the State. Most of the areas inhabited by the Orang Asli are within permanent forest reserves. While the Department understands that the Orang Asli have the right to remain on areas they have long inhabited in forest reserves, the Orang Asli are still bound by the Forestry Law."</p> <p>In case A90, the Menriq people of Kg Kuala Lah in Gua Musang, Kelantan told the Inquiry about the significance of Batu Janggut found within their traditional territories. They also complained about the Report of the National Inquiry where the logging has affected their source of livelihood and their life. However, in term of legal, the logging company has operated the licensed logging area legally. He also said that the location of Batu Janggut was within state land, which means that everyone should have access to the area.</p>	<p>The Kelantan Forestry Department was invited by the Human Rights Commission of Malaysia (SUHAKAM) by a letter on 5.4.2012 as a witness to national public hearing inquiry of aboriginal land rights/native on 27-30 April 2013 at KESEDAR INN Gua Musang.</p> <p><u>Conclusion:</u> <i>Most of the comment has been answered by the Kelantan Forestry Department regarding the aboriginal land rights/native. Therefore there was no issue regarding this matter.</i></p>
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Map of the Kelantan FMU



Minor NCRs and OFIs Raised During this Recertification Audit

Indicator	NCR No.	Status	Summary of Non-Compliance
6.3.1	1	Minor	<p><u>Availability and implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration, where necessary, in the FMU</u></p> <p>The analysis of changes of forest stand/species composition in relation to the pre-felling inventories was not adequate.</p> <p>Documents on the analysis of post F and pre-F were available. Detailed pre-F and post F data for some compartments were compiled. Preliminary analysis to assess changes of stocking and species composition was conducted by the KSFD. However, the comparative analysis on floristic changes between the pre-F and post-F was found to be inadequate as it did not provide any elaboration on the findings of the results and subsequent measures. A more comprehensive analysis needs to be carried out to assess the changes in stocking and species.</p>
6.5.1	2	Minor	<p><u>Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations.</u></p> <p>The implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations did not fully adhere to the requirements of Guidelines for Forest Road 2010.</p> <p>The alignment of some of the skid trails in Compartment 15 of the Nenggiri Forest Reserve did not adhere to the harvesting plan. The changes have not been approved by KSFD. It was also found that some sections of the skid trails in Compartment 15 of the Nenggiri Forest Reserve and Compartment 36 of the Betis Forest Reserve were subjected to heavy blading which resulted sidewalls blading of more than 0.6m exceeding that stipulated under the Guidelines for RIL in Peninsular Malaysia 2003.</p>
5.6.1	3	Minor	<p><u>Rate of harvest shall not be greater than estimated regrowth of the residual stand based on data analysis of permanent sample plots within a pre-defined cutting cycle</u></p> <p>The calculation of the annual coupe based of the net production area for the FMU was inadequate.</p> <p>A significant portion of the PRF amounting to 199,352 ha had been zoned as potential forest plantation areas for planting Timber Latex Clones (TLC) rubber trees. These areas had been excluded from the FMU and are therefore beyond the scope of this audit. The remaining FMU area to be audited under this recertification audit 2013 thus covers a total of 424,497 ha. With this consideration the AAC needs to be recalculated for the adjusted FMU. The calculation of the AAC in the midterm review indicated that the total TLC area within the PRF amounted to 90,040 ha and the production forest totalled 477,508 ha. This does not match with the actual size of the FMU and thus, the AAC</p>

			needs to be recalculated.
7.2.2	4	Minor	<p><u>Forest managers shall be aware of new scientific and technical information pertinent to the management of the area to be certified.</u></p> <p>The implementation of new scientific and technical information pertinent to the management of the area to be certified was found to be inadequate.</p> <p>Areas above 1000m were being harvested under a research project involving 2,200 ha in the Sg Betis, Brok and Lojing Forest Reserves using reduced impact logging guidelines. In the previous surveillance audit in 2012, a minor NCR was issued on the research activities where it needs to be better monitored on its technical requirements. Currently, the research has stopped and all logging operations have been halted. In the meeting of the 'Jawatankuasa Kecil Perhutanan' (JKKP) on 19 August 2013 (Confidential) the KSFD had proposed that the research be suspended due to difficulties faced in undertaking the logging activities and meeting the safeguards required. In this respect, the JKKP has agreed that Telemont Timber Sdn. Bhd. shall submit the final report on the research conducted to date. The Minor NCR is thus retained to allow review of the research findings and recommendations.</p>
8.3.1	5	Minor	<p><u>Forest managers shall provide relevant documents for identifying all forest products leaving the area to be certified so that their origin could be easily determined.</u></p> <p>Record of logs being issued with RPs (Removal Pass) at the Forest Checking Station was found not to be properly updated in the tree tagging book.</p> <p>During the inspection at the Kuala Betis Forest Checking Station, it was found that the information on Removal Passes (RPs) was in a good order. However, some of the logs recorded in the RPs did not tally with the records of the 'Tree Tagging Book' for the following logs:</p> <ol style="list-style-type: none"> 1) RP No. L796934 for License DS01/10/2013 issued to Syarikat Perusahaan Sinar Kelantan Sdn Bhd, the log tag no. 143083/3 and 13817/2 (Merbau) 2) RP No L946273 for License DS01/12/2013 issued to Matra Makmur Ent, the log tag no 17656/4 (Meranti Bukit) <p>The logs #1 and #2 have been removed based on the RPs but the records in the tagging book did not reflect that the logs had been removed.</p>

OFIs

Indicator	OFI No.	Summary of OFI
4.4.1	1	<p><u>Forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations.</u></p> <p>The <i>Panduan Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan</i> (the Guideline for Gathering Information on Social Impact in the Logging Sector) was used, prior to logging, to gather data at the district level on the potential impact during and after logging. However the data gathered from the village leader and a villager (representing the village) was not analysed. It is recommended that a small percentage of the villagers concerned are interviewed and the data gathered analysed to provide a better picture of the villagers' perception of the impact. This will ensure that measures taken to mitigate or remedy the impacts are more effective. It is also suggested that the actions taken and their results are recorded and filed.</p>
6.2.4	2	<p><u>Hunting, fishing and collecting activities shall be controlled and inappropriate activities prevented in the FMU.</u></p> <p>Among measures on the control of inappropriate activities including illegal hunting, fishing, trapping and collection is putting adequate signage in order to warn off trespassers particularly potential poachers of protected wildlife. Such signage was absent or has not prominently been displayed in the PRFs visited (Ulu Sat and Betis Forest Reserves). Informative posters on wildlife were being displayed at the <i>kongsi's</i> (logging camps) noticeboards (e.g. Ulu Sat Forest Reserve) but would not be seen by poachers and trespassers. Adequate signage should be installed in strategic areas, such as the main entrance and main access roads, in the FMU.</p>
9.2.1	3	<p><u>Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCVFs.</u></p> <p>The latest consultation with the stakeholders was conducted on 25 April 2013 at KSFD. However the consultations were conducted without any participation from the NGOs. It was also found the record of consultation such as the minutes of meeting or attendance list were not available.</p>
9.4.1	4	<p><u>Forest managers shall conduct, appropriate to scale and intensity of forest management operations, annual monitoring to assess the effectiveness of the measures in the management of the HCVFs in the FMU.</u></p> <p>The FMU did carry out regular monitoring of the HCVF. Currently, monitoring was conducted on a quarterly basis at the Gunung Stong Tengah Forest Reserve on 28th March 2013, 27th June 2013 and 29th September 2013. The records can be seen in the "Laporan Semakan/Rondaan ke Atas Kawasan High Conservation Value Forest: <i>Licuala stongensis</i> di Taman Negeri Gunung Stong". However, the monitoring records need to be improved with more details on the condition of the plants as required in Forest Management Plan (8.3.2 – "Aktiviti dan Pelan Tindakan di Masa Hadapan di Dalam HCVF/GRA").</p>

**Verification on Corrective Actions Taken on NCR Raised During Previous Surveillance Audit
Against the MC&I (Natural Forest)**

NCRs

Indicator	NCR No.	Non-Compliance	Corrective Action Taken	Verification by Auditor
7.2.2	1 (Minor)	<p>The implementation of new scientific and technical information pertinent to the management of the area to be certified was found to be inadequate.</p> <p>Areas above 1,000m were being harvested under a research project involving 2,200 ha in the Sg Betis, Brok and Lojing Forest Reserves using reduced impact logging system. Inspection of the research site in Compartment 217 of the Sg. Betis Forest Reserve, Gua Musang District indicated that harvesting were being conducted using a "Log Fisher" machines involving long distance cable yarding. Observation of the logging operation also indicated minimal impacts to the residual stand as construction of skid trails were avoided. However, the research activities need to be better monitored on its technical requirements to ensure that the study being conducted on large scale is justified and the results of the research are acceptable and can be used for recommendations with regard to logging forests at high elevation.</p>	A committee meeting called "Mesyuarat Jawatankuasa Kajian Perintis Pembalakkan Tanah Tinggi" was established to monitor the research.	<p>Currently the research has stopped and all logging operations halted. In the meeting of the "Jawatankuasa Kecil Perhutanan" (JKKP) on 19 August 2013 (<i>Confidential</i>), the KSFD had proposed that the research be suspended due to difficulties faced in undertaking the logging activities and meeting the required safeguards. In this respect, the JKKP has agreed that Telemont Timber Sdn. Bhd. shall submit the final report on the research which has been conducted to-date.</p> <p><u>Status:</u> <i>NCR 1 was retained and remained outstanding to allow a review of the research findings and recommendations.</i></p>
6.5.3	2 (Minor)	<p>The implementation of guidelines on forest road layout and construction, including log landings and drainage requirements was found to be inadequate.</p> <p>Inspection of research site</p>	<p>The contractors were ordered to clear the excessive soil beside the river.</p> <p>The road was repaired and improved with the construction of additional drainage, silt pit and</p>	<p>Inspections at the active logging sites in the Nenggiri and Balah Forest Reserves and completed logging site in Sungai Betis Forest Reserve had indicated the implementation of</p>

		<p>in Compartment 217 of the Sg. Betis Forest Reserve in the Gua Musang District involving areas with more than 1,000m indicated that certain stretches of the roads leading to the site were not in a good condition as drainage was not adequate. Following recent maintenance, there were excess earthworks and loose soil, some of which had spilled into stream crossing. However, it was also found that a large stretch of the roads had been well constructed with adequate compaction and graveled. Since logging was being undertaken in sensitive areas, road construction specification needs to be adhered and applied consistently. It was also observed that loose soil was being spilled into stream crossing along the roads leading to Compartment 61 of the Balah Forest Reserve in the Tanah Merah district.</p>	<p>cross drain monitored by the consultant. In addition, a reminder has been given to all Forest Districts offices to cover and compact the loose soil.</p>	<p>harvesting procedures had generally followed the harvesting plans that had been approved by the KSFD. 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 sites visited. Most of the roads had been constructed following the alignment of old roads. Only tagged trees were being removed as evident from the inspections conducted in the sites visited in the Nenggiri, Balah and Sg Betis Forest Reserves. Fruit trees and trees within riparian buffers had been well protected. Side ditches, sumps and cross drains had been constructed.</p> <p><u>Status:</u> <i>NCR 2 was closed out.</i></p>
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OFIs

Indicator	OFI No.	Summary of OFI	Verification by Auditor
3.3.1	1 (OFI)	<p>Procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to aborigines were not available.</p> <p>List and maps depicting locations of important cultural, ecological, economic or religious sites in the FMU was not available.</p> <p>Records of dialogues and consultations held with aborigines and relevant stakeholders were not available.</p>	<p>The KSFD In collaboration with the Orang Asli Affairs Department or Jabatan Kemajuan Orang Asli (JAKOA) had prepared appropriate procedures for the identification and protection of sites of special cultural, ecological, economic or religious significance to the Orang Asli.</p> <p>A map identifying the burial sites of the Orang Asli had been drawn and made available at the KSFD office.</p> <p>Potential impacts of forest activities on the Orang Asli communities (as well as other local communities) were recorded in the 'Panduan Maklumat Kajian Impak Sosial Dalam Sektor Pembalakan Di Negeri Kelantan'. This includes potential and actual impact on the sites identified. Based on the information obtained relevant measures were taken to protect such sites.</p> <p><u>Status:</u> <i>OFI 1 was closed out.</i></p>
6.6.1	2 (OFI)	Management policy on environmentally friendly non-chemical methods of pest management was not available.	<p>Management Policy on environmentally friendly non-chemical methods of pest management has been developed and made available by KSFD on 1 January 2013.</p> <p><u>Status:</u> <i>OFI 2 was closed out.</i></p>
1.5.2	3 (OFI)	FMRS has been established to monitor encroachments through satellite data. However the system was slow and difficult to use for monitoring purposes.	<p>During the recertification audit, it was found that the system was fully operational with FMRS PLUS. The application was shown to the auditor during the audit.</p> <p><u>Status:</u> <i>OFI 3 was closed out.</i></p>
6.7.2	4 (OFI)	During the inspection of the active logging site in Compartment 217 in the Betis Forest Reserve, Gua Musang District and Compt 61 in the Balah Forest Reserve, Tanah Merah District, the auditor has observed diesel spillage at the generator and diesel fuel tanks.	<p>Inspection of active logging site indicated that oil drums were contained and posters on the proper handling of chemicals had been displayed. A proper storage area for oil drums has been established and proper signage was put in place. It was observed that there was no diesel spillage at the generator and diesel fuel tanks.</p> <p><u>Status:</u> <i>OFI 4 was closed out.</i></p>

9.3.2	5 (OFI)	The HCVF has been monitored for almost every month. However the result of monitoring has not been published in the public summary.	<p>A public summary of the FMP has been posted on the KSFD's web page at http://jpnk.kelantan.gov.my/maklumat-perhutanan/high-conservation-values-forest/executive-summary. Currently, the website can be accessed by Firefox.</p> <p><u>Status:</u> <i>OFI 5 was closed out.</i></p>
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End of Public Summary