

# Private concession certified in Malaysia

**Samling Plywood's Sela'an Linau forest management unit in Sarawak is the first private operation to be certified in Malaysia**

**by Amha bin Buang**

**ITTO Secretariat**

*eimi@itto.or.jp*

**T**HE AWARD of a certificate of forest management and a certificate of chain-of-custody by the Malaysian Timber Certification Council (MTCC) to Samling Plywood (Baramas) Sdn Bhd on 4 January 2005 marked a significant milestone in the implementation of forest and timber certification in Malaysia. With the award, Samling Plywood (Baramas) Sdn Bhd has become the first private company managing a forest management unit (FMU)

in Malaysia to be certified under the MTCC certification scheme. It has also become the first company and FMU in the state of Sarawak to be certified under the scheme.

The company's journey towards sustainable forest management (SFM) began in 1996 when it achieved ISO 9001 certification for its forest operations in Ulu Baram. Two years later, the company cooperated with the Forest Department of Sarawak and the German Agency for Technical Cooperation (GTZ) in developing a comprehensive forest management information system database to be used for SFM programs in the state. Since then, Samling has worked to improve practices in the Sela'an Linau FMU with a view to achieving certification.

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Samling's 55 949-hectare Sela'an Linau FMU, comprising 72% mixed hill dipterocarp forest and 28% kerangas and mountain forest, underwent a pre-assessment in September 2003 to determine its readiness for the main assessment against the standard then used under the MTCC scheme: the *Malaysian criteria, indicators, activities and standards of performance for forest management certification (MC&I)*, agreed in 2001, which are based on the *ITTO criteria and indicators for the sustainable management of natural tropical forests*. The main assessment of the FMU was conducted in March 2004 by SIRIM QAS International Sdn Bhd, an independent assessor registered with the MTCC, resulting in the issuance of two major corrective action requests (CARs) relating to infringement of the buffer zone along permanent waterways and non-compliance with specifications in the construction of skid trails.

A follow-up assessment to verify the corrective action taken to address the major CARs previously issued was carried out in August 2004. Based on the assessor's recommendations,



**Certified:** an aerial view of the Sela'an Linau FMU. Photo courtesy MTCC

the decision to award the certificates was made in October 2004. The MTCC certificate for forest management provides assurance that the FMU has complied with the requirements of the MC&I and that the timber is harvested legally, while the certificate for chain-of-custody provides assurance to buyers that the raw material used in the products originate from an MTCC-certified FMU. With these certificates, the Samling Group is now in a position to supply MTCC-certified products through Samling Plywood (Baramas) Sdn Bhd and Samling DorFohom Sdn Bhd, which have both been awarded the MTCC certificate for chain-of-custody for plywood and moulded door skins respectively. The group has received orders for certified products from Europe and the USA and expects the demand for environmentally certified timber to grow. It is now looking for customers who are willing to buy certified products at prices that reflect the costs of certification and thus support its efforts to achieve SFM and sustain it.

## **New standard developed**

This development augurs well for certification in Malaysia and boosts ongoing efforts by the MTCC to become one of the few national certification schemes to emerge successfully from developing tropical countries—which otherwise have lagged seriously behind many developed temperate countries in the field of forest and timber certification. The MTCC certification scheme began in October 2001 using a phased approach and the MC&I as the standard. To date, nine FMUs covering a total of 4.73 million hectares of permanent forest reserves (PRFs) have been awarded the MTCC certificate for forest management, while 55 timber companies have been awarded the MTCC certificate for chain-of-custody. By November 2004 a total of 31 853 m<sup>3</sup> of MTCC-certified timber products had been exported to countries in Europe and Australia. The MTCC scheme is progressing to its next phase this year in which a new standard, the MC&I of 2002, which are based on the principles and criteria of the Forest Stewardship Council (FSC), will be used as the template.

## **Further certification expected in Sarawak**

Hopes are now high in Malaysia that this ground-breaking achievement by Samling Plywood (Baramas) Sdn Bhd will spur other FMUs in the Samling group as well as other private companies managing FMUs in Sarawak and in other states in Malaysia to take up the certification challenge. Prior to this, certification under the MTCC scheme covered eight FMUs, all of which are located in Peninsular Malaysia and are managed by state forestry departments. Progress in Sarawak is particularly crucial and strategic for the development of certification in Malaysia, since Sarawak is by far the biggest state and has the largest area under forests, amounting to 9.84 million hectares or 50% of the total forested area in the country, 6.16 million hectares or 50% of the total forested area in PRFs and 1 million hectares or 47% of the total land area in national parks and wildlife and bird sanctuaries. Sarawak has also been a focus of international attention with regards to its forests and forest policies in the last three decades.

Prospects for further progress in certification in the state are promising. The Sarawak Forestry Corporation met the Sarawak Timber Association (STA) in 2004 to discuss the implementation of SFM based on the MC&I. In consultation with logging operators, the Corporation has identified 65 FMUs in Sarawak covering 4.3 million hectares of PRF and five main timber operators in the state that have responded positively and agreed to work towards certification this year under the new set of MC&I. If successful, this initiative will have the potential to double the area of forests certified under the MTCC scheme.

## **MTCC promotes label in Europe**

In spite of the great challenges in securing international acceptance of its scheme, the MTCC has persevered in its promotion programs. A number of authorities and companies in importing countries have responded positively to MTCC-certified timber products, including the Danish Ministry of the Environment, which has included the MTCC scheme as one of the accepted schemes in its environmental guidelines for the purchase of tropical timber—in which the MTCC certificate is recognised as providing a guarantee of legal forest management and progress towards sustainability. The procurement policy of the UK government also considers that the MTCC scheme provides assurance of legally harvested timber. Discussions are ongoing with the Hamburg City Authority in Germany with regard to the provisional acceptance of the MTCC scheme, while efforts to convince the UK Department for Environment, Food and Rural Affairs and the UK Central Point of Expertise on Timber regarding the involvement of relevant stakeholders in the standard-setting process of the MTCC scheme will be continued in the hope of securing acceptance of the scheme as an assurance of sustainability

as well. In the meantime, an action plan has been adopted by the Multi-stakeholder National Steering Committee to set up an FSC national working group to develop a certification standard which can be submitted to the FSC for endorsement. The MTCC is also in the process of submitting its scheme for endorsement within the framework of mutual recognition under the Programme for the Endorsement of Forest Certification Schemes (commonly known as PEFC) and is playing a leading role in the development of the Pan-ASEAN Timber Certification Initiative, which has the aim of establishing an ASEAN timber certification scheme.

## **Phased approaches essential in tropics**

Forest certification emerged in the 1990s with an initial focus on tropical forests as an alternative to the threat of bans and boycotts against tropical timber. However, the impressive progress in the implementation of certification worldwide has so far been achieved in developed temperate countries, which currently account for 93% of the total area of forests certified, leaving tropical forests behind with a mere 7% share. The wide range of internal and external factors contributing to the considerable gap between the actual level of forest management and the standard of management required by certification implies that meeting the full requirements of certification in one go is grossly unrealistic for tropical timber-producing countries.

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In response, ITTO has been helping to develop phased approaches to certification as a pragmatic way of facilitating progress in the implementation of certification in the tropics. The work comprises the development of procedures for phased approaches and financial cost-benefit analyses of them. Assisting in this work and helping to promote phased approaches among consumers in developed importing countries is the forthcoming ITTO International Workshop on Phased Approaches to Certification, which will be convened in Berne, Switzerland on 19–21 April 2005.

*For more information on ITTO's work in certification and on the above-mentioned workshop, go to <http://www.itto.or.jp/live/PageDisplayHandler?pageId=101>*