



**ITTO INTERNATIONAL WORKSHOP ON
PHASED APPROACHES TO CERTIFICATION**

**IMPLEMENTATION OF THE
MTCC TIMBER
CERTIFICATION SCHEME**

19 April 2005

ESTABLISHMENT OF MTCC



- ❖ **MTCC started operations in January 1999 to develop and operate a voluntary and independent national timber certification scheme in Malaysia**
- ❖ **to provide independent assessments of forest management practices as well as to meet the demand for certified timber products**
- ❖ **Governed by Board of Trustees – comprising representatives from timber industry, academic & research institutions, non-governmental organisations (NGOs) and government agencies**





OPERATION OF SCHEME

- ❖ MTCC Scheme started operation in October 2001 using a phased approach
- ❖ Standard currently used for certification is the *Malaysian Criteria, Indicators, Activities and Standards of Performance for Forest Management Certification [MC&I(2001)]*
- ❖ Based on the 1998 ITTO *Criteria and Indicators for Sustainable Management of Natural Tropical Forests*
- ❖ *MC&I(2001)* contains key elements for SFM covering economic, social & environmental aspects
- ❖ Incorporates corresponding SOPs for Sabah, Sarawak and Peninsular Malaysia identified during regional & national level consultations held in 1999



OPERATION OF SCHEME



- ❖ 2005 - MTCC will use new standard (*MC&I 2002*) developed using Principles & Criteria of FSC as template
- ❖ Development of *MC&I(2002)* involved broad-based consultations and consensus between social, environmental & economic stakeholder groups through several meetings of multi-stakeholder NSC and regional & national-level consultations
- ❖ *MC&I(2002)* finalised for implementation following field-tests conducted in Sabah, Sarawak & Peninsular Malaysia
- ❖ 2005 is transition period for change from use of *MC&I(2001)* to *MC&I(2002)*



OPERATION OF SCHEME



- ❖ Standard for chain-of-custody (COC) certification used by MTCC is *Requirements and Assessment Procedures for Chain-of-Custody Certification (RAP/COC)*
- ❖ MTCC plans to use a revised version of this standard, i.e. *Requirements for Chain-of-Custody Certification (RCOC)* in 2006



MTCC TIMBER CERTIFICATION SCHEME

Department of Standards Malaysia
(*national accreditation body*)

Malaysian Timber Certification Council
(*timber certification body*)

Peer
Reviewers

Independent
Assessor

Forest
Management Unit
(FMU)

Timber Product
Manufacturer/Exporter

(Applicant)



OVERVIEW OF MTCC SCHEME

MTCC

- ❖ **Receives and processes applications for certification**
- ❖ **Arranges for assessments to be carried out by its registered independent assessors**
- ❖ **Decides on all such applications, based on report of the assessors**
- ❖ **Peer review needed for forest management certification**
- ❖ **Provides an appeals procedure for parties not satisfied with its decisions**





MTCC CERTIFICATES



Two types of Certificates are issued by MTCC:

- ❖ *Certificate for Forest Management* issued to Forest Management Units (FMUs) that have complied with requirements of forest management standard
- ❖ 9 Certificates awarded so far – 8 FMUs in Peninsular Malaysia & 1 FMU in Sarawak covering total of 4.73 million ha of Permanent Reserved Forests (33% of PRFs in Malaysia)



MTCC CERTIFICATES

❖ *Certificate for Chain-of-Custody (CoC)* for timber product manufacturers or exporters
(64 Certificates issued so far)

❖ *Certificate for Chain-of-Custody* provides assurance to buyers that MTCC-certified timber products supplied by these companies originate from certified FMUs



EXPORT OF MTCC-CERTIFIED TIMBER PRODUCTS

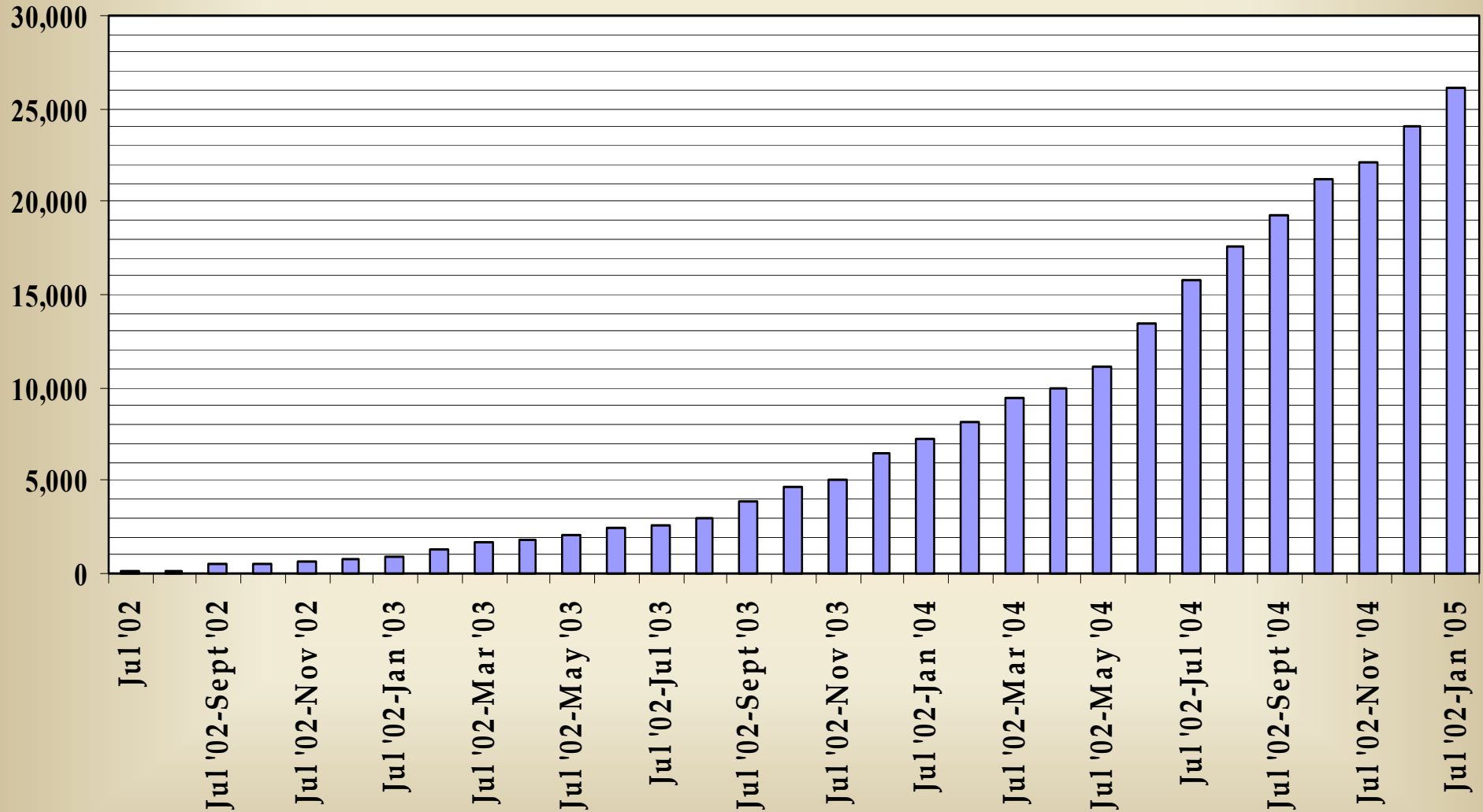


- **First shipment of MTCC-certified timber was exported in July 2002**
- **Since then, export of MTCC-certified timber products has increased significantly, particularly to countries in Europe**
- **By February 2005, 27,401 m³ of MTCC-certified sawn timber, mouldings, laminated finger-jointed timber and plywood have been exported to The Netherlands, Belgium, Germany, the United Kingdom, France & Australia**

EXPORT OF MTCC-CERTIFIED TIMBER PRODUCTS

JULY 2002 – FEBRUARY 2005

Cumulative Volume (cu.m)



Source : MTIB



PHASED APPROACH ADOPTED BY MTCC

- ❑ Phased approach adopted by MTCC scheme is a two-standard approach**
- ❑ As mentioned earlier, MTCC scheme started operation in October 2001 using the *MC&I(2001)* which is based on 1998 ITTO *Criteria & Indicators***
- ❑ For next phase of MTCC scheme beginning 2005, a new standard [*MC&I(2002)*] will be used**



PHASED APPROACH ADOPTED BY MTCC

- MC&I(2002)* places more emphasis on social aspects in forest management related to
 - ✓ indigenous peoples' rights
 - ✓ community relations
 - ✓ worker's rights**
- MC&I(2002)* also places added emphasis on
 - environmental impacts
 - need for monitoring and assessment
 - bio-diversity conservation**

PHASED APPROACH ADOPTED BY MTCC

- **Why is phased approach necessary in implementation of MTCC scheme in Malaysia?**
- **Malaysia - one of 12 mega-diverse areas in the world**
- **Its tropical rainforests very complex**
- **Management is more challenging and demanding compared to temperate & boreal forests**
- **In addition, some of the indigenous communities still live in vicinity of the forests and depend on forests for certain goods & services**
- **Some of these communities claim ownership over certain areas of the forests**
- **Sustainable management of these forests is therefore a very difficult task**
- **It is hence necessary that certification process, which assesses the level of achievement of SFM against agreed certification standard, should be implemented using a phased approach**

PHASED APPROACH ADOPTED BY MTCC

- **Efforts to improve documentation and field practices to meet requirements of certification standard [MC&I(2001)] involve need for additional information and technical knowledge as well as financial and human resources**
- **Forest managers need time to obtain these additional information, knowledge and resources**
- **Adopting a phased approach allows time for forest managers to improve or develop certain procedures and guidelines**
- **An example is the need to develop specific guidelines for RIL, which the Forestry Department Peninsular Malaysia had to carry out by consolidating existing measures for RIL (which the department is already implementing) into a single set of guidelines as required by certification standard**
- **Another example is the need to develop procedures to monitor and assess the effectiveness of measures in management of High Conservation Value Forests (HCVFs)**



PHASED APPROACH ADOPTED BY MTCC

- **These efforts have resulted in additional costs, which together with direct costs incurred in undergoing timber certification, have so far not been offset by any increase in the prices paid for MTCC-certified materials**
- **In view of this situation, it is therefore necessary to adopt a phased approach in order not to overburden the forest managers in their efforts to meet requirements of the certification standard**



PHASED APPROACH ADOPTED BY MTCC

- **In case of the MTCC scheme, adoption of phased approach is found to be necessary in order to provide an adjustment period for forest managers to progress from compliance with requirements of *MC&I(2001)* to compliance with *MC&I(2002)*, in which more emphasis is placed on environmental & social dimensions of SFM**

CONCLUSION

- **Phased approach is the pragmatic approach for implementation of timber certification especially among tropical timber producing countries**
- **Phased approach therefore should be widely supported**

CONCLUSION

- **Adoption of phased approach has enabled MTCC to make an earlier start in operating its certification scheme**
- **Positive effects of implementing timber certification in the MTCC-certified FMUs and its contribution towards achievement of sustainable management of forest resources have been acknowledged by various stakeholder groups**
- **MTCC is of view that other tropical forest countries will also be able to expedite their implementation of timber certification if phased approach is adopted**

CONCLUSION

- **Assessments carried out have helped to focus on the need to further refine some aspects of forest management in Malaysia and aspects that need further research**
- **As a result of implementation of phased approach, certified FMUs are now more familiar with the requirements for forest certification**
- **Having gone through an adjustment period, these FMUs are better prepared to meet the more demanding requirements of the *MC&I(2002)***

CONCLUSION

- **Use of phased approach must however be encouraged by the market**
- **Therefore certified timber products which are the output of certification scheme using a phased approach should be allowed to carry an appropriate label, as long as the label contains accurate information and is not misleading**



mtcc

THANK YOU