Response to Greenpeace – TPAS

General Remarks

The document provided by Greenpeace is basically a compilation based on Malaysian newspaper articles (3), a joint statement by an NGO coalition (Friends of Ulu Muda II) (1), WWF Malaysia press release (1) and a petition by a third NGO (Save Our Seahorses) (1), and an attempt to link these articles to, and using them to draw conclusions on the Malaysian Timber Certification Scheme (MTCS), as these activities were reported to occur in MTCS-certified FMUs. **Most of the cases highlighted however relate to development rather than forestry issues *per se*.**

It is to be noted that timber certification, which is voluntary in nature, was one of the outcomes of the United Nations Conference on Environment and Development (UNCED) in 1992 where it was proposed that criteria and indicators for sustainable forest management (SFM) be developed. Consequently, timber certification was promoted as a market-linked tool to encourage the practice of SFM and was well received, notably by the NGO communities and others, resulting in the development and implementation of both national and international forest certification schemes. However, to view forest certification as the panacea to address all forestry problems as alluded in the compilation by Greenpeace would be to accord and expand the scope of certification beyond what was originally intended.

MTCC would like to provide feedback to the six "case studies" as follows:

Case Study 1: Illegal Logging in MTCC Selangor FMU: Kuala Langat Selatan Forest Reserve

This case study was actually a local newspaper report on "*Illegal use of reserve*" by Lim Chia Ying of *The Star* published on 24 February 2009, which highlighted the encroachment in the Kuala Langat Forest Reserve. The encroachment was related to the logging of peat swamp forest for agricultural purposes such as for the cultivation of oil palm, tapioca, ginger, etc. The article also quoted sources that more than 100 permits were issued to various individuals during the previous Selangor State administration as a temporary occupational licence (TOL) for usage of forest land. It also highlighted that the encroachment had occurred since the 1980s.

MTCC's Response

These encroached areas were actually detected during the forest management certification of the Selangor FMU against the requirements of the *MC&I*(2002) in 2006 which resulted in the issuance of an *observation* by the Certification Body (CB). An observation was issued here as the encroached areas were identified and documented and conflict resolution measures to resolve the matter was on-going. One of the measures taken was the issuance of temporary use permit to these farmers in view of the fact that the land was cultivated before 1990, to protect the permanent reserved forest (PRF) from any future encroachment.

We would like to further report that since the publication of *The Star* article on 24 February 2009, the Selangor State Government has met with the farmers, and informed them that no new use permits will be issued while all existing permits will be revoked, as reported in an article entitled "*Farming permits revoked*" which appeared in *The Star* on 20 May 2009 (see **Appendix I**). This information should have been included by Greenpeace in its compilation to provide for a more balanced reporting on this matter.

Case Study 2: Indigenous People Mistreated in MTCC Pahang FMU: Lakum Forest Reserve

This case study was based on a local newspaper report on "*Water project still in the pipeline*" by Hilary Chiew of *The Star* published on 13 May 2008. The article describes the proposed Kelau Dam project which involves piping water from Pahang State to Selangor State, mooted in the late 1990s. The proposed dam would inundate a total of 4,090 ha of land, including 1,549 ha located in the Lakum Forest Reserve and would result in the displacement of the Orang Asli of the Temuan tribe at Sungai Temir near Raub, the Chewong tribe at Bukit Cenal and the FELDA (Federal Land Development Agency) Kelau settlers, i.e. mainly non Orang Asli.

MTCC's Response

Greenpeace has chosen to enlarge the scope of forest certification to cover proposed government development projects, instead of focusing on issues which are directly related to the implementation of SFM. This case involves a collaboration project between the State and the Federal Governments in Malaysia to ensure adequate water supply for the water-deficit State of Selangor in the future. The project has yet to commence and it is our understanding that the Federal and the State Governments are still engaged in negotiation/discussion regarding the project.

It is to be emphasised that as the National Governing Body (NGB) of the MTCS, which is a voluntary scheme, MTCC is not involved in the planning or decision making process related to this project.

It is also to be noted that under the MTCS, though restricted, there is provision for conversion of forests to plantations or non-forest land uses, in the overall context of the need for socio-economic development, as stipulated under Criterion 6.10 and its associated Indicators in the *MC&I*(2002). In this context, the project would result in the inundation of 1,549 ha of the Lakum Forest Reserve which is a mere 0.01 % of the total PRF areas in the Pahang FMU. Additionally, it is most probable that the 1,549 ha of the Lakum Forest Reserve, though to be inundated, will be classified as a water catchment forest and will remain as a PRF.

To title the case study as *Indigenous People mistreated in MTCC Pahang FMU* is therefore most inappropriate and inaccurate.

Case Study 3: Stakeholders Ignored in MTCC Johor FMU: Sungai Pulai Forest Reserve

This case study contains a short petition by an NGO, *Save Our Seahorses* dated 29 July 2007 against the plan to build a petrochemical and maritime industrial park at the Pulai River estuary.

MTCC's Response

Based on the information provided by the Johor State Forestry Department, the said Forest Reserve was degazetted by the State Government in 2004 for the above planned development project and the site is not included in the designated Ramsar site. An Environmental Impact Assessment (EIA) for the first part of the project (Proposed hydrocarbon storage and distribution terminal) has been conducted.

Again, this case study falls under the responsibility and prerogative of the State Government to bring about economic development to the State. The area has been degazetted and will therefore be outside the purview of the MTCS.

Additionally, the Johor FMU is currently not certified under the MTCS.

Case Study 4: Rhinoceros Endangered in MTCC Terengganu FMU: Tembat Forest Reserve

This case study relates to a Press Release by WWF Malaysia on the proposed logging of the catchment forest in the Tembat and Petuang Forest Reserves for the construction of two hydro-electric power dams.

MTCC's Response

This is another case involving the development of the State in which the MTCS-certified forests are located. The State Government is proposing to construct two hydro-electric dams which will result in the inundation of part of the two Forest Reserves mentioned. Nevertheless, since this development is occurring in the PRFs, the issue raised is within the purview of the MTCS.

In line with MTCC's general practice, this matter will therefore be brought to the attention of the Certification Body (CB) for investigation during the forthcoming certification audit of the Terengganu FMU under the MTCS.

As highlighted under Case Study 2, though restricted, there is provision in the *MC&I*(2002) for the conversion of forests to plantations or non-forest land uses, in the overall context of the need for socio-economic development of the FMU. In this context, the project would result in the inundation of part of the Tembat and Petuang Forest Reserves which will continue to be classified as water catchment forests and remain as PRF.

Case Study 5: Natural forest cleared for plantations in MTCC Kelantan FMU; Gunung Stong Selatan FR

This case study is related to the planting of "Timber Latex Clone" rubber trees in the Gunung Stong Selatan Forest Reserve. The Kelantan Forestry Department has been reported to have approved 681 ha of natural forest for such purpose. WWF Malaysia has expressed concern as the area concerned is near to the Gunung Stong State Park.

MTCC's Response

As the case involves the PRF, it will be brought to the attention of the Certification Body (CB) for investigation during the forthcoming certification audit of the Kelantan FMU under the MTCS.

Case study 6: Destruction of virgin forest in MTCC Kedah FMU: Ulu Muda Forest Reserve

This case study related to a Joint Statement by the an NGO coalition, *Friends of Ulu Muda II* on the proposed logging at the Ulu Muda Forest Reserve. The scenario was that the new Kedah State Government has expressed its intention to log the Ulu Muda Forest Reserve in an environmentally friendly manner. The Joint Statement highlighted the important role of the Ulu Muda forests as water catchment area for the Pedu, Muda and Ahning dams for water supply both for drinking, agricultural and industrial purposes. The Ulu Muda forests also support a rich diversity of fauna and flora. The Joint Statement concluded with recommendations to both the State and Federal Governments to save the Ulu Muda forests from logging.

MTCC's Response

The Friends of Ulu Muda II has played their rightful role to highlight the negative implications of logging in the Ulu Muda forests to the Federal and State Governments, with the view to dissuade the State Government from pursuing its proposal to log the water catchment area. The proposal itself is not new as a similar proposal was also made by the previous State Government.

MTCC is being criticized by Greenpeace simply because a proposal has been made to log the Ulu Muda forests, rather than based on actual implementation of forest management activities (the scope of forest certification), if any had been found to violate the requirements of the forest management standard used under the MTCS. Furthermore, it is subject to ongoing negotiations between the state and federal governments of Malaysia in which MTCC has no role to play.

It is within the mandate of MTCC as the scheme operator to ensure that any FMU applying for certification under the MTCS must comply with the requirements of the *MC&I*(2002) in order to be awarded the MTCS certificate. However, it is beyond the mandate of MTCC, which is operating a voluntary certification scheme, to dictate to the State Government on the activities that it should or should not undertake for the socio-economic development of its State.

MTCC
28 September 2009